



## CITY OF ATLANTA

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### ***Why We Did This Audit***

We undertook this audit because the Department of Watershed Management's reliance on estimated consumption to bill customers for water and sewer service has been a long-standing problem, resulting in billing disputes and adjustments.

The installation of automated meter reading technology, which began in 2006, was intended to reduce estimated readings; however, estimated readings accounted for 10% of total billings in 2009. Customers continue to complain of unusually high bills.

### ***What We Recommended***

The Commissioner of the Department of Watershed Management should:

- Develop a method to track the number of adjustments for leaks or billing errors.
- Complete and implement the small meter maintenance program to identify operational problems, such as leaks, that cannot be detected with AMR technology.
- Set the threshold in enQuesta to flag accounts with high use for review to 50% higher than the 12-month average, consistent with current billing procedures.
- Complete bill priority inspections before billing or notify customers on the bill that they might have a leak and a work order is pending.
- Update billing procedures to identify specific criteria for suspending bills that are flagged for further review during the editing process. The revised procedures should include supervisory review of suspended bills.
- Use enQuesta to estimate bills or revise procedures to include a specific method for estimating usage.

For more information regarding this report, please contact Stephanie Jackson at 404.330.6678 or [sjackson@atlantaga.gov](mailto:sjackson@atlantaga.gov).

## ***Performance Audit:***

### **Water Meter Reading, Estimates and Adjusted Billings**

#### ***What We Found***

While automation has significantly reduced the incidence of water and sewer bills that are based on estimated consumption, the number of customers who disputed water and sewer bills and/or requested to have meters checked for accuracy has remained fairly stable. Automated meter readings accounted for 96% of bills in the first six months of 2012; manual readings accounted for 3% and estimated and forced reads were 1%, down from 10% in 2008 and 2009. Automated reads should improve billing accuracy, but between 9% and 18% of accounts had at least one disputed bill or customer-initiated meter investigation each year between 2007 and 2011.

The number of disputes and investigations dropped in the first six months of 2012 to an annualized rate of about 11.6%. The number of monthly account adjustments has decreased since 2007, while the number of appeals to the Water and Sewer Board has increased, perhaps reflecting the streamlined dispute and appeals processes that were prompted by customer lawsuits. Although the number of account adjustments also appears to be trending downward slightly, the department lacks a specific code in enQuesta to identify the number of adjustments that the department makes to accounts because of leaks or billing errors. The Department of Watershed Management's small meter evaluation found that only one-third of meters met all standards. The department's internal findings are similar to our assessment of newly installed meters in a previous audit. We recommended in our 2007 audit, Department of Watershed Management *Automated Meter Reading Program*, that the department develop a maintenance plan for small meters to include periodic site surveys or similar ways to identify operational problems - such as leaks and broken lids - that AMR technology could not detect. The department has recently begun preparing a small meter maintenance plan to identify and address ongoing meter problems.

Undetected leaks appear to explain many of the unusually high bills that have led to customer dissatisfaction. Under the department's existing technology and processes, many customers will not know they have a leak until they have received at least one high bill. In two extreme cases reported in the media, customers complaining of high bills were later found to have leaks on their properties. We concur with the department's assessment that ruled out systematic hardware or software problems.