

Utility Billing



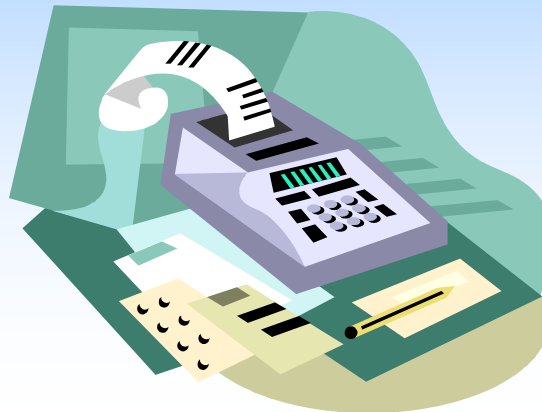
Service Level Report FY10
with historical data

Mission – Utility Billing

To provide billing and collection services for the Water Department, Water Pollution Control Department, and Sanitation Department

To perform the accurate reading of all water meters

To ensure the Customer service needs of the City Utility customers are met



Measures of Inputs

People

Utility Billing	FY06	FY07	FY08	FY09	FY10	FY11	FY06-FY10 Change
Full Time	9	9	10	10	10	10	1

Money

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET
UTILITY BILLING						
Labor	509,564	520,391	583,224	593,454	592,300	633,815
Operating	401,089	406,779	443,862	456,170	513,037	536,605
Capital	18,859	16,450	19,150	22,095		
Total	929,512	943,620	1,046,236	1,071,719	1,105,337	1,170,420
CPI	201.800	208.936	216.573	216.177	218.711	
Real FY06 \$	929,512	911,392	974,870	1,000,444	1,019,871	
% Change in Real FY06 \$, FY06-FY10					9.72%	

FY10 program revenue: \$211,853
(service fees)

