



*Submitted by staff
at 10/30/12 meeting
Item 2*

October 30, 2012

Ms. Loreen R. McMahon, Director
Consumer Service and Information Division
California Public Utilities Commission
505 Van Ness Avenue, Room 2250
San Francisco, CA 94102

Subject: High Bills in the Monterey County District

Dear Ms. McMahon:

Over the course of 2012, public reports of high bills – bills that are higher than usual without any known reason or explanation for the increase – have reached a crescendo on the Monterey Peninsula. Consumers have spoken publicly to our board about the lack of satisfaction they have had with California American Water Company's dispute resolution process. Further, affected consumers believe that there have not been sufficiently reasonable and understandable explanations provided for these events of billing spikes.

Cal-Am has assured the public that they have investigated the incidence of high water bills and that there is nothing wrong with the meters, distribution system, or billing system and that in most cases the cause is undiscovered and unrepaired leaks. Further, such unrepaired leaks coupled with the tiered rate structure in the Monterey District are the primary cause of such high bills.

Yet, locally confusion and upset have not abated. The number of high/low calls to Cal-Am in July and August 2012 was more than twice that of the same period in 2011. Concerns expressed by the public include accuracy of water meters, consistency of meter reading and reporting, billing software, and the dispute resolution process.

The Monterey Peninsula Water Management District respectfully requests that the California Public Utilities Commission investigate the occurrence of high water bills on the Monterey Peninsula for three key reasons: (a) the overall financial impact of billing adjustments is large, (b) the financial hardship on individual consumers is daunting, and (c) explanations to the public have not been sufficiently supported by data.

Overall Financial Impact

The District was an important supporter of conservation-inducing tiered rates for the Monterey Peninsula and remains committed to such a structure. However, in D.1206016 in June of this year, Cal-Am's Special Request #14 sought to have customer billing adjustments due to leaks included in the WRAM balances for its Monterey County District. For billing adjustments in the Monterey County District, Cal-Am bills the customer for water usage above historical levels at the second tier of the conservation rate which results in lower revenues and higher non-revenue water. Cal-Am asserted that this is a rate issue not a consumption issue, claiming that the lost revenue is due to steeply tiered conservation rates and therefore the lost revenue should be tracked and recovered in the

WRAM balance. DRA objected to Cal-Am's request and stated that any losses due to billing adjustments should be borne by shareholders.

The Commission determined that the revenue losses are not directly attributable to the tiered conservation rates, rather to Cal-Am's treatment of billing adjustments. The Commission agreed with Cal-Am that billing adjustments benefit ratepayers and that Cal-Am should be able to recover the revenue lost due to billing adjustments, but disagreed with Cal-Am's recovery through the WRAM. Therefore, Cal-Am was directed to remove all billing adjustments from its computation of the Monterey County District WRAM and file a Tier 2 advice letter for recovery.

In October, Cal-Am filed AL 970 to recover leak adjustment amounts attributable to customer billing adjustments made in the five years 2007- 2011. The total annual increase as a percentage of operating revenues is 4.26%. California American Water requested that the revenue loss of \$6,235,488, be recovered through a volumetric surcharge, pursuant to CPUC Standard Practice U-27-W. This amounts to more than \$100,000 of billing adjustments per month on average over that period. This is a significant amount, that when recovered as a surcharge is borne by all ratepayers, residential and non-residential, water-wise and water-wasters. The District believes such a large periodic adjustment warrants greater due diligence by Cal-Am to try to better identify the causes and reduce the number of occurrences.

Financial Hardship

The CPUC reported 147 consumer contacts on water utilities in August 2012. Of these, 66% were billing related. Many of the incidents on the Monterey Peninsula were not reported to the CPUC. Due to Monterey District's unique tiered rate structure, the financial impact of high bills for consumers on the Monterey Peninsula is a much higher order of magnitude than would occur in other Cal-Am districts throughout the state.

For example, two recent reports were monthly bills of \$9,800 and \$14,000 for small residential accounts. This places a severe economic hardship on the consumer. Further, the CPUC's own informal complaint process states *"A customer who questions the accuracy of a utility bill may deposit the disputed amount with the Commission to prevent discontinuance of service. Commission staff reviews the customer's complaint, the utility's position, the utility's compliance with its rates and rules, and the analysis of collected data. The staff then issues an informal opinion on the dispute, notify each party of its findings, and send money on deposit to either the customer or to the utility."* This policy can result in a financial hardship simply to enter the dispute resolution process.

