

# CALAVERAS COUNTY WATER DISTRICT FINANCE COMMITTEE MEETING

## AGENDA

Tuesday, July 29, 2014  
2:30 p.m.  
CCWD Conference Room

Calaveras County Water District  
120 Toma Court (P O Box 846)  
San Andreas, California 95249

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Administration Office at 209-754-3028. Notification in advance of the meeting will enable CCWD to make reasonable arrangements to ensure accessibility to this meeting. Any documents related to agenda items that are made available to the Board before or at the meeting shall be available for review by the public at 120 Toma Court, San Andreas, CA 95249.

## ORDER OF BUSINESS

### CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. **PUBLIC COMMENT:** Comments limited to five minutes per person.
2. **APPROVAL OF MINUTES:** June 2, 2014
3. **NEW BUSINESS**
  - 3a. Review and Acceptance of the FY 2013-14 Fourth Quarter Investment Report (Patricia Christensen, Auditor-Controller)
  - \*3b. Update on FY 2013-14 Capital Repair and Replacement Program (Jeffrey Meyer, Director of Administrative Services)
  - 3c. Discussion/Direction Regarding Customer Billing Status (Joel Metzger, Customer Service/Community Relations Manager)
  - 3d. Discussion/Direction Regarding Billing for Tenants/Property Owners (Joel Metzger, Customer Service/Community Relations Manager)
4. **DIRECTOR OF ADMINISTRATIVE SERVICES COMMENTS**
5. **AUDITOR-CONTROLLER COMMENTS**
6. **GENERAL MANAGER COMMENTS**
7. **DIRECTOR COMMENTS**
8. **FUTURE AGENDA ITEMS**
9. **NEXT COMMITTEE MEETING**
10. **ADJOURNMENT**



MINUTES  
FINANCE COMMITTEE MEETING  
JUNE 2, 2014

The FINANCE COMMITTEE of the CALAVERAS COUNTY WATER DISTRICT (CCWD) met in the CCWD Conference Room at 120 Toma Court, San Andreas, California at 2:42 pm.

The following Committee Members were present:

Don Stump	Director
Scott Ratterman	Director

Also Present:

Larry Diamond	Interim General Manager
Jeff Meyer	Director of Administrative Services
Patti Christensen	Auditor-Controller
Joel Metzger	Customer Service/Customer Relations Manager

Public Present:

None Present

1. Public Comment:  
None
2. Approval of Minutes:  
Minutes approved from the April 7, 2014 Finance Committee Meeting.
3. New Business:

3a. Update on Billing for Tenants/Property Owners:

Mr. Metzger told the Committee members that all customers have been notified of property owner billing only. There has been an increase in phone calls regarding owner/tenant billing, with the Property Management owners being the most vocal in their discontent. The current billing cycle has been completed and there were 194 lock offs compared to the previous billing, for the same cycle, of 150. The next billing cycle will be monitored and data regarding owner/tenant phone calls and current lock offs will be presented at the Finance Committee meeting. Options are being reviewed regarding mailing tenant billings for a fee, or electronic notices.

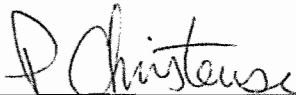
3b. Discussion Regarding FY 2014-15 Preliminary Budget:

Mr. Meyer provided handouts of the preliminary operating budget revenue and expenditures reports. Revenue will remain fairly static with an overall increase of \$28K. A 20% reduction in water revenue has been recognized due to the mandated Stage 3 water conservation measures. There was much discussion regarding the highlights of the changes to expenditures compared to the prior year as well as additional expenditures related to Water Resources issues. A change was made to the structure of the budget; general expenses such as insurance, power, etc. will now be classified in the non-departmental budget. Direction was given to present the preliminary budget to the Board at the next regular Board Meeting.

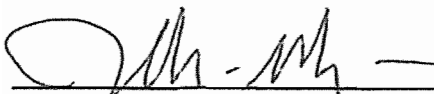
MINUTES  
FINANCE COMMITTEE MEETING  
JUNE 2, 2014

4. Director of Administrative Service Comments:  
Mr. Meyer discussed calculating a vehicle per mile cost in order to start a Vehicle Replacement Fund to rotate vehicles as necessary.
5. Auditor-Controller Comments:  
Customer billing and payment options will be discussed with Joel Metzger.
6. Interim General Manager Comments:  
CPUD is looking into a rate increase.
7. Director Comments:  
Director Ratterman:  
There was a discussion regarding communication between the Directors and Staff. All communication should go through the General Manager and then to the Directors.  
  