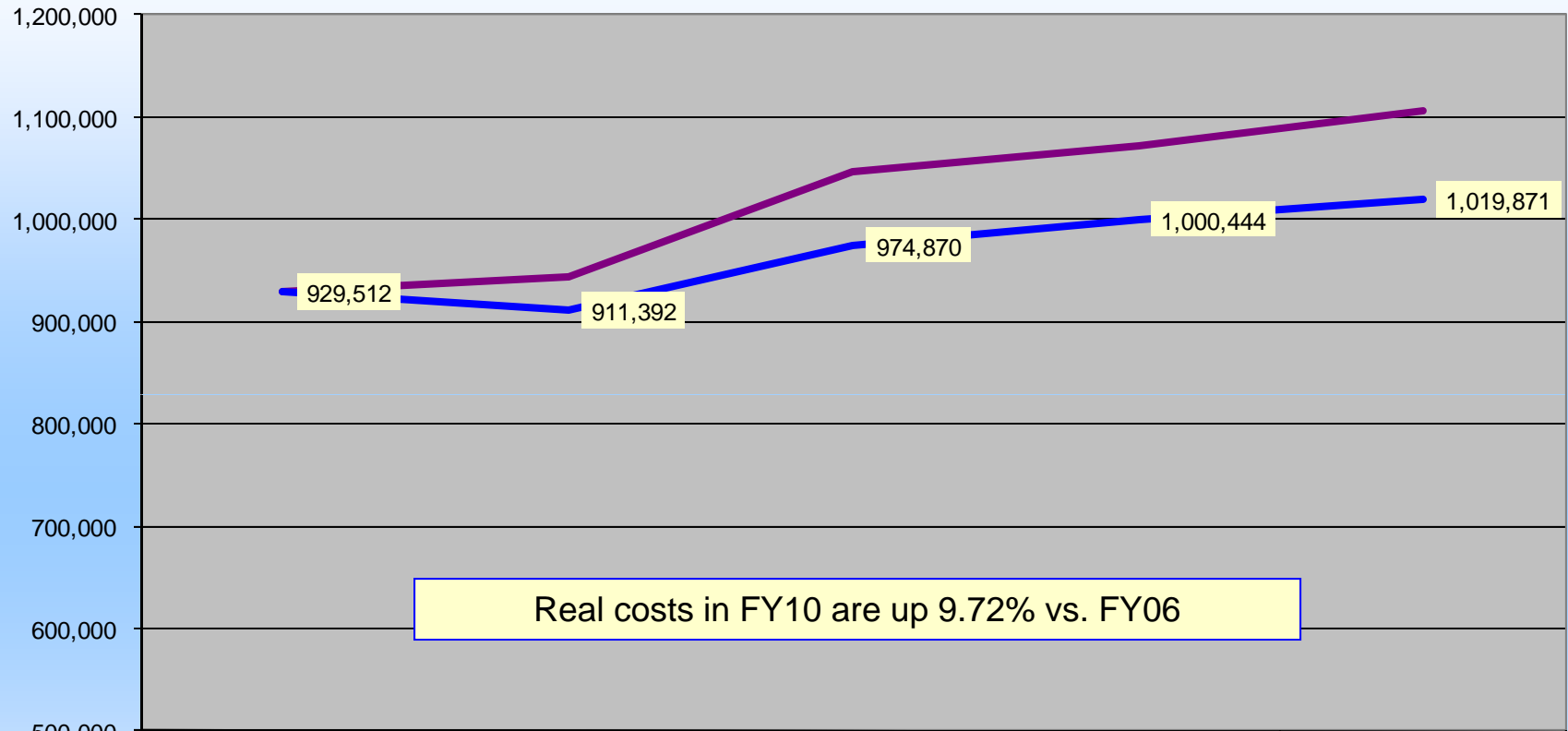
FY10 net cost to utilities: \$893,484

Inherited Capital

Office space, 5 