Cal-Am's own internal resolution process typically reduces the bill to assume a Tier 2 billing, but that can still result in a resolved bill that is still significantly higher than normal.

The potentially high consumer cost of the billing resolution process also warrants greater due diligence by Cal-Am to try to better identify the causes and reduce the number of occurrences.

Several individual case studies for the Monterey Peninsula are attached as an appendix to this letter.

Data-Informed Explanation

The District has no reason, based on facts or data, to dispute that the primary cause of the spiked bills is unrepaired leaks coupled with the tiered rate structure. However, physical evidence of leaks has not always been present, self-correcting leaks are difficult for consumers to understand, and the mathematics of how much water appeared to have been used does not always add up. As a result, consumers on the Peninsula have questioned

Loreen R. McMahon
Page 3 of 11
10-30-12

the accuracy of water meters, consistency of meter reading and reporting, billing software, and so on in order to explain the mystery.

A greater examination of the correlation of high bills to type of meter, type of meter reader, installation of meter, type of software, etc, as well as comparison of data to other Cal-Am districts or to other investor-owned water utilities would go a long way to satisfying concerns over causative factors.

Thank you for your consideration of this matter.

Sincerely yours,

Who Should Sign?
Title

cc: Raminder Kahlon, Director, Division of Water & Audits
Phil Enis, Program Manager, Consumer Affairs Branch
Danilo Sanchez, Division of Ratepayer Advocates

APPENDIX

High Bill Case Studies on the Monterey Peninsula (Source: Monterey Herald)

Larry G. Maggio, Pebble Beach
09/18/2012

Update 10/22: I emailed the Herald on Sept. 17 to complain about my Cal Am water bill of \$342 in July and my August bill of \$406 for my home on Bird Rock Road in Pebble Beach. Cal Am came to my home, tested my water meter and found no leaks and nothing wrong with my water meter. I just received my September bill and it was \$59. Thank you "up there" for hearing my prayers. Miracles do happen; we just don't know the name of the person at Cal-Am who makes them happen.

9/18/2012: I am writing about my water bills going out of sight. I have always averaged between \$50 and \$90 in the winter months and between \$90 and \$120 in the summer months. My July bill was \$342.00 and I just received my August bill, which is \$406.89. What is a person to do? Cal Am says there is no problem so where does one turn to for some water rate justice? I had contacted Cal Am when they offered to have one of their water experts make a modification to my outdoor water system. I have not had anyone from Cal Am contact me as they said they would to evaluate my home's water system and install some type of device to help conserve and monitor my outdoor water usage. I feel I was patted on the head and told to sit and wait; then they simply started gouging me with these outrageous bills. Not a very nice way to treat senior citizens in their retirement years or for that matter, any customer. My monthly water bill now exceeds my gasoline bill by approximately 30 percent.

Alana S. Knaster, Pebble Beach
10/19/2012

We live on Bird Rock Road. Our bill skyrocketed to \$400 for July. They had never exceeded \$100, except for one month last winter when we set the sprinkler incorrectly, and even that bill was close to \$100. With one person living there, the sprinklers on only five minutes every three days, and no leaks, we were shocked. We phoned Cal Am, but they insisted it was on our end. The next two months, magically, the bills went down — \$95 and the most recent one was \$79. Nothing changed on our property. Leaks do not fix themselves. There are no elves changing the sprinklers this summer. The only explanation is that Cal Am thought they could get away with it, or they installed a new meter and set it higher.

Rose Evers
10/19/2012

Toni Ray was described in an article this week as possibly "the queen of Cal Am spike" recipients for her \$9,800. bill. Au contraire. I got a \$14,000 bill in early 2010. Husband and tenant dug up broken pipe and stopped the alleged flooding, but, hey, where was all that water that added up to 14K? There was no sign of it in the yard. Guess it went back down to the aquifer so Cal Am could pump it up again and sell it. I'm happy to have Toni as my No. 1 lady-in-waiting. Where do I pick up my crown and scepter as queen of the Cal Am Suckers?

Mike Scannell, Carmel Valley
09/18/2012

Cal Am asked permission to dig a trench via our property to restore water to our neighbors. They also moved the water meter off my property about 100 feet away without permission to make it easier for them to read the meter since they were doing this work anyway. About a month later I received a large water bill, \$500. I have renters in the property. Both they and I contacted Cal Am. Cal Am stated that the job was subcontracted out and was not their problem. Cal Am actually sent a letter from their attorney since I had complained about some damage to my property. The subcontractor left trash and did damage to a stunning garden I had spent about nine years on.

