

## EUC Meeting December 11, 2017 Notes

### Item 6: Discussion regarding water meter reading and high utility bill concerns

**Elaine Veselka (AE)** – [Said she was Vice President of Customer Account Management with Austin Energy (AE). She didn't plan a presentation around a handout [shown following on pages 2 and 3] because it is just for information. The handout presents meter reading for water – 25 cycles on a monthly basis.]

**Commissioner Hadden** – I have watched meter readers at my house. They lift off the cover to the meter and punch numbers into a little machine. What is that?

**Veselka** – For the past two years, meter readers used an application on a smart phone. They enter the meter reading – they are blind to the previous meter reads – but the system has some high-low parameters, which takes into account seasonality (it looks at the same time of the previous year, and looks at the current reading), and it would flag if it is 3 times higher or .25 times less, and if it is, the system and the meter reader would enter it again, and as they are prompted to read it again, they take a picture with the smart device. That is what is called a “certified read”. If the reading failed the high/low parameters, we have photographic evidence of the read. (3:03 minutes into video)

These are electro-mechanical meters.

**David Anders (AW)** – There's basically a wheel inside and the water turns the wheel, which then turns the dial, sort of like an odometer.

**Commissioner** – I saw my own bill go up dramatically, and I take seriously the comments that have been made here tonight. Do you have any idea why so many people who are having bills that are so high?

**Veselka** – Whether the customer calls the Contact Center or they come through our “escalations” group when they haven't found a remedy through the initial call, we do have to ask this line of questioning with regard to usage and things an individual may or may not have in their home.[See exhibit on page 2, following.] I've had this conversation with other groups and I apologize if they've felt dismissed or if the question is accusatory, it's just that it gets us to the bottom of the usage patterns or even a whole neighborhood. In some situations we do find leaks. I'm saying that's what caused these, but we really have to look at it on an individual basis, to look backward in time and look at previous usage.



## Administrative Review

1

Customer contacts the Utility Contact Center (UCC). UCC Staff works to resolve the issue.

2

Unresolved issues are escalated to the Customer Solutions Management (CSM) Team.

3

CSM reviews usage, reads and field activity history. If a water leak or re-read has not been completed, one may be issued.

4

CSM asks a series of High Water Volume questions to analyze the issue and determine the best recommendation.

Customers who contact COA Utilities with High Bill Concerns will go through an Administrative Review process.

### HIGH VOLUME WATER QUESTIONS

- ✓ Do you have an irrigation system?
- ✓ Has the system been checked for leaks or any plumbing repairs?
- ✓ How often does the irrigation system run?
- ✓ Is there a pool/spa?
- ✓ New landscaping?
- ✓ Plumbing repairs?
- ✓ Do you hand water?
- ✓ Is there a pool at the property and was it filled?
- ✓ Do you have a pool auto filler?
- ✓ How many people at address?
- ✓ New water consuming appliances at the property?

### RECOMMENDATIONS MAY INCLUDE:

5

- Water Leak Adjustment Process, if a leak is identified at the property
- Irrigation Audit, if customer qualifies
- High Volume Water Bill Adjustment Application, if customer qualifies
- Request for an Administrative Hearing





## High Volume Water Bill Adjustment

1

The Customer Solutions Management (CSM) Team receives a High Water Volume Bill Adjustment Application.

2

CSM reviews usage, reads and field activity history. If a water leak or re-read has not been completed, one may be issued.

3

CSM reviews High Volume Water Questions (included in the application).

4

CSM determines eligibility based on criteria outlined in the Utility Service Regulations (15-9-142).

5

If the customer is eligible, the Adjustment is applied and a revised bill is generated.

An application can be sent to a customer, or the customer can obtain it directly from Austin Water website, without calling the Utility Contact Center. Applications are received via mail, email and fax.



### High Volume Water Bill Adjustment Application

City of Austin Code of Ordinance, Section 15-9-142, allows a single-family residential customer to apply for a credit adjustment for an unusually high water bill provided that: the customer has received at least 12 months of water billing at the service address; the high water bill usage was greater than or equal to three times the normal usage, the customer has not received an adjustment in the past 2 years, and the customer has contacted Customer Care (512-494-9400) within 90 days of the high use bill. Please complete all information on this form in its entirety. Any missing information may delay the processing of this application or cause the application to be rejected.

