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SkYROCKETING water bills mystify, anger residents

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NEWSROOM

By **Scott Zamost** and **Kyra Phillips**, CNN Special Investigations Unit
March 1, 2011 10:23 a.m. EST



Water wars: Bills rise to the thousands

STORY HIGHLIGHTS

Atlanta woman reacts to her \$3,000 water bill: I'm "sinking in a hole of water"

City water officials received more than 22,000 calls in January

Many problems arise after installation of automated water meters

Similar water bill spikes reported in Ohio, Massachusetts, North Carolina and Florida

Editor's note: Join *Kyra Phillips* throughout the day Tuesday for her *Special Investigative Unit* report on skyrocketing water bills. [Follow CNN Senior Investigative Producer Scott Zamost on Twitter.](#)

Atlanta (CNN) -- Imagine paying as much for water as you do for your mortgage.

Residents throughout Atlanta are outraged by hundreds, even thousands of dollars in monthly spikes in their water bills, and have questioned the legitimacy of the charges for years. Now, they're demanding answers.

"I thought we were sinking in a hole of water," said Debbi Scarborough. "It scared me to death. I thought we had a major leak when I got the bill."

Over two months last summer, her family's monthly water bill, shot up to \$1,805 in July and then \$1,084 in August, leaving a balance due of more than \$3,000. She said in the past her bill has averaged \$200 to \$250.

"I'm not paying a \$3,000 bill. And for those three months, we were pretty much out of town most of the time and there's no leaks," she said, showing CNN a copy of her plumber's report.

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City	State	Bill	Rank
Albuquerque	New Mexico	\$31.09	7
Albuquerque	Texas	\$41.18	14
Atlanta	Georgia	\$92.01	50
Austin	Texas	\$35.91	37
Baltimore	Maryland	\$48.20	29
Boston	Massachusetts	\$79.24	48
Charlotte	North Carolina	\$52.22	42
Chicago	Illinois	\$26.32	3
Cleveland	Ohio	\$42.92	21
Colorado Springs	Colorado	\$71.50	46
Columbus	Ohio	\$48.09	39
Dallas	Texas	\$40.97	31

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America's crumbling water infrastructure



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The city installed a device on her meter to track daily usage. In the meantime, Scarborough's bill remains unpaid while she disputes the charges.

She is not alone.

While similar complaints about huge water bill spikes have popped up in Cleveland, Ohio; Charlotte, North Carolina; Tampa, Florida; and Brockton, Massachusetts; it appears that the issue has lasted the longest in Atlanta.

See how top 50 cities rank

It's led to a class-action lawsuit, countless meetings with city officials and continuing complaints from fed-up residents.

Thousands of residents who have seen unusual spikes have appealed their high water bills. Just last year, the city issued credits totaling \$466,368 to customers.

Atlanta, with more than 500,000 residents, says it already has the highest water rates of any major city in the United States, due in part to federal consent decrees to overhaul the city's water supply infrastructure.

the city's water supply infrastructure.

Water Leak Facts

- Yearly home leaks could exceed annual water amounts used by Los Angeles, Chicago and Miami combined -- or more than a trillion gallons
- 10% of homes have water leaks totaling at least 90 gallons a day
- A constantly running toilet wastes at least 200 gallons of water daily
- A leaky faucet with one drip per second wastes more than 3,000 gallons a year

Source: EPA.gov

Many of the problems arose after the installation of new, automated water meters, which began nearly five years ago, and involved contracts for meter installations, the electronic meters and software equipment.

The automated meter-reading technology eliminates the need for city workers to manually check every meter. Instead, they retrieve the data by driving by each property. The meter electronically transmits data showing the amount of water used.

From the beginning, there were problems.

In 2007, city auditors found they were "unable to verify electronic meter readings" because of "meter read errors, equipment failures or human errors."

Specifically, the audit said "about 9% of the meters could not be read due to broken or malfunctioning equipment."

Two years later, another audit concluded that a "high number of accounts" were not getting "actual meter readings" because of "meter read errors, equipment failures or human errors."

CNN reviewed hundreds of complaints from Atlanta residents as well as city e-mails obtained through a public records request.

On August 26, 2010, Mitch Elliott, a sales executive of Neptune Technologies, which manufactured the meters, wrote to a city official: "It has been an industry experience that typically when a utility does an AMR (automatic meter reading) meter changeout and also switches software billing companies that generally high bill complaints are either due to new meter accuracy and/or a billing multiplier error."

Elliott would not comment, referring CNN to city officials.

