



January 9, 2020

**TO:** LOCSO Board of Directors  
**FROM:** Ron Munds, General Manager  
Jose Acosta, Utility Systems Manager  
**SUBJECT:** **Agenda Item 8A – 2/06/2020 Board Meeting**  
Customer Dispute Regarding High Water Bill at 572 Baywood Dr.

**DESCRIPTION**

**President**  
Marshall E. Ochylski

Customer is contesting a high water bill and requesting a credit to their account for a high water bill received for the September/October billing cycle. The customer is contesting the high water usage and the meter read reflected on the water meter.

**Vice President**  
Charles L. Cesena

**SUMMARY OF STAFF RECOMMENDATION**

Staff recommends that the Board adopt the following motion:

**Directors**  
Matthew D. Fourcroy  
Vicki L. Milledge  
Christine M. Womack

***Motion: I move that the Board deny the request for a credit for the customer's high water bill received during September 10, 2019 to November 12, 2019 billing cycle based on the District's policy to only adjust bills associated with water service line leaks.***

**General Manager**  
Ron Munds

**DISCUSSION**

**District Accountant**  
Robert Stilts, CPA

During regularly scheduled meter reads on November 12, 2019, Mr. Schermerhorn, at 572 Baywood Way was recorded using higher than normal usage, the read was 386, the read from the previous cycle was 310. This resulted in the residents receiving a bill for 76 units/\$863.75 (9/10/19 to 11/12/19), invoice date was November 20, 2019. Water crews routinely verify the meter read within two days of the original read if the read comes in higher than normal. When the meter in question was re-read, on November 14, 2019, the read was 386, and the leak detector was not turning.

**Unit Chief**  
Scott M. Jalbert

**Battalion Chief**  
George Huang

On November 20, 2019 the customer contacted the District office to discuss the high bill, at this time the Utility Billing Specialist compiled a work order to get another re-read, and the read on this date was 388. The customer made an initial request to be placed on the agenda to go before the Board to request an adjustment to the higher than normal bill. District staff contacted the customer and requested that staff complete a two week period of reading the meter, with the irrigation system on for one week and off for the second week. The customer agreed, and on December 3, 2019 the Utility Billing Specialist compiled another work order for the meter to be read for two weeks, on three separate dates. The reads are below:

**Mailing Address:**  
P.O. Box 6064  
Los Osos, CA 93412  
**Offices:**  
2122 9<sup>th</sup> Street, Suite 110  
Los Osos, CA 93402

<u>Date</u>	<u>Time</u>	<u>Read</u>
12/3/2019	1:24pm	389
12/4/19	1:36pm	389
12/6/19	1:05 pm	389
12/9/19	1:57pm	389
12/11/19	3:35pm	390
12/13/19	12:49pm	390

**Phone:** 805/528-9370  
**FAX:** 805/528-9377

The reads show that the usage on the property was back within the "normal" range and no leak was present at the time of the reads and re-reads.

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The residents were contacted by Jose Acosta, Utility Systems Manager to discuss the high usage and offer a bill amortization plan for repayment. The resident expressed their disagreements with the readings and requested to be placed on the agenda for the next Board meeting, January 9, 2020. Attached is the email with the residents request. Per

District policy, the Utility Billing specialist contacted the customer to make a payment equal to their average usage for the previous two cycle's usage, approximately 13 units at \$160, and prior to being placed on the shutoff list, until the Board renders their decision on this matter at the January Board meeting.

### **SUMMARY**

Attached is Mr. Schermerhorn's transaction history, a copy of their bill, and copies of the work orders. Staff believes that the water passed through the meter, currently there is no leak, and the meter readings are accurate. District policy is to only provide a billing adjustment if there is a service line leak and it is repaired in a timely manner (policy attached). Since the customer's situation is outside staff's authority for an adjustment, staff is asking for Board direction on resolving the issue. As an alternative, the Board could consider a one-time leak credit based on the customer's past water use and payment history.

### **FINANCIAL IMPACT**

If the Board determines an adjustment is warranted, the water revenue will decrease by whatever amount the Board decides to credit this account.

