

MICHAEL H. WAINWRIGHT
ATTORNEY AT LAW

August 29, 2016

Honorable Ollie Tyler
Mayor
City of Shreveport
505 Travis Street
Shreveport, LA 71101

Email; mayor@shreveportla.gov
CONFIDENTIAL INFORMATION

Dear Mayor Tyler:

First, some background:

Before my wife and I moved to Western North Carolina three years ago, I lived in Shreveport for over fifty years, less my time in college, law school and the three years I worked on Capitol Hill as Asst. Majority Counsel of the House of Representatives Rules Committee under the sponsorship of Congressman Gillis W. Long. Consequently, Shreveport is a city I hold dear.

My relocation preceded your election, but I knew a great deal about you through some mutual acquaintances: the late Bob Munson, who I first met when I was Campaign Manager for Dr. C. O. Simpkins and hired Bob to handle media; Mary Rounds, who was my adopted daughter, Brandy Anderson's high school teacher and mentor; and Henry Price, who was my wife, Marty's supervisor during much of her 30 years as an Art Teacher in the Caddo Parish School System.

I've had a lifelong affinity for politics and government. I had been Co-manager of the Simpkins' mayoral campaign and Manager of Simpkins' campaigns for the Louisiana House of Representatives and for the Louisiana Senate. When Keith decided to run for Mayor, I was an integral part of a small group that went all out for his election. After winning, Keith

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Brevard, NC 28712

(318) 470 9393

LOUISIANA BAR ENROLLMENT # 13155

asked me to be the City's lobbyist at the state legislature. At the time I was already serving as one of Mayor Bo Williams' City Port Commission appointees. Those two positions gave me a wonderful, treasured opportunity to see the inner workings of local government.

Through those experiences and my time on Capitol Hill, I developed an understanding of much of the minutia of the governmental process. From that understanding an attraction to those details became habit-forming. It was out of habit that I first delved into the campaign finance and House of Representative expense reports of Patrick Williams that gave rise to my guest column in the Shreveport Times about his double-dipping. While many of my friends were actively supporting Williams' mayoral campaign, I simply felt the public had a right to know what Representative Williams had been doing with public dollars.

And with that background, let me now continue:

That same inquisitiveness fueled further investigation when I discovered that some water bills did not jive with a reading of the newly enacted water-tier ordinance that the City Council had enacted. A month or so after Shreveport's new tier rate structure for residential water usage was enacted I was contacted by an acquaintance who advised me that there was something wrong with the way that the City was billing under its new ordinance. We could not reconcile his consumption rate with the tier structure. Additionally, we compared other friends' billings and they too were not reconcilable.

After many hours and days of trying to figure out what the City was doing, we were finally able to decode the formula that the City was using. That formula did not conform to the City's ordinance and the mistake was causing the City to significantly undercharge many residential consumers.

I researched the ordinance language as well as the motivation for adoption of the new rate structure. I concluded that the City was not only in violation of its own ordinance, but that error was resulting in revenue shortfalls that impacted the City's debt servicing of the bond financing

used to fund remedial actions to comply with the City's consent order regarding water & sewerage upgrades.

This brought me to conclude that it was important that the City be made aware of the situation. Realizing that it was a matter that should be handled delicately in a face-to-face setting and that a trip to Shreveport presented personal challenges,¹ I began to consider recruiting others to carry the message.

At this point, I decided to discuss this matter with Justin Haydel of Manchac Consulting Group, Inc. because of his extensive expertise in water systems. I was also aware of his extensive involvement with Bossier City, which meant he would frequently be in Shreveport/Bossier. Likewise, I knew that if necessary he had in house talent that could make whatever corrections might be necessary. I had known Justin from the time I was the City's lobbyist at the legislature and through being a City appointee to the Port of Caddo-Bossier where I had served as a Commissioner.

