



Frequently Asked Questions About the Del City Utility Billing Calibration Project

Q. What is going on with my utility bill? Why is everyone talking about the utility bills?

A. The City is in the process of calibrating the utility billing process. Currently, when monthly bills are mailed, they are for utility services used up to 8 weeks in the past. Since a normal bill is for a one-month (roughly 4 week) period, that means that there is an unbilled, but already consumed, month of utilities on each account at any given time.

This calibration project will result in bills being mailed for services used in the previous month (4 weeks in the past). This project has caused a great deal of confusion, which was initially compounded by a lack of clear and easy to understand communication. The City is now working to correct this communication problem, minimize any hardship to utility customers and make the remainder of this project as smooth and transparent as possible.

Q. Why is this calibration being made now?

A. There is never a good time to make an account calibration that requires “catch up” billing because the result will always be that due dates will shift and the unbilled or “catch up” will need to be paid in order to bring the billing current.

There are several reasons it became necessary to undertake this project at this time.

First, customers were demanding that the City take action to fix the “lag” in billing. There were an overwhelming number of valid customer complaints about billing being so far behind that it was impossible to address issues such as a water leak until a significant amount of time had passed.

Second, the City’s auditors advised that general economic conditions and the COVID-19 pandemic has changed the way that auditors view receivables, so we are required to make our receivable billing more current.

Finally, the State Constitution prohibits cities from extending credit to private individuals or businesses. Maintaining our current billing practice, with each utility account having an entire month of service that has been consumed but not yet billed, could be seen as the City extending credit to the utility customers inappropriately.

Q. My due date keeps changing. Will it ever go back to being the same day each month?

Yes, and this will happen soon. By your January bill, your due date will once again be fixed and will not change.

Each account will have due dates change by a few days each bill for up to six months. This is how the billing will be current without invoicing each account for the 4 week “lag” of used but unbilled service. The entire update project will be completed in mid-January. After your January bill, your due date will begin to be stable as it has been in the past. Since each account is assigned to one of four billing groups, the way due dates will change is dependent on the actual group because the different billing groups had different amounts of unbilled service dating back to the original creation of the four groups.

Q. I am being asked to pay an extra bill, but I have never missed a payment. Why is this happening and how is this fair?

A. No one is being asked to pay extra, pay for services already paid, pay in advance for services not yet received, or do anything other than pay for services already consumed that have not yet been billed.

Over several billing cycles, your due date is being moved up so that you will eventually be billed for service that was used 4 weeks ago instead of up to 8 weeks ago. In addition, over these billing cycles, you are being asked to pay the bills a bit quicker, eventually going back to the longstanding practice of having two weeks to pay once the

bill is generated (instead of the current almost 4 weeks). Over the course of the 12-month project, you will make one more payment than normal, but you will never make a payment “in advance” or for services that have not yet been used. In fact, you will owe less on your “final bill” when you eventually close your account because there will be fewer weeks of service that have been used but not yet billed.

Stated another way, utility customers are only being billed for services that have actually been used. The only way to “catch up” billing from nearly 8 weeks behind to 4 weeks behind is to bill for that actual usage, which has already occurred but has not yet shown up on a billing statement. Instead of sending an “extra” or “catchup” bill or charging this “catchup” on an existing monthly bill, all billing due dates are being gradually moved back over several months until the bills are only 4 weeks behind. This strategy was chosen to minimize the financial impact of this project on the utility customers. By using gradual adjustment of the billing and due dates, no one has to pay for the entire 4 weeks of unbilled service at once, but instead simply pays each bill a few days faster than normal.

Q. Why were citizens not told that these changes were going to happen?

A. Regrettably, there was a lack of communication at the start of this project. This problem is being addressed, and this FAQ document is one way we are trying to be open and transparent and get the most comprehensive information possible out to all utility customers.

Q. Why did billing get so far behind? Will this happen again?

A. There are several reasons that the “lag” exists.

1. Up until several years ago, all utility bills were due on the same day (the 25th of the month). This created a serious customer service problem, with long lines in the City Hall lobby and at the drive-thru. To solve this problem and be responsive to customer requests, accounts were broken up into 4 billing cycles. During this process, most of the additional billing delay was created and was never corrected.
2. Around the same time, generation of the first bill for new accounts slowed significantly. New accounts should receive a bill approximately 4 weeks after starting service. At one point, initial bills were taking over 2 months to be sent to new accounts.
3. Finally, severe staffing shortages with regards to meter readers and billing clerks, as well as natural disasters such as ice storms, led to minor delays which were not recouped in subsequent billing periods.