Attachments

<b>Notes Report</b>
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Limited to Date Range: 01/01/2019 through 12/27/2019

Limited to Individual: 04939

Sorted by Account Number

Account No.	Location No	Customer Name	Date	Category	Subject	Print On Bill
04939	01640	RICHARD SCHERMERHORN	01/18/2019	PDF E-BILL SENT	PDF BILLS SENT	No
<b>Note:</b> PDF BILLS NOTICE SENT TO CUSTOMER						
			03/20/2019	PDF E-BILL SENT	PDF BILLS SENT	No
<b>Note:</b> PDF BILLS NOTICE SENT TO CUSTOMER						
			05/20/2019	PDF E-BILL SENT	PDF BILLS SENT	No
<b>Note:</b> PDF BILLS NOTICE SENT TO CUSTOMER						
			07/19/2019	PDF E-BILL SENT	PDF BILLS SENT	No
<b>Note:</b> PDF BILLS NOTICE SENT TO CUSTOMER						
			09/20/2019	PDF E-BILL SENT	PDF BILLS SENT	No
<b>Note:</b> PDF BILLS NOTICE SENT TO CUSTOMER						
			11/18/2019	ACCOUNT NOTE	High Consumption	No
<b>Note:</b> Customer was on hi/lo report with higher than normal usage, 76 units. Re-read was correct, leak indicator was not spinning at the time of re-read.						
			11/20/2019	PDF E-BILL SENT	PDF BILLS SENT	No
<b>Note:</b> PDF BILLS NOTICE SENT TO CUSTOMER						
			11/20/2019	ACCOUNT NOTE	High Consumption Customer Communications	No
<b>Note:</b> Susan called in response to E-BILL. I agreed her usage was very high and that the CSD is not authorized to give a leak credit but that she could go before the Board on Dec. 13, 2019. She will put in writing her thoughts and submit a request for help and to go before the Board. They have many plants, an irrigation system and they do employ a Landscaper. Sent a Work Order for a re-read.. 11-27-19: Updated Susan on work order results: 2 units in 9 days. No leaks. Susan stated they had been checking their meter and did not see the leak indicator spinning. The checked with the irrigation on and then off. ESCALATING TO ALICIA.						
			12/03/2019	ACCOUNT NOTE	Payment Arrangement and 2 Week Reads	No
<b>Note:</b> Susan and Richard Shermerhorn had a high usage during their last billing cycle, 09/10/19-11/12/19. As their last 2 cycles were 12-13 units, and prior to that 7-9 units, this last was 76 units. Notes on the account state the irrigation and plants on property, as well as their attempt to check the meter.  I spoke with Susan regarding payment arrangements as well as the 2 week observation option. I did state this would be the process prior to her making a request to go before the board as she had inquired. Current payment arrangement is average of last 2 billing cycles, about \$160 which will be due by 12/15/19. Exemptions have been set on the account until matter has been resolved, which at time, arrangement will be revisited.  12.13.19- completion of work order. Provided information to Jose for review and to contact customer. Please see attached.						

# LEAKS & HIGH USAGE INQUIRY

DATE: 11-20-19

DATE COMPLETED: \_\_\_\_\_

Caller: Susan Schermerhorn  Owner Res.  Owner/Rental  Agent  Business  Business Owner

More about Caller if needed: \_\_\_\_\_

Reason/Description: Responded to e-bill

RENTAL: Tenant Pays  Owner Pays  Single Residence:  Multi Dwelling:  #/Units:  #/Meters:

Address: 572 Baywood Way Other Addresses: \_\_\_\_\_

Account #: 04939 RECURRING PAYMENT: yes Phone: 303 775 2028

FOLLOW-UPS: \_\_\_\_\_

## 1. Report of a leak Who Reported: \_\_\_\_\_

\_\_\_\_\_ Date Leak Reported

\_\_\_\_\_ Date Leak Occurred

\_\_\_\_\_ Date Repaired

\_\_\_\_\_ Work Order: \_\_\_\_\_

### NOTES:

\_\_\_\_\_ Account in CUSI was noted & updated as needed.

