



MEMO

TO: The Honorable Mayor Hughson & City Council
FROM: Tyler Hjorth, Director of Utilities
Jon Locke, Director of Finance
THROUGH: Stephanie Reyes, City Manager
Joe Pantaloni, Assistant City Manager
DATE: November 18, 2024
RE: Responses to October 15th Work Session utility-related questions

City Council and staff had extensive discussion at the October 15 City Council Work Session regarding utility fees, relevant policies, and the proposed utility assistance Request for Proposals (RFP). This memo is a follow-up to the previous correspondence sent to you on October 24, 2024, and provides responses to your questions about the reconnection process, associated fees and how technology is leveraged within the City's utility service. After your review, should you have any additional questions or need additional information, please do not hesitate to contact the City Manager's Office for assistance.

Council Questions & Staff Responses

Account Automation and Technology

How many accounts are automated meter infrastructure (AMI) accounts?

100% of electric accounts are automated, however customers have the option to opt out of this feature. Water accounts are on the AMI system, and read remotely, however controlled manually.

Provide alerts for leaks or weird electric usage in real time.

Customer Connect 6 has the option to set thresholds for water usage alerts in gallons for daily thresholds of 150, 250, 350 gallons used or monthly thresholds of 1,000, 1,200, 1,500 gallons used. It does not have the option for electric alerts. The option for electric alerts is being researched with our system to see if this feature can be made available.

There is a continuous water flow report that is run each week by the Conservation staff within San Marcos Utilities Department (SMTXU) that will prompt them to contact the customer. Customers are contacted based on the contact information available within their account. If a customer cannot find the leak on their property, staff is available to assist in locating the leak at no cost to the customer.

Utility Disconnection Map

The attached maps provide information on the number of accounts as well as accounts that have undergone multiple disconnects over a three-year period (FY2022-2024). The Utility Billing Accounts Map shows the total accounts by neighborhood. The Utility Disconnect Average Rate Map shows the percent of accounts with multiple disconnects of total accounts by neighborhood.

Reconnection Process

The attached flowcharts outline the reconnection process from the time Utility Billing staff in the Finance Department receives payment from a customer.

How is wastewater disconnected? Manually or can it be automated?

The only way to disconnect wastewater flow is to have the potable water supply shutoff at the meter. Additionally, the account has an additional service of garbage on the account, the garbage bins will be removed from the property.

Fees

In a review of peer cities, many assess a late fee of five to ten percent, while one city has a flat fee combined with a percentage of interest. The table has been attached.

How is cost recovery calculated for disconnects and reconnects?

The last update to these fees was done in 2013-2014. Current City staff have been unable to locate the methodology used at that time. As part of the FY 2026 budget process, fees will be updated and will be presented to the Citizens Utility Advisory Board (CUAB) for recommendation. We will be updating fees for the next fiscal year's budget that includes establishing a formula for cost recovery. While in development, the formula may include factors such as average employee time spent, and the use of software, fuel, equipment, materials, and trucks to determine cost recovery.

Are there costs to reconnect for automated meter reading versus manual (for water and electric service)? Provide a hypothetical employee scenario to show all costs involved for manual disconnect/reconnect versus automated meter disconnect/reconnect.

Water service disconnections/reconnections, which are all manual, take on average 1.5 hours for an employee to turn water on/off after-hours. In the call out example provided below, the actual cost was \$136.19 for the call out which is inclusive of fuel and time.

The process can vary for electric service depending on whether a customer can be disconnected/reconnected remotely versus manually, thus requiring a crew on site based on having a remote meter. You will see the difference in cost between the remote disconnect/reconnect, an estimated \$25 in the example below, and the field disconnect/reconnect, \$90 in the example below. As an estimate, it may take one (1) hour for a remote disconnect/reconnect and upwards of 2.5 hours for a manual disconnect/reconnect.