Peter Aman, the city of Atlanta's chief operating officer, said in an interview that he realized at that time the situation was serious. He's been on the job since January 2010. Last September, he replaced senior management in the Atlanta Dept. of Watershed Management.

He said the city has sampled about 9,000 of the 132,954 residential

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Five categories of U.S. infrastructure received a grade of D minus in 2009 from the American Society of Civil Engineers.

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I thought we were sinking in a hole of water. It scared me to death. I thought we had a major leak when I got the bill.

--Debbi Scarborough, Atlanta residential water customer

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meters and made a major discovery: About 1% of the meters' registers, which show how much water is being used, and the meter base underneath do not properly fit. That mismatch could result in a doubling of the water bill, Aman said.

"These two components don't match and guess what? They're labeled. This one says three-quarter (inch) on it and this one has a "1" (inch) on it. Now, it's small print but it's big enough to see," Aman said.

That would explain a billing multiplier error, which leads to higher bills, he said.

He added that the problem was first "identified in the audit back in (2007) and [the city] put in place, or were supposed to put in place, a whole system of checks and balances as they went through the rest of the system upgrade, and clearly they failed because we're still finding these mismatches out there."

[Experts: U.S. water infrastructure in trouble](#)

Operators of Lenox Square Mall and Phipps Plaza, two large shopping malls, complained about water billings "nearly \$300,000 over last year for this same period of time," according to another e-mail.

"There appears to be serious errors in the water billings that are creating huge hardships for both centers," wrote Michael F. Romstead, regional vice president of Mid Atlantic Mall of Georgia. "We need the city's full attention to correct the problem."

The city responded by changing the meters' registers. Romstead did not return calls to check whether the bills had gone back to normal, but there are no follow-up complaints in the city records supplied to CNN.

Asked about problems with the rest of the meters, Aman said, "The majority of the people who complain about high water bills have some issue that is not associated with the meter. Many, many of them have either leaks, or increases in usage through irrigation or pool filling that they didn't fully understand the impact of, but that's not to minimize the fact that we do have some cases of meters that aren't functioning properly. And we're addressing those on a case-by-case basis and giving people their money back. To me, the story here is there has been a complete loss of trust between the city and its citizens and its customers."

The city has not found issues with meter manufacturer Neptune Technologies Inc. or Systems and Software Inc. which installed the billing software, Aman said. Executives at both companies declined interview requests. Two other contractors that installed meters at commercial locations did not return calls.

"We have not found a smoking gun, if you will, in terms of a system problem," Aman told CNN.

However, he said the company that installed the residential meters should be held accountable. KHAFRA, an Atlanta-based firm, joined a Pennsylvania company to carry out the \$40.3 million contract.

After months of calls, KHAFRA President Valentino Bates agreed to an interview, but only after CNN had spoken to Aman.

"When we ended the contract in December of 2009, we had a 90-day window to come in and address any concerns. No concerns were brought to us. So as of today sitting here with you, it is our understanding that the meters are functioning properly as they were supposed to when we installed them," Bates said.

He said the company had identified 968 meters that had the

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mismatching problem, and fixed all of them by last March. The project, he said, was "very successful" and he added that he had not been informed about additional meter issues.

Asked if his company would repair any other meters the city said were not correctly installed, Bates told CNN, "If it is our problem, we will do that."

Meanwhile, Atlanta residents continue to complain to the city, which received more than 22,000 calls to its Department of Watershed Management in January. And last year alone, there were a total of 12,291 water bill disputes, according to the city.

"Clearly, people are upset, and one of the things that we said to people is that we hear you and that we do believe we have problems in the water meter and billing system," Aman said.

That doesn't convince residents like Wilda Cobb, who is astounded at a water bill that now totals \$10,071.

Her bill spiked to more than \$1,200 in November, then skyrocketed to \$6,879 in December.

"I am furious, I am upset, I'm confused," Cobb said. "I can't get an answer from the city because they won't admit there is a problem."

A city official reviewed Cobb's bills, and said the unusually high usage for the two months would normally mean there was some kind of leak, possibly with the irrigation system. The city installed a data logger meter that tracks usage during each day.

Her latest bill is down to just \$34.

Ironically, Cobb knows something about water issues. She's an attorney for the Environmental Protection Agency.

"As I person, I know something's wrong here," Cobb said. "As an attorney, what can I do about it? But, I don't think it takes a law degree to say \$7,000 for a month's use of water by one person in a small home is just crazy without a leak."