Name (as listed on account): \_\_\_\_\_

Account Number: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Service Address: \_\_\_\_\_ Email: \_\_\_\_\_

Billing date(s) of high water bill (as printed on the bill): \_\_\_\_\_

Does this service address have **landscaping that is watered**? (Y/N) \_\_\_\_

- If an irrigation system is used, can you confirm the system does not have any broken or leaking sprinkler heads, there are no excessive run times, and there is no water run-off? (Y/N) \_\_\_\_
- Circle the days the irrigation system is set to run: Mon Tue Wed Thu Fri Sat Sun None
- Circle the days landscaping is watered with a hose: Mon Tue Wed Thu Fri Sat Sun None

Does this service address have a **pool or spa**? (Y/N) \_\_\_\_

During the period covered by the high bill:

- Have you established a new landscape (e.g. new sod, new trees, xeriscaping)? (Y/N) \_\_\_\_
- Were there any plumbing repairs? (Y/N) \_\_\_\_ List repairs: \_\_\_\_\_
- Did you refill your pool or spa? (Y/N) \_\_\_\_
- What was the number of people residing at the service address? \_\_\_\_

**By signing this application, I understand that the decision by the director of the utility is final, and if eligible, an adjustment will be applied to my account. I may not request an administrative hearing to further dispute the adjustment as defined in Sec. 15-9-142(K).**

*I am familiar with all the facts stated in this document and they are true and correct. Making false statements on this government record is subject to criminal prosecution under Chapter 37 of the Texas Penal Code. I certify that this application contains no false statements.*

Signature of account holder: \_\_\_\_\_ Date: \_\_\_\_\_

**Send the completed, signed form within 90 days of the date of the high water bill: email to [AdjustmentApp@austinenergy.com](mailto:AdjustmentApp@austinenergy.com) or fax to 512-505-4029**

You will be notified of the adjustment decision generally within 90 days of receipt of this application.

*Adjustment decisions are considered final and are not eligible for Administrative Hearings.*



We've heard from the residents that didn't have 12 months' of usage with regard to the administrative adjustment. We'll look into that. We find a variety of issues. Every now and then there could be a mis-read, an error. When we find those, we go back and bill the customer at the correct tier. But for some of these, we can't find any root cause. Some of the situations where we have this, we have pictures where some of the reads were validated. On some others of the streets we haven't. We also work with Water to make sure if there is some infrastructure in that area or on that street and work with them to see if anything could have occurred to affect their bill. (4:55 minutes into video) [Was this done on the Saustrup bill when AE failed to find that there was a large AW system leak, not the fault of the Saustrups, which incorrectly inflated their water bill from \$7/month to \$12,000?]

**Commissioner** - How many complaints have come in to you?

**Veselka** - Since August 1, the total "escalations" are about 1800. If you compare that to 2015, we saw a much larger situation like this, and it was spread across several cities locally; it was 5300. [Why are they comparing to 2015, the year in which AW increased average bills by 23% (while the public was told the increase was only 3%), instead of 2016? I would expect a high volume of complaints with an unannounced 23% bill increase. Also, what is meant by being spread across several cities?] We see this seasonally, but previous years were untracked.

**Commissioner Boyle** - The first article that came out was October 16, about Circle C, and the headline said "Austin doesn't know why this happened", and the basic fact pattern that was described was low bills, spikes in September. Then on or about November 17, there was another article in much more detail. It described hundreds of bills that were similar. Now I also noticed in your handout, when you are talking about asking people about their swimming pool and other things, or their irrigation, and you try to explain why they have high bills, but you don't mention if a person has a low bill in one month, they can have a very high bill in the next month. Do you recognize that?

**Veselka** - Yes. The line of questioning is not to explain why a person's bill is high. It's just meant to walk through a usage pattern so we can best know how to look at the customer's case. [??]

**Commissioner Boyle** - In all these articles I've been reading, they talk about the City doing an investigation to find out why. So why were there low readings in August?

**Veselka** - I honestly have no idea. We look at pumpage reports, what water is pumped from the plants and compare that against the meter and those are in line, we have photos from the August meter reads.

**Commissioner Boyle** - The August numbers for hundreds of people were like their winter bill. (9:30 minutes into video) Not an August bill. That makes no sense. Zero. Do you agree with that?

**Anders** – Let me answer that. There's a lot of things that can impact the usage from a customer.

**Commissioner Boyle** – Let's just answer this one thing. I want to give you all the time you need. But the August bills, like Mr. Greer – he had 2800 gallons. That's his winter bill consumption. We heard this from customer after customer. They were getting their winter bill consumption in August. Now, Mr. Anders, why is that?

**Anders** – As I was saying, there's a lot of different reasons for water consumption to be either lower or higher, especially during the summer months, and a lot of that has to do with weather. I'm not saying that is the only reason, but during the August timeframe, depending on when your billing cycle is (it runs over 30 days), if it is during the last of August, there was Hurricane Harvey. In Austin, we provide information on rainfall, and in August we had 10" of rain. In our average for August, it's about 2" of rain. Those weather patterns can impact folks that might have an irrigation system and take it off line, not water for a couple of weeks because we got 10" of rain. And then in September if you recall, it turned basically extremely dry, it was over 100 degrees almost every day, and there's patterns in the weather – there's folks that irrigate in the summer – and typically that's our biggest usage – irrigation is basically double our winter usage. [This explanation is backwards. August bills actually covered a dry hot period, so usage should have been high rather than low. September bills included Hurricane Harvey, so the bills generally should have been for low usage, not high.]