Water/Wastewater Service Example

Water/Wastewater

WO: FY24- FY25-1444	Address: 525 Lockwood		Date: 10-20-24
Code: MM07	Nature of Problem: Cust. water leak		TCEQ Spill Report? Yes <input type="radio"/> No <input checked="" type="radio"/>
Reported by/Customer Name: Mary Garcia	A/S Call Time: 6:45 AM <input checked="" type="radio"/> PM <input type="radio"/>	Arrival Time: 6:45 AM <input checked="" type="radio"/> PM <input type="radio"/>	
Turn Water Service off? <input checked="" type="radio"/> Yes <input type="radio"/> No	Call Back # 512-749-3731	Completed Time: 7:30 AM <input checked="" type="radio"/> PM <input type="radio"/>	
Meter/Node 82015B23	WWSVL/SL#	Technician: 923	
Meter Reading: 171115.35	MH#/WAD#	Locates Initiated? Yes <input type="radio"/> No <input checked="" type="radio"/> N/A	
Water Loss: N/A	Spill Amount:	Standby Crew # 3	
PERSONNEL:			
Name	OT Hours	Name	OT Hours
Johnny Q.	1.5		
EQUIPMENT:			
P/u			
PARTS:			
DESCRIPTION OF RESULTS/COMMENTS:			
What was investigated and determined to be the cause? Ex. Meter 123456 Leaking, WL18032 Cracked, SL229 choked			
If customer side, how where they notified?			
Customer called stating she has a leak @ water heater.			
Shut water off @ MB-Lockwood 525. She has a plumber			
If City issue, what was done to resolve or attempted to satisfy customer? in route.			
If a Follow-up is required, did you contact and email the appropriate Crew Lead?			
N/A		Follow up WO#FY24-	

Electric Service Automated Example

Order received from Utility Billing at 9:50 AM.

Machado, Audrey 9:50 AM

AM 176 nonpays good to go. Thank you

1

Remote Disconnection: Utility Support Specialist started disconnection at 10:18 AM and completed at 10:38 AM.

Account: 16670 37 Active: <input checked="" type="checkbox"/>	Service Address	
Name: OLMOS ZION	House #: 1624	City: AQUARENA SPRINGS
Customer: 992732	Region:	City: SAN MARCOS
	Home: 956-333-2674	State: TX

Call Maintenance (BROWSE)

2 of 2 OK Cancel

Standard Charges Status Change Schedule Notes Completion Notes Transaction Log Print Order

(BROWSE)

OK Cancel

Completion Notes

Assigned to jmoore by jmoore Nov 05, 2024 10:18To Unit01 by jmoore Nov 5, 2024 10:37E:0000230771-1 Read: 44165
Completed by jmoore Nov 05, 2024 10:38

Remote Reconnection: Utility Billing created the reconnection at 10:54 AM, Utility Support Specialist started reconnection at 1:35 PM and completed by 1:47 PM.

Account: 16670 37 Active: <input checked="" type="checkbox"/>	Service Address	
Name: OLMOS ZION	House #: 1624	City: AQUARENA SPRINGS
Customer: 992732	Region:	City: SAN MARCOS
	Home: 956-333-2674	State: TX

Call Maintenance (BROWSE)

1 of 2 OK Cancel

Standard Charges Status Change Schedule Notes Completion Notes Transaction Log Print Order

(BROWSE)

Cancel

Completion Notes

Assigned to jmoore by jmoore Nov 05, 2024 13:35To Unit01 by jmoore Nov 5, 2024 13:41E:0000230771-1 Read: 44165
Completed by jmoore Nov 05, 2024 13:47

Electric Utility Manual Example

Utility Support Specialist dispatched order to Field Tech at 09:19 AM and Field Tech completed at 10:11 AM.

Account: 12876 9 Active: <input checked="" type="checkbox"/>	Service Address
Name: NINO GRACE	House #: 215 Street: EBONY ST Apt:
Customer: 78340	Region: City: SAN MARCOS State:
	Home: 5126185833 Bus:

Call Maintenance (BROWSE)

2 of 233 OK Cancel ? ? ? ? ? ?

Standard Charges Status Change Schedule Notes Completion Notes Transaction Log Print Order

ROWSE)

Cancel ?

Completion Notes
Assigned to jrtrevino by jmoore Oct 30, 2024 09:19To SME-T-J06GDD3 by jrtrevino Oct 30, 2024 09:24SERVICES DISCONNECTED
E:0000239267-1 Read: 60647
W:0082633898-1 Read: 6584961
Completed by jrtrevino Oct 30, 2024 10:11

Truck Roll Reconnection: Utility Support Specialist dispatched 1:11 PM reconnection order at 1316 and Field Tech reconnected at 1:44 PM.