Next, I determined I would ask Charles Grubb to review our findings and to recommend how to best approach the City. Charles was an obvious and easy choice because I had worked with him in the past and his knowledge of City government is unsurpassed by anyone in Northwest Louisiana. Charles was Shreveport's City Attorney under three different Mayors and served as Parish Attorney for the Caddo Commission. He has over forty (40) years of Louisiana Municipal Government experience.

After Justin signed a Non-Disclosure Agreement with me and entered agreements with Charles and me, Manchac was provided with the Confidential Information relating to the City's misapplication of the water tier ordinance. With that information Justin was able to estimate the fiscal impact of the City's error.

¹ About seven years ago I contracted a rare disease, Neurosarcoidosis, which damaged my central nervous system and adversely affected my mobility and overall stamina. It was this health issue which prompted my relocation and semi-retirement.

Armed with this knowledge and illustrative charts I provided, Manchac prepared a powerpoint presentation showing what the City was doing versus what the ordinance provided for. The presentation showed an estimation of \$1.6 plus million of additional revenue the City would garner in each coming year if the error was corrected.

At the onset we understandably anticipated that the City would be elated to learn that by correcting its previously unknown error, the City could immediately increase its revenue by tens of thousand dollars each month and by a million plus of dollars every year for the foreseeable future. Providing this valuable information might not be something one brags about, but we had anticipated expressions of gratitude and thanks. Our expectation was that the City would be only too happy to reasonably compensate us by paying a reasonable percentage of this "new found" money for a limited time period. After all, each of your staff obviously has an expectation of being compensated for their valuable service to the City. We should expect no less for the value we have brought to the City. This new revenue alone will be substantially more than enough to cover all of your administrative staff salaries and benefits each year.

Recognizing that you had tremendous demands on your time, we decided that Charles would be the most credible and knowledgeable individual to approach his friend, City Attorney William Bradford. Charles revealed to Mr. Bradford that he had an unnamed client who had information that if acted on would mean either substantial savings or enhanced revenue to the City. Further, as Charles represented, these substantial savings or enhanced revenues were available without any reduction in workforce, passage of any new ordinances or imposition of any new taxes or fees.

Our original proposal to the City was to give the City the option to either adopt or reject the findings and recommendations. If the City elected to reject, no compensation would be due, but if the City adopted/implemented the recommendations, we would be paid $\frac{1}{4}$ of the savings or enhanced revenue realized by the City for the initial four year period. Candidly, we felt the City would accept this proposal. It was inconceivable that any entity, including the City, would not jump at an

opportunity to substantially increase its annual revenues in exchange for paying a reasonable, time-limited percentage of those new revenues. To us it was analogous to offering to hand someone new found dollars in exchange for that someone paying the finder a quarter, except here the dollars would keep coming in long after the quarters ceased to be paid.

After several days, Mr. Bradford indicated that the City was unwilling to move forward unless a sufficient disclosure of the findings was made to the City in order to determine if it was going to enter any contract.

So reluctantly, but in order to accommodate the City's position, a Non-Disclosure Agreement (NDA) was prepared by Charles and me. That NDA was given to City Attorney Bradford who then executed the NDA on behalf of the City. That NDA contains a clear prohibition against disclosure or use of the Confidential Information that was and remains proprietary information. It further provides for injunctive relief and for penalties equal to the greater of \$10,000 for each violation or 25% of the entire, on-going, enhanced revenue that the City realizes from its violation of the NDA. This NDA was necessary in order to give the City the preview the City was requiring. The stringent penalties were to protect against the unauthorized use of the Confidential Information by the City.

After securing the NDA, Justin made a power point presentation of our findings and recommendations. Mr. Bradford informed Justin and Charles that the City had no inkling of this error. He also indicated that he would inform the Mayor. The April 21, 2016 NDA, hard copies of the presentation materials, and a proposed contract were left with Mr. Bradford.