\_\_\_\_\_ Logged into Leak Book.

## 2. High Usage Inquiry: On Hi-LO Report: Inquiry: Other: \_\_\_\_\_

Do you have:

Irrigation:  Yes  No

Landscaper:  Yes  No

Check your timer settings.  
Check with your Landscaper.

NOTES: States they have many plants.  
2 units over 9 days  
ROUTE 201 - due date 12/15/19

\*\* We suggest you consider the following as possible causes of your elevated water consumption:

\_\_\_\_\_ Faulty plumbing fixtures: Toilet, shower heads, faucets inside and outside. Toilet leaking. (Leak Tablets)

\_\_\_\_\_ Underground service line break. \*\*\*The line from the meter to the residence/business.

\_\_\_\_\_ Do you know how to read your meter? \*\*\*Brochure is on line or in office.

\_\_\_\_\_ Do you keep an eye on your meter?

\_\_\_\_\_ Do you know how to turn off your water at the house level?

11/21/19 Work Order: Re-read: 2 units in 9 days & leak

yes Account in CUSI was noted & updated as needed.

yes Logged into Leak Book.

ACTION Escalating to Alicia 11-27-19  
12/19/19 - Requested to go before board (S)

**Notes Report**

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<b>Account No.</b>	<b>Location No</b>	<b>Customer Name</b>	<b>Date</b>	<b>Category</b>	<b>Subject</b>
04939	01640	RICHARD SCHERMERHORN	11/20/2019	ACCOUNT NOTE	High Consumption Ct

**Note:** Susan called in response to E-BILL. I agreed her usage was very high and that the CSD is not authorized to give a leak credit but that she cc 2019. She will put in writing her thoughts and submit a request for help and to go before the Board.

They have many plants, an irrigation system and they do employ a Landscaper. Sent a Work Order for a re-read..

11-27-19: Updated Susan on work order results: 2 units in 9 days. No leaks.

Susan stated they had been checking their meter and did not see the leak indicator spinning. The checked with the irrigation on and then off.  
ESCALATING TO ALICIA.

# Usage Report

From: 10/01/2018 Through: 12/27/2019

Sorted By: Account Number

For 04939

Location No	Acct No.	Name				Service Address				Route				
Meter No.	Change Out	Size	Service	Tran Date	Measure	Act Usage	Bill Usage	Adj Usage	Adj Amt	Charges	Prior Date	Prior Read	Current Date	Current Read
<b>01640</b>	<b>04939</b>		<b>RICHARD SCHERMERHORN</b>			<b>572 BAYWOOD WAY</b>			<b>201</b>					
35029433		5/8" METER	WATER	11/20/2018	Cubic	8	8	0	0.00	123.25	09/10/2018	253	11/07/2018	261
35029433		5/8" METER	WATER	01/18/2019	Cubic	8	8	0	0.00	123.25	11/07/2018	261	01/08/2019	269
35029433		5/8" METER	WATER	03/20/2019	Cubic	7	7	0	0.00	115.50	01/08/2019	269	03/12/2019	276
35029433		5/8" METER	WATER	05/20/2019	Cubic	9	9	0	0.00	131.00	03/12/2019	276	05/08/2019	285
35029433		5/8" METER	WATER	07/19/2019	Cubic	13	13	0	0.00	167.25	05/08/2019	285	07/09/2019	298
35029433		5/8" METER	WATER	09/20/2019	Cubic	12	12	0	0.00	157.75	07/09/2019	298	09/10/2019	310
35029433		5/8" METER	WATER	11/20/2019	Cubic	76	76	0	0.00	863.75	09/10/2019	310	11/12/2019	386
Totals for Customer/Location/Service: 04939 / 01640 / WATER						133	133	0						

**Grand Totals**

	WATER	Cubic	133	133	0	0.00	1681.75
Number of Accounts			1				
Number of Locations			1				
Account/Location Combinations			1				

