Sewerage and Water Board

Dispute Resolution Process

FINAL REPORT June 5, 2020

OIG NEW ORLEANS OFFICE OF INSPECTOR GENERAL

Derry Harper Esq., CIG

NEW ORLEANS OFFICE OF INSPECTOR GENERAL

June 5, 2020

Re: Sewerage and Water Board Dispute Resolution Process

I certify the inspector general personnel assigned to this project are free of personal or other external impairments to independence.

Derry Harper Esq., CIG
Inspector General

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The Office of Inspector General (OIG) for the City of New Orleans conducted an evaluation of the Sewerage and Water Board of New Orleans' (S&WB or "the Utility") billing dispute resolution process.

In October 2016, the S&WB switched from its internally created customer accounts program to a customer service management software provided by Cogsdale Corp.[1] By April 2017, the agency had discovered a large number of billing errors, primarily through numerous customer complaints. Specifically, customers complained bills were several times higher than those previously invoiced, received multiple bills for the same time period, or had not received bills for several months. At the November 2017 S&WB Board of Directors meeting, the Interim Executive Director reported a backlog of approximately 5,800 accounts with open billing investigations.

The S&WB's billing dispute resolution process usually included a bill review, a new meter reading, and a leak investigation. The S&WB mailed the findings of the leak investigation to customers with the proposed amount of the adjustment, if any. However, the utility recognized the right of customers to bring their disputes before an administrative hearing officer for further consideration.

The purpose of this project was to examine the S&WB's process for resolving customer billing disputes. In the course of the evaluation, the OIG sought to determine whether the process used to resolve disputes was systematic and fair to both customers and the S&WB, evaluate whether the S&WB used the dispute process to find the root cause of billing errors, and provide descriptive statistics related to the number and monetary amounts of billing disputes.

Ultimately, the OIG concluded the process used to resolve disputes was not systematic and fair, and it did not balance the rights of individual customers to have accurate bills with the rights of citizens to have a financially stable utility. The OIG discovered the S&WB program management did not use information collected in the dispute process to inform executive management for appropriate

[1] Cogsdale Corp. provides Commercially Off The Shelf (COTS) software and information systems to government agencies and utilities, including software for billing and customer service. *See* https://www.cogsdale.com/cis-utility-billing.

operational decisions. Because of problems with S&WB customer data, the OIG was unable to perform much of the planned analysis on billing disputes.

Rather, the evaluation focused on the S&WB's process to resolve billing disputes and did not seek to determine the underlying cause of billing issues at the S&WB. Further, the evaluation was limited to S&WB customer accounts that filed billing disputes between October 2016 and October 2018, with an emphasis on billing disputes resolved after an administrative hearing. Evaluators reviewed customer account information, billing histories, S&WB communications with customers, and documents associated with administrative hearings and adjustments.

The evaluation includes the following major findings:

- The S&WB improperly donated public funds by adjusting customer water bills when there was no fault on the part of the agency. These actions were contrary to constitutional provisions, jurisprudence, and secondary opinions.
- The S&WB customer service representatives scheduled rehearings for billing disputes that did not meet the requirements specified in the Louisiana Administrative Procedure Act.
- The utility lacked sufficient data management and document retention practices to provide accurate information about billing disputes. As a result, management did not effectively monitor and evaluate the Administrative Hearing Program and related bill adjustments in accordance with utility best practices. Furthermore, agency leadership was unaware of the extent of the bill adjustments and potential violations of state records laws.

Based on these findings, the OIG made the following recommendations to the Sewerage and Water Board:

- The S&WB should ensure its policies and procedures for bill adjustments comply with the Louisiana Constitution, are limited to those criteria specified by law, and are applied consistently and transparently to increase public trust and good will toward the agency.
- The S&WB should design and control the process for scheduling hearings to ensure rehearings comply with the criteria set forth by the Louisiana Administrative Procedure Act.

- The S&WB should develop and implement a strategic plan for data management to help the Utility identify needs related to data collection and control, data retention and retrieval processes, along with system and data storage capabilities. The agency should use this information to create an internal process to accurately and efficiently report and maintain aggregate data on administrative hearings and bill adjustments. The Utility should also use the information to proactively monitor and evaluate their process, review adjustment policies, and perform continuous improvement.

The implementation of these recommendations will allow the S&WB to ensure a fair resolution to billing disputes. While the S&WB did not agree with this office's opinion that their process for scheduling and accepting requests for rehearings was contrary to the guidelines identified in the Louisiana Administrative Procedure Act, the OIG is encouraged to note they have partially accepted the recommendation for changes and have, in fact, already begun to implement the recommendation. Further, the adoption of policies for the retention and use of hearing-related data will help the Utility better evaluate its systems, avoid potential donations of public funds, and continuously improve its process.

I. Objectives, Scope, and Methods

The Office of Inspector General of the City of New Orleans (OIG) conducted an evaluation of the S&WB's billing dispute resolution process.

The purpose of this project was to examine the S&WB's process for resolving customer billing disputes. In the course of the evaluation, the OIG sought to determine whether the process used to resolve disputes was systematic and fair to both customers and the S&WB, and whether the S&WB used the dispute resolution process to find the underlying cause of billing errors. The project also sought to provide descriptive statistics related to the number and monetary amounts of billing disputes.

This evaluation focused on the process used by the S&WB to resolve billing disputes and did not seek to determine the cause of billing issues at the S&WB. Further, the evaluation was limited to S&WB customer accounts that filed billing disputes between October 2016 and October 2018, with an emphasis on billing disputes resolved after an administrative hearing. Although the OIG reviewed and analyzed some documents that extended beyond this period, only documents for accounts that filed disputes within this period were reviewed. These documents included customer account information, billing histories, S&WB communications with customers, and documents associated with administrative hearings and adjustments.

Pursuant to Code of the City of New Orleans Sections 2-1120(12) and (20) and La. R.S. 33:9613, evaluators interviewed S&WB employees in customer service, bill adjustments, and the legal department, as well as administrative hearing officers. Evaluators obtained copies of internal S&WB policies related to bill and leak adjustments, document retention requirements, and administrative hearing procedures. Specifically, evaluators reviewed judgment forms, adjustment letters, bill histories, and other communications with customers. Evaluators also reviewed laws and secondary sources, including the Louisiana Constitution, the Louisiana Revised Statutes, relevant jurisprudence, and Louisiana Attorney General opinions.

S&WB employees cooperated with and assisted OIG evaluators in the preparation of this report.

This evaluation was performed in accordance with the Principles and Standards for Offices of Inspector General for Inspections, Evaluations, and Reviews.[2]

[2] Association of Inspectors General, "Quality Standards for Inspections, Evaluations, and Reviews by Offices of Inspector General," Principles and Standards for Offices of Inspector General (New York: Association of Inspectors General, 2014).

II. INTRODUCTION

The Office of Inspector General (OIG) conducted an evaluation of the S&WB's billing dispute resolution process.

In October 2016, the S&WB switched from its internally created customer accounts program to Cogsdale, a customer service management software.[3] Significant changes sought in the conversion to Cogsdale included new system functionality the previous system lacked such as the ability to accept online bill payments, make real-time payment updates to customer accounts, and generate billing reports.

By April 2017, the Utility had discovered a large number of billing errors. Customers complained bills were several times higher than those they were used to paying, they received multiple bills for the same period, or they had not received bills for several months. Customers could dispute their bills by calling customer service, filling out the online dispute form, or submitting a complaint in person. Once account holders filed a dispute, customer service representatives flagged the account and exempted the questioned bill from collection efforts.

At the November 2017 S&WB Board of Directors meeting, after about a year since the Cogsdale rollout, the Interim Executive Director reported a backlog of approximately 5,800 accounts with open billing investigations. Due to the large number of outstanding investigations, the S&WB temporarily suspended the termination of water service for non-payment of bills. The Interim Executive Director stated this action was taken to allow the utility to work through the backlog and to seek the assistance from Cogsdale to properly modify the billing software.[4]

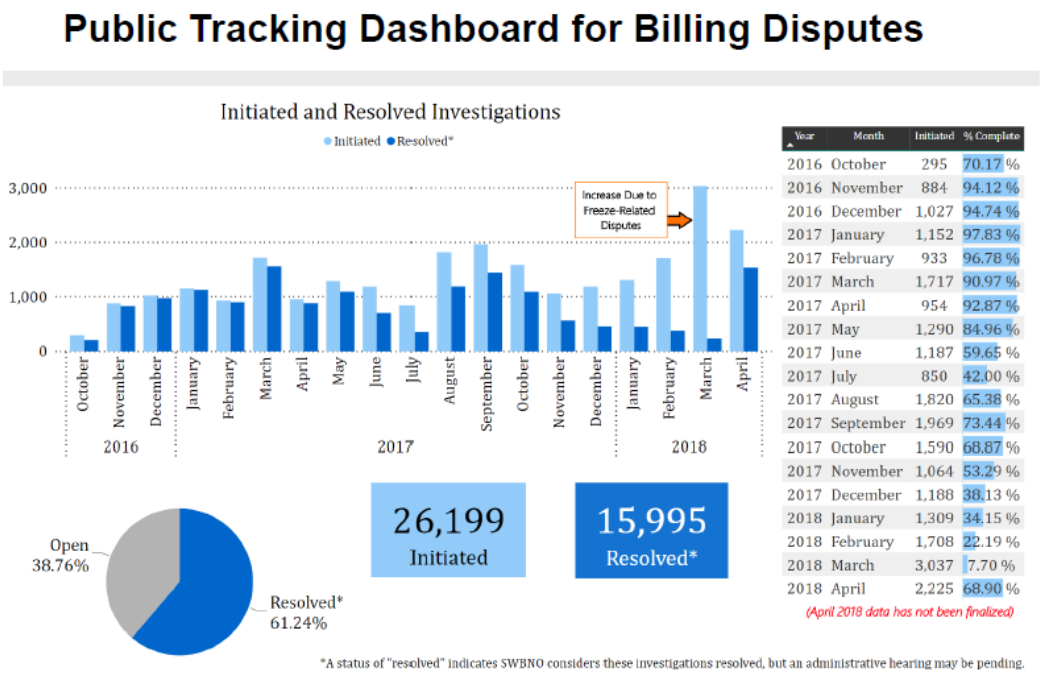
On May 8, 2018, S&WB representatives provided an update on the status of billing disputes to the New Orleans City Council. Executives reported at the meeting

[3] Cogsdale Corporation provides software and information systems to government agencies and utilities, including software for billing and customer service. *See* https://www.cogsdale.com/cis-utility-billing.

