

Ruth Nettles

090170-WU

From: Bonita Vandall [bvandall@bensonsinc.com]
Sent: Tuesday, November 03, 2009 10:03 PM
To: Filings@psc.state.fl.us
Subject: FW: Mobile Manor Water Company, Inc. - Docket # 090170-WU
Attachments: Bensons letter to the PSC 10-31-09.pdf

Bonita D. Vandall

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From: Dorothy Menasco [mailto:DMenasco@PSC.STATE.FL.US]
Sent: Tuesday, November 03, 2009 2:05 PM
To: Bonita Vandall
Cc: Ruth McHargue; Ann Cole; Diane Hood; Ralph Jaeger; Lynn Deamer; Avy Smith
Subject: FW: Mobile Manor Water Company, Inc. - Docket # 090170-WU

Ms. Vandall:

This document will be placed in correspondence without further action.

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FPSC-COMMISSION CLERK



MOBILE MANOR WATER COMPANY, INC.

To: Public Service Commission
From: Bonita Vandall, CEO for Benson's Inc.
Date: October 31, 2009
Subject: Docket #090170-WU Mobile Manor Water Company Inc.

I would like this to be presented to the Commission at November 10th meeting on behalf of my management firm and the board of directors for MMWCI.

As the firm responsible for Managing Mobile Manor Water Company, Inc. (MMWCI), I am having great difficulty understanding how you arrived at the amount of money Benson's can charge MMWCI for services provided. The board of directors voted unanimously (9-0) to charge seventy percent of the annual management fees to MMWCI. That was determined several months after reviewing the actual work we were providing and time spent that the original amount (or percentage) was grossly under estimated. The new board admitted that they had no experience in running a utility and recognized early on that they were working without proper documents or guidelines to help make intelligent and informed decisions. They were also seriously concerned with the lack of proper guidance and documentation provided by previous Water Company boards and onsite management of the MMWCI.

It should be stated that not one person from your office spent any physical time at the Mobile Manor onsite office or Benson's office to confirm actual work provided in each location. With that said I would like to **challenge** how you arrived at the amount (30%) of our fee that can be applied to MMWCI for services provided.

Do you really think that the 30% that amounts to \$6,750.00 a year (\$562.50 a month or \$18.75 a day) really handles all the information that is maintained and provided by our firm. This daily amount doesn't cover the hourly rate for someone to provide 24/7 emergency phone service and response to the location.

I also believe there has been a misunderstanding on the responsibility of the **office clerical** that you refer to in your audit as the Manager. It was explained repeatedly that her responsibilities are limited along with the office hours that the water company is open. **John Morgan** from our office is the Community Manager. The office clerical has no authority to make decisions and reports directly to the Manager or myself on all water issues.

The office clerical handles getting the daily water samples 5 days a week based on Lee County Health Department requirements. This eliminates the need for a maintenance man (cost saving) or other personnel to perform this task. She records this information daily and forwards the results to Bensons and LCHD. All communication from the monthly report is between Mr. Ma at the Lee County Health Department and my office. In addition she performs normal clerical duties and bill collection if someone wants to pay at the office instead of mailing their payment to our off site office. Don't forget that the majority (80%) of the residents including the Board are seasonal.

The office is open for business (3-4 hrs a day @ 4 days=16 hrs a week or 832 a year) **my off site office** handles the remaining (7,928 hrs) a year. We handle all customer calls before 9:30 and after 12:30 pm in my office and provide 24/7 emergency service with a **live** person 365 days out of the year. The office clerical is not on call, handles no waterline repairs and works **part time** hours.

You also indicated in your audit that the fee we charge for managing both companies' amounts to \$6.00 a month or **20 cents a day** per resident. Now that you have determined that we can only bill the water Company at the 30% rate the daily amount to manage per resident is six cents a day (don't even want to figure the hourly rate) to provide the following services.

