

**CITY OF RIVIERA BEACH
PALM BEACH COUNTY, FLORIDA
UTILITY SPECIAL DISTRICT BOARD MEETING MINUTES
MUNICIPAL COMPLEX COUNCIL CHAMBERS
WEDNESDAY, MAY 1, 2013, AT 5:00 P.M.**

(The following may contain inaudible or misunderstood words due to the recording quality.)

CHAIRPERSON THOMAS: Okay. We'll now call this regularly scheduled Utility Special District Board meeting to order. Madam Clerk?

DEPUTY CLERK ANTHONY: Chairperson Cedrick Thomas?

CHAIRPERSON THOMAS: Here.

DEPUTY CLERK ANTHONY: Chair Pro Tem Dawn Pardo?

CHAIR PRO TEM PARDO: Present.

DEPUTY CLERK ANTHONY: Board Member Bruce Guyton? Board Member Judy Davis?

BOARD MEMBER J. DAVIS: Here.

DEPUTY CLERK ANTHONY: Board Member Terrance Davis?

BOARD MEMBER T. DAVIS: Here.

DEPUTY CLERK ANTHONY: City Manager Ruth Jones?

CITY MANAGER JONES: Present.

DEPUTY CLERK ANTHONY: Executive Director Louis Aurigemma?

UTILITIES DIRECTOR AURIGEMMA: Here.

DEPUTY CLERK ANTHONY: Deputy District Clerk Claudene Anthony is present. District Attorney Valencia Stubbs?

ASSISTANT DISTRICT ATTORNEY STUBBS: Stubbs. Present.

DEPUTY CLERK ANTHONY: District Finance Director Randy Sherman?

DISTRICT FINANCIAL DIRECTOR SHERMAN: (Inaudible).

CHAIRPERSON THOMAS: No problem. Seems that we have a quorum. Would everyone please stand for a moment of silence followed by the Pledge led by Miss

Pardo, please? (Everyone stood for a Moment of Silence with the Pledge of Allegiance being led by Chair Pro Tem Pardo).

Okay. Um, Madam Manager, are there any deletions, additions, substitutions or revisions?

CITY MANAGER JONES: No, sir.

CHAIRPERSON THOMAS: Okay.

BOARD MEMBER J. DAVIS: Move adoption.

CHAIR PRO TEM PARDO: Second.

CHAIRPERSON THOMAS: Been properly moved and second. Any additional questions/concerns? Hearing none, Madam Clerk.

DEPUTY CLERK ANTHONY: Board Member J. Davis?

BOARD MEMBER J. DAVIS: Yes.

DEPUTY CLERK ANTHONY: Board Member T. Davis?

BOARD MEMBER T. DAVIS: Yes.

DEPUTY CLERK ANTHONY: Pro Tem Pardo?

CHAIR PRO TEM PARDO: Yes.

DEPUTY CLERK ANTHONY: Chair Thomas?

CHAIRPERSON THOMAS: Yes.

DEPUTY CLERK ANTHONY: Unanimous vote.

CHAIRPERSON THOMAS: Okay. We're going to move down to our consent agenda. All matters listed under this item are considered to be routine. Action will be taken by one motion. There will be no separate discussion of these items unless a councilperson so requests, in which event an item will be removed from the general order of business and considered in its normal sequence on the agenda. Is there a motion for adoption of the consent agenda?

CHAIR PRO TEM PARDO: So moved.

BOARD MEMBER T. DAVIS: Second.

CHAIRPERSON THOMAS: It's been properly moved and second. Any questions, concerns, unreadiness? Hearing none, Madam Clerk.

DEPUTY CLERK ANTHONY: Board Member T. Davis?

BOARD MEMBER T. DAVIS: Yes.

DEPUTY CLERK ANTHONY: Board Member J. Davis?

BOARD MEMBER J. DAVIS: Yes.

DEPUTY CLERK ANTHONY: Pro Tem Pardo?

CHAIR PRO TEM PARDO: Yes.

DEPUTY CLERK ANTHONY: Chair Thomas?

CHAIRPERSON THOMAS: Yes.

DEPUTY CLERK ANTHONY: Unanimous vote.

CHAIRPERSON THOMAS: Okay. Item 2.