Director Stump:  
Follow up to a previous discussion regarding wholesale water. A calculation should be based on consumption, cost and connection fees which is data not currently available. Moving into the future we could provide water without assuming the liability of the water district/community in need.  
  
Showing the value of the North Fork project on the Financial Statements. This would be more for ownership reasons than book value. Ms. Christensen will confer with the auditors in August.
8. Future Agenda Items:  
None
9. Next Committee Meeting:  
To be scheduled for July 2014
10. Adjournment:  
With no further business, the meeting was adjourned at 4:37 p.m.

Respectfully Submitted,

  
\_\_\_\_\_  
Patti Christensen, Auditor-Controller

Approved:

  
\_\_\_\_\_  
Jeffrey L. Meyer, Director of Administrative Services

# Agenda Item

DATE: August 13, 2014  
TO: Larry Diamond, Interim General Manager  
FROM: Patricia Christensen, Auditor-Controller  
SUBJECT: Review and Acceptance of the FY 2013-14 Fourth Quarter Investment Report

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## RECOMMENDED ACTION:

Motion: \_\_\_\_\_ / \_\_\_\_\_ by Minute Entry, to review and accept the District's quarterly Cash and Investments report for the period ending June 30, 2014.

## SUMMARY:

Stated below are cash and investment balances for March 31, 2014 and June 30, 2014 and the change in respective balances:

	<u>03/31/14</u>	<u>06/30/14</u>	<u>Change</u>
Cash, Umpqua Bank (general account)	\$ 1,252,262	\$ 1,112,771	\$ (139,491)
Cash on Hand, Petty Cash & Cash Drawer	600	600	-
Local Agency Investment Fund (LAIF)	6,843,867	6,847,227	3,360
Money Market Accounts	2,907,908	4,001,697	1,093,789
Bond Investments*	4,586,198	4,496,038	(90,160)
CDARS Accounts	3,500,000	9,800,000	6,300,000
Certificates of Deposits	1,748,722	1,481,492	(267,230)
Trustee Accounts	520,961	521,306	345
Total Cash and Investments	<u>\$ 21,360,518</u>	<u>\$ 28,261,131</u>	<u>\$ 6,900,613</u>

*\*Bonds based on Market Value*

District Funds	\$ 24,927,842
Assessment District Funds	<u>3,333,289</u>
Total Funds	<u>\$ 28,261,131</u>

During the fourth quarter of Fiscal Year 2013-14 (April 1 through June 30, 2014) the District posted investment earnings of \$15,401. Proceeds from the Capital R&R loan were invested in CDARS to mature at six and twelve months. An Umpqua Bank CD matured and \$1M was deposited into the money market account from the General Fund.

During the current fiscal year two liquidation payments totaling \$174,973.45 were received on the Lehman Bros note. In FY 12-13 two payments were received totaling \$126,942.24, and in FY 11-12 one payment was received in the amount of \$86,627.16. To date the District has received five liquidation payments totaling \$388,542.85 against the defaulted Lehman Bros note.

#### **FINANCIAL CONSIDERATIONS:**

Interest rates continue to remain low and are not expected to change for the remainder of the year. Investments are being maintained to meet debt obligations on the Capital R&R program and to fund the Fly In Acres water system construction.

Although Fly In Acres is an Assessment District, CCWD is acting in a fiduciary capacity with the funds collected on the prepayment of AD fees and the bond proceeds.