**Work Order**

Los Osos CSD

Work Order No: 00000003608

Work Order Code & Desc: PRF - PROOF READ & CHECK

**Information Assigned by Office**

Name: RICHARD SCHERMERHORN  
Service Id: 01640  
Account No: 04939  
Route: 201 READ SEQ: 00205  
Address: 572 BAYWOOD WAY  
Meter No: 35029433

Phone No: (303)818-0840  
Issue Date: 11/20/2019 15:09  
Process Date: 11/21/2019  
Process Time: 03:30 PM  
Requested By: \_\_\_\_\_  
Assigned To: \_\_\_\_\_ By: CG

**Comments:** PRF - PROOF READ & CHECK LEAKS

Please read and check for leaks. Customer was on Hi-lo Report with a read of 76 Units. They have many plants, an irrigation system and they do employ a Landscaper. I will call Customer with results. Thank You

**FAXED**  
11.21.19  
8:45 AM

**Information From the Field**

Old Meter Reading: \_\_\_\_\_ Old Meter No: 35029433 Remote Meter No: OB13371126  
New Meter Reading: \_\_\_\_\_ New Meter No: \_\_\_\_\_ Seal No: \_\_\_\_\_  
Location: L Previous Read: 386.00000 Date: 11/12/2019  
Work Done By: Clint Regan Date Completed: 11/21/2019

Read: 388 Meter shows no leaks.

Time: 12:45

FOLLOW UP REQUIRED? No

Los Osos CSD

**Work Order**

Work Order No: 00000003620

Work Order Code & Desc: MIS - MISCELLANEOUS WORK

**Information Assigned by Office**

Name:	<u>RICHARD SCHERMERHORN</u>	Phone No:	<u>(303)818-0840</u>
Service Id:	<u>01640</u>	Issue Date:	<u>12/03/2019 13:10</u>
Account No:	<u>04939</u>	Process Date:	<u>12/03/2019</u>
Route:	<u>201</u> <u>READ SEQ:00205</u>	Process Time:	<u>01:30 PM</u>
Address:	<u>572 BAYWOOD WAY</u>	Requested By:	<u></u>
Meter No:	<u>35029433</u>	Assigned To:	<u>By: AZ</u>

**Comments:** MIS - MISCELLANEOUS WORK

Due to high consumptions, per Jose, will conduct 2 weeks of reads for customer. Please note the following days for reading:  
 TUES-12/3, WED- 12/4, FRI- 12/6- note irrigation is off and will be turned back on during weekend.  
 MON- 12/9, WED- 12/11, FRI 12/13  
 Will notify customer of results when completed

**FAXED**  
 12.3.19  
 1:15pm

**Information From the Field**

Old Meter Reading:	<u></u>	Old Meter No:	<u>35029433</u>	Remote Meter No:	<u>OB13371126</u>
New Meter Reading:	<u></u>	New Meter No:	<u></u>	Seal No:	<u></u>
Location:	<u>L</u>	Previous Read:	<u>386.00000</u>	Date:	<u>11/12/2019</u>
Work Done By:	<u>Ehan Good / NP / RF</u>	Date Completed:	<u>12/13/19</u>		

<u>12/3</u>	<u>(1:24 PM)</u>	<u>0389.46</u>	<u>- SERVICE ON - INDICATOR NOT SPINNING</u>
<u>12/4</u>	<u>(1:36 PM)</u>	<u>0389.58</u>	<u>- INDICATOR NOT SPINNING</u>
<u>12/6</u>	<u>(1:05 PM)</u>	<u>0389.72</u>	<u>- NO L.I. MOVEMENT (NP)</u>
<u>12/9</u>	<u>(13:57)</u>	<u>0389.96</u>	<u>NO L.I. MOVEMENT (NP)</u>
<u>12/11</u>	<u>(15:35)</u>	<u>0390.28</u>	<u>NO L.I. MOVEMENT (NP)</u>
<u>12/13</u>	<u>1249</u>	<u>0390.34</u>	<u>MTR OK, L/I NOT SPINNING</u>

FOLLOW UP REQUIRED? YES