vehicles, meter reading equipment

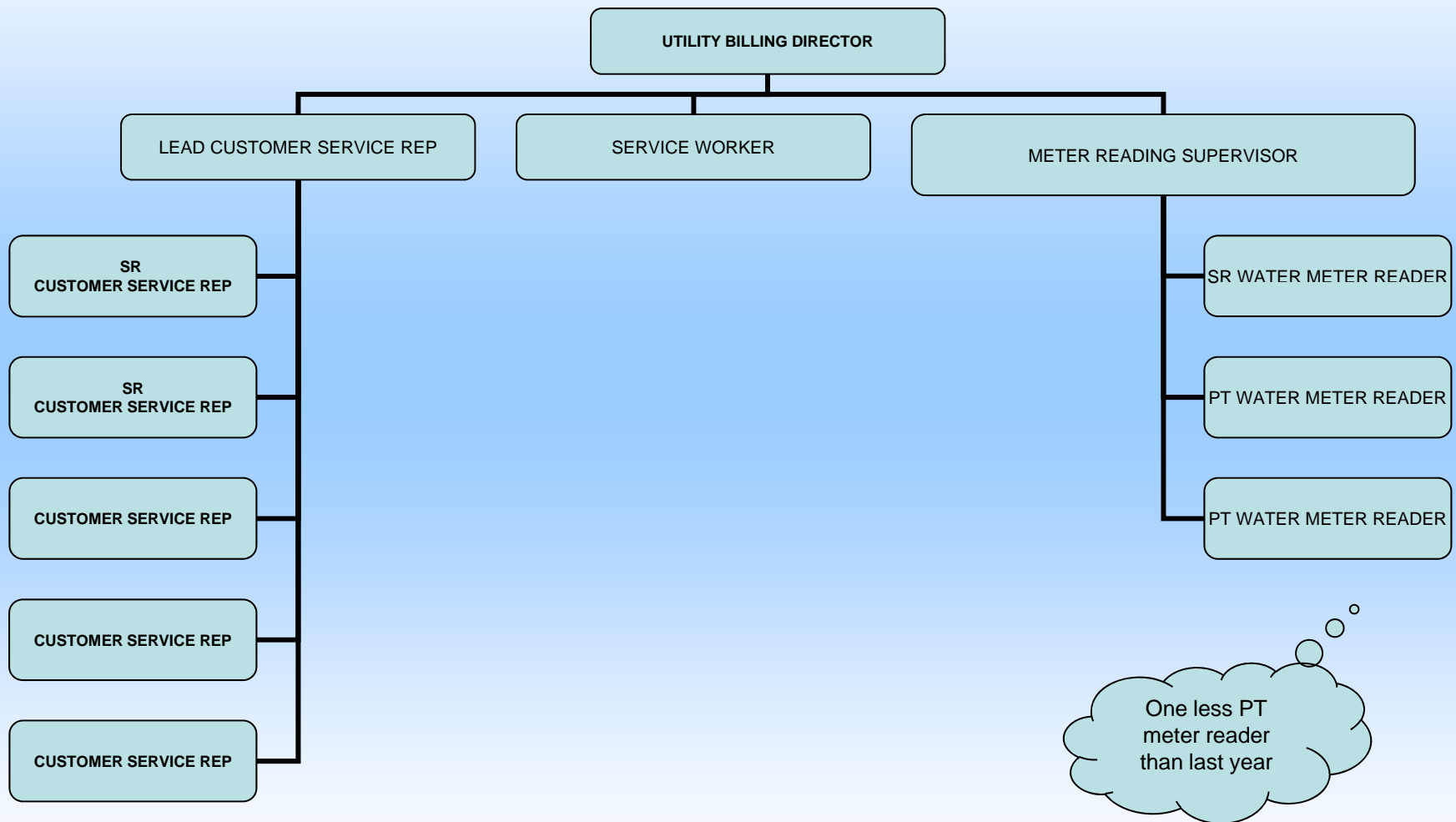
Utility Billing Department Nominal & Real FY06-FY10

