



## WORKING DRAFT

### BOARD/COMMISSION RECOMMENDATION

#### Water and Wastewater Commission

Recommendation Number: 20181114-E2:

#### Commission Conclusions and Recommendations Regarding Recent Water Meter Reading, Billing and Customer Service Problems

**WHEREAS**, members of the Water and Wastewater Commission (WWWC) served jointly with members of the Electric Utility Commission (EUC) in a Working Group to investigate water customer meter reading, billing and customer service complaints; and

**WHEREAS**, water meter reading, billing and customer service functions are provided to Austin Water (AW) customers by Austin Energy (AE); and

**WHEREAS**, Austin Energy is a municipal utility owned and governed by the City of Austin for the benefit of its customers and shareholders (the taxpayers of Austin); and

**WHEREAS**, Austin places great value on Austin Energy and the City's ability to directly manage that utility in a manner that reflects the priorities and values of Austin; and

**WHEREAS**, it was reported to the WWWC that Working Group investigation revealed that AE Staff:

- Tended to minimize and disparage water customers who report service problems to the AE Call Center;
- Often refused to answer Commissioner questions in a responsive and complete manner;
- Often refused to provide Commissioners with public documents requested by the Working Group; and
- Focused on public relations and controlling public perceptions rather than on transparency and answering questions asked by Commissioners;

and

**WHEREAS**, WWWC members have compiled / examined:

- Working Group member meeting notes,
- summaries of customer testimonies to the EUC, reporting service problems and Staff attitude problems,

- transcripts of EUC meetings in which billing problems were discussed,
- records of Commissioner questions and AE/AW responses,
- newspaper reporting and underlying documentation of actual phone interactions with the AE customer service center, and
- other testamentary evidence;

and

**WHEREAS**, the testified complaints by water customers were credible and presented in a respectful and often well-documented manner; and

**WHEREAS**, the detailed findings are compiled and attached to this resolution, including the harm done to customers and to the reputations of both Austin Water and Austin Energy;

**NOW, THEREFORE, BE IT RESOLVED** that the Water and Wastewater Commission encourages the Austin City Council and City Manager to ensure that Austin Energy, in its water meter reading, billing and customer service functions, and in concert with Austin Water,

- Actively reorient its practices to prioritize respectful and responsive customer service to Austin Water customers;
- Cease referring to water customers who complain of service problems in pejorative and disrespectful terms; and
- Prepare and release to the public an exhaustive “After Action” report on 2017-18 billing issues in the format of “City of Austin and Travis County AFTER ACTION REPORT, Halloween Flood, October 31, 2013” (provided to AE by the Working Group);
- Provide to the WWWC copies of the Service Level Agreements between AW and AE regarding meter reading, billing and customer service (Staff has said these were to be revised in July, 2018);
- Provide copies of original routine periodic reports (not summaries or graphs of original reports) regarding customer service to the Water and Wastewater Commission each month so that the Commission can monitor progress in improving customer service (previously requested by Commissioners in writing, but not provided by AE);
- Promptly provide additional reports on water/wastewater customer service metrics as may be requested by the WWWC;
- In responding to water customer complaints or reports, refer callers to a supervisor in the call center immediately upon request of the customer (as AE Staff has stated is routine);

- For those customers who are referred to “Escalations” for troubleshooting their complaints, provide a callback from the Escalations Staff within two work days, or in the alternative, provide the customer with a date certain before which the customer will be contacted by Escalations Staff; and provide the name and phone number of a single point of contact for the customer;
- Once a customer has been contacted initially by Escalations Staff, Staff should report to the customer on a weekly basis on the status of their complaint until the complaint has been resolved;
- Change customer service policies and practices so that customers are not required to pay contested amounts or late fees on those contested amounts until the customer complaint is resolved, even through a contested hearing process if the customer desires such hearing; and
- Discontinue AE plans to provide only an electronic platform, without any human contact, for customer complaints, as was proposed by AE Staff in a July report to the EUC.

Date of Approval: November 14, 2018

Record of the vote:

Attest: \_\_\_\_\_

(Staff or board member can sign)

**Detailed Findings of the Water and Wastewater Commission Resulting from Working Group  
investigation of Water Metering, Water Billing and Customer Service to Austin Water Customers**

Austin Water customers alerted the EUC that they had a variety of billing problems, including:

- abnormally low bills for August 2017 (during hot, dry weather) and erroneously high bills for September usage (after Hurricane Harvey and 10" of rain) [this was the most common complaint],
- zero reads on bills for several months,
- inaccurately low reads on bills for several months,
- abnormally high bills beyond the September 2017 high-bill phenomenon,
- most notably an erroneous 790,000 gallon one-month bill amounting to \$12,000 in billing, which went unaddressed for months by AE Staff while AE Staff emptied the family's bank account using Autopay and charged them late fees.

Austin Water customers also complained about AE Staff attitude problems including:

- Lack of responsiveness to complaints;
- Taking weeks or months to even call customers back despite Staff committing to much earlier callbacks; and
- In customer words: lack of respect, disparagement, combative attitudes, condescending, minimizing of customer complaints, assumption that the customer caused their own problems (generally not true), among others.

AE managers long insisted that significant City-wide billing problems did not exist, and later that customers were required to pay their entire bills despite the fact that managers did not understand why large-scale billing anomalies did occur.

According to AE Staff, approximately 17,800 customers were determined to be affected by fraudulent meter reads in August 2017, 7,400 of which ultimately resulted in refunds (only after public pressure was placed on AE).

The AE report that two contracted meter readers independently submitted 17,800 fraudulent water meter reads appears to be incomplete and is not credible in regard to two low-level contractors acting alone.

The internal culture of AE as a “company” or “corporation” rather than a service-oriented department of the City of Austin workforce is the underlying cause for the negative experiences and sometimes abusive treatment of water customers.

Austin Energy’s analytical processes were inadequate in identifying large-scale billing problems, wasting money and personnel resources, and resulting in harm to customers.

Management and oversight of the meter reading contractor was inadequate, resulting in harm to customers.

More respectful attention to customer service and relations would have built trust and good will from most customers.

Competent “troubleshooting”, including listening to and responding to customers, would have more quickly resulted in identifying the source of anomalies, leading to appropriate and more timely remedies.

Austin Water customers who have had billing problems are rightly disappointed in the customer service that they have received.

All Austin Water customers pay for AE customer service in their water rates and rightly expect to receive quality, timely and respectful service that they have funded.