DEPUTY CLERK ANTHONY: A resolution of the Board of Directors of the City of Riviera Beach Utilities Special District, Palm Beach County, Florida, authorizing the District to solicit a design/build request for a proposal for the "Core" Disinfection Facility located on the water treatment plant site, authorizing the Finance Director to make payment from the Utility Special District repair maintenance contract account and make a payment for same -- from same and provide an effective date.

CHAIR PRO TEM PARDO: So moved.

BOARD MEMBER J. DAVIS: Second.

CHAIRPERSON THOMAS: It's been properly moved and second. Mr. -- Dr. Aurigemma?

UTILITIES DIRECTOR AURIGEMMA: Yes, sir. Uh, this is the first step, uh, for the change-out in our disinfection system. This is for the design/build of the core facility, the actual building in which everything will happen. Uh, there will be subsequent phases but we wanted to get this one off the ground and we're siting it at the water treatment plant very close to where, uh, the chlorine -- the existing chlorine facility is. And so that's -- that's the first step.

Second step will be to -- which is not part of this RFP, will be to, uh, test the water, do a bench scale of the water with the new, uh, bleach for disinfectant. And then that will tweak our system as to what we need to add or delete to the current process. And then the last step will be to actually procure a vendor for the sodium hypochlorite.

CHAIRPERSON THOMAS: Are there any questions from the board? Okay. Um, I do have a couple of questions. I just want to make sure that -- I remember the board has decided to go from gas to, uh, bleach.

UTILITIES DIRECTOR AURIGEMMA: Yes, sir.

CHAIRPERSON THOMAS: Liquid.

UTILITIES DIRECTOR AURIGEMMA: Yes, sir.

CHAIRPERSON THOMAS: Um, but I don't recall us actually making a decision on which way we wanted to do it in terms of on site or still having it, um, brought in. Is the construction of this building going to affect that in any type of way?

UTILITIES DIRECTOR AURIGEMMA: Uh, no. The -- the building would have to be built whether we were going with on-site generation of sodium hypochlorite or a bulk purchase of sodium hypochlorite. We will need the -- the building and the tanks inside of it for permitting purposes. So we need that no matter which way we go.

CHAIRPERSON THOMAS: Okay. And when do you suppose that we're going to get that, uh, information that we need to actually make a decision on which way we want to go?

UTILITIES DIRECTOR AURIGEMMA: Well, it -- it's -- right now the -- the time schedule that I have is to get this thing rolling and basically shovel -- basically put a shovel into the ground to get this building built. As -- as we do that, then we'll start setting up the -- these bench -- bench testing of the, uh -- of the actual water product. And -- and so we'll -- we're -- we're -- we're doing it in steps but it will be sequential so that it'll be seamless to -- to everyone.

CHAIRPERSON THOMAS: Okay. Okay. All right. I -- I can accept that for now.

UTILITIES DIRECTOR AURIGEMMA: Okay.

CHAIRPERSON THOMAS: Any other questions from the board? Okay. Hearing none, Madam Clerk?

DEPUTY CLERK ANTHONY: Board Member J. Davis?

BOARD MEMBER J. DAVIS: Yes.

DEPUTY CLERK ANTHONY: Board Member T. Davis?

BOARD MEMBER T. DAVIS: Yes.

DEPUTY CLERK ANTHONY: Pro Tem Pardo?

CHAIR PRO TEM PARDO: Yes.

DEPUTY CLERK ANTHONY: Chair Thomas?

CHAIRPERSON THOMAS: Yes.

DEPUTY CLERK ANTHONY: Unanimous vote.

CHAIRPERSON THOMAS: Okay. Um, discussion by the Executive Director.

UTILITIES DIRECTOR AURIGEMMA: Uh, I don't have anything, sir.

CHAIRPERSON THOMAS: Okay. Legal?

ASSISTANT DISTRICT ATTORNEY STUBBS: No, Mr. Chair.

CHAIRPERSON THOMAS: Discussion or recommendations by District Board. It's resolution number 3.

DEPUTY CLERK ANTHONY: A resolution of the Board of Directors of the City of Riviera Beach Utility Special District, Palm Beach County, Florida, adopting a City of Riviera Beach Utility Special District policy for utility service and provide an effective date.

BOARD MEMBER J. DAVIS: So moved.

CHAIR PRO TEM PARDO: Second.

BOARD MEMBER T. DAVIS: Second.

CHAIRPERSON THOMAS: It's been properly moved and second. Any additional questions, concerns or unreadiness? Hearing none --

CHAIR PRO TEM PARDO: Wait. Wait, wait, wait.