I called the subcontractor and they were quite helpful and offered to see what could be done. They stated that their work was not the source of the leak but they probably increased the water pressure to our house and some "old" pipes leaked or broke. I contacted Cal Am as well as my tenant. Ultimately Cal Am said for me to hire a plumber and find the source of the leak, and if it proves to be on their side they will pay. Long story short, I paid about \$1,500 between a leak-finding company and a plumber to fix a leak in the front of my yard. I don't know if Cal Am ever credited me for the water but they did nothing to compensate me for the plumbing leak or the damage to my yard.

Kathy Meheen, Monterey
09/14/2012

My water bill is usually \$30-60 per month. Last month it was \$800 and this month \$400. I've looked everywhere and haven't found a leak outside. My kitchen sink has a slow leak of about one drop every 30 seconds, which I'm working on getting fixed, but that hardly justifies such an increase. After hearing the horror stories about CalAm I'm afraid to contact them.

Lindy Levin, Pacific Grove
09/14/2012

Until October, November and December of 2011, my water bills averaged less than \$60 a month for the past 20 years. However, during that 3 month period, I was billed for more water than I typically use in an entire year. The bill for December alone was \$954.78 — 20,325 gallons of water, without any change in actual use.

During the many calls I made to CalAm's customer service number, I was repeatedly told that I must have a leak such as a dripping hose or a running toilet. At my request, Cal Am read my analog meter, which indicated that there were "no apparent leaks at this time."

A plumbing contractor and a leak detection company investigated the interior and exterior of my house. The irrigation system was checked station by station. NO LEAKS were found. A water audit of my house and irrigation system by Cal Am confirmed that there were NO LEAKS. As mysteriously as my bills soared, they dropped back down to normal, without any repairs to pipes or my meter.

Though I challenged CalAm in writing, I had paid the October and November bills in full along with \$100 toward the \$954.78 December bill. I was under the impression that Cal Am was going to make a proposal. Instead, I received a letter demanding full payment of the balance (\$864) or my water would be shut off. At that point, I complained to the Consumer Affairs Branch of the PUC. With the help of the PUC, my water was not shut off. A few weeks later, Cal Am wrote to me saying that they had "investigated" my account and concluded that I was entitled to a credit adjustment, which I gratefully accepted.

From this I learned that when a customer complains to the PUC, CalAm listens. The problem is that the PUC requires a deposit of the full amount of the disputed bill while the matter is investigated. But when the deposit is hundreds or thousands of dollars, many customers may be locked out of the resolution process because the price of admission is too high. Where there are NO LEAKS, a reasonable deposit should be based on average usage according to CalAm's own historical data. Otherwise, the customer has no recourse. CalAm has too much leverage. Having to pay a leak adjustment when there is no leak is unjust.

Many of the stories told by other CalAm customers share a common theme, although Cal Am's President, MacLean, finds no "trends or patterns." When customers prove that there are NO LEAKS, they are still held responsible. Even though the water loss is unexplainable, the fault is still attributed to the customer's "behavior" whether "purposeful or accidental" (Catherine Bowie, Sept. 5).

If CalAm wants to look at the "root cause of the issue," they should begin by reevaluating a company policy that implies that the customer is always wrong. Water loss is a fact of life in every water system. If CalAm can't explain the loss, how can the customer?

Loreen R. McMahon
Page 6 of 11
10-30-12

Although my case with CalAm is officially closed, a lot of questions remain in my mind. I wrote a detailed letter to CalAm in March, asking many questions, and was told they were looking into it. I have heard nothing further. Thank you and especially Julia Reynolds for covering the CalAm situation. Without you, our community would have remained uninformed and unorganized.

Jim Grinsted, Carmel Valley
09/06/2012

I received a bill for over \$4,000 for one month at my residence. The problem is that the rate tier billing system relies upon charging increasingly punitive amounts of money for what is considered unnecessarily high water use. It's supposed to force people to be careful not to waste water and of course it does do that.