After yet more delay, a follow-up meeting was finally held with Department Head Barbara Featherston, City Attorney William Bradford and CAO Brian Crawford on June 24, 2016. At the beginning of the meeting Ms. Featherston and Mr. Crawford both signed Acknowledgments of the April 21, 2016 NDA entered into by the City and that the disclosures being made to them were subject to the NDA's provisions and protections. In that meeting Ms. Featherston indicated that the error had to have been made by City employees. That meant that there was no 3rd party to pursue

effectively eliminating any chance of recovery for prior under billings absent the back billing of residential customers²

On July 8, 2016, Mr. Bradford advised that the City had investigated and confirmed the error had been made by the City. He also advised that the City believed the error was costing the City approximately \$1 Million per year³. Mr. Bradford went on to say the City basically would consider paying a one time fee of 10% of the under billing amounts for the period of time since the February 15, 2015 inception. Mr. Bradford also volunteered that the City would further engage Manchac for additional unspecified services. This coupling with other proposals was a City initiated proposal.

In response, Charles wrote a letter to Mr. Bradford and Mr. Crawford, dated July 18, 2016, which set forth a counter proposal. In light of the hundreds of thousands of dollars in lost revenue that any delay in implementation was costing the City, Charles letter requested finalization of the contract between the City and Manchac on or before August 1, 2016. No response was received.

On August 1, 2016, Charles made yet another effort to reach an agreement to allow the City to use the Confidential Information, but the City again failed to respond. Finally, in frustration over the City's non-response, all prior offers to settle were withdrawn on August 13, 2016.

As of last week, we now hold actual water bills which evidence that the City has, without our consent, utilized the Confidential Information in order to correct billings starting with the first of the 19 billing cycles in August, 2016. Disclosures that were made to individuals (other than William Bradford, Mayor Tyler, Barbara Featherston, and Brian Crawford) to correct the error were also not consented to and therefore also

² Query, does the City have an obligation under the City Charter to undertake such back billing from the date the City became aware of the situation? Query 2, what will be the political fallout if it becomes known that high volume users have been undercharged under the ordinance for 18 months while low volume uses have been charged their full amount?

³ Our estimate was \$1.6 million per year without including residents living outside the City limits who pay twice the in-city rate.

constitute violations of the NDA. Furthermore, each of the City's implementations of a correct billing using the CONFIDENTIAL INFORMATION constitute a separate violation of the NDA.

Paragraph 10 of the NDA provides :

Each party acknowledges and agrees that remedies at law may be inadequate to protect the other party against actual or threatened breach of this Agreement by the other party, and accordingly, without prejudice to any other rights and remedies otherwise to either party, the parties agree that either party **shall be entitled to seek injunctive relief**, and further agree to waive, and further agree to use their best efforts to cause their employees, agents, and representatives to waive, any requirement for securing or posting any bond in connection with pursuit of any such remedy or any requirement of proving the inadequacy of a legal remedy. Recipient agrees that any unauthorized disclosure and/or utilization of Confidential Information by Recipient, Recipient's employees or representatives shall result in a penalty of the greater of \$10,000 or 25% of all savings or increase in revenue that Recipient realizes from any unauthorized, direct or indirect, utilization of Confidential Information. Such remedy shall not be deemed to be the exclusive remedy for a breach, but rather shall be in addition to all other remedies available at law or equity. In the event of litigation relating to this Agreement, the losing party will reimburse the prevailing party for its reasonable legal fees and expenses incurred in connection with any such litigation, including any appeal there from.

Frankly, I am both mystified and shocked by the City's bad faith conduct and it's blatant, willful violation of the NDA. We came to the City with the expectation of receiving thanks for making it possible for the City to quietly, and discreetly correct a very costly error. Such correction will literally mean millions of new dollars to the City coffers. Instead we have been dismissed, or characterized as adversaries, because we had the audacity to request a reasonable compensation that would be paid out of a portion of the first four years' of new dollars. Remember, we did not

create the problem, the City did. And the City did not find the solution, we did. And, absent our bringing the error to the City's attention, these huge loses would have gone on and on.

Ironically, the decision was made to recruit Justin Haydel/Manchac and Charles Grubb not only because of their expertise, but because of pre-existing friendships and an eagerness for them to be a part of what we viewed as a Win-Win situation. We thought as bearer of this valuable information, Manchac would be accruing enormous good-will that would likely lead to future business with the City. Had we believed otherwise we never would have enlisted their participation.