CHAIRPERSON THOMAS: Miss Pardo?

CHAIR PRO TEM PARDO: I -- I -- hold on a second. Can we have a bit of a presentation since, you know, there's a lot here?

DISTRICT FINANCIAL DIRECTOR SHERMAN: May I?

CHAIR PRO TEM PARDO: Yeah.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Good evening. Randy Sherman, Utility Special District Finance Director tonight. Um, if you recall about a month ago when I made the presentation on the Utility District and where we're going, this is today's policies. It's about four inches thick and it's in, you know, numerous different documents. Uh, what you have in front of you tonight is a revised policy. It's 31 pages and three of those are actually forms. So we've actually narrowed it down, consolidated and brought a lot of things together in one place.

Most of what's in this policy is what we've been doing for years. Nothing is new. It's just, again, bringing it together and putting it in one place. There were five things, though, that I think are, you know, worth talking about that are actually new. And if I

can, I'm going to run through these. It's just five quick slides.

The first one, which I think a lot of people have been asking for, is this policy actually requires a preventative maintenance program. Um, the way that we structured this is there will never be anything out, you know, being utilized that is over 120 percent of its useful life. So we will go out and we will be -- make sure that all of those items are -- are being replaced. Uh, once the items actually reach 90 percent of their useful life, that's when we'll actually be going out and, again, starting a real heavy-duty maintenance program on those items.

But we'll also be going out and doing some statistical testing and trying to make sure we're hitting things periodically before it gets to the 90 percent. So again, we can keep things working and make sure that, you know, we have a good program operating.

And then one of the things that we found -- and actually, Dr. Aurigemma brought up, is sometimes there's a mismatch in the components which could cause problems in the readings. So we put in place, you know, a system so we can detect those mismatches. Um, and then we also set up a prioritization on how work orders will be addressed so we can, again, take care of the things that are most important and get those operating.

Uh, the second thing that I think a lot of our customers will certainly appreciate is if you recall last November we put in that resolution about dealing with, you know, extraordinary-type readings. And in checking around with other utilities, most of them have something very similar to this in place where they really have -- or allow for a one-time, uh, We really have no answers, type issue. We're just -- we're gonna make an adjustment. You get an extraordinary bill -- there's certain conditions that need to be met but, you know, no argument, no discussion, we will fix your bill. Not that we're gonna -- not gonna look at it, not that we're not gonna try to research it and find out -- 'cause we don't want it to repeat. Um, but it's -- right now no one has the authority to make these types of adjustments. Um, you know, it's a type of thing, Hey, it's gone through your -- your meter. You have to pay it. That's really where we are today. But again, what I've found is the other utilities out there are allowing these one-time adjustments for these, you know, extraordinary issues.

Uh, you'll notice that we increased it, that it has to be four times your average monthly bill. Uh, before it was only twice your average monthly bill and we found that that really didn't address the issue. It was really too tight of a window. And people can fluctuate from 2,000 gallons to 4,000 gallons real easily. It -- it doesn't take a lot to do that.

Uh, so we made it four times the bill. But what we said is, Listen, you know, no question. We will make the adjustment. And then we'll -- you know, we'll move forward from there. But you only get to make this adjustment once every three years, you know, so don't -- you know, don't come in and keep asking for them. But, you know, we kind of thought that -- that this was a -- the best approach.

We find we spend a lot of time -- I'll say debating and talking in term -- over very small dollars. And again, talking to the other utilities, they're like, Well, you know, why would I

want to spend \$1,000 researching a \$50 item? You know, get it -- get it behind you, move on. Do the research, make sure things are working, which we think will free up some time again to do some of the preventative maintenance type issues.

Um, the second issue here is we've actually put in place for an administrative hearing process. Um, we put in a process of how people are going to file their complaints, how that will go through, how they'll be reviewed. You know, and as we go through the process of going out and doing manual reads and checking meters and going through all that -- but once we've exhausted everything that we possibly can do, sometimes the customers still just don't feel satisfied.

So what we said is, Okay. What we'll do is we'll take three brand new people who haven't looked at your situation at all and we'll come in and we'll let you lay out your case one more time to these three people, um, who have knowledge about, you know, how the system's run. Um, 'cause maybe something got missed. Maybe -- you know, I mean, you know, the staff isn't perfect. But we did put in this administrative hearing process.

Uh, the fourth item that I wanted to bring up was on account deposits. It's not that anything --

CHAIRPERSON THOMAS: Excuse me, Mr. Sherman?