Analysis of Inputs



	ACTUAL FY 2006	ACTUAL FY 2007	ACTUAL FY 2008	ACTUAL FY 2009	ACTUAL FY 2010
— Total	929,512	943,620	1,046,236	1,071,719	1,105,337
— CPI	201.800	208.936	216.573	216.177	218.711
— Real FY06 \$	929,512	911,392	974,870	1,000,444	1,019,871

UTILITY BILLING DEPARTMENT




More on Inputs – Utility Billing

- Office space at City Hall (Includes 2-station payment window)
- Five (5) off-site payment drop boxes
- Two (2) on-site payment drop boxes & a box inside City Hall
- A PC-based water meter reading system including four (4) hand-held data collectors
- Billing software and related hardware which interfaces with the City's Financial system software
- Six incoming customer service phone lines

Department Vehicles: The Utility Billing Department runs a fleet of five (5) pickup trucks as needed by a Meter Reading Supervisor, a Utility Billing Service Worker, one full time Meter Reader, and two (2) part-time meter readers who read meters 8 hours a day for 9 months of the year (March through November).

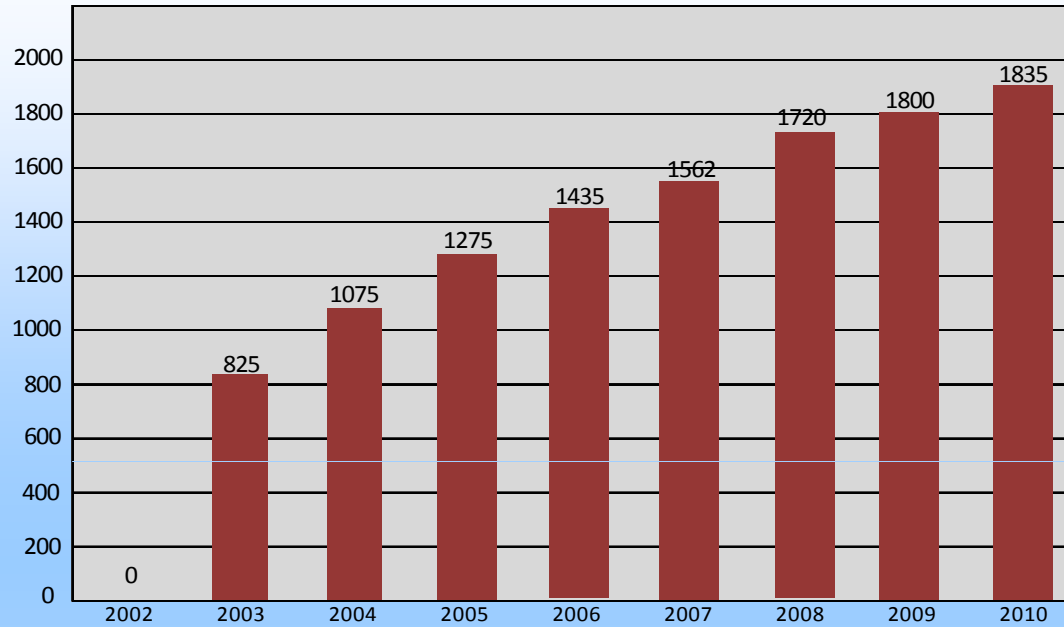
Measures of Outputs – Utility Billing

- **48** regular billing cycles generated annually (4 billing cycles per month) =  164,064 statements mailed annually.
- **1200** Late Notice Reminders processed and mailed monthly (14,400/year)
- Around **18,000** water meters read monthly
- Over **\$20 Million** in utility receivables are billed
- Approximately **308** summer lines (irrigation lines) turned on each spring, and off again each fall; assistance from Water Shop
- Average **115** phone calls per day; 27,600/yr., or 1 every 4.7 minutes
- Average **13** voice messages received and addressed per day
- **164** water services turned off monthly for non-payment
- **203** payment arrangements made to accommodate special needs of our customers monthly (up from last year due to economy)
- **2360** new customers accounts created in 2010
- **23** cancel rebillings performed in 2010

Measures of Efficiency – Utility Billing

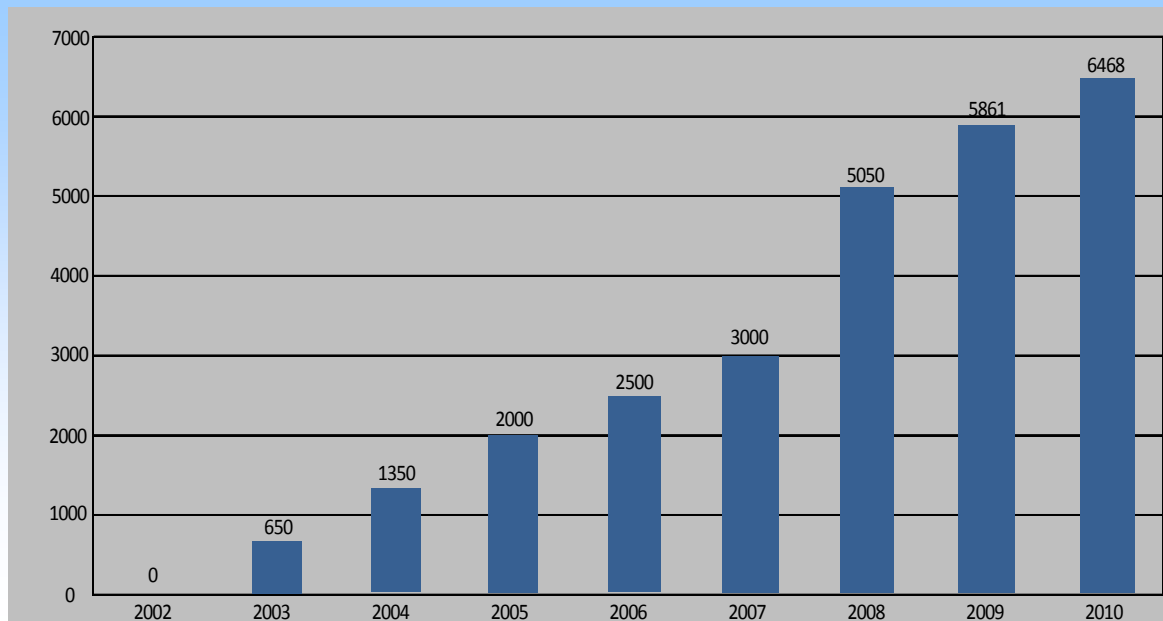
- Our Customer Service Reps process an average of \$76,923 per day. 76% of this (\$58,461) is manually processed as Cash, Checks, or Credit Cards at a 99.999% accuracy!
- Our 3 Meter Readers each read an average of *6,000 meters per month*
- Our 4 cycle billing representatives each review approximately *4,275 accounts for accuracy each month* (includes review of all meter readings)
- Our billing software is CASS Certified (USPS) to enable our monthly billings to mail at the most reduced postage rate
- Requests for service, payment arrangements and account information can be performed by fax and e-mail, as well as credit card payments taken over the phone all reducing office visits