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lechnasado

Hey, let's have a "Team-Building" exercise; throw in a "Lessons Learned" meeting too! "Back-slap", "high-five" and play fuzball at the bar afterwards... that's the ticket! A good time was had by all... kudos to the team! We are like FAMILY! Keep pretending, at your places of work and with your family... [more](#)

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nastynate93

It's God's water

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KritterKat

Then maybe his followers should start paying taxes to cover it for once.

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smc77

Well at least it seems like this was mostly a human/mechanical error that can be corrected. In most rural parts of my state Republicans are selling off public water systems to foreign countries for the short term \$\$\$ (so they can "cut" taxes - AKA buy votes) - just wait till the corporate greed catc... [more](#)

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RinMaine

That sounds like something the governor of Wisconsin would do.

7 minutes ago | [Like \(1\)](#) | [Report abuse](#)



eliselynn

Shoot at that cost I'd be washing my hair with Aquifina

11 minutes ago | [Like \(1\)](#) | [Report abuse](#)



Zero10

Paying for water is ridiculous. Water is the base for civilization and yet we would rather spent trillions blowing up some rag heads. Water distribution and purification should be run by the government and given out for free.

14 minutes ago | [Like \(5\)](#) | [Report abuse](#)



inseisyou

You must own a pool.

4 minutes ago | [Like \(1\)](#) | [Report abuse](#)



Zero10

@Dadsnorz Air is free! For now!

6 minutes ago | [Like](#) | [Report abuse](#)



JohnnyDH

Nothing is free...then you would just pay for it in taxes and that tragedy of the commons states that people would over consume because they are not responsible for their level of use, thus raising the water costs for all and eventually depleting the water supply.

7 minutes ago | [Like \(2\)](#) | [Report abuse](#)



• **Phalkhan**

too bad, most water rights in the US have been sold to European investors...

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• **Dadsnorz**

Nothing is free, especially if the government is involved.

9 minutes ago | [Like \(2\)](#) | [Report abuse](#)



• **Guest**

Yet another reason I prefer to live in Canada: no monthly water bills.

14 minutes ago | [Like \(2\)](#) | [Report abuse](#)



• **Sunnyfighter**

Thats easy for you considering 90% of your country is ice.

2 minutes ago | [Like](#) | [Report abuse](#)



• **KritterKat**

So, they're essentially "accidentally" charging way more for the same amount of water being consumed. Shouldn't someone in the accounting department have noticed this excess of cash flow almost immediately? They sure notice short falls quickly enough and increase the bills to cover it. So much for f... [more](#)

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• **telveer**

I was affected too (Loudoun Water, Northern VA). My water bills during summers would be ~\$80 per month. Last summer, I started getting bills ~\$200 per month. I had the house inspected for leaks and there were none. There was no change in my usage pattern over the last 5 years. My last bill (for the ... [more](#)

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• **telveer**

@KritterKat: I did .. many of them complained about significantly higher water bills (2 to 4 times past bill amounts) but the bills were not outrageously high (like thousands of dollars). We plan to check the bills this year and escalate the issue if it happens again.

4 minutes ago | [Like \(1\)](#) | [Report abuse](#)



• **KritterKat**

You should talk to your neighbors to see if they have seen the same increase. If they haven't, then they should definitely give you a monitor.

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• **mike46774**

A glimpse into the future for all of the human race. Wars will be fought over water. States are already fighting over water "rights". The Money Monster's thirst is never quenched.

18 minutes ago | [Like \(1\)](#) | [Report abuse](#)



• **voidzOne**

There are no gods, and jesus never existed!

18 minutes ago | [Like \(3\)](#) | [Report abuse](#)



• **RoscoeC**

Do you remember when government--local, state or federal--put the people first? When people were treated with respect? That when people said my water bill is way too high, the local government would bend over backwards with apologies and tell us not to pay the bill until they sent somebody out to ch... [more](#)

25 minutes ago | [Like \(7\)](#) | [Report abuse](#)



Zxfan

When did they ever worked for the citizens except during the campaigns and during a handful of administrations? Most of the things that ended up helping us is usually just a byproduct of something that helped the guys that helped to fund those politicians.

16 minutes ago | [Like](#) | [Report abuse](#)



RoscoeC

To KritterKat. Oh, you are so right on!

20 minutes ago | [Like](#) | [Report abuse](#)



KritterKat

You mean back before the government was controlled by corporations?

25 minutes ago | [Like \(11\)](#) | [Report abuse](#)



FrankGim

If the potential existed that a leak could cost me thousands of dollars for lost water, I would consider installing a well and cutting off from government provided water.

27 minutes ago | [Like \(2\)](#) | [Report abuse](#)

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