MONEY MATTERS: INFRASTRUCTURE FINANCING DURING COVID-19

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COVID-19 Presentation Agenda

- Customer Service Actions
- Budget Impacts
  - Challenges
  - Revenues and Expenses
- Possible Solutions
IRWD actions prior to County declaration for all customers:

- No late fees
- No interest
- No shut-offs
- Payment plans
- Water budget variances for extra people at home
- Customer messaging is key - website, social media
COVID 19 - Budget Impacts

Challenges:

• Short-term
  o Difficulty estimating full affect on revenues, water usage, expenses.

• Long-term
  o Difficulty estimating permanent impact on customer behavior

• Future rate increases????
  o Sensitivity to customers
  o Upcoming Board elections
Evaluate Budget Impacts

Evaluate impact on Current and Future budget FY 19-20 and 20-21:

• Revenues
  o Cash flow due to customer payment arrangements and lack of shut-offs
  o Sensitivity to pass thru planned rate increase
  o Lower interest on investments
  o Lower connection fees due to development slowdown
  o Impact somewhat mitigated by separation of fixed and variable rate components
Evaluate Budget Impacts

Evaluate impact on Current and Future budget FY 19-20 and 20-21:

• Expenses
  o Unanticipated purchases:
    – Laptop computers
    – PPE
    – Cleaning - additional janitorial services
    – Staffing availability - sick, at-risk, child care
    – Additional vehicles to ensure social distancing
    – New office layouts for staff return- plexiglass
  o Pass-through costs by third party agencies
Possible Solutions

- Use of reserves
- FEMA reimbursement
- Government loan programs
- Debt financing