

## Council Meeting Staff Report

June 20, 2018

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<b>Agenda No.:</b>	5.A
<b>Indexes (Council Goals):</b>	BCC - N/A
<b>Presenters:</b>	Bob Westervelt
<b>Legislative File:</b>	10822-18

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### Title

Public Hearing for Modification of Department of Public Utilities Rules & Regulations - Modifications to Rule GR-15: Deposits; and Deletion of Rule GR-16: Credit Rating

### Recommended Action

**I move the Board of Public Utilities approve revisions to Department of Public Utilities Rules & Regulations, Rule GR-15: Deposits, as presented; and approve deletion in its entirety of Department of Public Utilities Rules and Regulations, Rule GR-16: Credit Rating.**

### Staff Recommendation

Staff recommends approval of the rule changes as proposed.

### Body

At the May 2018 regular meeting of the Board of Public Utilities this item was presented for approval by the Board. The Board requested certain clarifying language be crafted to add clarity to the rule. Those changes have been incorporated into the revision presented tonight and are summarized as follows:

1. Item A(1) changed "the utility" to "The Los Alamos County Utilities Department"
2. Items A(3) and B(2) clarified that improper connection to a *Los Alamos County* utility system is the event referenced in this item.
3. Items A(4) and B(3) added a defined time frame of seven years within which a bankruptcy action would result in a deposit being required.
4. Items A(5) and B(4) clarified that returned payments *to Los Alamos County for utilities services* is the event referenced in this item.
5. Items A(6) and B(5) deleted "late fees charged" from the collections events that would be considered in determining if a deposit would be required.

The remainder of this staff report is a simple re-presentation of the material that was presented at the initial hearing of this item in May, 2018:

Historically, a credit rating was calculated by the billing system according to defined parameters and was used as one criteria in the determination of whether a deposit would be required on a new or existing utilities account. Tyler Munis, the new Enterprise Resource Planning (ERP) system being implemented by the County, does not support automated calculation of a credit rating. The criteria used can be evaluated and applied by staff without the necessity of establishing a formal credit score. The recommended revision to rule GR-15 deletes reference to the credit rating, but adds some of the criteria previously delineated in Rule GR-16. Some minor language cleanup is included as well. Rule GR-16 defined the credit score criteria and calculation but is no longer applicable in the new ERP, so is recommended for deletion in its entirety.

### Alternatives

If this item is not approved staff would need to draft alternative language for Board consideration that would implement the changes necessitated by the new ERP system, or would need to track and

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apply the criteria and calculate a credit score manually. Again, the same criteria is already used by staff to determine if a deposit is required, so calculation of a formal credit score is unnecessary.

**Fiscal and Staff Impact/Planned Item**

There is no fiscal impact to this action.

**Attachments**

A- Rule GR-15 Deposits (redline version) revised for 6-20-18

B- Rule GR-16 Credit Rating (redline version)