



AGENDA ITEM FORM

SUBJECT: Customer Hearing Re: Installation of New Water Meter and Meter Reading Equipment - Roger Raisch, 4315 Shoreline Drive, Pleasant Hill

SUMMARY:

Pleasant Hill customers Roger Raisch and Nadine Adele will appear before the Board seeking to overturn the DMWW's staff deadline to allow DMWW to replace the current water meter with a meter and transmitting device capable of reading consumption through radio waves or to face termination of water service on January 30, 2015.

Attached are three documents that provide material information for the Board's consideration including: 1) An email from the customers to me, dated November 19, 2014, summarizing their views about the inappropriateness of DMWW's actions to compel installation of Automated Meter Reading (AMR) equipment at their residence or face termination of service; 2) a chronology involving this matter prepared by Amy Kahler, Director of Customer Service; and 3) the determination of an Appeal Panel appointed by me, including Ted Corrigan, Peggy Freese and Dan Klopfer, to review this dispute and hear directly from the customers about their concerns ordering AMR conversion or service termination by January 30, 2015.

Under both the Rules and Regulations of DMWW and the Board Policy Manual, I concur in the staff's determination that the AMR conversion at this premise should move forward or that service should be terminated by January 30, 2015. Following approximately 80,000 meter conversions that promote electronic consumption reads rather than manual on site consumption reads, this is the only "hold out" remaining. The customers have provided no good cause to interrupt the modernization of our consumption technologies demanding the subsidized manual reads of their meter.

FISCAL IMPACT:

The fiscal impact will be greater than \$15/month formally allowed for normal reads as a transitional option under the Rules and Regulations.

RECOMMENDED ACTION:

- 1) Uphold the staff determination to complete AMR conversion by January 30, 2015, or be disconnected.
- Or
- 2) Modify the staff recommendation to allow continued manual reads of this customer until the meter reaches its estimated end of life.

BOARD REQUIRED ACTION:

Uphold the staff 's determination to complete AMR conversion by January 30, 2015 or be disconnected.

_____/_____ (date)	_____/_____ (date)	_____/_____ William G. Stowe CEO and General Manager (date)
-----------------------	-----------------------	--

Attachments: Letter from Roger Raisch and Nadine Adele, Chronology prepared by Amy Kahler, Appeal Panel's Determination

November 19, 2014

(PERSONAL AND CONFIDENTIAL)

Mr. William G. Stowe
CEO & General Manager
Des Moines Waterworks
2201 George Flagg Parkway
Des Moines, IA 50321

Dear Mr. Stowe,

My spouse, Nadine Adele, and I have been customers of DMWW since 2001 without having any reason to complain about your services until March 2014. What started as a simple "water meter appointment issue" has escalated into a multi-faceted series of events involving your agency and a number of its employees over the past ten months. Their unlawful, heavy-handed, and repeated bullying actions have violated certain customer rights under the agency's rules and regulations, caused emotional distress to me and my family, deteriorated customer service, violated ethics rules for employees of DMWW, created negative goodwill for DMWW, and possibly even deceived you and the board of trustees.

The employees involved have ignored and denied our rights under the water service agreement, and have actively conspired to change the rules quietly, without providing us an opportunity to address our grievances with the board of trustees, which violates a number of DMWW ethical behavior and customer service standards. The agency's employees have leveled numerous unlawful threats to terminate my water service, including at least one attempt to do so, tampered with my water infrastructure assets, possibly damaging them, plus threatened financial consequences, despite my account being current.

Due to these events, I recently contacted Bert Dalmer, an Iowa State Ombudsman, for help and his advice. He reviewed all my evidence and research. Based on the facts, he advised that I speak with you directly for resolution since you are the CEO and are in a position to review all sides of the issues and render a decision without further escalated actions. I believe you have received an email from Mr. Dalmer about this matter in the last few days.

There is a "hearing" scheduled for November 25, 2014 with three members of your "appeals committee" (DMWW employees), which I have little confidence will remedy the situation, since two members of the committee have been actively involved in the violations and conflict.

