



Internal Audit Report

2025-03– WATER UTILITIES BILLING AND COLLECTIONS

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July 3, 2025

volusia.org/auditor

Report Highlights

Why We Performed This Audit

The Water Resource and Utility division serves approximately 18,000 customers, or a population of roughly 40,000, with approximately \$23 million in revenues during fiscal year (FY) 2024. We wanted to ensure revenues are properly assessed, collected, and recorded for this important operation of water, wastewater, and reclaimed water services within the County.

What We Found

Erroneous meter size records led to inaccurate customer invoices. Of the 200 invoices tested, eleven customers have been undercharged more than \$828,000, and six customers have been overcharged by over \$52,000 since 2012. The County paused collection efforts during the pandemic, which has led to a high percentage (15%) of delinquent and past-due accounts. The billing software, Bill Master, does not interface with other systems, such as the asset management and work order system or the general ledger system. This has led to inefficient processes and inaccurate customer meter records, which impacted customer invoicing.

We Recommend

Improving water utility billing accuracy through physical meter verification, enhanced system controls, staff training, and accounts receivable management, all aimed at ensuring customers are billed correctly based on their actual meter installations and rate structures. Restarting collection efforts for past-due accounts and regularly monitoring customer balances will reduce this high balance. Finally, consider purchasing and implementing a new utility invoicing system that can interface with other systems for more efficient processing of tasks and updating records.

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July 3, 2025

Honorable Members of the County Council and County Manager:

I am pleased to present the audit report 2025-03 Water Utilities Billing and Collections. The purpose of this audit was to assess, with a reasonable degree of assurance, that internal controls related to the assessment and collection of water and sewer revenues at the County's Water Resources and Utilities Division were operating efficiently, effectively, and in compliance with laws, regulations, and policies. The audit scope included transactions processed during the calendar year 2024 (January 1 through December 31, 2024).

This audit was conducted in accordance with the *Global Internal Audit Standards*. Those standards require that I plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for my findings and conclusions based on audit objectives. The evidence obtained provides a reasonable basis for my findings and conclusions. The audit was performed in the months of November 2024 through April 2025. Svetlana Ries, CFE, assisted with the audit work.

This audit was successful due to the assistance of the staff with the Water Resources and Utilities division. We appreciate their support. All audit reports are available on the County's website at: volusia.org/auditor.

A handwritten signature in black ink, appearing to read "Jonathan Edwards", is written in a cursive style.

Jonathan Edwards, CIA, CPFO
Internal Auditor

Background

The County's Water Resources and Utilities Division operates and provides water, wastewater, and reclaimed water utility services to approximately 18,000 commercial and residential customers. The utility serves approximately 40,000 of the County's population. Appendix 1 includes a service map of the County's utility system.

The Division's mission is to "employ best management, operations, engineering, and financial practices necessary to produce and deliver safe drinking water; as well as treat and dispose wastewater within environmentally safe regulatory standards; while offering competitively priced and high-quality services for all Volusia County Water Resources and Utilities customers." The division is grouped into four separate sections, shown in Figure 1.

Figure 1: Water Resource and Utilities Division Sections

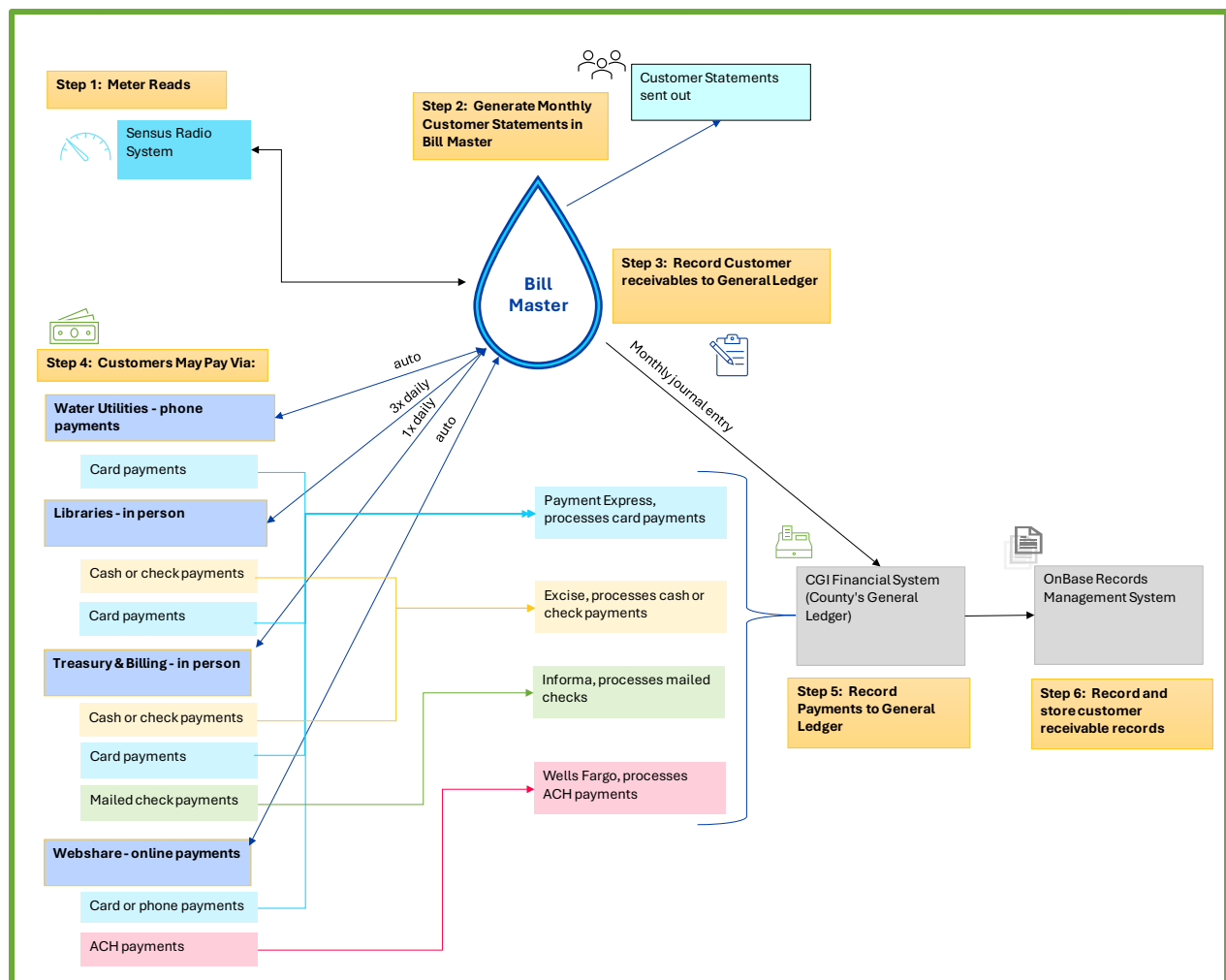
Water and Wastewater Treatment Production
<ul style="list-style-type: none">• State-licensed treatment plant operators for 16 water and wastewater plants facilities.• 13 smaller facilities on behalf of other agencies.
Maintenance and Field Operations
<ul style="list-style-type: none">• Reliable delivery of water and safe conveyance of wastewater services.• Maintain 275 miles of water mains; 1,700 fire hydrants; 210 miles of sewer mains; 65 miles of reclaimed water mains; 130 lift stations.
Engineering
<ul style="list-style-type: none">• Cooperate with new development, neighboring cities, and state agencies to plan reliable and cost-effective water, wastewater, and reclaimed water infrastructure.• Accommodate increased service demands, foster economic prosperity, and protect natural resources.
Administration
<ul style="list-style-type: none">• Customer support and invoicing.• Field inventory management.

Customers are charged a monthly availability rate (i.e., a base rate) and a consumption rate (i.e., usage) per the fee structure established by the County Council. An annual automatic rate escalation provision has existed for over 25 years to ensure sufficient funding for treatment, maintenance, repair, and reliable operations. The current escalation process, utilized since 2012, is based on the consumer price index (CPI) plus 1%. The adjustments occur at the beginning of each calendar year. In 2023, staff recommended to the County Council to increase the 2024 rates to less than the CPI rate due to the CPI experiencing significant and unusual inflationary factors in nearly all segments of the national economy.

Customer invoices are generated based on the meter size base rate and the customer's consumption of water, water/sewer, irrigation, and reclaimed water meters. In 2020, the County implemented Advanced Meter Infrastructure¹ (AMI), which enables automatic meter readings. The meter reads are automatically imported into the billing system, Bill Master. All meter readings may also be verified by a drive-by radio or visually read by a field technician. County staff generate monthly invoices, which are mailed or emailed to the customer.