The problem, however, is that especially in landscaping that's been carefully designed to use drought tolerant plants in the quick-draining soil that they need, and where there are drip emitters, the home owner will never see any evidence that an electric water valve might be stuck open or not fully closing. With the new conservation landscaping designs, the problem won't become evident until you get your shocking bill. Back when we had lawns and sprinklers, if there was a stuck or malfunctioning valve it would be readily evident since you'd see the sprinklers running and/or lots of water run-off.

Cal Am has been the happy recipient of the windfall profits that come to it because of this problem. Also, the 15 percent tax for the Coastal Water Project, and the additional 12.6 percent tax to the MPWMD, both of which are based upon those astronomical bills, makes those agencies very happy recipients of a fat windfall.

Cal-Am does allow a once-in-a-lifetime leak adjustment for those homeowners who have the know-how to pursue one. But this type of completely unintentional water use can happen to anyone at anytime. And those of us who have drought-tolerant landscapes are the very most vulnerable. Also, the adjustment is only for a marginal amount that doesn't come close to removing the portion of the penalty bill that was due to inadvertence.

Janice Parise, Pacific Grove
09/06/2012

Even though there were no leaks found by our family, two reputable local plumbers, our general contractor or KION News, it was still our fault for the spiked water bill. "Pay up or we will shut off your water this week." "I can see your water meter running on our computer (in Illinois and Florida) as we speak. You need to go and find your leak now as next month's bill will be higher." The phone calls to the number included on the bill (to Illinois or Florida, nothing local) were everything but friendly and helpful. If it wasn't for KION's news story with Suzanne Bruner running at both the 5 and 10 p.m. news, showing how our monthly bill ran \$40 and below, often using 1,000 gallons of water on a home with gravel and no front lawn or foliage watering, I would still be fretting about something so wrong.

With that one month's spiked water use of over 70,000 gallons of water with a bill of \$2,700, I would have at least five swimming pools and a fountain spewing for all to view. Receiving a door knocker, not on our front door but on the ground at our back door as Cal Am's letter of notification with a box checked off for "Meter registers movement. Check property for leaks," was our only form of Cal Am communication. Three days later, the \$2,700 water bill arrived and it was quite a shock.

After the airing of our story on KION for two days, our phone was ringing (as was KION's) with similar stories. Ms. Bowie, spokesperson for Cal Am, then contacted us and offered to work with us, asking us to pay \$2,400 as our meter had been improperly read the last 5 months.

"So, you are saying that our bill should have another \$500 added for EACH of those last 5 months? Does that really sound logical to you?" I asked. Again I refused and after several more calls from Ms. Bowie, she agreed to have our plumber visits paid for and I offered to pay the previous month's bill and nothing more.

Miraculously, the next months' bills returned to normal and we did nothing. THERE WERE NO LEAKS. I encourage others to contact the PUC. We are hostages of Cal Am.

Loreen R. McMahon
Page 7 of 11
10-30-12

Suzanne Alsup, Seaside
09/06/2012

Normally my water bill for six people was running about \$55. I began noticing my water bill was triple the normal amount not long after the the New Year. I was confused as to why, because my grandmother had been admitted into the hospital since December and I had stayed with her most of the time. My children moved out the first of the year. The other two people in the home were working full time. We do not water the lawn, wash cars or have any extra usage.

I called and was told I obviously had a leak and someone would come out to check. I received a note stating nothing was wrong and there were no leaks. A day later, a friend stopped by and noticed a small leak right near where the "inspector" left the notice. We had it fixed immediately.

With all the high bills, we fell behind, partly because I was still spending all my time with my grandmother at the hospital.

I called and asked why the bill was still so high and what they could do to adjust it. I was told it was my responsibility to pay for all the water we were using and there would be no rebates for what I believed were overcharges. We began getting shut off notices for hundreds of dollars. I called and made a payment plan; it cost me over \$300 to have it set up.

In less than a week, I received another shut off notice. Apparently, the payment schedule did not include the current bill, which again was over \$300. This continued all summer. In late June, my grandmother died. Now, we are having one less income and still incurring high water bills. Three weeks after that, my fiancé passed away suddenly, leaving my son and me with high financial burdens.

Last week, once again, I received another water cut off notice. It was for under \$200. I had to pay, still really confused as to why it is so high. I am the only person here in the house all day, and I am not using water, beyond personal need. The other person works all day and evening and we don't even shower every day, trying to save water.

When I called to pay the bill to avoid shutoff, again they would accept no less than \$350.00.