Specifically, the issues concern your staffs' unlawful actions to attempt to replace my water meter with a wireless water meter, which would be owned by your agency, and the tampering of my stop box equipment by your employees, causing damage to it.

In early March, we received a phone call from one of your customer service representatives. She wanted to schedule a time for our water meter to be upgraded. My spouse advised that we could not commit to a specific date as we are out of town frequently. She immediately threatened to have my water service

terminated if an appointment was not made that day. My spouse asked about the legal authority to do that even though our account was current. The representative had no answer and did not mention that we had an "opt-out" right, which we were to discover later. No appointment was set.

Weeks later, I noticed a blue notice from DMWW hanging on my door with a termination date that had already passed. I checked my water flow and it was still running. In early April, we received a letter from Bryant Stumpe, dated April 4, informing us that DMWW had attempted to terminate our water service but claimed that our stop box equipment was inoperable. We were given a deadline of June 6 to have the stop box "repaired" or DMWW would repair it and bill us. The stop box issue was the primary issue from April 4 until mid-August when Amy Kahler got involved with both the water meter and stop box issue.

Starting in April, and continuing until the present time, we have repeatedly and lawfully exercised our right to "opt-out" of the water meter replacement demand as permitted under rule 511-11 H (Meter Reading Administrative Fee), both verbally, in writing, and with certified mail, agreeing to pay the \$15.00 per month fee as stipulated in the rule. Our rights under this rule have been ignored, denied, and dismissed by a number of your employees. The rule, which has been on the books for 15 years, after invoked by me, seems to have become an inconvenient rule, and it appears that your staff has attempted to eliminate it by telling you and the board of trustees that "it is no longer needed", and quietly striking it out during the last round of rule changes at the September board of trustees meeting, with no discussion by you or board members. Then, as quickly as possible, Amy Kahler continued her written threatening assault of our rights and informed us that the rule had been removed...quite conveniently, and apparently just coincidental with me exercising my rights under the rule over the past ten months.

To be more specific in reciting the history, a time line of the events, coupled with appropriate facts, will illustrate how some members of your agency's staff have conducted themselves without regard to my rights, in violation of your own rules, and outside the ethical standards set by the board of trustees for DMWW employees.

Before I recite the timeline, I will state for the record the following facts:

1. My property and residence is part of a homeowners association, and as such, the water infrastructure assets are all privately owned and maintained, including water mains, stop boxes, water meters, etc. These assets have never been owned by the City of Pleasant Hill, Iowa. The streets are also privately owned and maintained.
2. Your agency only supplies water to my residence, but does not own or have any part in controlling, dictating, or repairing the water infrastructure assets that are located on homeowner association property or on my private property.
3. Your agency does not have a 28E agreement with the homeowners association governing these matters.
4. For the past 15 years, customers of your agency have been able to "opt-out" of having your agency install "automated radio frequency meter reading" water meters under rule 511-11 H

(Meter Reading Administrative Fee). If a customer opts out, there is a \$15.00 per month fee added to a customer's bill to cover the costs of having one of your employees continue to read the existing meter as stated in the rule. This provision was removed from your rules and fee schedule at a meeting of the board of trustees of your agency on September 23, 2014.

5. Amy Kahler stated to me last spring that DMWW no longer has water meter reader employees.
6. My water bill is current.
7. My water meter was new in 2001, and has not used up its useful life, a fact I have verified with the manufacturer and two distributors who sell the model I own.
8. My water meter is functioning properly and always has.
9. My stop box equipment is not leaking as previously verified by your field employees.
10. According to your field staff's opinion, my stop box may not be able to be operated correctly due to apparent "damage".
11. The meter you wish to install at my residence can be "hacked", resulting in improper readings, thus improper billing, plus they may cause health risks due to radio frequencies they emit according to many outside sources. I have no adequate recourse if I am billed an excessive amount when using the new meter technology.
12. Your agency has had "problems" with these new meters according to information I received from Amy Kahler, the director of customer service of your agency.
13. Your agency does have the authority by law to terminate water service if a customer does not pay your invoices for providing water.