[4] Sewerage and Water Board of New Orleans Board of Directors Meeting (video), November 15, 2017, at 44:15, accessed September 13, 2019, https://www2.swbno.org/form_video.asp?s=news&id=632&vid=board%20111517.mp4.

customers filed over 26,000 billing disputes between October 2016 and April 2018. As of the date of the meeting, 15,995 of the disputes had been resolved.[5]

Figure 1. S&WB Presentation on Billing Disputes to New Orleans City Council



Sewerage and Water Board, 2018[6]

THE PROCESS FOR RESOLVING BILLING DISPUTES

The S&WB's billing dispute resolution process usually included a bill review, a new meter reading, and a leak investigation. The leak investigation process determined whether a leak on the property might have contributed to increased water consumption. If there was a leak on the public side of the property line, the agency adjusted the customer's bill for the full amount of the overage. If the leak was on the customer's side of the property line, the Utility authorized an adjustment only after the customer repaired the leak. If S&WB representatives did not find a leak on the property, the agency made no adjustment to the customer's bill. The S&WB mailed the results of the leak investigation to customers with the proposed amount of the adjustment, if any. At this point, the S&WB considered the dispute

[5] Sewerage and Water Board of New Orleans Finance Committee, "Update on Billing System" (presentation to the New Orleans City Council, New Orleans, LA May 8, 2018), 6, accessed July 17, 2018, https://swbno.org/documents/Reports/BillingSystemImprovementPlan_May2018.pdf.
[6] Ibid., 9

to be "resolved." However, the Utility recognized the right of customers to bring disputes before an administrative hearing officer for further consideration, including seeking additional adjustments from the proposed amount.

In 2018, the S&WB made temporary changes to the dispute resolution process because of the large backlog of billing disputes in the wake of the Cogsdale software implementation. For several months the S&WB deployed "strike teams" in the various Council districts to help resolve customer disputes. These strike teams conducted cursory bill reviews and were authorized to make on-site adjustments based on billing history. However, if the strike team members thought a leak on the property was likely after reviewing the customer's bill, no adjustment was awarded until the S&WB conducted a leak investigation. Customers who were unsatisfied with their adjustment still had the right to request a formal administrative hearing in an effort to further dispute the amount owed.

In 2018, the S&WB's bond rating was threatened. This financial crisis was due, in part, to the S&WB's inability to collect on erroneous bills.[7] On July 18, 2018, the S&WB Interim Executive Director announced to the Board of Directors the moratorium on shutoffs for previous non-payments would be lifted effective August 1, 2018. The Utility leadership stated customers who were in the process of disputing their bills or who had set up payment plans would not be subject to the shutoffs.[8]

[7] New Orleans City Council, Public Works, Sanitation, and Environmental Committee Meeting (video), July 24, 2018, at 1:21:00, accessed January 28, 2020, https://cityofno.granicus.com/MediaPlayer.php?view_id=42&clip_id=3018

[8] Sewerage and Water Board of New Orleans Board of Director's Meeting (video), July 18, 2018, at 8:45, accessed September 16, 2019, https://www2.swbno.org/form_video.asp?s=news&id=686&vid=board%20071818.mp4

III. Donation of Public Funds

The Louisiana Constitution prohibits the loan, pledge, or donation of public "funds, credits, property, or things of value…to or for any person, association, or corporation, public or private."[9] However, an exception to the Constitution permits public entities to use funds for social welfare programs, cooperative endeavor agreements, and when there is a public purpose behind the expenditure.

The Louisiana Supreme Court discussed this provision of the Constitution in *The Board of Directors of the Industrial Development Board of the City of Gonzales, Louisiana, Inc. v. All Taxpayers, Property Owners, Citizens of the City of Gonzales*, otherwise known as "*Cabela's,*" in 2006.[10] In *Cabela's*, the Court considered whether a city may enter a cooperative endeavor agreement with a private entity to build a private retail development using tax dollars, and whether such an agreement constituted a donation of public funds. The Court held the agreement did not create a donation of public funds because the city benefited from the agreement in terms of economic development and future tax revenues.[11]

Following the *Cabela's* decision, the Louisiana Attorney General (AG) and the Louisiana Legislative Auditor (LLA) produced numerous opinions and guidelines, respectively to help municipal and state agencies navigate the use of public funds.[12] However, the City of New Orleans continued to have trouble with the issue. In the last decade, both the OIG and the LLA have written multiple reports and identified appropriate findings regarding the improper donation of public funds by City agencies. In 2013, the OIG conducted an audit of the use of funds by the French Market Corporation.[13] Among other concerns, auditors found the French Market Corporation made payments to other organizations that violated the Constitution because they lacked a cooperative endeavor agreement and a

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[9] La. Const. art. VII, § 14.

[10] *The Board of Directors of the Industrial Development Board of the City of Gonzales, Louisiana, Inc. v. All Taxpayers, et al.*, 938 So. 2d 11 (La. 2006), hereafter ("*Cabela's*").

[11] *Cabela's*, 24.

[12] Opinions and guidance of the Louisiana Legislative Auditor and the Louisiana Attorney General are considered advisory and do not have the effect of law.

[13] New Orleans Office of Inspector General, *A Report on French Market Corporation Use of Funds* (New Orleans, LA: New Orleans Office of Inspector General, 2013), accessed October 14, 2019, http://nolaoig.gov/reports/all-reports/french-market-corporation-s-use-of-funds.

public purpose. Likewise, in 2015, auditors found the S&WB improperly donated public funds when the agency made monetary gifts and hosted an awards banquet to honor employees.[14] A 2018 LLA Investigative Report found the New Orleans City Council had inadequate controls on the use of city credit cards. According to the report, Council members used credit cards to pay for celebratory events and to purchase gifts, a potential violation of the constitutional prohibition against donations.[15]

Finding 1: The S&WB may have improperly donated public funds by adjusting customer water bills when there was no fault on the part of the agency. These actions were contrary to constitutional provisions, jurisprudence, and secondary opinions.

In 2012, the New Orleans City Council (City Council) gave the S&WB permission to raise water and sewer rates 10 percent a year for eight years to put the Utility on more stable financial footing and enable it to make system improvements. One of the conditions upon which the City Council approved the rate increases was that the S&WB "pursue legislative change to allow adjustments for water lost through customer leaks." As such, S&WB documents stated the rationale for the new leak adjustment policy was to provide a mechanism "to mitigate the effects of rate increases."[16]

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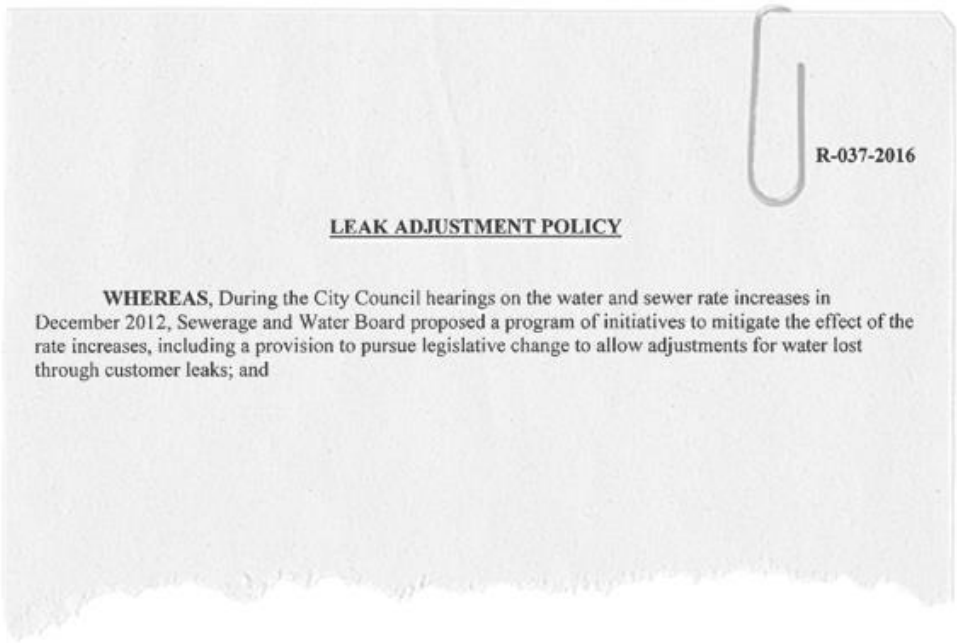
[14] New Orleans Office of Inspector General, *Observation Letters Re: Sewerage and Water Board*, (New Orleans, LA: New Orleans Office of Inspector General , 2015), accessed November 29, 2019, http://nolaoig.gov/reports/all-reports/observation-letters-re-sewerage-and-water-board

[15] Louisiana Legislative Auditor, *City of New Orleans: Investigative Audit* (Baton Rouge, LA: Louisiana Legislative Auditor, 2018), accessed October 14, 2019, https://www.lla.la.gov/PublicReports.nsf/2CB22FFA5581A9FB8625830C005B7B49/$FILE/0001A654.pdf

[16] Sewerage and Water Board of New Orleans, Board Resolution # R-037-2016, March 16, 2016.

Figure 2. S&WB Board Resolution to adopt new Leak Adjustment Policy



R-037-2016

LEAK ADJUSTMENT POLICY

WHEREAS, During the City Council hearings on the water and sewer rate increases in December 2012, Sewerage and Water Board proposed a program of initiatives to mitigate the effect of the rate increases, including a provision to pursue legislative change to allow adjustments for water lost through customer leaks; and

The result of these efforts was the passage of a new provision of law in 2015 allowing the S&WB to downwardly adjust customer bills in specific circumstances. Louisiana Revised Statutes 33:4071(F) authorized the S&WB to adjust customer bills in instances where:

1. There was error on the part of the board such as equipment or process failure, to the extent this error led to an increase in the customer's bills;
2. An employee or person working on behalf of the board failed to read the water meter;
3. There was an error not on the part of the customer due to unforeseen damage or extreme weather, to the extent the situation led to an increase in the customer's bills; or
4. The customer was impoverished and qualified for an adjustment through an established social welfare program.[17]

Under pressure by the City Council, the S&WB adopted a new leak adjustment policy. This policy was required to comply with statutory provisions, as well as the constitutional provisions discussed earlier.

[17] LA Rev. Stat. § 4071(F).

FLAWED LEAK ADJUSTMENT POLICY

Following the 2015 enactment of Louisiana Revised Statutes 33:4071(F), the S&WB passed a Board resolution adopting a new leak adjustment policy that allowed the Utility to make billing adjustments when there were leaks on the customers' property. The Utility's website specified adjustments would be made only after the customer repaired the leaking pipes or interior fixtures. For underground pipes, the S&WB adjusted 100 percent of excess sewer charges and 50 percent of excess water charges. For toilet repairs and those to interior fixtures, the agency adjusted 50 percent of excess water and 50 percent of excess sewer charges.

