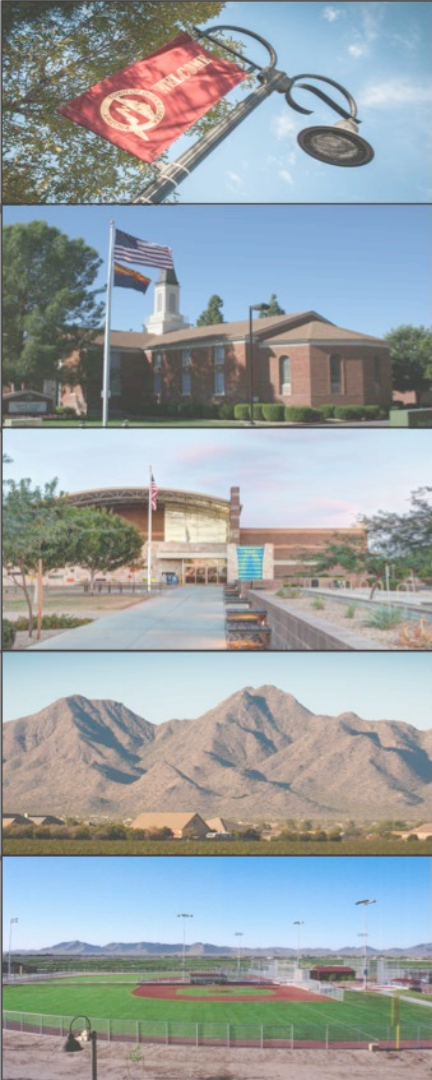




# A DISCUSSION OF RECOMMENDATIONS ASSOCIATED WITH THE NEW UTILITY BILLING SYSTEM

TOWN COUNCIL MEETING  
JULY 21, 2021



# PURPOSE OF PRESENTATION

Discuss Recommendations Associated with Implementation of the New Utility Billing Software System

1. Initiate Weekly Cycle Billing (vs. Once a Month)
2. Start Using a Collection Agency and Add a Collections Service Fee for Delinquent Accounts

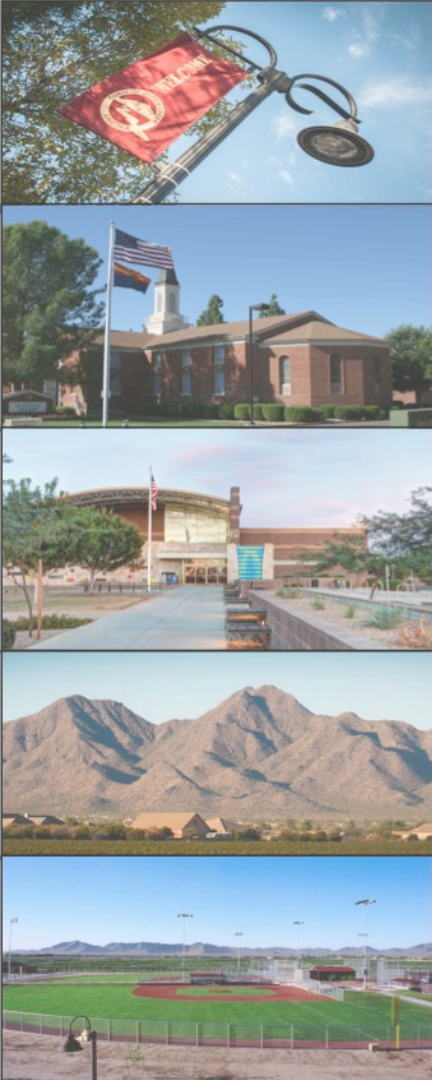


# 1. MONTHLY BILLING CHANGES

# CURRENT BILLING PRACTICE

- Town Bills for Water, Wastewater, Irrigation, and Solid Waste Services
- 36,000 Accounts are All Billed At Once, On the Same Day Monthly
- Annual Revenues from Monthly Billings is \$36 Million

