



UTILITY BILLING
DEPOSIT REVIEW



REMINDER:

COLLECTION ACCOUNTS THAT WERE LARGE AND GROWING

As of November 2015:

Credit Bureau of Pocatello - \$575,364 (3,675 accounts)

GOAL:

Reduce the number and amount of accounts turned to collection

How the Meter reading works with billing TIMELINE:

The meter read used for billing is for the 30 days prior to the read.

Example: Meter read on 5/8/17 is for time frame from 4/7/17 to 5/8/17.

Let's take an actual cycle billing:

Meter read 5/8/17 is billed to customer 5/26/17.

Bill is due on 6/12/17 – by the time this is due, another 30 days of water has been used for time frame 5/9/17 to 6/8/17 that won't be billed for another 16-18 days.

A one month bill to the customer is a two month bill to the city.

Why is this important to know: In order to understand how balances accrue in regards to the “end” balance and collections, the following scenario using 10,000 gallons of water will show:

If the customer did not pay his bill of \$80.50 and services were terminated on June 27, 2017, another billing would be mailed on June 27, 2017 for \$120.50 (\$40.00 disconnect Fee INCLUDED).

Total DUE FOR TWO MONTHS is \$201.00

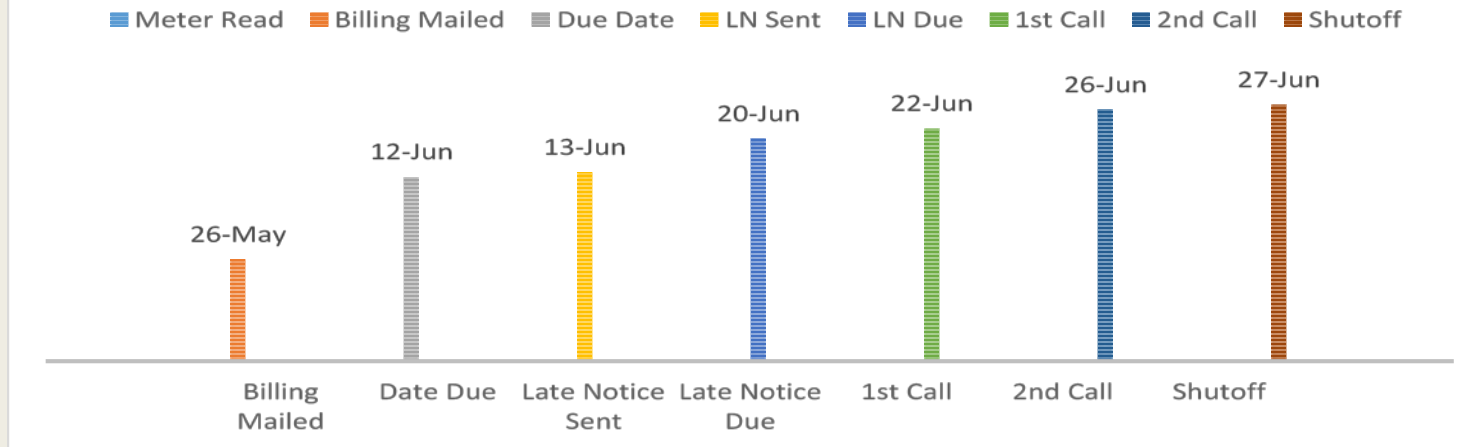
On JUNE 30, 2017 we recheck to see if they have turned the water back on themselves. If water is still off and no response from the shutoff, we start the process to finalize the account by reading the meter. When finalized there will be 23 more days of water used and Garbage and Sewer will be prorated for an additional \$62.51.

Previous Total	\$201.00
Add'l	<u>\$ 62.51</u>
Final bill	<u>\$263.51</u>

\$263.51 is what would be owed if the customer walked away without paying a one month bill.