Several Louisiana jurisdictions and municipalities have attempted to establish similar leak adjustment policies. Many of these jurisdictions sought opinions from the AG as to whether such adjustments would constitute a prohibited donation under the Louisiana Constitution.

Using *Cabela's* as a reference, the AG identified three factors agencies should consider when determining whether an expenditure was a prohibited donation. In a 2012 opinion, the AG stated an expenditure is not a donation of public funds when

- There is a public purpose for the expenditure;
- The expenditure, taken as a whole, does not appear to be gratuitous; or
- There is evidence the public entity will receive a benefit or value at least equivalent to the amount expended.[18]

In response to questions regarding the ability of jurisdictions to reduce water bills, the AG published several opinions that, with very few exceptions, concluded it was unconstitutional for utilities to downwardly adjust water bills where there was no error on the part of the water board.[19] Specifically, the opinions prohibited adjustments due to leaks on the owners' properties or faulty interior fixtures. The AG also noted utilities could adjust sewer fees when there was a leak on the

[18] La. Atty. Gen. Op. No. 09-0018.
[19] *See* La. Atty. Gen. Op. No. 03-0155; La. Atty. Gen. Op. No. 12-0023; La. Atty. Gen. Op. No. 14-0055; La. Atty. Gen. Op. No. 15-0057; La. Atty. Gen. Op. No. 17-0022; and La. Atty. Gen. Op. No. 17-0085.

property if the utility could reasonably determine the amount of water that leaked into the ground and not into the sewer system.[20]

In light of *Cabela's* and the AG opinions, the S&WB's leak adjustment policy appeared gratuitous, benefiting only the private property owner and not the agency or the public at large. There was neither obligation nor error on the part of the Board which justified the adjustments.

S&WB officials stated the leak adjustment policy was based on and authorized by Louisiana Revised Statutes 33:4071(F), which gave criteria for circumstances in which the S&WB may downwardly adjust water bills.[21] However, the legislation limited the authority of the Board to those instances when there was error on the part of the Utility in process or equipment failure; there was a failure to read the meter; there was unforeseen damage not the fault of the homeowner or a natural disaster; or when customers qualified for an established, need-based social services program. S&WB employees suggested the leak adjustment policy was appropriate because the Utility's process in discovering a leak and notifying the owner were lengthy. An attorney for the S&WB stated the amount of time elapsed between the occurrence of the leak and the S&WB's leak investigation could cause an increase in the customer's indebtedness. S&WB documents stated that, on average, the Utility completes leak investigations in less than 90 days.[22] Further, there is no evidence the S&WB attempted to determine to what extent this delay may have increased the customer's indebtedness.

Alternatively, S&WB employees questioned whether leaks could be considered unforeseen damage to the property that was not the fault of the owner. The AG addressed the issue of "unforeseen damage" in an opinion addressed to the Mayor of the Town of Erath.[23] In the opinion, the AG found the town could not reduce a citizen's water bill who claimed his pipe broke unexpectedly while he was away from home as a result of the ground shifting. Although the homeowner was not at fault in the leak, the AG stated the city was constitutionally prohibited from

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[20] *See* La. Atty. Gen. Op. No. 17-0085 and La. Atty. Gen. Op. No. 17-0022.
[21] LA Rev. Stat. § 33:4071(F).
[22] Sewerage and Water Board of New Orleans, "Public Works Committee" (document presented to the New Orleans City Council, New Orleans, LA, October 15, 2019), 10, accessed January 23, 2020, https://cityofno.granicus.com/MetaViewer.php?view_id=42&clip_id=3455&meta_id=464056.
[23] La. Atty. Gen. Op. No. 12-0023.

adjusting the bill because the leak was not caused by the city. Conversely, in 2017 the AG wrote that reducing the water bill for citizens after a natural disaster did not constitute a donation of public funds. The AG explained helping a city recover from a natural disaster had economic benefits for the town and therefore served a valid public purpose.[24] In the absence of natural disasters, however, the AG has consistently held water systems cannot reduce bills due to leaks on private property.

The S&WB's adjustment policy was also contrary to the AG's opinion on when sewer adjustments should be made. As noted above, the AG posited sewer adjustments may not be a violation of the state constitution if the utility was able to objectively determine the amount of water that leaked from the fixture or pipe but did not enter the sewer system.[25] The S&WB charged for sewer usage based on the amount of water consumed. S&WB officials stated they did not have a mechanism to determine the amount of water that went into the ground rather than into the sewer system when there was a leak on private property. The Utility based sewer adjustments on a calculation of excess water usage, with the assumption the excess water leaked into the ground. For underground leaks, the Utility adjusted 100 percent of excess sewer fees. For leaks caused by broken fixtures or toilets, the Utility adjusted 50 percent of excess sewer fees. These were standard adjustments established by policy with no attempt to determine how much, if any, of the water actually entered the sewer system.

ADJUSTMENTS FOR ESTIMATED BILLS

In addition to the leak adjustment policy, the S&WB approved adjustments when the agency failed to read the meter, resulting in numerous estimated bills. Louisiana Revised Statutes 33:4071(F) included a provision authorizing the S&WB to reduce water bills when the Utility did not read the meter.[26] Unlike other provisions in this statute, legislators did not specify the failure to read the meter must cause an increase in the customer's bill in order to qualify for an adjustment. In other words, even if the estimated bill was within the customer's normal range

[24] La. Atty. Gen. Op. No. 17-0022.
[25] La. Atty. Gen. Op. No. 17-0085.
[26] If the meter was not read in a given billing cycle, the S&WB sent a bill to the customer with a calculated estimate based on a standard formula or historical water usage.

of monthly bills, the fact that it was estimated and not an actual read qualified the customer for an adjustment.

The S&WB had no formal policy regarding adjustments made to bills estimated because meters were not read. Specifically, there was no policy regarding adjustment amounts the Utility authorized or criteria for when such an adjustment should be approved. However, hearing officers authorized adjustments to water bills based on this provision of law. The failure of the S&WB to formally adopt a policy left the decision of when and how to apply these adjustments to the discretion of the hearing officer. The S&WB Special Counsel stated the Utility did not develop specific policies related to estimated bills because it did not want to interfere with the ability of hearing officers, who were contractors, to interpret the law and render a judgment. The Special Counsel did not explain how this provision of law differed from other portions of the legislation for which the Utility had clearly defined adjustment policies.

Further, there was no evidence the Utility or hearing officers sought to determine whether failure to read the meter, or multiple estimated reads, actually caused an increase in the water bills. Louisiana Revised Statutes 33:4071(F) did not require the aspect of harm for this provision. However, the Utility's failure to verify harm prior to approving adjustments made the expenditures appear gratuitous and of no benefit to the S&WB or the public.

S&WB executives relied on the fact that Louisiana Revised Statutes 33:4071(F) authorized them to adjust for "unforeseen damage" and for instances when employees failed to read the meter. Although the March 2016 Board Resolution states the Utility sought legislative changes in order to "mitigate the effect of rate increases," the Special Counsel stated enactment of this legislation was important to the Utility because S&WB leaders did not feel there was a mechanism to adjust erroneous bills prior to the change in law without exposing themselves to the threat of legal action.[27]

While the wording of the legislation authorized adjustments in certain circumstances, constitutional provisions outweigh those of other state and local legislation.[28] Therefore, the S&WB's bill adjustment policies should have been consistent with Louisiana Revised Statutes 33:4071(F) only to the extent they were

[27] Sewerage and Water Board of New Orleans, Board Resolution # R-037-2016, March 16, 2016.
[28] *Polk v. Edwards*, 626 So. 2d 1128, 1132 (La. 1993).

also consistent with the state Constitution. In accordance with the Constitution, these adjustments should only have been made when S&WB error caused an increase in the customer's bill or when there was a valid public purpose.

THE HEARING JUDGMENT FORMS

The S&WB's administrative hearing judgment form allowed hearing officers to indicate several different justifications for bill adjustments. Although the S&WB had a revised form by March 2018, hearing officers continued to use an older version of the hearing judgment form.[29] The older judgment form limited adjustments to instances when there was an anomalous high bill, a meter was defective, the S&WB made repairs that affected the customer's bill, or the customer qualified for a sewer adjustment based on repairs made to their property. The old form specifically denied adjustments for repairs made by the customer for fixtures and running toilets.

[29] Evaluators requested documents for billing disputes that were filed between October 2016 and October 2018. However, administrative hearing dates for the sample extended into 2019. Evaluators received a copy of the current hearing judgment form on March 21, 2019. All judgments, including those for hearings in 2019, were on the old hearing judgment forms.

Figure 3. Former S&WB Administrative Hearing Judgment Form

JUDGMENT

This cause came to be heard on the _____ day of _____, 20____, on a hearing relative to a billing dispute. The Board was represented by _____ and the customer was represented by _____.

Considering the law, evidence, pleadings, and arguments of all parties hereto, accordingly

IT IS ORDERED, ADJUDGED, AND DECREED that the customer, hereby:

_____ (Initial) IS NOT entitled to an adjustment pursuant to policies of the Board, particularly:
- ☐ Repairs made by customer to fixtures
- ☐ Running toilet or other fixture.
- ☐ Constant registration of meter indicating leak on customer's property.
- ☐ Repairs made by the Board that did not impact the customer's usage.
- ☐ Other_____

_____ (Initial) IS entitled to an adjustment pursuant to the policies of the Board, particularly:
- ☐ Board error in recording or metering usage, as evidenced by anomalous bill.
- ☐ Board error, as evidenced by replacement of defective meter.
- ☐ Board error, as evidenced by repairs made by the Board affecting customer's bill
- ☐ Board error in charging for sewerage service, as evidenced by customer repairs qualifying for sewer adjustment only.
- ☐ Other_____

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the reason(s) and evidence relied upon herein in rendering this decision are as follows:

_____

_____

The current S&WB hearing judgment form was revised after the adoption of the S&WB's 2016 Leak Adjustment Policy. It gave hearing officers the ability to approve adjustments for customer repairs, failure of S&WB process, and failure to read the meter. On either form, the hearing officer had the option to mark "Other" and write a justification for adjustment.

Figure 4. Current S&WB Administrative Hearing Judgment Form

JUDGMENT

This cause came to be heard on the _____ day of _____, 20____, on a hearing relative to a billing dispute. The Board was represented by _____ and the customer was represented by _____.

