



APEX
NORTH CAROLINA

Management Response to Utility Billing Process Review Report

Published September 22, 2025

Introduction

Town of Apex staff acknowledges the findings presented in the Utility Billing (UB) Process Review Report conducted by Berry, Dunn, McNeil & Parker, LLC. The report has provided valuable insights into the state of our utility billing processes at the time of their review period, and highlighted areas for improvement. We appreciate the thorough analysis and recommendations provided.

Resources and Roles

In response to Section 2.1 of BerryDunn Report

The report presents a simplified organizational chart to illustrate resources and roles of departments involved with the utility billing review and processes. The chart illustrates employee names as of the end of July 2025, and does not display or account for the following:

- Participation by additional staff in the Finance Department Billing & Collections division (front counter staff and other)
- Additional staff from various other departments that are also involved in the process (Information Technology, Water Resources, Electric, etc.)
- Staff turnover in several key roles, both during and after BerryDunn's review period

Acknowledgment of Key Findings

In response to Section 2.4 of BerryDunn Report

While reconstructing our billing system after the cybersecurity incident, the town was faced with a series of decisions on whether to apply various non-metered charges that are normally included in a monthly utility bill. Each decision was made with careful consideration and several goals in mind:

- Create the least amount of impact possible on our customers.
- Maintain a billing process that was fiscally responsible.
- Generate accurate utility bills to the best of our ability, given software constraints.

BerryDunn's final report identified several key findings regarding these decisions and constraints, and the town has prepared a response to those findings.

Base Charges

Finding: The Town did not apply base charges for Cycle 1 and Cycle 2 customers to offset rate increases. The decision was intended to offset the rate increase effective on July 1 and the possible tier increase due to the two- or three-month usage billed.

Response: We acknowledge the findings that the Town paused base charges for Cycle 1 and Cycle 2 customers for the first billing periods for each cycle immediately following the July 2024 cyber incident. Staff recognized two factors that would possibly increase utility charges beyond the amount that would typically be calculated in a one-month bill – a rate increase effective July 1st, and water usage above the lowest tiered rate. With that knowledge, decisions were made to avoid charging the correct number of base fees, with the intention of offsetting those potential impacts.

Refuse, Yard Waste, and Recycling Charges

Finding: The Town made adjustments to refuse, yard waste, and recycling charges to recover base charges that had not been applied during the two months of missed billings. This approach helped ensure more accurate billing and service cost recovery.

Response: We acknowledge the finding that the Town applied the missing solid waste charges for Cycle 1 and did not apply them for Cycle 2. Cycle 2 was the first billing after the cyber incident and included a roughly two-month service period. The Town’s billing system applies solid waste charges per bill, not based on days or months. This approach, however, meant that solid waste fees were not properly collected for what would have been the July 2024 bill, which was for the service provided in June 2024. This will create unrealized revenue for the final month of FY2024-25.

After recognizing that the first Cycle 1 bill after the cyber incident would be for roughly three months and considering the unrealized revenue from not applying the appropriate solid waste fees to Cycle 2 bills, the Town made the decision to manually apply the solid waste fees for Cycle 1. This approach was intended to mitigate against lost revenue for solid waste operations that would have normally been received.

Stormwater Fees

Finding: The Town made adjustments to stormwater fees to ensure accurate billing for Cycle 1 customers. The Town added a credit to accounts billed for two months in September and later added a credit after realizing some customers received a July 1 bill.

Response: We acknowledge the finding that the Town applied stormwater fees for Cycle 1. Similar to solid waste fees, stormwater fees were applied per bill, not per month, by the Town’s previous billing system. The Town made the decision to manually apply the stormwater fees for Cycle 1 that would have been billed if we had been able to produce three separate monthly bills. This approach was intended to produce more accurate billings and mitigate against lost revenue for stormwater operations that would have normally been received.

Upon realizing that approximately 5,000 accounts in Cycle 1 received a July bill that went out the day before the cyber incident, the Town applied a credit to these accounts to offset one month of stormwater fees that the Town had manually added.

