



## NOTICE OF ADMINISTRATION COMMITTEE MEETING

**NOTICE IS HEREBY GIVEN** that the San Lorenzo Valley Water District has called a regular meeting of the Administration Committee to be held Tuesday, **March 29, 2016 at 11:00 a.m.** at the Operations Building, 13057 Highway 9, Boulder Creek, California.

### AGENDA

1. Convene Meeting/Roll Call
2. Oral Communications  
*This portion of the agenda is reserved for Oral Communications by the public for items that are not on the Agenda. Any person may address the Committee at this time, on any subject that lies within the jurisdiction of the Committee. Normally, presentations must not exceed three (3) minutes in length, and individuals may only speak once during Oral Communications. No actions may be taken by the Committee on any Oral Communications presented; however, the Committee may request that the matter be placed on a future agenda. Please state your name and town/city of residence at the beginning of the statement for the record.*
3. Old Business:  
*Members of the public will be given the opportunity to address each scheduled item prior to Committee action. The Chairperson of the Committee may establish a time limit for members of the public to address the Committee on agenda items.*
  - a. PAST DUE CHANGES  
Discussion and possible action by the Committee regarding Past Due Changes.
4. New Business:  
*Members of the public will be given the opportunity to address each scheduled item prior to Committee action. The Chairperson of the Committee may establish a time limit for members of the public to address the Committee on agenda items.*
  - a. LEAK ADJUSTMENT POLICY  
Discussion and possible action by the Committee regarding Leak the Adjustment Policy.
  - b. GENERAL COUNSEL/LEGAL SERVICES CONTRACT  
Discussion and possible action by the Committee regarding the General Counsel/Legal Services Contract.

- c.     **INTERNSHIP/APPRENTICESHIP PROGRAM**  
Discussion and possible action by the Committee regarding the Internship/Apprenticeship Program.
  - d.     **LEGISLATIVE/REGULATORY ENGAGEMENT**  
Discussion and possible action by the Committee regarding Legislative/Regulatory Engagement.
  - e.     **ACWA ARTICLE 10 AMENDMENT INITIATIVE**  
Discussion and possible action by the Committee regarding ACWA Article 10 Amendment Initiative.
5.     Informational Material: None.
6.     Adjournment

***In compliance with the requirements of Title II of the American Disabilities Act of 1990, the San Lorenzo Valley Water District requires that any person in need of any type of special equipment, assistance or accommodation(s) in order to communicate at the District's Public Meeting can contact the District Office at (831) 338-2153 a minimum of 72 hours prior to the scheduled meeting.***

***Agenda documents, including materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet, are available for public inspection and may be reviewed at the office of the District Secretary, 13060 Highway 9, Boulder Creek, CA 95006 during normal business hours. Such documents may also be available on the District website at [www.slvwd.com](http://www.slvwd.com) subject to staff's ability to post the documents before the meeting.***

**Certification of Posting**

I hereby certify that on March 25, 2016, I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, said time being at least 72 hours in advance of the regular meeting of the Administration Committee of the San Lorenzo Valley Water District in compliance with California Government Code Section 54956.

Executed at Boulder Creek, California, on March 25, 2016.

---

Holly B. Morrison, District Secretary  
San Lorenzo Valley Water District

## MEMO

TO: Administration Committee

FROM: Finance Manager

SUBJECT: Past Due Policy Changes

DATE: March 22, 2016

### **RECOMMENDATION:**

It is recommended that the Administration Committee review this memo and take action deemed appropriate.

### **BACKGROUND:**

The District has had the same past due process and procedures for at least the past 20 years.

- Customers have 21 days to pay their current bill
  - If unpaid, they get 10 additional days past the next month bill issuance date to pay by
- The 48hr Tag and Turn-Off fees are \$20 for each.

**Analysis 1:** To assess if the current penalty amounts are reasonable. See the attached analysis support:

- Cost per tag for staff time \$15.37
- Cost per tag + 5% penalty \$19.01
- Cost per tag + 10% penalty \$22.66
  - *These do not include any cost associated with vehicle wear and tear*

Based on the above, I would say the \$20 penalty fee for 48hr Tags is slightly outdated, but reasonable.

Turn Offs take the same amount of time as a full day of tags, with a fraction of the quantity. These also typically result in double the wear and tear on the vehicle since customers typically pay same day and the CS Field Rep has to double back. A Turn Off fee of \$40 would be more in line.

Please see Analysis 3/Recommendation for further recommendation for fees.

**Analysis 2:** To assess the past due dates:

Past Due dates are in line with the other local water districts, however, the process

can be very confusing to the customers. Customers typically do not look to multiple dates on a bill. By extending the past due date to be the same as the next month due date will hopefully clear up any added confusion. This would extend the current tag process from being approximately 45 days to 60 days.

Please see Analysis 3/Recommendation for further recommendation on due dates

**Analysis 3 / Recommendation:** New proposed plan, based on analysis and new technology such as the Notification System, which will hopefully reduce the number of 48hr Tags.

