



COUNCILMEMBER DAVID ALVAREZ

**City of San Diego
Eighth District**

MEMORANDUM

DATE: December 14, 2011

TO: Councilmember Carl DeMaio

FROM: Councilmember David Alvarez, Chair, Natural Resources and Culture Committee

SUBJECT: Water Department Billing & Customer Service Problems Hearing Request

Thank you for your December 13, 2011 memorandum requesting a Natural Resources and Culture (NR&C) Committee hearing concerning recent problems with the City's Public Utility Department's (PUD) billing and customer service. In response to many constituents contacting the City Council offices regarding the level of customer service provided by the City's new water billing system (Customer Care Solutions) over the last few months, I scheduled an informational hearing on the matter at the November 9, 2011, NR&C Committee meeting.

Many of the concerns listed in your memorandum were discussed at this hearing. The PUD outlined the problems it has had in converting to the new system, including increased call center queue wait and call duration times, billing errors, and customers' decreased access to service representatives. A number of citizens submitted public testimony regarding their concerns with the new system and PUD staff was present to hear them. The PUD expressed their commitment to addressing the unexpected problems with the conversion to the new system and indicated that they are in the process of hiring temporary staff to handle the resulting increased call volume. The PUD has also assigned a staff member to act as a liaison to assist City Council offices receiving requests for assistance with the issues mentioned above.

I look forward to working with you and other Councilmembers to continue to monitor and address this issue in the coming months. For your convenience, I have attached backup material provided to our NR&C Committee at the hearing. If you have any questions, please contact me.

CC: Honorable City Councilmembers
Mike Vogl, PUD Deputy Director of Customer Support

DA/ks

Customer Care Solution

Project Update

Natural Resources and Culture Committee

November 9, 2011

Utility Billing System Conversion

- What is it?
- Replaces Customer Information System (CIS)
 - Bill calculation and invoicing
 - Payments processing
- General Customer Information/Utility Account Management
 - Water, sewer, storm water
 - Open/Close Account
 - Security Deposit/Deferred payment/Refund processing
 - *Dunning* – late payment/delinquent account processing
 - Emergency repair activities
- Replaces and Integrates new service connections and fee collection process

Why Convert? Why Now?

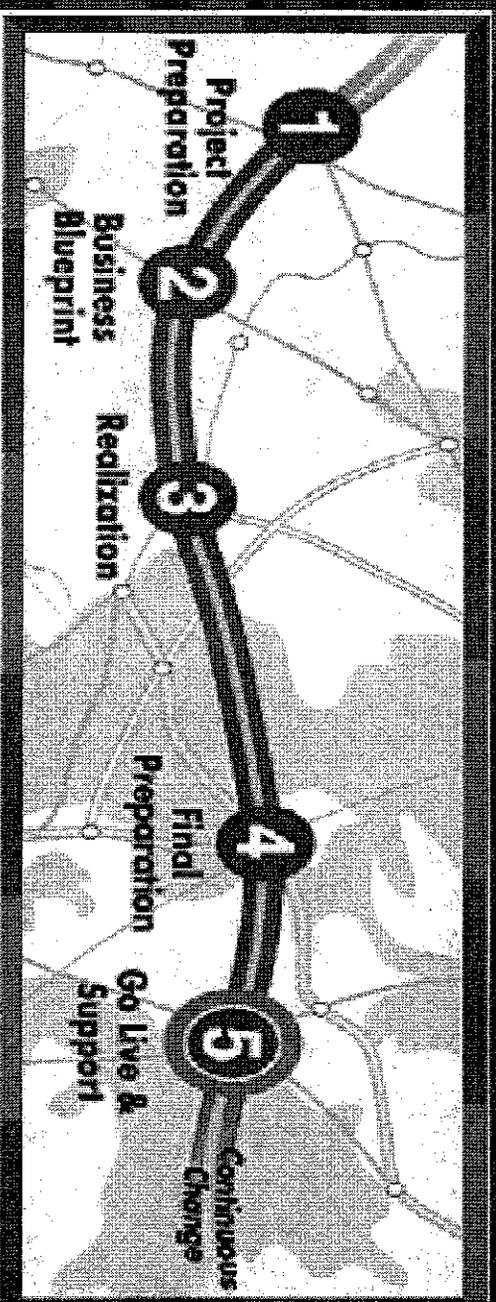
- City ERP Platform Roadmap – Fully integrated system
- CIS Built in Early 1980's
 - Rising support costs
 - Quick and Easy for users (staff) but:
 - limited flexibility
 - old technology
 - shrinking technical support resources
- Development Service Department's *PTS*
- IOS Legacy Systems
- Mainframe Shut-down/Retirement