(The potential amount turned to collections with no deposit on the account)

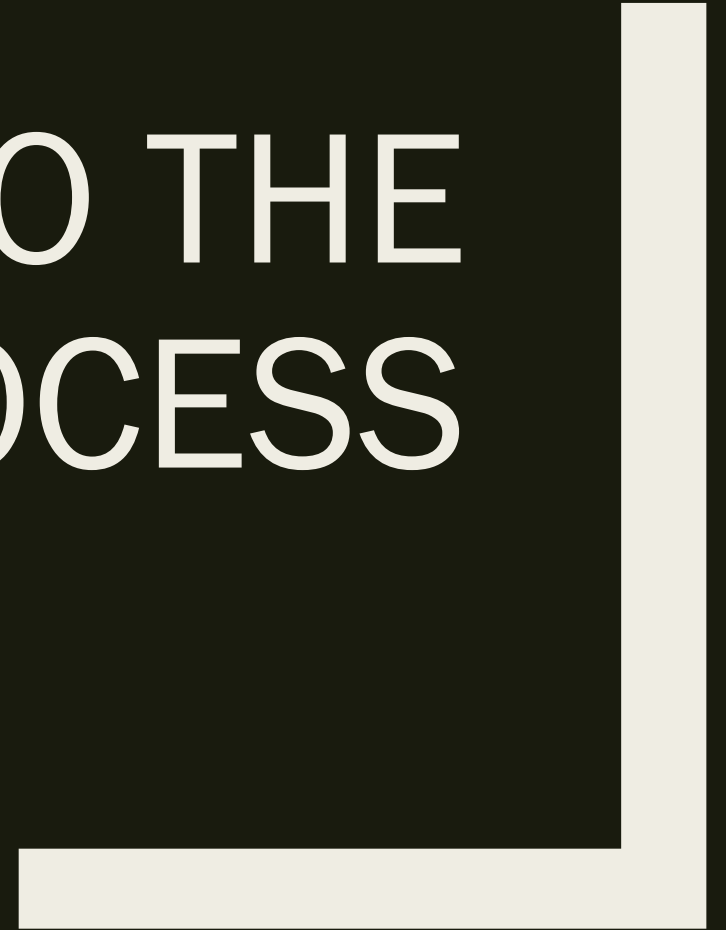
TIME LINE FROM STATEMENT MAILING TO SHUTOFF



Water Used
4/7/17 to 5/8/17

This timeline is to show the time allowed and notifications before the account is shutoff.

CHANGES TO THE PROCESS



■ Since October 1, 2016, this is how we are operating with Deposits:

- *The deposit amount changed from \$65.00 to \$150.00 to cover a two month balance.*
- *All new accounts require a \$150.00 deposit. A special waiver clarification was made on implementation.*
 - Description of Special Waiver
- *All other accounts are grandfathered and will not require a deposit unless they are shutoff for nonpayment.*
- *All accounts active up to September 30, 2016 are grandfathered and will receive the deposit back when twelve (12) consecutive on time payments are made unless account has been shutoff.*

