



FOR IMMEDIATE RELEASE Thursday, Feb. 8, 2018

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City Review Finds 343 Water Customers Were Incorrectly Overcharged

CITY ANNOUNCES NEW ACCOUNTABILITY MEASURES FOLLOWING ISOLATED INCIDENT OF MISREAD WATER METERS, ALL AFFECTED CUSTOMERS WILL RECEIVE NEW CORRECTED BILLS

SAN DIEGO – After an internal review of higher-than-normal water bills reported by some customers, the City's Public Utilities Department (PUD) has identified an isolated incident of misread water meters in concentrated areas due to human error that resulted in more than 300 customers being incorrectly overcharged for their water usage.

The department is implementing several new accountability measures to ensure the accuracy of future bills and affected customers will receive a letter from PUD within the next week informing them of a correction for the November-December billing period. In addition, every water meter in the city will be read with those new oversight procedures over the next 60 days to ensure the accuracy of customers' bills.

The PUD review found a pattern of misread water meters in parts of the following neighborhoods: Carmel Valley, Mira Mesa, Rancho Bernardo and Rancho Peñasquitos. A review of more than 3,000 meters in those areas identified 343 had been misread. The average overcharge for affected single-family residential customers was \$303, with some higher or lower depending on water usage during the billing period.

"Every bill must be accurate and anything less is unacceptable. San Diegans need to be able to trust that their bills are correct – and that every cent they pay goes to making sure we have safe, reliable water," said Mayor Kevin L. Faulconer. "I have directed staff to take the necessary steps to ensure that nobody pays more than they should, meters are properly read, and any mistakes are corrected immediately."

Following the internal review, the City is implementing several actions to provide better oversight and ensure the accuracy of water bills, including:

- Requiring PUD supervisors to personally sign off on daily reports from meter readers
- Adding security protocols to ensure that only designated staff have ability to input data
- Improving automated alerts that flag unusual spikes in water usage
- Adding a second spot check review of meter reads to ensure accuracy
- Participating in the independent City Auditor's audit of customer billing issues
- Including an informational insert in water bills on how customers can read their own meters and track their water use

"The Mayor has given me free reign to do what it takes to ensure the accuracy of bills for our customers," said Vic Bianes, the City's PUD Director. "Our internal review has determined this appears to be an isolated incident that is limited in scope. We are working diligently so that no customer is overcharged and implementing new oversight measures to make sure we're providing the highest level of customer service."

The review also found there are a number of factors that have contributed to higher water bills for customers not affected by the isolated misreads, most notably a citywide rate increase of 6.9 percent that the <u>City Council approved in 2015</u> and took effect August 2017. They include leaks in homes and irrigation systems, warmer temperature and dry conditions leading to increased water use, and new landscaping or pool installations.

"I appreciate the Public Utilities Department working swiftly to investigate the multitude of higher-than-normal water bills in my district," said City Councilmember Chris Cate. "I will continue to work with the department to gather the pertinent information to ensure this is an isolated incident, and will be holding a public forum in my district to allow residents the opportunity to ask questions and get the answers they deserve."

Additionally, the City wants to remind customers there are programs already in place to assist them. There is a free <u>residential survey</u> program that allows Public Utilities staff to help customers monitor their water consumption and check their property for leaks. The City also has a number of water <u>conservation</u> <u>rebates</u>, including water pressure reduction valves and rain barrels. For low-income customers who qualify for a \$100 credit on their bills, the City offers the <u>H2O SD</u> program.

Customers are encouraged to contact the City with questions or concerns at 619-515-3500 or <u>customercare@sandiego.gov</u>.

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