

Oct. 21, 2024 Utility Billing Update to City Council

Customer Responses: City staff has responded to concerns that were sent to the City Council as well as calls, emails and direct messages sent to staff directly. The results of the reviews of the accounts were very similar to the last update that was provided to City Council. While we did find isolated errors that were generally caused by human error, we did not find any systemic issues. Staff is currently caught up in responding to the customers' emails and phone calls. Staff is currently caught up in responding to the customers' emails and phone calls.

The one issue that has come up repeatedly since the 30-day bills went out entails estimations that did not reflect actual consumption closely enough. We referred to this in the last update but it is coming up now with greater frequency because a large amount of Cycle 2 bills were estimated due to a problem pulling in meter reads and the 30-day bills have the "adjustment". When the billing system is unable to get a reading, the amount of consumption is estimated based on the previous year's usage. The following month, the meter is read and the bill is then developed based on the actual 2 month usage per the meters, adjusted by the amount that was estimated at the one month billing. We are seeing several instances where the estimated usage was low and therefore, the adjusted usage is higher than anticipated.

The other part of the bills that has been confusing is regarding the dates. We do understand the confusion because until we are back to the regular billing cycles, it is confusing. The bill date is the date the bill is generated. The service period on the bill is showing the period that the water and sewer charges are billing for. Example: The 60-day Bill Date 8/25/24 had a service period of 06/06/24-08/05/24. The most recent bill has a Bill Date 10/16/24 with a service period of 08/05/24-09/05/24. The bill date is the date we send the bill to our print vendor, not the date the water and sewer charges are being billed for. The garbage charges will be billed from last bill date the current bill was posted. In this example the garbage charges for the 8/25/24 bill were for the period 06/06/24-08/23/24 and for the 10/16/24 bill they are 08/23/24-10/14/24.

Status of Billing system: The 30-day bills that followed up the 60-day bills started posting early last week. Each billing cycle takes about 2-3 days to complete and as of today, Monday, October 21, 2 of the 4 billing cycles are complete. Cycle 3 will go out tomorrow and Cycle 4 will be sent out by the end of the week.

After this compressed 30-day bill cycle is complete, there will be one more compressed 30-day billing cycle before the bills will be back on track. In November, the billing system will return to sending one of the four billing cycles out each week and they will be 30-day bills. Many customers have asked if their due date will return to what it was prior to the conversion and the answer is yes. Due to the compression, many people will likely ask about the service period for each bill. Because every cycle is different, we are encouraging people to look at the service date for each of the last 3 or 4 bills and they can confirm there is no overlap in billing periods.

The consumption graphs that are shown on the bills are for visual purposes only and are NOT part of the billing calculation. And, in many cases, they do not accurately reflect the consumption. Because they are not always showing accurately, we have asked the print vendor to remove them from the bills until they do reflect the amount accurately.

3rd Party Verification Status: CM Owen and CM Rupsis have agreed to be the City Council representatives for the verification process. Staff, lead by Andy Zoeller, will provide support for them as the process moves forward. The verification will be broken down into two parts – one that would address the meters themselves and one that would address the process from the output of the meters through the final bill that is received by our customers. This update will only address the 2nd part of the process as we are still working on the meter verification component.

Because timing is key in this process and the cost is low enough that a competitive selection is not required, we have the option of directly contracting with a firm. We will work with that firm to develop a contract to include the actual scope based on the project description that is attached. After the scope is complete, it will be shared with the full council. There is a meeting on Tuesday, October 22, to discuss the scope and contracting options.

To summarize what is being asked for in the verification, it will ensure that the usage output from the meter is accurate starting from the meter software through the entire system until a bill is produced. The 60-day bills were specified as the billing cycle to use in the verification. While the first 30-day bill generated by the new system (June bill for May services) could be the basis of the verification, it did not raise questions so it was determined that reviewing the 60-day bill would be the most appropriate.

The chosen firm will add other processes that they think are appropriate to verify the accuracy of the system. While the scope of work and contract will address the initial verification process, it will be able to be modified as needed if issues are discovered.

Continued In-house verification: As a large-scale gut check, we looked at how much water was produced in June, July and August in 2024 and how much the meters read for all accounts. The plant produced 3,453 MG and we billed for 2,932 MG which is a difference of 15%. The last estimation that was done for unaccounted for water was 14% so these numbers are reasonable. We will continue to monitor our unaccounted for water to ensure it continues to track consistently.