So when customers have an extremely dry period in the hot period, then irrigation can be the reason why their bills spike. And that's some of the reason why Austin Energy, when they talk to customers, will ask if they have an irrigation system. It might trigger that. (12:00 minutes into video)

**Commissioner Boyle** – I don't mean to interrupt, but I don't think you are prepared for this meeting. We are talking about August bills. For example, Mr. Greer's bill was August 24. Do you know what the weather was? When Hurricane Harvey hit, do you know what days those were?

**Anders** – I think it was the 25<sup>th</sup>, 26<sup>th</sup>, somewhere in there.

**Commissioner Boyle** – It was more like the 26<sup>th</sup>, 27<sup>th</sup> and 28<sup>th</sup>. And Mr. Greer's bill had been read before that time. I have looked at every single cycle – you have 20 do you not? 20 cycles, 20 days you read?

**Anders** – That's correct.

**Commissioner Boyle** – And the reading on August 24<sup>th</sup> was the eighteenth [reading]; there are only two more left. And the next one occurred the next day, and the rain had not hit by then. And there was one reading on the 28<sup>th</sup>. That was the last reading of the month of August.

I looked at the weather for every single day of August, and every single day of July. We had hot weather, with no reason weather-wise to have a low bill. None. Did you look at that before you came to this meeting?

**Anders** – Not that specific data, but we have been talking with customers that have that.

**Commissioner Boyle** – It's not just an individual customer problem here. As you can see from the map, it's all over Austin. It's not located in just one part of Austin. It's a big problem. And whether somebody says 1800 – yes, I recognize the [unintelligible], that was in 2015. And not in 2016, 2014, 2013, was it?

**Veselka** – I don't have that.

**Commissioner Boyle** – 1800 is not a small number of complaints? (14:03 minutes into video)

**Veselka** – One customer is not a small number.

**Commissioner Boyle** – It's double your normal number, isn't it?

**Veselka** – I don't have a normal amount. I just came armed with this year and it is similar to 2015.

**Commissioner Boyle** – I don't know whether you're the one responsible for this or not, but you're the one speaking. So please accept my apology for that. But I want to get to the bottom of this, because you've got a lot of people here that want to know what happened, why it happened, and not to have something in the newspaper that says "the City can't explain it". You've got two choices here: It's either the customers' problem, and we know it's not the customers' problem – no one identified leaks or anything else. They had a low bill in August. No one has identified any kind of a problem that would cause a customer to make that bill low. Nor is there a weather problem that caused it to be low. So that's not the answer. Now I want to ask you a question: I want you to tell me exactly -- Bermex's first month of reading bills was August, was it not? That is, by itself. They were on training wheels with Corix for two months [prior to August].

**Veselka** – Right.

**Commissioner Boyle** – Because they went out with Corix in June and July, but in August they did it themselves. And that was their first month. Is that correct?

**Veselka** – I don't remember if it was August 1<sup>st</sup> or September 1<sup>st</sup>. I would have to check.

**Commissioner Boyle** – Alright. According to the contract, it should have been August 1. [Unintelligible] scope of work.

**Veselka** – That was the scope of work of the contract. When they did the first set of reads on their own, I don't have that, but I could check.

**Commissioner Boyle** – There would be 60 days that they would be doing it jointly with Corix, and then in the month of August, they would be doing that on their own. (16:00 minutes into video)

For the first time. Now I want to ask you about these bills. I assume that you went back to analyze all the low-use bills. Have you not?

**Veselka** – Yes.

**Commissioner Boyle** – Alright. And in so doing, were the numbers that you got and that you put on your bills for August, were they the numbers that were transmitted by Bermex [Does he mean Corix]?

**Veselka** – Yes.

**Commissioner Boyle** – Alright. And those numbers, you will agree with me, make no sense. Because the explanation that Mr. Anders gave me – the weather -- isn't it. And he hasn't given me any other explanation for that. So you've got a problem with August. A big problem. You've got low, low, low consumption without an explanation.

So Bermex [Corix?] sent you those numbers, and you used them. Then the most logical conclusion is that they were estimated. That's the only logical conclusion. They didn't take the real number, because those numbers were way, way, way too low. Those were winter readings they were sending you. Agreed?

**Veselka** – They would have no way to estimate ... The process is built so the meter readers, again, are blind to previous reads, so there's no way to estimate. [AE later said that these read problems were caused solely by 2 meter readers who estimated bills.]

**Commissioner Boyle** – Except Corix can talk to them. And besides that, is it not true that Bermex is co-located on Rutherford Lane with Austin Energy?

**Veselka** – Yes. And Corix was co-located on Rutherford Lane with Austin Energy.

**Commissioner Boyle** – And they are feeding the data ... I don't know what it is, some sort of workstation, and then there is a Austin Energy workstation right near the workstation of the meter reading company. Is that not correct?

