

INTEROFFICE MEMORANDUM



TO: Anthony Nicks, County Auditor
FROM: Hakeem Oshikoya, Finance Director *HO*
David Clark, Public Works Director *DC*
DATE: April 17, 2025
SUBJECT: Response to the Water Billing Audit

Finding 1 – Standard Operating Procedures Not Inclusive of All Procedures

We acknowledge the finding regarding the Standard Operating Procedures (SOPs) not being inclusive of all necessary procedures in greater detail than our existing SOP's. The department agrees with this assessment and recognizes the importance of having comprehensive and detailed SOPs to ensure operational consistency and effectiveness.

In response to this finding, we commit to the following actions:

- We will conduct a thorough review of existing SOPs to identify any gaps and missing procedures.
- We will engage relevant stakeholders to gather insights and ensure that all necessary procedures are documented.
- We will work on developing new, detailed SOPs to cover all identified gaps, ensuring they are clear and accessible.

Finding 2 – Untimely Water Meter Readings

Meter reading activities and associated contracts are managed by the Department of Public Works. The DPW has engaged a new meter reading vendor in February 2025 to improve the timeliness and accuracy of the water meter reading. The long-term solution is to implement the Advanced Metering Infrastructure (AMI). AMI refers to a system that uses technology to automatically collect data from water meters and transmit it to a central database for billing, troubleshooting, and analysis. Unlike older meter reading methods, AMI allows for real-time monitoring of water consumption and offers benefits of improved accuracy, faster leak detection, and reduced costs for utilities. The county is currently selecting the vendor to implement this solution. The goal is to start the implementation in the 2nd half of 2025. The target is to replace 20,000 to 25,000 meters annually over a three year period.

Finding 3 – Lack of Enforcement for Non-payment of Services

Finance Department staff identifies accounts that require disconnection. Actual service disconnections are performed by the Department of Public Works. Both departments are actively working on coordinating disconnection/reconnection related activities. We expect to see an increase in disconnections from the current levels.

Concern 1 – Late Fees

We currently do not impose late fees. Although we acknowledge the importance of considering the change in this policy, the timing is not ideal due to meter reading related challenges. We may revisit the issue once our AMI infrastructure is successfully deployed.

Concern 2 – Meter Reading Services Contract

Meter reading activities and associated contracts are managed by the Department of Public Works. The Department has engaged a new meter reading vendor in February 2025 to improve the timeliness and accuracy of meter reading.

cc: Ray Turner, Deputy Finance Director
Adriana Bustillos, Engineering Administrator, Department of Public Works
Shauna Herbert, Audit Manager, Office of the County Auditor