TIMELINE:

Early March 2014 – I apparently received a generic mailer from your agency stating that DMWW wished to replace my water meter with a wireless meter, requesting that I set an appointment to do so.

Nothing was mentioned about a customer being able to opt-out in the literature.

Mid-March 2014 – a representative of DMWW spoke with my spouse, Nadine, on the phone, attempting to set an appointment. Nadine indicated that we were out of town a lot, and would not be able to commit to an appointment date at that time. The representative stated that DMWW would terminate the water service if an appointment was not set, failing to mention the opt-out provision. Nadine asked what legal authority DMWW had to terminate the water service since our account was current. A satisfactory answer was not given, with no mention of the opt-out provision.

End of March 2014 – A blue colored notice from DMWW was found on the door knob of my residence indicating a water termination date. The date had already past and water was still connected and running.

April 4, 2014 – A letter from Bryant Stumpe was received stating that a technician had tried to terminate my water service previously but they were not successful since the "stop box" was not working properly. The letter indicated that repairs would have to be made by June 4, 2014 followed by inspection by DMWW. If repairs were not made, DMWW would make the repairs and bill me for them.

April 10, 2014 – At my request, a technician from DMWW came to my residence and explained why he thought the stop box may not be working. He finally admitted that there was an opt-out provision concerning the water meter, after I questioned him.

April 17, 2014 – An employee (technician) of DMWW emailed me information about the meter that DMWW wanted to install.

May 6, 2014 – Another bit of correspondence from DMWW again stating that the stop box would be repaired by DMWW if I did not do so by June 4, 2014.

April 17 through May 31 – Roger and Nadine investigated all issues concerning the water meter and stop box, making numerous inquiries from vendors, City of Pleasant Hill, the builder of our home, the home owners association, and various contractors who provided services, to discover the facts and our rights. We discovered our right to opt-out of the water meter replacement plan.

May 27, 2014 – Nadine requested a copy of the 28E agreement between DMWW and the city of Pleasant Hill regarding water issues. Amy Kahler provided it.

June 1, 2014 – Roger requests DMWW to refrain from scheduling a plumber to repair our stop box as we are continuing our investigation. Roger sends a certified letter to DMWW citing the DMWW rule to “opt-out” from installation of a wireless water meter and exercised his right to do so.

Mid-August 2014– Amy Kahler and Roger had a phone conversation about the water meter, in which Amy tried to convince Roger that the meter had to be replaced, not mentioning or acknowledging any right to opt-out.

August 22, 2014 – Amy emails Roger about setting an appointment to replace the water meter, without acknowledging any right to opt-out.

August 27, 2014 – Amy again emails Roger about setting an appointment to replace the water meter, without acknowledging any right to opt-out.

August 28, 2014 – Roger mails a letter to Amy, reiterating his right and decision to opt-out.

September 2, 2014 – Amy emails Roger advising that DMWW will be proceeding to repair the stop box and that we would be billed for the repairs. She also threatened to terminate water service if an appointment was not scheduled to replace the water meter.

Soon after September 2, 2014 – Roger emails Amy stating that Roger did not authorize DMWW to make any repairs and requested an attorney representing DMWW to contact him. Roger was never contacted by a DMWW attorney.

October 30, 2014 – Amy emails Roger and states that the “opt-out” provision has been removed from the Rules and Regulations, and again states that the water meter will be replaced, or she will authorize a termination of water service at the stop box, and water may not be able to be restored without repairs

to the stop box, which I would have to pay for. She gives one week for Roger to make an appointment to schedule a replacement of the water meter.

November 6, 2014 – Roger sends a letter to CEO Stowe requesting a hearing pursuant to DMWW Rules and Regulations. The hearing is scheduled for November 25.

It is obvious that certain employees of your agency have actively worked to violate my rights to opt out of your agency's plans to install a wireless water meter in my residence. It's equally obvious that the opt-out rule became an inconvenient rule after I invoked the use of it....despite the rule being on the books for 15 years. Your staff conveniently, quietly, and deceptively took actions to have it removed, without any notice to me that I had the right to appear before the DMWW board of trustees to discuss the matter. It's also true that you and your staff indicated to the board of trustees, at their September meeting, that the opt-out rule was no longer needed, which was at best deceptive, at worst false.