**Veselka** – I don't know if it's workstations. It's transmitted via an electronic file, reads are.

**Commissioner Boyle** – It's not like they are across the room, they're close, physically they're close. That is, the people who are sending it in to whomever it is from Bermex sitting there and the Austin Energy person that they interface with.

**Veselka** – The Austin Energy field group manages some portion of re-reads and field activities. The meter read vendor will send us reads through a file, and those are picked up and put into our billing system.

**Commissioner Boyle** – So does that happen without review? (18:20 minutes into video)

**Veselka** –The review is, the meter reader, when they are out there entering the read, whether it is high or low, we also have quality checks, and I can go back and review some of the things that have been done over the years – the audit ...

**Commissioner Boyle** – I understand, and I looked at those. **But here you've got a problem. You've got August winter usage coming in, all over the city. They are in clusters – they may not be everywhere, but they're in clusters.** For example, I looked at Mr. Greer's bill. Mr. Greer's bill – it said that his August use was 26.81 gallons less than the average residential use for his area. There's a little thing on the bill that's kind of in reverse black-and-white that's talking about how you shape up with your neighbors, in your area – whether you are using too much or too little. Is there not?

**Veselka** – [Nods yes]

**Commissioner Boyle** – So that was just 26 gallons. **What that is telling you is that his low, low, low August bill is the same as all his neighbor's bills, or close to it.** Isn't it, when it says it's basically the same average usage as the residents in his area? **It's everybody. Not only is he experiencing a low, low August bill, but everyone in his area is experiencing it.** That would be the natural conclusion, wouldn't it?

**Veselka** – I don't know how that algorithm is built, but **I would assume.** (20:00 minutes into video)

**Anders** – It might be ... I think that particular thing is like 5 zip codes. It's a larger area than ...

**Commissioner Boyle** – Ok, I do want to understand: what is “an area”? What is an area: Is it a route?

**Anders** – I thought it was [unintelligible] a zip code.

**Commissioner Boyle** – That is “an area”?

**Anders** – It can be. Because that's the easiest way to get that kind of detail, rather than going to a neighbor that's two houses down, or one house down ...those kinds of things.

**Commissioner Boyle** – Let me ask you a couple of other questions. When the cycle days – they're not the same – you've got a different number of routes, depending on the day, you have a different number of meters. Do they change the number of meters that go out, meter readers from each cycle?

**Veselka** – No, they're fairly balanced – between 20 and 30 employees that are reading meters on a daily basis.

**Commissioner Boyle** – So on one day you can have them reading 9,000 meters and another day 14,000. Isn't that correct?

**Veselka** – I do not have that information right now.

**Commissioner Boyle** – But there's a disparity.

**Veselka** – I honestly don't know if there is or not.

**Commissioner Boyle** – The only reason I know this is because it's attached to the addendum to the bid specifications, and it specifies the number of meter readers for each cycle and the number of routes. And they vary too – that is, from 46 to 56. Would you not assume then that you need a different number of readers depending on what cycle you are in? Or do you know?

**Veselka** – I don't know that.

**Commissioner Tuttle** – So at what points in the system do you have system-level meters, so that you know how much water is being consumed? (22:02 minutes into video) It might not be at the house, but somewhere up in some pipelines and pumping stations, you know how much is consumed.

**Anders** – Well, we have a very integrated system.

**Commissioner Tuttle** – How many measuring points do you have?

**Anders** – We definitively have meters at the treatment plants as it goes out into the distribution system. .

**Commissioner Tuttle** – So what I would expect for root cause analysis is – because it looks like to me that **you have way too many complaints** and there needs to be continuous tracking because, every so often meters can wear out, it looks like you've got a spike in this. **There doesn't seem to be good diagnostics, there is poor root cause analysis, and just a lost confidence.** Is that a fair assessment? So that means you all have to dive in. I've done this in the past. When I used to design computers, it was really hard to diagnose. Sometime the bug took a month to find. But we found it to fix them. **I am not seeing, bluntly, the kind of root cause analysis that I find to be needed. You need to build confidence and get data – to get data on previous experience, all those months in the past, weather data** to show so that he's not having to come up with it. Here's the data, when it rained, you should have the system-level data of what water was pumped, to get an indication. In Austin, when people have these little water bills, we're still pumping a lot of water because somebody was irrigating a lot. That's the kind of data that you really should have. And it's just not acceptable.

**Commissioner Hadden** – (23:51 minutes into video) I've got a question as well. **What percentage of reads are estimated?** Tell us more about that.

**Veselka** – **Less than 1% on the water meter reads are estimated on an annual basis.** Sometimes it may fluctuate up a little bit, especially in the spring or in the fall, when there's storms or other things. We may have some higher instances of reads. **If the read is on the bill and it is estimated, it comes through the system as estimated, and it is marked on the bill.** One thing we are investigating, as of Friday, we just received the initial pricing on, is, instead of just the high/low, have the meter reader capture every single meter read. And so we are very seriously pricing that out, and getting that information so we have the photos.