**CALAVERAS COUNTY WATER DISTRICT**

Quarterly Report on Investments

June 30, 2014

Investment Cost	Market Value	Coupon Rate	Date Invested	Date of Maturity	Days to Maturity	% of Portfolio	Invested with
\$ 6,847,227	\$ 6,847,227	0.230%	Open	Open	232	24.33%	Local Agency Investment Fund
137,101	137,101	0.010%	Open	Open	5	0.49%	Wells Fargo Money Market
3,864,596	3,864,596	0.230%	June 14, 2007	Open	1	13.73%	Umpqua Bank Money Market
1,000,000	1,000,000	0.698%	June 26, 2014	December 26, 2014	179	3.55%	Sierra Vista Bank CDARS Program
1,000,000	1,000,000	0.698%	March 13, 2014	March 12, 2015	255	3.55%	Sierra Vista Bank CDARS Program
1,000,000	1,000,000	0.698%	April 3, 2014	April 2, 2015	276	3.55%	Sierra Vista Bank CDARS Program
1,500,000	1,500,000	0.698%	June 13, 2013	June 11, 2015	346	5.33%	Sierra Vista Bank CDARS Program
5,300,000	5,300,000	0.797%	June 26, 2014	June 25, 2015	360	18.83%	Sierra Vista Bank CDARS Program
279,216	279,216	0.900%	March 28, 2012	May 1, 2015	305	0.99%	Umpqua Bank Certificate of Deposit
287,483	287,483	0.900%	March 28, 2012	May 1, 2016	671	1.02%	Umpqua Bank Certificate of Deposit
296,157	296,157	0.900%	March 28, 2012	May 1, 2017	1,036	1.05%	Umpqua Bank Certificate of Deposit
304,934	304,934	0.900%	March 28, 2012	May 1, 2018	1,401	1.08%	Umpqua Bank Certificate of Deposit
313,702	313,702	0.900%	March 28, 2012	May 1, 2019	1,766	1.11%	Umpqua Bank Certificate of Deposit
1,015,652	281,438	3.950%	May 5, 2008	November 10, 2009	DEF	3.61%	Lehman Bros Hldgs Med Term Note CUSIP 52517PXT3
2,235,082	2,093,060	5.550%	May 12, 2011	August 1, 2015	397	7.94%	South Coast Air Quality Mgmt CUSIP 83740NAE0
2,237,613	2,121,540	5.700%	December 27, 2011	August 1, 2016	763	7.95%	San Bernardino Cnty Pension Obligation Bonds CUSIP 796839AM0
521,306	521,306	(Trustee funds from page 2)				1.85%	
<b>\$ 28,140,069</b>	<b>\$ 27,147,760</b>					100.00%	

I certify that all of the investments reported herein are substantially in accordance with the District's Financial Management Policy 7, "Investment Policy Guidelines", the law and other contractual agreements. I further certify the investments reported herein provide for the ability of the District to meet cash flow needs as specified in Financial Management Policy 7.

  
 Jeffrey L. Meyer, Director of Administrative Services

**CALAVERAS COUNTY WATER DISTRICT**  
**Quarterly Report on Investments**

June 30, 2014

Trusteed Funds:

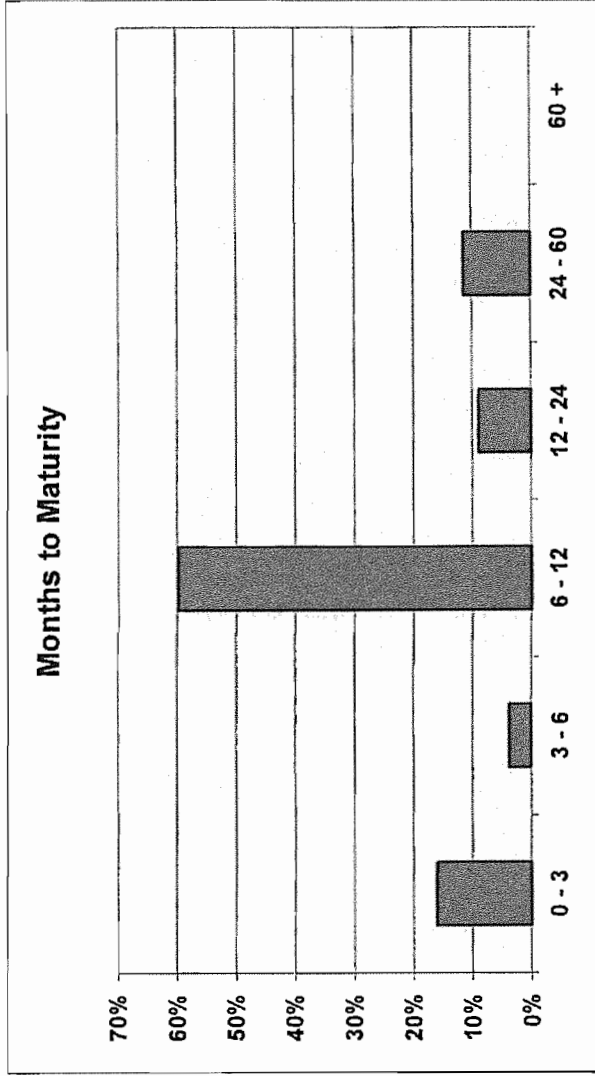
Cost	Market Value	% Yield	Date Invested	Date of Maturity	Days to Maturity	% Portfolio	Trustee	INVESTED FOR
\$ 313,078	\$ 313,078	0.00%	Aug 16, 06	Open	1	60.06%	USBank	2006 Saddle Creek Lid, Reserve
139,561	139,561	0.01%	Oct 15, 13	Open	1	26.77%	USBank	Fly In Acres Reserve Fund
68,667	68,667	0.01%	Sep 28, 01	Open	1	13.17%	USBank	DaLee/Cassidy Reserve Fund
<u>\$ 521,306</u>	<u>\$ 521,306</u>					<u>100.00%</u>		

