

Water Utility Board Mtg 8.28.12
Comment on Agenda Item # 6
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I'd like to tell a story that raises questions about the rationales being put forward to the public about the reasons for AMI, which are related to this agenda item--the proposed 12% water rate increase.

In our household, we have been working extremely hard to use less water. Our conservation efforts are paying off. We used 23 ccfs from Dec. 14, 2011-June 14, 2012, compared to 39 ccfs in the previous 6 month billing cycle. Converting this to gallons--we used 11,968 gallons less in our most recent 6 month billing period than we used in the previous one. Breaking it down further: this is 65 gallons a day less than what we were using before.

A couple points this raises:

- 1) We were easily able to read the number from our analog meter, and based on that, assess how we are doing with water conservation by comparing it to the previous reading.
- 2) We were easily able to convert ccfs to gallons and do some quick (and easy) division to figure out our water use by month/day, etc.
- 3) Our analog meter does not give us up-to-the-minute numbers, but we have no need (or time) to check our water usage data every minute or even every day. Now that we know approximately how many ccfs we use per day, a simple glance at our meter once every few days or week is plenty to assess how we are doing with conservation, and to notice leaks.

In sum, we did not need smart meters/AMI to conserve water. People could easily be taught to do what we are doing conserve water and track water usage without AMI.

More importantly, this little story raises several questions about Madison Water Utility's communication with the public about AMI, and what it has to do with proposed rate increases.

The public is being told that AMI system will encourage water conservation. *It was stated on the Neil Heinnen show yesterday that smart meters will "reduce water bills for some people."*

Both statements are highly disingenuous and misleading. Some might call them lies. They seem purposely intended to lead people to think that smart meters will lead to lower water bills than people have now. A neighbor who just had a meter installed interpreted Water Utility and installer statements to mean that smart meters would lead to lower water bills. She recently had a baby, has to work fewer hours, and is struggling to pay her existing water bill. She was very upset when I told her that her that in fact her water bills would be going up significantly in coming years despite the smart meter.

We know that smart meters are being implemented in part so that people have more regular feedback when the Water Utility *raises* rates (and possibly implements inclining rate structures). But most people do not know that because they have not been informed of this bigger picture. Saying that smart meters will "reduce water rates" in this context is similar to the corporate strategy of increasing consumer product prices significantly and then offering lots of sales and coupons so

that people have the option of paying slightly less by clipping lots of coupons and purchasing on sale days—even though the products still cost more than they did before.

And, let's look at a concrete example of potential impacts on water rates among those who work very hard to conserve. In our household, we are already using much less than the conservation levels proposed in 2008. Yet based that plan, if we continue to conserve at the rate we are now, we will not pay less (and in fact will likely pay slightly more). We understand that water rates for all classes of consumers will be going up to pay for increasing infrastructure costs, new wells, filters, new water towers, consultants--and the \$14 million for AMI, which we are already paying for and will continue to pay for via our rates for years.

Meanwhile, most people in Madison currently use much more than what we use in our household. Some people, such as those with large families, will have little choice but to pay a lot more for their water even if they work hard to conserve, because they have more people in their households. Their rates are going to go up considerably with the proposed rate increases, and even more with inclining rate structures. Are they being told this? Prepared for this in any way? No. Instead, they are being dishonestly misled by statements suggesting that smart meters will lead to conservation and lower rates.

Finally, all of this begs an important question: **What would happen if everyone—or at least a significant number of households in Madison-- conserved as much as we are in our household?** If this happened, wouldn't Madison Water Utility have to *raise rates* in order to generate the revenue it needs—*unless* wholesale and other large water users are charged the same inclining rates as residential users?¹

This begs further questions: Does the Water Utility really want, or expect, many people to conserve significant amounts of water because of AMI? Is AMI really about that? NO.

I predict that when people who have been led to believe that smart meters will lead to lower water rates see their bills skyrocketing in coming months—or see that their water conservation strategies are not resulting in lower bills—they will be outraged.

Water Utility and city leaders have never told Madison citizens, who are paying for AMI via their rates, the whole truth about the actual reasons for installing this system, or the disparities involved in proposed rate structures. Misleading the public with omissions of key information and slick word choices are not good public relations or public engagement strategies. People can see through this—and some of us are seeing through it. We expect more from our government leaders, especially in Madison. At the very least, we expect honesty.

¹ On the other hand, what if Madison citizens and businesses conserved so much that the WU didn't have to dig new wells, infrastructure costs went down due to lower pumping rates, reduced energy costs, etc.—and this led to stable or even decreasing water rates and a replenishing rather than increasingly depleted aquifer? Sadly, based on what we have seen so far, the Water Utility and city leaders are unlikely to encourage—or to even consider—this scenario. We think they should. Of course, then the Water Utility would have to get serious about educating people and promoting conservation in meaningful ways (including among wholesale users). AMI will not do that, nor is it intended to. Throwing consultants and money and technofixes like AMI at our water problems will not fix them. They will likely make them worse--in an endless positive feedback cycle. We need to get out of that cycle.