Benefits

- Integrated Utility billing system with ERP Financials
- Better reporting and more effective controls
 - Internal controls monitoring through Comptroller
- Establishes One and only One – Business Partner (customer) model
- Eliminates rising maintenance expense
 - Mainframe (CIS/IOS)
 - Interfaces (31)
- Fully automated Bill Production and Delivery using third party vendor
- Extended On-line portal access to all customers.
- Quicker refunding to customers (3 days vs. 6-8 weeks)
- Automated billing /payment of “City” accounts

Conversion Effort

- 18-Month Implementation Project:



- Implementation Consultant – *Deloitte Consulting*
- Cross Departmental Effort
 - ERP Support, Dolt, DSD, Comptroller, Treasurers and SDDPC
- Other Implementation Partners:
 - SAP, StreamServe, EOS

“Go-Live” Preparation

- Training (650 hrs for core call center staff alone)
- *Notice of Change* mailed to monthly billing customers (6/9/11)
- Customer Care Solution web page (6/17/11)
- Online System Customers:
 - *Important Message* (displayed to online users beginning (6/3/11)
 - *Notice of Change* added to online system landing page (6/9/11)
 - Begin sending paper bills (6/9/11)
 - *Call to Action* message emailed to online users (6/23/11)
 - Follow-up email sent to online users (6/24/11)

“Go-Live” - July 5

- Data Conversion (14.7 million records converted)
 - 99.97 Data Conversion Success rate
 - *Call to Action* email to all online users with registration information
 - Meter reading, billing and payment processing resumed immediately
 - *Important Information* - Bill insert included in all bills
- Dunning process start-up delayed 3 weeks

120-Day Results (July-October)

- Over 597,000 bills issued to date
- Over 588,000 payments received and processed
- 51,300 customers successfully transitioned for online payment (43,381 in old system)

Description	July – October 2011	July - October 2012
Payments Processed	590,247	588,705
Service Disconnection (Non-pmt)	8,175	7,173
Bills Issued	615,770	597,433
Calls offered/ handled	116,617/110,390	96,481/71,327
Avg Speed of Answer/ duration	1:54/ 3:47	12:15/ 6:27
Emails handled	~2,000	19,623

