

- EVMWD BOARD ACTION
 APPROVED
 APPROVED AS AMENDED
 DENIED
 CONTINUED
-

**MINUTES
REGULAR MEETING
FINANCE & ADMINISTRATION COMMITTEE**

**October 20, 2020
3:30 P.M.**

The Regular Finance and Administration Committee (FAC) Meeting was held via teleconference, with members of the public notified of the ability to observe and provide public comment telephonically through the information provided on the meeting Agenda.

Director Present

Harvey R. Ryan
Phil Williams

Staff Present

Greg Thomas, General Manager
Robert Hartwig, Assistant General Manager – Business Services
Ganesh Krishnamurthy, Assistant General Manager – Eng. and Ops.
Terese Quintanar, District Secretary/Administrative Services Supervisor
Christy Gonzalez, Executive Assistant/Deputy Board Secretary
Jennifer Dancho, Director of Human Resources
Margie Armstrong, Director of Strategic Programs
Jason Dafforn, Director of Engineering and Water Resources
Scott Thompson, Accounting Manager
Christina Henry, Community Relations Manager
Greg Morrison, Government Affairs Officer
Tim Collie, Water Operations Manager

Others Present

Public

CALL TO ORDER

Director Williams called the meeting to order at 3:30 p.m.

PUBLIC COMMENTS

The meeting was opened to public comments and there were none.

- 1. Alternative Insurance Programs** – Mr. Hartwig reported on a meeting he had with representatives from Home Serve USA, a company that is under contract with the National League of Cities (NLC). Two alternative insurance programs were discussed. The first option is the Line Warranty Maintenance Program. Currently the District handles leaks and other maintenance problems that occur in our water

lines up to the service meter. Anything that happens beyond the meter and into the home or business is the customer's responsibility.

This maintenance program would pay for any repairs that occur on the customer's side of the meter. It is essentially an insurance policy. The customer would be able to opt-in to the program. If they opt in, they will pay an additional \$6.75 per month (\$81 per year) on their water bills. Of this amount the District would keep \$9 per year, and Home Serve USA would receive \$72 per year. Home Serve USA would be solely responsible for any repairs beyond the meter.

For an additional \$9.75 per month (\$117 per year), the customer would also be covered for any sewer problems that occur between the home or business and the District's sewer lines. Again, the District would keep \$9 per year, and Home Serve USA would receive \$108.

Home Serve USA currently has 4 million customers signed up for their programs across the US, with 7 million contracts in place. The insurance covers up to \$8500 per occurrence. Cities of San Diego, Chula Vista, and Oceanside are currently using this program. Home Serve USA states that we could expect about 10% of our customers to sign up for this program over time.

The second option is a leak adjustment policy. Per District policy, the District currently provides a leak adjustment by re-rating any water used in tiers 3 and 4 to the tier 2 rate. The option would pay for 100% of any customer overage caused by a water leak beyond the meter. The coverage amount is \$2,500 per occurrence, but there are lower cost options for \$500 or \$1000 in coverage.

Unlike the first option, the leak adjustment policy is an "opt-out" policy. Customers would pay \$1 per month unless they opt out. The customer would deal with Home Serve directly for any reimbursement. Home Serve USA estimates that 2-3% of customers decide to opt out.

This is a relatively new program that started in Tennessee. For this option, there are approximately 150 agencies signed up in the United States to date. There are no agencies in this area signed up for this program.

The Committee concurred that this is not a feasible program at this time but can be revisited later.

2. **Customer Service Department Performance Measures 1st Quarter FY 2020 & 2021** – Ms. Henry reported that call volume is very low during this first quarter, however average handling time is higher due to more time spent with customers on the phone discussing different options with RARE or payment agreements due to COVID. Customer contact reasons mostly include generally inquiry. There was a huge drop in delinquencies type of calls. Calls answered within five minutes was at 99%. Web payments increased by 4% this year. Autopay payments are at 16%. There were 30% of website payments done by mobile devices, and 70% through

a desktop. COVID-19 inquiries totaled 109 for this quarter. Bad debt recovery was recovered more this year than last year, and bad debt is lower than last year. Total expensed is 0.11% and the average balance due is considerably higher than last year. Bad debt breakdown was 93% tenant and 7% owner, higher than normal. If we were turning off accounts, there would be 1200 turnoffs with an average balance of \$300. RARE eligibility was slightly less than last year, but the payout is higher. This is due to the average household being higher, or with longer billing periods. AquaHawk reporting has recently improved and can now break down alert type. There were 2,528 alerts for dollar value and 11,965 alerts for over water usage. Notification type preferred is email.

3. **Other** – AJ Rivera provided a background and history regarding the Purchase Card (P-card) Program. The traditional process involved getting a quote from the vendor and inputting into our financial system before getting it processed and materials received. The P-card allows staff to be present with the retailer or online and allows for immediate purchases and use of materials. The verification process takes place weekly or monthly with the manager. Rebate dollars are received for every dollar spent. In April, the Administrative Code was updated to allow for a \$5,000 limit. The Board asked for staff to increase rebate opportunities. The District is underway with a virtual pay program and fraud prevention efforts continue to improve through enhanced website algorithms and security controls. A summary of use trends and vendors was also provided. Virtual pay program was explained, which is paid by US Bank to the merchant and US Bank bills us. This program will increase rebates to the District. This is optional and vendors do pay a fee but get payments faster. Outreach began in August and we hope to go live December 1. There were 208 vendors identified and 109 were targeted because they made up 97% spent. There were 44 suppliers that enrolled, and 36 who declined. There were 228 suppliers that were unresponsive or unverified. Rebate dollars could be close to \$40,000 total with this program, which would supplement the RARE Program. Standard terms with US Bank remain the same as they are now. Although some vendors have declined, others are willing to negotiate in the future.

Greg Thomas provided a verbal update to the Committee regarding his conversations with Kim Cousins and the school district's information technology department. A pilot study will be done with the District to provide students with internet support. Director Ryan suggested that Mr. Cousins could possibly help on a County level also.

4. **Consider Items for Board Review** – None.
5. **Adjournment at 4:02 p.m.**