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*New Orleans City Council*

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July 27, 2018

New Orleans Sewerage and Water Board  
625 Saint Joseph Street  
New Orleans, LA 70165

To the Sewerage and Water Board Executive Team:

Thank you for your time and answering many of our inquiries at Tuesday's Public Works committee meeting. In certain areas – such as the dashboard on the S&WB website, the erection of the water towers, and installation of the SCADA-like software system – S&WB deserves credit for progress.

The billing apparatus of the S&WB, however, is in shambles from issues pre-dating and not caused by this administration. At Tuesday's meeting, we heard from a customer with bills ranging from 11 cents to hundreds of dollars. Many customers are not receiving bills. Most importantly, we are concerned about poor customers who have received incorrect bills who then must jump through bureaucratic hoops unilaterally created by S&WB in an attempt to fix that bill. Based on these testimonies and the lack of evidence presented by the agency, it is imprudent to shift course. The burden of sending correct bills lies squarely and solely with S&WB. The ratepayer should not be forced to resolve what in many cases are long-standing billing problems caused by the utility.

By virtue of the charter and our investigative authority, the Council has a legal obligation to protect ratepayers. On behalf of the citizens of New Orleans, the entire Council requests that S&WB reconsider its plan to shutoff water until complete confidence in the S&WB's billing processes has been restored. Everyone at yesterday's meeting admitted we are not there yet. No one disputes the agency needs money and below we reiterate suggestions for immediately maximizing cash flow.

By S&WB's own admission in a May 8 PowerPoint presentation to its Finance Committee, billing problems stem in part from (1) meters buried or covered in debris; (2) inaccurate meter readings; (3) staffing shortages and turnover with meter readers and billing department personnel; and (4) inadequate software training. That list does not include (a) broken meters that have not been replaced, (b) nearly 38,000 meters that are AMI available but not AMI ready, (c) failure to send bills to "transfer" accounts, (d) failure to send bills to long-standing customers, and (e) a chronic problem with the estimating algorithm used once Cogsdale went live. Let's not compound one set of a problems with another one.

We understand that the S&WB has critical funding shortfalls and share the valid concern of increasing the agency's revenues. Moreover, we understand the importance of increasing the fund balance and ensuring S&WB has the proper resources to serve the community. However, it is irresponsible to make the ratepayer the scapegoat. We would recommend the following actions before S&WB begins shutting off water:

- Eliminate the backlog of roughly 9,000 transfer accounts that have not yet received any bills for service as well as identify and bill any other customers who are not receiving bills.

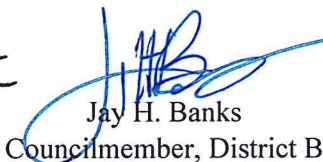
- Identify which accountholders are truly gaming the system by not paying their bills for a period of time.
- Create a system for level bills so payments can begin in earnest or, alternatively, offer to customers a fixed-fee arrangement so the ratepayer can have billing certainty and S&WB can have collections and revenue certainty.
- Develop a system customers can use to affirmatively confirm that their bill has been formally disputed and where in the process their claim currently stands. Accessible either by phone, and through the online account, or in person.
- Create a transparent dispute resolution process coupled with ability for those not receiving bills or those receiving incorrect bills to pay, including average wait times at each step of the process that the customer can expect to experience.
- Publish a schedule of in-person bill resolution sessions in each councilmanic district where customers can sit down with a S&WB customer service representative to resolve a billing dispute in real-time.
- Consider less drastic solutions than cutting off water, such as limiting a meter to allow small water usage (for cooking and drinking) but not larger water consumption (watering the lawn).

We ask that you hold off on collections and shut offs until these and other improvements are made.

Sincerely,



Joseph I. Giarrusso III  
Councilmember, District A



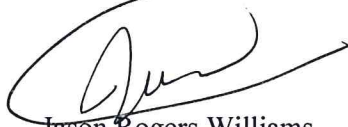
Jay H. Banks  
Councilmember, District B



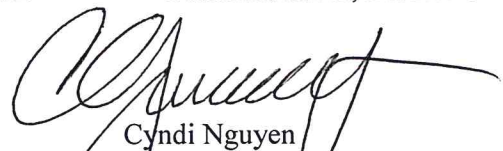
Kristin Gisleson Palmer  
Councilmember, District C



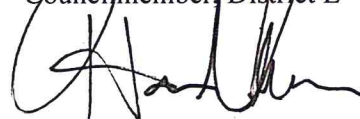
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Councilmember, District E



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