Maturity Analysis	Maturity Time Frames	Weighted Average Maturity (The average life in days following the last day of the month)	Fund Class:	No. of Days
\$ 10,848,924	LAIF/Money Market			
281,438	Maturity in Default			
1,000,000	Scheduled Maturities in 2014			
11,172,276	Scheduled Maturities in 2015			
2,409,023	Scheduled Maturities in 2016		General	533
296,157	Scheduled Maturities in 2017		In Years =	1.46
304,934	Scheduled Maturities in 2018		Trust	1
313,702	Scheduled Maturities in 2019			
<u>\$ 26,626,454</u>	<u>Total</u>			
<u>\$ 521,306</u>	<u>Trustees Investments</u>			
<u>\$ 27,147,760</u>	<u>Total Investments</u>			

\$ 1,112,771	Checking Account Balance
600	Petty Cash + Change Fund
<u>\$ 28,261,131</u>	<u>Total Cash &amp; Investments</u>



**Calaveras County Water District  
Monthly Maturity Distribution (Market Value)  
As of June 30, 2014**



Months to Maturity	Maturity Distribution	Market Value
0 - 3	16%	\$ 4,283,135
3 - 6	4%	1,000,000
6 - 12	60%	15,926,443
12 - 24	9%	2,380,543
24 - 60	11%	3,036,333
60 +	0%	-

Months to maturity chart includes Lehman Bros defaulted bond of \$281,438 as of 6/30/14.

**Calaveras County Water District**

**Portfolio Summary**

**As of June 30, 2014**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Days to Maturity	Yield to Maturity
California Local District Bonds	4,000,000	4,214,600	4,472,695	16.2%	580	1.70%
Medium Term Notes	1,425,000	281,438	1,015,652	3.7%	DEF	DEF
Local Agency Investment Fund (LAIF)	6,847,227	6,847,227	6,847,227	24.8%	232	0.23%
Money Market Funds (Wells Fargo)	137,101	137,101	137,101	0.5%	5	0.01%
Money Market Funds (Umpqua)	3,864,596	3,864,596	3,864,596	14.0%	1	0.23%
Non-Negotiable Certificates of Deposit (Sierra Vista Bank)	9,800,000	9,800,000	9,800,000	35.5%	320	0.75%
Non-Negotiable Certificates of Deposit (Umpqua Bank)	1,481,492	1,481,492	1,481,492	5.4%	1,057	0.90%
<b>Total Investments</b>	<b>27,555,416</b>	<b>26,626,454</b>	<b>27,618,763</b>	<b>100%</b>		
<b>Ending Accrued Interest</b>		<b>100,124</b>	<b>100,124</b>			
<b>Total Investments &amp; Accrued Interest:</b>	<b>27,555,416</b>	<b>26,726,578</b>	<b>27,718,887</b>			

**Calaveras County Water District  
Investment Compliance Checklist**

As of June 30, 2014

California Government Code Section	Investment Category	Maximum Maturity	Authorized Investment Limits		Percentage Held in Portfolio	Credit Rating Limits	Compliance
			(Percent of Portfolio)	Portfolio			
53601(d)	California Local District Bonds	5 years	50%	16%	AA	Yes	
53601(k)	Medium Term Notes	5 years	30%	4%	A or >	Yes	
16429.1	Local Agency Investment Fund (LAIF)	None	*	25%	n/a	Yes	
53601(l)	Money Market Funds (Wells Fargo)	None	20%	0%	(1)	Yes	
53601(l)	Money Market Funds (Umpqua)	None	20%	14%	(1)	Yes	
53684	Non-Negotiable Certificate of Deposit (Sierra Vista Bank)	2 years	40%	35%	n/a	Yes	
53684	Non-Negotiable Certificate of Deposit (Umpqua Bank)	2 years	40%	5%	n/a	See Note	
				100%			

(1) Highest ranking by 2 of 3 of the nationally recognized rating agencies  
\*LAIF currently allows a maximum of \$50 million per account.

Note: These Certificates of Deposit are held for Loan Collateral

# Agenda Item

DATE: July 29, 2014  
TO: Jeffrey Meyer, Director of Administrative Services  
FROM: Joel Metzger, Customer/Community Relations Manager JM  
SUBJECT: Discussion/direction regarding customer billing status

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## RECOMMENDED ACTION:

Discussion/direction regarding customer billing status.

