Sewerage & Water Board of New Orleans

Update on Billing System
Finance Committee

May 8, 2018
Agenda

- Timeline of billing irregularities
- Causes identified
- Current status of investigations
- Actions taken
- Further recommendations
Timeline of Major Events

- Oct. 2016 – New billing system launched
- Apr. 2017 – Large number of billing errors discovered
- Jan. 2018 – Leaks related to hard Hard Freeze led to some high bills for customers

S&WB Billing taskforce with reps from Revenue Administration, Information Services, and Finance departments is working toward solutions to each challenge.
Billing Irregularities

Causes of Inaccurate Bills Identified Include:

- Leaks on private property
- Meter tampering
- Meters buried, or covered by debris
- Inaccurate meter readings
- Staffing shortages and rapid turnover in Billing Department, Meter Readers
- Inadequate software training
Complaint Process

Customer calls with complaint

Customer requests investigation

Issue resolved with Customer Service

Possible leak?

Internal review of bill launched

Yes. Customer pays typical amount.

Inspector sent to look for leaks

Customer issued estimate

No irregularity found, customer informed bill is correct

Leak found on property, bill adjusted after customer makes repair

Bill corrected after next accurate meter read

Customer can request administrative hearing to further investigate billing irregularities.
Status of Billing Investigations

- **26,119** total investigations since billing system launch
- **15,995** investigations completed as of 4/30/2018
- **10,204** investigations remain open as of 4/30/2018
- **136,074** active S&WB customer accounts
- About **92.5%** of S&WB customers have not filed bill complaints

![Pie chart showing 7% affected and 93% not affected]
How We’ve Improved

• **Hired 20 temporary employees** devoted to investigating and correcting the backlog of high bills.

• **Hired and trained 20 new reader meters**, bringing the total workforce on the streets to 41.

• **Changed the bill estimation formula.** When an estimation is needed, bills will be estimated at a flat rate of 100 gallons of water use per day.

• **Suspended late fees.** Customers can request a payment plan.

• **Increased salaries for Meter Readers and certain Customer Service positions** to improve recruitment and retention.
How We’re Moving Forward

• Set goal to reduce more than 10,000 open investigations by half in the next six weeks.

• Engage Cogsdale to make further adjustments to billing software and procedures and supply more training.

• Test an online, public dashboard to track progress in resolving billing disputes.

• Create two new teams: 1) for routine bill investigations and 2) bill irregularities needing extra review.

• Hire 10 more inspectors by end of July to expedite investigations.

• Hire 11 more billing clerks by end of June to identify and process billing irregularities.

• Website improvements: more online information, customer services.
Public Tracking Dashboard for Billing Disputes

Initiated and Resolved Investigations

- **Initiated**
- **Resolved***

<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>Initiated</th>
<th>% Complete</th>
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<tbody>
<tr>
<td>2016</td>
<td>October</td>
<td>295</td>
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<tr>
<td>2016</td>
<td>November</td>
<td>884</td>
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<tr>
<td>2016</td>
<td>December</td>
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<td>94.74 %</td>
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<tr>
<td>2017</td>
<td>April</td>
<td>954</td>
<td>92.87 %</td>
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<td>2017</td>
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<td>2017</td>
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<tr>
<td>2018</td>
<td>March</td>
<td>3,037</td>
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<tr>
<td>2018</td>
<td>April</td>
<td>2,225</td>
<td>86.90 %</td>
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</table>

(April 2018 data has not been finalized)

- Open 38.76%
- Resolved* 61.24%

* A status of “resolved” indicates SWENCO considers these investigations resolved, but an administrative hearing may be pending.
Engaging Outside Help

• Blue Drop, the nonprofit consulting arm of DC Water, one of the premiere water utilities in the country, will review, advise and help implement improvements to the S&WB’s customer service procedures.

• Complaint management software from Verint Systems Inc. to better track and respond to customers’ needs. Goal is to integrate by end of 2018.

• Water Company of America to locate customers who may not be receiving bills for all the services the S&WB provides them.
Long-term Recommendations

• Further develop, standardize and document policies and procedures to operate new billing system

• Establish policy to update customers on status of their bill investigations

• Revisit meter installation process to reduce installation errors

• Streamline meter readers’ routes to improve efficiency