Load Management Credits

Finding: The Town did not apply some load management credits due to system issues, but corrective actions were taken in subsequent billing cycles.

Response: We acknowledge the finding that some customers participating in the load management program did not properly receive their credits for the multi-month bills. The Town worked to correct the issue for subsequent bills and is continuing to work to identify customers that may not have received their full credits. These credits range from \$2 to \$6 per month depending on the level of participation. Cycle 1 customers that received a three-month bill may not have received two months of load management credits and Cycle 2 customers that received a two-month bill may not have received one month's credit.

Bill Timing of Closed Accounts

Finding: The Town did not bill some final/closed accounts on time. Failure to close the account on time and establish a new customer with an active status at the service address contributed to missed billings for the new customer.

Response: We acknowledge the finding that the Town did not complete final billing or establish new services for billing for some customers in a timely manner during the months immediately following the cyber incident. The Town worked to correct these issues and get all final and new accounts in order. The Town made appropriate corrections to final bills that were not closed on time. Some new customers received extended service periods on their first bills because of these delays. The Town does not want or expect these delays to be normal practice moving forward; however, the Town did have concerns about this occurring again with the transition to new software, which required a short blackout period where staff could not enter disconnect or set-ups for services, and with operating at reduced staffing levels. To mitigate these delays, the Town is working to hire more billing staff, is employing temporary staff, and is providing assistance from staff in other departments. The Town acknowledges that the time to train and ensure proper procedures has delayed successful mitigation of this concern.

Operational Challenges

Finding: The Town faced challenges related to resource constraints, concurrent projects, and billing process inefficiencies.

Response: We acknowledge that multiple projects and priorities hindered the Town's ability to respond to customers and return to normal operations effectively. The Town did not plan to implement several large projects affecting utility billing at the same time. The cyber event caused delays for new software implementation that then overlapped with the established schedule for the meter replacement program while staff were still working to respond to customer concerns from the multi-month billing. Learning new systems, handling increased customer issues, and troubleshooting the meter replacement program reduced staff capacity and efficiency. The Town did not provide proper staffing levels to address the amount of work involved, and in hindsight,

delaying the meter replacement project until resolving customer concerns and acclimating to the new software would have been more prudent.

Billing Shortfall

Finding: A preliminary review indicates that the Town underbilled utility customers by approximately \$300,000.

Response: We acknowledge the finding that the Town should expect unrealized revenue of approximately \$300,000 due to decisions made in the billing process that resulted in underbilling of customers. This revenue shortfall will be realized in four funds – the General Fund (solid waste fees), the Electric Fund, the Water-Sewer Fund, and the Stormwater Fund. We expect the highest impacts to be in the Electric Fund and the Water-Sewer Fund. A portion of this shortfall will be realized in FY24 with any unbilled or uncollected charges and fees associated with the missed July bill, which accounts for June usage. The remaining unrealized revenue will be recognized in FY25.

We would like to note that at no time during the operational challenges presented above were town utility services disrupted. Furthermore, in recognizing potential difficulty for some customers to pay amounts associated with multi-month bills, the Town immediately suspended late penalties and services disconnections due to non-payment, and offered payment plans to all interested customers.

Response to Recommendations

In response to Section 3.0 – 3.3 of BerryDunn Report

We are committed to addressing the recommendations outlined in the report to improve our utility billing processes and enhance customer service. Our response to the key recommendations is as follows:

Technology Recommendations

To support billing accuracy, efficiency, and long-term sustainability, the Town should prioritize the following technological enhancements for both the current and future system:

1. Improve system speed and performance to reduce delays and support timely billing operations.

Response: The Town of Apex’s utility billing infrastructure benchmarks favorably against industry standards, with hosted solutions designed to meet expectations in speed, reliability, and responsiveness. As of July 2025, our customer-facing billing portal is powered by Smart Energy Water (SEW). SEW’s SmartCX platform is able to provide secure, scalable, and customizable billing experiences, serving over one billion users across 37 countries.