Customers can pay their invoices via phone or online (using credit or debit cards), in person at select library branches (accepting cash, checks, or cards), by electronic bank draft, or at the Treasury and Billing Office (also accepting cash, checks, or cards). All mailed customer payments are received and processed by the Treasury and Billing Office. Figure 2 provides a flowchart to summarize the invoicing and payment process including how often these systems interact with Bill Master.

Figure 2: Invoicing and Payment Process Flowchart



¹ Advanced Meter Infrastructure (AMI) is an integrated system of smart meters connected to the customer's property that communicates remotely to collect and analyze water usage data, offering real-time insights between utilities and customers. It is used to optimize water distribution and reduce water waste. It also helps reduce costs associated with meter reading, billing, and maintenance.

Scope and Methodologies

On January 4, 2024, the County Council approved the 2024 Audit Plan, which included an audit of the Water Resources and Utilities Division's billing and collection processes. The primary objective was to determine if internal controls related to the assessment and collection of water and sewer revenues at the Water Resources and Utilities Division operate efficiently, effectively, and in compliance with laws, regulations, and policies.

Specific audit objectives were:

- To understand internal controls that are significant to the assessment, collection, and recording of water utility fees and charges.
- To determine that the fees charged are accurate and Council-approved.
- To determine that customer payments are properly collected, recorded, deposited, reconciled, and safeguarded.
- To determine that business processes such as customer invoicing and receipting are efficient and effective.
- To assess compliance with applicable laws, regulations, contracts, and policies.

Audit procedures to accomplish these objectives included:

- Obtained and reviewed State statutes, County ordinances, policies and procedures, best practices, and other relevant documentation pertaining to utility operations.
- Reviewed and understood the County's internal controls over utility activities.
- Interviewed various County staff.
- Reviewed and tested customer invoices, meter records, and account transactions.

The audit scope included water utility transactions during the calendar year 2024 (January 1 through December 31). To determine if customer invoices were being billed appropriately, a total of 200 customer invoices from November 2024 were selected.

Auditors utilized a month-end report to determine the number of customer invoices generated. There were 18,062 customers during the month. Auditors randomly selected 25 customers by selecting every 722nd customer on the report. This resulted in 4 commercial accounts and 21 residential accounts chosen. An additional 25 customers were then judgmentally selected based on invoice amounts over \$100 to bring the total selection to 25 residential and 25 commercial accounts.

This test resulted in 9 of the 50 invoices (or 18%) having an issue. 1 invoice was a residential account, and the other 8 were commercial. To further understand any underlying problems, the test selection was expanded to bring the total customer invoices tested to 200 (or 1.1% of all customers). Auditors judgmentally selected an additional 35 residential accounts and an additional 115 commercial accounts. The customer accounts were sorted from highest to lowest, with the highest invoice amount selected. It is important to note that the results of this test cannot be extrapolated to the entire water utility customer population based on this test selection method.

Findings and Recommendations

1. ERRONEOUS METER SIZE RECORDS LED TO INACCURATE MONTHLY CUSTOMER INVOICES

During 2024, customers were undercharged approximately \$125,000, while others were overcharged roughly \$10,000 due to inaccurate meter records and using expired customer agreements. Since 2012, this has led to 11 customers being undercharged, exceeding \$828,000, and 6 customers being overcharged by \$52,000.



13 of 200 (or 6.5%) of customers' meter sizes were recorded incorrectly in Bill Master. This resulted in 6 customers being undercharged \$90,128, and 5 overcharged \$8,323 during 2024. 2 customers' meter records were mismatched in Bill Master; however, it did not change the customers' invoice amounts or cause their accounts to be over or undercharged. Undercharging a customer is a loss to the County's water utilities revenue. These errors resulted from staff incorrectly inputting meter sizes into the Bill Master system.

Customer service representatives must enter customer meter sizes into two input screens in Bill Master. Representatives enter the meter size in the base rate input screen and the consumption rate input screen. However, staff appeared unaware of or misunderstood how the meter data on the two screens were pulled into the invoicing sequencing to generate monthly customer bills.

When meters are installed or replaced, staff create a work order ticket in the Lucity program. This work order is followed by the field technician, who then handles the meter onsite. Afterward, the customer service representative enters the updated customer information, including meter size, into the Bill Master system. Figure 3, which is presented later in this report, illustrates the manual processing steps between Lucity and Bill Master.

Auditors also noted while reviewing Bill Master input screens that customer service technicians could update or change the customer meter sizes without a system confirmation prompt. This change was not limited to specific staff for authorization from a supervisor. Upon discussions between staff, the auditor, and the software engineer, the system was changed for this authorization and prompt.

By not limiting or restricting access, staff may intentionally or unintentionally modify customers' records, impacting their monthly invoices. This could go undetected for long periods of time.

County Ordinance 122-57 establishes schedules for water and wastewater rates and Resolution 2011-68 provides for annual indexing calculated by utilizing the Consumer Price Index (CPI) of July 1 from the prior year, plus 1%. Table 1 includes customers undercharged or a revenue loss to the County. Table 2 includes customers who were overcharged. Appendix 3 contains select customer invoices with auditor notes in red text showing how monthly invoices were affected.


Table 1: Customers Undercharged Due to Inaccurate Meter Size Records

Brief Synopsis	Monthly Impact	CY 2024 Impact	Impact Since Meter Changed
8" meters were installed in Sept. 2019 but billed for 2" water and sewer meters; Fireline availability was charged at half the rate instead of the full rate.	\$ 2,898	\$ 34,771	\$ 169,350
Customer was only billed for water services, not sewer services, since 2012.	Varies	24,389	354,214
6" meters were installed in July 2018 but billed for 1.5" water and sewer meters.	2,002	24,026	138,003
1.5" meters were installed in Sept. 2016 but billed for the 5/8" base rate meter. Monthly consumption rates were charged at the 2" meter rate.	Varies	2,769	17,273
1.5" meter and 3/4" meters were installed in 2024; however the 1.5" meter base rate was not charged for water or sewer. Monthly consumption rates were charged at the correct rates.	222	2,669	19,983
1.5" meters were installed in Jan. 2012, but the 1" meter base rate was charged for water and sewer.	111	1,335	14,095
Commercial customer recorded as residential in Bill Master. Base rates were correct, but consumption rates were charged as residential.	Varies	169	715
Marina and campsite customer sewer meter consumption estimated since Feb. 2023 and customer not charged for their actual usage.	Unknown	Unknown	Unknown
Total Undercharged from Inaccurate Meter Records	\$ 5,233	\$ 90,128	\$ 713,633

It was noted on several of these customer accounts that field technicians visited customer properties multiple times over the years noted in Tables 1-4; however, the customer records in Bill Master were not routinely verified by staff. This lack of communication between Bill Master records, Lucy, and onsite verification led to years of inaccurate meter records and, therefore, erroneous customer invoices. Commercial customers have meter size options ranging from 5/8 of an inch to 12-inch meters, whereas residential customers generally have either a 5/8- or 3/4-inch meter. The 5/8 and 3/4 of an inch meter rates are the same. Therefore, from a financial standpoint, residential account invoices would not cause revenues from residential accounts to be over or under-charged. However, the meter record may not be correct within Bill Master and should be verified by onsite technicians.

Table 2: Customers Overcharged Due to Inaccurate Meter Size Records

Brief Synopsis	Monthly Impact	CY 2024 Impact	Impact Since Meter Changed
Customer reduced from 2 to 1 meters in 2018, but was charged for 2 meters (6" and 2"); however, only 6" meter onsite since 2018.	\$ 356	\$ 4,270	\$ 26,508
1" meter installed in Jan. 2020, but 3/4" consumption tiers charged.	128	1,532	2,804
1" meter installed in Feb. 2022, but billed at 1.5" base rates.	111	1,335	3,757
1" meter installed in Nov. 2017, and charged for consumption, but charged for 2" meter base rates.	97	1,159	7,372
Irrigation rate charged instead of water rate.	Varies	27	290
Total Overcharged from Inaccurate Meter Records	\$ 692	\$ 8,323	\$ 40,731

 Expired agreements between the County and other customers led to \$35,700 being undercharged to customers during 2024 and an overcharge to one customer of \$2,100. 6 of the 200 customers tested (or 3%) did not have agreements with the County for reclaimed water. As referenced earlier, the County Council establishes rates and fees annually, including the reclaimed water charges. The rate schedule states that customers who have reclaimed meters greater than 1" are based on individual agreements for both the base rate and the consumption rate. All tiers are adjusted based on changes in the CPI, like the other water and sewer rates. The rate schedule lists 3 consumption tiers for reclaimed water, which for 2024 were:

- Tier 1: \$1.95 for every 1,000 gallons, 0 to 10,000 gallons
- Tier 2: \$2.25 for every 1,000 gallons, 10,001 to 15,000 gallons
- Tier 3: \$3.75 for every 1,000 gallons, above 15,000 gallons

However, several customers received a 4th tier rate of 10 cents per 1,000 gallons of usage. This 4th tier rate could not be found in the customer agreements and was not included in the approved fee schedule. Appendix 3 contains examples of invoices with customers receiving this 4th tier rate.