## SUMMARY:

Mr. and Mrs. Dan Byker purchased 22605 Westpoint Pioneer Road on September 15, 2010, at which time the District began billing them for water and wastewater services. The Bykers applied for suspension of service on this account on October 18, 2010. The stated reason for suspension of service was that the house on the property was condemned and they didn't plan to rebuild. This claim was supported by letter from the Calaveras County Building Department that characterized the "green structure" as "substandard." The General Manger granted a two-year suspension of service, which took effect on September 15, 2010. A letter was sent to the Bykers informing them that on September 16, 2012, as per the agreement, billing for water and wastewater services on this property would resume.

Since billing resumed in 2012, the Bykers have not made any direct payments on this account. The District submitted the past-due balance to the County for inclusion on the 2013-14 tax roll and received payment from the county tax collections.

The Bykers continued to not pay their water and wastewater bills for this property and are again on the list of delinquent accounts that will be submitted to the 2014-15 Calaveras County tax roll for collection. As of July 23, 2014, no payment had been received from the Bykers.

The Bykers have requested to terminate service on this account. District policy, under Resolutions 2010-78 and 2002-68 (attached), state that "Termination of water and/or wastewater services to a property is not allowable under this policy," and "... past procedure for consideration of requests for 'variances' in standards, policies and fees is hereby rescinded." In accordance to policy, staff recommends that the Bykers' request to terminate service to 22605 Westpoint Pioneer Road be denied.

## FINANCIAL CONSIDERATIONS:

None at this time.

*Attachments: Resolution 2002-86, – A Resolution of the Board of Directors of the Calaveras County Water District Rescinding Procedure Relating to “Variances” and Establishing Policies Relating to “Exceptions” to Construction Standards and “Fee Waivers.”*

*Resolution 2010 – A 78, A Resolution of the Board of Directors of the Calaveras County Water District Amending the District Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services – Article III, Section 21E.*

RESOLUTION 2010 - 78

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE CALAVERAS COUNTY WATER DISTRICT

AMENDING THE DISTRICT RULES AND REGULATIONS  
GOVERNING THE FURNISHING OF WATER AND/OR WASTEWATER  
SERVICES - ARTICLE III, SECTION 21E

**WHEREAS**, the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT adopted the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service to Consumers on December 7, 1954; and

**WHEREAS**, the Board added Section 21D - Suspension of Services, and Section 21E - Termination of Services, to Article III by Resolution No. 99-56 on October 13, 1999; and

**WHEREAS**, the Board added Section 21F – Foreclosure Abatement, to Article III by Resolution No. 2008-36 on May 21, 2008; and

**WHEREAS**, for the purpose of updating said policy, amendments to the current policy have been considered by the Board.

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Directors does hereby rescind in its entirety Section 21E of Article III of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service, adopted by Resolution No. 2008-36 on May 21, 2008, and any subsequent resolutions or amendments thereto.

**BE IT FURTHER RESOLVED**, that Section 21E of Article III of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service is to be replaced by the following and so incorporated into Article III, is hereby approved by the Board of Directors and shall become effective immediately:

**21E – Termination of Services.** Termination of water and/or wastewater services to a property is not allowable under this policy.

**BE IT FURTHER RESOLVED**, that the remainder of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service to Consumers adopted December 7, 1954, and thereafter amended shall remain in full force and effect.

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RESOLUTION NO. 2002 - 86

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE CALAVERAS COUNTY WATER DISTRICT  
RESCINDING PROCEDURE RELATING TO "VARIANCES"  
AND ESTABLISHING POLICIES RELATING TO "EXCEPTIONS  
TO CONSTRUCTION STANDARDS" AND "FEE WAIVERS"

WHEREAS the Calaveras County Water District has in the past allowed consideration of requests for "variances" in the application of its standards, policies and fees based primarily on the alleged financial impact upon individual applicants; and

WHEREAS the past practice is inconsistent with both the District's business and the applicable law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Calaveras County Water District that the past procedure for consideration of requests for "variances" in standards, policies and fees is hereby rescinded.

BE IT FURTHER RESOLVED that the policies regarding "Exceptions" (Attachment One, incorporated herein by reference) and "Fee Waivers" (Attachment Two, incorporated herein by reference) are hereby adopted and shall be universally applied to all applicants.


BE IT FURTHER RESOLVED that District staff shall develop, and present for Board review, procedures implementing the above-referenced policies.