Considering the law, evidence, pleadings, and arguments of all parties hereto, accordingly:

IT IS ORDERED, ADJUDGED, AND DECREED that the customer, hereby:

_____IS NOT entitled to an adjustment pursuant to policies of the Board, particularly:
(Initial)

- ❑ Constant registration of meter indicating leak on customer's property.
- ❑ Repairs made by the Board that did not impact the customer's usage.
- ❑ Other_____

_____ IS entitled to an adjustment pursuant to the policies of the Board, particularly:
(Initial)

- ❑ Repairs made by customer to toilet or other fixtures.
- ❑ Board error in recording or metering usage, as evidenced by anomalous bill.
- ❑ Board error, as evidenced by replacement of defective meter.
- ❑ Board error, as evidenced by repairs made by the Board affecting customer's bill
- ❑ Board error in charging for sewerage service, as evidenced by customer repairs
- ❑ qualifying for sewer adjustment only.
- ❑ Failure of the Sewerage & Water Board's process pursuant to La. R.S. 33:4071(F).
- ❑ Failure of the Sewerage & Water Board to read a customer's meter regardless to whether an invoice has been furnished customer.
- ❑ Other_____

_____IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the reason(s) and evidence relied upon herein in rendering this decision are as follows:

However, all hearing judgments obtained from the S&WB for the period of review were completed on the older, out-of-date judgment forms, even though they were not consistent with the S&WB's current leak adjustment policy.

Breakdown of Bill Adjustments

As noted above, shortly after the introduction of the Cogsdale billing system, customers complained of billing errors. Between October 2016 and October 2018, S&WB customers filed approximately 4,112 billing disputes. During the same time period, about 3,544 customers filed requests for administrative hearings and 27,061 customers initiated leak investigations. A triangulation of the data revealed a total of 241 unique account numbers that appeared on all three lists provided by the S&WB: the billing dispute list, the administrative hearing list, and the leak investigation list.

Evaluators reviewed a statistically valid random sample of hearing documents from 83 of the 241 S&WB accounts that appeared on all three lists. Of the 83 accounts sampled, 17 customers (20 percent) either did not show up for the scheduled hearing or the S&WB was unable to provide hearing data. Three accounts in the sample settled their disputes prior to a hearing based on the findings of a leak investigation. The total of these adjustments came to $2,907. This left 63 accounts with documented administrative hearings for data analysis.

The Chief Hearing Officer told evaluators officers likely approved bill adjustments in about 90 percent of hearings, a rough estimate supported by hearing data. In fact, of the 63 hearings evaluators reviewed, 58 (92 percent) resulted in a bill adjustment. An initial assessment revealed 33 percent of adjustments were due to anomalous high bills, eight percent indicated the customer made repairs qualifying for a reduction of sewer charges, and six percent indicated S&WB repairs affected customers' bills. On 41 percent of judgment forms, hearing officers marked "Other" as the reason for the bill adjustment. If customers were not due an adjustment, hearing officers often looked for other S&WB policies under which the customer could receive a reduction in their bill. Sometimes this included simply removing late fees and other penalties.

The total amount of hearing adjustments in the sample approximated $52,009, for an average of $839 per hearing.

Table. 1 Sample Administrative Hearing Judgments

Justification	Percent	Total Adjustments	Ave. Adjustment
No: Other	8%	$0.00	$0.00
Yes: No Judgment Form	2%	$267.60	$267.60
Yes: Defective Meter	2%	$4,333.04	$4,333.04
Yes: Anomalous High Bill	33%	$8,123.42	$386.83
Yes: Customer Repairs/Sewer Serv.	8%	$3,729.72	$745.94
Yes: Other	41%	$31,930.88	$1,277.24
Yes: S&WB Repairs Affected Bill	6%	$3,624.35	$906.09
Total	**100.00%**	**$52,009.01**	**$838.86**

Source: Data provided by S&WB

According to the S&WB's Administrative Hearing Manual, the judgment form should "include the underlying facts supporting his/her findings" and should "[inform] the customer of what relief has been rendered, if any, and the reasons

for the decision." Evaluators, therefore, conducted a further review for those judgment forms where "Other" was marked as justification for an adjustment.

Table. 2. Breakdown of "Other" Justifications

Justification	Percent	Total Adjustment	Ave. Adjustment
Defective Meter	4%	$10,009.86	$10,009.86
Customer Repairs	19%	$6,470.79	$1,617.70
Estimated Bills	35%	$7,268.64	$807.63
Meter Leak	4%	$554.46	$554.46
No Rationale	38%	$7,627.13	$762.71
Total	**100.00%**	**$31,930.88**	**$1,277.24**

Source: Data provided by S&WB

In 35 percent of hearings where "Other" was selected, hearing officers wrote in the space provided the customer was owed an adjustment because of estimated bills. In another 19 percent, hearing officers authorized adjustments for leaks where customers made repairs to their own property. According to the S&WB's Leak Adjustment Policy, these adjustments included a decrease in water and sewer charges. Both of these justifications were available for hearing officers to select on the current hearing judgment forms. However, because hearing officers used the outdated form, they marked "Other" instead.

Eight percent of adjustments were due to S&WB errors related to leaking or defective meters. In the other 38 percent of these cases, hearing officers gave no rationale at all for the adjustment, a violation of the S&WB's internal policy. The total of all adjustments in the sample where hearing officers marked "Other" was $31,930.88.

In total, 92 percent of all hearings reviewed resulted in a bill adjustment, some of which appeared to violate the Constitutional prohibition against the donation of public funds. It should be noted that, while the data presented in this evaluation reflects the results from a random sample of 63 hearings with $52,000 in adjustments, a total of 3,544 accounts requested administrative hearings during the review period. Analysis of the outcomes of all hearings could reveal an enormous number of bill adjustments.

In developing its leak adjustment policies, the S&WB ignored expert opinions on the constitutionality of adjustments based on leaks to private property. Because of its faulty policies, the S&WB donated public funds by adjusting bills where there

was no fault on the part of the Utility. This situation is especially important when considering the S&WB's ongoing financial crisis.

Recommendation 1: The S&WB should ensure its policies and procedures for bill adjustments comply with the Louisiana Constitution, are limited to those criteria specified by law, and are applied consistently and transparently to increase public trust and goodwill toward the agency.

Executives at the S&WB shared several reasons why their leak adjustment policies were developed. One prominent reason was the belief a mechanism was necessary to reduce erroneous bills. They expressed a belief that if they reduced erroneous bills without enabling legislation, they could be accused of donating public funds. S&WB staff also stated the Utility was interested in creating goodwill in the community for different reasons. This is evidenced by the 2016 Board resolution which justified the policy as a way to offset annual rate hikes. However, the policy developed by the S&WB in the wake of the enactment of Louisiana Revised Statutes 33:4071(F) raises concerns about the constitutionality of the adjustments.

The S&WB should consult with legislative and secondary authorities to ensure a thorough understanding of the constitutional provisions related to use of funds. Utility officials stated there was concern adjustments related to correcting erroneous bills prior to enactment of Louisiana Revised Statutes 33:4071(F) could be seen as a donation of public funds. It should be noted the S&WB has always had a legal duty to correct erroneous bills.[30] S&WB officials also stated that, although they were aware of the AG's opinions related to the downward adjustment of water bills due to leaks on private property, they did not feel the AG's opinion was binding on their situation. Instead, they believed they had the right to offer such adjustments to customers. The OIG recommends S&WB officials review readily available resources on use of public funds. For instance, in addition to AG opinions, the LLA has published tools explaining the implications of *Cabela's*

[30] La. Civ. Code art. 2299.

and provided guidelines to government agencies on how to assess whether an expenditure would be considered a prohibited donation.[31]

The S&WB should then engage its own legal department to craft policies consistent with constitutional provisions, legal authority, and best practices. In developing these policies, the Utility should include mechanisms to assess whether there is S&WB error that led to an increase in the customer's indebtedness. If it is determined S&WB error led to an increase in the customer's bill, there should be protocols to evaluate the amount of the increase. These considerations should be factored into all adjustment policies, including those for estimated bills and leaks on private property. Further, the S&WB should work toward reducing the number of estimated bills. For sewer adjustments, the S&WB should develop a process to determine how much water may have leaked into the ground and did not go into the sewer system. While water from leaks may go into the ground, the S&WB's failure to determine the amount of the water that did not enter the sewer system may be a potential violation of the Constitution.

Finally, the S&WB should ensure policies are implemented in a consistent and transparent manner. The OIG recommends the S&WB's efforts to increase public trust should be accomplished by educating staff and hearing officers on all adjustment policies so outcomes are fair and consistent to the extent possible. While outcomes of individual hearings may differ, the process used to determine the adjustment amounts should be constant. The S&WB should increase transparency by publishing information about all hearing and adjustment policies on its website.

[31] Louisiana Legislative Auditor, Center for Local Government Excellence, "Course 107: Public Bid Law and Donations (Cabela)" (September 2017), accessed October 16, 2019, https://lla.la.gov/documents/clge/(1-2018)Course%20107%20Public%20Bid%20Law&Donations.pdf.

IV. Administrative Hearings and Rehearings

The Louisiana Administrative Procedure Act (the Act) provides rules for administrative hearings involving state government entities. [32] The Act includes provisions for the types of documents and evidence that should be preserved for the record, for adjudications, for hearings, and sets out the basis for rehearings and judicial reviews.[33] According to the Act, rehearings should be limited to those instances where the decision is contrary to the law and the evidence, there is new evidence, there are additional issues not previously considered, or there is other good reason to reconsider the case.[34] If the request for a rehearing does not meet any of these criteria, the Act provides that parties may appeal decisions in the Civil District Court.[35]

Finding 2: The S&WB customer service representatives scheduled rehearings for billing disputes that did not meet the requirements specified in the Louisiana Administrative Procedure Act.

The practices followed by the S&WB were not consistent with the guidelines outlined in the Act. S&WB executives stated repeatedly that the Utility followed the Act to conduct administrative hearings. A review of the S&WB's internal administrative hearing policy revealed it was, in fact, consistent with the guidelines outlined in the Act. The policy required customers to request a rehearing within 10 days of the hearing and to set forth the grounds for the rehearing. It also specified criteria for rehearings identical to those listed in the Act. Further, the S&WB's administrative hearing policy stated, "the hearing officer shall issue a final order, judgment, or notice of judgment…," and "any final order of the hearing officer may be appealed to the Civil District Court for the Parish of Orleans." However, the practice of scheduling rehearings was inconsistent with both the Act and the S&WB's own internal policy.