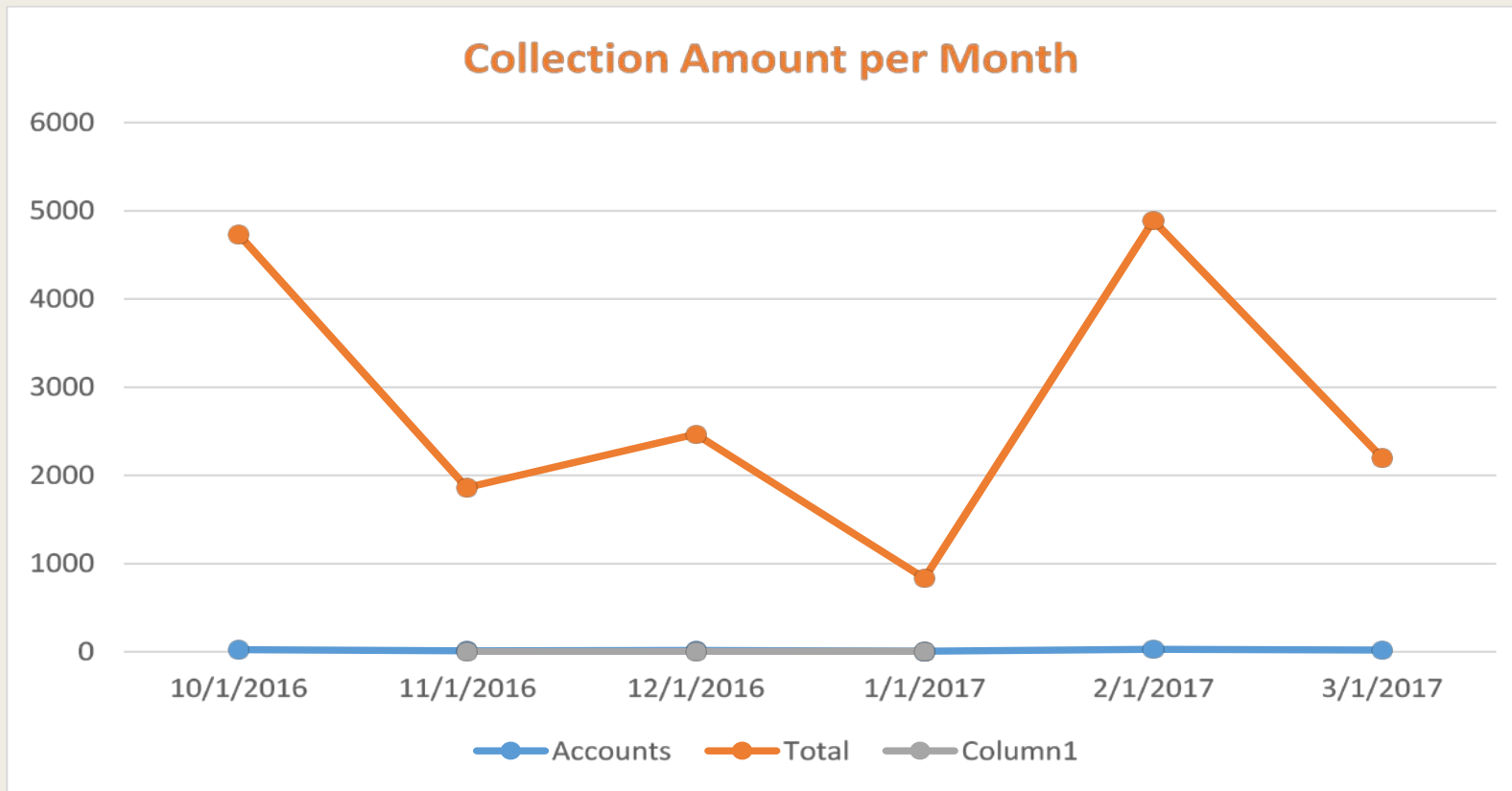
– ***Enforcement of Ordinance*** - City Ordinance has always stated that “Bills are due and payable monthly” and that “Any account shutoff for nonpayment will not be reinstated until all delinquencies, unpaid charges, and the applicable deposit have been paid.

- **Shut off is enforced after one month of non-payment**
 - **Exception is winter months with freezing temperatures**

The Impact of our Process Changes

Collection Results:

The most current reporting information is March 2017 due to a 3 month lag.