Account: 12876 9 Active: <input checked="" type="checkbox"/>	Service Address
Name: NINO GRACE	House #: 215 Street: EBONY ST Apt:
Customer: 78340	Region: City: SAN MARCOS State:
	Home: 5126185833 Bus:

Call Maintenance (BROWSE)

1 of 233 OK Cancel ? ? ? ? ? ?

Standard Charges Status Change Schedule Notes Completion Notes Transaction Log Print Order

ROWSE)

Cancel ?

Completion Notes
Assigned to jrtrevino by jmoore Oct 30, 2024 13:16To SME-T-J06GDD3 by jrtrevino Oct 30, 2024 13:20SERVICES RESUMED
E:0000239267-1 Read: 60647
W:0082633898-1 Read: 6584961
Completed by jrtrevino Oct 30, 2024 13:44

Consider the 10% penalty and look at charging a flat fee.

The penalty fee will be reviewed with other fees as part of the FY2026 budget. There is most likely a rate impact if the current methodology is changed. Council can provide direction once staff provides the analysis.

Why is Reconnect fee \$170 but new connection fee is \$100

The reconnection and new connection fees were determined in 2013-2014; it is unclear what methodology was used to calculate the fee at that time.

How are wastewater fees calculated?

New residential water accounts that do not have water consumption history for the months of December, January or February are set at a base wastewater usage of 5,000 gallons. After the fourth utility bill, customers may submit a request to have their sewer rate adjusted by filling out the Winter Average Recalculation Request form. Annually, residential sewer rates are based on the average water consumption for the bills dated the previous December, January, and February.

Employee Call Out

Is there a 2-hour minimum once a person is dispatched for callout?

No; this changed when call-out pay was implemented in 2017. Employees are paid their actual time worked. Employee call outs are governed by the City's Call Out Policy which was last revised in May 2017.

What is the callout response time for our employees?

The response time requirement or threshold is specific for every employee per their work group. For Electric and Water employees, the callout response time is one (1) hour based on their job description.

Could there be an incentive for employees to live in the City (for example, \$200 extra per month to live in the City)?

This benefit is not part of the current pay structure. Such benefits would increase costs in the utility funds and would need to be considered as part of the budget and rate setting process.

Utility Assistance

Make sure all customers are offered utility assistance options when not able to pay.

Utility assistance options are currently offered to customers. Information is provided on the Utility Customer Service webpage and in the Utility Billing lobby. Staff has a list of agencies at their workstations to share with customers during in office visits and call center communications. Staff offers payment extensions if the customer qualifies. The customer service representative (CSR) can grant a 2-week extension. Anything beyond two (2) weeks will be escalated to a Supervisor or Manager. The script used by Utility Billing staff in these circumstances is attached.

Attachments:

Utility Billing Accounts Map

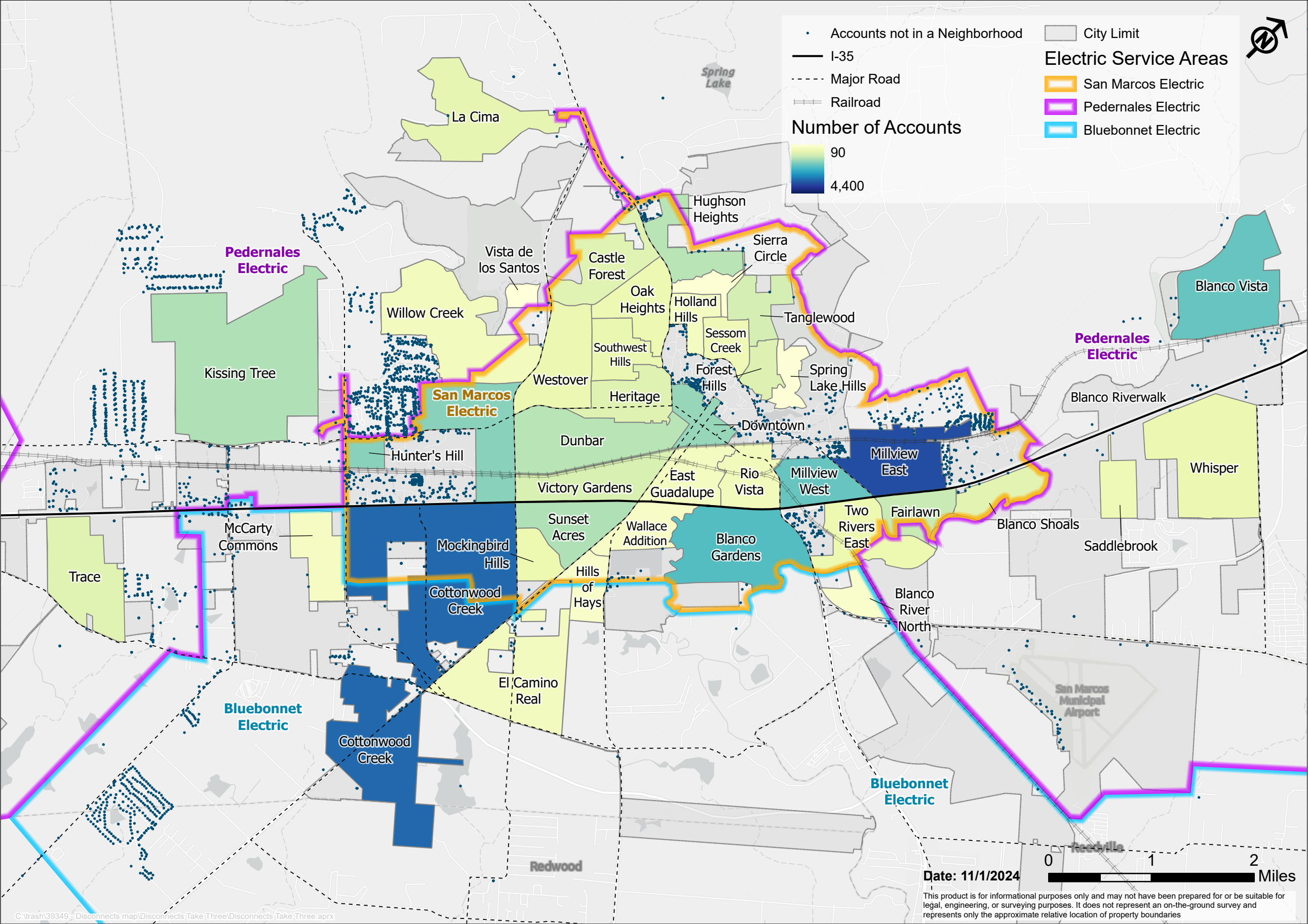
Utility Disconnect Average Count Map

Utility Disconnect Average Percentage Rate Map

Flow Chart of Reconnect Process

Utility Billing Customer Service Representative Script

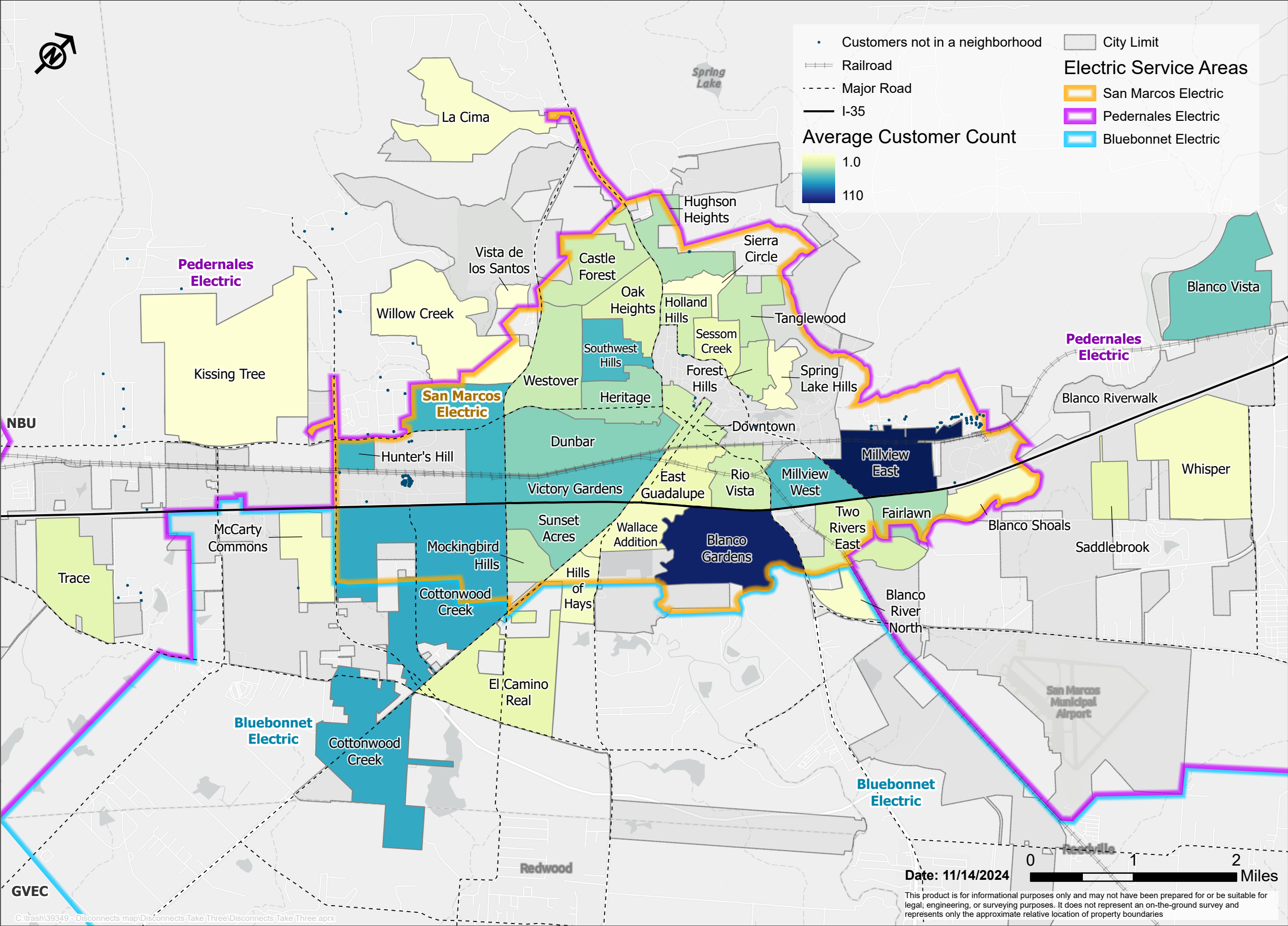
Utility Billing Accounts by Neighborhood



Neighborhood	# of Accounts
Not in a neighborhood	4,428
Millview East	3,557
Cottonwood Creek	3,240
Blanco Gardens	2,091
Blanco Vista	1,921
Millview West	1,921
Hunter's Hill	1,644
Downtown	1,537
Sunset Acres	1,349
Kissing Tree	1,347
Dunbar	1,280
Hughson Heights	1,277
Fairlawn	1,137
Tanglewood	988
Victory Gardens	927
Forest Hills	848
Heritage	833
Castle Forest	810
Trace	796
Blanco Shoals	766
La Cima	733
Southwest Hills	676
Westover	655
Whisper	651
Two Rivers East	634
Mockingbird Hills	627
Oak Heights	622
Sessom Creek	584
Saddlebrook	564
Rio Vista	501
Willow Creek	458
El Camino Real	449
East Guadalupe	421
Holland Hills	416
McCarty Commons	390
Wallace Addition	321
Hills of Hays	305
Blanco River North	254
Sierra Circle	155
Spring Lake Hills	147
Vista de los Santos	90