The S&WB had no mechanism in place to ensure its policy was followed, which allowed customers to circumvent the process. Although attorneys in the Utility's

[32] LA Rev. Stat. § 49:950 et seq.
[33] LA Rev. Stat. § 49:955; LA Rev. Stat. § 49:956; LA Rev. Stat. § 49:959; and LA Rev. Stat. § 49:964.
[34] LA Rev. Stat. § 49:959.
[35] LA Rev. Stat. § 49:964.

legal department stated requests for rehearing must be made in writing, the official policy did not include this requirement. Attorneys in the S&WB's legal office were aware of only one written rehearing request within the six months prior to speaking with evaluators. However, hearing officers and S&WB employees stated customers often scheduled hearings to dispute issues that had already been heard. These rehearings were not limited to instances where there was new evidence or other justifiable reason under the Act. Instead, the General Counsel and other S&WB staff stated customers requested rehearings when they were unsatisfied with the outcome of a previous hearing. Further, customers "shopped around" for hearing officers they believed would be more sympathetic to their claim for additional financial relief.

The S&WB failure to adhere to their internal policy regarding rehearings was due in part to the agency's lack of internal controls for scheduling administrative hearings. The Utility gave customers multiple avenues through which to schedule administrative hearings, including over the phone, in person, by email, or online. However, there was no process in the scheduling protocols to identify or screen customers who had previous hearing judgments. S&WB executives stated customers were not likely to state plainly they were seeking a rehearing in their requests. Meanwhile, customer service representatives, who scheduled the hearings, were not trained to distinguish between customers who needed an initial hearing and those who should be required to formally request a rehearing.

Additionally, the S&WB gave some customers the opportunity to schedule their own hearings by providing them with a web link that took them directly to the agency's scheduling calendar. Customers were able to share the link with others and over social media. Using this portal, customers did not have to interact with customer service representatives to schedule hearings at all, leaving the S&WB no control over the scheduling process. S&WB officials said this link will be disabled. Because there were no controls in place to differentiate between initial hearings and rehearings, any customer who requested a hearing received one.

S&WB officials said the Utility gave customers the ability to schedule hearings whenever they wanted to because New Orleans City Council members pressured them to do so after months of billing errors. However, because there were no internal controls, the process was not fair to either citizens or to the City. While S&WB employees felt the administrative hearing process was fair in general, they also felt allowing customers to have multiple rehearings of the same bill wasted

time and money and added to the backlog of customers waiting to be heard. The number of hearings and rehearings taxed the workloads of the customer service representatives assigned to attend hearings. Although there were ten hearing officers, there were only three customer service representatives who could represent the S&WB in the hearings. The relatively small number of customer service representatives limited the available time slots during which administrative hearings could be heard. This situation was further compounded by customers who scheduled hearings and did not show up.[36] As a result, the S&WB's backlog of customers waiting for hearings was several months long. Evaluators learned of at least one customer who waited more than a year for a hearing.

The Chief Hearing Officer stated hearing officers were reluctant to overturn the ruling of another officer. However, they often gave some type of relief at each hearing, even if only to reduce the penalties and fines the customer owed. One customer service representative stated she had attended a hearing for a customer who had been to three previous hearings but continued to return so that he could have additional charges removed from his bill. S&WB hearing officers and customer service representatives said many customers also requested rehearings in order to forestall the utility's collection efforts. According to the S&WB's billing dispute policy, collection efforts and water shutoffs were suspended while a hearing was pending. By allowing customers to schedule unwarranted rehearings and providing additional relief that may not have been justified, the S&WB rewarded customers for not paying their bills.

Recommendation 2: The S&WB should design and control the process for scheduling hearings and rehearings to ensure rehearings comply with the criteria set forth by the Louisiana Administrative Procedure Act.

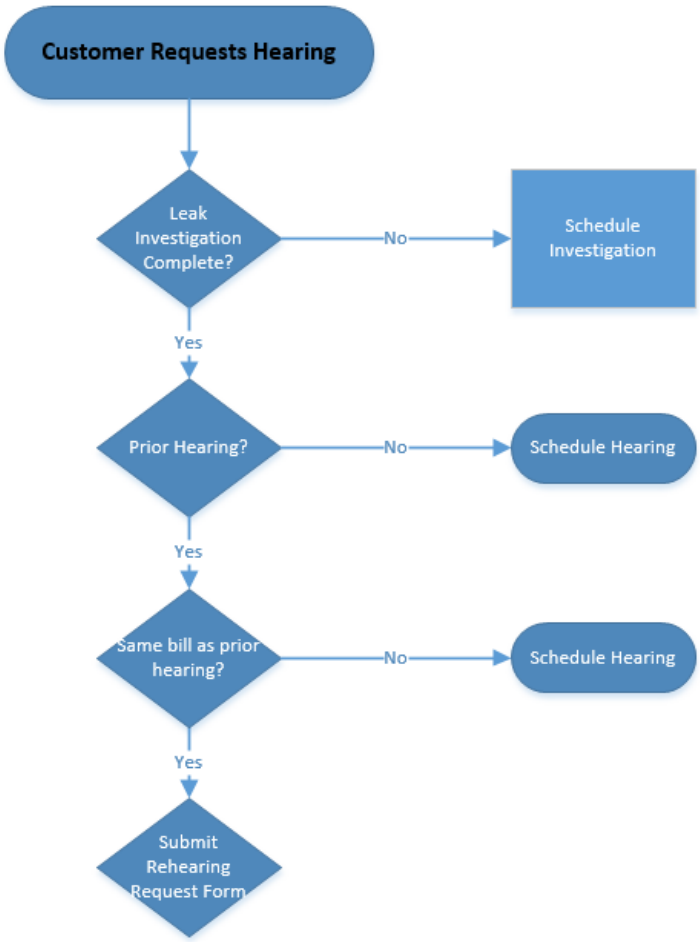
In October 2014, the S&WB adopted an administrative hearing policy that purported to limit customers' access to rehearings to those circumstances within the guidelines of the Act. However, the Utility's lack of internal controls undermined its efforts to comply with the Act. As a preliminary matter, the S&WB

[36] The S&WB does not penalize customers for failing to attend a hearing. A customer could miss and reschedule the hearing several times. These missed hearings wasted valuable time when other customers could have been heard.

should update its current policy to explicitly state that all requests for rehearings must be made in writing. The OIG also recommends the S&WB develop protocols to determine when a rehearing is appropriate, develop new policies that streamline the scheduling process, and increase transparency by informing customers and staff about the revised policies and procedures.

The S&WB's current protocols allow any customer to schedule a hearing upon request. In order to comply with their own internal policies and with the Act, the Utility should develop a mechanism by which employees can screen customer requests to determine when a hearing or rehearing is warranted. The S&WB can do this through process maps. The process map could give customer service representatives the ability to conduct an initial screening prior to scheduling a hearing. Once a customer service representative learns a customer has had a prior hearing, the customer should be required to submit a formal request for rehearing as required by the S&WB's rehearing policy. The decision of whether the rehearing request should be granted must also be assessed in accordance with the Act and S&WB internal policy. The following is an example of the type of process map the S&WB could use when scheduling hearings. (**See Figure 5**.) The S&WB should develop a process that best suits the Utility's efforts to reduce the number of rehearings.

Figure 5. Sample Hearing Request Process Map



The S&WB should also assess the various mechanisms customers use to schedule hearings. Although S&WB executives stated the electronic link that allowed customers to schedule their own hearings will be disabled, the Utility should ensure all scheduling mechanisms require a customer service representative review to classify each request prior to scheduling. The Utility should then train employees on how to use their process map or decision tree when evaluating each request to prevent customers from circumventing the S&WB's rehearing policy. The S&WB should also create a rehearing request form for customers to submit after they have had a hearing. The hearing request form should be mailed to

customers with their post-hearing adjustments. This form would make the process of requesting a rehearing clear to customers.

Finally, the S&WB should publish all policies related to hearings and rehearings, including eligibility criteria and any decision trees or process maps the Utility develops, on its website. Posting information on the S&WB web site would allow customers to assess whether they should request a rehearing and the proper method to do so. The website should also advise customers of their right to continue their disputes in the Civil District Court.

V. Ineffective Management of Data and Information

Effective Utility Management (EUM) is a concept developed by the U.S. Environmental Protection Agency (EPA) and a collaborative group of organizations that write best practices and standards for drinking water and wastewater industries.[37] EUM was created to advise water utilities on how to "assess the overall effectiveness of their operations and chart a course for improvement through implementation and measurement."[38] In the course of this work, EUM identified "Ten Attributes of Effectively Managed Water Sector Utilities" and "Keys to Management Success."

The Ten Attributes of Effectively Managed Water Sector Utilities consists of broad goals for system-wide improvement of utilities.[39] They cover various topics such as product quality, customer satisfaction, employee and leadership development, and infrastructure strategy and performance, among others. One of the ten attributes, entitled "Operational Optimization," states an effective water utility

> Ensures ongoing, timely, cost-effective, reliable, and sustainable performance improvements in all facets of its operations in service to public health and environmental protection. *Makes effective use of data from automated and smart systems, and learns from performance monitoring.* Minimizes resource use, loss, and impacts from day-to-day operations, and reduces all forms of waste. *Maintains awareness of*

[37] Collaborating organizations include the Association of Clean Water Administrators, the Association of Metropolitan Water Agencies, the American Public Works Association, the Association of State Drinking Water Administrators, the American Water Works Association, the U.S. Environmental Protection Agency, the National Association of Clean Water Agencies, the National Association of Water Companies, and the Water Environment Federation.

[38] Effective Utility Management Review Steering Group, *Taking the Next Step: Findings of the Effective Utility Management Review Steering Group* (February 2016), 7, accessed December 20, 2019, https://www.epa.gov/sites/production/files/2016-03/documents/eum_review_final_report_508.pdf.

[39] Effective Utility Management*, Effective Utility Management: A Primer for Water and Wastewater Utilities* (2017), 4, accessed November 25, 2019, https://www.epa.gov/sites/production/files/2017-01/documents/eum_primer_final_508-january2017.pdf.

> *information and operational technology developments to anticipate and support timely adoption of improvements*. (Emphasis added.) [40]

The Keys to Management Success are strategies utilities can use to achieve their goals. Of the five keys identified, three deal heavily with the concepts of information management and continuous improvement. In a primer developed by EUM, the collaborative identified "Measurement" as a critical strategy for effectively managing a water utility.[41] The primer outlines important considerations utilities should take into account when designing a program of measurement and mechanisms for self-evaluation and continuous improvement. Some of the considerations for "Continual Improvement Management," another key strategy, include the selection of

[40] Ibid., 6.
[41] Ibid., 9.

performance measures, development of specific internal targets, definition of operating procedures and practices, and accountability.