Staff stated that for reclaimed water, the long-time practice has been to charge half the potable water rates, i.e., the customer would pay half the cost for the base rate and the consumption rates per the approved fee schedule. In lieu of individual agreements, auditors used the half-potable rate as this was a long-standing practice used by staff. However, as noted, this rate was not included in the approved fee schedule. Table 3 includes customers undercharged due to expired or nonexistent agreements for reclaimed water. Table 4 includes customers who were overcharged due to expired or nonexistent agreements for reclaimed water.

Table 3: Customers Undercharged Due to Expired Agreements

Brief Synopsis	Monthly Impact	CY 2024 Impact	Impact Since Meter Changed
Interlocal agreement with Flagler County for emergency fire protection on new subdivision. The agreement expired in August 2020. The customer has not been charged Council-approved rates after 2020.	\$ 1,404	\$ 16,850	\$ 55,609
30-year agreement will expire in March 2026 for water and sewer rates; however, Tier 4 reclaimed water rates (over 15,000 gallons) are not included in the agreement nor the approved fee schedule. <i>*Last meter verification performed Oct. 2021.</i>	Varies	13,677	32,918*
No agreement on file, the Tier 4 reclaimed water rate is not in the approved fee schedule.	Varies	5,176	26,029
Total Undercharged Due to Expired Agreements	Varies	\$ 35,703	\$ 114,556

Table 4: Customers Overcharged Due to Expired Agreements

Brief Synopsis	Monthly Impact	CY 2024 Impact	Impact Since Meter Changed
1 customer did not have an agreement, but the staff charged an incorrect rate for reclaimed water.	Varies	\$ 2,111	\$ 11,429
2 customers were marked as residential but were commercial accounts with the agreement expired in 1993.	N/A	N/A	N/A
6 customers were found not to have an agreement but were being charged the 1/2 potable rate.	N/A	N/A	N/A
Total Overcharged Due to Expired Agreements	Varies	\$ 2,111	\$ 11,429

RECOMMENDATIONS:

- A. Inspect customer meter sizes and compare them to the Bill Master records to ensure the installed meters agree to the meter sizes being billed monthly.
- B. Perform ongoing monitoring of customer meters by providing field technicians read-only access to Bill Master. This will allow for customer records to be verified in the field.
- C. Provide and attend periodic training for customer service representatives on the billing and invoicing system (i.e., Bill Master).
- D. Update user access within Bill Master so that meter sizes can only be updated by certain staff and that a confirmation prompt is activated to alert the user that a change will be occurring on the customer's account.
- E. Establish agreements or renew expired agreements for customers with reclaimed water meters greater than 1" to comply with the approved fee schedule. Ensure the reclaimed water rates (i.e., half-potable rate) are included in the annual fee schedule.



Picture of water and fire line serving a commercial complex.

2. PAUSED COLLECTION EFFORTS DURING PANDEMIC LED TO HIGH PERCENTAGE OF PAST-DUE BALANCES

\$316,757 of water utility customer accounts were delinquent and more than 120 days past due. This is 15% of the accounts receivable balance on November 30, 2024. This comprised of 773 customers, or 5%, with outstanding balances due to the County. Table 5 provides a breakdown of the accounts receivable as of November 30. Table 6 further breaks down customer balances greater than 120 days past due. At the end of FY 2024 (September 30, 2024), the accounts receivable, net of allowance for doubtful accounts, totaled \$2,721,032. The financial activity for the division for FY 2020 through FY 2024 is found in Appendix 2.

Table 5: Customer Outstanding Balances on November 30, 2024

Range of Outstanding Accounts Receivables	Amount	Percentage of Total	Number of Customer Accounts	Percentage of Total Customers
Current	\$ 1,600,412	79%	12,934	86%
30-60 days	84,623	4%	928	6%
61-90 days	15,031	1%	247	2%
91-120 days	11,637	1%	114	1%
120+ days	316,757	15%	773	5%
Total Accounts Receivable	\$ 2,028,460		14,996	

Table 6: Range of Customer Balances Older than 120 days on November 30, 2024

Range	Amount	Customer Count
\$1,000 and above	\$205,677	39
\$500 to \$999	23,419	34
\$100 to \$499	67,932	311
Less than \$100	19,729	389
Total	\$ 316,757	773

Collection efforts were paused during the pandemic, resulting in unaddressed high customer receivable balances.

Before the 2020 pandemic, staff sent customer accounts to a collection agency if the account was older than 90 days and a balance of \$50 or greater. During the pandemic, the collection agency service was paused and not utilized. In July 2024, staff contacted the collection agency; however, collection laws have changed since 2020. The agency requested that data be separated into the original amount

due and a separate grouping of any adjustments made to the customer accounts (i.e., late fees). This information was not readily available in Bill Master, and staff were planning on reformatting the Bill Master report to comply with the new changes. Staff indicated they planned on working on this data separation during 2025.

To determine how staff manage and review delinquent accounts, auditors judgmentally selected and tested 50 (25 commercial and 25 residential) customer accounts that were 120+ days past due to establish when staff last made notations on the customer's account. Of the 50 tested, 24 were

older than 1 year. Table 7 provides the year staff last made notations, the delinquent amount, and the number of customer accounts.

Table 7: Test of 50 Customer Accounts Receivable Balances on November 30, 2024

Year Staff Last Made Notations in Account	Amount Due Past 120 Days	Count of Accounts
Commercial		
2019	\$ 3,323	1
2020	6,061	4
2021	11,355	3
2022	1,448	2
2023	2,832	5
2024	14,161	10
Commercial Total	\$ 39,180	25
Residential		
2019	\$ 1,975	1
2020	78,056	7
2021	1,414	1
2022	-	-
2023	-	-
2024	88,808	16
Residential Total	170,253	25
Total Tested	\$ 209,433	50

County Ordinance² establishes that unpaid utility fees become property liens subject to foreclosure if not paid within 20 days of the billing. Customers contesting charges must submit written explanations to the department. Additionally, the County Write-Off Policy³ stipulates that accounts are deemed uncollectible when they remain unpaid for at least 120 days after the initial billing and at least two written payment demands have been mailed.

In addition to the ordinance, the Water Utilities Division has a delinquent payment and disconnect policy. It states that “if payment is not on an account by the payment due date, the account is deemed delinquent, and a late fee of \$5 or 10% of the past due amount, whichever is greater, is charged to the account. A past due notice is mailed to the customer if the past due amount is greater than \$25.” The policy further states that “the past due notice is not a requirement of the County ordinance but is sent as a courtesy to remind the customer of their past due balance.”

The past-due notice contains:

- The past due amount, including the late fee.
- The date and time payment is due to avoid a disconnection of utility service.
- Notice that a \$50 service fee will be charged if payment is not received by the date and time indicated.

² County Ordinance, 122-41.

³ County Resolution, 2022-179.

Customers have between 10-18 days to pay their invoices, depending on their bill cycle, before late fees are assessed. Before the next bill cycle is generated, the Customer Accounting Specialist waits until the County Library closes at 7 p.m. This is to verify the customer did not make payment at the library but has not been processed yet within Bill Master (see Figure 2). The Customer Accounting Specialist performs a final review and prints door hangers. The following morning, the field supervisor distributes the door hangers to each past-due customer's property. If a customer does not pay, staff will place a brass lock or zip tie on the meter, which is known as the "shut-off notice." This action immediately stops water from flowing to the property. Exceptions to this lock-off procedure is for commercial customer accounts, post-hurricane events, state emergencies, or other special circumstances. The Water and Utilities Director approves all exceptions to the lock-off procedures. Staff will turn on their water upon the customer paying a late fee and a reconnection fee.

At the end of the month, Water Utilities staff provide several monthly reports to an accountant within the Accounting Division (see Figure 3 later in this report). The customer aging report is included in the set of reports. The accountant uses this report to record the customer balances in the County's General Ledger system. However, the Accounting Director stated the doubtful account balance (accounts older than 120 days) at the end of the year is adjusted based on any increase or decrease noted in the report. The Accounting Division does not perform individual customer analyses as the customer's knowledge and responsibility lie with the Water Utilities staff.

Loan covenant agreements require the County to use its best efforts to collect all rates, fees, and other charges due to it.