I know for the last few months, the water company has been working on and around our street. The constant noise from 7:30 until 5 p.m. is insane. They broke a water main down the block the other day; is that what we are paying for? Their new construction and their water wastage? And when will someone be honest enough to explain to me how we are running up the water bill when we are barely using any? We wash clothes about once every two weeks. We have a mini dishwasher we run about the same, once every two to three weeks. No daily showers, no watering plants or washing cars.

Kurt Neilson, Seaside
09/05/2012

I got a small house in Seaside and planted a set of small trees in 2010 in addition to various drought-tolerant shrubs, no lawn, and just one tenant using the typical base level of water. There was a \$200 water bill at the height of last summer, but I didn't worry about that since I needed to ensure the young trees stayed alive till winter.

Suddenly, this July, I began spending all of my free time in the Central Valley caring for my aging parents, returning to the Peninsula for work and basic tasks of laundry and property maintenance. Coming up for air last month, I was shocked to see the two bills (July \$550 and August \$1,800) added to my list of miseries.

How could this be when I have not even been home half of the time? Has someone been stealing water while I'm away? Of course, Cal Am sent a meter reader to verify that no leaks were present, but beyond that, they have made ZERO effort to help me address this problem.

In this last month, I skipped showers, minimal watering, etc, and still my latest bill was \$400! How can a monopoly utility rape its customers in this way with no recourse at all? Where are our elected officials, state and local, in this matter?

Brenda Palla, Carmel
09/04/2012

Loreen R. McMahon
Page 8 of 11
10-30-12

My Cal Am story took place 10 years ago. My husband and I lived in our Carmel 892 sq. ft., one bathroom cottage for many years with an average water bill of \$30 to \$35 per month. We were suddenly hit with an \$800 bill for one month's water usage and immediately called Cal Am. They advised that we must have:

- a pipe leak inside the house, under the house, or in the yard
- a running toilet
- leaky faucet or hose
- water theft from a neighbor

We hired a plumber who performed a thorough inspection and found nothing. We called Cal Am and advised that the problem must be with the Cal Am meter or the reader since we had eliminated any possibilities for problems on our side. (No lawn and a few drought resistant plants in the front yard, the houses on either side were second homes for their owners who would visit infrequently through the year.)

Cal Am tested the meter and insisted that the equipment was working properly, and we remained responsible for the \$800. They offered a payment plan to be paid in addition to our regular monthly bill. (Our bill magically returned to the \$35 range the next month.)

I paid the \$800 to avoid having our water turned off (which is what the local office said would happen if we didn't pay it) and began the process for a refund request with the Cal AM Corporate offices in the Midwest by doing the following: Faxed 5 years' worth of water bills showing the consistent low water usage

- 11 phone calls to corporate
- 9 emails
- 4 typed 'snail mail' letters
- Faxed the plumber's findings and also a contractor inspection document

Resolution came after 8 months in a letter from the Midwest Corporate office advising that we would receive a credit on our water bill. For the next 4 years we never received another Cal Am bill. I learned you have to be tenacious. With Cal Am the customer must prove beyond a reasonable doubt that you didn't waste or use that water and even then, Cal Am will never admit they have over billed, misread, have faulty equipment, or have not fixed a broken water billing process. At any rate, this Cal Am billing issue has been going on for years, and it just happened to go from a dripping problem to a full blown gusher now Thanks to the Bill Walsh's son being tenacious and the Monterey Herald for printing their story. Keep investigating. I think you'll find they've been over billing for years and don't want to fix the problem

Robert Hood, Pebble Beach
09/04/2012

I live in Pebble Beach, but we are not home in the summer months. Despite no one at home, our water bill in August was nearly \$1,200, way higher than average. I am going to request Cal Am check the meter and to check for leaks, but this is very strange.

Robyn Wood, Monterey
08/31/2012

I received a water bill in June for \$304. My normal bill is around \$26. I contacted Cal Am, they sent out a tech to check the meter. Nothing wrong with it. I had my landlord check the property, no leaks found. I have a small one bedroom cottage, no lawn, no hose was left on, I can't wash my car here, no extra visitors, etc. The next month my bill was back to normal all by itself. I spoke with Cal Am again, I was told my problem would sent back to the claim dept. I sent them \$30 to cover that month. Then I get a nasty letter with a bill that says if I don't pay them, my water will be shut off. So, I filed a claim with the Public Utilities Commission. My bill has been adjusted since, but not as much as it should. They need to update their technology, and stop gouging their customers.

