



## **COUNCIL COMMITTEE REPORT**

### **Public Utilities Committee**

**Date:** September 16, 2015

**Agenda Item #:** 7

**Agenda Item:** Discussion and possible action regarding Austin Water Utility billing issues.

**Vote:** None taken.

**Original Sponsors/Department:** Austin Water

**Summary of Discussion:** Austin Water Director Greg Meszaros gave a presentation to address water billing concerns within the City of Austin. Committee members engaged in discussion with Mr. Meszaros and Austin Energy billing and customer service-related staff to delve into specific questions regarding water bills.

**Public Comments:** Several citizens signed up to speak. [Summaries below are reflective of major comments relayed and general discussion conducted but not entirely comprehensive of all discussion. Please see transcript and video for additional details.]

Matthew Worington, resident of Green Slopes Planned Unit Development (PUD) in District 2, spoke on behalf of the 113 individually-owned townhomes in the PUD and as chair of the Green Slopes Water and Wastewater Solutions Committee. He shared chart and invoice showing two years' of water use, and spoke about inconsistent spikes in bill and massive water use increases outside of the summer months.

Richard Hans, resident and board member of Green Slopes spoke to address that high water bills are due to leaks and increased water usage. Mr. Hans mentioned that leak inspections were done throughout the property and that no leaks were found except for a couple of drips that were instantly repaired and would not cause the spikes they had seen. He stated that there are no major water-using systems such as irrigation systems, pools, car washing, spas, etc. on the property, and that very little irrigation of outdoor areas occurs as evidenced by brown lawns and dying trees.

Keith Hutchison, resident of North Acres subdivision in NE Austin between Rundberg and Braker Lane. Mr. Hutchison mentioned that he pays for sewer though the subdivision and he is on a

septic system which he considers as “double-dipping”. His bill last month was for 23,600 gallons for a residence that includes only 1 individual and 1 cat in a 1,300 square-foot home. He does not have a pool, but he has a sprinkler system that is in use; but in the past five years his water usage has never been high. He requested that someone look into this, and visit his home, etc.

Madeleine Connor spoke on behalf of the Lost Creek Neighborhood Association, a 501(c) volunteer organization. She mentioned that the information that was shared by previous speakers is similar to what Lost Creek residents are seeing. She stated that residents’ bank accounts are being wiped out because bills are 4, 5 and 6 times normal usage. She mentioned that there were previous attempts to call City and ask for audits, etc. Residents need relief and the payment plan option is not sufficient, and responses from City Utilities/Austin Water are canned and inadequate.

Lisa Rose, renter in Allandale, noted that July bill was 4,900 gallons but August bill was 12,100 and she is the only person in her home. She mentioned that she had posted concerns on Next Door Allandale website and got over 200 replies. She had a plumber come to her home even though she only waters once a week. She further mentioned that respondents on the Next Door website were concerned that usage was impossible and that lack of payment would result in a late fees which may double, triple and quadruple bills.

David Miller of Lost Creek MUD spoke and noted that previous charts and bills were duplicative of the kinds of bills he is getting with his water use. He has gone from 7,000 gallons per month to 42,000 gallons in July. He acknowledged the transition of water utility services from Lost Creek Municipal Utility District (MUD) to City and understands different billing structures, but he stated that this doesn’t change water usage.

Barbara Szalay of Lost Creek Neighborhood Association mentioned that neighbors have asked the City to audit the tanks to see if there is a big spike in usage that could be unexplained. She mentioned that neighbors have done everything they are supposed to do. They have checked meters, had plumbers come out to check for leaks, and checked irrigation systems, etc.

Vicki Couch, resident of Green Slopes Association and member of Green Slopes Water and Wastewater Committee spoke. She described Green Slopes community as having 113 units ranging from 1,300 to 1,900 square feet in size; low-income area, seniors, retired individuals, and lots of single men and women. Many are on a payment plan that is “eating them up.” She explained that the last bill they received was for 1,125,200 gallons of water and 892,300 gallons of wastewater, totaling over \$14,000, and the amount combined with previous bill totaled over \$29,000. HOA fee is \$153, which was used to pay water, trash, taxes, etc. She expressed doubt that residents could afford higher HOA rates. She mentioned that they have checked for leaks, and requested that someone from City come out to MUD. No one has come out to check for leaks to date.

Marie Catrett from the ABC Streets Neighborhood in South Austin around the William Cannon and West Gate area spoke. She mentioned that previous bills shown were similar to bills in her area. She said that the City has been very dismissive and they have ridiculed them. Residents have checked for leaks, and the City came out to check for leaks after 3 or 4 phone calls, including after the loss of an original work order. She stated that her bill was 21,000 gallons and a neighbor's bill was 31,000 gallons, for about \$600 of what she feels are fraudulent charges. She is concerned that City only looks at an issue if a citizen initiates contact repeatedly. She is concerned about elderly residents and others not closely following their bill. She requested an audit of the City because she does not trust that the City is accurately billing their customers.

Others signed in but not wishing to speak:

1. Imelda Martinez
2. Iletra Lawrence
3. Jason Crone
4. Fred Bedharski
5. T.J. Dawkins
6. Janet Waldeier

After public comments, Greg Meszaros, Director of Austin Water spoke and began by addressing the concerns raised by the Green Shores PUD residents. He stated that Austin Water staff members have reached out to them and while Austin Water does not usually conduct leak detections on private properties, he will talk to Austin Water staff to see what is possible and then follow-up.

