



# CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

Park E. Pearson, CPA  
 Interim City Auditor  
 San Antonio, Texas

RE: Management's Corrective Action Plan for the Audit AU08-001

City Management and the Solid Waste Management Department (SWMD) have reviewed the audit report for the Solid Waste Fees Collected by CPS Energy (CPS) and have developed the Corrective Action Plans below corresponding to report recommendations.

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
A-1	<b>Recently Annexed Areas</b> SWMD should establish procedures to monitor CPS billings to residents of newly annexed areas.	3	Accept	David Lopez, Solid Waste, COSA & Helen Madison, Audit, CPS	September 30, 2009
A-2	SWMD should work with CPS to bill residents who were undercharged or not charged. Credits or refunds should be given to those who were overcharged during the past year, according to the provisions of the Municipal Code.				
<p><b><u>Action plan:</u></b></p> <p>A-1. SWMD agrees to establish procedures to monitor billings in newly annexed areas. The major component in monitoring the billings is having access to customer information. SWMD will continue to work with representatives from CPS to establish the most appropriate method for accessing the SWMD customer data from the CPS master database. This proposed action plan will also apply to Recommendations "B", "C" and "D".</p> <p>A-2. SWMD worked with CPS to correct all customer billings which were identified as needing adjustment. All corrections have been completed.</p>					

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
<b>B-1.</b>	SWMD should establish procedures to monitor CPS billings to residents of exempt properties.	4	Accept	David Lopez, Solid Waste, COSA & Helen Madison, Audit, CPS	September 30, 2009
<b>B-2.</b>	SWMD should work with CPS to appropriately credit or refund residents who were mistakenly charged garbage, brush, and conversion fees.				
<p><b><u>Action plan:</u></b></p> <p>B-1. SWMD agrees to establish procedures to monitor billings in exempted areas. As stated in Recommendation "A", the major component in monitoring the billings is having access to customer information. SWMD will continue to work with representatives from CPS to establish the most appropriate method for accessing the SWMD customer data from the CPS master database.</p> <p>B-2. SWMD worked with CPS to correct all customer billings which were identified as needing adjustment. All corrections have been completed.</p>					
<b>C-1.</b>	SWMD should establish procedures to monitor billings to ensure that CPS does not bill residents of other cities for COSA solid waste fees.	4	Accept	David Lopez, Solid Waste, COSA & Helen Madison, Audit, CPS	September 30, 2009
<b>C-2.</b>	SWMD should work with CPS to appropriately credit or refund nonresidents who were charged COSA fees.				

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
<p><b><u>Action plan:</u></b></p> <p>C-1. SWMD agrees to establish procedures to monitor billings which may occur for residents in other cities. As stated in Recommendation "A", the major component in monitoring the billings is having access to customer information. SWMD will continue to work with representatives from CPS to establish the most appropriate method for accessing the SWMD customer data from the CPS master database.</p> <p>C-2. SWMD worked with CPS to correct all customer billings which were identified as needing adjustment. All corrections have been completed.</p>					
<b>D-1</b>	<p><b>Municipal Code Revisions – Automated Service</b></p> <p>SWMD should work with COSA management to update the Municipal Code to include rates for additional carts.</p>	5	Accept	David Lopez, Solid Waste, COSA & Helen Madison, Audit, CPS	September 30, 2009
<b>D-2</b>	SWMD should work with CPS to develop procedures to monitor billings to residents with multiple garbage carts.				
<p><b><u>Action plan:</u></b></p> <p>D-1. Working through the City Attorney's office, SWMD will codify current practices to include rates for additional carts.</p> <p>D-2. SWMD will monitor billings for multiple garbage carts. As stated in Recommendation "A", the major component in monitoring the billings is having access to customer information. SWMD will continue to work with representatives from CPS to establish the most appropriate method for accessing the SWMD customer data from the CPS master database.</p>					
<b>E-1</b>	<p><b>CPS Administrative Fee Overcharge – Number of Billings</b></p> <p>SWMD should request a refund from CPS for the overcharged administrative fees.</p>	6	Accept	Jeff Pullin, Public Utilities, COSA & David Lopez,	September 30, 2009

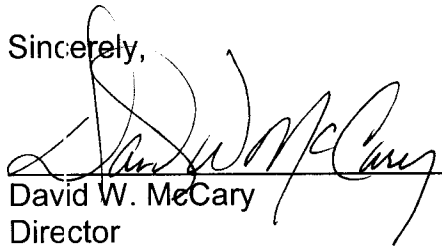
Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
E-2	SWMD should work with CPS to correct the SAP mechanism that tallies monthly billings used in the administrative fee computation.			Solid Waste, COSA & Helen Madison, Audit, CPS	
<p><b>Action plan:</b></p> <p>E-1. SWMD is working with the Public Utilities Division – Finance Department to request a refund for the overcharged administrative fees.</p> <p>E-2. Working through the Public Utilities Division, SWMD will request that CPS correct their SAP program that tallies monthly billings used in the administrative fee computation and that auditable confirmation of the correction be provided.</p>					
F	<p><b>CPS Transmittal of Payments</b></p> <p>SWMD should work with the Public Utility Division of the COSA Finance Department to revise remittance terms with CPS so that the payment made on the 5<sup>th</sup> of the month represents approximately one-half of the expected total monthly solid waste fee revenue.</p>	6	Accept	Jeff Pullin, Public Utilities, COSA & David Lopez, Solid Waste, COSA & Helen Madison, Audit, CPS	March 31, 2009
<p><b>Action plan:</b></p> <p>SWMD is working with the Public Utilities Division to address this recommendation. According to the Public Utilities Division, CPS has agreed in principal to revise the remittance terms so approximately one-half of the current fees collected are remitted by the 5<sup>th</sup> of the month and the remainder by the 15<sup>th</sup> of the month. The current Memorandum of Understanding will be revised to reflect this change.</p>					
G.	<p><b>CPS Administrative Fee Charges</b></p> <p>SWMD, with the assistance of the Public Utility Division of the COSA Finance Department, should perform an assessment of CPS's administrative charges to determine if they are reasonable.</p>	7	Accept	Jeff Pullin, Public Utilities, COSA & David Lopez, Solid Waste, COSA	June 30, 2009

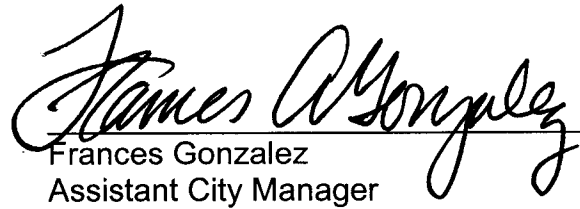
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	<p><b>Action plan:</b></p> <p>SWMD will work with the Public Utilities Division to perform an assessment of the administrative charges.</p>				

As outlined above, the major solution to several of the recommendations is having access to customer information. Although this customer database is not maintained by the City, SWMD continues to be proactive by working closely with CPS to find a suitable solution for access to the customer data. SWMD recognizes the concern that CPS has relating to the confidentiality of certain information and will continue to work to find a solution that is agreeable for both parties. Currently, a dialogue continues with various CPS representatives to develop a workable solution.

We are committed to addressing the recommendations in the audit report and the plans of action presented above.

Sincerely,

  
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 David W. McCary  
 Director  
 Solid Waste Management Department

  
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 Frances Gonzalez  
 Assistant City Manager  
 City Manager's Office