The Division has a State Revolving Fund Loan on behalf of the Florida Department of Environmental Protection (FLDEP). The loan term is from April 2009 through June 2030. Section 5.07 of the agreement states, "the local borrower (i.e., County) shall *use its best efforts to collect all rates, fees, and other charges due to it*. The local borrower shall establish liens on premises served by the Water or

Sewer System for the amount of all delinquent rates, fees, and other charges where such action is permitted by law. The local borrower shall, to the full extent permitted by law, cause to discontinue the services of the Water and Sewer Systems and *use its best efforts to shut off water service furnished to persons who are delinquent beyond customary grace periods in the payment of Water and Sewer System rates, fees, and other charges.*"

Staff stated that although liens are an allowable course of action, a collection agency was deemed more cost-effective. The County Attorney Office noted that oftentimes, the County's lien is not a priority lien and there may not be enough funds after a judgment is entered and a foreclosure sale to pay any secondary liens. Additionally, FL statute 695.01(3) and FL Attorney General Opinion 2020-06 state that a utility lien does not have to be recorded in the public records against the property for it to be perfected, i.e., a valid lien and then foreclosed.

Auditors researched examples of collection efforts made by surrounding utility agencies. Table 8 summarizes the information found by contacting the agency's staff or visiting their website.

Table 8: Surrounding Utility's Lien and Collection Efforts

Government	Collection Efforts	Lien Search Efforts
City of DeLand	Lien filed after 45 days nonpayment, customer charged lien fees of \$95	Liens are searchable on the City's website
City of Daytona Beach	Delinquent notices sent to collection agency, record liens on parcel	Liens are searchable on the City's website
Orange City	Lien filed after 90 days nonpayment with Clerk of Courts	Liens are searchable on the Clerk of Court website
City of New Smyrna Beach	No liens filed; customer sent to a collection agency	Research fee applies
City of Edgewater	Contracted to a third-party lien processor	Research through third-party processor
City of Flagler Beach	Lien filed with Clerk of Court	Liens are searchable on the Clerk of Court website
Orange County	Contracted to a third-party lien processor	Research through third-party processor

RECOMMENDATIONS:

- A. Establish monthly accounts receivable analysis and monitoring practices to ensure the County's best efforts are used to collect all rates, fees, and other customer charges per the County's Ordinance, adopted County policies, and loan covenants.
- B. Collaborate with the County Attorney's Office on the most cost-effective method to recoup past due balances, including a lien process or utilizing a collection agency.



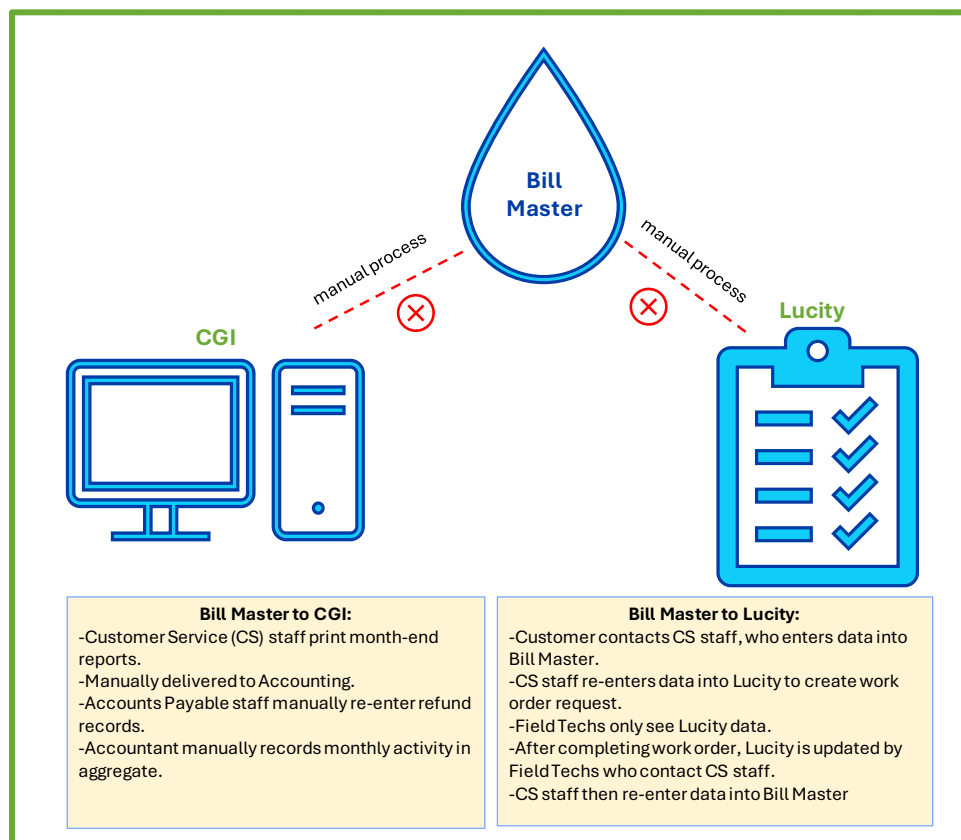
Field operations staff working to restore wastewater lift station service in a flooded area following a hurricane.

3. BILL MASTER SYSTEM LEADS TO INEFFICIENT PROCESSING AND LACK OF RECONCILIATIONS

The Bill Master system was developed in 1987 and has been utilized by the County since 1996. While some improvements have been made to the system, overall, it may not meet the County's needs in a modern era. Bill Master does not interface with CGI (the County's General Ledger system) or Lucity (the County's asset management and work order system).

As discussed previously, if a customer contacts the County for an issue that requires a field technician, the customer service technician enters certain data into Bill Master. The same technician then inputs similar data into Lucity. Field service technicians do not have access to Bill Master and are reliant on information being entered correctly in Lucity. After completing the work, staff must update the customer information in Bill Master. This double-entry is inefficient and can lead to customer accounts not being updated. Figure 3 illustrates the manual processes involved between Bill Master, CGI, and Lucity.

Figure 3: Manual Processing Between Bill Master, CGI, and Lucity



Similarly, as depicted in Figure 3, Bill Master and CGI do not interface. At the end of each month, Water Utilities staff print certain end-of-month reports which are then provided to an accountant in the Accounting Division. The accountant then uses certain data from the reports to record customer invoices and payments. These are not on a customer-level detail basis but on an aggregated basis.

Auditors noted that two monthly reports had missing data as they had been whited out by Water Utility staff before being submitted to the accountant. Both reports deal with refunding customer

money: 1) refund of initial deposits, 2) refund of any overpayments or adjustments for closed accounts. Since both reports deal with customer refunds, Bill Master combined this data into one report. However, customer deposits and credits due to customers are recorded in separate account codes within the County's General Ledger.

To issue refunds to the customers, staff manually manipulated the report by whiting out data and manually recalculating the totals for both reports. The accounts payable staff were then required to re-enter customer information from the manipulated, printed report, including their name, address, and amount due. This double-entry is inefficient and is prone to unintentional errors. Auditors did not observe any errors. Auditors initiated a meeting between I.T., Water Utilities, and Accounting to discuss the issue. Staff are working towards splitting this data in Bill Master to create two reports that the Accounting division can use to refund customer balances with proper documentation.



Water Utilities prepares 3 different billing cycles throughout each month. For example, the November invoices that were tested had billing cycle dates as follows:

- Cycle A: 10/11/24 – 11/12/24
- Cycle B: 10/22/24 – 11/22/24
- Cycle C: 10/04/24 – 11/05/24

However, the month-end report provided to the accountant for recording customer invoices is on a calendar month basis. The November report includes transactions from November 1 to 30. The report does not balance with the billing cycle reports, as those include October and November transactions. As part of the end-of-month process, the accountant must create a separate journal entry to account for the timing differences. Accounting best practices would require reconciling Bill Master and CGI to ensure all amounts are recorded appropriately. Staff are not performing this reconciliation. Water Utilities staff assumed that the accountant was reconciling the two systems. Yet the accountant did not have access to Bill Master which would be needed to research any discrepancies. This has been ongoing for several years.

Modern systems have better management reporting, which will help increase oversight and monitoring of customer accounts.

Additionally, many reports generated in Bill Master are task-certain, or point-in-time reports. This means it lacks the ability to reliably access and report on past data sets, which causes significant challenges for financial analysis and reconciliations. A modern invoicing system maintains a comprehensive database of all billing events with timestamps and data warehousing techniques, allowing

users to generate accurate reports for any specified time period, regardless of when the report is being generated.

An opportunity for errors exists when system reports are not cross-referenced or reconciled. Due to the limitations of Bill Master, the accounting specialist must stay late into the evenings to generate bill cycles. This includes staying past the closing time of the County libraries (7 p.m.) to ensure customer payments have been appropriately applied before the invoice processing sequence is started. A checklist has been in use for quite some time; however, many of the processing steps could be eliminated or combined if a modern system was used and interfaced with CGI.

RECOMMENDATIONS:

- A. Consider purchasing and implementing a new utility invoicing system that can interface with Lucity and CGI. Ensure reconciling controls are in place between the systems. Ensure that field technicians, while in the field, can access customer account records, such as meter sizes and meter types. Any account changes should be routed through a secondary review for documented approval.

