

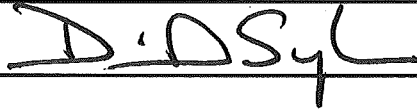
Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Julia H. Cooper
Kerrie Romanow
Vijay Sammeta

SUBJECT: NEW UTILITY BILLING SYSTEM **DATE:** June 26, 2015
TRANSITION UPDATE

Approved



Date

6/26/15

INFORMATION

This memorandum is the second update on the implementation of the new Customer Information System (“CIS”) database and utility billing system for Municipal Water, Storm/Sanitary Sewer, and Recycle Plus Garbage services, and the transition of the billing and collection process for Recycle Plus services to the Santa Clara County (“County”) Secured Property Tax Roll, effective July 1, 2015. The table below summarizes this information.

Utility	Customer Type	July 2015 Billing Method	Change from Current Method	Number of Accounts
Residential Garbage, Recycling, & Yard Trimmings	Single Family	Annual Property Tax	Yes	200,000
	Multi-Family, Mobile Home Parks, Homeowner Associations	City Monthly	No	3,300
Municipal Water	Residential, Commercial	City Bi-Monthly	No	25,000
Sanitary Sewer Service & Use	Residential, Commercial, Institutional	Annual Property Tax	No	227,000
Storm Sewer Service	Residential, Commercial, Institutional	Annual Property Tax	No	230,000

The first April 6, 2015 update can be found here:

<https://www.piersystem.com/external/content/document/1914/2488490/1/04-07-15ESD.PDF>.

Staff has completed, or is scheduled to complete, several billing, outreach, and messaging initiatives for the July 2015 billing transition, which includes efforts in addition to those highlighted in the April 6 informational memorandum; these are discussed below.

Delinquent SFD Recycle Plus Bills

- As of June 22, 2015, approximately 33,000 single family residential Recycle Plus Garbage Service customers have delinquent unpaid account balances due to the City on individual accounts totaling approximately \$2.4 million (approximately 2.8% of annual revenue of \$86 million). The average outstanding balance is approximately \$70 per account. These delinquencies represent Recycle Plus Service Charges incurred during Fiscal Year 2014-2015 for service periods up through June 30, 2015 and were last billed by the City on or before mid-May 2015. Due to the transition of the billing and collection process for Recycle Plus single-family services to the County Secured Property Tax Roll effective July 1, 2015, single-family customers will no longer be receiving bi-monthly billing statements for either delinquent or current Recycle Plus Service Charges.
- On June 26, 2015, the Finance Department mailed a “Notice of Intent to Assess Property for Unpaid Garbage Service Charges” to all affected customers outlining two payment options as a result of the billing transition. The options include a) the ability for the customers to pay the delinquent account balance in full prior to July 9, 2015, or b) be subject to an assessment for the unpaid portion of the delinquent garbage service charges which will be placed on the 2015-2016 County Secured Property Tax Roll for the property in which Recycle Plus Services are being provided. Customers selecting Option B will be subject to an additional County special assessment fee of \$6.00 related to the placement of the customer’s unpaid balances as a special assessment on the County Secured Property Tax Roll. The City is waiving its normal delinquent penalty and administrative processing fees totaling \$122.25 which would normally be imposed on customers with similar delinquencies as an accommodation and to alleviate the impacts to affected customers due to the implementation of the new CIS database and utility billing system as well as the new County billing and collection process.
- Given the quantity of notices, staff anticipates that there will be higher than normal volume of calls received by City’s Customer Contact Center and increased payment processing activity within the Finance Department. City staff are developing contingency plans to mitigate call waiting time and ensure payments are processed efficiently.

Online Information and Self-Service

- A new “How to Read Your Bill” guide will be posted online to assist customers in identifying information on their new bill. This will be located on the payment web pages for both Municipal Water customers and Multi-Family Dwelling property managers. For Municipal Water customers, this information will be in English, Spanish and Vietnamese.
- All web pages containing Recycle Plus or Municipal Water payment information have been identified and are being updated to include any new information and instructions customers will need when the new billing system is activated on June 29. Links to the new Wells Fargo Bank online bill payment system, E-Bill Express, will be active. Instructions for signing up for auto payment for those accounts not on the property tax roll remain the same; however,

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customers will need to include their customer number along with their account number. This information will also be updated on the City's web page.

- Staff will make available easy to print online outreach (including recycling reference sheets in English, Spanish, and Vietnamese) for new customers to download and use to start their curbside recycling services.
- City staff is working with each hauler to update their web pages to make them more user-friendly, including making it easier to find San José customer information and submit service questions online.

City Customer Contact Center

- The City Customer Contact Center will direct Recycle Plus customers with service questions to their hauler for the most efficient response. Contact information for the haulers has been added to the City's Recycle Plus online information.
- Municipal Water customers calling the City Customer Contact Center will hear a reminder that they will continue to be billed every other month by the City with a new account number; the bill will only include charges for water service; and bill statements will have a new look and easy to read chart to track water usage. City customer service representatives can answer more specific questions related to the billing transition. This information will also be included in a Municipal Water bill insert accompanying the first new July bills.

/s/

Julia H. Cooper
Director, Finance Department

/s/Ashwini Kantak for

Kerrie Romanow
Director, Environmental Services Department

/s/

Vijay Sammeta
Chief Information Officer

For questions regarding the Call Center, please contact Desiree Jafferries, Manager, City Customer Contact Center, Information Technology Department, at (408) 535-7011. For questions regarding payment processing, please contact Bonnie Hamilton, Program Manager for Banking and Cash Operations, Finance Department at (408) 535-3875. For questions regarding Recycle Plus services, please contact Jo Zientek, Deputy Director, Environmental Services Department, at (408) 535-8557.