**Commissioner Hadden** – Just two more questions. Is there any overall computer error that could have affected all of these bills? Is that even a possibility?

**Veselka** – No. A third-party accounting firm came in 2016 and validated that the billing system calculates the reads entered at 100%.

**Commissioner Tuttle** – So nowadays with your banking app, you can actually take a picture of check and it has very fine-grained resolution and character recognition. So with that new app, could they just take a photo and read the meter with that? That would be your check or audit mechanism that actually does it?

**Veselka** – We have a wide variety of meter types on the water side. We did look into that, but it's not like a consistent meter, because the formatting of how many dials, and a Badger meter versus a Neptune meter, (26:01 minutes into video) and how the dials come across would make that an extremely difficult thing. But what it would allow us, is the meter reader still makes the read with the high/low parameters, but a picture is taken of every meter read, so we have photographic evidence every month, of hey, we validate, we were there, we read your meter, and this is the read.

**Commissioner Tuttle** – Does every meter have the numbers? It has the dial that goes around, but does it have the numbers? So that is just character recognition.

**Veselka** – It's not one consistent kind of meter. It just brings a different level of complexity; we've looked at it.

**Commissioner Tuttle** – All the different checks seem to get done by the banking apps. It's technology that can be mastered.

**Commissioner Hadden** – Let's not go too long.

**Commissioner Boyle** – I have a couple more questions. I want to understand better: what is your high flag?

**Veselka** – I believe it's three times the usage for the same time period the previous year, at that premise.

**Commissioner Hadden** – The physical address, not the account number.

**Veselka** – Yes.

**Commissioner Boyle** – When is the last time you altered your high flag?

**Veselka** – I say it's 3; it may actually be 2-1/2. I don't have that information readily available. I can get that back to you. We review the parameters on an annual basis. I think they were adjusted down a little over a year ago. I can find out the specifics on that.

**Commissioner Boyle** – Did you make an adjustment in September for your high flag?

**Veselka** – No.

**Commissioner Boyle** – Did you take into account that you had record rains, 10", in some places up to 14", so that your September numbers would be way down? Did you change your flag for September? (28:02 minutes into video)

**Veselka** – No, the flags are meant to be part of the funnel. So three times we found across other utilities using the same billing system are the benchmark parameters. I think we adjusted ours down, about a year ago, but it's not something you do on the fly, or on a monthly basis. It will send re-reads and other things out and cause additional reviews, so you want to tightly adjust those parameters, and make sure you are doing it in the best possible way. You're catching as many things as you can without overwhelming some sort of manual review.

**Commissioner Boyle** – You had 90,000 flags in 2015. Were your parameters different then?

**Veselka** – I believe they were. Like I said, I would have to find out when they were adjusted down.

**Commissioner Boyle** – What is the low flag now?

**Veselka** – I believe it's 25%. Again, I don't have these things off the top of my head.

**Commissioner Boyle** – 25% greater than the normal low? 25% of what?

**Veselka** – 25% less.

**Commissioner Boyle** – 25% less than normal?

**Veselka** – I believe.

**Commissioner Boyle** – And normal is defined as the same time of the year?

**Veselka** – Yes sir.

**Commissioner Boyle** – Do you think that's long enough? For example, in 2011 we had record droughts and so we had an abnormal year. Do you think that's long enough [only referencing the previous year] to figure out what's normal?

**Veselka** – That's the joys, unfortunately, of some of the weather in this region. We can have crazy weather like in 2011, and then you have 2012 and 2014, which were much wetter. (30:00 minutes into video)

**Commissioner Boyle** – Wouldn't that dictate doing it over a little longer period to smooth that out a little bit? So if you had an abnormal year, you wouldn't cause havoc here?

**Veselka** – The swings do cause a little more of an annual review. I don't think we are looking at things to flow through the system automatically. We're trying to catch as many things that appear as abnormal here as possible so that they can be reviewed.

**Commissioner Boyle** – I just want to go through a few things very, very quickly here. We have the recommendation from Mr. Shaft I believe – he’s talking about the high adjustment where you’re not in there for 12 months [haven’t been a customer yet for 12 months at the address]. Would you agree with the recommendation he made for change there?

**Anders** – We worked through Troxclair’s office, just after 2015 high bills, trying to craft that, and clearly those were the restrictions that were in the Code. And so it does take a Code change to be able to change those particular parameters. It is something that over this last high bill that Austin Water is going to look at for next summer. I think Austin Energy and Austin Water are working to get a potential service regulation code change to happen early next year, and so we could consider those. It is something where Council would work with our offices to craft that language, and they were very restrictive on some of that language. Whether or not they would be willing to change some of that language is something that would have to be proposed. (32:07 minutes into video)

**Commissioner Hadden** – So what do you recommend to the customer when they are sitting there and they are faced with a \$1000 bill and they know that it’s not right, they know that this is wrong, what are they supposed to do? They don’t want their water turned off, and of course they can’t live without water. What are they supposed to do? Are they supposed to pay that bill and wait for a rebate? What are they supposed to do?