If a new invoicing system is cost-prohibitive, we recommend:

- B. Establish procedures to reconcile the end-of-month reports to the billing cycle reports.
- C. Work with the I.T. staff and Bill Master staff to modify the system report so that customer refunds (deposit refund and refund credits) are generated on two separate reports so that staff do not have to manipulate the reports manually.
- D. Establish procedures so that field technicians can access customer accounts or that customer information and updates are shared with the customer service team to update the customer accounts.



Technician in the field reviewing work orders.

Appendix 2: Water Utilities Financial Activity FY 2020 through FY 2024


	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Assets & Deferred Outflows of Resources					
Cash and investments	\$ 21,741,932	\$ 27,622,321	\$ 36,121,648	\$ 41,490,829	\$ 50,551,679
Accounts receivable, net	1,885,295	2,007,457	2,188,098	2,492,499	2,721,032
Capital assets, net accumulated depreciation	77,168,348	78,125,713	85,685,335	92,338,076	90,013,158
Other assets	2,069,759	1,583,770	4,515,739	1,342,593	1,253,827
Deferred outflows	1,419,405	1,691,955	2,448,483	2,227,042	1,928,350
Total Assets and Deferred Outflows	104,284,739	111,031,216	130,959,303	139,891,039	146,468,046
Liabilities and Deferred Inflows of Resources					
Current and noncurrent liabilities	12,774,446	9,044,814	14,209,910	11,296,393	10,491,328
Deferred inflows	153,367	2,477,340	1,435,208	1,231,557	1,144,130
Total Liabilities and Deferred Inflows	12,927,813	11,522,154	15,645,118	12,527,950	11,635,458
Net Position					
Net investment in capital assets	71,741,434	73,262,547	81,220,822	88,085,317	86,580,994
Restricted for debt service	155,650	159,659	163,791	168,049	172,439
Unrestricted	19,459,842	26,086,856	33,929,572	39,109,723	48,079,155
Total Net Position	\$ 91,356,926	\$ 99,509,062	\$ 115,314,185	\$ 127,363,089	\$ 134,832,588
Revenues					
Charges for services	\$ 21,634,947	\$ 21,359,937	\$ 24,141,024	\$ 21,553,172	\$ 22,862,807
Miscellaneous revenues	155,352	193,061	251,693	243,994	265,453
Total Operating Revenue	21,790,299	21,552,998	24,392,717	21,797,166	23,128,260
Expenses					
Total Operating Expenses	(15,944,843)	(16,164,514)	(17,375,247)	(19,671,891)	(20,748,647)
Nonoperating Activity					
Nonoperating revenue	518,357	211,348	130,500	1,494,970	3,158,635
Nonoperating expenses	(192,626)	(181,157)	(907,768)	(124,519)	(10,598,140)
Capital contributions and grants	2,181,149	2,733,461	9,583,395	8,604,597	12,702,686
Transfers, net	95,421	-	(18,474)	(51,419)	(173,295)
Change in Net Position	\$ 8,447,757	\$ 8,152,136	\$ 15,805,123	\$ 12,048,904	\$ 7,469,499
Net Position, Beginning	82,909,169	91,356,926	99,509,062	115,314,185	127,363,089
Net Position, Ending	\$ 91,356,926	\$ 99,509,062	\$ 115,314,185	\$ 127,363,089	\$ 134,832,588

The amounts shown are derived from the County's Annual Comprehensive Financial Report (ACFR) available on the County's website⁴. The County's fiscal year ends September 30. The Water and Sewer Utilities Fund is an enterprise fund that accounts for the fiscal activities of County-owned water and sewer plants, as well as distribution and collection systems located primarily in unincorporated areas of the County. This enterprise operation services residential and commercial customers. The system is funded through user fees and connection charges.

⁴ <https://www.volusia.org/services/financial-and-administrative-services/financial-reports-schedules.stml>

Appendix 3: Customer Invoices Examples

The examples on the following pages illustrate customer invoices that auditors have marked with incorrect billing rates in red text.



Volusia County
FLORIDA

Water and Utility Services Billing
123 W. Indiana Avenue
DeLand, FL 32720-1262

Customer has 6" water & sewer commercial meter.
Customer was billed for 1-1/2" meter size base rates since 2018.
CY2024 6" water base rate = \$877.60
CY2024 6" sewer base rate = \$1,346.99
CY2024 1-1/2" water base rate = \$87.71
CY2024 1-1/2" sewer base rate = \$134.68

ACCOUNT NUMBER [REDACTED]
BILLING ID NUMBER [REDACTED]
BILLING DATE 12/17/24
PREVIOUS BILL \$4,198.46
PAYMENTS/ADJS (\$4,198.46)
PAST DUE BALANCE \$0.00
CURRENT CHARGES \$2,135.21
TOTAL DUE >>> \$2,135.21
DUE DATE >>> 01/06/25

SERVICE ADDRESS [REDACTED]

READ DATE	READING	CONSUMPTION
12/1/2024	22247	158,000 Water

SERVICE PERIOD 11/01/24 to 12/01/24

DETAILS OF CHARGES

Water Base Rate		\$87.71
Water Charges		\$963.80
Tier 1 - (0-500)	\$6.10/1,000 GAL	\$134.68
Sewer Base Rate		\$134.68
Sewer Charges		\$899.02
Fireline Availability	\$5.69/1,000 GAL	\$50.00
TOTAL CURRENT CHARGES		\$2,135.21

IMPORTANT INFORMATION

County offices will be closed on Wednesday, December 25, 2024, in observance of Christmas Day, Wednesday, January 1, 2025, in observance of New Years Day, and Monday, January 20, 2025, in observance of Martin Luther King Jr Day.

6" Base Rates:

\$ 877.60
\$1,346.99
\$4,137.41
\$2,002.20
undercharge

LATE PAYMENT INFORMATION

AMOUNT DUE IF PAID AFTER 4 PM ON 1/6/2025 \$2,348.73
(Includes late fee)
AMOUNT DUE IF PAID AFTER 4 PM ON 1/27/2025 \$2,398.73
(Includes late fee, \$50 delinquent fee and service is subject to disconnection)

YOUR IN-HOME WATER USAGE HISTORY

CURRENT MONTH	158,000
LAST MONTH	333,000
CURRENT MONTH - LAST YEAR	234,000

SERVICE ADDRESS [REDACTED]
ACCOUNT NUMBER [REDACTED]
DUE DATE 01/06/25
TOTAL DUE \$2,135.21

Please make checks payable to Volusia County Water.

[REDACTED]
C/o [REDACTED]
PO Box [REDACTED]
Chicago, IL 60631



Water and Utility Services Billing
123 W. Indiana Avenue
DeLand, FL 32720-4262

Customer has one 6" water & sewer commercial meter.
Customer was billed for an additional 2" water and sewer base rates since December 2017.

CY2024 6" water base rate = \$877.60
CY2024 6" sewer base rate = \$1,346.99
CY2024 2" water base rate = \$140.37
CY2024 2" sewer base rate = \$215.50

ACCOUNT NUMBER	
BILLING ID NUMBER	
BILLING DATE	12/03/24
PREVIOUS BILL	\$4,392.31
PAYMENTS/ADJS	(\$4,764.75)
PAST DUE BALANCE	\$0.00
CURRENT CHARGES	\$4,679.44
TOTAL DUE >>>	\$4,307.00
DUE DATE >>>	12/24/24

SERVICE ADDRESS		
READ DATE	READING	CONSUMPTION
11/21/2024	17541	234,000 Water

IMPORTANT INFORMATION

SERVICE PERIOD 10/21/24 to 11/21/24

DETAILS OF CHARGES

Water Base Rate		\$877.60	
Water Charges			
Tier 1 - (0-500)	\$3.28/1,000 GAL	\$767.52	
Water Base Rate		\$140.37	(\$140.37)
Sewer Base Rate	2" base rates	\$1,346.99	
Sewer Base Rate		\$215.50	(\$215.50)
Sewer Charges			
	\$5.69/1,000 GAL	\$1,331.46	
TOTAL CURRENT CHARGES		\$4,679.44	(\$355.87) overcharge

County offices will be closed on
Wednesday, December 25, in
observance of Christmas Day and
Wednesday, January 1, in
observance of New Years Day.

LATE PAYMENT INFORMATION

AMOUNT DUE IF PAID AFTER 4 PM ON 12/24/2024 \$4,737.70
(Includes late fee)
AMOUNT DUE IF PAID AFTER 4 PM ON 1/13/2025 \$4,787.70
(Includes late fee, \$50 delinquent fee and service is
subject to disconnection)

YOUR IN-HOME WATER USAGE HISTORY

CURRENT MONTH	234,000
LAST MONTH	202,000
CURRENT MONTH - LAST YEAR	188,000

SERVICE ADDRESS	
ACCOUNT NUMBER	
DUE DATE	12/24/24
TOTAL DUE	\$4,307.00

Please make checks payable to Volusia County Water.