Why the City insisted on an NDA, entered into that NDA, and then proceeded to purposefully violate that NDA in the face of these penalties, is simply beyond my comprehension.

Implementation of the recommendation contained in the Confidential Information will produce millions of dollars in additional revenue which will better enable the City to service its debt, upgrade, and maintain the water and sewer systems. Our original proposal was both fair and reasonable. Our proposal is well within the parameters of the professional fee contracts the City has entered repeatedly to provide for collection actions as mandated by Resolution 114 of 2009 that are routinely reported on at each City Council session. Consequently, we now expect the City to execute an agreement with us to retroactively authorize the City's disclosure, use, and implementation of the Confidential Information without further delay.

Absent such an agreement, we will reluctantly accept an adversarial role because it is the only position the City has left us. Unfortunately, fulfilling that role will not be possible without all of this being made public. That in turn, will inevitably draw the attention and interest of those who have been adversely affected by the shortfall in revenue and to others who will find it irresistible for their own political gain. It's hard to believe the City has distorted our good intentions into this.

Sincerely yours,

/s/ Michael H. Wainwright

Michael H. Wainwright



LLIAM C. BRADFORD, JR.
CITY ATTORNEY

CITY OF SHREVEPORT
OFFICE OF THE CITY ATTORNEY

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ASSISTANTS
MONIQUE DAVIS
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KOSHANEKE GILBERT
INGRID JAMES
TERRELL MYLES
JUSTIN SMITH

August 30, 2016

VIA CERTIFIED U.S. MAIL (7013 1710 0000 2897 3904)

Mr. Michael Wainwright
97 County Club Circle
Brevard, North Carolina 28712

RE: Manchac Consulting Group, Inc.

Dear Mr. Wainwright,

This letter is written on behalf of the Mayor in my capacity as City Attorney and is intended to address your August 29, 2016 correspondence related to the tiered water rating system implemented pursuant to City Ordinance, the unsolicited information provided to the City by MANCHAC Consulting Group, Inc. (hereinafter Manchac), and the plethora of unfounded allegations set forth in your communication to the Mayor and CAO.

Let me first begin by setting forth that it was never disclosed to the City of Shreveport that you were a party to this matter nor are you a party to the Non-Disclosure Agreement referenced in your correspondence. Furthermore, at no point did I, or any other member of the administration, represent to either Mr. Grubb, Mr. Haydel or any other concerned party, that "the City would further engage Manchac for additional unspecified services." In fact, it was clearly articulated to Mr. Grubb, on more than one occasion, that I could make no guarantees that the information provided would be utilized until the City performed its due diligence, nor would I even speak to whether Manchac would be considered by the City for additional after-work. There are significant issues related to the clandestine efforts undertaken by Manchac and Mr. Grubb and the overall lack of transparency used during their discussions with the City.

It appears Mr. Grubb has either over-estimated the depth of our relationship and/or he has over promised certain results to Mr. Haydel. When Mr. Grubb first approached me, he stated that he would like to discuss the possibility of providing certain information to the City that may prove beneficial. He requested a face-to-face meeting between his client and the Mayor to discuss the information. The very nature of this discussion gave me pause, and I set forth to Mr. Grubb that I was uncomfortable proceeding with any discussion until I received some background information. In fact, my words to Mr. Grubb were, "I cannot put a person, whom I do not know; in front of the Mayor to discuss information that I do not have." Mr. Grubb appeared to sympathize with my consternation and offered to discuss the same with his client. It was after that Mr. Grubb contacted me yet again to discuss this information and requested whether or not I would be agreeable to sign a non-disclosure and confidentiality agreement in order to receive the purported proprietary information. Upon review, I agreed and did execute the "Confidentiality and Non-Disclosure Agreement."