**Veselka** – We have several paths. Something that was just recently made available, again to customers who may not have been earlier in the summer with a hearing for high water usage ... Any bill that’s under dispute – the customer calls and there are things that can happen, and they will not be cut off if they are disputing a bill, or it’s working through the “escalations” or resolution process – to the extent that they are charged late fees while they are waiting for that, we try to do our best and catch these and make sure that doesn’t happen. But we would surely waive these to any customer and make sure the customer does not incur those while we’re investigating. [What happened to the Saustrups who were charged hundreds of dollars in late fees when AE wrongly charged them? Why were they charged, particularly by inappropriately drafting out of their bank account until it was empty? They ultimately got a credit on their bill, but were they ever refunded the bank drafts? (\$800 of bank drafts for a family with a \$7 monthly bill should be a refund, not a credit.)]

There’s the administrative high bill adjustments that we just spoke about – that’s a path where someone has 3 times the unexplained usage – they can elect to have that.

**Commissioner Hadden** – What happens if they choose not to pay it when there’s this dispute going on? That’s a hard decision that people are facing.

**Veselka** – Right. I’m going to defer to ... [off-mike discussion]. (34:05 minutes into video)

**Tiffany Webb, Austin Energy** – If someone is disputing a bill while it’s under review, we will postpone the credit review, and we will postpone any late fees that they are incurring. Just give

them time to create the administrative review, and if they are going down the path to an administrative hearing [unintelligible]. We take that into consideration.

**Commissioner Hadden** – And you will not cut their water off?

**Webb** – No, not as long as they are “working” with us. The struggle we have is the customers who are not “working” with us. [“Working with Staff” needs to be clearly defined. There seems to be a lot of room for AE Staff discretion and abuse of customers.] If we’re currently working with a customer and there’s an investigation open, then we will work with them.

**Commissioner Reel** – The way the bills are, they’re all together, it’s one utility bill. If you’re late on one thing, you get everything turned off, correct? If they’re not “working with you”. It’s not like you just turn off the water? I just want to clarify that.

**Webb** – If you have two services, electric and water, then they’re disconnected. But if you are working with us on the water portion, you’re not going to be disconnected.

**Commissioner Reel** – When we talk about the Charter and Charter changes, I think Jim [Boyle] has a good point here about that one year and looking at an average. Do you have data available to do at least a 3-year average? In most cases, you want at least three data points to even consider something credible. Five is better, but 3 at least meets the minimum of having enough information to make some adjustments. Do you have that available?

**Veselka** – Are you asking about using multiple years’ data points when they’re in our system flags, it says “Hey, look at this read, it seems higher or low”? Are asking about data points for that? (36:00 minutes into video)

**Commissioner Reel** – I’ve got two things: that and new homeowners who purchased a house that had history. I realize that if it’s new construction there’s no history, therefore it’s outside the rim. Do you have those data points? Is it information you have and that the system can deal with?

**Veselka** – I can check on the parameters using more than 12 months as a backwards look. That’s something we were already starting this year’s process of reviewing the parameters. So we can look at that. With regard to the one without a history ...

**Anders** – If you’re working on a high bill adjustment, the change could maybe be potentially lowering of that year. Because if somebody doesn’t have 12 months, then they are disqualified. If they were to have several months before, they would have a potential option for a change. Now clearly if you went back longer, that would tend to have maybe fewer folks qualifying.

**Commissioner Reel** – That’s what I was talking about – Charter change. I understand that if someone has irrigation, if they have 5 people versus 2 people, there are usage differences, but if someone is researching it, they would be asking those kinds of questions, wouldn’t they?

**Anders** – Yes. Not typically just “how many people are in your household”, but your irrigation patterns, they would be looking at, if you’re trying to qualify for a high bill adjustment, looking at

that two years. They have to have at least 12 months, and then we have to look at 2 years' average. And sometimes that 2-year average consumption provides a problem. If you go back 2 years, there could have been a real dry summer, that customers' consumption is higher (38:02 minutes into video), and then their average doesn't let them qualify for the 3 times that consumption. And so there are some nuances. It does provide a little bit of flexibility. We might look for a way to provide ourselves a little bit of flexibility.

**Commissioner Reel** – I think we're all saying that we want more flexibility, we want there to be more accountability, and more information is a better way to get there.