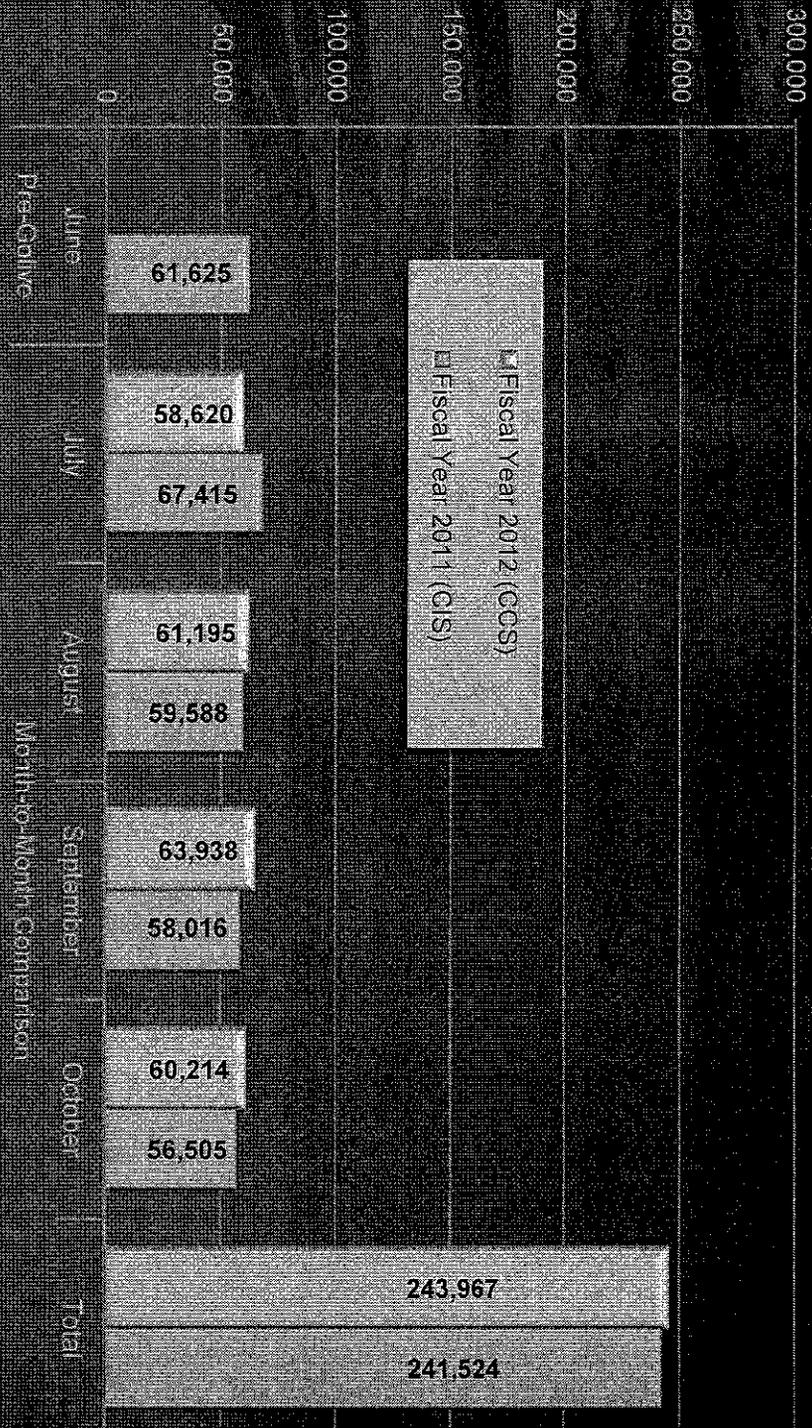
Customers

Issues	Response
<p>New Customer Portal/Enrollment</p> <p>Bill issuance</p> <p>Call center service/availability (call duration and learning curve)</p> <p>Did not anticipate full range of call types triggered by change:</p> <ul style="list-style-type: none"> • Data conversion clean up • Customer bill management • Impact of Mainframe Shut-down on resources 	<p>Added additional contact channels (Email)</p> <p>Temporary staff / Weekend Shifts</p> <p>Increased phone capacity (600 B St, Treasurer's Lobby, Emergency Service Lines)</p> <p>Established Customer Care Liaison and Referral Lines for Key outlets (Council and Mayor Offices, City Treasurer, SDCWA)</p> <p>Targeted Training and Team Building, Labor Union Support</p> <p>Improved Website Help (Video, FAQ's)</p> <p>Billing Inserts for high impact issues and Shut-off Management (Temporary suspension)</p>

