

CITY OF POCA TELLO, IDAHO
CITY COUNCIL STUDY SESSION
JANUARY 12, 2017

AGENDA ITEM NO. 1: Mayor Brian Blad called the City Council Study Session to order
ROLL CALL at 9:00 a.m. Council members present were Heidi Adamson,
Roger Bray, Steve Brown, Jim Johnston and Michael L. Orr.
Council member Gary Moore was excused.

AGENDA ITEM NO. 2: Cindy Robbins, Utility Billing Director, and Joyce Stroschein,
FICO SCORE TO Chief Financial Officer, were present to update the Council
DETERMINE CITY UTILITY City of Pocatello regarding the proposed use of a customer's
DEPOSIT UPDATE FICO score to determine the required deposit amount to receive
City of Pocatello utilities. Proposed changes to the customer
deposit policy was presented to Council at the September 8, 2016 Study Session.

Ms. Robbins gave an overview of the estimated costs and processes associated with utilizing a FICO score to determine a deposit rate for City utilities. She explained the following:

- City currently has an account with Experian to verify an individual's credit rating.
- First time a credit report is ran it is a "hard hit." Will reflect as an inquiry on a credit score. Additional review is a "soft hit" and will not reflect on credit score.
- FICO score is based on the last 24 months of credit and inquiries.
- Security concerns – insure security of an individual's Social Security number once it has been obtained.

ANTICIPATED COSTS –

- Base monthly fee of \$27.16 is currently split between Planning and Development Services and Police Department.
- Charge per credit report after three (3) is \$8.14. Staff suggested this be passed on to the customer.
- Requests for Service - Fiscal Year 2016 the City received 2,827 requests for service. Credit report fees would have been \$23,011.78.
- Restore Services (after shutoff) - Fiscal Year 2016 the City restored 1,274 services after shutoff. This is an average of 27 a week. Credit report fees would have been \$10,370.36.

Ms. Robbins shared the following concerns regarding service disconnects: a) possible delays to restore utility service if the FICO score is used to determine a deposit amount; b) additional actions by the customer to obtain required signature(s); and c) increased staff time to process and restore service. She is also concerned that senior citizens and students may not have an active 24 month credit history. As a result, they may have a lower FICO score. Ms. Robbins mentioned that the previous \$65.00 deposit had not been raised for 30 years.

ALTERNATIVES TO REQUIRED DEPOSIT –

- Require all properties remain in owner's name.
 - a. 84% of collection accounts are renters.
 - b. Finalized non-paid accounts would be placed with Bannock County as a Special Assessment on property taxes or lien on property instead of sending to collections.
 - c. Additional cost for notices sent certified mail at roughly \$6.67 each.

d. No guarantee of payment recovery.

Council recently approved a change to the deposit amount and billing process. Feels these changes will help decrease the amount of unpaid accounts.

In response to questions from Council, Ms. Robbins stated since the increased deposit was implemented October 1, 2016, there has not been the number of complaints she anticipated. Staff is working to educate customers on the billing process. A landlord who continually has tenants move out without paying their utility bill will be required to place the utility account in their name. Ms. Robbins clarified her focus is on the status of the account when it is closed.

Council discussion regarding customer service, staffing concerns and automating more of the City's utility service process followed. Costs to obtain necessary software, ensure security of customer's information and cost effectiveness to implement a new system to process utility accounts were reviewed.

In response to questions from Council, Ms. Robbins clarified staff does not terminate utility services in the freezing winter months to avoid damaging the City's water lines/infrastructure.

Mr. Bray suggested delaying implementation of a new deposit method at this time. He felt more time was needed to verify if the new deposit and billing process implemented October 1, 2016 is working.

Mr. Orr suggested an assessment of manpower and the processes currently in place in the Utility Billing Department. He feels an evaluation of utility services to implement software or policies to update the services provided would be beneficial. Mr. Orr shared his concerns regarding the deposit amount not being increased for 30 years. He agreed with Mr. Bray to allow the updated process to move forward and evaluate the effectiveness at a later date.

