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February 6, 2021

Earlier this week our city hall staff began receiving phone calls from individuals with concerns regarding higher than normal utility bills. As calls were received, staff began reviewing the accounts of those that were customers of the city's utility department. Many of the calls received were from individuals that were not City of Odessa municipal utility customers. I communicated continuously with our City Administrator and city hall staff. I can assure you they have worked diligently all week to ensure every one of our customers that expressed their concern either have or will have their account reviewed.

Here is where we are as of the end of the day on Friday (2/5):

- There have been less than five accounts that had any billing errors. These errors were caused by a manual input error of a meter reading on a customer's account in which the automated system did not pick up a radio read. In one instance the input error was from several months ago followed up by the meter being inaccessible for multiple months due to a vehicle being parked on it that resulted in the consumption having to be estimated. Any account that has had a billing error has been corrected and the revised bill will be mailed to the customer.

- Most of the concerns raised center around the number of days within the billing cycle. Typically, our billing cycle runs on a 28-30 window. The date that we read the meters in December was a couple of days earlier than normal to allow staff adequate time to process the bills and get them to the post office ahead of the New Year's holiday. Because of this the reads of the current bill, on the vast majority of customer accounts, reflect usage for 35 days. When staff identified that there were accounts that showed a variation in the read dates, despite the fact that there is only one bill cycle, staff reached out to the technical support services of our software company. During those conversations and in our reviews we have determined that if a meter is manually read on a date different than the date that we download reads from the automated system (AMI), the billing software uses the date the manual read was entered into the system for the "ending read" date. In theory there is nothing wrong with that, except that the following month the date automatically populated from the system into the "previous read" parameter uses the date from the previous month when the reads were pulled from the automated system, not the date the meter was manually read that was reflected on the previous month's bill. As an example: in December the reads were pulled from the automated system on December 14. The accounts that for whatever reason didn't generate a read from the automated reading system, had a work order created for our public works team to go out and manually record a read. Those reads were manually entered into the billing software over two dates (an afternoon and the

following morning). So while the consumption for most of our customers for last month ended on December 14 when the reads were pulled from the AMI system. Those that had a manual read were billed for consumption through dates ranging from 15th through the 17th.

Unfortunately, this month instead of populating the date your read was placed into the system (15th – 17th) that was reflected as your end read in December, the previous read on this month's bill is set up to automatically populate the cycle dates and in this case was December 14. The dates have nothing to do with the actual reads which ultimately reflect the consumption. Our staff has manually calculated bills for the customers that this scenario was causing them concern and to date we have not had any billing calculation errors leading to anyone being charged twice for usage on these overlapping days. They have worked with the billing software company this week and they have fixed this formula code in our billing form to keep this from happening in the future. This also brings clarification to us when we were seeing bills where the billing cycle dates of the water and electric were not the same. Once again while we understand the importance of these dates and how it helps customers keep track of when their meters are read, the importance is in the reads that ultimately determine a customer's usage for the month.

- We have identified one account where their antenna of their water meter was damaged causing the communication of that meter and our system to be lost on December 7. When reads were imported into our billing software on the December 14, instead of alerting us there wasn't a read on December 14, it imported the read from December 7. Therefore, the bill the customer received at the end of December was only for consumption from November 18 through December 7. Because a read was identified from the automated system the December 14 "ending read" date was populated on the bill. This month when their bill was considerably higher our review made us aware while their bill last month seemed to be through the 14th, it was in fact that they were only billed for consumption through December 7, therefore their most recent bill is for actual consumption of December 7 through January 19. Again with an audit of the reads our staff was able to verify the charges were accurate, it's just the recent bill was for nearly 45 days. Notably, their bill reflecting a shorter period from November was considerably less than normal.

- Staff has indicated that as with every year there are customers that have bills higher than they feel is feasible. We still have approximately 400 of our 2200 water accounts that don't consistently produce reads through our AMI system. Our staff continues to work with the contractor to bring resolution to this issue, however on the majority of the accounts staff has been able to work with customers on both water and electric to identify specific days and times of higher usages with the reports our AMI system produces. December typically reflects higher than normal usage for the majority of our customers. The reasons can vary, but historically for electric it is weather related or lack of insulation in the structure, as well as those households with school aged children, being home during Christmas break or hosting guests during the holidays can increase usage. This is also reflective in water bills.

Residents have expressed their concerns with the cost of sewer services within the city limits. The sewer rates in our community are reflective of water/sewer revenue bonds that were approved by the Odessa voters back in the mid 2000's. At that time the Missouri Department of Natural Resources was requiring the city to complete significant improvements to the city's wastewater system and to pay for these improvements the voters approved these revenue bonds that are ultimately repaid through the sewer rate. For years this topic has been contentious and

numerous options have been considered. Our staff continues to monitor our expenditures in this fund and explore opportunities of additional revenue sources to help offset the cost, but regardless the city has an obligation to pay off the debt that was issued following the approval of the voters.

In closing, I have had conversations over the last few days with our City Administrator. Our staff is very welcoming of a third party to review the city's billing calculations, consumption reports, meter accuracy, etc. to provide any further transparency if the Board of Aldermen feels it is necessary. As mayor, I am in City Hall routinely and know that we have a top notch staff that works hard every day for our community. They will continue to review accounts for any customer that requests so, and will provide follow up communication. If errors are identified the account will be corrected and those customers will be notified. Our ability to respond immediately or satisfy every customer in what they feel is a reasonable time has nothing to do with the claims of fraudulent activity or the city hiding anything and everything to do with the limited capacity of our staff. Additionally, the limited capacity is not reflective of their competency or ability to do their jobs, but is reflective of the limited staffing numbers we have at City Hall.

In an effort to assist with any financial hardships created due to the additional days within this billing period, the city will not assess any penalties for the month of February and will not disconnect any utilities for non-payment. Customers will have until March 20, 2021 to bring their accounts current.

If you would like to have your account reviewed, please send an email to info@cityofodessamo.com. With that, I ask for your patience with our staff as they continue to review accounts. They will follow up with you if you have requested so through this email.

If you have any further questions or need additional information, you can reach me at steve.wright@cityofodessamo.com.

Sincerely,

Stephen Wright

Mayor Steve Wright