

**Utility Advisory Committee  
City of Olympia**

Follow Up Questions Regarding Monthly Billing (April 7, 2016 UAC Meeting Minutes)

**1. What is the estimated cost of annual unpaid bills?**

We currently have \$390,392 in past due bills. Water shutoffs have increase from about 12 per week in 2007 to 37 in 2016. We receive about 145 calls per day, many of them associated with past due bills.

**2. How does this amount compare to the cost of switching to monthly bill (\$300K per year plus ongoing staff time). Is there something the City can do to work with the people instead of switching?**

We offer bill payment programs and encourage folks to pay what they can and gradually catch up. We probably cannot quantify a cost savings. The switch is seen as a considerate change. A recent national survey indicates that the majority of utilities bill monthly, while 16% bill bi-monthly.

**3. It seems that the people that are having issues are the principal reason to make the switch to monthly billing.**

No, we are doing it to make it better for all customers. It will also help us manage our past due accounts as it pertains to unpaid bills when a house is sold. We are only allowed to collect four months past due water accounts, with bi-monthly billing, we often exceed that and do not get paid for all of the past due account.

**4. Is there a different shut off rate/failure to pay rate with the other Cities (Lacey and Tumwater) that have monthly billing.**

Lacey	24,000 customers	100 shut offs per month	0.4%
Tumwater	9,300 customers	30-50 shut offs per month	0.4%
Olympia	19,500 customers	137 shut off per month	0.7%

**5. What's the number and percentage of services that are shutoffs? (Monthly)**

In 2015, the City of Olympia shut off an average of 137 accounts per month.

**6. What is the amount of the average shut off bill vs. the amount of an average/normal paid bill? We do not track that information, nor do we really have a way to measure it.**

**7. Are the "offenders" usually low, average or high water users? Not readily available information. It would take a little time to develop.**

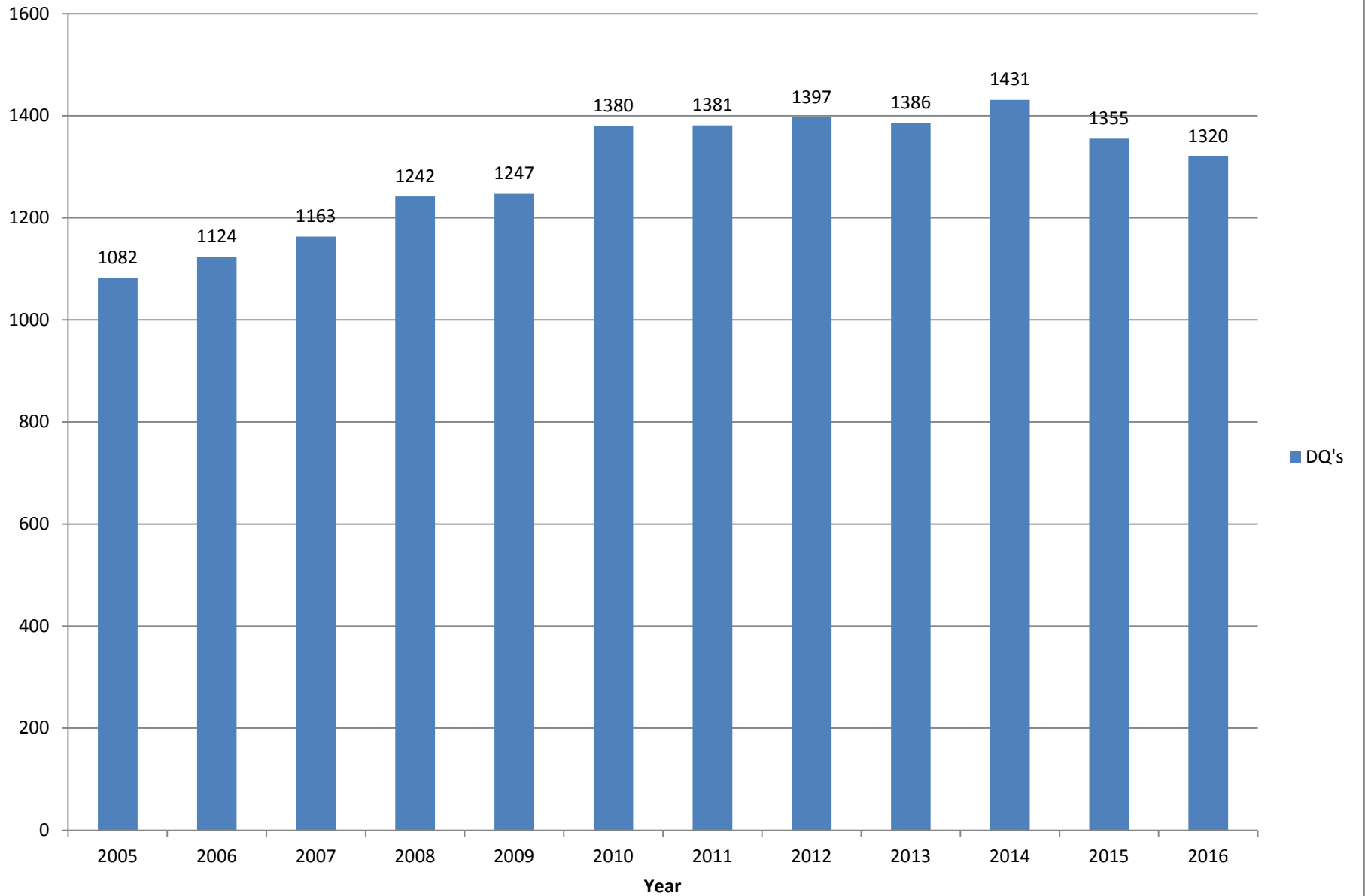
**Utility Billing Conversion to Monthly Billing**

Billing background statistics:

- Since 2005 the average residential utility bill has risen from \$170 to \$240 on a bi-monthly bill which is a 41% increase.
- Prior to the recession, shut offs averaged 11 per week.
- In 2010 they spiked to over 40 per week (an increase of 270%).
- We average 145 calls from utility bill customers per day
- Bi-monthly billing costs are becoming more and more of an issue with customers
- We currently have 21,586 customers of which 20,833 are bi-monthly (97%).
- In 2015, we produced 150,690 statements and processed 51,448 check payments.
- Monthly billing can help with customer’s cash flow. Our current average residential bill is around \$240 every two months.
- Preliminary estimates show increased costs in the neighborhood of **\$280,000** to switch to monthly billing. This equates to just under \$1 per statement. We are working on ways to reduce that cost with processing changes.
- At the same time, the City would like to look at an improvement to our E-Notification system and come up with a PDF version of the bill that customers can access, more like they are used to with other online services.
- We currently use Crystal Reports to take the billing information and create the bill. We affectionately call it the Monster Bill due to its’ complex nature.
- If and when we go to Monthly Billing, we will look at revamping our utility bill format.
- Comparisons:

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Tumwater	9,300 customers	30-50 shut offs per month	0.4%
Olympia	19,500 customers	137 shut off per month	0.7%

## Avg Monthly Delinquent Accounts 2005-2016



# Avg Monthly Water Shut Offs 2005-2016