Utility Disconnects: FY22 - FY24

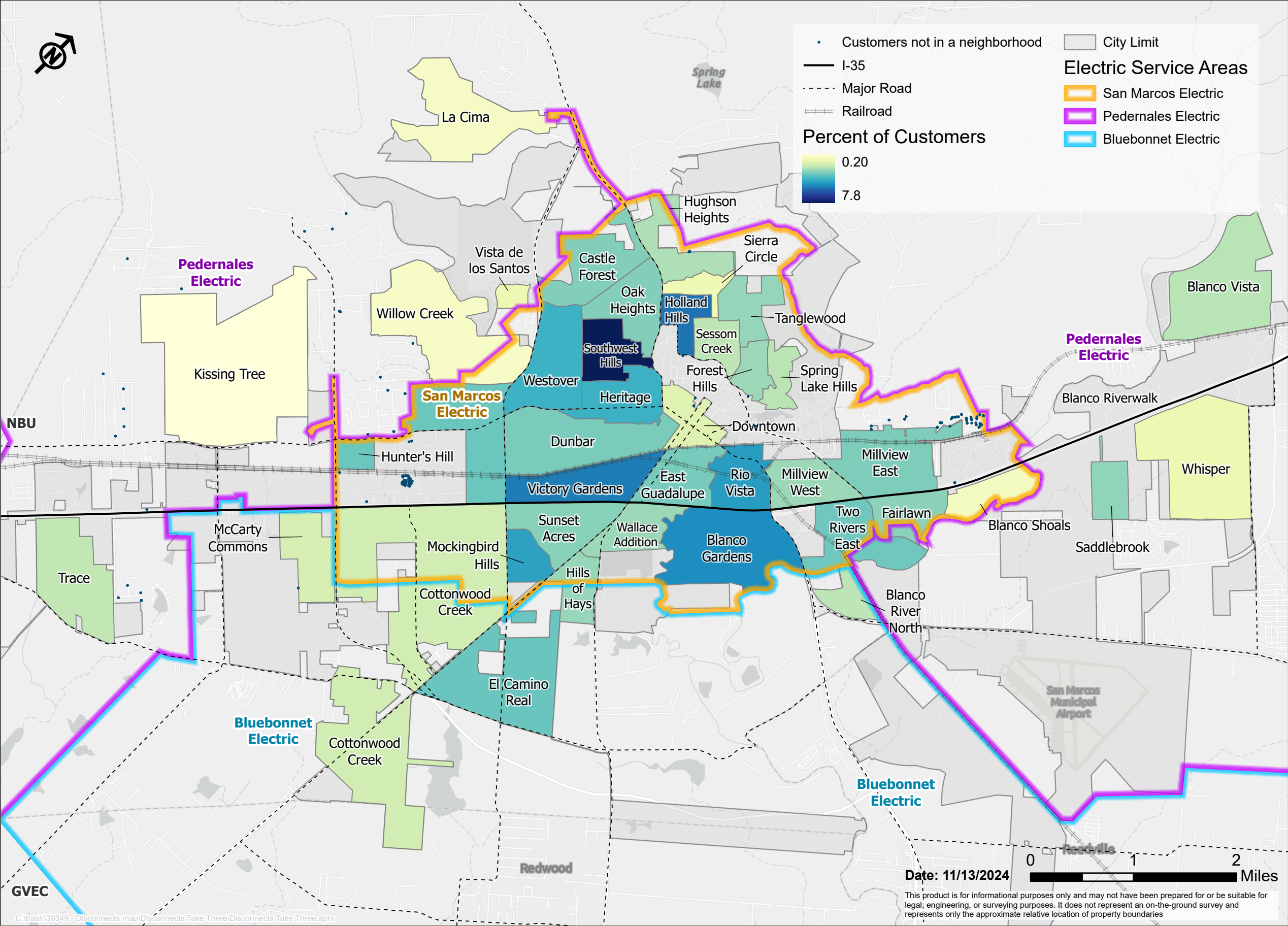
Annual Average Count of Disconnected Customers with Multiple Disconnects in an FY