**Commissioner Ferchill** – [Shows a graph of his own water usage, with a very short bar and a very tall bar next to each other on a bar graph.] The same pattern. About a third of my usual August usage, and about 3-1/2 times the usual September usage. I kind of looked at that, and my wife was writing the check and said "What the hell? You need to call the water department." And I said "Well, Honey, let me think. We were on vacation at some point this summer. We have an automatic watering system. Maybe we adjusted how much water ..." I thought just like you're thinking, that there could be a lot of individual behavioral things that might affect this. So I really didn't do anything about it. It cost about \$300 more than it usually did, but I didn't think it was worth it to raise it to the level of chasing this down. But now it seems to me, from what I've heard from my own neighborhood and from a lot of people who've been calling me up that this is a more pervasive issue, and when I hear what your department has done to address it, it sounds like "Well we just dealt with every individual customer, which I think most of the time makes sense because they're like me, going on vacation, if you add a watering system, that you have a leak, etc., etc. (40:04 minutes into video) But when it gets very pervasive, I would suggest that that probably suggests to me that there's kind of a hiccup in the system. It might not be – it could be that everyone in the system went on vacation at the same time, and everybody turned off their water system and then back on at the same time, but it seems unlikely. And I'm trying to understand if all of this has been dealt with so far on a one-off basis, each customer dealt with individually, or you tried to do something to figure out where there is a systematic problem.

**Veselka** – I would say that it's both. We deal with the immediate individual customer, absolutely, on an individual basis. We're also looking at things on a street-level neighborhood-area level, and we're working with Water to see whether there are any infrastructure issues in an area. [The Sastrup high bill was caused by an AW system leak in the area. Why didn't AE ask about that or AW answer that question correctly if it was asked of them? There is a failure in standard procedures if what was done to the Sastrups is standard.] Was there something that could've caused ...? I don't want that to get lost and folks to think that we're looking at this on a bigger level. This has been the focus of quite a lot of us at Austin Energy and Austin Water for several months, since the summer, the middle of the summer [How can this have been a focus since the middle of the summer when it was not reported, mostly, until October?]. We have worked with the Councilmembers, discussed with them efforts that are going on. The City Auditor will be looking at taking some samples of some of the "escalations" that came up this summer and last

**September**, and doing a review of those. That was asked by Councilmember Troxclair and we welcome that look into the processes and the “escalations” that came up, and the facts on those (42:00 minutes into video), so that we can have someone external to us looking and developing a report, to help us get to the bottom. [The Office of the City Auditor found in March that “There were approximately 3,000 complaints made to Austin Energy in fiscal year 2017. Records related to a sample of 41 of those complaints indicated Austin Energy handled every complaint in accordance with their policies.” That seems to imply that actions taken against customers were not rogue but routine and sanctioned.]

Longer term, I’ve heard that automated meters are not the solution and if they help, we’ve seen it on the electric side. We’re working on the water side, and Austin Energy is involved with Austin Water in some of the pilot programs that they’re doing to get automated metering structures in place. We’ve seen it help in communities around us – Cedar Park and Round Rock have those capabilities now. It helps customers monitor usage. This was an unusual pattern, as was 2015. The 2015 pattern was tied more to the drought and the weather. So it would help customers have a little bit more insight, and not be “Oh, it’s been 30 days, and that’s how much water I used”. So we’re working with Water on that. I think that’s a several-year process that’s off the ground.

**Anders** – One other thing I did want to talk quickly about – during this timeframe when we saw the low bills and then the high bills and then following them up – is something Austin Water is working with Austin Energy, and we developed guidelines for reviewing some of that, and have basically looked at being able to spread that water usage out over those months. Granted, if we got a good read for both those months, and we can’t understand why did it ...? It would allow us to, for somebody who’s using a small amount, then one month a higher amount, and basically it is sort of consistent with their normal usage, we would tend to smooth that out so their bill would not be impacted as much. (44:00 minutes into video) But clearly that means that the one month that’s a lower month actually goes up a little bit, the higher comes down. The net impact of that, like on the Aspen Street you saw out of that, and that was the basis for an adjustment that we had offered those folks, was those guidelines on high-low bills. It’s not in the Code. We implemented that with Austin Energy, and gave them that tool to use for this situation.

**Commissioner Ferchill** – I will just say that if you take those two months for me, which are the only ones that are kind of curious, and average them together, they come out to be about my average monthly usage. It just seems like a very curious usage pattern. **I would just encourage you to keep in mind a systematic approach to cause analysis here.**

**Commissioner** – It’s also unfair because you got bumped up a couple of tiers.

**Commissioner** – On the rate that you pay.

**Commissioner Ferchill** – I understand that. **I’m just saying that the curious part about it is the average consumption seems spot-on. It’s like it just shifted from one month to the next.** And I know that, especially for any individual instance, there are a lot of things that could make that happen. **That only other thing that I’m going to say is that I’m definitely going to recommend that**

we ask the Council to address the issue of these new homeowners. It can't be that the intent of the law, if somebody is unlucky enough to buy a house in the wrong month, he can get a bill for \$100,000 and then "Oops, sorry, there's nothing we can do about it". There's got to be a fix for something that's just way out of the realm of possibility.

