

Monthly Utility Billing

City Council Workshop

April 19, 2018





Monthly vs. bi-monthly billings

Other Cities Survey Results

City	Monthly	Bi-monthly
Auburn	Yes	Yes
Bellingham	Larger consumers (<10%)	Remaining 90%
Centralia	Yes	No
Chehalis	Commercial	Residential
Kelso	Commercial	Residential
Lacey	Yes	No
Lynnwood	No	Yes
Mountlake Terrace	No	Yes
Olympia	Commercial	Residential
Port Angeles	Yes	No
Tumwater	No	Yes



Current Billing Process

3 Cycles

- **Cycle 1** – (South of O.B.; St. Helens; Olympics)
 - Accounts: 4,050
 - Billed bi-monthly - January, March, May, July, September and November
- **Cycle 2** – (Old West Side; O.B.; West Longview; Hillsides)
 - Accounts: 6,795
 - Billed bi-monthly - February, April, June, August, October and December
- **Cycle 3** – (Commercial; East Longview; Highlands)
 - Accounts: 3,280
 - Billed monthly
- **Total Utility Accounts – 14,125**



Current Billing Process

Residential - Inside City

- Monthly utility bill = \$138.76
 - Consumption 6

Water, sewer, sanitation/recycling and storm water

- Bi-monthly utility bill = \$279.58
 - Consumption 12

Water, sewer, sanitation/recycling and storm water



Current Billing Process

Residential - Outside City

- Monthly utility bill = \$214.85
 - Consumption 6
Water and sewer only

- Bi-monthly utility bill = \$320.26
 - Consumption 12
Water and sewer only



Delinquent Notices

	Cycle 1		Cycle 2		Cycle 3	
Billings	4,050		6,795		3,280	
Reminder Notices	950		1,400		900	
Tags	190		230		150	
Non-pay Disconnects	20		30		30	



Current Billing Process

■ Current Staffing

- 3.5 Customer service/Utility billing/collections representatives
- 1 Utility field service representative

Note: Meter reading is provided through a private contract



Monthly Billing Considerations

- Administration
- Cash Flow
- Resource Requirements
- Cost



Monthly Billing

- Advantages
 - Improved cash flow
 - Smaller utility bills
 - Reduction in delinquencies

- Disadvantages
 - Increased workload
 - Increased expenses



Monthly Utility Billing Proposal

- Additional Expenses
 - Staffing
 - 1 Customer service/billing clerk
 - 1 Utility field service technician
 - Supplies
 - Statements/forms
 - Envelopes (mailing and return)
 - Postage
 - Fuel



Monthly Utility Billing Proposal

- Additional Expenses
 - Contractual:
 - Meter reading
 - Utility statement folding/inserting
 - Remittance processing
 - Equipment:
 - 2 Trimble Handheld meter reading devices
 - 1 Office workstation
 - 1 Desktop (related hardware/software)



Monthly Utility Billing Proposal

Additional Expenses-

Staffing:

1 Customer Service/Billing Clerk; 1 Utility Field Service Tech;

Sub-total Staffing

\$165,000

Contractual:		
Meter reading (Cycle 1)	$(4,050 \times \$0.75) \times 6$	\$18,229
Meter reading (Cycle 2)	$(6,795 \times \$0.75) \times 6$	30,576
Inserts	$(10,845 \times \$0.08) \times 6$	5,205
Remittance Processing (50%)	$(5,425 \times \$0.20 \times 6)$	<u>6,510</u>
Sub-total Contractual		\$ 60,520



Monthly Utility Billing Proposal

Additional Expenses-

Supplies:		
Billing statements		\$ 2,000
Envelopes		3,850
Tags/shut-off notices		850
Postage		30,580
Fuel		<u>7,500</u>
Sub-total Supplies		\$44,780
Capital Equipment:		
2 Trimble meter reading device		\$ 10,000
1 Office workstation		750
1 Desktops/hardware/software		<u>1,000</u>
Sub-total Capital Equipment		\$ 11,750



Monthly Utility Billing Proposal

Additional Expenses-

Staffing	\$165,000
Contractual services - Monthly meter reading	60,520
Supplies	44,780
Annual capital costs	<u>1,175</u>
Total Add'l Expenses	\$271,475
Annual billings	\$29.562m
Percent Increase	0.92%
Dollar Increase (monthly residential)	\$1.28



Monthly Billing Proposal

Recommendation

Convert to monthly utility billing effective January 1, 2019.



Monthly Utility Billing Proposal

The end.