Performance Trends

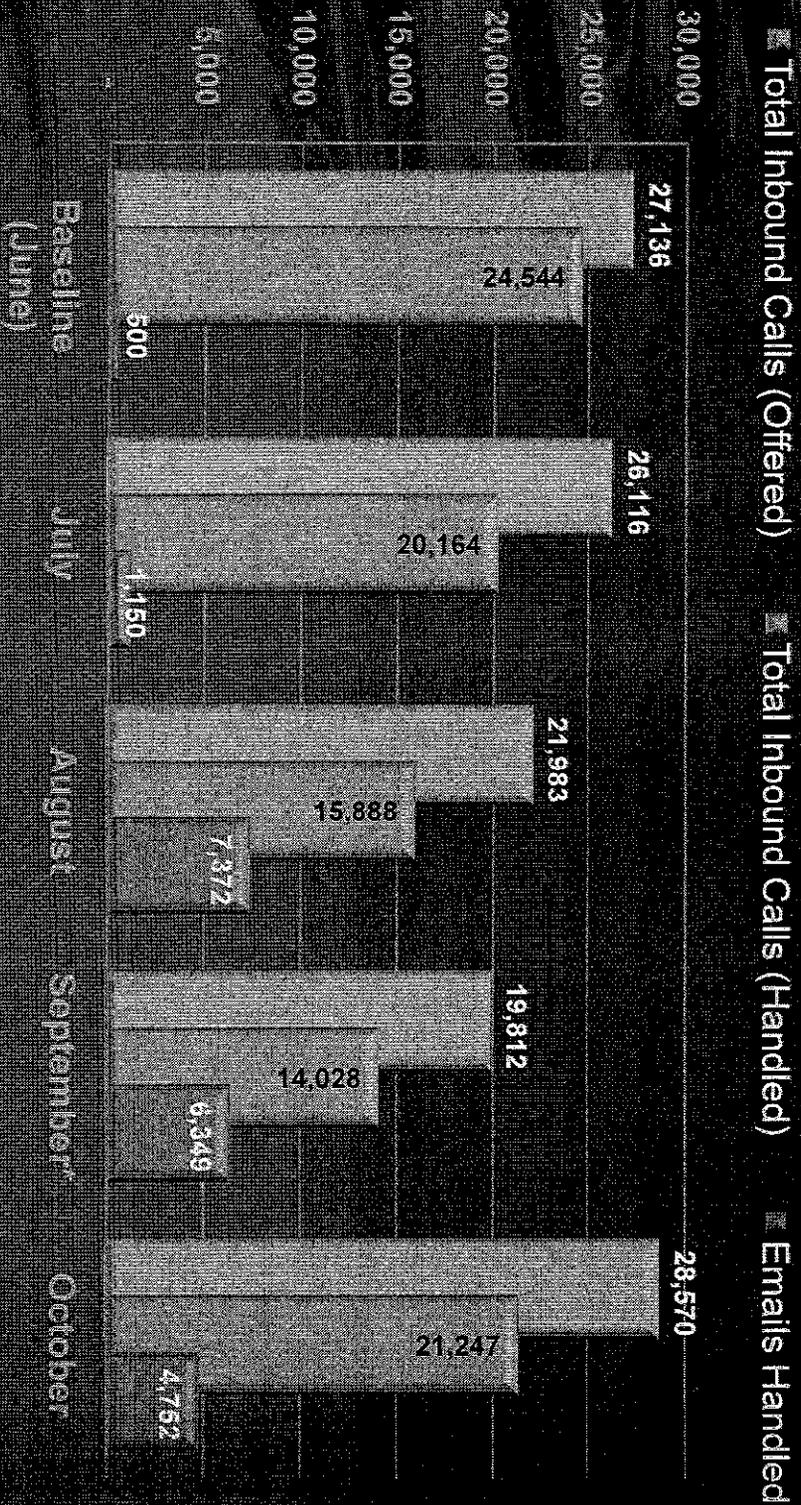
- Online Payments and User Registration
- Call Center Availability and Call handling
 - Average Queue Time
 - Average Call Duration
 - Average Transactions Processed by Agents
- Exception Bills Generated
- Non-Payment Service Disconnections

