

December 11, 2020

Honorable Patricia A. Serpa Rep. Patricia A. Serpa D - District 27 West Warwick, Coventry

Honorable George A. Nardone Rep. George A. Nardone R - District 28 Coventry

Honorable Justine A. Caldwell Rep. Justine A. Caldwell D- District 30 East Greenwich, West Greenwich Honorable Leonidas P. Raptakis Sen. Leonidas P. Raptakis D – District 33 Coventry, East Greenwich, West Greenwich

Honorable Gordon E. Rogers Sen. Gordon E. Rogers R – District 21 Foster, Coventry, Scituate

Honorable Bridget G. Valverde Sen. Bridget G. Valverde D – District 35 North Kingstown, East Greenwich, Narragansett, South Kingstown

RE: KCWA Response to Recommended Action

Dear Senators, Raptakis, Rogers and Valverde and Representatives Serpa, Nardone and Caldwell:

On behalf of the Kent County Water Authority (KCWA) Board of Directors, we want to thank you for taking the time at our meeting on December 4, 2020 to review the meter/billing investigation process. The KCWA has received your December 7, 2020 letter of recommendations for action based off that meeting. For General Assembly members who were not able to attend the meeting, here is a link to a recording of the meeting for reference:

https://www.youtube.com/watch?v=0bVX4fkxStQ&feature=youtu.be

KCWA has responded in detail to each of the recommendations below. We are hopeful that you will find the current responses helpful in providing a level of confidence that KCWA is doing everything we possibly can for our customers. The investigation evidence is showing there is not a problem with the billing and accounting systems nor is there a problem with the new Neptune meters. However, we do realize that the limitations of outdated billing software and our initial response may have led to additional confusion to our customers. KCWA looks forward to a continued partnership and mutual communication toward continuous improvement for our customers and final resolution for all rate payers/constituents aggrieved. All investigation information will be presented in an open and transparent format available on our website www.kentcountywater.org so it can be analyzed by any party interested. Furthermore, the independent evaluation and outreach for consumer protection and advocacy by the Division Public Utilities and Carriers, "RIDPUC" or "Division", will ensure each customer not satisfied with KCWA's initial findings is also heard by an independent body.

Please feel free to reach out with any questions and please be mindful of some of the customers/constituent's personal information that may have been presented as examples in the meeting video.

Sincerely Yours,

David L. Simmons P.E. Executive Director/Chief Engineer, KCWA

obert B. Boyer P.L.S

Chairman, KCWA

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RIGA Members Representing Coventry, East Greenwich, West Greenwich, West Warwick, and Scituate -

We appreciate that you must work to understand each case individually. However, it seems clear in our minds because of the sheer volume of disputed bills that there is a potential systemic issue or possibly an account reading error that was repeated across a number of households. We continue to see dramatic examples of irregularities, and quarterly bills that are double their usual amount or even much more, including some that increased tenfold.

KCWA RESPONSE:

The current investigation data indicates no systemic issue in the meter reading or billing system. As presented in the meeting with members of the General Assembly, this investigation is thorough and comprehensive. All information will be shared openly and publicly being mindful of customers privacy. There are six manual entry errors found to date which have been resolved. While there are a few extreme usage irregularities, the total number is small (16 or 0.08%) compared to the amount of the system that was billed (19,039). These extremes are being investigated at a deeper level to determine the cause. KCWA has included the investigation results of the most extreme example found to date at 725% (14.5X) increase in use. Centerville Glen Condo Association, continuously highlighted in the news as an extreme increase of over 500% (10X), actually saw a 152% (2.5X) increase in usage compared to last summer. This level of increase, while still dramatic, is consistent to the volume of water delivered to our customers this summer with professional irrigation systems. The Centerville Glen investigation results are available on our website: https://kentcountywater.org/config/docs/Centerville%20Glen%20Final%20Investigation[44945].pdf