Regarding Lost Creek, Mr. Meszaros stated that a team of engineers and other staff have been onsite to monitor their system and the water pressure with loggers, etc.; but thus far no system pressures have been found that would be unexpected.

He then delivered a presentation on concerns and issues.

- He reviewed the volume of calls and the geographic dispersion of the calls. He outlined actions taken thus far in response, such as the creation of a joint Austin Water and Austin Energy team that includes executive-level staff; granting overtime authorization for irrigation audits; and conducting an evaluation of pumping, use and billing trends.
- He reviewed system-wide pumpage from the three main water treatment plants (David, Ulrich and Water Treatment Plant 4), noting significant increases in overall pumping in July and August of this year, as well as atypically low water use in May and June given the heavy rains at that time.
- Council Member Kitchen and Mr. Meszaros engaged in discussion about correlating aggregate overall pumping data with more granular area-specific data. Mr. Meszaros noted that the system is not "cut into zones" like that and while some approximation could be done, he would have to speak to staff further about what would be possible.

- Mr. Meszaros then spoke about usage in River Place, noting that usage was 354 gallons per capita per day, the highest in region. Comparatively, he noted that Austin per capita use is 79 gallons per day.
- He reviewed River Place pumpage versus consumption, and noted that 99.1% of water pumped was billed. Mr. Meszaros and Councilman Zimmerman engaged in discussion about pumpage and consumption management, and data from previous plant operators such as Severn Trent versus Austin Water. Mr. Meszaros noted that plant production was much lower this year, while it was under management by Austin Water, than in previous years, when managed by Severn Trent.
- Mr. Meszaros outlined additional systematic checks, such as
  - Re-read checks of meters, which showed that 98.5% of checks were accurate;
  - Meter accuracy bench tests of 400 River Place meters to compare against industry meter reading standards, which found that 0% of meters over-registered, 50% registered within tolerances, and just under 50% slightly under-registering. Mr. Meszaros noted that these patterns are what meters typically do, which is under-register over time as they age.
- Mr. Meszaros reviewed Austin Water's 5-tier rate structure, which is designed to send pricing signals. He noted that the average Austin customer uses 5,700 gallons of water. He also conveyed his own personal experience of his monthly water use going from 6,000 to 18,000 gallons in August.
- Mr. Meszaros noted that Austin Water has been in communication with the Cities of Round Rock and Cedar Park which are also experiencing these issues. He noted that the meter and billing systems are different but the same issue is occurring across Central Texas.
- Mr. Meszaros concluded his presentation by reviewing actions to review accounts and assist customers, such as double-checking the accuracy of calculations; inquiring about water use; performing meter re-reads; offering conservation assistance/tools such as irrigation evaluations, the Dropcounter water use reporting mobile app, rebates, online and contact information; etc.

Mr. Meszaros and Council Member Garza discussed leaks on the public side of the meter, which Mr. Meszaros explained did not run through the meter.

Council Member Garza also expressed concerns about overdrafts. Elaine Kelly-Diaz of Austin Energy said that Austin Energy manages the billing system on behalf of all the City's utilities, and that they could set an upper limit for auto-pay accounts on a case-by-case basis, and set up payment plans. In response to a question from Council Member Garza, Ms. Kelly-Diaz explained that these options are available when auto-pay is established but could not did not speak to how these options were offered otherwise.

In response to questions from Council Member Kitchen, Ms. Kelly-Diaz explained that money is drafted automatically if bills are valid but corrected if an error is later found. Additionally, Ms. Kelly-Diaz noted that she would ask her team how many customers are on auto-pay, which is

not the majority of customers; and that they will offer better communications and further exploration of how to best handle these bills. Mr. Meszaros also offered more proactive management of auto-pay accounts when MUD residents are transitioned to City utility service, and provision of leak credits when warranted.

Council Member Zimmerman presented data about high bills along with photos. He spoke to the difficulty of reading meters, for example because of obscured faces on the meters, one of his staff members had been personally inspecting meters in River Place. He noted that he thought the problem was confusion in the billing system or inability to read the meters.

Council Member Garza noted that almost 150 people had contacted her over the past two weeks from all over the city. She inquired about the two graphs shown earlier depicting River Place's historical pumpage and current daily pumpage.

Similarly, Council Member Troxclair requested historical annual pumpage for past few years. She noted that spikes in individual bills do not match spikes in total use, to which Mr. Meszaros noted that the overall-to-individual comparison was only made to eliminate the potential that there was some kind of mass-balance discrepancy.

In response to a question posed by Council Member Kitchen about any other systemic checks that could be done, Assistant City Manager Robert Goode responded that staff will have an outside person look at the billing system.

Also in response to Council Member Kitchen, Ms. Kelly-Diaz explained that staff performed manual reviews of accounts when they are flagged, and subsequent meter re-reads if information is not aligning, as well as leak reviews.

Mr. Meszaros noted that Austin Water would like to move to an AMI (Advanced Metering Infrastructure) meter system but this will take time.

Chairman Garza requested a report back and briefing for the next meeting. She also suggested that this information be shared with all of Council members. Council Member Kitchen also requested information about the volume of high bill inquiries/complaints by district, for example, she said 'in District 5, 200 customers had an unusually high bill.'

**Direction:** Staff is to report back and provide another briefing at the next PUC meeting, and share this information with all Council offices. The report/briefing back should also include information about the volume of high bill inquiries/complaints by district.

**Recommendation:** NA