




MEMORANDUM

TO: Mayor and Council

FROM: Marc A. Ott, City Manager 

DATE: September 23, 2015

SUBJECT: Citizen Inquiries on Billing and Water Usage

Over the past few weeks we have all noted the customer concerns about elevated water bills and usage during recent summer months. These concerns are being reported in large volume to the Austin Energy call center, and in many cases to your offices directly. While some Council districts have received a higher volume of calls, this issue appears to be widespread throughout the city.

I want to make it clear that we do not take these concerns lightly. Affordability remains a primary focus for our community, so it is imperative that our residents are paying an accurate cost for the services we provide. Further, we have an obligation to be good stewards of our precious and limited resources, including our water supply. As such, we will continue to fully examine both our water use and any potential billing anomalies reported by customers. Those efforts are being jointly led by staff in both Austin Energy, which manages the billing system, and Austin Water.

Significant resources have been devoted to address each customer concern. Specifically, staff reviews past and present usage and verifies water billing and meter accuracy. Upon request, staff will audit lawn irrigation systems for correct settings and watering days, and assist residents to locate "hidden" leaks that may exist on their side of the meter. It goes without saying that swift resolution will be provided for any customer who has received an inaccurate bill.

Billing System Review - Both departments have assured me that no system-wide irregularities have been discovered. However, Councilmember Zimmerman has questioned whether these high bills may be the result of the City "catching up" on meter readings that were not performed by our contracted meter reading vendor during previous billing cycles. This is a serious allegation that suggests a violation of contract terms by our vendor, and one that I've asked staff to thoroughly investigate. In response, staff has shared the following information:

- Austin Energy conducted an internal quality assurance review of vendor meter reads between May and June of this year. The day after the vendor read the meter, Austin Energy staff physically verified the reading. They sampled about 330 meters a month. The results show that 97.5% of the reviewed meter reads were accurate and appropriately obtained by the vendor.
- This quality assurance program is an ongoing effort to ensure compliance by the contracted meter reading vendor.

As an additional measure, I have directed Austin Energy to conduct a third-party audit of the customer billing system. This is in part due to the discussion and issues brought forth during the Council's Public Utility Committee meeting last week. We feel confident that this audit will confirm the accuracy of our billing system. Combined with the quality assurance review process described above, this will help us confirm that the issue is not a systemic one.

Water Pumpage Review – We have also taken a close look at the amount of water pumped through all of our treatment plants during the period in question. That evaluation showed that the measured output delivered in to the water system in August was the highest since 2011. You may be aware that neighboring communities (Pflugerville, Round Rock, Cedar Park, and San Antonio) are seeing similar spikes in water bills with the same media attention that we are experiencing, which points to increased water use throughout the region compared to May, June and July.

The chart below shows Austin Water pumpage from all treatment plants combined for the months of May through August, 2011-2015.

Total Pumpage (in millions)

Month	2011	2012	2013	2014	2015
May	4,637.54	4,028.26	3,815.01	3,766.52	3,222.41
June	5,283.14	4,794.52	4,286.62	3,731.65	3,379.15
July	5,953.89	4,640.93	4,432.47	4,291.33	4,415.87
Aug	6,373.17	5,165.21	4,851.73	4,847.90	5,236.86

I have asked that Austin Energy and Austin Water continue to thoroughly investigate individual customer concerns, and they will report their findings back to management. The satisfaction our residents have with City services is and will remain a key measure of our success, so we take these concerns seriously. We will continue to share results of further investigations with the Council.

As always, if you have any questions, please feel free to contact me.

XC: Robert D. Goode, Assistant City Manager
 Greg Meszaros, Water Director
 Larry Weis, Austin Energy General Manager
 Ray Baray, Chief of Staff
 Doug Matthews, Chief Communications Officer