Knoxville, TN 37923



Water and Utility Services Billing
123 W. Indiana Avenue
DeLand, FL 32720-4262

Customer has one 8" water & sewer commercial meter.
Customer was billed for two 2" water and sewer base rates since December 2019.
CY2024 8" water base rate = \$1,404.17
CY2024 8" sewer base rate = \$2,155.16
CY2024 2" water base rate = \$140.37
CY2024 2" sewer base rate = \$215.50
CY2024 fire line availability for 8" meter is \$100

ACCOUNT NUMBER	[REDACTED]
BILLING ID NUMBER	[REDACTED]
BILLING DATE	12/03/24
PREVIOUS BILL	\$1,057.75
PAYMENTS/ADJS	(\$1,057.75)
PAST DUE BALANCE	\$0.00
CURRENT CHARGES	\$1,174.36
TOTAL DUE >>>	\$1,174.36
DUE DATE >>>	12/24/24

SERVICE ADDRESS	[REDACTED]
READ DATE	11/21/2024
READING	1564
CONSUMPTION	46,000 Water

IMPORTANT INFORMATION

County offices will be closed on
Wednesday, December 25, in
observance of Christmas Day and
Wednesday, January 1, in
observance of New Years Day.

SERVICE PERIOD 10/21/24 to 11/21/24

DETAILS OF CHARGES

Water Base Rate		\$140.37
Water Charges		
Tier 1 - (0-800)	\$3.28/1,000 GAL	\$150.88
Water Base Rate		\$140.37
Sewer Base Rate		\$215.50
Sewer Base Rate		\$215.50
Sewer Charges		
	\$5.69/1,000 GAL	\$261.74
Fireline Availability		\$50.00
TOTAL CURRENT CHARGES		\$1,174.36

8" Base Rates:

\$1,404.17

\$2,155.16

\$100.00

\$2,897.59

undercharge

LATE PAYMENT INFORMATION

AMOUNT DUE IF PAID AFTER 4 PM ON 12/24/2024 \$1,291.80
(Includes late fee)
AMOUNT DUE IF PAID AFTER 4 PM ON 1/13/2025 \$1,341.80
(Includes late fee, \$50 delinquent fee and service is
subject to disconnection)

YOUR IN-HOME WATER USAGE HISTORY

CURRENT MONTH	46,000
LAST MONTH	33,000
CURRENT MONTH - LAST YEAR	56,000

SERVICE ADDRESS

ACCOUNT NUMBER

DUE DATE

TOTAL DUE

12/24/24

\$1,174.36

Please make checks payable to Volusia County Water.

C/O Accounts Payable

Daytona Beach, FL 32120



Water and Utility Services Billing
123 W. Indiana Avenue
DeLand, FL 32720-4262

Customer has one 2" reclaimed commercial meter. Per Council approved rates, reclaimed meters require a contract. There is no contract with this customer. The customer is charged a 1/2 potable rate and \$0.10 for consumption over 20,000 gallons.
CY2024 reclaimed water tier 0-10,000 gallons = \$1.95
CY2024 reclaimed water tier 10,001-15,000 gallons = \$2.25
CY2024 reclaimed water tier above 15,000 gallons = \$3.75

ACCOUNT NUMBER	[REDACTED]
BILLING ID NUMBER	[REDACTED]
BILLING DATE	07/23/24
PREVIOUS BILL	\$139.48
PAYMENTS/ADJS	(\$139.48)
PAST DUE BALANCE	\$0.00
CURRENT CHARGES	\$143.68
TOTAL DUE >>>	\$143.68
DUE DATE >>>	08/12/24

SERVICE ADDRESS	[REDACTED]
READ DATE	7/11/2024
READING	8209
CONSUMPTION	260,000 Water

IMPORTANT INFORMATION

PLEASE DO NOT PAY - PAYMENT
WILL BE AUTOMATICALLY DEDUCTED
FROM YOUR BANK ACCOUNT.

SERVICE PERIOD 06/11/24 to 07/11/24

DETAILS OF CHARGES

Reclaim Water Base Rate		\$70.18
Reclaimed Charges		
Tier 1 - (0-10)	\$1.95/1,000 GAL	\$19.50
Tier 2 - (10-15)	\$2.25/1,000 GAL	\$11.25
Tier 3 - (15-20)	\$3.75/1,000 GAL	\$18.75
	\$0.10/1,000 GAL	\$24.00
Tier does not exist		
TOTAL CURRENT CHARGES		\$143.68

\$918.75

\$876.00

undercharge

Your 2023 Consumer
Confidence Water Quality
Report (CCR) contains
important information about
the source and quality of
your drinking water and is
now available at
www.volusia.org/swi. If you
would prefer a paper copy of
this report or have any
questions, please call
386-822-6465 or e-mail Brian
Volkman at
bvolkman@volusia.org.

LATE PAYMENT INFORMATION

AMOUNT DUE IF PAID AFTER 4 PM ON	8/12/2024	\$158.05
(Includes late fee)		
AMOUNT DUE IF PAID AFTER 4 PM ON	9/9/2024	\$208.05
(Includes late fee, \$50 delinquent fee and service is subject to disconnection)		

YOUR IN-HOME WATER USAGE HISTORY

CURRENT MONTH
LAST MONTH
CURRENT MONTH - LAST YEAR

SERVICE ADDRESS	[REDACTED]
ACCOUNT NUMBER	[REDACTED]
DUE DATE	08/12/24
TOTAL DUE	\$143.68

Please make checks payable to Volusia County Water.

[REDACTED]
[REDACTED]
[REDACTED]
Lake Mary, FL 32746



Water and Utility Services Billing
123 W. Indiana Avenue
DeLand, FL 32720-4262

Customer has one 4" water and sewer commercial meter.
The customer was charged for water only since 2012.
CY2024 4" water base rate = \$438.75
CY2024 4" sewer base rate = \$673.46

ACCOUNT NUMBER	[REDACTED]
BILLING ID NUMBER	[REDACTED]
BILLING DATE	03/01/24
PREVIOUS BILL	(\$242.69)
PAYMENTS/ADJS	\$0.00
PAST DUE BALANCE	\$0.00
CURRENT CHARGES	\$2,137.57
TOTAL DUE >>>	\$1,894.88
DUE DATE >>>	03/22/24

SERVICE ADDRESS	[REDACTED]
READ DATE	2/21/2024
READING	30149
CONSUMPTION	448,000 Water

IMPORTANT INFORMATION

SERVICE PERIOD 01/21/24 to 02/21/24

4" sewer rates

DETAILS OF CHARGES

Water Base Rate		\$438.75
Water Charges		
Tier 1 - (0-250)	\$3.28/1,000 GAL	\$820.00
Tier 2 - (250-375)	\$3.95/1,000 GAL	\$493.75
Tier 3 - (375-500)	\$4.59/1,000 GAL	\$335.07
Fireline Availability		\$50.00

TOTAL CURRENT CHARGES \$2,137.57

\$673.46
448*\$5.69=2,549.12

\$3,222.58
undercharge

No sewer base rates or consumption charges

Pursuant to Volusia County
Ordinance 122-57, this statement
reflects a 3.97% rate increase.

LATE PAYMENT INFORMATION

AMOUNT DUE IF PAID AFTER 4 PM ON 3/22/2024 \$2,084.37
(Includes late fee)
AMOUNT DUE IF PAID AFTER 4 PM ON 4/8/2024 \$2,134.37
(Includes late fee, \$50 delinquent fee and service is
subject to disconnection)

YOUR IN-HOME WATER USAGE HISTORY
CURRENT MONTH 448,000
LAST MONTH 389,000
CURRENT MONTH - LAST YEAR 455,000

SERVICE ADDRESS	[REDACTED]
ACCOUNT NUMBER	[REDACTED]
DUE DATE	03/22/24
TOTAL DUE	\$1,894.88

Please make checks payable to Volusia County Water.

