

OAK LODGE WATER SERVICES

RESOLUTION NO. 2020-06

A RESOLUTION ESTABLISHING A TEMPORARY EMERGENCY CUSTOMER ASSISTANCE PROGRAM (“ECAP”) FOR CUSTOMERS EXPERIENCING ECONOMIC HARDSHIP DUE TO COVID-19.

WHEREAS, on March 8, 2020, through Executive Order 20-03, Governor Brown declared a state of emergency due to the public health and safety threats caused by the infectious coronavirus COVID-19, which state of emergency was extended through Executive Order 20-24 and is currently still in effect; and

WHEREAS, throughout the state of emergency, Governor Brown has issued a series of executive orders to help slow the spread of the virus throughout the state, which orders have affected individual and business activities within the state, including, inter alia, prohibiting large gatherings (Executive Order 20-05); prohibiting gatherings of more than twenty-five people (Executive Order 20-07); prohibiting on-premises consumption of food or drink (Executive Order 20-07); ordering Oregonians to stay home, and closing certain retail businesses (Executive Order 20-12); and

WHEREAS, the loss of health and life due to COVID-19, and the curtailing of certain business activities and limiting of certain individual conduct to address the public health concerns and emergency conditions caused by COVID-19, has significantly affected many people and communities, including Oak Lodge Water Services District (the “District”) customers and local businesses; and

WHEREAS, such effects have included adverse economic impacts to the District’s residential customers, including loss of income, loss of employment, layoffs, unpaid furloughs, and reduced work hours for a significant number of people; and

WHEREAS, such effects have included adverse economic impacts to the District’s non-residential customers, including loss of revenues, reduced foot traffic, temporary closures, and financial hardship; and

WHEREAS, the District Board of Directors (the “Board”) wishes to assist those in its community who are experiencing sudden economic hardship by providing flexible payment options and financial assistance to customers who have been adversely affected by the widespread curtailing of economic activities during this emergency state; and

WHEREAS, the Board has carefully considered a variety of options for assistance and evaluated those options with the goal of ensuring that the District remains fiscally responsible and accountable to all customers while meeting the immediate need for flexibility in payment options that residential and non-residential customers who may struggle to pay their bills on time during this emergency may require; and

WHEREAS, the District operates fee-based water, sanitary sewer, and stormwater systems and is committed to maintaining cost of service principles notwithstanding any assistance that may be made available through the emergency customer assistance program; and

NOW, THEREFORE, BE IT RESOLVED BY THE OAK LODGE WATER SERVICES DISTRICT BOARD OF DIRECTORS:

Section 1. A temporary Emergency Customer Assistance Program (“ECAP”) is hereby established and shall be made available according to the terms of the program to all qualified residential and non-residential customers who are experiencing economic hardship and are in need of assistance due to COVID-19.

Section 2. The assistance available through the ECAP shall include flexible payment options for customers, an opportunity to defer payments for a period of time, the availability of time payment agreements, and limited financial assistance.

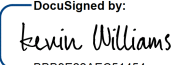
Section 3. The General Manager is directed and hereby authorized to finalize and administer the ECAP as substantively outlined in the attached **Exhibit A** (*Emergency Customer Assistance Program (ECAP) May 19, 2020 Proposal*) and as modified through discussion of the Board.

Section 4. The ECAP shall be funded in the following amounts: \$115,000 for the 2019-20 Fiscal Year, and \$95,000 for the 2020-21 Fiscal Year. Staff is hereby ordered to produce regular reports on the activities and financial status of the ECAP as requested by the Board.

Section 5. The ECAP program shall be made available until terminated, superseded, modified, or replaced by future action of the Board.

INTRODUCED AND ADOPTED THIS 19th DAY OF MAY 2020.

OAK LODGE WATER SERVICES DISTRICT

By 
8B88E22AEC51454...
Kevin Williams, President

By 
1620A8ECA89E4B2...
Paul Gornick, Secretary/Vice President

Emergency Customer Assistance Program (ECAP)

Objective

Provide short-term and intermediate flexibility in utility payments for District customers experiencing economic hardship as a result of the COVID-19 pandemic.

Background

The District provides utility payment assistance to eligible, low-income customers through a program of rate reduction. This low-income program addresses a specific need in the District and targets those customers below a specific income threshold based on a 12-month look back at personal income. The program is capped at a percentage of budgeted revenues (approximately \$70,000 for fiscal year 2019-20) and the fiscal impact is estimated as the number of participants multiplied by the difference between full rates and the reduced rates applied to their bi-monthly billings. The low-income program does not provide assistance in acute or emergency situations that temporarily affect customers' ability to pay their utility bills in full, and it does not provide assistance to non-residential customers.

The purpose of the Emergency Customer Assistance Program (ECAP) is to provide a temporary mechanism, in addition to the low-income program, for assisting customers experiencing financial difficulties and who might otherwise not be able to pay their entire bill when due, for services that the District provides. The ECAP is being implemented in direct response to the COVID-19 pandemic and associated economic downturn and will be in place for the remainder of the current 2019-20 Fiscal Year and for the new fiscal year that begins July 1, 2020. The Board will re-visit the need for short-term and intermediate assistance during the 2020-21 Fiscal Year and beyond.