In response to questions from Council, Ms. Stroschein feels security of a customer's personal data is a concern. The City has multiple ways to receive payments and this is not an issue. The issue of having funds available in an account when individuals do not pay their utility bill is what is being addressed.

Council discussion regarding utility billing policies in other areas, researching alternative methods to provide services and determining security of customer information followed.

Ms. Adamson acknowledged that 84% of renters may leave a balance owing on their account. She feels if these customers are a risk, they should pay a higher deposit. Ms. Adamson added if it is known a customer is a high risk when their account is opened, it will have less impact when the account is left unpaid because they were known to be a credit risk from the beginning. She mentioned a lot of individuals pay their bills on-line. Ms. Adamson would like to keep the conversation regarding a FICO score to determine deposit amounts open for further discussion.

AGENDA ITEM NO. 3: Justin Armstrong, Water Superintendent; and David Stangel and WATER FACILITY PLAN LaDonne Harris, representatives from Murray, Smith and STUDY BRIEFING Associates, (MSA); were present to provide a briefing of the Water Facility Plan Study. The Water Facility Plan documents key water system information and provides analysis and recommendations for infrastructure development and operational decision by City staff.

Mr. Armstrong gave an overview of the City's water system.

The City owns and operates a public drinking water system that serves a population of about 56,000 people. The Water Facility Plan (WFP) being presented documents key water system information and provides analysis and recommendations that inform infrastructure development and operational decision by City Staff. The Plan serves as the guiding document for future water system improvements and has been organized into six sections. They are: 1) Executive Summary; 2) Existing system Description; 3) Water use Characterization; 4) System Analysis; 5) Water Quality and Regulations; and 6) Capital Improvement Plan.

GOALS FOR PLAN – Update City's hydraulic model; estimate future water needs; evaluate hydraulic capacity; evaluate water rights; validate and incorporate pressure waiver improvements; water quality analysis; develop capital improvement plan.

Mr. Stangel gave a synopsis of the existing water system study. The Water Department operates and maintains over 275 miles of water pipe and also supplies water to a number of private water systems. He noted that the system has 45 pressure zones, 20 water supply wells, 16 storage tanks, 12 booster stations and 42 pressure reducing valves.

SUMMARY AND OVERALL WFP RECOMMENDATIONS: The WFP constituted a significant investment of time and resources for City Staff. This WFP utilized industry standard approaches by utilizing hydraulic modeling software to identify system deficiencies and refine recommended improvement projects. The capital projects that have been identified provide a plan, phased over the next 20 years that will enable the City to continue providing quality water to its customers.

The recommendations are:

- Implement short term (1-5 year) improvements as identified in the Capital Improvement Plan to address existing capacity and condition issues.

- Continue improving the quality of available water system information, specifically through improved SCADA.

- Continue replacing system piping and increase the length of pipe installed, to ensure a 100 +/- year replacement cycle;

- Do periodic updates of this WFP and system financial studies.

- Review and implement long term (6-20) year improvements based on system growth.

In response to a question from Council, Mr. Armstrong noted arsenic levels in the City's water system have already been reduced and are well below Department of Environmental Quality (DEQ) limits. He is not aware of any additional reductions from DEQ regarding arsenic levels.

In closing, Mr. Armstrong stated he would like Council to formally adopt the WFP Study by resolution at a future meeting.

A majority of the Council supported the WFP Study. A final decision will be voted upon at a later date.

AGENDA ITEM NO. 4: At 10:45 a.m. Mayor Blad and Council members Adamson, Bray, WORKING LUNCH Brown, Johnston and Orr left the Council Chambers and participated in a working lunch in the Paradise Conference Room. Discussion centered on Calling City Hall schedule, economic development, Council involvement with City advisory boards, schedule for upcoming budget meetings and general City topics. No formal action was taken.

Mayor Blad adjourned the meeting at 1:25 p.m.

APPROVED:

BRIAN C. BLAD, MAYOR

ATTEST AND PREPARED BY:

RUTH E. WHITWORTH, CMC, CITY CLERK