Figure 6. The Ten Attributes of Effectively Managed Utilities and Five Keys to Management Success**.**

Effective Utility Management Primer, 2017[42]

In developing the Keys to Management Success, the EUM leaned heavily on the adage, "[i]f you can't measure it, you can't improve it."[43] The ability to measure and evaluate policies and practices flows naturally from the availability of data.

[42] Ibid., 2.

[43] Peter Drucker, quoted in Effective Utility Management, *Effective Utility Management: A Primer for Water and Wastewater Utilities* (2017), 9, accessed November 25, 2019, https://www.epa.gov/sites/production/files/2017-01/documents/eum_primer_final_508-january2017.pdf.

State law requires government agencies to retain and make available certain records in the course of ordinary business.[44] According to Louisiana record retention laws, any government office in possession of public records is required to maintain those records for a minimum of three years, depending on the type of record.[45] This extends to all records of administrative hearings. The Act further states records of an adjudication include all pleadings, motions, intermediate rulings, evidence, and decisions, among other things be maintained.[46]

In addition to being legally required, each of these records include data points that could be used for evaluation and monitoring in accordance with EUM best practices.

Finding 3: The utility lacked sufficient data management and document retention practices to provide accurate information about billing disputes. As a result, management did not effectively monitor and evaluate the Administrative Hearing Program and related bill adjustments in accordance with utility best practices. Furthermore, agency leadership was unaware of the extent of the bill adjustments and potential violations of state records laws.

POOR DOCUMENT RETENTION AND RETRIEVAL PRACTICES

The S&WB had a document retention policy requiring all public records of the Utility, including customer bills and usage records, customer mailing lists, and customer payment delinquencies, cutoffs, and payment histories, be retained for a minimum of three years, in accordance with state record retention laws.[47] Additionally, the Utility's hearing manual purported to follow the Act, which states all documents should be included in the records of the petitioner.[48] However, the S&WB did not adhere to either of these provisions for maintaining documentation in the record of administrative hearings.

[44] LA Rev. Stat. § 44:32 and LA Rev. Stat. § 44:36.
[45] LA Rev. Stat. § 44:36.
[46] LA Rev. Stat. § 49:955 (E).
[47] LA Rev. Stat. § 44:36.
[48] LA Rev. Stat. 49:955 (E).

S&WB employees in the billing and customer service departments identified the types of documentation generally associated with administrative hearings. They explained when customers requested an administrative hearing, the S&WB mailed a "Scheduling Letter" with the date and time of the scheduled hearing. If the customer did not show up for the hearing, the S&WB sent a "No Show Letter" which included the date and time of the missed hearing and information about how to reschedule. When customers attended their hearings, they received a copy of the "Judgment" form and the S&WB saved a copy of the form in the customer's file. The S&WB mailed an "Adjustment Letter" to the customer after the hearing with the amount of the adjustment awarded, if any.

The OIG requested copies of scheduling letters, judgment forms, adjustment letters, and no show letters from a statistically valid sample of 101 unique account holders who requested hearings from October 2016 to October 2018.[49] The sample was randomly selected from 241 accounts that initiated a bill dispute, scheduled a leak investigation, and requested a hearing during the same time period. The OIG had expected to gain insight into the disputes resolution process by examining the cases in which customers had availed themselves of every option in the process.

Of the 101 accounts requested, the S&WB was unable to provide any documentation for 18 of the accounts. The OIG interviewed a supervisor in the Customer Service department who stated many of those files were not available. Currently, customer service representatives are able to scan documents and other evidence provided by customers during hearings directly into the Cogsdale system, creating electronic records. However, as recently as 2017, the S&WB saved hearing documents on microfiche (an outdated technology medium). There was a single employee responsible for copying the records and returning the files to the departments. According to the Customer Service supervisor, this employee retired and she did not know the whereabouts of the files that had been in his custody. It was suggested the unavailable files may have been included in these missing records.

In addition to the 18 files for which the S&WB did not provide any data, 13 files were missing critical information. These files included administrative hearing

[49] The sample selection process is discussed in Finding 1. The OIG originally requested data for 101 accounts. The S&WB was unable to provide any documentation for 18 accounts. This brought the number of accounts used for analysis to 83, which was still statistically significant.

scheduling letters indicating the date and time a hearing would be held. However, each of them was missing judgment forms or adjustment letters, which provided the hearing outcomes. They also lacked no show letters indicating the customer did not attend the hearing. Without these materials, it was impossible to determine what happened, if anything.

Finally, the documentation was inconsistent. The OIG made two separate requests for account data from the S&WB. The second data request included multiple account numbers that were duplicates of those originally requested. However, the information the agency provided in response to these duplicate requests was not the same as had been received in the prior request. In some instances, S&WB employees provided all requested information related to a specific account in their initial response but failed to provide some of the same documents for the second request. Evaluators later discovered some missing information was available in the Utility's customer account system but had not been retrieved by S&WB employees.

After meeting with employees to better understand the process used by the agency in retrieving the documents, evaluators learned customer account information related to hearings and all documents scanned in relation to those hearings were stored in the S&WB's customer service software. Scanned documents were saved as attachments in a single folder within customers' electronic records. Documents were not categorized according to the type of information they contained, nor was there an apparent naming convention for each type of document. Evaluators observed that S&WB representatives selected attachments they felt were responsive to the OIG's document request based on the name of the S&WB employee who uploaded the document into the system. This approach led employees to overlook critical data and cast doubt on the validity, reliability, and completeness of the information the S&WB provided and on their data retrieval processes. Ultimately, these data shortcomings meant that OIG was not able to analyze and draw conclusions about the billing dispute resolution process the way it had hoped.

The S&WB's inability to provide customer records indicated not only inefficient data management, but noncompliance with state records law and its own internal policies. As stated above, state law requires government agencies to maintain

public records for a minimum of three years.[50] S&WB internal policy echoed the state law requirement stating, in the absence of a formal retention schedule, records would be maintained for at least three years from the date created or produced. The policy also specified "as a general rule, all print or electronic documents, including drafts and duplicate copies, handwritten notes, etc. created in the course of Sewerage and Water Board business are public records."[51] Further, the Act mandated the S&WB to retain records of all administrative hearings.[52]

Because the utility failed to maintain the records, they were unable to produce critical information, resulting in a violation of public records laws.[53] Additionally, the lack of adequate procedures for storing and retrieving data increased the risk the S&WB would fail to provide required materials even when they were stored within its system.

The S&WB's General Counsel stated the Utility adhered to the Act by providing transcripts of recorded administrative hearings upon request. This practice was consistent with the Act's requirement that government agencies must provide a transcript of all hearings upon request.[54] However, it did not satisfy state law's requirement that all petitions, evidence, and judgments be preserved in the records of administrative hearings.

INSTITUTIONAL FAILURE TO PRIORITIZE DATA

The S&WB's administrative hearing files consisted of several potential points of data that could have been used to evaluate the effectiveness of the administrative hearing program and measure trends in bill adjustments. However, the Utility did not prioritize data collection and analysis. Although the S&WB had custody of information, it was stored on paper or PDF files, neither of which rendered aggregate data. As stated above, the Utility did not have a naming convention to assist with retrieval of documents. This suggested the S&WB did not plan to access the records in any systematic manner. The Utility understood retaining

[50] LA Rev. Stat. § 44:36.
[51] S&WB Policy Memorandum No. 36.
[52] LA Rev. Stat. § 49:955 (E).
[53] LA Rev. Stat. § 44:32.
[54] LA Rev. Stat. § 49:955 (F).

information was important, but there had been no discussion on the best ways to store the documents. Executives felt there were more exigent issues to be addressed.

Despite a recent strategic plan, executives were not knowledgeable about the types of information available to them or whether their current software system was capable of producing aggregate data. Cogsdale software was capable of generating "smart lists," or reports and spreadsheets generated by the system based on predetermined criteria, to run reports for certain utility indicators. However, while there were smart list reports for indicators related to accounts payable, the Utility had not created any reports for administrative hearing data. Executives said they would have to consult with Cogsdale to determine whether the information could be collected through the software program.

INEFFECTIVE UTILITY MANAGEMENT

The S&WB's failure to gather and analyze hearing data resulted in ineffective management of the Administrative Hearing program. Because of the S&WB's inefficient use of data, executive management at the Utility was not aware of the magnitude and amount of billing adjustments related to administrative hearings.

Executive management had an inaccurate perspective of what was happening with administrative hearings. The General Counsel and the Chief Financial Officer reported customers leaving hearings unhappy. Security guards were needed to ensure the safety of hearing officers. But these perceptions did not comport with data.

In October 2019, the S&WB made a presentation to the New Orleans City Council in which the Utility provided hearing and adjustment data. According to the S&WB's own data analysis, the Utility held 1,766 hearings between January 1, 2019, and August 31, 2019. Of these, 1,402 – or approximately 80 percent -- resulted in a bill adjustment.[55] This is a sharp contrast to the S&WB executives' statements to the OIG that most customers did not receive an adjustment. In fact, it is closer aligned to the estimates of hearing officers and customer service representatives – those closer to the dispute resolution process and whose

[55] Sewerage and Water Board of New Orleans, "Public Works Committee", 9.

observations are therefore more reliable – that approximately 90 percent of hearings resulted in an adjustment.

Figure 7. S&WB Data on Hearing Outcomes Present to the New Orleans City Council

BILLING ACCURACY – Hearings Outcomes
Jan. 1 – Aug. 31, 2019

Hearings Scheduled	2,812
Hearings Held	1,766
No shows	1,046
Bills Adjusted	1,402

Bills adjusted without a hearing = 1,182

Source: Sewerage and Water Board, 2019[56]

The S&WB's failure to collect and analyze hearing data also left the Utility in a defensive posture. Hearing data was collected responding to questions from the City Council regarding complaints from constituents. Though the information was available, the S&WB's initial data analysis did not include a review of the adjustment amounts or the justifications, only the number of adjustments given. S&WB executives expressed the Utility was working on mechanisms to extract usable data from hearing information but had not managed to do so at the time of the review. Further, the executives' statements that most customers did not receive an adjustment, in the face of data the S&WB had already presented to the City Council, suggests readily available information had not been consulted. It also implies executives were managing the Utility with an inaccurate picture of how billing disputes were resolved at a time when customers were angry and the Utility was broke. If the Utility had engaged in a proactive review of the data, executives might have been aware of the magnitude of adjustments awarded and taken steps to revise adjustment policies. This failure to measure hearing outcomes led to the

[56] Ibid.

inability to evaluate and improve the S&WB's processes, a key concept of Effective Utility Management.