Despite the abusive, and unlawful treatment, we have received from DMWW, I would like to offer a solution that should satisfy DMWW and us. Here it is:

1. We will keep our existing water meter until a time when we decide to convert to the new technology, paying DMWW \$15.00 per month in additional to our regular water bill which is the prescribed opt-out fee per your regulations.
2. I will permit DMWW to establish a budget billing arrangement for my account, based on past usage. I have a Des Moines client who has received an "estimated" reading from your agency for 16 of the past 21 months,so budget billing me should not be a difficult issue to overcome.
3. I will permit a DMWW employee to read my meter once a month, or less often, at your option.
4. I am willing to read my own meter monthly, sending in a reading to DMWW, if requested.
5. My stop box equipment is not to be tampered with, or attempted to be operated, by DMWW staff unless I fail to pay DMWW invoices.

The above plan answers the major stated problem that DMWW has, namely, according to Amy Kahler, "We don't have enough meter reading employees anymore".

My spouse, Nadine, and I are willing to discuss this matter with you personally, and in private, in hopes of solving it quickly, if you think that is necessary. We do appreciate your time in reading this, and have contacted you in the spirit of reconciliation and transparency of the facts you may not be fully aware of.

We would appreciate a written response and solution before the scheduled hearing on November 25.

Sincerely,



Roger W. Raisch

Address: 4315 Shoreline Drive

Nadine Adele

Pleasant Hill, IA 50327

cc: Bert Dalmer, State of Iowa Ombudsman

Chronology of Roger Raisch Issue, 4315 Shoreline Dr., Pleasant Hill

Summary

May 2013	Pleasant Hill Radio Frequency (RF) project began
December 2013 – January 2014	Standard letter process explaining project and asking customer to call for appointment.
March 2014	Attempted to turn water off due to no-response. Discovered box does not operate and water was not, in fact, interrupted.
April 2014	Standard stopbox Condition of Service process (letters, etc.).
May 2014	Appointment made by customer to replace equipment, but customer changed mind once we got there. Unable to replace equipment.
June – July 2014	Communications between Roger Raisch and Distribution re: repair of stopbox.
August 2014	Amy Kahler provides technical specifications on equipment, and verbal and email conversations follow trying to arrange for appointment.
End of August	Roger Raisch refuses appointment. Considers matter closed.
End of August	Pleasant Hill RF project is completed.
September	Amy Kahler has several communications in attempt to get appointment scheduled.
End of October	Amy Kahler advises customer that \$15 Meter Reading Admin fee has been removed from Rules & Regulations.
November	Customer Hearing with DMWW Appeals Committee and related communications.
Early December	DMWW Appeals Committee emails and sends letter declining customer's request to not be required to change equipment.

Summary of Direct Customer Interactions:

- 7 Field Visits
- 13 written communications
- 14 verbal communications

December 4, 2014

Mr. Roger W. Raisch
4315 Shoreline Drive
Pleasant Hill, IA 50327

RE: DMWW Response to November 25, 2014 Customer Hearing

Dear Mr. Raisch:

Thank you to you and your wife for meeting with Peggy Freese, Dan Klopfer, and me on November 25, 2014 at 1:00 in Des Moines Water Works' (DMWW) offices. This meeting represented a customer hearing at your request as outlined in our Rules and Regulations, with the intent of discussing your opposition to DMWW's request to install a new water meter and meter reading equipment in your home located at 4315 Shoreline Drive, Pleasant Hill.

Our Understanding of Your Concerns

In March of 2014 you received a call from DMWW advising that an appointment needed to be scheduled to replace the water meter and install new meter reading equipment at your property. When you indicated to DMWW staff that you were unable to commit to scheduling an appointment you were advised that water service termination would result if an appointment could not be scheduled. You felt that the approach was heavy-handed and threatening. Subsequently, an attempt was made to terminate your water service, which you believe may have damaged your stop box.