Online Payments



Call and Email Handling

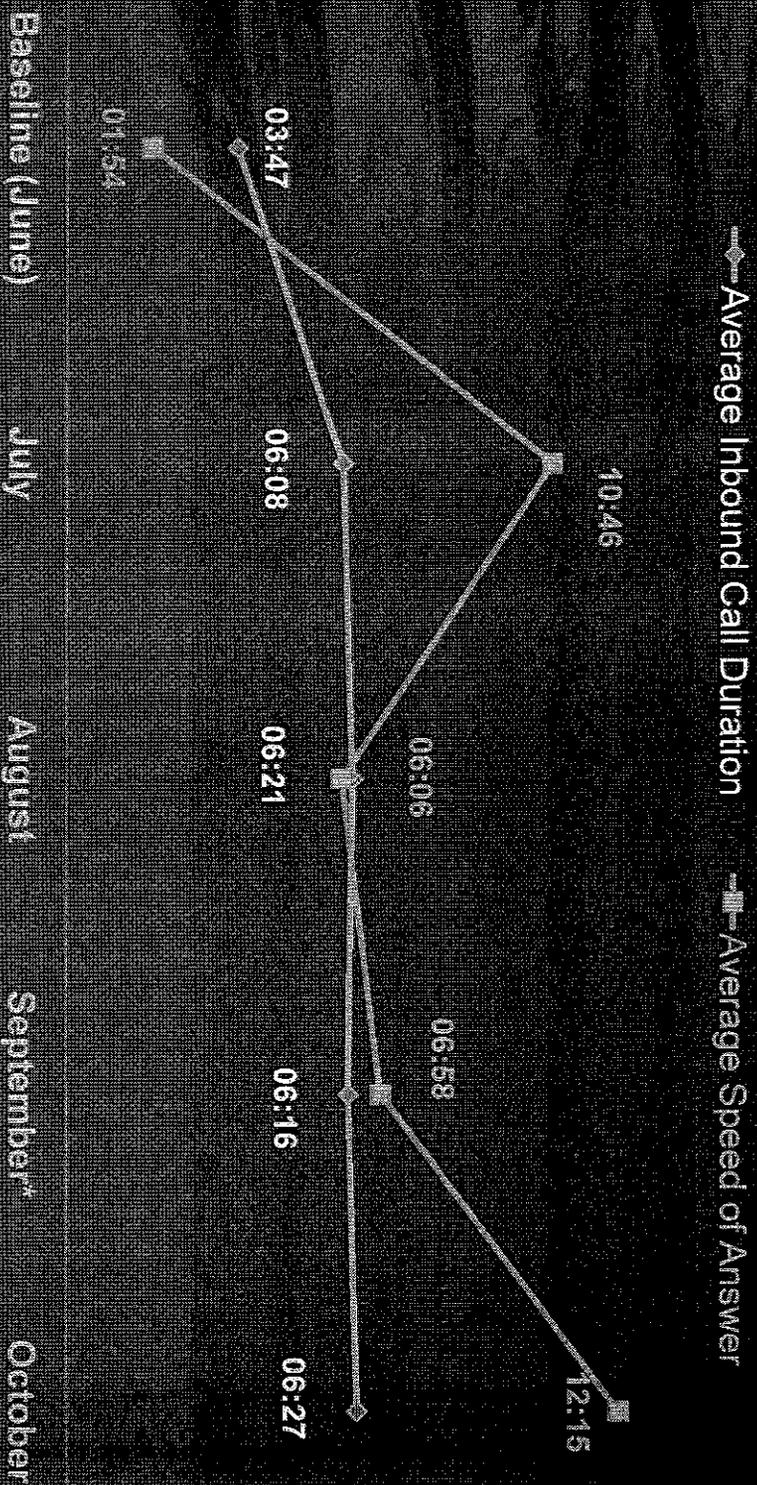
Call Center Volumes (Customer Information)