Utility Billing Automation



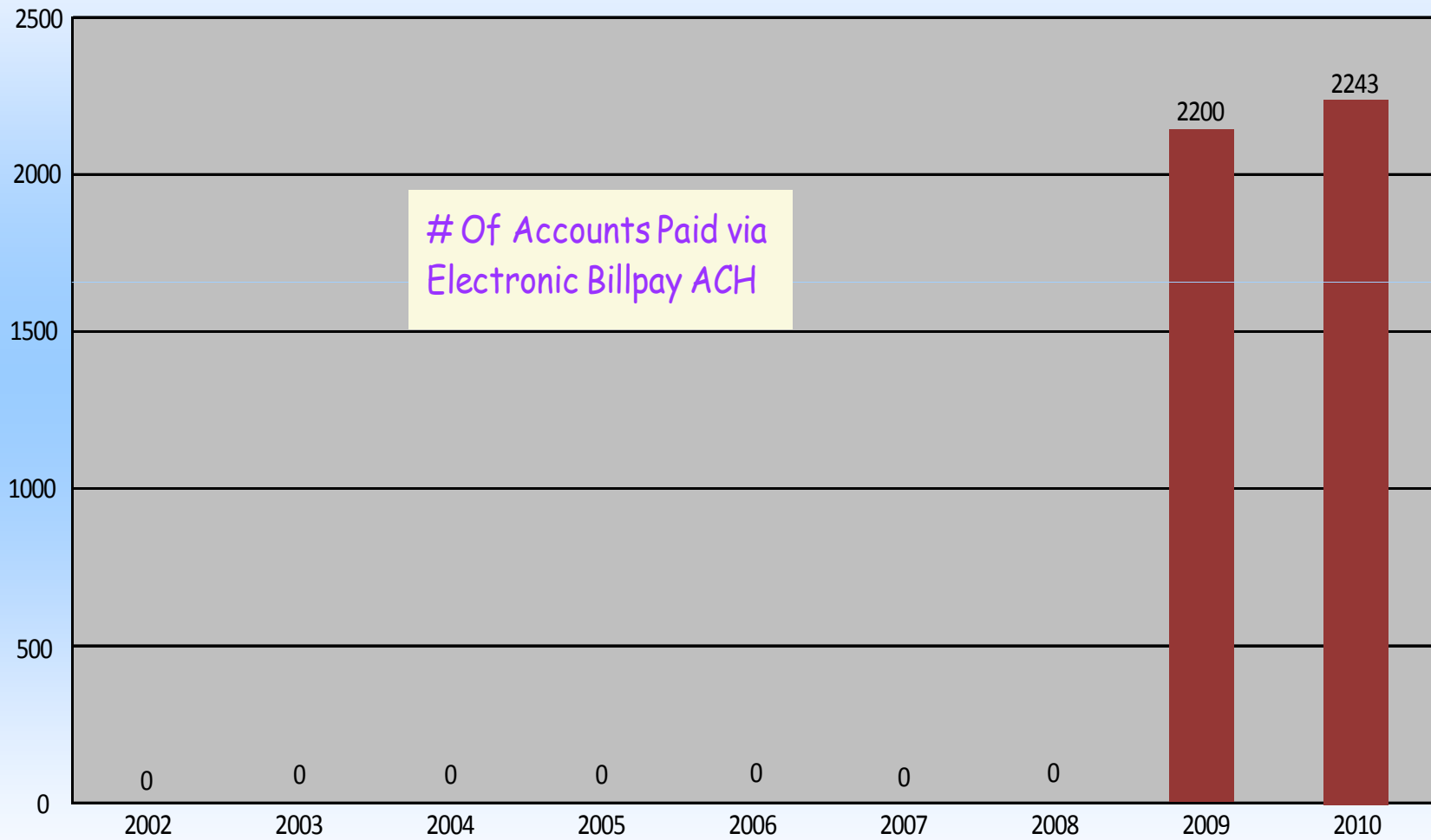
of Accounts Paid Via Automatic Bank Draft