Like everything else in 2020, there are extremes across the board. The KCWA production data is one example of these extremes which demonstrates enormous volume of water put into the system and delivered to the customers in 2020. The record setting extreme drought, outdoor water use, and slight increases due to people being home due to COVID-19 are the primary drivers shown in the data. These data have been tracked since February by the RIPUC and can be found at <u>http://www.ripuc.ri.gov/eventsactions/docket/KCWA%20COVID-19%20October.xlsx</u> All water systems that KCWA has spoken to have recorded the same. Providence Water, who serves 60% of the state, saw some of the highest water consumption amounts in their recorded history. The Kent County Water Authority produced 235,670,000 more gallons in 2020 vs 2019 from May through September. The billed consumption amounts are consistent with the dramatic increases in production. There are two billing periods that have been sent out capturing summer use with one left to go which was sent on December 10, 2020. KCWA is assuming this set of bills may also generate customer concerns and inquiries similar to the previous quarter. KCWA has increased it outreach with bill inserts and modified the bill language to help customers understand the various charges appearing on the bill face in a proactive effort to improve communication to our customers.

Here are the investigations statistics as of December 10, 2020:

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The total number of bills sent out for usage period (${}_{1/2}May$ -June-July- ${}_{1/2}Aug$):	9,041
The total number of bills sent out for usage period ($\frac{1}{2}$ June-July-Aug- $\frac{1}{2}$ Sept):	9,998
Total number of bills sent recording summer usage:	19,039
Total number of complaints received prior to November 5, 2020:	0
The total number of complaints after November 5, 2020:	499
The total number of KCWA reviewed complaints sent to RIDPUC for final resolution:	60
Total number of investigations completed as of December 10, 2020:	328
Total number investigated cases of extreme usage $> 200\%$ relative to past summers:	16
Total number of investigated cases of moderate usage $\geq 100\%$ relative to past summers:	48
Total number of investigated cases of small usage $\leq 100\%$ relative to past summers:	190
Total number of investigated cases of reduced usage $\leq 0\%$ relative to past summers:	74
Total number of investigations where the bill was determined correct:	322
Total number of investigations where the was bill is incorrect ¹ :	6
Total number investigations still in process of being completed:	170
Percentage of investigated bills found in error to date relative to the whole ² :	0.03%
Percentage of investigated bills found in error to date ³ :	1.2%
KCWA hours spent on special investigations to date ⁴ :	246
KCWA production statistics comparing May through Sept for years 2019 and 2020:	
Total production into system May through Sept 2020 in gallons	1,661,050,000
Total production into system May through Sept 2019 in gallons	1,425,380,000

Total production into system way through Sept 2017 in ganons	1,425,500,000
Total production increase from 2019 to 2020 May through Sept in gallons:	235,670,000

¹Manual reading entry errors into billing system by KCWA. Three bills in error were underbilled, not overbilled.

 ² This statistic was calculated by taking six errors divided by the19039 bills sent.
³ This statistic was calculated by taking six errors divided by the 499 complaints received

⁴ Hours calculated using an average time of 45 minutes per investigation to complete the 8 steps

RIGA Members Representing Coventry, East Greenwich, West Greenwich, West Warwick, and Scituate - As each case is individually investigated, we are making the following recommendations for action on part of KCWA:

1. **RIGA Members Representing Coventry, East Greenwich, West Greenwich, West Warwick, and Scituate -** Provide on the spot documentation of old meter readings to consumers when they are replaced, so that ratepayers have a photograph and receipt of the prior meter's reading before the technician leaves their home.

KCWA RESPONSE:

As presented in our meeting, the meter replacement program installation procedure included a customer signature documentation process that was halted to follow governmental protective guidance measures coincident to COVID-19. To address your recommendations, KCWA has negotiated an alternate documentation process with our meter installation contractor and are progressing with the printing of hard copy receipt that can be filled out in the field and presented to the customer. The form will annotate the last read on the old meter. The customer will sign the form acknowledging the final read, and the installer will capture a photograph of the signed receipt which will be stored in the meter replacement digital file. The installer will take the standard before and after photograph of the installation inclusive of the old meter face showing the final read. The installer will suggest that the customer also take a photo of the final read on the meter for their safe keeping. There will be a check box on the receipt to indicate the customer has taken their own photo of the meter. The new meter installed will also have a photograph taken on the initial read on the meter and a copy of the certified test tag showing the required meter accuracy test results from the factory.

