



City of Bellevue

Utilities Billing Policies Study Session

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January 17, 2023



Direction

Staff is seeking direction regarding two Utilities Department policies:

1. transitioning to monthly billing, and
 2. recovery of credit card processing costs; and
- direction to proceed with ordinance revisions.

Agenda



Background



Transition to Monthly Billing



Recovery of Credit Card Costs



Summary & Next Steps

Policy Issues

Why now?

Aligns with the implementation of Advanced Metering Infrastructure (AMI) and new customer information and billing system (CIBS).

- Recommended by Environmental Services Commission.

1. Monthly Billing: Background

Status Quo: bi-monthly billing cycle

Why consider a change?

- Monthly billing has been requested by customers
- National/industry trend towards monthly billing

1. Monthly Billing: Evaluation

Positive Outcomes

Enhance customer service

Manageable household budgeting

Reduce delinquency issues

Support ESI goal of promoting water conservation

Improve revenue stability

1. Monthly Billing: Fiscal Impact

Category	2024: Baseline	+ Monthly Billing	2024: Total
Bill Production	\$67,000	\$67,000	\$134,000
Postage	\$85,000	\$85,000	\$170,000
Check/ACH/Bill Pay	\$57,000	\$57,000	\$114,000
Total	\$209,000	\$209,000	\$418,000

*The adopted rates for 2024 already reflect these costs.
Typical Single-Family Impact: \$0.32/month*

1. Monthly Billing: Fiscal Impact

Additional Credit Card Processing Fees

Monthly Billing: +\$288,000 *[not included in adopted budget]*

ESC unanimously recommended transitioning to Monthly Billing



2. Recovery of Credit Card Processing Costs

Recovery of Credit Card Costs: Background

Payment Method	Cost per Bill
Commercial Bank-to-Bank	\$0.05
Bank Bill Pay	\$0.25
E-Check / ACH	\$0.95
In Person Payments	\$19.00
Credit Card	\$5.00-\$1,400.00

*Issue: Credit Card processing costs
Utilities \$1.1M per year*

Options

1. Status Quo - Credit card costs paid by all utility customers
2. Recover fees from Commercial & Multi-family credit card users only
3. Recover fees from all credit card users

ESC & Staff Recommendation: Option 3

Options to Recover Credit Card Costs

	Option 1 Status Quo	Option 2 Comm / Multi-Family	Option 3 All Customers
Customers Impacted	n/a	500	10,000
Cost Recovery	n/a	\$454,000	\$1,074,000
Ratepayer Equity	Sub-optimal	Improved	Maximized
Fiscal Impact	+\$288,000	-\$166,000	-\$786,000
Rate Impact	+0.2%	-0.1%	-0.6%
Typical SF Customer Monthly Impact	+\$0.45/mo	-\$0.22/mo	-\$1.34/mo

Impact to Customers Using Credit Cards

A fee of 2.65% for credit card use

Payment Method	Typical Monthly Bill	Fee if Paid via Credit Card
Typical Single Family	\$222.81	\$5.87
Typical Low Income (with Rate Relief)	\$66.84	\$1.76

No additional fee to customer for using a low-cost payment option such as eCheck/ACH, Bank Bill Pay, etc.

Rate Impact of Both Policies

	In Budget	Not in Budget	Total
1. Monthly Billing Costs	\$0.32	\$0.45	\$0.77
2. Credit Card Cost Recovery		(\$1.79)	(\$1.79)
Impact of Both Policies	\$0.32	(\$1.34)	(\$1.02)

Impact shown for typical single family monthly bill.

Customer Outreach & Education

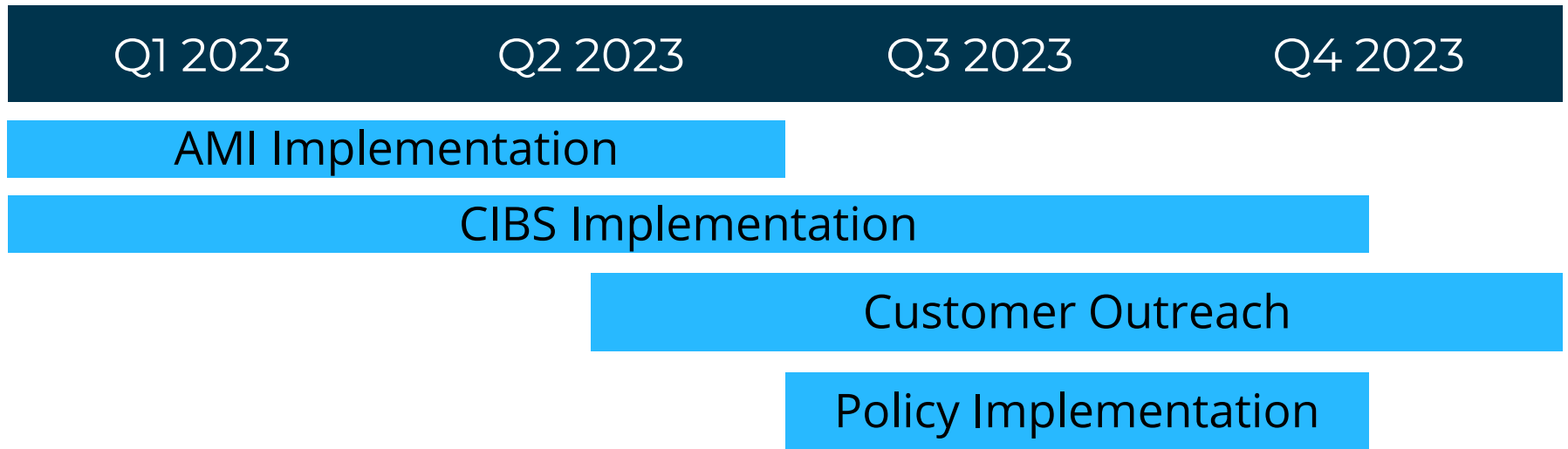
Monthly Billing

- Begin notifying customers Q3 2023

Credit Card Fees

- Educate customers about low-cost payment methods

Summary and Next Steps



Policy Implementation Steps:

- Secure necessary approvals or amendments (banking contracts).
- Public outreach
- Council adoption of amended rate ordinances

ESC & Staff Recommendation

1. Transition to Monthly Billing
2. Establish a cost recover fee for all customers using credit cards.



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