

## **Discussion Suggestions For Resolution Of Utility Billing Problems**

This document has suggestions for resolving the problems with the current Utility Billing system rate structure. Note that the current billing systems rates are based on Resolution 2015-12-01 – Corrected Version.

### **Problems Discovered:**

- Large users are not billed as was described in Resolution due to early miss-interpretations and lack of written procedures. There are both over and under billing problems. This problem is not resolved.
- The usage rates for Water and Sewer included billing for Capital Improvements even though Capital Improvements were also billed as a separate line item with a result of billing CI rate twice. This problem was fixed for the May 2019 billing.

### **Suggestions 1#:**

- Draft a replacement Resolutions to reflect current rates and remove ambiguities of how to bill large users (those averaging more than 6,400 units per month over 12 months).
- Leave in place that the base rate includes 2 units.
- Establish an annual review of the large users to update the number of base rate charges which would include adding or removing accounts from being charged multiple base rate charges. Changes put in place for July which is the beginning of the next Fiscal Year.
- Establish written procedures for both Public Works Commission and City Staff for review and implantation of evaluation of large user multipliers.
- Insure that the Finance Committee and Public Works Commission have the basic estimates for both Operational and Capital funding requirements so that the Utility Billing rates can be set and approved for July's Utility bills.

### **Suggestions 2#:**

- Bring in an outside professional organization to perform a water rate study and recommend a new or revised process for water. Sewer billing may require additional cost.
- The professional study may still require re-drafting the existing Resolution to provide guidance for requirements which address the City customer base where there are a small number of year-a-round occupants (rough estimate of just over 200), number of vacation rentals (about 200), and a relative large number of business related to hospitality services (about 30 with about 10 consuming large amount of water). Currently there are about 850 utility accounts