Power Outage

Call Handling

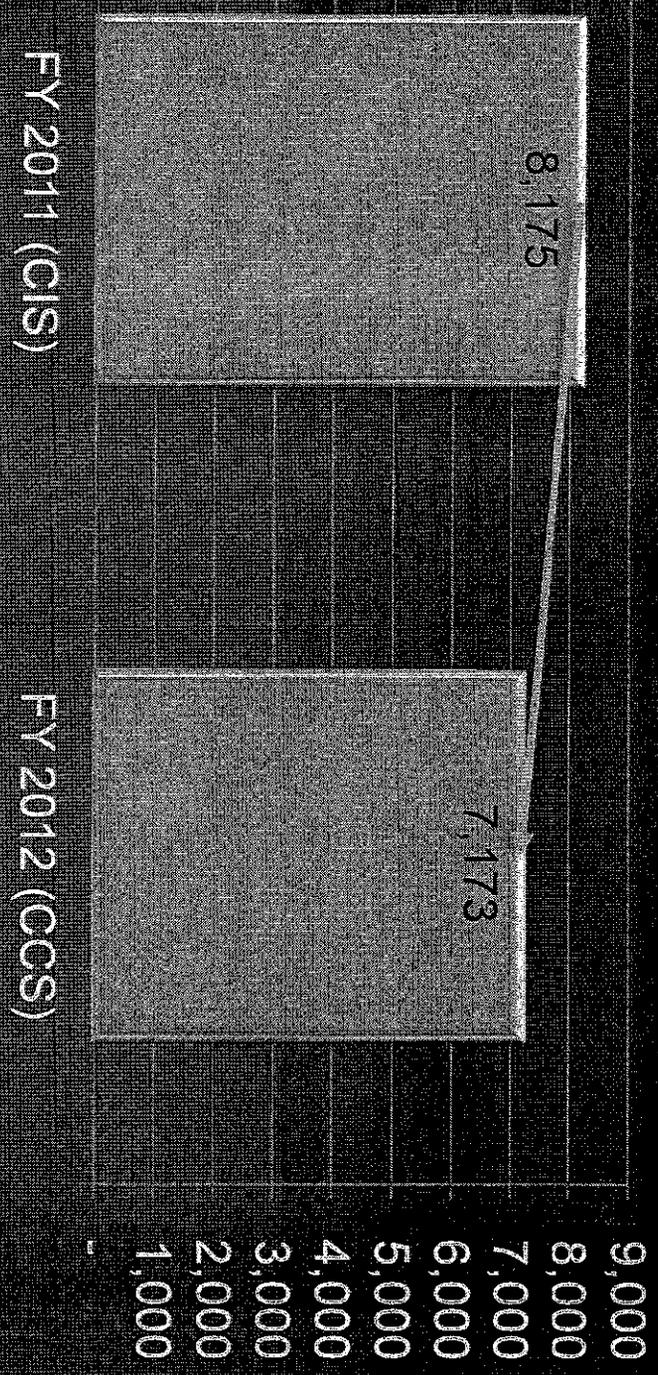
Queue Wait and Call Duration (Minutes)



* Power Outage

Service Disconnections (Non-payment)

Comparison of Total Service Disconnections (July-October)



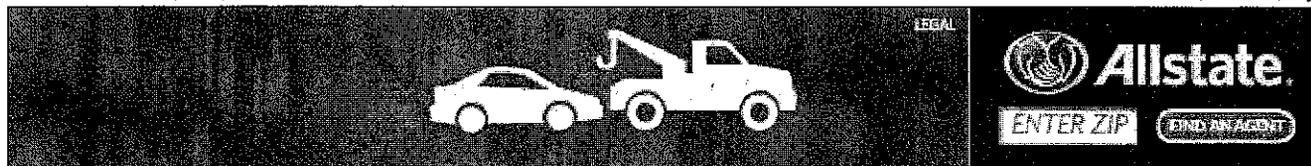
Continuing Effort

- Training/Coaching
- Additional Post Go-Live Support
- Performance Management
- Process/policy modification:
 - Mitigate/minimize customer impact
 - Reduce volume of customer contacts

Future Improvements

- ◆ New Payment Options:
 - ◆ Credit Card
 - ◆ IVR
 - ◆ Walk-in payment (Over 25 new locations)
- ◆ New Billing Options
 - ◆ Home Banking/BillPay delivery
- ◆ Self Service - Open/Close Account
- ◆ Smart Meter ready

Item #3



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Water billing system 'not where we want to be'

Extra staff has been called in to field complaints stemming from \$24 million upgrade

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Since San Diego launched a new \$24 million water and sewer billing system in July, ratepayers have complained that they've been overcharged or can't pay their bills online — leading to some shut-offs while people try to resolve the issues.

The situation has forced the public utilities department to assign about 20 employees to work nights and weekends for several months to respond to the calls and emails.

"The system itself does work really well," said Public Utilities Department spokesman Kurt Kidman. "It's the interaction with our customers we don't have at the level we want to have it at."

The city will continue to pay time-and-a-half to employees working overtime "until we get our customers happy," Kidman said. "We're making strides but we're not where we want to be."

Mayor Jerry Sanders' office referred calls on the issue to Kidman, who said that his bosses, including department Director Roger Bailey, would not comment.

One of the disgruntled water customers is City Councilwoman Marti Emerald, who had trouble moving her account to a new address.

"Oh don't get me started," she said. "I'm kind of mad about it."