10/31/16 – 25 **accounts totaling \$4,735**

11/30/16 – 13 **accounts totaling \$1,862**

12/31/16 – 14 **accounts totaling \$2,467**

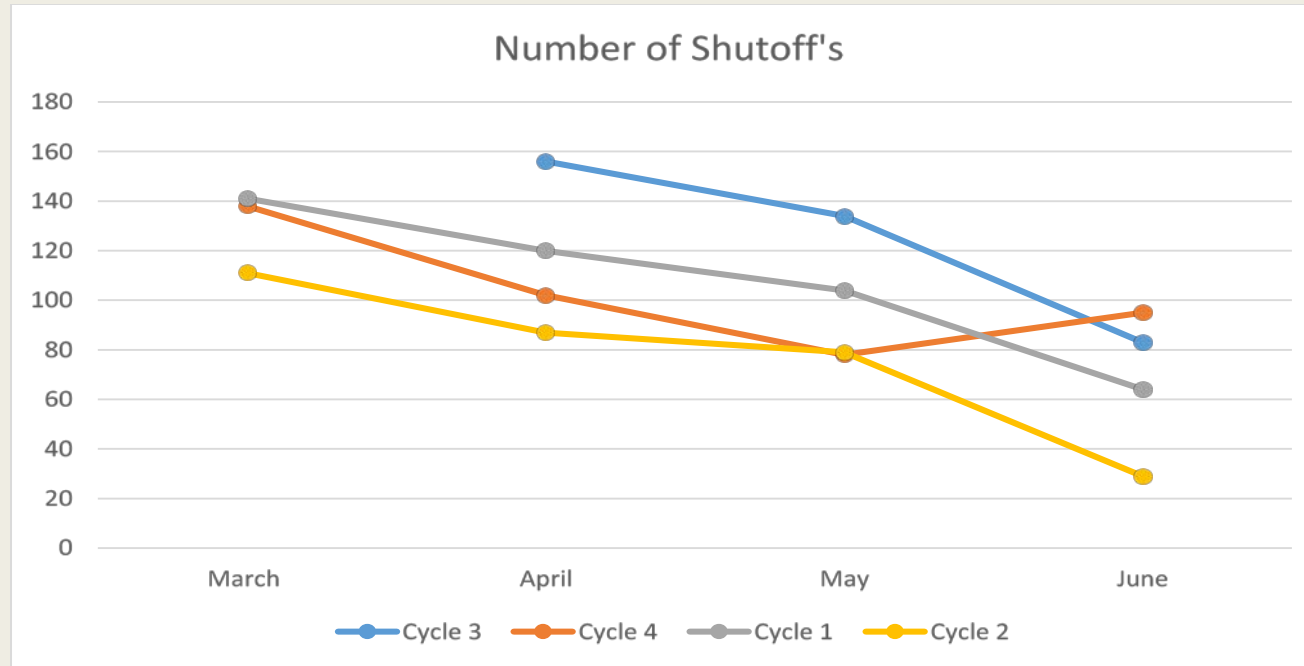
1/31/17 – 6 **accounts totaling \$835**

2/28/17 – 28 **accounts totaling \$4,889**

*19 OF THESE ACCOUNTS HAD BALANCES BETWEEN 2 AND 5 MONTHS PLUS THE FINAL BILL DUE TO EXTREME WINTER CONDITIONS AND NO SHUTOFFS CONDUCTED.

3/31/17 – 20 **accounts totaling \$2,202**

Enforcement of ordinance shutoff results:



This graph shows the number of shutoffs per cycle during the months of March - June.

In June we had one cycle reporting an increase of shutoffs

* this was related to an issue with automated calls

Beginning June 20th, we started sending a second automated shutoff call

*This reduced Cycle 1's shutoff by 27% and Cycle 2's shutoff by 53%.

COLLECTION ACCOUNTS

Collection account change results:

From October 2015 to March 2016 (6 months)

*Collections increased by \$34,008

*Usually 3-3 ½ months balance

From October 2016 thru March 2017 (6 months)

*Collection total was \$16,990

* Now 2- 2/12 months balance

The decision by the Council and Mayor in September 2016 was a conservative approach in reducing collection risk to the city.

Just provided short time results of:

- *Higher mandatory deposit
 - *Remains on the account until finalized
- *Shutoff's a month earlier

Seems to be the right approach according to trends.

A recommendation would be maintaining the status quo for a longer time frame allowing for more information:

- *Full year with higher water consumption and billings
- *ISU students fall/spring semesters beginning and ending.

Council Guidance on Options:

Option 1:

Status Quo

- *Director has no authority to waive deposit

Option 2:

No Deposit until account is shutoff

- *Gives more consideration to individuals that pay diligently.
- *Would cause further financial hardship on customer to get services reinstated.

Option 3:

Higher reconnect/disconnect fees vs no deposit

- *Currently at \$40.00
 - *Fee could be increased.
- *Places further financial hardship on customer
 - *Fee collected before services reinstated?
- *Does allow for director to waive fees
 - *Less discrimination accusations on fee waivers
 - *One time courtesy is usually extended if requested

Reminder: Goal was to reduce the number and amount of accounts turned to collections.

Has this goal changed?



Questions