Recommendation 3: The S&WB should develop and implement a strategic plan for data management to help the agency identify needs related to data collection and control, data retention and retrieval processes, along with system and data storage capabilities. The agency should use this information to create internal processes to accurately and efficiently report and maintain aggregate data on administrative hearings and bill adjustments. The agency should also use the information to proactively monitor and evaluate their processes, review adjustment policies, and perform continuous improvement.

The S&WB's failure to effectively use data to evaluate its processes stemmed primarily from executives' lack of knowledge regarding how the data could be used to improve their systems. The OIG therefore recommends that the Utility engage in a strategic planning process specifically related to data needs of the organization, asses its current system capabilities and requirements, review and revise data collection and retention policies, and develop protocols for data analysis. Finally, the OIG recommends that information gathered from data analysis be used for continuous evaluation and improvement.

The S&WB's data management plan should include an assessment of information needed to holistically evaluate the effectiveness of various programs within the Utility. For the Administrative Hearing program, for instance, data needed may include indicators such as the average adjustment for different types of justifications or the average adjustment awarded per month. The Utility will need to assess whether it currently collects the needed information in any form and, if not, how it can be obtained in the future. Indicators and performance measures should be realistic and obtainable.

The Utility should also assess the state of its current informational capacities. S&WB executives were not aware of what types of information could be gathered

with their current software systems or the types of software that would be needed to gather aggregate data. The Utility was in the process of creating new Document Retention Officer and Chief Customer Service Officer positions during the time of the OIG's evaluation. S&WB executives seemed to believe the creation of these positions would solve the data management concerns identified by the OIG. However, such moves on their own will not resolve the problems. While technical expertise is critical, the S&WB should move to become a more data-enabled organization.

Once hired, the new Document Retention Officer and Chief Customer Service Officer will need to work with the Information Technology department at the S&WB to understand the current capacities of the Cogsdale system, determine what software modifications may be required, and determine how best to develop computer processes and data systems that will provide the information identified in the strategic plan and needs assessment. At the time of the review, Cogsdale was capable of providing aggregate data in the form of "smart lists." However, there were no such reports for administrative hearing data because most of the information is not stored in searchable electronic fields. New processes should be developed to capture hearing data electronically in a manner that allows the information to be easily accessed in aggregate form. Further, the Utility should assess personnel needs to ensure the appropriate staffing for data collection and analysis.

The OIG recommends that the S&WB review and revise all data collection and retention policies. The new policies should conform with public records law and the Utility's internal needs assessment. The S&WB's data retention policies should ensure information is stored in a manner easily accessible to customers and customer service representatives. For instance, naming conventions for specific types of documents would ensure that customer service representatives are able to retrieve documents efficiently. Data collection and retention policies should also ensure that information is collected and stored such that the Utility can produce aggregate data for easy and accurate data analysis. This innovation may involve the development of electronic forms and user interfaces that store information in databases. These types of forms could be used to collect information on administrative hearing judgments.

Finally, the S&WB should engage in evaluation and continuous improvement of all programs, including the Administrative Hearing program. According to EUM,

"[m]easuring performance is one of the keys to utility management success."[57] It is a tool that helps organizations determine whether adjustments should be made that would improve performance. It can also inform decision makers on whether policies already in place are effective. Based on identified performance measures, the Utility should analyze operational data and assess the attainment of goals. Periodic evaluation would help the S&WB proactively monitor program accomplishments and inform them of needed improvements. In a continuous cycle of improvement, the Utility should use the results of their evaluation to revise protocols and update performance measures.

[57] Effective Utility Management, *Effective Utility Management: A Primer for Water and Wastewater Utilities*, 19.

VI. Conclusion

Since the unveiling of the Cogsdale billing system, the S&WB has faced the twin perils of a crisis in public confidence and financial problems that threatened to drag the water utility into insolvency. As the S&WB resolves billing disputes, it needs to balance the rights of customers to pay fair and accurate bills with the rights of taxpayers to have a financially stable utility capable of tackling much-needed investments in the local water system.

In 2016, the S&WB adopted a leak adjustment policy that gave the Utility the right to adjust water bills when customers had a leak on their side of the property line, including water line breaks and leaks to interior fixtures. However, this policy is not consistent with the expert advice of the Louisiana Attorney General, who has consistently stated downwardly adjusting water bills because of leaks on private property is a violation of the state constitution's prohibition against the donation of public property. The S&WB's failure to adhere to expert opinion or to seek advice on their specific situation led to the potential donation of public funds.

Because of the Utility's failure to value data, executives were unaware of the number and magnitude of adjustments provided throughout the review period. The sample used in this evaluation was relatively small in comparison to the S&WB's large customer base and the number of accounts that requested hearings. While the figures reported in this evaluation may seem small, the percentage of hearings resulting in adjustments, if extrapolated to the population, could reveal extensive adjustment amounts. S&WB executives should be aware of the financial burden these adjustments may place on the Utility and ultimately on ratepayers.

S&WB executives also seemed unaware that, because of the lack of internal controls, customers routinely circumvented the formal processes adopted by the Utility to schedule unwarranted rehearings. While the S&WB's policy limited rehearings to specific criteria outlined in the Louisiana Administrative Procedure Act, customers requested and were granted rehearings when they did not agree with the judgment received.

Further, the S&WB failed to maintain hearing records in accordance with state law. These records could and should have been used to develop a program of evaluation and continuous improvement within the organization, which was not done. The lack of evaluation for the Administrative Hearing Program constituted

ineffective management of the program. Had executives monitored the program, developed performance measures to assess the effectiveness of policies, and engaged in continuous improvement, they would have been aware of the number of adjustments provided and the ineffectiveness of the rehearing policies.

The issues identified in this report were avoidable if the S&WB had adopted best practice guidelines and expert advice. The constitutional prohibition on donation of public funds and related jurisprudence and Attorney General opinions provide importance guidance on balancing the needs of individual customers versus the city as a whole. State laws such as the Administrative Procedure Act further outline fair and consistent processes designed to bring disputes to conclusion. Developing systems to empower executives to make decisions informed by data will help identify and resolve future problems more quickly.

Evaluators provided the S&WB with recommendations to improve processes used to resolve customer billing disputes. These recommendations included a review of law related to the donation of public funds. The OIG recommended that the S&WB take advantage of readily available resources provided by the state Attorney General and the Louisiana Legislative Auditor designed to help organizations determine if their policies violate constitutional provisions. The S&WB should revise leak adjustment policies in accordance with the state Constitution, jurisprudence, and expert opinions.

The OIG also recommended that the S&WB develop internal policies to control the number of rehearings customer service representatives schedule. The Utility should create a process whereby representatives are able to determine whether a customer should submit a formal rehearing request in writing as set out in the Act and in the S&WB's own policies.

Finally, the OIG recommended that the S&WB adopt formal procedures to institute a program of evaluation and continuous improvement of the Administrative Hearing program. This would require the Utility to collect and analyze hearing data and develop performance measures. Beyond the collection of data, continuous improvement would require program administrators and executive staff to actively monitor the program and assess the effectiveness of policies in relation to program goals.

"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21ST CENTURY"

Sewerage & Water Board OF NEW ORLEANS

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www.swbno.org

May 22, 2020

Derry Harper, Esq., CIG
Inspector General
New Orleans Office of Inspector General
525 St. Charles Avenue
Suite 300
New Orleans, Louisiana 70130

Re: Dispute Resolution Process

Dear Mr. Harper:

I write to you on behalf of the Sewerage and Water Board of New Orleans ("Board") regarding the Board's dispute resolution process. Thank you for sharing the draft report. We appreciate the thorough attention of your professional team; the final exit conference meeting with them; and the opportunity to provide this response, which has been prepared following the Board's extensive internal review of its dispute resolution process. We concur with some of your recommendations; however, other comments require additional information from the Board.

The Board is committed to ensuring that we maintain and provide the highest quality of administrative hearings. In this vein, we secured the highest quality of professionals to serve as administrative hearing officers. Our hearing officers were vetted through a properly procured process and have vast legal experience, which make them particularly suitable to this position. The Board's hearing officers undergo an intensive training on its policies and relevant Louisiana laws during the Administrative Hearing Officer Orientation. When a hearing officer makes adjustments to a bill in the hearing, the hearing officer is restricted by law to only provide bill adjustments where appropriate.

The Board's hearing process complies with the Louisiana Administrative Procedure Act (La. Rev. Stat. 49:950, *et. seq.*), which provides rules and regulations concerning agency decisions. The due process requirements implemented by the Board include providing the customer with an opportunity to be heard and the opportunity to present evidence before an impartial party. The Board's adjudication process and Customer Service Guidelines provide an opportunity for a re-hearing, if warranted, within ten (10) days following a Judgment.

The Board is always examining ways to hone internal processes to provide better outcomes for our customers and to promote the public's trust and confidence in the Board. To that end, the Board amended its process for granting a hearing to a customer to ensure that customers are not relitigating the same issues and to ensure that issues that may be resolved internally are not brought before the hearing officer. Prospectively, the Board intends to implement quarterly training of our customer service agents and annual training for administrative hearing officers to reinforce compliance with the Louisiana State Constitution, statutes, and Louisiana Administrative Procedure Act. The Board also expanded its Executive Management team to include a Chief Customer Service Officer, who will oversee the Board's customer service functions.

Once again, we appreciate the effort expended to prepare your draft report, and the Board's opportunity to review and respond to it. We thank you for your recommendations. Since your office began its review, the Board has been working diligently to improve our dispute resolution process. You will discover that many of your recommendations correspond to courses of action already charted and undertaken by the Board to renew the Board's care and advocacy of its customers. We look forward to continuing a healthy and productive relationship with your office.

With highest regards, I remain

Very truly yours,

Ghassan Korban
Executive Director

cc: Yolanda Y. Grinstead, Esq., Special Counsel, Sewerage and Water Board of New Orleans, (Ygrinstead@swbno.org)
Larry Douglas, CIG, CISA, CGAP, First Assistant General of Audit and Evaluations, New Orleans Office of Inspector General, (Ldouglas@nolaoig.gov)
Patrice Rose, Esq., CFE, Evaluator, New Orleans Office of Inspector General, (Prose@nolaoig.gov)
Meghan Ragany, Esq., Evaluator, New Orleans Office of Inspector General (Mragany@nolaoig.gov)

Enclosure: Management Response Form

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NEW ORLEANS OFFICE OF INSPECTOR GENERAL
Inspection and Evaluation Division

(Sewerage and Water Board Dispute Resolution Process and I&E 18-0003)

Management Response Form

Please complete this form and return as specified below. Supply your responses in the shaded boxes.