By changing the past due date and now offering the Notification System, we should see a drastic reduction in 48hr Tags. Currently, the volume is so high at times, additional staff have to be pulled in to help. We, along with the majority of water agencies, are trying to utilize modern technology to reduce the number of 48hr tags being physically hung. See the second analysis support attached:

- Cost per tag for staff time \$21.18
- Cost per tag + 5% penalty \$24.82
- Cost per tag + 10% penalty \$28.47
  - *These do not include any cost associated with vehicle wear and tear*
  - *These do not include any cost associated with the Notification System*

Based on the analysis, I recommend we:

- extend the past due date to be the same as the next month bill due date
- increase the tag fee to be \$25 (effective July 1<sup>st</sup>)
- increase the turn off fee to be \$40 (effective July 1<sup>st</sup>)

## PAST DUE PROCESS / COMPARABLE DISTRICTS

- 1) SLV bills are due upon presentation, but have a hard due date 21 days later.
- 2) If payment is not received, a past due reminder goes on the following bill, with a past due date 10 days after that bill issuance date
  - \* We get a lot of confusion over this, since customers tend to gravitate to the current bill due date
- 3) If payment is not received in time, the Past Due process picks them up and we send Late Tags typically on Thursday and Friday. The tag has a \$20 fee.
- 4) If payment is not received by the Late Tag due date, customers are turned off plus another \$20 fee. Turn offs are typically done Monday & Tuesday

### Local Agencies Procedures (as found on their website or by phone conversation with CS staff)

	Bill Date	Bill Due	Late Date	Late Fee	48hr Tag	48hr Tag Fee	Turn Off Fee	After Hours
SLV	2/5/2016	2/26/2016	3/5/2016	reminder on next bill, due 10 days after	3/15/2016	\$ 20.00	\$ 20.00	N/A*
SC	2/5/2016	2/26/2016	3/4/2016	10% or \$5, whichever greater + mailed reminder	3/11/2016	\$ 25.00	\$ 40.00	\$ 130.00
Soquel	2/5/2016	2/26/2016	3/4/2016	reminder mailed + IVR	3/18/2016	\$ 25.00	\$ 40.00	\$ 60.00

\* SLV does not do after hour turn ons. If someone insists, they will be billed the cost of the on-call personnel (usually around \$100)

### Proposed Change

	Bill Date	Bill Due	Late Date	Late Fee	IVR	48hr Tag	48hr Tag Fee	Turn Off Fee	After Hours
SLV	2/5/2016	2/26/2016	3/5/2016	on next bill, due by new bill due date (3/26)	4/2/2016	4/5/2016	\$ 25.00	\$ 40.00	?

- 1) Changing past due date to the same bill due date will decrease confusion in due dates
  - \* This will give customers approximately 2 months to pay their bill
- 2) Increasing tag fee to \$25 brings us in line with other agencies and factors in the benefit to customers for offering the IVR service
- 3) Similar to #2, turn off fee is out dated and not reflective of the time spent on these efforts
- 4) Do we want to offer after hour turn on?

**PAST DUE PROCESS - ANALYSIS 1**

<b>Field Service Staff:</b>			
<b>Work Performed</b>	<b>Days/month</b>	<b>Time/day</b>	<b>Total Time Spent/Month</b>
Tags	4	8	32
Turn Offs/Turn Ons	4	8	32
Additional staff for high volume	2	4	8
<b>Total Field Service Staff/Month:</b>			<b>72</b>

<b>Customer Service Staff:</b>			
<b>Work Performed</b>	<b>Days/month</b>	<b>Time/day</b>	<b>Total Time Spent/Month</b>
Past Due Process (Enter payments, run reports, review, print tags)	8	1	8
Review Time (Check payment arrangements & special circumstances)	8	0.5	4
Adjustments - Penalty Waives (Usually processed 4 times/month)	4	1	4
Review CONP for Payments	2	1	2
Escalated issues	2	1	2
General staff time spent with customers on calls, making arrangements etc.	8	3	24
<b>Total Customer Service Staff/Month:</b>			<b>44</b>

**Total Time for all Staff/Month:** **116**

**Total cost per month for staff\* \$ 5,516**

*\* This does not include any cost associated with vehicle wear and tear*

<b>January Past Dues Balances</b>	\$	26,195.19
<b>Number of Tags</b>		359
<b>Average Bill</b>	\$	72.97

<b>Cost per tag for staff time</b>	\$	<b>15.37</b>
<b>Cost per tag + 5% penalty</b>	\$	<b>19.01</b>
<b>Cost per tag + 10% penalty</b>	\$	<b>22.66</b>

**PAST DUE PROCESS - ANALYSIS 2**

**ASSUMING CHANGES TO DATES AND NOTIFICATIONS REDUCES TAGS BY 50%**

<b>Field Service Staff:</b>			
<b>Work Performed</b>	<b>Days/month</b>	<b>Time/day</b>	<b>Total Time Spent/Month</b>
Tags	4	8	32
Turn Offs/Turn Ons	2	8	16
Additional staff for high volume	0	0	0
<b>Total Field Service Staff/Month:</b>			<b>48</b>

<b>Customer Service Staff:</b>			
<b>Work Performed</b>	<b>Days/month</b>	<b>Time/day</b>	<b>Total Time Spent/Month</b>
Past Due Process (Enter payments, run reports, review, print tags)	8	1	8
Review Time (Check payment arrangements & special circumstances)	8	0.5	4
Adjustments - Penalty Waives (Usually processed 4 times/month)	2	1	2
Review CONP for Payments	2	1	2
Escalated issues	2	1	2
General staff time spent with customers on calls, making arrangements etc.	6	2	12
<b>Total Customer Service Staff/Month:</b>			<b>30</b>

**Total Time for all Staff/Month:** **78**

**Total cost per month for staff\* \$ 3,801**

*\* This does not include any cost associated with vehicle wear and tear*

**Number of Tags** 180  
**Average Bill** \$ 72.97

**Cost per tag for staff time \$ 21.18**  
**Cost per tag + 5% penalty \$ 24.82**  
**Cost per tag + 10% penalty \$ 28.47**