of Meters Read Via Automatic Radio Read

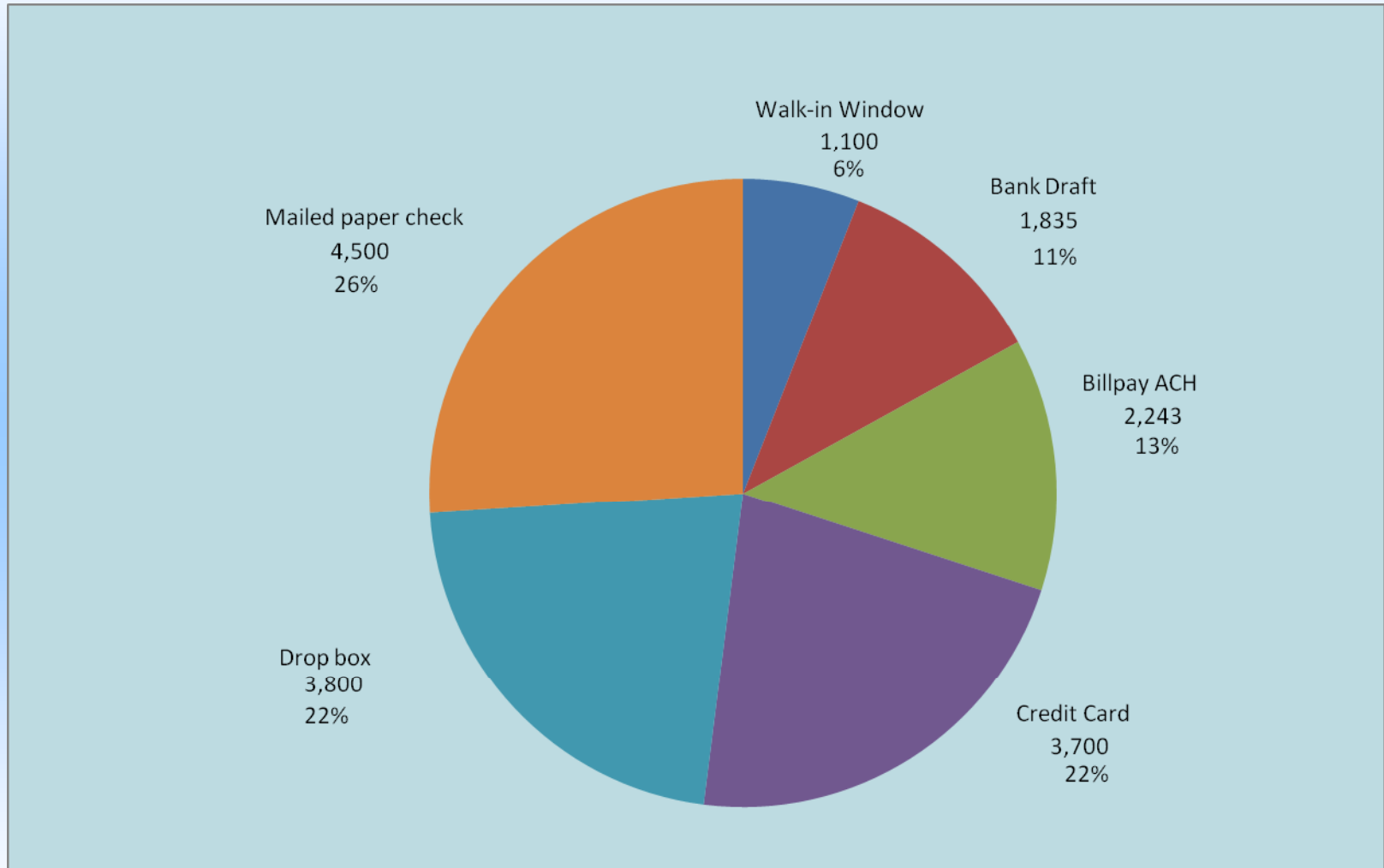


Utility Billing Automation

Electronic Billpay Accounts



Utility Billing Payment Methods (How 17,100 payments are made each month)