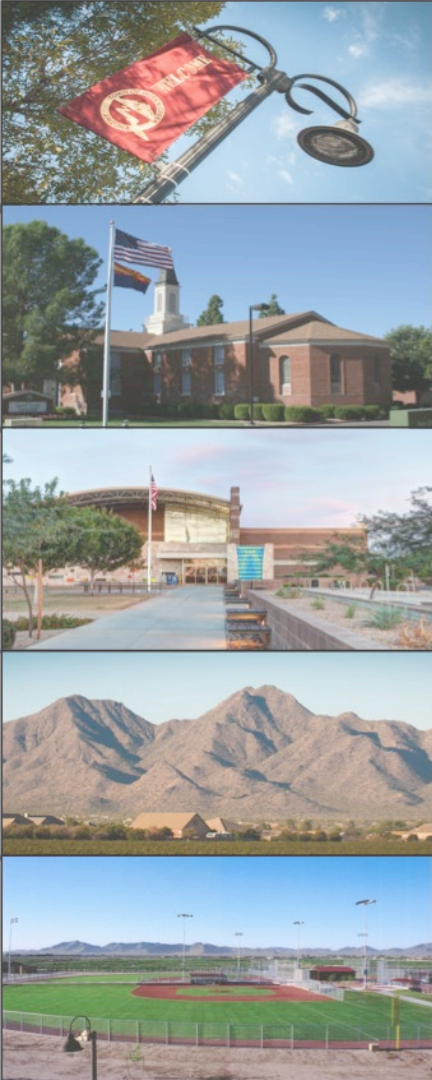




# RECOMMENDED CHANGE

- Continue Monthly Billing but Break the Accounts into 4 Billing Cycles and Bill A Different Cycle Each Week
- Advantages
  - New Software is Designed for Cycle Billing
  - Staff Work is Spread Over 4 Weeks vs. Once a Month
    - Example: Shutoffs, Collection Calls, Customer Inquiries from Receipt of Bill

# RECOMMENDED CODE CHANGES



Activity	Current Billing Schedule	Recommended Billing Schedule
Billing Date	Around the last Tuesday of the month	Customers placed in one of four cycles and billed once a month (weekly cycle billing)
Bill Due Date	25th of the month or next business day	21 days after the bill date
\$5.00 Late Penalty Assessed/Second Notice Issued	26th of the month or next business day	Late penalty assessed the day after the bill due date. Disconnect notice is sent 20 days after bill due date.
\$30 Delinquent Fee Assessed/Water Disconnection	Second Wednesday of the month following issuance of the second notice	27 days after the bill due date a disconnect service order is created

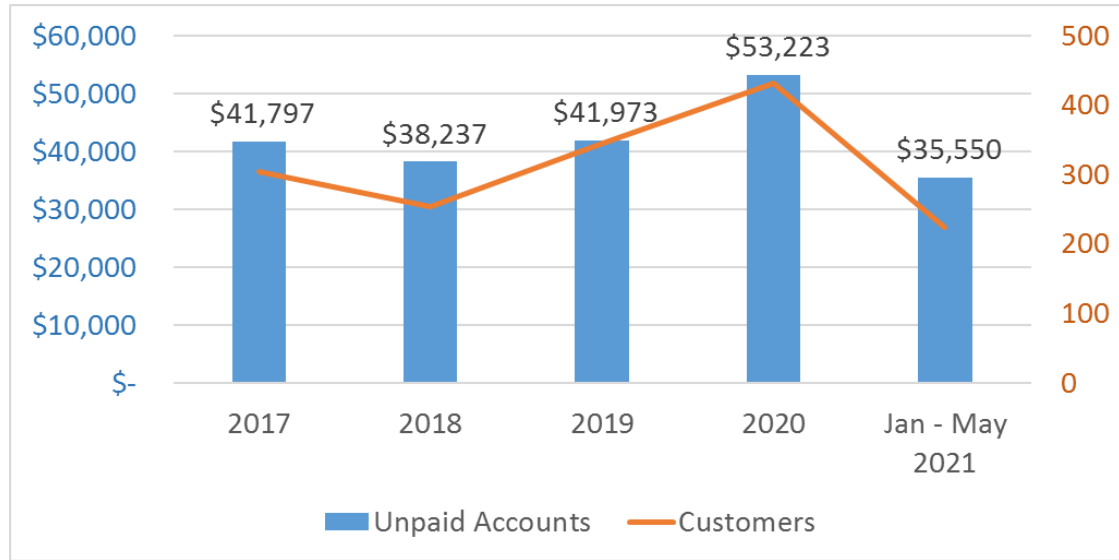
Note: Auto dialer will routinely be used by Customer Service to encourage delinquent customers to make a payment and notify them of a pending disconnection in service if payment is not received.



