



Phelan Piñon Hills Community Services District

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MEMORANDUM

(Amended)

DATE: June 3, 2020

TO: Board of Directors

FROM: Don Bartz, General Manager
By: Kimberly Ward, HR Manager/Executive Secretary

SUBJECT: Discussion and Possible Action Regarding Credit Card Fees & Late Fees

RECOMMENDATION

For the Board to authorize staff to continue waiving the \$2 credit card fee for payments made online and over the phone until September 2020 and to continue to waive late fees until disconnections resume.

BACKGROUND

On March 16, 2020, the District office closed to customers as result of public health concerns regarding Covid-19. At that time, the District began waiving the \$2 credit card fee for payments made online and over the phone since customers could not make in-person payments. Additionally, all late payments fees were waived and disconnections were suspended.

On March 18, 2020, the District office reopened to customers however the District continued to waive the \$2 credit card fee for online and phone payments, but continued to charge the \$2 credit card fee for payments made in the office, in order to encourage payments to be made other than in person. Staff would like to continue waiving the \$2 credit card convenience fee for only online and phone payments until September so that staff can gather statistical data as well as continue to encourage customers to pay online or over the phone with their credit cards rather than in person.

On April 2, 2020, as part of the Covid-19 response, the Governor issued an executive order to suspend water disconnections. The District had recently implemented its SB998 policy and was not scheduled to begin disconnections until April 14, 2020, so the District was already compliant with the order. The District additionally began to waive late fees since disconnections were not occurring. Staff would like to continue to waive late fees until disconnections resume at a date yet to be determined by the state.

Staff will bring this item back for the Board to review at the August 19, 2020, Board meeting when there is hopefully more information from the state regarding disconnections and Covid-19 restrictions for the office. If this information becomes available from the state before August 19, 2020, staff will bring this item back sooner.

FISCAL IMPACT

Additional loss of credit card fees: \$15,000 (approximately) Loss to Date: \$11,646

Additional loss of late fees: \$11,000 (estimated) Loss to date: \$19,500 (estimated)

Customer Service A/R Activities	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May**
	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity	Quantity
Payments													
Cash	829	793	831	813	831	823	805	790	829	774	528	53	133
Check (Counter)	891	697	791	795	814	754	715	659	752	762	749	699	723
*Credit Card (counter)	205	212	236	256	249	248	227	207	268	235	137	0	36
Mail	1,840	2,008	1,942	1,907	1,858	1,890	1,881	1,962	1,871	1,723	1,696	1,905	1,859
*Online	1,922	1,841	2,009	1,951	1,954	1,996	2,044	1,816	2,016	2,059	2,010	2,576	2,614
TOTAL	5,687	5,551	5,809	5,722	5,706	5,711	5,672	5,434	5,736	5,553	5,120	5,233	5,365
Disconnections													
	58	69	97	73	124	114	76	101	77	81	0	0	0
Total Credit Card Pmts*	2,127	2,053	2,245	2,207	2,203	2,244	2,271	2,023	2,284	2,294	2,147	2,576	2,650
Total CC Trans Fee	\$4,254.00	\$4,106.00	\$4,490.00	\$4,414.00	\$4,406.00	\$4,488.00	\$4,542.00	\$4,046.00	\$4,568.00	\$4,588.00	\$4,294.00	\$5,152.00	\$5,300.00
Actual CC Trans Fee	\$4,254.00	\$4,106.00	\$4,490.00	\$4,414.00	\$4,406.00	\$4,488.00	\$4,542.00	\$4,046.00	\$4,568.00	\$4,588.00	\$3,028.00	\$0.00	\$72.00

Loss if no CC fee charged = approximately \$5,000/month Loss to date (March through May) = \$11,646.00 \$1,266.00 \$5,152.00 \$5,228.00
Loss if fee waived (online and phone) through August 2020 = \$15,000.00

**Office counter open to public 9 business days

**Charging credit card fee at counter. Waiving online and phone CC fees to enable customers to pay from home without fee.