2. **RIGA Members Representing Coventry, East Greenwich, West Greenwich, West Warwick, and Scituate -** Prohibit the comingling of bills for old and new meters. Instead, generate final bills for the old meters when they are replaced, and provide separate bills for new meters from the replacement date through the end of the quarterly billing cycle.

KCWA RESPONSE:

Unfortunately, the current billing software will also not allow KCWA to facilitate the recommendation for double bills in a quarterly cycle. We are also tremendously concerned that two separate bills would serve only to exacerbate the confusion, particularly when the customer could conceivably receive a second bill in a different amount before the 30-day payment period expired on the first bill. This will certainly lead to more confusion and adversely affect the billing cycle, historical data, and customer information systems on file.

KCWA intends to address the confusion on the bills regarding "old meter" vs "new meter" with the new billing system that is scheduled to be launched February 1, 2021. The charges will be clearly separated on the face of the new bill. It is possible for KCWA to deploy the new billing system in January of 2021, but the billing disputes have put us a few weeks behind on the parallel QA/QC measures to allow the level of comfort we require before deployment. The new bills will clearly state "Final Reading on Old Meter" and "Consumption Amount on Old Meter," and the specific charges applied for the same. The new bills will also state "Initial Read on New Meter" and "Current Read on New Meter," and the specific charges applied for the same. In the meantime, KCWA has adjusted the language on the face of the current bills to better describe what the "consumption adjustment" means for the next month or two until the new system is in place. There is also an additional "Understanding Your Bill" insert being included with every bill going out along with information about the new billing system being deployed.

Senator Rodgers specifically asked whether KCWA could go onto monthly billing sooner so the customers would get critical information in a timelier fashion. Based on this request, KCWA will be working toward a staged deployment of monthly bills based on the three quarterly billing cycles. It is our goal to get the customers one full billing cycle to 90% installation completion and KCWA will petition the Rhode Island Public Utilities Commission (RIPUC) to allow us to go onto monthly billing outside of a new rate case. The following billing cycles will then be launched consecutively once they hit the 90% mark. In our most recent rate filing Docket 5012, KCWA only requested large meters to go onto monthly billing until the entire meter project was complete. There are only 300 large meters (> 3") in the system and the cost of monthly billing is de minimis in these cases. KCWA is a nonprofit public benefit corporation and monthly billing costs additional money to generate the added

bills for 27,200 customers, those costs would have been part of the of the rate adjustment downward that was approved by the RIPUC. The rate adjustment granted was a 15% decrease in the metered rate. This reduction would have been less if allowed in the rate filing because the authority is not allowed to generate revenues in excess of the requirement. However, considering the current issues identified during the investigations of many of our customers and the specific recommendation by Senator Rodgers, the inherit benefit of enhanced communication and the ability locate problems sooner so customers can both budget and resolve issues far outweighs the cost.

3. **RIGA Members Representing Coventry, East Greenwich, West Greenwich, West Warwick, and Scituate -** Provide independent, third party testing of water meters in dispute.

KCWA RESPONSE:

As indicated in our meeting, KCWA has arranged large scale independent meter testing at Providence Water if needed. The Division Public Utilities and Carriers, "RIDPUC" or "Division", regulations prescribing standards for water suppliers requires water utilities to have water testing facilities for compliance with the rules inclusive of meter testing. KCWA has such facilities on site as does Providence and Pawtucket Water. At the customer's request, their meter will be tested in their presence or Division designated representative may observe the meter test on behalf of the customer. The Division may also request that a customer's meter be tested in the presence of the Division representative. Title 815-RICR-40-00-01 is a great resource point for reviewing regulatory requirements already in place for public water utilities and how they pertain to this situation.

4. **RIGA Members Representing Coventry, East Greenwich, West Greenwich, West Warwick, and Scituate -** Suspend any bill in dispute that is 30 percent or more higher than the same quarter in the previous year, and place those bills in escrow until all parties are satisfied that the issue has been fairly resolved.

KCWA RESPONSE:

As discussed in our meeting, the KCWA long standing position has been not to shut off any customer until any billing amount in dispute has been resolved through the normal channels specified in the Division rules prescribing standards for water utilities. This has been the standard practice since the KCWA first came under the governmental oversight authority of the RIPUC many years ago.