## 2. INITIATE THIRD PARTY COLLECTION SERVICES

# CURRENT PRACTICE

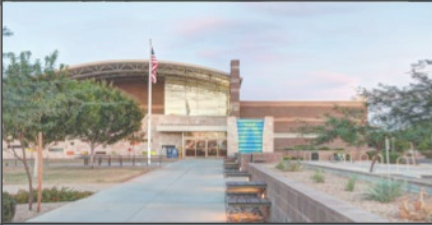
- Town Does Not Use a Collections Agency
- Limited Collection Efforts are Performed by Staff

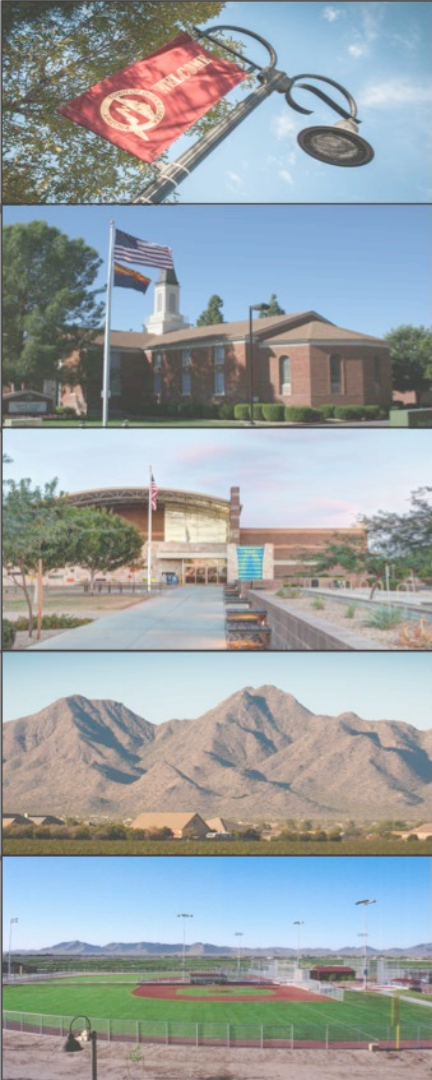




# RECOMMENDATION

- Hire a Third Party Collection Agency
  - Better Manage Unpaid Accounts Before they are Closed
- Contract Terms
  - Collect Bills that are 60+ Days Delinquent
  - 15% Collection Fee
    - Total Fee Paid to Collection Agency for Water/Wastewater Unpaid Account Collection Activities Estimated at \$1,500 Annually.





# 15% COLLECTION FEE OPTIONS

1. Town Pays the Fee
2. Customer Pays the Fee (Staff Recommendation)
  - 2 Step Public Notice Process Required Under State Law

Option	Original Bill	Town Receives	Collection Agent Fee	Customer Pays
1.Town Pays Fee	\$100	\$85	\$15	\$100
2.Customer Pays Fee (Recommendation)	\$100	\$100	\$15	\$115

# PROPOSED CALENDAR

## June 21 Town Council Meeting

- Items for Discussion

## August 4 Town Council Meeting

- Consideration of 60-Day Notice of Intent to Apply Collections Fee for Delinquent Accounts (Step 1 of 2)

## September 15 Town Council Meeting

- New Utility Billing Software Go-Live Presentation
- Consideration of Ordinance to Amend Billing Schedule

## October 6 Town Council Meeting

- Public Hearing and Consideration of Approval of Collection Fee (Step 2 of 2)





# DISCUSSION AND QUESTIONS