Neighborhood	Avg # Customers
Blanco Gardens	105
Blanco River North	6
Blanco Shoals	6
Blanco Vista	44
Castle Forest	24
Cottonwood Creek	60
Downtown	23
Dunbar	40
East Guadalupe	13
El Camino Real	15
Fairlawn	33
Forest Hills	23
Heritage	35
Hills of Hays	8
Holland Hills	23
Hughson Heights	31
Hunter's Hill	55
Kissing Tree	3
La Cima	5
McCarty Commons	7
Millview East	109
Millview West	52
Mockingbird Hills	29
Not in a neighborhood	47
Oak Heights	19
Rio Vista	23
Saddlebrook	16
Sessom Creek	13
Sierra Circle	2
Southwest Hills	53
Spring Lake Hills	3
Sunset Acres	40
Tanglewood	27
Trace	17
Two Rivers East	21
Victory Gardens	50
Vista de los Santos	1
Wallace Addition	9
Westover	27
Whisper	7
Willow Creek	3

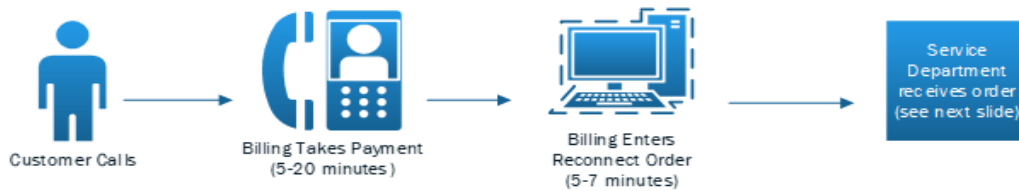
Utility Disconnects: FY22 - FY24

Average Rate (%) of Customers with Multiple Disconnects Annually

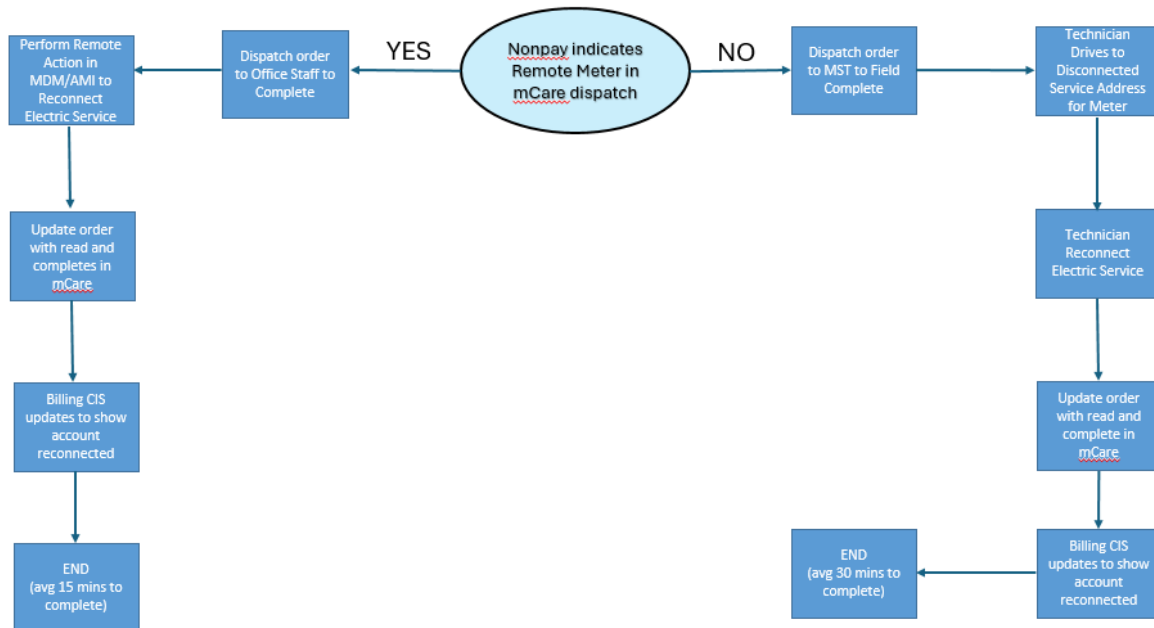


Neighborhood	% of Customers
Southwest Hills	7.8 %
Holland Hills	5.5 %
Victory Gardens	5.4 %
Blanco Gardens	5.0 %
Rio Vista	4.7 %
Mockingbird Hills	4.6 %
Heritage	4.2 %
Westover	4.1 %
El Camino Real	3.4 %
Hunter's Hill	3.4 %
Two Rivers East	3.3 %
East Guadalupe	3.2 %
Dunbar	3.1 %
Millview East	3.1 %
Castle Forest	3.0 %
Oak Heights	3.0 %
Sunset Acres	3.0 %
Fairlawn	2.9 %
Saddlebrook	2.8 %
Tanglewood	2.8 %
Hills of Hays	2.7 %
Wallace Addition	2.7 %
Millview West	2.7 %
Forest Hills	2.7 %
Hughson Heights	2.5 %
Blanco Vista	2.3 %
Spring Lake Hills	2.3 %
Blanco River North	2.2 %
Sessom Creek	2.2 %
Trace	2.2 %
Cottonwood Creek	1.8 %
McCarty Commons	1.7 %
Downtown	1.5 %
Whisper	1.1 %
Vista de los Santos	1.1 %
Sierra Circle	1.1 %
Not in a neighborhood	1.1 %
Blanco Shoals	0.8 %
La Cima	0.7 %
Willow Creek	0.7 %
Kissing Tree	0.2 %

Utility Billing Reconnect Process



Electric Meter Reconnect Process



Peer Cities Penalties

Peer City	Utilities	Late Fee	Notes
College Station	Elec, Water, Wastewater, Garbage, Drainage	10%	
Georgetown	Elec, Water, Wastewater, Garbage, Drainage	10%	
New Braunfels	Elec, Water, Wastewater, Garbage, Drainage	10%	
San Marcos	Elec, Water, Wastewater, Garbage, Drainage	10%	
Seguin	Elec, Water, Wastewater, Garbage, Drainage	10%	
Buda	Elec, Water, Wastewater, Garbage	10%	Electric provided by PEC, 10% late fee. City does not bill drainage.
Cedar Park	Water, Wastewater, Garbage	10%	Electric provided by PEC, 10% late fee. City does not bill drainage.
Sugarland	Water, Wastewater, *Garbage, Drainage	10%	Electric from distributor Center Point Energy, 5% late fee. *Garbage is via an exclusivity contract with Republic Services.