5. **RIGA Members Representing Coventry, East Greenwich, West Greenwich, West Warwick, and Scituate -** Prohibit water shutoffs on accounts with disputed bills.

KCWA RESPONSE:

KCWA does not terminate service for accounts in dispute with the Division Public Utilities and Carriers. Furthermore, there is no additional action to be taken or implemented as the regulatory guidance already addresses this matter. Shutoff will be suspended at the time a bill is disputed, as outlined in the Division rules. Once the dispute is resolved between the utility and customer or decision rendered by the Division process, the account again becomes subject to the shutoff procedures as applicable to the final decision in the matter.

6. **RIGA Members Representing Coventry, East Greenwich, West Greenwich, West Warwick, and Scituate -** Prohibit any interest being charged currently or in the future on all disputed bills, regardless of the ultimate resolution.

KCWA RESPONSE:

The RIPUC suspended collection activities and collection of interest on past due accounts in under Docket 5012: <u>http://www.ripuc.ri.gov/eventsactions/docket/5022page.html</u> Furthermore, there is no additional action to be taken or implement as the regulatory guidance already addresses this matter. Interest is suspended at the time a bill becomes in dispute as outlined in the Division rules. Once the dispute is amicably resolved between the utility and customer or decision rendered by the Division process, the account again becomes subject to the interest charges as applicable to the final decision.

7. **RIGA Members Representing Coventry, East Greenwich, West Greenwich, West Warwick, and Scituate -** More clearly label bills based on usage period so that consumers understand the period being billed. It was clear from Friday's meeting that this is not currently the case, and bills listed as charging for the period from August 1 through October 31 in fact charged for usage in June, July and August.

KCWA RESPONSE:

KCWA has already removed the "billing period" on the current legacy bills and replaced with "usage period" until the new system is deployed. As stated in response number two above, KCWA will resolve the confusion on the bills with the new billing system being launched February 1, 2021. The usage period will be clearly defined, and the bill will display the multi period consumption history similar to what one would see on an electric or gas bill. In the interim, we intend to modify our current bills to display high use flags if the meter software detected any abnormal use during the billing cycle. This will allow the customer to identify any abnormal use issue that may be happening in their home or business.



Dear XXXXXXXXX,

Thank you for your patience during these unsettling times. In response to your inquiry, the Kent County Water Authority (KCWA) has completed a comprehensive review of your account, and we have determined that your bill is correct (Please see attached Investigation Report and "Understanding Your Bill" document). Enclosed with the report are the water usage amounts from the last 18 quarterly billings cycles for comparative purposes to past years/quarters. Quarterly bills received in September, October, or November are usually elevated because of summer usage. Comparing the Spring quarter to the Summer quarter typically can result in a bill that is double or more depending on your water use. To get a true sense of your normal water use for the bill, you must compare the same quarter from prior years. Some meters in this last billing cycle had over 100 days of use which can also represent itself as a higher than normal bill. Furthermore, due to factors such as drought conditions and more athome usage due to the COVID-19 pandemic, Summer 2020 water production in the KCWA service area was particularly higher (220 million gallons) than previous summers. KCWA is not alone, Providence Water also has shown some of the highest water demand in recorded history. Also, if you recently had your meter changed, the new meters read 8-10% on average more accurately than old meters. If you currently do not have a new meter, the review was based on individual old meter readings during normal billing cycles. If you have a new meter, it has the capability to store historical consumption; and, the data use patterns can be provided in graphic format for a more visual and clear understanding. The old meters do not have this capability; however, for those customers who have the new style meter in place or recently installed, a Datalog Report within the attached final Investigative Report.

Datalog retrieval method

- Each day, the new water meters store reading information every 15 minutes for 96 periods per day.
- The meter stores 90 days of this detailed usage information which can be retrieved by KCWA staff and presented to the customer as a graph—referred to as a Datalog Report.
- The Datalog Report shows daily use in cubic feet.
- If the bar is red, this indicates a volume of water greater than 0.01 cubic feet per minute flowed through the meter for at least 50 out of 96 measurements in each day. This is potentially indicative of a leak but does not necessarily mean that you have leak.
- If you believe you may have a leak after reviewing the datalog, please contact our office. We understand how disconcerting this can be and are here and happy to provide you with further assistance to try to determine the cause. Customers can always check the attached "Understanding Your Bill" or https://kentcountywater.org/learning-center-conservation.aspx for specific advice. We can also deliver dye tablets to detect if you may be experiencing a toilet leak.