Internally, the Town transitioned to Milsoft Utility Solutions as of July 2025. Milsoft's platform supports operational reliability and financial accuracy, with proven scalability and a strong reputation for service excellence across municipal utilities nationwide.

2. Conduct regular system maintenance and upgrades to help ensure billing and customer service platforms remain current in non-production environments.

Response: We agree that regular system maintenance and timely upgrades are essential to ensuring properly functioning billing operations and long-term service reliability. The Town's IT staff follows a structured and proactive approach to system upkeep, aligned with industry-recognized utility management frameworks. This disciplined approach aligns with national standards for sustainable infrastructure management.

3. Establish clear protocols for system access and troubleshooting, helping ensure authorized personnel can address issues promptly in CityWorks and in the production environment.

Response: We agree that clear protocols for system access will enable staff responsiveness and effectiveness. We have established clear processes for providing access to systems by including key staff from various departments that impact the billing cycle either directly or indirectly such as meter technicians from Electric and Water Resources departments.

4. Consider read-only access to applications when special or unexpected events occur.

Response: We are capable of and have provided read-only access to applications and/or data as needed.

5. Help ensure the new UB system implementation follows all industry standards for testing, training, and a smooth cutover.

Response: The Town followed recognized industry standards throughout the implementation of the new utility billing system, including structured testing, comprehensive staff training, and a phased cutover strategy. Our approach aligned with best practices outlined by RPI Consultants, which emphasize rigorous validation, and clear transition planning.

Implementation Highlights

Testing: We conducted parallel billing runs in the test environment to validate rate structures, account transitions, and billing logic prior to go-live. These tests included:

- Cross-validation of legacy and new system outputs
- Exception reporting for flagged accounts
- Invoice generation and payment processing simulations

Training: Staff participated in hands-on training sessions tailored to their roles, supported by vendor-led walkthroughs and internal documentation. We also provided testing access for learning and scenario testing.

Corrective Actions

To address challenges, we have:

- **Enhanced Data Validation:** Implemented additional pre-bill checks and automated alerts for account anomalies.
- **Expanded Support Resources:** Provided supplemental staffing and created quick-reference guides to assist with common issues.

We remain committed to continuous improvement and are actively incorporating lessons learned into future system enhancements and staff development efforts.

Process Recommendations

The Town has an opportunity to address many process challenges as part of the replacement utility billing system implementation, both during the implementation and in the period immediately following production cutover.

1. Focus on business process change opportunities as part of the new system implementation, including testing and training in all key process areas.

Response: The vendors have supplied training materials, including instructional videos, process documentation binders, and quick reference guides for staff use. Multiple testing sessions were conducted for each process area prior to staff sign-off.

2. Initiate a review of key business processes and begin documenting processes that are particularly complex, variable, or not well understood.

Response: The Town intends to review key business processes and begin documenting processes that are particularly complex, variable, or not well understood as staff become more familiar with the new software. We have begun using new software systems for utility billing and customer account management. We are also engaged in a large project to replace meters so that usage can be read in an automated a more efficient manner. These new systems and projects have required that we evaluate our processes related to meters, reading meter usage, and utility billing, and that we update and document these processes as part of a town-wide collaborative effort.

3. Work to ensure compliance with legal and regulatory billing guidelines to help prevent errors and maintain public trust.

Response: Our adherence to legal and regulatory billing guidelines remains unwavering. The Town currently follows all regulations regarding billing guidelines. Any errors present in the system or billing are not the result noncompliance.

4. Clearly define and communicate special project plans to align expectations, timelines, and roles across departments.

Response: We agree that clear communication and expectations will improve our billing operations. The Town has begun to address this by mapping out the process for handling meter readings and billing cycles and establishing the proper communication channels between field staff and office staff to ensure and validation of proper equipment in the field to accurate and timely data imports into the billing system. By doing so, teams can ensure accurate billing and reduce the likelihood of discrepancies, thereby improving overall service delivery and customer satisfaction.