[REDACTED]
[REDACTED]
Orange City, FL 32763



Water and Utility Services Billing
123 W. Indiana Avenue
DeLand, FL 32720-4262

Customer has two commercial meters: 3/4" and 1-1/2".
The customer was charged for 3/4" base rates only since 2016.
CY2024 3/4" water base rates = \$17.50
CY2024 3/4" sewer base rates = \$26.92
CY2024 1-1/2" water base rates = \$87.71
CY2024 1-1/2" sewer base rates = \$134.68

ACCOUNT NUMBER	[REDACTED]
BILLING ID NUMBER	[REDACTED]
BILLING DATE	10/22/24
PREVIOUS BILL	\$487.47
PAYMENTS/ADJS	(\$487.47)
PAST DUE BALANCE	\$0.00
CURRENT CHARGES	\$397.71
TOTAL DUE >>>	\$397.71
DUE DATE >>>	11/12/24

SERVICE ADDRESS	READ DATE	READING	CONSUMPTION
[REDACTED]	9/20/2024	1957	9,000 Water
	10/11/2024	1141	6,000 Water
	9/20/2024	0	0 Water

IMPORTANT INFORMATION

SERVICE PERIOD	DETAILS OF CHARGES	
	Water Base Rate 3/4" base rate	\$17.50
	Water Charges	\$87.71
	Tier 1 - (0-10)	\$3.28/1,000 GAL \$29.52
	Tier 1 - (0-10)	\$3.28/1,000 GAL \$32.80
	Tier 2 - (10-15)	\$3.95/1,000 GAL \$19.75
	Tier 3 - (15-20)	\$4.59/1,000 GAL \$13.77
	Water Charges	
	Tier 1 - (0-50)	\$3.28/1,000 GAL \$19.68
	Sewer Base Rate 3/4" base rate	\$26.92
	Sewer Charges	\$134.68
		\$5.69/1,000 GAL \$51.21
	Sewer Charges	\$5.69/1,000 GAL \$102.42
	Sewer Charges	\$5.69/1,000 GAL \$34.14
	Fireline Availability	\$50.00

Your 2023 Consumer Confidence Water Quality Report (CCR) contains important information about the source and quality of your drinking water and is now available at www.volusia.org/swi. If you would prefer a paper copy of this report or have any questions, please call 386-822-6465 or e-mail Brian Volkman at bvolkman@volusia.org.

LATE PAYMENT INFORMATION	
AMOUNT DUE IF TOTAL AMOUNT PAID BY 11/12/2024	\$397.71
(Includes late fee)	
AMOUNT DUE IF PAID AFTER 4 PM ON 12/2/2024	\$487.48
(Includes late fee, \$50 delinquent fee and service is subject to disconnection)	

\$222.39 undercharge	CURRENT MONTH	33,000
	LAST MONTH	39,000
	CURRENT MONTH - LAST YEAR	27,000

YOUR IN-HOME WATER USAGE HISTORY

SERVICE ADDRESS	[REDACTED]
ACCOUNT NUMBER	[REDACTED]
DUE DATE	11/12/24
TOTAL DUE	\$397.71

Please make checks payable to Volusia County Water.

[REDACTED]
Orange City, FL 32763



Water and Utility Services Billing
123 W. Indiana Avenue
DeLand, FL 32720-1262

Customer has one 2" water and sewer and one 2" reclaimed water commercial meters.
Per Council approved rates, reclaimed meters require a contract.
There is a contract, however, it does not specify the rates. The customer is not charged a
1/2 potable rate and is charged \$0.10 for consumption over 20,000 gallons.
CY2024 reclaimed water tier 0-10,000 gallons = \$1.95
CY2024 reclaimed water tier 10,001-15,000 gallons = \$2.25
CY2024 reclaimed water tier above 15,000 gallons = \$3.75

ACCOUNT NUMBER [REDACTED]
BILLING ID NUMBER [REDACTED]
BILLING DATE 11/01/24
PREVIOUS BILL \$1,131.92
PAYMENTS/ADJS (\$1,131.92)
PAST DUE BALANCE \$0.00
CURRENT CHARGES \$1,590.57
TOTAL DUE >>> \$1,590.57
DUE DATE >>> 11/22/24

SERVICE ADDRESS [REDACTED]
READ DATE READING CONSUMPTION
10/21/2024 21660 1,221,000 Reclaimed
10/21/2024 2816 83,000 Water

IMPORTANT INFORMATION
PLEASE DO NOT PAY - PAYMENT WILL BE
AUTOMATICALLY DEDUCTED FROM YOUR BANK
ACCOUNT.

SERVICE PERIOD 09/21/24 to 10/21/24

DETAILS OF CHARGES

Water Base Rate		\$140.37
Water Charges		
Tier 1 - (0-80)	\$3.28/1,000 GAL	\$262.40
Tier 2 - (80-120)	\$3.95/1,000 GAL	\$11.85
Sewer Base Rate		\$215.50
Sewer Charges		
Base Rate does not exist	\$5.69/1,000 GAL	\$472.27
Reclaim Water Base Rate		\$293.58
Reclaimed Charges		
Tier 1 - (0-10)	\$1.95/1,000 GAL	\$19.50
Tier 2 - (10-15)	\$2.25/1,000 GAL	\$11.25
Tier 3 - (15-20)	\$3.75/1,000 GAL	\$18.75
Tier does not exist	\$0.10/1,000 GAL	\$120.10
Fireline Availability		\$25.00

Has your phone number changed?
Are you returning to your winter
home? Please email us at
volusiautilities@volusia.org your
most current phone number and
mailing address to update your
account.

With the time change, your
watering days have changed. Even
addresses are able to water on
Sundays only. Odd addresses are
able to water on Saturdays only.

TOTAL CURRENT CHARGES \$1,590.57

\$4,383.65
undercharge

LATE PAYMENT INFORMATION
AMOUNT DUE IF PAID AFTER 4 PM ON 11/22/2024 \$1,749.63
(Includes late fee)
AMOUNT DUE IF PAID AFTER 4 PM ON 12/9/2024 \$1,799.63
(Includes late fee, \$50 delinquent fee and service is
subject to disconnection)

YOUR IN-HOME WATER USAGE HISTORY
CURRENT MONTH 83,000
LAST MONTH 51,000
CURRENT MONTH - LAST YEAR 44,000

SERVICE ADDRESS [REDACTED]
ACCOUNT NUMBER [REDACTED]
DUE DATE 11/22/24
TOTAL DUE \$1,590.57

Please make checks payable to Volusia County Water.

[REDACTED]
Accounts Payable
[REDACTED]
Deltona, FL 32725

Appendix 4: Management Responses

Management's responses, including the staff assigned to implement each audit recommendation and the target implementation date, are provided below.

RECOMMENDATION 1A:

Inspect customer meter sizes and compare them to the Bill Master records to ensure the installed meters agree to the meter sizes being billed monthly.

MANAGEMENT'S RESPONSE:

We agree and as soon as the issue was noted during the audit, an exception report was created to identify accounts requiring meter size verification by a utility service technician. The result of the visual inspection will be compared with the meter size recorded in the billing system. Of the active potable meters (18,000+) compiled for the report, a total of 126 (58 commercial, 68 residential) have been referred to field staff for visual verification.

We would note that the FY 2024 revenue loss associated with incorrect meter sizes in the billing records accounts for 0.4% of the total utility revenue generated in FY 2024.

STAFF ASSIGNED TO IMPLEMENT:

Utility Service Technicians under the direction of Field Operations Supervisors.

TARGET IMPLEMENTATION DATE: This procedure is in progress.

RECOMMENDATION 1B:

Perform ongoing monitoring of customer meters by providing field technicians read-only access to Bill Master. This will allow for customer records to be verified in the field.

MANAGEMENT'S RESPONSE:

We acknowledge and support ongoing monitoring and verification to ensure each meter size corresponds with the appropriate billed rate. This process can be achieved by generating a billing system exception report which will then be sent to field technicians for visual inspection and timely response. However, to safeguard customer billing records we do not recommend giving utility service technicians direct access to customer accounts (even if read-only) and instead recommend this process be scheduled through Lucity requests which can be accessed by both service technicians and billing staff.

STAFF ASSIGNED TO IMPLEMENT:

Utilities Customer Support Services Manager.

TARGET IMPLEMENTATION DATE: Initiated May 2025 as a continuous process.

RECOMMENDATION 1C:

Provide and attend periodic training for customer service representatives on the billing and invoicing system (i.e., Bill Master).

MANAGEMENT'S RESPONSE:

We agree as customer service representatives directly responsible for billing functions have been trained in the new exception reporting and analysis processes. In addition, the vendor for BillMaster provides periodic training webinars for new users and an annual conference to demonstrate software updates and upgrades.

STAFF ASSIGNED TO IMPLEMENT:

Utilities Customer Support Services Manager and Accounting Specialist

TARGET IMPLEMENTATION DATE: April 2025.

RECOMMENDATION 1D:

Update user access within Bill Master so that meter sizes can only be updated by certain staff and that a confirmation prompt is activated to alert the user that a change will be occurring on the customer's account.

MANAGEMENT'S RESPONSE:

We agree and as soon as the issue was noted by the audit, the billing software vendor performed programming upgrades to include these administrative features.

STAFF ASSIGNED TO IMPLEMENT:

Utilities Customer Support Services Manager

TARGET IMPLEMENTATION DATE: Completed, March 2025.

RECOMMENDATION 1E:

Establish agreements or renew expired agreements for customers with reclaimed water meters greater than 1" to comply with the approved fee schedule. Ensure the reclaimed water rates (i.e., half-potable rate) are included in the annual fee schedule.