During this process, you were not advised that an "opt-out" option was provided in DMWW's Rules and Regulations whereby a customer could pay an additional \$15 per month to avoid having updated metering equipment installed. In mid-April you became aware of the opt-out provision and since that time you sought to exercise the right to opt-out of the water meter replacement requirement in accordance with Section 511-11 H of DMWW's Rules and Regulations.

In September the opt-out provision was removed from DMWW's Rules and Regulations without you being offered the opportunity to share with our Board your desire to continue using the option. You also shared your general dissatisfaction with the level of customer service you received throughout the process and your lack of trust in DMWW and its upgraded metering equipment.

Other Relevant Facts

Section 509.8 – OWNERSHIP of DMWW’s Rules and Regulations states in part, “All water meters to be used for billing purposes must be provided by the Des Moines Water Works. The Des Moines Water Works reserves the right to read, inspect, or test the meter at any reasonable time or with such frequency as deemed necessary. Failure by the customer to allow reasonable access to the meter may result in termination of water service.”

Over the last 15 years, DMWW has installed radio frequency meter reading equipment at more than 80,000 properties throughout its service territory. The utility has been able to use this technology to accurately and cost effectively obtain water meter readings on a daily basis.

During the implementation phase of the radio frequency meter reading project, an opt-out provision, with a \$15 per month manual meter reading fee, was added to DMWW’s Rules and Regulations to recover the cost of manually reading individual meters for customers who did not initially accommodate installation of the upgraded equipment. This was not intended to be a permanent opt-out provision for customers, but rather a cost recovery for implementation inefficiencies created when DMWW agreed to delay installation in order to accommodate customers with temporary situations. Subsequently all active accounts within DMWW’s radio frequency meter reading system boundaries have accommodated DMWW’s request to install upgraded meter reading equipment, with the sole remaining exception being your account.

The opt-out provision was removed from DMWW Rules and Regulations in September of 2014 as part of an annual review process whereby the rules are updated each year and is no longer available to any customer.

A water utility has the responsibility to select, provide, and install the water meters and meter reading equipment it believes to be most appropriate for accurately metering and billing the water used by its customers.

Appeals Committee Decision

It is the water utility’s responsibility to specify meter reading equipment. DMWW believes the proposed radio frequency equipment is the most appropriate meter reading equipment to meet our business needs.

An accommodation (the opt-out provision) which is used by only one customer out of more than 80,000 customers is no longer a necessary nor an appropriate accommodation and it was appropriately removed from the Rules and Regulations. No opt-out is currently available.

Reasonable access to the water meter and the meter reading equipment as defined in Section 509.8 of DMWW Rules and Regulations is a condition of receiving water service.

For these reasons, the Appeals Committee must deny your request to be exempted from the requirement to allow installation of an upgraded water meter and meter reading equipment.

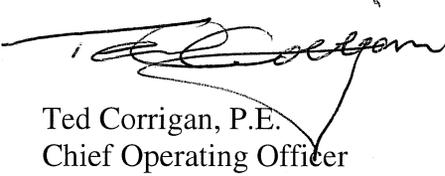
Requested Action

Please contact Des Moines Water Works at 515-283-8700 to schedule an appointment for installation of a new water meter and radio frequency meter reading equipment. The new equipment must be installed by January 30, 2015 to avoid water service termination.

If you are not satisfied with the Committee's decision, you may address your concerns to the Des Moines Water Works' Board of Trustees at their next scheduled meeting at 3:30 pm on Tuesday December 16, 2014 at the DMWW General Office or at the following meeting at 3:30 pm on Tuesday January 27, 2015. If you choose to appear before the Board at their December meeting please contact Pat Bernard at 515-283-8734 no later than 4:00 pm on Tuesday December 9, 2014 to be placed on the December Board agenda. If you choose to appear before the Board at their January, 2015 meeting please contact Ms. Bernard at 515-283-8734 no later than 4:00 pm on Tuesday December 30, 2014 to be placed on the January Board agenda.

Thank you for the constructive manner in which you addressed your concerns to the Appeals Committee. We hope that you feel your concerns have been heard and that you can support the basis by which our decision has been made.

Sincerely,



Ted Corrigan, P.E.
Chief Operating Officer