The KCWA meter change out program started in August 2019. The program involves changing out 25,000 meters sized two inches and less (i.e. most household meters). To date, KCWA has replaced just over 15,000 meters in the system. The new meters are all factory tested and certified and exceed industry standards for accuracy before each shipment. Each meter has an accuracy test tag attached to it when received. The meters being replaced are between 20-30 years old and are the same meters are used by other water authorities throughout the country. The usage measuring technology is the same on the old and new meters. The measuring device does not move unless water moves through it. As with any mechanical device, meters wear out over time and need to be replaced. The new meters also more accurately measure low flows. Therefore, on average, the new meters more accurately measure water usage by 8-10%. It is our goal to go to monthly billing once all the new meters are installed. More frequent meter reading coupled with new reading software will allow the staff to identify problems and proactively communicate back to the customer, so the bill does not get out of hand.

To help our customers during this time, KCWA is offering flexible interest-free payment plans. Also, we are waiving, indefinitely, all credit card fees and electronic fees to those customers who would like to make a payment on our website or by telephone. KCWA is a nonprofit public benefit corporation. Effective September 1, 2020, KCWA has also reduced its rates by 15% for customers that have a meter sized two inches or less. For any further inquiries, please contact customer service during normal business hours M-F 8:00 AM to 4:00 PM at (401)821-9300 or email at <u>customerservice@kentcountywater.org</u> If you are not satisfied with our findings on any billing disputes, you may file a formal complaint with the Division of Public Utilities and Carriers. No account gets shut off while a bill is being disputed. Thank you.

Very truly yours, Kent County Water Authority

> PO Box 192 West Warwick, RI 02893.0192 401.821.9300 www.kentcountywater.org

UNDERSTANDING YOUR BILL

Q: My current water bill is considerably higher than my last bill. Why is my bill so high?

A: You likely used more water than you did the last quarter. Quarterly bills received in September, October, or November are usually elevated because of summer usage. Comparing the Spring quarter to the Summer quarter typically can result in a bill that is double or more, depending on your water use. To get a true sense of your normal water use for the bill, you must compare the same quarter from last year. Furthermore, due to factors such as drought conditions and more at-home usage due to the COVID-19 pandemic, Summer 2020 water usage in the KCWA service area was particularly higher than previous summer quarters. Also, if you recently had your meter changed, the new meters read 8-10% on average more accurately than old meters.

Q: How is my water consumption calculated?

A: All meters in the KCWA service area register in cubic feet. One billing unit equals 100 cubic feet. For example, if you used 15,400 cubic feet that would equal 154 billing units. 154 billing units multiplied by the rate is the billing amount for water used. One cubic foot of water equals 7.5 gallons.



Q: What is a consumption adjustment?

A: A consumption adjustment appears on a bill when a meter gets changed out at your home or business. The consumption adjustment is the water that had registered on the old meter the day it was removed.

Q: How can I know how much water I used?

A: The only accurate way to monitor water usage and calculate the amount of water you have consumed is to monitor your meter



reading from the indicator on the face of your meter. Digital meters require a flashlight to be shined on the dial to activate the digital dial for you to obtain a reading. We take an actual reading of your meter quarterly utilizing an outside reading device or radio frequency. That

is the reading that appears on your quarterly statement. You can compare that reading to the one indicated on the face of your

meter to ensure the reading is comparable. Keep in mind that water consumption continues between the reading date on the statement and the date you receive the statement in the mail. The



statement reading should be less than yours because of the time lag between when we take the reading and when you receive your bill.

Q: How could I have used this much water?