PASSED AND ADOPTED this 10th day of December, 2002 by the following votes:

AYES: Directors Davidson, Hebrard, and Deem  
NOES: Directors Fonceca and Underhill  
ABSENT: None  
ABSTAIN: None

CALAVERAS COUNTY WATER DISTRICT

  
\_\_\_\_\_  
President

ATTEST:  
  
\_\_\_\_\_  
Secretary/General Manager

**CALAVERAS COUNTY WATER DISTRICT  
POLICY REGARDING EXCEPTIONS TO  
STANDARDS, RULES AND POLICIES**

It is the express policy of the Calaveras County Water District that all of its standards, rules and policies be equally and fairly applied to every person or entity affected thereby. Because of the potential for disparity of treatment, exceptions to the standards, rules, and policies are generally disfavored and shall not be granted unless all of the following conditions are satisfied:

1. Granting of an exception shall not discriminate in favor of, or against, any applicant for the exception or any other District customer.
2. An exception shall not be considered for purposes of financial benefit or relief.
3. Exceptions may be considered only for purposes of protecting significant environmental or aesthetic natural features, or for allowing reasonable beneficial use of real property for residential purposes.
4. Exceptions shall not, in any way, have the effect of establishing sub-standard facilities or services, or result in increased District costs.

All applications for an exception to District standards, rules and policies shall be reviewed in accordance with administrative guidelines promulgated by the General Manager.

End of Document

One of Two Attachments



**CALAVERAS COUNTY WATER DISTRICT  
POLICY REGARDING WAIVER OF  
FEES, RATES AND CHARGES**

It is the express policy of the Calaveras County Water District that all of its fees, rates and charges be equally and fairly applied to every person or entity affected thereby.

End of Document

Second of Two Attachments

# Agenda Item

DATE: July 29, 2014

TO: Jeffrey Meyer, Director of Administrative Services

FROM: Joel Metzger, Community/Customer Service Manager

SUBJECT: Discussion/Direction Regarding Billing for Tenant/Property Owners

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## **RECOMMENDED ACTION:**

Discussion/direction regarding billing for tenant/property owners.

## **Summary:**

On December 11, 2013, the Calaveras County Water District Board of Directors voted 4-1 to discontinue furnishing courtesy billing copies to secondary parties at no cost to the recipients, which had been a common practice for at least 13 years.

Before courtesy copies were distributed to secondary parties, the legal deeded owner was required to sign an agreement with the District authorizing copies to be sent to any party other than the legal-deeded owner. The District incurred significant costs mailing these agreements in combination with the staff time required to set up the new accounts and follow up with secondary parties.

The decision to discontinue this practice was made at the recommendation of the Director of Support Services who said CCWD Rules and Regulations state the bill for water and wastewater services shall be sent to the owner of the property ONLY and the owner shall be responsible for any delinquent and unpaid charges and related costs. The Director of Support Services said sending courtesy copies of bills and/or reminders to any party other than the legal deeded owner cost the District about \$18,000 to \$20,000 annually for processing costs that include paper, printing and postage. This figure does not include the cost of staff time spent interacting with tenants and property managers in person and on the phone, which was said to be taking up 75 percent of customer service representatives' time.

Before courtesy billing to secondary parties was discontinued, notices of the change were sent to legal deeded owners and secondary parties (including tenants and property managers) during two billing periods. When the change took effect in April 2014, it led to a significant number of complaints from property managers, tenants and property owners. These complaints led to a CCWD director asking for the issue to be brought back to the board on July 16, 2014, for reconsideration. The board took staff's

recommendation to wait for at least two billing cycles to be completed while gathering data and to discuss tenant billing options in a Finance Committee meeting scheduled for July 29, 2014.

Staff has monitored the number of reminder notices, door tags and lock-offs since tenant billing was discontinued and there has not been any significant increase. In fact, tenant and property manager phone calls have decreased significantly over the past month and the staff time spent dealing with these issues has also markedly decreased.

## **SUMMARY OF TENANT BILLING OPTIONS ALREADY IN PLACE**

### **I. Phone access**

- a. Any secondary party can call CCWD and ask for the amount due at any given address. Anyone can pay a bill over the phone using a Visa or MasterCard.

### **II. In person access**

- a. Any secondary party can come to the CCWD Customer Service Department counter and inquire what the balance is on any given account. They can then pay the bill using cash, check or credit card.

### **III. Online access**

- a. Secondary parties can access any account online if they have the owner's name (exactly as it appears on the bill) and CCWD account number.
- b. Customer Service Department representatives are happy to help anyone access an account, however they will not provide the owner's information in order to protect privacy.

### **IV. Email notifications**

- a. Any secondary party can be added to any CCWD online account. Once added, they can enter an email address and have digital bills sent to them every two months. This is a free service for property owners and secondary parties.
- b. If anyone has trouble setting up an account, a guide is posted on [www.ccwd.org](http://www.ccwd.org) and Customer Service Department representatives are willing to guide people through the process or even set up the accounts themselves.
- c. If an owner has privacy concerns, the owner or property manager can sign up tenants for digital billing. The bills tenants receive will not have any of the owner's information on them.

