



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: February 7, 2018

TO: Honorable Councilmember Chris Cate, Council District 6

FROM: Vic Bianes, Director, Public Utilities Department  
via Paz Gomez, Deputy Chief Operating Officer Infrastructure/Public Works

SUBJECT: High Customer Water Bills in District 6

A handwritten signature in blue ink, appearing to read "Paz Gomez", written over the printed name in the "FROM" field.

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This memorandum responds to the January 30, 2018 memorandum, "High Customer Water Bills in District 6". Below are responses to each paraphrased question. The Public Utilities Department (PUD) takes each complaint seriously and continues to work with customers to review and validate their information and find solutions to billing issues as is appropriate. Additional updates will follow.

**Question 1:** Based on the customer inquiries received by PUD, has staff been able to determine a primary cause for the increase in customer water bills?

**Response 1:** Customer water bills may have been affected by a variety of reasons:

- A billing schedule change that extended the normal 60-day billing period to ~70 days in November and December 2017 to realign the billing cycles; this change will not be needed again. This billing change was programmed into the system prior to implementation to ensure tiers were not impacted. This change was noted on the customer bill, and customers were provided an additional 10 days to make the payment.
- Water rate increase approved by City Council in 2015 that went into effect in August 2017
- It was found that some customers' water usage increased, possibly due to warmer temperatures and drier conditions in the recent months or additional houseguests or watering of new sod, which could raise single family residential customers billing to a higher usage tier
- Water leaks on the customer's property
- One-time fees (service shut-off/restoration, deposits, returned payment)
- Meter reading inconsistencies such as misreads

**Question 2:** From the outset of the recent spike in customer complaints, has PUD done any tracking or categorizing of potential cause(s) for each respective complaint filed with the City?

**Response 2:** PUD is tracking and categorizing customer complaints received from the public, Council Offices and the media. We will summarize the data of customer complaints received

to date by February 16, 2018 and provide a summary to City Council. We will also provide an update at Environment Committee in March 2018. Additionally, we have an ongoing log of customer calls received by our customer advocates. Potential causes were previously mentioned in Response 1.

**Question 3:** What is PUD doing to address the possible cause(s) that have been identified?

**Response 3:** PUD investigates all concerns about water bills and recently created a team to quickly resolve the increased volume of cases. Additional actions include the following:

- Conducting additional meter reads, including specific areas in District 6, to ensure reads were accurate. If misreads occurred, immediate corrective actions were taken.
- Reviewing data and statistics on meter reading errors for possible adjustment of system validation range, if needed (a status update will be provided at the Environment Committee in March 2018)
- Conducting a water controversy test by replacing the current meter with another to ensure the meter is operating properly
- Providing additional refresher training to staff, including supervisors, field and customer service staff
- Reviewing customers' historical usage
- Discussing each complaint with the impacted customer to determine whether there has been a change in water usage
- Assisting customers in investigating whether there has been a water leak
- Offering water leak audits
- Providing additional informational fact sheets and videos to customers to increase water conservation awareness and provide water use facts
- As of January 30, 2018, PUD revised the meter reading process to hold supervisors accountable by having them sign daily acknowledgment of data review

**Question 4:** What is the rationale behind PUD evaluating this issue on a case-by-case basis when entire neighborhoods and streets are experiencing high water bills?

**Response 4:** PUD feels it is important to review and provide a response to each customer, as each case may be unique. Based on our review of the billing issues received to date, we have found there are several reasons why a customer may have seen an increase in their bill as listed above in Response 1.

We request that any neighborhood or street information be provided to PUD for further review. Your office has already provided a list of residences for investigation. If your office becomes aware of additional customer concerns, please provide them so that we may investigate accordingly.

**Question 5:** Is PUD willing to work with District 6 office to host a community meeting with customers in an effort to identify the cause(s) for the recent high bills?

**Response 5:** Yes, we will work with your office to host a community meeting with customers. We take these concerns very seriously and are available to provide you with any assistance you may need.

**Additional Information**



The Office of the City Auditor prepared a Performance Audit Report titled "Customer Billing and Meter Reading Controls are Effective but Can be Improved" dated November 2013 (Attachment 1), which includes a discussion of the internal control process that identifies questionable meter readings before billing occurs. The control compares the current meter read to the customer's prior usage pattern (same period in the previous year). Any meter read which falls outside a predefined range is held and sent for manual review by designated staff in the PUD Customer Support Division. The review determines whether the meter read is released as is, adjusted and released and/or confirmed in the field. In cases where the usage is exceptionally high in comparison to the past pattern, the customer is promptly contacted at the completion of the review and informed of the significant change (possible leak). Once released, the bill is generated and sent. In cases where the bill may be within the upper limit range but is still higher than normal, customers are encouraged to request an investigation from PUD to determine the cause(s) of their unique situation.

Additionally, per the City Auditor's letter of February 6, 2018, a previously scheduled audit of the PUD Customer Support Division, which is part of the Office of the City Auditor's approved FY 2018 Audit Work Plan, will focus on customer billing issues related to the recent news and social media reports of excessively high water bills.

If there are any additional questions, please contact Mike Vogl, Deputy Director, at (619) 533-7596, [mvogl@sandiego.gov](mailto:mvogl@sandiego.gov) or Lee Ann Jones-Santos, Assistant Director, at (858) 614-4042, [lasantos@sandiego.gov](mailto:lasantos@sandiego.gov).



Vic Bienes, P.E.  
Director, Public Utilities Department

VB/lbp

Attachment: 1. Performance Audit Report, "Customer Billing and Meter Reading Controls are Effective but Can be Improved" dated November 2013

cc: Aimee Faucett, Chief of Staff, Office of the Mayor  
Scott Chadwick, Chief Operating Officer  
Stacey LoMedico, Assistant Chief Operating Officer  
Kris Michell, Deputy Chief Operating Officer, Special Projects  
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