I find it appropriate to discuss this agreement to the extent it is being so heavily relied on by both Mr. Grubb and you. First, this agreement contemplates the dissemination of proprietary information from Manchac Consulting Group to the City of Shreveport. It is evident by your letter dated August 29, 2016;

OFFICE OF THE CITY ATTORNEY

that Manchac has derived its "proprietary" information from a third party that was not previously disclosed in its original discussions or in its presentations to the City. As a matter of course, the presentation offered to the City discussed how this information was "discovered" through the due diligence of Mr. Haydel. According to the letter provided by you, these statements to the City are both outright falsities and clear bad faith misrepresentations to the administration. At no point was it disclosed that you were the originator of this conversation. I will not belabor a discussion of "contractual consideration" under Louisiana law at this time, but rest assured, I will gladly delve into those intricacies should litigation arise.

Furthermore, the agreement clearly outlines that "nothing herein contained shall deprive Recipient (City of Shreveport) of the right to use or disclose any information (a) which is possessed by Recipient before receipt thereof from Company." It is uncontroverted that Mr. Haydel has not disclosed any of his processes used to obtain the unsolicited information and by reading your latest letter; Mr. Haydel did not in fact "discover" anything. By your own admission, Mr. Haydel was simply acting as a surrogate and clearly negotiated in bad faith with the City of Shreveport. Additionally, the "information" relayed to the City of Shreveport was a matter of public record. As discussed with Mr. Haydel, in order to execute the City's due diligence, the City would utilize its personnel to review billing and application of the ordinance against water usage. It is undisputed that all known parties agreed to that mechanism in order to vet the unsolicited information provided by Mr. Haydel. Again, by your own admission, this information is verifiable by a review of public documents better described as "water bills." It is clear that those documents were already in the possession of the City of Shreveport.

It is unfathomable that an organization such as Manchac or an individual as well versed in municipal law as you could expect the City of Shreveport not to properly enforce its own laws when a misapplication of that enforcement is brought to its attention. This is a matter of public policy. At a very minimum; the City has a strong position that it must take corrective action when such questions of proper application arise. Since both the ordinance in question, and the information relied on by you and Mr. Haydel are part of the public record; it calls to question whether any of the information in dispute is proprietary or confidential.

There has been much discussion related to the timeliness of this exercise. Clearly, the City is not obligated to any arbitrary timeline set forth by Mr. Grubb, Mr. Haydel or any other related party; especially when performing due diligence on unsolicited information. Correspondence was sent to Mr. Grubb that the City would be investigating the matter and when a final number was reached and due diligence was complete; the City would provide that information to him. This statement was acknowledged by Mr. Grubb.

Finally, as it relates to the City's issuance of revenue bonds; I have served as both underwriters counsel and issuers counsel. I am very well versed in the requirements related to continuing disclosures. The bond holders have an expectation that the City is in a position to maintain its debt service. As you are aware; because again, all this information is part of the public record; there has not been an issue with the City maintaining its bond covenants and there is no risk of a material default as it relates to service of the water department's bond obligations. Those veiled threats are both improper and counter-productive during this endeavor.

In response to your query related to "political fallout;" the City does not intend to back bill any citizen should the omission prove to be valid. It is my opinion that this does not constitute a violation of Article 7 section 14 of the Louisiana Constitution and I wonder what the "fallout" would be if the public is made aware that you, through your surrogates, attempted to surreptitiously force the city into a contract that is not in the best interest of the citizens, utilized deceptive tactics in your discussions with City personnel and attempted to profit an amount for services that is well in excess of any articulable value. I

OFFICE OF THE CITY ATTORNEY

think the better narrative is that Manchac, acting as a responsible corporate citizen, brought to the attention of City personnel that the inherited rate tier system passed by the previous City Council was being incorrectly applied and has offered assistance in remediating the issue. Given that consideration, the City restates that the administration values this service at an amount not to exceed 10% of the value determined to be potential losses between the months of February 1, 2015 and August 1, 2016. Once this value is determined, correspondence will be sent to you. It is my hope that this discussion can return to a civil discourse.