Denton	Elec, Water, Wastewater, Garbage, Drainage	\$20, plus 1% interest	Interest accrues monthly starting the next due date.
Round Rock	Water, Wastewater, Garbage, Drainage	10% or \$2.50 , whichever is greater	Electric billed directly from Oncor, 5% late fee.

Peer City	Utilities	Late Fee	Notes
Austin	Elec, Water, Wastewater, Garbage, Drainage	5%	
Bryan	Elec, Water, Wastewater, Garbage, Drainage	5%	
Garland	Elec, Water, Wastewater, Garbage, Drainage	5%	

Utility Billing Customer Service Representative Script

Thank you for calling the City of San Marcos Utilities, this is (your name), how may I help you?

- Verify SSN/Tax EIN #; email address; phone #; verify how the customer is receiving their bill, offer e-billing.
- Answer their questions and/or concerns.
 - a. If customer cannot pay their bill, offer a 2-week extension if qualified based on 12-month good payment history.
 - b. Provide customer with a list of agencies and phone numbers for assistance. (offer to email the list if needed)
 - c. If you need assistance with submitting your application or have questions about the different processes, we are happy to transfer you or provide you with contact information for Grisell Pérez-Carey. She's the City's diversity, equity, and inclusion coordinator and provides support and resource navigation.

Contact Information for Grisell Pérez-Carey

Phone: (512) 393-8298

Email: gperez-carey@sanmarcostx.gov

Before I end this call, I would like to remind you of our payment options we have available.

1. **You may register through Customer Connect on our city website @ www.connect.sanmarcostx.gov** for residential accounts only.
2. In Customer Connect, you may set up using a recurring credit card or checking/savings account to draft your payments automatically so that you don't have to worry about missing the due date.
3. If you prefer to call in your payment by phone, we also have the IVR option where you may call into an **automated phone line @ 512-393-8333** and follow the prompts.

If you have any questions or concerns in the future, you may always call us at 512-393-8383 and I would like to thank you very much for being a customer of the City of San Marcos. Have a great day.

***Email the customer the copy of the "Utility Auto Payment Access Information" (Save a template in your email to send out if the customer is interested in receiving the information)