

**Council Meeting: June 11, 2013****SUBJECT: Appropriation of Utility Account Credit Balances to the Utility Bill Assistance Fund****BACKGROUND**

It is not uncommon for customers who leave the City or otherwise terminate their utility account to leave a credit balance on the account. Every account that closes receives a final bill that shows if they owe payment or have a credit balance. Accounts may be overpaid for a variety of reasons. For example, customers may not stop an automatic payment that they have set up through their bank, make a payment before receiving their final bill, or simply overpay the account.

Staff attempts to notify customers of their balances in several ways. First, a final statement is sent reflecting the credit balance. Second, if the customer has another utility account, or subsequently opens a new utility account, staff will transfer the balance to the other account. Third, a refund letter is mailed to each customer with a credit balance which notifies them of the credit and details the process to obtain the refund. Throughout the process, any returned mail or other information received that identifies where the customer resides is updated. However, credit balances often remain unclaimed.

In accordance with State law, staff advertises any balances that are more than three years old and unclaimed. The public is given 45 days to make a claim. For those account balances that remain unclaimed, the funds are returned to the utility enterprises and are used to offset future expenses.

EXISTING POLICY

Community Vision Goal XIV: Caring Community, sets as a citywide goal the ability to “provide support for those in the community who are not fully able to support themselves, so that all residents may provide for themselves.”

Sunnyvale Municipal Code sections 12.16.020 (Wastewater), 12.24.010 (Water), and 8.16.120 (Solid Waste) authorize the City Council to establish by resolution fees and charges based on cost influencing factors.

Policy 7.1I.1a.5 of the General Plan’s Fiscal Sub-Element states “The user fees established for each utility will be reviewed annually and set at a level that will support the total costs of the utility, including direct and indirect costs and contributions to reserves set by Council policy.”

DISCUSSION

As part of a clean-up of account balances more than three years old, the City advertised \$47,240.90 in unclaimed utility credit balances in the Sunnyvale Sun over a two week period

in December 2012, and subsequently waited 45 days for any claims to be made. \$2,934.00 was claimed during that time, leaving \$44,306.90 to be allocated to the utility enterprise funds.

In August 2011, Council directed staff to design and implement a utility bill assistance program for low income utility customers. Staff partnered with Sunnyvale Community Services to provide assistance for low income utility customers, funded by donations solicited from other utility customers. In July 2012, staff began receiving donations from customers and providing assistance to other customers. To date \$1,470.60 in assistance has been provided to customers in need; however more demand is present in the community and donations have been slow to accumulate. Instead of directly returning the unclaimed funds to the utility funds, some of these monies could provide additional funding for the Utility Bill Assistance Program.

FISCAL IMPACT

Staff is requesting authority to appropriate up to \$10,000 per year of unclaimed utility credit balances to the Utility Bill Assistance Fund for use to assist customers facing financial hardship as determined by Sunnyvale Community Services.

As the funds are either being returned directly to the utility enterprises, or being applied to utility accounts for low income customers in need, there is no significant financial impact resulting from this action.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

ALTERNATIVES

1. Authorize the City Manager to appropriate up to \$10,000 per year to the Utility Bill Assistance Fund to provide assistance to low income utility billing customers.
2. Take no action and continue the current practice of returning all utility unclaimed property to the utility funds.

RECOMMENDATION

Staff recommends Alternative 1, to authorize the City Manager to appropriate up to \$10,000 per year to the Utility Bill Assistance Fund to provide assistance to low income utility billing customers. Appropriating funds from unclaimed credit balances will provide a funding base for the assistance program going forward and provide Sunnyvale Community Services the resources needed to adequately help Sunnyvale utility customers in need.

Reviewed by:

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Approved by:

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City Manager