There is no reason for this condition to occur again once this calibration is completed and billing is back to the proper 4-week increment. Steps have been taken to prevent recurrence of these conditions, including cross-training utility employees on billing and other administrative topics, hiring a dedicated utility supervisor with specific responsibility for overseeing new accounts and stabilizing compensation for lower salary grade employees such as water meter readers in order to ensure the position has a fair salary and can attract and retain employees.

Q. So I am being billed extra for something that happened years ago?

A. No, you are only being billed for actual services used during the time period listed on your bill. You are being asked to pay slightly sooner than you have been for services you have recently used.

Q. This project is supposed to “catch up” billing from 8 weeks behind to 4 weeks behind. Why is it not being made totally current?

A. Generating bills for services used 4 weeks prior is most efficient. This delay does not result in aged receivables but still allows for weather and staffing fluctuations that impact meter reading, reducing or eliminating the need to rely on estimated usage for billing purposes and ensuring that the City does not have to prorate billing.

Q. How can I be sure that the money I have paid has been credited to my account?

A. All payments are accounted for in the Utility Billing system. If you have a specific question about a payment or would like to review your account history, the staff in Utility Billing would be happy to speak with you and provide the information you are requesting.

Q. I am on a fixed income and was charged a late fee when I could not pay by the new due date. What can I do?

A. The Utility Billing staff have been authorized to waive all penalties, including late fees, for any payment issues related to this update project. This waiver will not “count against” a customer’s account in any way. Please contact Utility Billing for any assistance needed with any sort of payment issue.

Q. This whole situation still does not seem right. How can I be sure that there is nothing improper occurring with the utility billing funds?

A. In accordance with State Law, all City finances are audited each year by an independent accounting firm. This audit specifically includes the Del City Municipal Services Authority, which is the entity responsible for City utilities. The City’s 2019 audit was conducted by Arledge & Associates, P.C., Certified Public Accountants, was filed with the State Auditor as required by law, and can be obtained by contacting the City Clerk’s Office.

Q. Is any of this related to the recent rate increase?

A. No. In July, the Trustees of the Del City Municipal Services Authority approved a small water rate increase. This increase was necessary to cover costs associated with providing water service and only served to put Del City roughly in the middle of peer cities in terms of overall utility costs. This rate increase has nothing to do with the current issues surrounding the “catch up” of utility billing.

Q. I called the Utility Billing office and the staff was not able to answer my question about my bill. What do I do now?

A. As part of the City’s commitment to addressing this issue and ensuring it does not occur again, a supervisor for Utility Billing has been created and is in the process of being hired. This position, known as the Utility Account Specialist, will be responsible for handling any customer inquiries or complaints that cannot be addressed by the billing clerks. This position will also handle new account setup, providing a simple and streamlined customer experience for new businesses and residents. If you have attempted to resolve an issue with the Utility Billing office and have not received a satisfactory response, you should request to speak with the supervisor. If your issue remains unresolved, or you have a concern about customer service, the entire senior management team, including the City Manager, Deputy City Manager and City Clerk, are available to assist you.

Q. I tried to come talk to the Utility Billing office, but the line was too long. What are you going to do about these lines?

A. We have reassigned an internal position to serve as additional clerical support for the Utility Billing office. Between the Utility Account Specialist and this new Customer Service Specialist, we hope to serve all customers quickly and efficiently. Please remember that, due to distancing requirements related to the COVID-19 pandemic, lines currently appear longer than normal.

Q. I am struggling to pay my bill and was impacted by the COVID-19 pandemic. What can I do to avoid late fees or service shut-off?

A. Resources from the CARES Act, administered by local nonprofits, may be available to assist residents impacted by the COVID pandemic. The City is currently evaluating proposals to supplement these funds with local funding earmarked to assist our residents or to take a variety of other steps to assist residents in need.