A: If you are questioning your billed consumption, check the reading on the water meter located within your home to confirm that the reading obtained by the Authority is accurate. Also, check to see if you have a water leak somewhere in the house. To do this, first make sure all water use within the

home must be off, such as the faucets, dishwasher, washing machine and all other waterusing appliances, including icemakers. Locate your water meter and determine what type of meter you have. There are two meter face styles. Our meters are either analog (i.e. the old meters) or digital (i.e. the new replacement meters). The digital radio meters



will show a faucet image to indicate a leak and must be activated by pointing a flashlight on the register. The analog meters read like a car odometer. If all water use in the house is turned off, the dial should not be moving. If it is still turning, you may have a leak.

Unrepaired Leaks Can Be Costly Water Loss in Gallons at 50 psi

Leak this Size	Loss per Day	Loss per Month	Loss per Year
•	120	3,600	43,200
	360	10,800	129,600
	693	20,790	249,480
	1,200	36,000	432,000
	1,920	57,600	691,200
	3,096	92,880	1,114,560
	4,296	128,880	1,546,560
	6,640	199,200	2,390,400
	6,984	209,520	2,514,240

Five Gallon Bucket Test: A simple test to check your meter for accuracy is with a five-gallon bucket. First, make sure no

water is running and take an initial meter reading, as discussed above. Second, fill up the fivegallon bucket in your tub or anywhere that can accommodate the height of the bucket. Lastly, take a final reading from the meter and subtract it from the initial reading. Five gallons of water should equal 0.66 cubic feet.



Q: Who do I contact if I have questions about my bill?

A: For inquiries about your bill, please contact customer service during normal business hours M-F 8AM to 4PM at (401) 821-9300 or email customerservice@kentcountywater.org. You can always find helpful information by going to our website www.kentcountywater.org.



METER & BILLING INVESTIGATION REPORT

Name	XXXXXXXXXXXXXX			
Service Location	XX Maude Ave Coventry, RI			
Account#	107052			
Serial #	1565519374			
Meter size	5/8"			
Was the meter rec	ently changed out	YES	NO	2/14/2020 (see attached)
Final read @ chang	eout	n/a		
Read - Quarterly bi	ll 10/31/20	14,982		
Total consumption	billed	13,035	Cu. Ft	
Rechecked high cor	nsumption 10/14/20	14982		(see attached)
Read on data logge Consumption used	r during investigation 11/19/20	16499	Cu. Et	(see attached)
	3/24/20-11/13/20	1,517	Cu. Ft	Consumption not included in this billing

Data Logger Explanation:

The Neptune R900 meter stores information up to 90 days of hourly consumption. The information can be downloaded to be viewed in cubic feet per hour or per day. The graph presented represents daily use in total cubic feet.

A red bar on the graph indicates that the account has been flagged to have an intermittent leak or continuous leak. An intermittent leak is defined as continuous flow for 15 minutes for 50 out of 95 measurement intervals in a given day.

A continuous leak is defined for as continuous flow for all 96 measurement periods.

A blue bar represents normal use.

A yellow bar represents partial data collection on a given day. Usually at the start and the end of a data log interval.

A gray bar indicates that there was reverse flow through the meter of 0.1 cubic foot. This is often the result of when a customer does not have a backflow preventor installed and they have an expansion tank on hot water systems causing small intermittent backflow conditions through the meter. Backflow conditions are a public health issue and should be addressed by a licensed plumber.



Daily Consumption



Kent County Water Authority Meter Changeout Slip

Property House Number	Property Street	Property Unit	Service Account Number
***	MAUDE AVE		107052
Book Number	Route Number	Customer Name	Phone Number
● 106	B8 Small	■ *S*U*V*L*R*Z*K* *F*	* <mark>**</mark> * *0* <i>*</i> * * *
Email Address	Installed By	Visit Date	Property City
	Att Donovan	● 02/14/2020 9:02 AM	Coventry
Property State	Property Zip Code		
A RI	02816		
Old Meter Size	New Meter Size	Serial Number Old Meter	Serial Number Old Radio - High
🔒 5/8" Meter - Int R900i	► 5/8 x 3/4 ~	▲ 34803998	1850327370
Reading: Historical - Low	Reading: Historical - High	Reading: Meter Change Out Low	Reading: Meter Change Out High
a	24048		026382.069
New Meter Serial Number	New Radio Serial Number - High		
39402478	1565519374		

Account # 107052 47 Maude Avenue Coventry, RI

Old meter



New meter