**Commissioner Osborne** – I've got two questions. This is kind of a process question. When John or when Michael calls up, and you get to a customer service rep, does all the information show up on their computer, where they can see the 13-month graph, and they see the bars and see the usage, and it's like you said, "Man, I got a bill for 109,000 gallons of water", like John said he got, and at the same time the person on the other end of the terminal of the customer service rep says "Oooo, I see that" – does that happen? Did that happen with you John?

**John** – Not the first time I called. The first time I called they tried to tell me it was irrigation. Look, I've been checking the irrigation.

**Commissioner Osborne** – My question is, from a public relations point of view is ....

**Commissioner** – What does the CSR have to look at?

**Veselka** – They do have the whole history of the account.

**Commissioner Osborne** – And is the graph there, where they can quickly see where there's a big bump, just like the customer sees?

**Veselka** – They have access to the bill that has the same graph on it.

**Commissioner Osborne** – So if they wanted to be empathetic in some way, they could be? Instead of being like "What did you do wrong"? Instead of saying "You must have done something wrong", could we possibly train our people where they share the same way our customer's feeling? To me, that would help with some of this.

**Veselka** – And we have gone back through and on several of the "escalations" and where we heard of customers who have given us the feedback that they felt they were going through a laundry list of questions or they felt that their concerns were not being taken .... Our calls are recorded, so we have had the folks in that area go back and listen to the call.

**Commissioner Osborne** – So who's doing our call service right now? Do we have that subcontracted out (48:09 minutes into video), or are we still doing that?

**Veselka** – We do that in-house.

**Commissioner Osborne** – So we're still doing that in-house, right? So we can train them to be more empathetic. My second question is this: on the electric side we have an accounting ability – we have 13 terawatt hours that we have generated. Or a little less than that, say 11 or 12 terawatt hours that we generate and we know what our total sales are between the three commercial, investor and industrial groups, and differences – what we bought from ERCOT. We have an In

and an Out. I've never seen that on the water side. Do we know how much water we treated and how much we sold?

**Anders** – Yes, as I've mentioned, at the treatment plant we have what we call pumpage statistics, and so every day each of our treatment plants reports pumpage that went out of that particular plant. So, on a monthly and annual basis, we have all of that data. We also track, through the billing system reports, all the consumption that the customer has. And so we typically would look at that, typically by month, and we track that especially during the summer months. In July, August and September, it is typically higher than all the other months.

**Commissioner Osborne** – I'm a little more capable of taking care of myself in the electric field. Do you produce an annual report that gives all of those numbers, like the pumpage and how much we sold, like we do on the electric side? Because I can go into the performance review and find out dang near everything about this utility (50:01 minutes into video). Do you have that on the water side?

**Anders** – Yes, we have a monthly financial report that we provide to our Commission on a quarterly basis. On Wednesday, we are providing the quarterly report for the end of 2017. A lot of those statistics, as far as pumpage and consumption that the customers have, or even flows on the wastewater side, by customer class are reported.

**Commissioner Osborne** – So there's an annual report that you put out on the web that I could look up?

**Anders** – I'm not sure if it's on the web. Definitely we could provide you copies of this final report that we are just doing for 2017.

**Commissioner** – Can you put it on the website? I mean, I think people are going to want to see that. [Unintelligible] their circumstances.

**Anders** – Definitely we could take a look at that. In the past we've kind of shied away from putting any significant financial information on the web for everyone to see [Why??].

**Commissioner Osborne** – I'm asking about physical information.

**Commissioner** – I think it's more the actual numbers.

**Commissioner Osborne** – We've got that on the electric side, and of course some of the electric side we don't talk about, the finances to the detail it could be. But you can definitely look at how many kilowatt hours we generate and how many we sold, and it seems like we should have the same thing on the water side, because I guess it's possible that people lose faith in it, and the next thing you know, they're going to go "They're selling more water than they even treated". Which I don't think is happening, but I think we need to be able to be able to show everybody that the books all add up.

**Anders** – We can definitely [unintelligible].

**Commissioner Boyle** – Today I don't mean to come out too hard. I want this, and I am sure that every Commissioner does, and I hope you do too ... We need to solve the problem, (53:01 minutes into video) particularly for August, figure out why those low numbers were there. I'm going to recommend, at least I'm going to ask, that we put this item on the agenda until we know. Every month. We need to know the answer to this issue so it doesn't happen again.

**Chair** – To those that came forward tonight, I want to thank you. We hear your concerns and I think you can rest assured that we'll be speaking to Councilmembers about this. I can't comment right now, but you are welcome to call us further. I think this is an issue that's going to need a lot of investigation. We can't talk right now, but please call or write to us. We welcome your input. So thank you very much; we appreciate your information. (53:10 minutes into video)