### **V. Owner change of address**

- a. If the legal deeded owner wants his/her tenant to receive a paper copy of the bill and does not want to pay the annual fee to have a courtesy copy sent, a form can be filled out that changes the owner's billing address to where the tenant receives mail. Once this form is filled out by the property

owner, the paper bill will be sent only to the tenant's billing address. Even though the paper bill is being sent to the tenant, the owner is still held fully responsible for the bill and any fees associated with the account.

## **PROPOSED TENANT BILLING OPTION**

### **I. Fees Based Courtesy Copy to Secondary Party**

- a. For an additional fee, a legal deeded owner would have the option to have a courtesy copy sent to any secondary party other than the legal deeded owner. In order to cover the costs of tenant billing, CCWD could charge a \$15 annual fee to any account that would like paper bills to be sent to a secondary party. This billing would have to be authorized by the legal deeded owner of the property in writing. Under this option, secondary parties would receive paper bills every two months with their name on the bill sent to the address of choice.

## **STAFF RECOMMENDATION**

In addition to the current telephone, email and online billings options for owners and secondary parties, such as tenants and property managers, staff recommends the District implement a fee based courtesy copy option for any secondary paper billing in addition to the bill sent to the legal deeded owner with an annual \$15 annual fee.

## **FINANCIAL CONSIDERATIONS:**

None at this time. However, if courtesy tenant and property manager billing resumed in its original form, it would cost the District between \$18,000 and \$20,000 annually in hard costs, as well as significant staff time.

*Attachments: Agenda Item Discussion/Direction re: "Courtesy" Billing for Tenants/Property Managers, December 11, 2013.  
Article III Application for Service Rates and Billing  
CCWD lock-offs graphic from May 2012 to June 2014  
Reminders, Door Tags, Lock-offs chart.*

# Agenda Item

DATE: December 11, 2013  
TO: Mitchell Dion, General Manager <sup>(M)</sup>  
FROM: Lynn Gentry, Director of Support Services <sup>LG</sup>  
RE: Discussion/Direction re: "Courtesy" Billing for Tenants/Property Managers

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## RECOMMENDED ACTION:

Motion: \_\_\_\_\_ / \_\_\_\_\_ to discontinue current practice of furnishing "courtesy" billing copies to tenants/property managers.

## BACKGROUND:

CCWD Rules & Regulations Governing the Furnishing of Water and/or Sewer Service, Article III, Section A1. Application for the Responsibility for Payment of Service states that, "The bill for such water and/or sewer services shall be sent to the owner of the property ONLY at the address designated by the owner on the application. The owner shall be responsible for any delinquent and un paid charges and related costs pursuant to Water Code Section 31701.5. The applicant for the service used herein shall mean the owner, as holder to title to the property (land) and to which service is requested."

Per Current practice (going back at least 13 years) the District sends "courtesy" copies (duplicate copies of utility billing and reminder statements) to tenants and property managers at no additional cost. Before the courtesy copies are distributed, the property owner is required to sign an agreement with the District that they have requested this additional service. The cost of producing and mailing these agreements and follow-up that is required by the customer service staff is not charged to the property owner.

Of the 13,000 + active billing accounts (both water and sewer), the District sends out an additional 1,433 statements to tenants and property managers at a monthly cost of approximately \$1,250 (\$15,000 annually) for the outside processing cost (includes printing and postage). During the past two billing cycles, 1,980 accounts became delinquent requiring late notices; 514 of those notices were for tenants. Additional postage and material cost for the 514 tenant mailings was \$285.

Of those 1,980 past due accounts, 589 accounts were issued a door tag notice that was delivered to the property; 178 of those were tenant accounts. Though the property owner is legally responsible for the payment of delinquencies, the customer service representatives spend approximately 75 per cent of their time interfacing with tenants and property managers – an unrecognized and uncompensated service to landlords/property owners.

The Finance Committee met on November 19 to discuss the current practice and provided direction to discontinue the additional mailings. Instead, landlords and/or property managers will have access to their billing information on the District's website. Information available includes billing and consumption history, current amounts due, records of payments, and any late charges assessed.

Property owners will be notified of the modified practice over two billing periods (120 days) by US Mail. Customer service staff will also assist them to navigate their account information on the website.

#### **FINANCIAL CONSIDERATIONS:**

The hard costs for tenant courtesy billings is approximately \$18,000 to \$20,000 annually. This number does not include staff time spent processing the additional billings or interfacing with tenants and property managers via phone and/or in person.