Please indicate your agreement or disagreement with each of the following recommendations by selecting a response from the dropdown box. If you *Reject* or *Partially Accept* the recommendation, please explain why in the space provided. Please devise a plan for implementing the recommendations or solving the problems that were found. Describe each action your agency will take to implement the recommendation, or fix the problem, along with the name and contact information of the person(s) responsible for the action and the completion date.

Return this completed form to Patrice Rose at prose@nolaoig.gov by May 22, 2020.

enter name here: **Ghassan Korban, Executive Director**

Recommendation #1 requiring immediate action:	**Responsible Person: (Name and Contact)**	**Response choice (Select One):**
1. The S&WB should ensure its policies and procedures for bill adjustments comply with the Louisiana Constitution, are limited to those criteria specified by law, and are applied consistently and transparently to increase public trust and goodwill toward the agency.	• Legal Department • Finance Department • Billing Department • Customer Service Department • Internal Audit Department	Reject
If you *Reject* or *Partially Accept* Recommendation #1, please explain why: The Sewerage and Water Board of New Orleans' (the "Board") current policies and procedures for bill adjustments do already fully comply with the Louisiana Constitution, are limited to those criteria specified by law, and any bill adjustment to a customer's bill is applied in compliance with these laws. To promote continued compliance, the Board will implement the processes listed below.		
	Responsible Person:	**Completion Date:**

1.1
Conduct annual training for administrative hearing officers that will provide continuing legal education credit (CLE) on the following topics: (1) the Louisiana Administrative Procedure Act; (2) Louisiana Revised Statute 33:4071; (3) Louisiana Constitution Article VII, § 14; and (4) Recent Legislative Acts impacting the Board.
	• Legal Department
	  ○ Yolanda Y. Grinstead (ygrinstead@swbno.org)
	• Finance Department
	  ○ Chief Financial Officer (TBD)
	• Billing Department
		December 31, 2020

	○ Tiffany Julien (tjulien@swbno.org) • Customer Service Department ○ Chief Customer Service Officer (TBD) ○ Gabriel Bordenave (gbordenave@swbno.org)	
1.2 Conduct annual internal auditing of the Board's administrative hearing process by reviewing a sample of hearings conducted. Additionally, the Chief Audit Executive will collaborate with the Board's Executive Management and the Audit Committee Chairwoman to ensure that this review is included in any Board approved Internal Audit plan going forward.	• Internal Audit Department ○ Chief Audit Executive (TBD) ○ Chante Bivens (cbivens@swbno.org)	May 13, 2021
1.3 Hire a Chief Customer Service Officer to manage the administrative hearing process. The Board is currently conducting a nation-wide search for a Chief Customer Service Officer, who will perform the following duties: (1) consolidate the Board's customer service functions into one department and create a cohesive team; (2) upgrade the Board's computer systems; (3) oversee the installation of advanced metering; and (4) manage the customer call center; billing and collections; meter reading; and customer care and advocacy. Applications for this position are due on May 29, 2020.	• Executive Management ○ Ghassan Korban (gkorban@swbno.org) ○ Robert Turner (rturner@swbno.org) ○ David Callahan (dcallahan@swbno.org) ○ Yolanda Grinstead (ygrinstead@swbno.org) ○ Christy Harowski (charowski@swbno.org) ○ Richard Rainey (rrainey@swbno.org)	December 31, 2020
1.4 Conduct quarterly training of our customer service agents and billing agents on the Louisiana Administrative Procedure Act regarding granting administrative hearings and rehearings.	• Legal Department ○ Yolanda Y. Grinstead (ygrinstead@swbno.org) • Billing Department ○ Tiffany Julien (tjulien@swbno.org) • Customer Service Department ○ Chief Customer Service Officer (TBD) ○ Gabriel Bordenave (gbordenave@swbno.org)	December 31, 2020

RECOMMENDATION #2 REQUIRING IMMEDIATE ACTION:	RESPONSIBLE PERSON: (NAME AND CONTACT)	RESPONSE CHOICE (SELECT ONE):
2. The S&WB should design and control the process for scheduling hearings and rehearings to ensure rehearings comply with the criteria set forth by the Louisiana Administrative Procedure Act.	• Legal Department • Billing Department • Customer Service Department	Partially Accept

IF YOU ***REJECT*** OR ***PARTIALLY ACCEPT*** RECOMMENDATION #2, PLEASE EXPLAIN WHY:

We respectfully reject the finding that the Board scheduled rehearings for billing disputes that did not meet the requirements specified in the Louisiana Administrative Procedure Act ("LAPA"). The Board's administrative hearing policy is consistent with the guidelines outlined in the LAPA. The policy provides that at the conclusion of an administrative hearing, the customer receives a judgment, which provides notice that customers desiring a rehearing must do so by submitting a written request, setting forth the grounds for rehearing, within ten (10) days of the hearing. Upon receipt of a written request for a rehearing, the administrative hearing officer determines if a customer is entitled to a rehearing by following the criteria set forth in the LAPA. The customer is promptly notified in writing if the request has been granted, so that the customer may timely lodge an appeal to the Civil District Court for the Parish of Orleans.

Further, the Board provides an orientation to all newly appointed administrative hearing officers providing instruction on the Louisiana Administrative Procedure Act. Additionally, copies of the Louisiana Administrative Procedure Act are placed in each room where hearings are conducted, for our customers' review and as a reference for our hearing officers.

The Board partially accepts Recommendation No. 2 in the spirit in which it is given as we are already working to improve our processes for scheduling hearings to ensure matters are not improperly relitigated. We recognized that a few customers were attempting to circumvent the Board's policy for rehearings by requesting hearings from our customer service agents unknowingly on issues already litigated in a previously held administrative hearing. In the last quarter of 2019, the Board reinstituted its original process for scheduling administrative hearings to reinforce compliance with the Louisiana Administrative Procedure Act. As it stands, when a customer makes a request for a hearing, this request is referred to the Billing Department for approval. The Billing Department determines if a hearing should be scheduled by reviewing the following information relative to the customer's account: (1) review the customer's issues with respect to their bill or plumbing problem; (2) review meter reads on the account; (3) review payment history; (4) review internal investigations performed by the Board; (5) review plumber's reports submitted by the customers; and (6) where applicable review customer's previous hearings to determine if a hearing is being requested on the same issue. To promote continued compliance, the Board will implement the processes listed below.

DESCRIBE THE ACTIONS YOU WILL TAKE TO IMPLEMENT RECOMMENDATION #2 OR FIX THE PROBLEM:	RESPONSIBLE PERSON:	COMPLETION DATE:
2.1 Conduct quarterly training of our customer service agents and billing agents on the Louisiana Administrative Procedure Act regarding granting administrative hearings and rehearings.	• Legal Department ○ Yolanda Y. Grinstead (ygrinstead@swbno.org) • Billing Department	December 31, 2020

	○ Tiffany Julien (tjulien@swbno.org) • Customer Service Department ○ Chief Customer Service Officer (TBD) ○ Gabriel Bordenave (gbordenave@swbno.org)	
2.2 Create a guide for our customer service agents and billing agents on the Louisiana Administrative Procedure Act regarding granting administrative hearings and rehearings.	• Legal Department ○ Yolanda Y. Grinstead (ygrinstead@swbno.org) • Billing Department ○ Tiffany Julien (tjulien@swbno.org) • Customer Service Department ○ Chief Customer Service Officer (TBD) ○ Gabriel Bordenave (gbordenave@swbno.org)	December 31, 2020

RECOMMENDATION #3 REQUIRING IMMEDIATE ACTION:	RESPONSIBLE PERSON: (NAME AND CONTACT)	RESPONSE CHOICE (SELECT ONE):
3. The S&WB should develop and implement a strategic plan for data management to help the agency identify needs related to data collection and control, data retention and retrieval processes, along with system and data storage capabilities. The agency should use this information to create internal processes to accurately and efficiently report and maintain aggregate data on administrative hearings and bill adjustments. The agency should also use the information to proactively monitor and evaluate their processes, review adjustment policies, and perform continuous improvement.	• Executive Management • Planning and Strategy Department • Information Technology Department • Billing Department • Customer Service Department	Accept
IF YOU *REJECT* OR *PARTIALLY ACCEPT* RECOMMENDATION #3, PLEASE EXPLAIN WHY: The Board agrees with this recommendation and is working towards the development of a plan to refine its data management, by procuring new data management software or expanding our current software capabilities, upon the availability of funds. Additionally, the Board recently hired a Director of Planning and Strategy and is conducting a nation-wide search for a Chief Customer Service Officer. Lastly, the Board is currently engaged in working with local and international industry experts to develop a Utility Strategic Plan. The Utility Strategic Plan will include goals and actions to assist the Board in achieving our vision and mission of obtaining the trust and confidence of our customers. The Board intends to execute its Utility Strategic Plan as funding permits. To promote continued compliance, the Board will implement the processes listed below.		
DESCRIBE THE ACTIONS YOU WILL TAKE TO IMPLEMENT RECOMMENDATION #3 OR FIX THE PROBLEM:	RESPONSIBLE PERSON:	COMPLETION DATE:
3.1 Hire a Chief Customer Service Officer to manage the administrative hearing process. The Board is currently conducting a nation-wide search for a Chief Customer Service Officer, who will perform the following duties: (1) consolidate the Board's customer service functions into one department and create a cohesive team; (2) upgrade the Board's computer systems; (3) oversee the installation of advanced metering; and (4) manage the customer call center; billing and collections; meter reading; and customer care and advocacy. Applications for this position are due on May 29, 2020.	• Executive Management o Ghassan Korban (gkorban@swbno.org) o Robert Turner (rturner@swbno.org) o David Callahan (dcallahan@swbno.org) o Yolanda Grinstead (ygrinstead@swbno.org) o Christy Harowski (charowski@swbno.org) o Richard Rainey (rrainey@swbno.org)	December 31, 2020
3.2 Continue development of the Board's Utility Strategic Plan.	• Director of Planning and Strategy o Tyler Antrup (tantrup@swbno.org	December 31, 2021

3.3
Consult with Cogsdale, the Board's vendor who offers fully integrated solutions using a Microsoft Dynamics platform, to determine if the Board's platform can increase is data generation and data retention. Implement those recommendations upon the availability of funds.
	• Information Technology Department
	  ○ Melinda Nelson (mnelson@swbno.org)
	• Billing Department
	  ○ Tiffany Julien (tjulien@swbno.org)
	• Customer Service Department
	  ○ Chief Customer Service Officer (TBD)
	  ○ Gabriel Bordenave (gbordenave@swbno.org)
		December 31, 2021