MANAGEMENT'S RESPONSE:

We agree the reclaimed water rate for commercial meters greater than 1" should be included on the annual fee schedule and will work to bring an updated fee schedule to Council for consideration. We acknowledge the initial expired agreements for sale and disposal of reclaimed water should be formally renewed or these customer accounts should be adjusted to match current reclaimed water rates.

To provide additional context it is important to note during the time when the two regional wastewater treatment facilities were constructed in West Volusia, initial agreements with adjacent community associations provided for a 4th tier rate as a means for disposal of surplus reclaimed water. During the early years of reclaimed water production, nearby community golf courses; ball fields; parks; entrance ways; and other common areas served as ideal locations for disposal. These areas were provided with an alternative water source allowing for reduced reliance on the fresh groundwater for irrigation purposes within a state protected spring basin and continue to remain key locations for demonstrating reclaimed disposal capacity in accordance with wastewater plant operating permits administered by the Florida Department of Environmental Protection.

STAFF ASSIGNED TO IMPLEMENT:

Utilities Director

TARGET IMPLEMENTATION DATE: January 2026.

RECOMMENDATION 2A:

Establish monthly accounts receivable analysis and monitoring practices to ensure the County's best efforts are used to collect all rates, fees, and other customer charges per the County's Ordinance, adopted County policies, and loan covenants.

MANAGEMENT'S RESPONSE:

We agree a monthly accounts receivable analysis and write-off procedure will be developed among WRU division and accounting department staff. Third-party collection agency activities have restarted for delinquent tenant balances greater than \$50. Delinquent tenant account balances less than \$50, which cannot be referred to the collection agency, will be written off.

STAFF ASSIGNED TO IMPLEMENT:

Utilities Customer Support Service Manager

TARGET IMPLEMENTATION DATE: October 2025.

RECOMMENDATION 2B:

Collaborate with the County Attorney's Office on the most cost-effective method to recoup past due balances, including a lien process or utilizing a collection agency.

MANAGEMENT'S RESPONSE:

We agree and Utilities staff will work with the County Attorney's office to utilize the lien process, lienable balances, and collection agencies for appropriate past due balances. As explained in the audit report, failure to pay for utility services results in discontinuation of service. Meanwhile availability fees and delinquent charges continue to accrue on the outstanding balance. Unpaid fees for utility services by a property owner are considered lienable balances. Under Florida law, payment for lienable balances may become the responsibility of either the seller or buyer at the time of a property transfer. Collection agency services are utilized exclusively for the purpose of recovering outstanding balances from a tenant who leases an owner's property.

STAFF ASSIGNED TO IMPLEMENT:

Utilities Director

TARGET IMPLEMENTATION DATE: October 2025.

RECOMMENDATION 3A:

Consider purchasing and implementing a new utility invoicing system that can interface with Lucity and CGI. Ensure reconciling controls are in place between the systems. Ensure that field technicians, while in the field, can access customer account records, such as meter sizes and meter types. Any account changes should be routed through a secondary review for documented approval.

MANAGEMENT'S RESPONSE:

We acknowledge the current utility billing system does not interface with the general ledger (CGI) system as identified in Figure-3. The audit identified a valid reconciliation issue regarding customer refunds and credit adjustments. Since that time and based on auditor recommendations, two additional reports have been generated to enable the accounting department to refund the customer's remaining balance with backup documentation.

We also acknowledge there is no interface with the Lucity system. While the purchase and implementation of an alternative utility customer and billing system could be a potential option,

thorough consideration must be given to each of the existing data and payment systems, identified in Figure-2, which interface with the current utility billing system. It can be expected that additional technical resources and end user training will be required for complete billing and customer service software conversion. The internal audit process has helped identify opportunities for increased efficiency and control. Meanwhile the current billing system vendor has demonstrated responsiveness to staff requests for customized programming, reports and increased controls.

STAFF ASSIGNED TO IMPLEMENT:

Utilities Director, Customer Service Manager, Accounting and I.T. technical staff.

TARGET IMPLEMENTATION DATE: Ongoing.

RECOMMENDATION 3B:

Establish procedures to reconcile the end-of-month reports to the billing cycle reports.

MANAGEMENT'S RESPONSE:

We disagree with this recommendation if it would require WRU to transition to a single billing cycle. WRU currently maintains over 18,000 active customer accounts consisting of three (3) separate bill cycles. Each cycle has between 5,500-6,500 accounts. A single billing cycle would result in several operational issues associated with disconnections and reconnections. Due to limited resources being available to address these operations throughout the entire County, a single billing cycle where all shutoffs and turn-ons associated with the end of a billing cycle could not adequately be addressed with current staffing levels. The Water Resources and Utilities Division, in coordination with the Accounting division, perform effective monthly reconciliations using Bill Master reports that accommodate our three billing cycles per month and maintain accurate tracking throughout the year. At fiscal year-end, we conduct a comprehensive true-up process to reconcile CGI general ledger accounts with Bill Master reporting totals and investigate and adjust any variances identified. This established process provides adequate internal controls while maintaining operational efficiency and has proven reliable for accurate financial reporting. Staff is working with the current billing software provider to see if new reports can be generated to do end-of-month reporting with multiple billing cycles.

STAFF ASSIGNED TO IMPLEMENT:

Utilities Director, Customer Service Manager.

TARGET IMPLEMENTATION DATE: Ongoing.

RECOMMENDATION 3C:

Work with the I.T. staff and Bill Master staff to modify the system report so that customer refunds (deposit refund and refund credits) are generated on two separate reports so that staff do not have to manipulate the reports manually.

MANAGEMENT'S RESPONSE:

We agree and based on the initial meeting with I.T. and audit staff, the original billing report is maintained while a separate supplemental report is created and submitted to accounting department staff for the issuance of refunds. In addition, utility customer service and I.T. staff are currently working to automate the process by uploading this information directly to accounting staff. This will further reduce manual entries.

STAFF ASSIGNED TO IMPLEMENT:

Utilities Customer Support Service Manager.

TARGET IMPLEMENTATION DATE: In progress.

RECOMMENDATION 3D:

Establish procedures so that field technicians can access customer accounts or that customer information and updates are shared with the customer service team to update the customer accounts.

MANAGEMENT'S RESPONSE:

We agree that ensuring the accuracy of the meter sizes on customer accounts is important; therefore, we have created a meter exception report through the billing system to flag meter size inconsistencies. The report is then sent to field supervisors and technicians for visual inspection and timely response. This report allows field technicians to verify the meter sizes are accurate and minimizes the number of personnel who have access to customer accounts to continue to ensure the confidentiality of customer information.

STAFF ASSIGNED TO IMPLEMENT:

Utilities Customer Support Service Manager.

TARGET IMPLEMENTATION DATE: Completed, May 2025.

Internal Audit

Our Values and Ethics

Values

Public Interest. Internal audit work is performed to benefit the public and improve the way government operates.

Integrity and High Ethical Conduct. Auditors conduct themselves with integrity and honesty, which are the foundations on which trustworthiness is built.

Objectivity. Auditors maintain objectivity in performing services.

Organization and Hard Work. Auditors endeavor to make efficient use of their time. Valued is a safe work place and one in which we are honored and recognized for our talents and accomplishments. Encouraged are fresh ideas and teamwork among employees and between county government and the community we serve.

Professionalism and Manner. Auditors are committed to the highest level of competence and professional conduct. We expect honest and respectful interactions with each other and the public. We handle resources provided, access to information and the position in a professional manner and when appropriate, protect the confidentiality or restricted information our roles may allow us access.

Auditee Relations. Auditors make themselves accessible and communicate openly and frequently. Communications are friendly, non-threatening, fair, and objective.

Audit Reports. Reports focus on significant, timely, and useful information for our constituents. Audit staff strive to make reports accurate, clear, convincing, objective, fair, and constructive.

Professional Development. Auditors strive to improve their knowledge, skills, and abilities through training, work experiences, and related outside activities.

Code of Ethics

Integrity. Establish trust. This provides the basis for reliance on judgment.

Objectivity. Exhibit highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. This will make a balanced assessment of all relevant circumstances not unduly influenced by own interests in forming judgments.

Confidentiality. Respect the value and ownership of information received and do not disclose information without appropriate authority unless there is a legal or professional obligation.

Competency. Apply knowledge, skills and experience needed in performance of internal audit services.

Producing Results for My Community. Be informed and knowledgeable. This can produce results my community expects to build trust.

Treating People Fairly. Treat people fairly and develop processes and procedures that are fair.

Diversity and Inclusion. Embrace diversity and inclusiveness to cultivate and promote policies that reflect the community we serve.

Reliability and Consistency. Consistently apply standards and honor the commitment to the community to make it easier to do the right thing even when faced with challenging circumstances.