5. Eliminate unnecessary steps and focus on process improvement to increase consistency, reduce manual errors, and improve service delivery.

Response: We agree that eliminating unnecessary steps and focusing on process improvement is crucial for increasing consistency, reducing manual errors, and improving service delivery. As an example, we have already begun is implementation of our meter replacement program. By implementing advanced metering infrastructure, we will provide real-time data accuracy and significantly reduce the manual intervention required. We will continue to examine processes and explore ways to enhance operational efficiency and improve customer satisfaction.

Organizational Recommendations

Strengthening staff support, interdepartmental coordination, and workforce stability will help the Town sustain performance and adapt to future demands. The Town has acted upon many areas for improvement and maintains a goal to continue these efforts. The Town should consider the following activities in its ongoing work:

1. Reprioritize tasks and competing priorities, assigning clear ownership and deadlines to support daily workflow.

Response: We acknowledge the importance of reprioritizing tasks and addressing competing priorities to streamline daily workflow. The Town has identified the following action items to ensure effective management and execution:

- Conduct a comprehensive review of current tasks and priorities to identify areas requiring immediate attention and potential rebalancing.
- Assign clear ownership of tasks and responsibilities to specific team members, ensuring accountability and clarity in roles.
- Establish realistic deadlines for each task to manage workload effectively and meet operational goals.
- Schedule regular check-ins with team members to review progress, address challenges, and provide support.

Additionally, we are evaluating our meter replacement program schedule to set a more manageable pace that will allow billing staff more time to address current customer concerns, revise processes as needed with the new system and build capacity. Within meter operations and billing operations, project leaders and managers have been identified and specific tasks for daily operations and communication have been assigned to team members.

2. Provide cross-functional training for UB and metered services staff to increase flexibility and resilience.

Response: We appreciate the recommendation to provide cross-functional training for UB and metered services staff. The Town has begun to address this with meter services staff and billing staff working in tandem through the meter replacement program, and Water Resources, Electric, and Public Works staff have assisted the billing team in completing billing cycles and processing work orders. Additional training for the new billing system is planned for new team members at the end of September and beginning of October 2025. Team members from meter services and the customer service team are invited to participate in this training. Other action items we have identified are:

- Assess training needs to tailor the cross-functional training program effectively.
- Develop a comprehensive training plan that includes hands-on workshops, interactive seminars, and online modules.
- Schedule regular training sessions to ensure continuous learning and skill enhancement across departments.
- Monitor and evaluate the effectiveness of the training initiatives to ensure they meet our operational goals.

3. Offer professional development opportunities to improve staff engagement and support retention.

Response: We recognize the importance of enhancing staff engagement and retention through professional development opportunities. To address this, we have identified several action items:

- Conduct a needs assessment to identify specific training and development areas.
- Implement a comprehensive professional development program, including workshops, seminars, and online courses.
- Establish a mentorship program to support ongoing learning and career development.
- Monitor and evaluate the impact of the professional development initiatives on staff performance and satisfaction.

4. Review policies and ordinances to help ensure alignment with new system configurations and operational realities.

Response: We fully acknowledge the importance of reviewing policies and ordinances to ensure alignment with new system configurations and operational realities. By doing so, we will foster a more streamlined and effective operational environment. Our management team is committed to diligently following up on this recommendation, with a focus on achieving outcomes such as enhanced accuracy, improved efficiency, and greater customer satisfaction. To realize these goals, we will:

- Conduct a comprehensive review of current policies and ordinances to identify areas needing updates or changes.
- Implement training programs to ensure all staff are informed and prepared for the updated processes and systems.
- Monitor and evaluate the impact of these changes to continuously improve operations and customer service.