Another is Marjorie Forbes of Mission Hills, who had been using auto pay for water bills for her home and an apartment building in Pacific Beach without a hitch until the new system came online. Now she's back to paper bills for her residential account because she can't seem to reestablish her

Story by

Kelly Thornton

Documents »

Download: "Hot sheets" being used to respond to city water bill complaints

Oct - October 24, 2011
Kippwood Asset Management
Detail View



Filner asks feds to examine Prime billing

Water district to check out contractors



Youth funds go to board member agencies

Also of interest

San Diego lacks water rate relief as bills spike

Counsel will review reasons for city audit delay

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Six seek vacant seat on council

Two-tiered plan would increase water rates

electronic payment.

"It's just another example of a really stupid government thing," Forbes said. "They had a system that worked just great and had to change it."

The affected customers are mostly people who had set up automatic payments and passwords that disconnected when the new system launched. Trying to get auto pay reinstated, or make an online payment, before the water got shut off was a challenge.

Investigative Newsource, a journalism nonprofit based at San Diego State University, obtained complaints to the city saying:

- "I am stuck in an endless loop and I will not be able to access and pay my water/sewer bill before it is due."

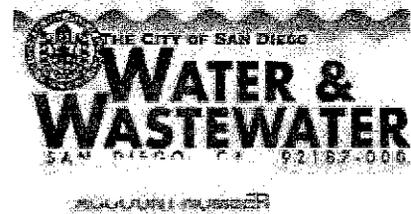
- "I have enrolled in the system but it still won't process my payments. I am very frustrated by this as I have tried several times to enroll and the city has now charged fees and required a security deposit. Please send paper bills going forward."

- "I have tried to reach your company by your website and failed — increased rage each time. I have tried to reach your company by phone several times and have given up as a lost cause."

Three scenarios are common: Customers think they have paid online, but realize too late it hasn't gone through; receive no bill or notice; or they know they haven't received a bill and tried without success to reach the city.

Point Loma resident Ellen McCannon encountered a city employee just after he'd shut off her water on a Friday afternoon in September. She never received a shut-off notice. She tried to pay her bill online and was unable to do so.

After hours trying to reach a live person, she managed to get someone back out to her house about 6 p.m. He told her that his colleagues were working overtime that night because of the high demand to get water turned back on.



"He said, 'The whole billing cycle's messed up and that we employees have actually told our management we really feel we should just be setting notices on doors,'" McCannon said, quoting the water department worker. "If people can't be getting into the system to pay their bill, we shouldn't be shutting them off.'"

As of last week, almost four months after the new system went live, a call to the utilities department was disconnected after this greeting: "We are currently experiencing a very high call volume and delayed response time. We are not able to handle your call at this time."

Several calls on Monday to the customer support line were met with busy signals.

Investigative Newsource on Oct. 18 submitted a formal request for the overtime records and the number of complaints and shut-offs among the city's 260,000 customers. Kidman said providing that information may be delayed because "our customers come first."

Kidman said the first week the billing system produced 5,917 bills that incorrectly calculated sewer services, mostly overcharging customers. The department corrected the programming glitch, sent out new bills and the problem has been solved, Kidman said.

According to city documents dated Oct. 14, the issues are not simply user error. The memos, called "Customer Information Hot Sheets," which were created to help customer service representatives troubleshoot, indicate the system was unilaterally changing passwords and security questions.

One hot sheet says "many but not all users" have reported their passwords are not working. "We are currently working to confirm, identify and resolve this issue but no fix has been identified at this time. We do not have an estimated date when this issue will be resolved."

At a public board meeting July 25 of the San Diego Data Processing Corp., the city agency that provides IT services, officials praised program managers because the water billing system was two months ahead of schedule.

The meeting minutes said the system was implemented June 30 and had an accuracy percentage of 99.2 percent in processing 98,171 payments totaling \$36.2 million. Program Manager Jane Arnold noted that the project "was a huge accomplishment and team effort."



Investigative reporter Kelly Thornton can be reached at kellythornton@inewssource.org

Find this article at:

<http://web.signonsandiego.com/news/2011/oct/24/water-billing-system-not-where-we-want-to-be>

Check the box to include the list of links referenced in the article.

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