Warmest regards,



William C. Bradford, Jr.
City Attorney

cc: Ollie S. Tyler, Mayor
Brian Crawford, CAO
Barbara Featherston, Director of Water and Sewerage
Charles Grubb via Certified Mail RRR (7013 1710 0000 2897 3898)

Subject: Audit of Water and Sewerage Department

From: "'Ollie Tyler'" <Ollie.Tyler@shreveportla.gov>

Date: 10/16/2016 12:32 AM

To: "Willie Bradford" <Willie.Bradford@shreveportla.gov>, "Jeff Everson"

<Jeff.Everson@shreveportla.gov>, "Oliver Jenkins" <Oliver.Jenkins@shreveportla.gov>,

"Michael Corbin" <Michael.Corbin@shreveportla.gov>, "James Flurry"

<James.Flurry@shreveportla.gov>, "Stephanie Lynch" <Stephanie.Lynch@shreveportla.gov>,

"Jerry Bowman" <Jerry.Bowman@shreveportla.gov>

CC: "Brian Crawford" <Brian.Crawford@shreveportla.gov>, "Arthur Thompson"

<Arthur.Thompson@shreveportla.gov>, "Leanis Steward" <Leanis.Steward@shreveportla.gov>,

"Africa Price" <Africa.Price@shreveportla.gov>, "William Bradford"

<William.Bradford@shreveportla.gov>

Members of the Council,

Please consider this email as notification that I will be requesting an audit of the Water and Sewerage Department of our city. Please see the string of emails below from staff notifying me that this month(Oct. 2016) there was an error made by the Software company that created an under billing of sewer charges for appropriately 5,785 residents. I was made aware of this error right before I left for Baton Rouge this past week.

Director Barbara Featherston was asked to obtain more details on this problem. Her email and the email from the software company appear below. Mrs. Featherston indicated that this issue is not related to the tiered water problem that I notified you about last week. However, in light of this latest issue, I have decided to ask for an audit of the entire department. Those results will be provided to you upon completion.

The customers who were affected will receive notification during the week of October 17-21, 2016 regarding the error and the method for correcting it.

Thank you your continued support.

Ollie S. Tyler
Mayor
City of Shreveport

Begin forwarded message:

||| Barbara Featherston 10/14/2016 4:54 PM >>> |||

Mayor,

Below is an e-mail from Systems and software confirming that the sewer billing issue with Cycles 3 and 4 was not related to the tiered rate issue. An internal staff member of their team inadvertently made a change to our sewer rate changing it from \$7.22 to \$0.1 per thousand gallons. This affected approximately 5,785 customer in the area generally bounded by Jewella, east to I-49, and from Hollywood north to Milam, along with a small area just east of Jewella near Milam. Not all customers in this area were affected. Attached is a notice we will mail to these customers to advise them of the issue and how it will be remedied.

Please let me know if you need any additional information.

Barbara

Barbara Featherston, P.E., BCEE

Director
Department of Water and Sewerage

505 Travis Street
Suite 580
Shreveport, LA 71101
Phone 318-673-7660
Fax 318-673-7663

||| Brian Sullivan <BSullivan@harriscomputer.com> 10/13/2016 9:00 AM >>> |||

Good Morning Barbara,
I completely understand. As a result of my research I have learned that one of our Support Analysts was assisting Lashaun with a reported issue (TTP# 72556). In the course of her research for that issue she inadvertently changed the rate causing the issue we are now addressing. I can assure you that this was unintentional and was simply accidental. That is not to dismiss the seriousness of the resulting effect of course. I have spoken with our team collectively about the need to be more careful in production environments, using this case as the example of what can go wrong. Additionally we have also addressed through broader messaging across the S&S organization as a whole. Again, I do apologize for the inconvenience and additional work this has created for your team. Please do not hesitate to reach out at any time.
Thank You,
Brian

Harriscomputer

Brian Sullivan
Manager, Support Services
P:
F: 802-865-1171
E: BSullivan@harriscomputer.com