Funding

In conjunction with the budget development for Fiscal Year 2020-21, the District will provide ECAP funding for residential and non-residential customers, while maintaining the low-income program as it currently exists.

1. \$115,000 will be available in the current 2019-20 Fiscal Year through a reduction in contingency funds within the Administrative Services Fund.
2. \$95,000 will be available for the 2020-21 Fiscal Year, funded through a reduction of reserves of \$25,000 and the remainder through a cost component added to the District's rates paid by all customers.

The assistance provided through the ECAP will be available only until the designated funding runs out.

Assistance

There are two types of assistance available through the ECAP – **Residential Assistance** and **Non-Residential Assistance**. Residential Assistance is available to any qualified Owner or User that receives residential service from the District for domestic or irrigation purposes in a residential area and that is not considered non-residential service. Non-Residential Assistance is available to any qualified Owner or User that receives non-residential service from the District. Non-residential service is service used in the promotion of a business or business product that is a source of revenue or income to the customer or

others using the premises. For purposes of the ECAP, service to a multi-family dwelling where there is not an individual meter for each residence shall be deemed non-residential service. The District's General Manager or their designee shall make a final determination of whether a customer is receiving residential or non-residential service for purposes of the ECAP.

Residential Assistance

1. Residential Assistance applies only to customers receiving residential service.
2. Customers who qualify for the District's Low-Income program will be allowed to apply for assistance under that program but will not be eligible for further assistance through the ECAP. All other customers stating a need for short-term assistance due to COVID-19 will have the option to qualify for Residential Assistance.
3. To qualify for Residential Assistance under the ECAP, Customers must certify that the assistance is necessary to address a personal economic hardship caused by the COVID-19 pandemic.
4. Customers will first be offered a Time Payment Agreement ("TPA") consistent with the District's policy for such agreements.
 - a. As part of the TPA, ECAP customers will be provided with an option to defer all payments to the District for up to six (6) months ("Deferral Period").
 - b. Through the TPA, the District will waive any interest or late fees on amounts accrued after March 13, 2020 and through the end of the Deferral Period.
 - c. A customer that makes all required payments under the TPA will be entitled to a ten percent (10%) reduction in the total amount owing to the District under the TPA, not to exceed \$250.00 per customer, and such amount shall be an express part of the executed TPA.
5. Customers who are unable or who do not wish to enter into a TPA through the ECAP may request assistance in the form of payment assistance.
 - a. The payment assistance will be in the form of a fifty percent (50%) payment of the customer's total bill for two billing cycles (four (4) months) ("Payment Assistance Period").
 - b. A customer receiving the payment assistance will be responsible for making timely payments, consistent with the District's rules and regulations, subject to any fees or charges for late payments or non-payment. Further, such customers will be subject to then-applicable District rules or policies governing disconnections for non-payment.
 - c. Customers receiving the payment assistance may apply for further Residential Assistance, subject to available funding.

Non-Residential Assistance

1. Non-Residential Assistance applies only to customers receiving non-residential service.
2. To qualify for Non-Residential Assistance under the ECAP, Customers must certify that the assistance is necessary to address a hardship caused by the COVID-19 pandemic.
3. Customers seeking Non-Residential Assistance must apply for the assistance within six (6) months of the effective date of the ECAP.
4. Customers will be offered a Time Payment Agreement ("TPA") consistent with the District's policy for such agreements.

- a. As part of the TPA, ECAP customers will be provided with an option to defer all payments to the District for a defined period (“Deferral Period”).
 - b. The Deferral Period will not exceed six (6) months from the date the customer executes the TPA.
 - c. Through the TPA, the District will waive any interest or fees on amounts accrued after March 13, 2020 and through the end of the Deferral Period.
5. Whether or not a customer executes a TPA, a qualifying customer will receive assistance in the form of a one-time credit of \$500.00 to the customer’s account. To receive such a credit, the account must have existed on or before March 13, 2020.

Residential Assistance Administration

The District may administer Residential Assistance through a third-party administrator, or through in-house resources. In the event the District uses a third-party administrator, any fees incurred for such administration shall be paid for from the funding sources identified above.

Community Donations

The Board encourages members of its community who have the means to make donations to augment the ECAP. If the District utilizes a third-party administrator, it is anticipated that donations may be made to that entity and directed toward the ECAP. Whether a donation is made to the third party or to the District directly, the District will not provide anything of value to the donor in exchange for the donation, and donors are encouraged to consult a finance or tax professional to determine if the donation qualifies as a charitable contribution for tax purposes.

Tracking and Reporting

The District’s Finance team will develop a suite of statistics and reports to track, manage, and report out on the various programs identified above, as well as water consumption and cash receipts trends over time. This information will assist the District Board and Staff in managing the programs for low-income and emergency assistance to customers.