



**Town of Surfside
Commission Communication**

MEMO

To: Mayor and Members of the Town Commission

From: Roger M. Carlton, Town Manager *Mark*
John Di Censo, Interim Public Works Director *JD*
Donald Nelson, Finance Director *DN*

Date: March 21, 2013

Subject: Water and Sewer Last Billing Cycle

Background: The water and sewer billing cycle for Surfside occurs every 61 days on average. In the past, workers read the meters which took approximately one week and the data was entered. The bills were then printed internally and mailed. That system was then updated to use an outside billing service thereby releasing Town employees to handle the ever increasing workload of other processes.

The next evolution will be to allow electronic bill paying which should be ready in the next thirty days. We are also nearing completion of the installation of the new microwave readable meters which has been accomplished as an element of the water/sewer/storm drainage project. Like all major technical evolutions, the implementation is not without challenges.

The Issue: The last billing cycle was for a period of 84 days for a variety of reasons. As a result, customers' bills were quite large and Staff as well as certain members of the Town Commission have received inquiries regarding the situation. The following actions will be taken to remedy this situation:

- The billing period extension to 84 days from 61 days results in a 37 percent increase in the bill due to the longer time period. Review of your electric bill will show that FPL explains this by showing the average kilowatt consumption per day over the same billing period the year before. We cannot do that for our water/sewer bills.

- The next billing cycle will have 38 days which will reduce customers' bills by approximately 38 percent over their normalized billing cycle. For most customers this will bring them back to a normal bill over two billing cycles.
- Approximately 60 customers have asserted that their higher than usual bills have been a result of the new meters being inaccurate or a leak caused by the construction process. We are in the process of checking the meters in all these situations for accuracy. This process is accomplished within 24 hours of the customers' request. In all cases the meters have checked accurate.
- We then check for leak(s) which have been found in 10 cases so far. The cause of the leak(s) then determines the next step. In five (5) of the cases the leaks(s) were either in the yard or in the house. If the leak is in the yard, we will adjust the sewer charge from the bill since the leaked water does not go into the sanitary sewer system. This is a one-time adjustment since we do not want to encourage wasting water. If the leak is inside the house (toilet or faucets) we do not make any adjustments, however, we will work out a payment plan to reduce the burden. For this small number of customers all the effort we go to often does not satisfy and you may hear about specific cases. Please let us know if you receive any inquiries and we will give you the facts of the specific case and the justification for our position.
- In five (5) of the cases to date, the cause of the leak cannot be determined to specificity, however, it is usually a result of the new meter installation process and the customer will receive a credit as appropriate. Please remember that we have installed more than 1100 new meters and the problem rate is extremely low.

Could this problem have been avoided? The extended billing cycle was not avoidable however, we had the capability of explaining the situation in the bills through an insert or a notation. This was not done and the persons responsible have been strongly counseled. We are sorry for this situation and all of us have learned from the experience. The next issue of the Gazette will explain the solutions, the next billing cycle will include an insert, individual explanations will be made personally to anyone who has specifically raised the issue for their last bill, equity adjustments will be made and the explanation will be posted on the Town website.

- The new microwave readable meters once the system is tested for quality assurance, financial controls and linkage to our outside billing firm and the SunGuard financial management system will notify us within a very short period of time if consumption is severely increased and we will intervene before a larger bill is prepared. The potential for monthly billing is also possible with the additional cost of postage being offset by no longer needing to manually read each meter. This discussion should be held during the FY 13/14 Budget development process.

Summary: It is axiomatic with implementation of complex systems that problems will occur. The technical problem of the longer billing cycle could not have been avoided. The human side of notifying the customers was a lost opportunity and we apologize.

Please let us know if you have any questions.