426 Industrial Avenue Suite 140
Williston, Vermont
05495
www.ssivt.com

This message has been sent on behalf of a company that is part of the Harris Operating Group of Constellation Software Inc. These companies are listed at the following link: <http://subscribe.harriscomputer.com>
Unsubscribe Option: If you do not wish to receive any future email, please unsubscribe by clicking on the following link: <http://unsubscribe.harriscomputer.com>
This message is intended exclusively for the individual or entity to which it is addressed. This communication may contain information that is proprietary, privileged or confidential or otherwise legally exempt from disclosure. If you are not the named addressee, you are not authorized to read, print, retain, copy

or disseminate this message or any part of it. If you have received this message in error, please notify the sender immediately by e-mail and delete all copies of the message.

From: Barbara Featherston [<mailto:Barbara.Featherston@shreveportla.gov>]
Sent: Thursday, October 13, 2016 9:22 AM
To: Lashaun Wheeler <Lashaun.Wheeler@shreveportla.gov>; Sharon Pilkinton <Sharon.Pilkinton@shreveportla.gov>; SSI Support <support@systemsandsoftware.net>
Cc: Brian Sullivan <BSullivan@harriscomputer.com>; Boomer Ransom <DRansom@harriscomputer.com>
Subject: Re: SHR - TTP 72684 - Sewer charges not billing
Importance: High

Thank you for addressing this quickly. We will need to send out a notice to the affected customers as soon as possible. We expect that Systems and Software will pay for this. Sharon will get you the language for the notice. I will need to know when this has been completed. While I realize that this was an error on the part of your staff. I will need to know specifics of why the error occurred. I don't understand why someone would be in our production system making changes unless they were under direction from us.

Barbara Featherston, P.E., BCEE
Director
Department of Water and Sewerage

505 Travis Street
Suite 580
Shreveport, LA 71101
Phone 318-673-7660
Fax 318-673-7663

||| SSI Support <support@systemsandsoftware.net> 10/12/2016 12:59 PM >>> |||

Good Afternoon,

As we discussed on the call this morning we would again like to apologize for this incident. This happened due to an error by Systems and Software and we take full responsibility. Thank you again for your patience and positive attitude while we work through this problem.

The root cause of the why the sewer charges were billed incorrectly was due to the dollar amount on the sewer rates being changed to \$0.01 per 1000 gallons, down from the correct value of \$7.22. Our audit trail shows that this value was

changed by someone at Systems and Software in the afternoon of 10/6/2016. We don't know why exactly this rate amount was changed, but we have reiterated to our entire organization that it is critical that we never change any billing information in a production system without an express order from our customers.

I changed this rate back to \$7.22 this morning (10/12), but all the accounts that billed using this rate between then and now will need to be fixed. Our investigation shows that 5785 accounts billed using the incorrect dollar amount. These accounts were spread over the billing dates of 10/7 and 10/10.

We are discussing a few different strategies for fixing these billings, and will continue to work closely with your team in order to find the best possible resolution.

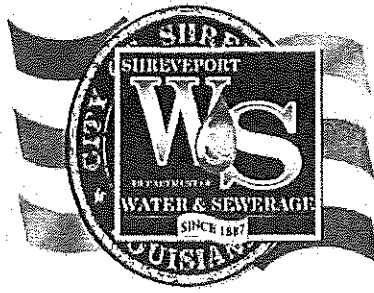
Sorry again, and thank you for your patience.

Dave "Boomer" Ransom | Software Engineer
Systems & Software, Inc.
A division of Harris Computer Systems
426 Industrial Avenue, Suite 140 | Williston, VT 05495
802.865.1170 x2343 (office)

—Attachments:—

Cycle 3 and 4 customer notice 101216.doc

116 KB



**City of Shreveport
Department of Water and Sewerage
Customer Service Division**

Customer Notification

We are sending this notice to you because there was an error on your October water and sewer bill. A change to the sewer rate was inadvertently made by the billing software manufacturer and resulted in a significant reduction in the amount billed for sewer for the month. Please check your bill and you will see that the sewer quantity portion of your bill was charged at a rate of \$0.01 per thousand gallons vs the correct rate of \$7.22 per thousand gallons. This error only affected a small portion of our customers. We have worked with the billing software manufacturer to fix the problem. Please be advised that your next month's bill will have an additional amount as a past due balance that will include the under billed amount along with any other past due balance. We understand this may place a financial strain on our customers. We will not shut off water to any of the affected customers in the month of November due to a past due balance and will provide an extension or payment plan at the customer's request. Once you receive your November bill, please contact 318-673-5510 if you are unable to pay the additional amount so an extension or payment plan can be set up.

