

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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11 JUN -2 PM 4:17

-M-E-M-O-R-A-N-D-U-M-

COMMISSION
CLERK

DATE: June 2, 2011
TO: Ann Cole, Commission Clerk, Office of Commission Clerk
FROM: Jerry Hallenstein, Government Analyst II, Office of Auditing and Performance Analysis
RE: Docket No. 090424-WS - Application for certificates to provide water and wastewater service in Polk County by Bimini Bay Utilities Corporation

Please file the attached letter in Docket No. 090424-WS. The letter is the utilities' response to the Commission's draft audit report entitled *Management Audit of Four Points Utility Corporation and Bimini Bay Utilities Corporation*.

DOCUMENT NUMBER-DATE

03869 JUN-2 =

FPSC-COMMISSION CLERK

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FOUR POINTS UTILITY CORPORATION

May 31, 2011

To: Public Service Commission

RE: Response to audit draft for:
Four Points Utility Corporation
Bimini Bay Utilities Corporation

Gentleman:

I am responding to the draft audit of 54 pages submitted to me on 5/18/2011 and asking me to approve it in two days and then after further discussion giving me a deadline of 3 P.M. May 31, 2011 but just having received some of the back up on May 26, 2011.

#1 the PSC sent the audit draft to us on 5/18/2011 @ 3.39 pm and wanted us to respond on 5/20/2011 at @ 10.00 am

#2 we rescheduled the phone meeting 5/25/2011 @ 3 pm

#3 when we talked to them on the phone we let them know that their report that they sent to us (54 pages) had codes that we did not know what they meant so on 5/24/2011 @ 3.57 pm they sent us the close out codes

#4 they said we had 21 open complaints. We had no record of so we requested that they send them to us so we could review them

#5 they sent them to us on 5/25/2011 @ 11.05 am

#6 in their report it shows that their complaints on several pages that do not have the names or addresses just the type of complaint and the date on 5/26/2011 @ 9.30 am we requested that they send us the more information on each so we could research them they sent to us on 5/26/2011 @ 12.38 pm

We have not had time to analyze and locate all of these complaints but can tell from what we have found so far that we did not have all of these complaints from the commission until this audit came to us.

407 333 4216

407 333 0917

email: david@assuredrecord.com

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First I object to the short time I have been given to reply to this draft. It is over 50 pages long and contains numerous facts and allegations, many of which are not correct but the short time period does not allow me to put together all the back up necessarily to show the inaccuracies in this report.

Next I object to the reference of lawsuit between the Homeowners Association at Island Club West and my corporation.

It is phrased that the Homeowners Association sued me and seems to indicate I did something wrong whereas I sued the HOA at West to correct a surveyor's error and the suit was settled by me and the HOA by correcting the error and my turning over to the HOA the Clubhouse Porter owned by the Four Points development corporation to the HOE.

The major point I want to address first is the list of complaints in this report does not match my records or what was previously furnished my office by the Public Service Commission. Many are duplicate and some were resolved long ago but show open and many were not provided to my office before as being open.

I believe that 21 complaints that are listed in this report on December 3, 2010 were people speaking at a public hearing. My office did not know that we were supposed to address those complaints. As the meeting started with many people claiming I was a crook and other slanderous statements which seemed to go on for quite some time and others were people venting and we were told we did not need to be there, we were not aware we were supposed to count those as filed compliant as they were not written nor signed and submitter to us. From 12-15 -2-11 to May 15, 2011 my office communicated with the Public Service Commission almost weekly checking to verify the complaints that we had received from them and the customers were resolved and these 21 were not given to us or forwarded to us but others were. My office has numerous emails back and forth with the Commission asking if any complaints were open. We were told there were 21 complaints open but when asking for the list, we were told they were being assembled. We never received them and now are guessing that those might have been from the public hearing.

As to the others, we are having problems matching them up with our records as we just received the documentation and need more time. We have verified that 18 of the 21 compliant on the list furnished are closed and have left messages for the other 3. We are also checking the PSC website and the number of complaints there do not match the number we are shown as having been received from the PSC.

Most importantly if you take out the 21 complaints from the public hearing and look at the complaints from November 1, 2010 after the first audit, the total complaints received were all answered according to our records.

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The ones that we received the coeds on Thursday we ache not been able to sign the sign off or have had time to chaotic the people but have verified that four were resolved.

We also found some duplicates on the list

So since January 1, 2011 we have received five complaints and resolved all of them promptly but one that will be resolved today.

Overcharge not corrected on page 19. This was corrected in September of 2011. It resulted in a miss sort of a spread sheet and resulted in overbilling some and under billing by the same total the others. We refunded the overbilling. And the PSC verified that in our office in September, 2011.

As to the Audits, The first one we were told we were doing ok and we answered all the question in the audit except the list of complaints which we could not find and Question 33 , we did not receive that questions in the list we received from the PSC.

The second audit was in December and we just received that in this draft I am addressing.

Since the beginning of 2010, I have been installing checks to the billing system and the complaints system to catch errors before bills go out.

At the end of the second audit I was told that we were 80% there on getting organized and the other 20% we were going in the right direction. Since then we have found a new minor glitch in the billing system that we have corrected and have added another check before the bills go out.

I feel since the first of the year we are close to getting the system to run smoothly.

MISSING AUDIT ANSWERS

As to the turnover, we lost three long term office employees in 2010. Terry Blackman, Cari Grimes and Paula Wipf. They all still help out occasionally. In the field we still have Bobby Treanor and Bruce Majors as long term but have had many short term workers. Bobby and Bruce mainly handle the meter readings but Juan an employee for around six

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months has also started helping and doing very good. We had two people in the office from June 2010 to the end of the year after Terry and Carry left.

The turnover is more than what I would like but the people we lost would not follow a checklist or keep a job description up and caused many of the problems shown in this audit.

The comments that we give the meter readers 30 seconds to read each meter seems to be incorrect. We have time the time to read the meters and it we came up with 2.5 hours for 2 men or 300 minutes to read Four Points which is around 1 minute and 20 seconds but they never quite do it in that time as unforeseen problems come up. So it really takes around 2 minutes per meter. We have also added taking a picture of the meter each item since the first of the year. But then we go back to read any questions and other problems that come up so it takes over 8 hours to read the meters and finish the report for billing on Four Points with similar time for Biminis Bay.

As to deposits returned we show all the old deposits over 23 months and all the old customers deposits have been returned.

As to the annual fee, we have not been able to pay that as a cash flow problem that is just now starting to resolve itself. Both water companies are losing money and they have been borrowing money from ICRD. ICRD is receiving money now that is owed to it and can start getting caught up on the payables.

The disconnects were raised as a question but I am not sure what the questions is. We print a disconnect list the day before the water bill is due to be paid after the seven day notice. By the next day when we are reading the meters many people pay their bills. We usually only disconnect around 4 to 6 customers.

The above is just a partial answer to the draft that was furnished to me and I am still working on the answers to the rest to the questions raised ninths audit.

Email correspondence being sent by separate email verifying communication between parties regarding open closed complaints.

David Meadows
President

Four Points Four Points Utility Corporation
Bimini Bay Utilities Corporation

State of Florida



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