Cris Staedler, Monterey

08/31/2012

I read with interest the article about a proliferation of recently reported Cal-Am bill spikes in our area. We have recently experienced the exact same situation with one of our commercial tenants on Lighthouse Avenue in Monterey. The Cutting Center is a barber shop that has been located in our building and has operated basically the same way every day since 1985. They lease approximately 1,200 square feet with one restroom with the same number of employees and a consistent customer base. The owners are on-site working every day. In short, they are very attuned to what is happening with their business.

Over the years they have consistently used approximately 5 units per month. A couple of weeks ago, a Cal-Am representative visited their business and informed them that they had used an excessive amount of water in the prior month. Instead of the regular and consistent 5 units, they had used 250 units in the prior month. The Cal-Am representative insisted that they had a massive water leak associated with their business. He proceeded to search the premises for a leak, but could not find one. He ran a leak test on the one toilet in the business and found no leaks. He checked the rate of flow on the meter and found no flow, further indicating that there were no leaks. He insisted that there was nothing wrong with the meter and that there must be a massive leak under the building that could not be seen. This seemed odd since the building is built on a concrete slab and the plumbing is in the walls and ceiling of the business.

In short, the Cal-Am representative was not able to find a leak and could not explain what would cause the water use for this commercial customer to increase 5,000 percent from 375 gallons per month to over 18,000 gallons per month. In response, the business owners contacted Cal-Am customer service and were treated rudely and told that there was nothing they could do about it. The business owners hired a reputable plumber to check out all the plumbing and no leak was detected. They continued to monitor the water meter on a daily basis and found it to be operating consistently with their normal average monthly usage of 5 units per month. In short, they have not found any leaks and the water meter is now showing normal average monthly usage once again.

The Cutting Center received their bill yesterday and it was almost \$1000; much higher than the normal \$40 per month they have always paid. The business owners contacted Cal-Am again and were told that the only way they could get an adjustment on their bill is if they can provide evidence that there was a significant leak associated with their water meter, which they cannot.

Based on the article in the paper this morning, this story appears to exactly emulate other recent stories of customers receiving abruptly spiking water bills with no apparent explanation for the "alleged" increase in water use and then the rates inexplicably drop to former levels after their spikes. This is clearly a situation where "there are bills in one single month that appear to be atypical" according to written comments made by Cal-Am President Robert MacLean. Clearly, there is something wrong, as at least partially acknowledged by their President, Robert MacLean. However, Cal-Am employees continue to treat their customers rudely and with no intent to help them figure out what went wrong. I just wanted to take this opportunity to share this story with you on behalf of our tenants, The Cutting Center

Sherry Yacout, Monterey
08/31/2012

I am writing to let you know of my outrageous water bill I received this month from Cal Am: I live in a single household and work full time and am never home during the day. I was shocked when I learned that I was being charged \$165 this month when last month my bill was only \$8. How could this be possible?

I called the company immediately and was told I must have a leak. I had a plumber in the very next day. No leaks. I called the company again and told them there were no leaks found. I was then given some lame excuse about it may have something to do with taxes. TAXES?!!! What am I? Stupid? I don't think so!! Not \$150 worth of taxes. It wasn't until today, while reading an article in the Herald, that I found out I was not the only one who had been affected by the very same problem with their water bills. I am outraged that Cal Am is ripping off their customers. Something needs to be done about this. This is just not right and we should not have to pay these insane water bills! Cal Am needs to be investigated!!!

Loreen R. McMahon
Page 10 of 11
10-30-12

John Wagner, Carmel
08/31/2012

Thank you for involving yourself in the Cal Am billing problems. Following is my story: This concerns a mix use (commercial/residential) property in Carmel that includes a 60 seat restaurant and is serviced by a single meter. The average monthly use is 27,000 to 35,000 gallons a month with the monthly bills ranging from \$280 to \$350. In November, 2008, I received a bill for \$6,182.89 indicating we used 358,500 gallons of water. There was no indication of any leaks, and the property would have been under water if that much was used.

After a number of conversations with Cal Am (not the local office), at my request the meter was pulled and the calibration was tested and was told it came out about 99% accurate. After some more conversations, the bill was reduced to around \$1,800, which they arrived at by multiplying the average monthly water usage by the tier 4 rate. They arranged for me to pay it off over 18 months.