Subject: Fwd: Re: Employees Concern with the \$1 million lost in water billing error

From: "Ollie Tyler" <Ollie.Tyler@shreveportla.gov>

Date: 10/24/2016 11:09 AM

To: "Brian Crawford" <Brian.Crawford@shreveportla.gov>, "William Bradford" <William.Bradford@shreveportla.gov>

CC: "Barbara Featherston" <Barbara.Featherston@shreveportla.gov>

Mr. Crawford and Attorney Bradford,

Please see the email below from Chairman Bradford. The email dated Oct. 23rd seems to be an email that was sent to him. He copied me on the email so we can be ready to respond this afternoon or tomorrow afternoon should this subject arise.

Thanks!

Ollie S. Tyler

Mayor

City of Shreveport

>>> Willie Bradford 10/24/2016 12:12 AM >>>

These issues are being addressed..

Thank you, WBradford

>>> 10/23/16 7:13 PM >>>

Willie Bradford,

There is a big concern with the City of Shreveport Water Department employees concerning the \$1 million lost in water billing error. In the newspaper article it says that the billing error was found by a Shreveport businessman, a former city attorney and a Baton Rouge company. That is not correct. The error was found by the City of Shreveport employees that work in Customer Service. The error was first found when the tier rates went into effect and was reported to the Supervisor who in turn reported it to the Superintendent of the Water Department. Customer Service has talked about this error from the time customers received their first bills using the tier rates until the outside company thought they discovered the error. The discussion in Customer Service has always been a big issue because customers call each month about their bills and no one could calculate how the customers were being charged for the water and had to always refer the customer to the Supervisor or the Superintendent for answers. This must be brought to the Mayor and City Councilman's attention immediately to see why this was not taken care of in Customer Service when the problem was first realized in May 2015. There needs to be an investigation with the Customer Service Representatives the Supervisor, the Superintendent and the Director of Water and Sewer. If the city can find money to pay a \$1 million law suit plus 25% or \$250,000.00 to the plaintiff each year as the plaintiff is requesting, then I'm sure the city can find money for employee raises.

City employees are tired of Management making mistakes and always covering their mistakes up. Management hold employees accountable for mistakes employees make but who holds management accountable for mistakes they make, no one, so they continue to do as they please. Employees are tired of the big spending problem that the city has. If management will stop spending so much money on unnecessary things just to brag about what they did and stop creating all these unnecessary positions for their buddies and friends then there will be money for employee raises. Employees don't understand how there is no money for employee pay raises but management can create a position and pay \$65,000.00 a year for that position in the middle of the year from a budget where there is no money,

Fwd: Re: Employees Concern with the \$1 million lost in water billi...

then give another employee a \$10,000.00 increase for another position where there is supposedly no extra money in the budget. Each department of the City of Shreveport needs to be audited to see what is really going on and where all the money is going. The Mayor takes reports from the Department Directors and trusts they are being truthful, but they are not. The Mayor needs to visit each department and have each department audited to see what spending habits need to change in order for employees to get raises.

Re: Employees Concern with the \$1 million lost in water billing error

Subject: Re: Employees Concern with the \$1 million lost in water billing error

From: "Willie Bradford" <Willie.Bradford@shreveportla.gov>

Date: 10/24/2016 12:12 AM

To: twlangle43@yahoo.com

These issues are being addressed..

Thank you, WBradford

||| 10/23/16 7:13 PM >>>

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