Measures of Efficiency – Utility Billing

Water Fixed Line Charge

(including meter replacement and billing costs)

Pocatello

\$7.45

United Water (Boise)

\$16.21

Ogden, UT

\$9.84

(\$3 to pay with credit card
or electronic check)

Customer Billing Charge

Pocatello

\$1.34

(per garbage acct)

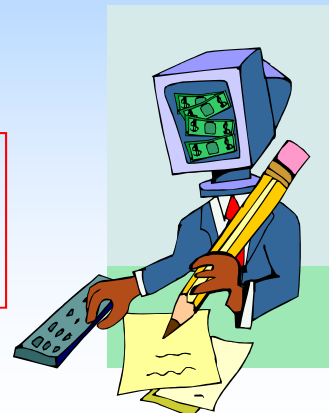
Intermountain Gas

\$6.50

Idaho Power

\$4.00

*Billing and meter overhead about 1/2
as much as others*



Points of Interest – Utility Billing

- The City provides a 30% reduction in utility costs for customers who qualify for the Circuit Breaker exemption (approximately 733 accounts)
- Over 11% of accounts now paid through Bank Drafting and close to 13% through new electronic billpay feature
- Approximately 1% of customers have exercised the credit card or “on-line” payment option, getting about 11 PIN requests per week
- Pocatello’s Water Meter Readers start at \$11.41/hour compare to:
 - Twin Falls = \$9.89/hour
 - Idaho Falls = \$13.52/hour
 - Nampa = \$11.97/hour

Outcomes: Effectiveness & Results



- Same day service for turn-on / turn-off
- Low percentage of billing turned over for collection
- Modern payment options (bank draft, credit cards)
- The City now offers e-notifications and e-billing (paperless)
- Strive for 30 day meter read cycles (avoids high/low billing variance)
- Special services include
 - Temporary vacancies
 - Turn-on/turn-off for snowbirds and summer lines
 - Budget billing
 - Leak detection and adjustment
 - 30% circuit breaker reduction (733 customers)

Explanatory Factors

Utility Billing

- Winter weather prevents most manual residential water meter reading December-February (we are reading more by radio each year, however)
- Radio-read meters are read year-round
- Other factors are about average

Moving forward

Utility Billing

- 2011 Implementations

- Automated phone system allows courtesy calls prior to shutoffs. Currently averaging 74% response to phone calls, this was implemented in October 2010
- Purchased a new radio read unit enabling a complete cycle to be read in one day vs. three days (*began use in February 2011*)

Issues & Concerns

Utility Billing

- **Where are we heading?**
 - Currently approximately 1/3 meters are radio reads: this enabled us to resolve difficult to read meters and situations such as aggressive dogs etc.
 - Do we make the investment and go 100%?
- **Advantages**
 - Currently with new read equipment a full cycle is read in one day vs. 3 – 4 days
 - Allows more time spent eliminating errors in billing
 - Reduce staffing levels and truck fleet savings of approximately \$45,000 to \$55,000 per year. This would be 100% realized net savings
 - Radio reads ensure increased accuracy of readings and billings
 - Allows year around reads, no estimating, no adjustments, better able to detect leaks sooner

Issues & Concerns Continued

Advantages Continued

- Future technology of radio reads will provide data logging information useful to the Water Department and Utility Billing.

Disadvantages

???

Costs and time frames

- Roughly \$864,000 is the cost to be at 100%. At \$100,000 a year, it would take just over 8 years. Currently the water budgets \$40,000 so an additional \$60,000 would be needed for this route.
- Installation and labor could be done in house by Utility Billing
- Other funding ideas will be looked into in hopes of obtaining 100% radio reads in two years.

Other Utilities

- Intermountain Gas is 100% radio reads
- Idaho Power plans to be 100% this fall

Issues & Concerns Continued

EMPLOYEE RETENTION IDEA:

- Relieves stress 💣
- Only takes 10 minutes ⌚
- Water shop will be moving therefore room is not a problem 👍
- Willing to share with all other departments especially the Council Members and the Mayor!
😊