Since this incident I read the meter weekly and chart the water usage. The replaced meter seems to be working ok and I have caught a few leaks and running toilets. I found that working with Cal Am a very stressful experience. Their "customer service" representatives were anything but that, and they seemed reluctant to let me know that there were local Cal Am people we could talk to. Since the incident I have had conversations with the local office while setting the allotments. They seem confused as how to set the allotments for a property that is neither commercial nor residential.

My personal opinion of the problem of the spiking usage is that the meters are old and the numbers stick and more others forward resulting in false reading

Kira Godbe, Carmel
08/29/2012

Just as I open my bill today from Cal Am I see the headlines at the Herald: "CalAm sees no trend in suddenly high bills." The CalAm operator in Illinois? Pasadena? responds to my dismay at receiving a \$168 monthly bill compared with every other month being under \$40. Must be my leak, must be my meter, must be my mistake.

No — I'm one person without a washing machine, without an irrigation system, living in foggy Pacific Grove not needing much garden watering. When I moved in to this location a year ago, I received a bill for two days' water usage for \$1,012.00 Seems someone misplaced a decimal. Now I have to spend frustrating time on the phone waiting for resolution. What is going on with Cal-Am?

Edward Ciliberti, Pebble Beach
08/28/2012

I am writing to let the Herald know of my outrageous bill that I received in August and has now gone back to its normal rate.... Before I even knew of all the complaints that were reaching the media, I was absolutely stunned when I received my August bill showing that I had used over 15,000 gallons and the bill for that month was over \$750.71. I phoned Cal Am to complain about the charges and that there was no way that two of us could have used over 15,000 gallons in one month.

I have owned my home in Pebble Beach since 2006 and on average the monthly bill has averaged around \$50-60 during the winter months and around \$130-140 during the summer months. Even Cal Am admitted to the water usage consumption monthly averages and that something didn't seem quite right. As a result they put a hold on my account. The current bill that I just received for the Sept. 4 due date now reflects a back-to-normal billing, or close to it, at \$187.83

We have done nothing different in terms of cutting back on our water consumption, and have never had any leak problems, but all of a sudden our monthly bill has dropped back to where we would consider it to be almost normal. Some of our neighbors have also experienced this same pattern.

Charlotte Rohren, Pleasanton

Loreen R. McMahon

Page 11 of 11

10-30-12

08/27/2012

Our water bill for our small home in Carmel usually is \$18 to \$20 per month. We are only in this home on weekends. We have owned the house 26 years. Our July bill suddenly shot up to \$578! The amount of water listed was 11,475 gallons. It cost us \$109 to have a plumber declare our home free of leaks. We are now in the process of trying to get the bill reduced. The Cal Am investigator said we had a leaking toilet, which the plumber did not discover. We have now turned that off. After reading the article about the same experience of other people, we wonder what is going on at Cal Am.

Marie-France de Sibert, Monterey

08/27/2012

I, too, have a problem with Cal Am. My bill went to \$1,200 last June from some \$600 last year. As I removed practically all lawn and am watering very sparingly, it was a shock. After very carefully going through all water sprinkling, I noticed a leak, which was quickly repaired. But the following month (July) I still had a \$1,123 bill. I called the water company several times but all they could say was: we'll send you a specialist who can advise you on conservation. I know what conservation is and am very careful! What does the water company want from us normal citizens?

Craig Walsh

9/17/2012

We have a home at 1111 Ocean View in Pacific Grove. This my mother house who is 78 years old and is the widow of Bill Walsh. I am their son and the trustee of my mother's estate. We have been getting crazy water "bills" over the last 2 years. To make a long story short, CalAm is now going to turn off service at this residence because we have racked up \$10,000 in water usage over the last 60 days. The bills have been up to \$5,000 and down to \$ 300 per month so there is no constant leak. Two weeks ago I had an independent leak detection company out, their finding was there is no leak anywhere. They tested the drip system and went through the entire house. (I have their certified report).

CalAm sent out a "technician " in June of 2012 and he concluded it was the drip system....without even testing it!!!! He was there and gone in 20 minutes.

Last month CalAM said we used 84,000 gallons of water....the home is 1,900 sq ft. **This is ridiculous**, they even suggested someone was stealing water -to take 84 thousand gallons the truck would have to be able to hold 5 swimming pools and be there for 14 days. To me This is Elder Abuse, please put this issue on the agenda for the next meeting.