Services provided by this firm

- Monthly input of 313 water company customers water usage and billing information.
- Maintain all address and mailing information
- Prepare and furnish board with monthly financial reports (60-80 pages of information monthly)
- Make all bank deposits and maintain records
- Receive all invoices and cut checks from this office.
- Supply monthly to board treasurer bank statements for her to audit for accuracy.
- Sit in on annual audit of water company records by (4) customers and board treasurer. Findings are submitted to board and presented to residents at Association meeting.
- Responsible for attending and taking minutes of MMWC board meeting. Copies provided to board and filed in office for customer review.
- Attend monthly association meeting (which includes water company business) and prepare minutes to furnish board and community for review. Reports are available in MMWCI Office on site.
- Maintain all records and back up financials information since being hired.
- Prepare Annual budget recommendation for board approval. There was never a budget prepared by past boards or management.
- Compile and submit annual rate index increases for PSC approval (first one filed in 15 years by us)
- Prepared and requested with board approval request for interim rate increase
- Prepared and requested staff assisted audit
- Provided 6100 copies to PSC audit department from our office (not mobile manor office) to comply to request for documentation.
- Handle customer complaints and inquiries 365 days out of the year
- Provide phone service 24/7
- Our maintenance department is on call 24/7
- Hurricane and emergency procedures for water company (New DEP and DOH program for boil notice procedures in case of emergency)
- Attend all water related business classes held by LCHD, EPA, DEP and DOH and communicate this information to the board.
- Complete and compile the information for mailing to all 313 residents the annual Customer Confidence report listing all information pertaining to testing we provide in addition to copper and lead testing and EPA quarterly testing.
- Work with STS Environmental Services for quarterly testing of water per EPA requirements.
- Prepare Annual RAF report information to submit to PSC
- Follow up on all Tax related issues and compile information for account to complete annual tax filing and work with accountant.
- Receive all water line break notices from customers
- Respond to location on water breaks and prepare and hand out boil water notice.

- Follow up on testing results from LCHD after water line break and return to MM to pass out recission letters.
- Negotiate annually for the best rates for worker compensation, officer and directors insurance
- Provide assistance to board on commercial lease agreement
- Park Manager or Benson's maintenance staff contacts licensed plumber on water line breaks
- Negotiate annually with plumbing contractor for cheapest rates.
- Meter Change out program

You have expressed concern about the excessive water loss and rightfully so. After meeting with Lee County Utility they felt that the majority of our problem revolved around old meters. After checking the age of the meters in service we found the majority of them to be between 10 and 20 years old. We put together the **first meter change out program** for the utility (ever) and have plans to change out 40 to 50 a year to reduce the water loss.

Based on the audit staffs final decision it will be very difficult for the utility to continue with this program which prolongs the water loss problem. As you know Mobile Manor Inc. loaned the water company \$20,000.00 (approved at association meeting by residents paying maintenance) to help with expenses and fund the meter program with a repayment of the loan in three years. Unfortunately the \$20,000.00 has been used to handle every growing expense in addition to purchasing meters and valves for the program.

Minimum wage is around \$15,000.00 for a full time employee. The combination of the part time office clerical and the amount you are allowing for Benson's management is slightly over the minimum wage standard. Do you really think a Public Utility with all the required Federal and State programs can be run properly on this amount?

In closing I just want to say that no one from the board was allowed to speak at the customer meeting. With all board members being residents themselves they feel that you were not being fair in giving them a voice. It was mentioned by one of your staff (name withheld) that the commission was under a lot of pressure about playing favoritism towards the utilities. I certainly hope this had no bearing on your decisions as the MMWCI utility is suffering financially and in turn heaping a tremendous burden and debt upon a volunteer membership community. A financially faltering community that is loaning their hard earned funds to a water company that cannot self sustain without their assistance.

Thank you for your time and consideration



Bonita Vandall,
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President/CEO
Associa Bensons, Inc.

CC: Board of Directors