Potential Risks and Mitigation Measures

While we are committed to implementing the recommendations, we recognize that there are potential risks that could impact the success of these initiatives. These risks include:

- **Resource Constraints:** Ongoing operational disruptions and staffing shortages within the Billing and Collections Division could impact the pace and continuity of efforts.
- **Concurrent Projects:** The simultaneous upgrade of meters and metering equipment, the ongoing utility billing system project, and other active initiatives could divert staff time and focus.
- **Data Inconsistencies:** Devices, such as meters, can fail to transmit data, causing billing delays and a need for manual corrections.
- **Process Errors:** The mass meter change-out did not adequately account for the timing of replacements within active billing cycles, resulting in incomplete usage data when old meter reads were not paired with new meter output. This misalignment caused billing delays and required manual corrections, despite the meters themselves functioning properly.
- **Customer Impact:** Any delays or inaccuracies in billing could negatively impact customer satisfaction and trust.

To address these risks, we will implement the following mitigation measures:

- **Resource Constraints:** We will prioritize critical tasks and allocate additional resources to the Billing and Collections Division to ensure continuity of efforts. We are already implementing temporary staffing solutions to address short-term resource gaps.

- **Concurrent Projects:** We have established a dedicated project management team to oversee the implementation of concurrent projects and ensure that staff time and focus are appropriately balanced. We are conducting regular status meetings and progress reviews to monitor project timelines and address any emerging issues.
- **Data Inconsistencies:** Actively reprogramming affected meters and enhancing system checks are in place to improve reliability. We will implement data validation and reconciliation processes to identify and resolve inconsistencies in meter system upgrade data.
- **Process Errors:** To prevent recurrence, we are reviewing meter exchanges to ensure we capture and reconcile both old and new meter reads. We will work closely with our IT team and system vendors to identify and resolve errors promptly.
- **Customer Impact:** We will enhance our customer communication strategies to keep customers informed about any delays or inaccuracies in billing. We are working to establish a customer support team to address customer inquiries and concerns promptly.

Expected Outcomes

The implementation of the recommendations and responses outlined in this report is expected to yield several positive outcomes:

- **Enhanced Billing Accuracy:** By addressing data inconsistencies and system errors, we expect to achieve more accurate billing, reducing the risk of overbilling or underbilling customers.
- **Improved Customer Satisfaction:** Enhanced communication strategies and a customer support team will help address customer inquiries and concerns promptly, leading to higher customer satisfaction and trust in our billing processes.
- **Increased Operational Efficiency:** Improvements to system speed and performance, along with streamlined business processes, will lead to more efficient billing operations and better resource use.
- **Stronger Organizational Support:** Cross-functional training and professional development opportunities will improve staff engagement and retention, creating a more motivated and capable workforce.

Next Steps and Timeline

Town management has provided the Utility Billing Process Review Report to the Town Council and will provide this response, concluding the Utility Bill Review Project. The Town will post the report and response on its website. The Town will use this information to support Town staff on actionable paths forward to improving processes and customer service. We are committed to implementing the recommendations and enhancing our utility billing operations and customer service.

Timeline for Next Steps:

- **July 2025:** Began implementation of new utility billing software and customer portal.
- **August 2025:** Began adding additional temporary staff to address backlog of final account closeouts and new account set-ups and customer concerns
- **September 2025:** Present the report and responses to Town leadership.
 - Post report and responses on Town website.
 - Begin reviewing key business processes and begin documenting processes that are particularly complex, variable, or not well understood.
 - Identify and track measures related to data validation and process efficiencies.
- **September/October 2025:** Provide cross-functional training for utility billing, customer service, and metered services staff. Additional staff training from the software vendor has already been identified.

Summary and Conclusion

In summary, the Utility Billing Process Review Report has provided valuable insights into the current state of our utility billing processes and highlighted areas for improvement. We acknowledge the findings and are committed to addressing the recommendations to enhance our utility billing operations and customer service. By implementing the proposed measures, we expect to achieve enhanced billing accuracy, improved customer satisfaction, increased operational efficiency, and stronger organizational support. We appreciate the thorough analysis and recommendations provided by Berry, Dunn, McNeil & Parker, LLC, and we look forward to working to achieve these outcomes.