*Attachment: Article III, (Page 4) Section A1. Application for the Responsibility for Payment of Service.*

**ARTICLE III**  
**APPLICATION FOR SERVICE, RATES AND BILLING**

**Section 21. Distribution of Service Revenues.** The District will from time to time establish, impose upon and collect from an Applicant for water and/or sewer service such charges as will provide and pay the operating expenses of the water and/or sewer system serving the Improvement District, provide for its repair and replacement and so far as possible pay the interest on the bonded indebtedness incurred for it, provide a sinking fund for the payment of the principal of said bonded indebtedness as it may become due. (See appropriate schedule of fees). [Res. 1883, July 30, 1975]

**A1. Application for the Responsibility for Payment of Service.** Water and/or sewer service shall be furnished only upon written application therefor signed by the owner of the property, along with a copy of an approved building permit. The application for water and/or sewer service shall show the date of application, location of service, name, address, date service is to start, payment of required deposit (refer to Deposit Fee Schedule) and such other information as may be requested in the application. The bill for such water and/or sewer service shall be sent to the owner of the property ONLY at the address designated by the owner on the application. The owner shall be responsible for any delinquent and unpaid charges and related costs pursuant to Water Code Section 31701.5. The applicant for service used herein shall mean the owner, as holder to title to the property (land) to which service is requested. [Res. 92-57, May 14, 1992 which amended Res. 84-5, January 12, 1984]

**A.2. Temporary Water Service**

**General Provisions.** This temporary service provision is intended to allow the sale of water, not sewer services, to unimproved properties (i.e., properties for which a valid building permit has not been obtained). Owners/contractors may apply for these services without a valid building permit to provide construction, agricultural or irrigation water. In the event that restrictions are placed on water usage, priority for service will be given to those who have permanent service connections. Permanent service is defined as service established with evidence of a valid building permit and payment of all applicable connection and equivalent assessment fees due within the service area.

Use of a temporary water service to establish a sewer service connection is strictly prohibited. Violations will result in the owner being charged the following:

- Incremental water connection fees and equivalent assessment fees between the date the temporary water service was established and the date the District provided the owner with notification of the violation.

## REMINDERS, DOORTAGS, LOCKOFFS

STATEMENT DATE	DISTRICT	STATEMENT DUE	REMINDERS MAILED	DOORTAGS ISSUED	DOORTAGS DUE	# OF LOCKOFFS
6/24/2014	upper	7/21/2014	675			
5/23/2014	lower	6/18/2014	2374	535	7/9/2014	68
4/25/2014	upper	5/20/2014	811	193	6/10/2014	44
3/24/2014	lower	4/21/2014	1563	375	5/13/2014	65
2/21/2014	upper	3/19/2013	844	155	4/8/2014	46
1/23/2014	lower	2/18/2014	1901	391	3/11/2014	55
12/23/2013	upper	1/21/2014	883	153	2/11/2014	28
11/22/2013	lower	12/18/2013	1864	476	1/10/2014	55
10/24/2013	upper	11/19/2013	872	157	12/10/2013	32
9/24/2013	lower	10/21/2013	1755	421	11/13/2013	60
8/23/2013	upper	9/19/2013	745	168	10/8/2013	31
7/25/2013	lower	8/19/2013	1715	394	9/10/2013	58
6/24/2013	upper	7/19/2013	736	154	8/13/2013	21
5/24/2013	lower	6/19/2013	1674	439	7/10/2013	63
4/25/2013	upper	5/20/2013	850	139	6/11/2013	23
3/25/2013	lower	4/19/2013	1778	354	5/14/2013	47
2/22/2013	upper	3/19/2013	803	148	4/9/2013	33
1/25/2013	lower	2/19/2013	1778	413	3/12/2013	75
12/21/2012	upper	1/18/2013	808	177	2/12/2013	39
11/23/2012	lower	12/19/2012	1871	566	1/8/2013	74
10/25/2012	upper	11/19/2012	876	168	12/11/2012	36
9/22/2012	lower	10/19/2012	1688	491	11/13/2012	68
8/24/2012	upper	9/18/2012	881	194	10/9/2012	45
7/25/2012	lower	8/20/2012	1699	407	9/10/2012	48
6/22/2012	upper	7/19/2012	821	196	8/7/2012	40
5/22/2012	lower	6/19/2012	1722	440	7/10/2012	67
4/24/2012	upper	5/21/2012	808	164	6/12/2012	40



# CCWD lock-offs May 2012 to June 2014

Cycle 1

Cycle 2

