



City of San Marcos

City Council Work Session

October 15, 2024



Receive a staff presentation regarding utility billing penalties, reconnect fees, and the utility assistance program RFP and provide direction to the City Manager.



Purpose

- Provide information requested during September 3, 2024 City Council meeting regarding utility billing penalties, reconnections, and disconnections
- Provide recommendation for Request for Proposal (RFP) criteria for City-funded utility assistance



Customer Service & Resources

- **Electric Lifeline Rate**

- Electric Lifeline rate was not established due to the existence of Comprehensive Electric Assistance Program (CEAP)

- **Spanish Language Access for Customers**

- Utility Billing has five (5) bilingual staff
- Service in Spanish is available via counter, phone, or email
- Connection & Disconnection forms are available in Spanish
- Terms templates are available in Spanish upon request
- Customer Connect is not currently available in Spanish; however, staff is working to provide



Utility Fees

- Current Fee Structure
 - Penalty Fees 10% of overall dollar amount
 - Reconnection Fees - \$40 during business hours, \$170 after hours
 - New Service Connection Fees - \$40 during business hours, \$100 after hours
- Fees will be part of the FY 2025 Water/Wastewater and Electric fee review
 - Review will assess the cost associated with connections, disconnections, and reconnections



Utility Penalty Fees

Accounts	2020	2021	2022	2023	2024
Commercial	1,172	406	2,176	1,962	1,920
Residential	<u>9,418</u>	<u>2,510</u>	<u>15,925</u>	<u>15,831</u>	<u>14,449</u>
Total Accounts	10,590	2,916	18,101	17,793	16,369
Penalty Count					
Commercial	2,220	406	7,696	6,572	6,794
Residential	<u>21,610</u>	<u>2,510</u>	<u>59,664</u>	<u>56,368</u>	<u>53,645</u>
Total Penalty #	23,830	2,916	67,360	62,940	60,439
Penalty Amount					
Commercial	\$ 179,867	\$ 39,761	\$ 809,369	\$ 608,816	\$ 680,232
Residential	<u>285,707</u>	<u>31,739</u>	<u>796,074</u>	<u>795,292</u>	<u>775,253</u>
Total Penalty \$	\$ 465,574	\$ 71,500	\$ 1,605,443	\$ 1,404,108	\$ 1,455,485

Average Penalty

Commercial	\$ 81	\$ 98	\$ 105	\$ 93	\$ 100
Residential	<u>13</u>	<u>13</u>	<u>13</u>	<u>14</u>	<u>14</u>
Overall Average	\$ 20	\$ 25	\$ 24	\$ 22	\$ 24



Utility Reconnect Fees

Fiscal Year	Hours	Commercial	Residential	Total
FY 2020	Business Hours	\$800	\$66,480	\$67,280
	After Hours	<u>\$340</u>	<u>\$11,390</u>	<u>\$11,730</u>
	Total FY 2020	\$1,140	\$77,870	\$79,010
FY 2021	Business Hours	\$40	\$4,640	\$4,680
	After Hours	<u>\$0</u>	<u>\$1,090</u>	<u>\$1,090</u>
	Total FY 2021	\$40	\$5,730	\$5,770
FY 2022	Business Hours	\$680	\$164,900	\$165,580
	After Hours	<u>\$170</u>	<u>\$28,220</u>	<u>\$28,390</u>
	Total FY 2022	\$850	\$193,120	\$193,970
FY 2023	Business Hours	\$1,840	\$169,480	\$171,320
	After Hours	<u>\$0</u>	<u>\$24,140</u>	<u>\$24,140</u>
	Total FY 2023	\$1,840	\$193,620	\$195,460
FY 2024	Business Hours	\$1,960	\$162,120	\$164,080
	After Hours	<u>\$170</u>	<u>\$27,880</u>	<u>\$28,050</u>
	Total FY 2024	\$2,130	\$190,000	\$192,130



Utility Penalties & Reconnect Fee Budgets

	Penalties		Reconnect Fees	
	Budget	Actual	Budget	Actual
FY 2020	\$ 909,731	\$ 465,574	\$ 122,935	\$ 79,010
FY 2021	948,391	71,500	129,082	5,770
FY 2022	900,000	1,605,443	100,000	193,970
FY 2023	1,391,200	1,404,108	199,000	195,460
FY 2024	1,259,069	1,455,485	155,000	192,130
FY 2025	1,259,069	-	155,000	-



Historical Revenues

- **Utility Assistance Donations**

- Funds currently amount to \$43,000*
- Funding has not been utilized or funding is used as part of the City-funded utility assistance
- Customers may change their donation amounts manually.
 - Staff is exploring automatic payment options with vendor(s) as part of utility billing system updates



Utility Assistance RFP

- Proposed Timeline: Issue November and close January

RFP Components:

Agency Information

- Hours of operation
- Service location(s)
- Online presence (website and/or social media)
- Prior experience providing utility assistance
- Number of staff and their relative experience
- Community engagement, marketing, & outreach of services
- Reporting capability
 - Applications received, approved, & denied
- Application retention policy
- External funding sources received to provide emergency assistance



Utility Assistance RFP, cont.

Agency Deliverables

- Willingness to customize application to outline the City's program and relevant requirements
- Monthly reporting to Utility Billing including applications received, approved, and denied (with reason)



Utility Assistance RFP, cont.

Customer Eligibility Criteria

- San Marcos rate payers must meet one or more of the following criteria:
 - Low income (250% of the federal poverty level)
 - Elderly
 - Disabled
 - Veteran
 - Have children in the household age five (5) or younger
- Customers limited to assistance twice a year
- Assistance provided towards current billing period and fees
- Option to waive current billing period fees with assistance



Council Direction

- Are there changes to the recommended RFP criteria?
- Other direction



Questions and Discussion