DISTRICT FINANCIAL DIRECTOR SHERMAN: Yes?

CHAIRPERSON THOMAS: Can you go back one slide, please?

DISTRICT FINANCIAL DIRECTOR SHERMAN: Sure.

CHAIRPERSON THOMAS: Um, where it says the, uh, composition of this board, usually besides the -- the designation from the board, those other two individuals will probably be one of the people who've already heard this. Correct?

DISTRICT FINANCIAL DIRECTOR SHERMAN: No. The -- the interesting thing is if you notice, I took myself out of there. Because I want to be able to leave myself to be able to work with the billings manager and work with the -- the clerks and meet with the customers and actually go through that process. Um, so right now, again, the assistant finance director, who obviously has done this role before. She understands it. She's not doing anything with that utility -- with customers at this point. So again, we're going to keep those people out of that process until it gets to the hearing. Um, and then on the utility side, again, if Mr. Aurigemma has worked on it, then maybe again, he can pass it over to his assistant, you know, and designate somebody else, 'cause we want to have three fresh eyes on the -- on the issue.

CHAIRPERSON THOMAS: Okay. Um, I just want to make sure that, um -- that in the day-to-day operations, that some of these assistants don't get pulled into handling these issues.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Right.

CHAIRPERSON THOMAS: Prior to. Are we sure that these are the designees that we want to, um, have in there? Is it someone else that could perhaps be these individuals? Just in case one of the directors --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Yeah.

CHAIRPERSON THOMAS: -- are not available, those assistants have to step in.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Well, and again, there may be the situation that I didn't deal with something and the assistant finance director did and then in this case, maybe I would step in and be on the hearings and then, you know -- see? So --

CHAIRPERSON THOMAS: Okay. Okay.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Uh, again with the account deposits, the -- the -- the issue that I had here and I just wanted to put up was just clarification on how much the deposits are and how they are actually being set. And if you go through here, right now we're actually asking on a residential account on -- on number 2 there three months of billing.

BOARD MEMBER J. DAVIS: Oh.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Um, which I really think is -- is high.

BOARD MEMBER J. DAVIS: It is.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Okay? Um, but the reason it's that high is because of our collection history.

BOARD MEMBER J. DAVIS: Uh-huh.

DISTRICT FINANCIAL DIRECTOR SHERMAN: And I think that this can be adjusted as we go along, as some of the other things that we're trying to do fall into place. Um, but the key issue on here, though, which it -- it's the policy that we have followed but it's never been -- I can't find that it's written anywhere, is number 6, um, where we actually do not pay interest on the account deposits.

BOARD MEMBER J. DAVIS: Oh.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Now, if you think about the level of deposits right now and what current interest rates are, you know, for me to come along and reallocate 17 cents to every account -- so what we do -- or what they have done for years here, um, is say, Okay. Well, that interest -- anything we earn stays in the fund and is used obviously to pay the expenses of the fund. So if everybody has a deposit, then everybody's contributing interest to the fund and, you know, we'll use that.

CHAIRPERSON THOMAS: Mr. -- Mr. Sherman?

DISTRICT FINANCIAL DIRECTOR SHERMAN: Yes.

CHAIRPERSON THOMAS: Um, the -- I guess you can go to -- back to number 2 for a second.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Sure.

CHAIRPERSON THOMAS: Is that new every time someone moves in? So this is a rental property. Are they taking the three months prior usage for the tenant that lives there, that lived there before they moved in? Or how would you get that particular number?

DISTRICT FINANCIAL DIRECTOR SHERMAN: Right. We -- we try -- well, we know what, like, a residential unit averages and that's what we would use if it's a brand new tenant. Now, if -- again, if it's somebody who's moved from one part of town to the other part of -- we know what they use on average. Um, so that we -- we try to -- you know, we try to make those adjustments.

Um, so right now for a residential, if it's brand new, we estimate it about 6,000 gallons a month and then that's what we base the deposit on.

CHAIRPERSON THOMAS: Well, I'm just trying to make sure that you may have had a family of five live in a place and then you have a family of two that moves in.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Right.

CHAIRPERSON THOMAS: They're clearly -- well, in most times --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Right.

CHAIRPERSON THOMAS: -- they're not going to use this -- they're not gonna have the same level of consumption. I just want to make sure that they're not being charged on the family of five --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Right.

CHAIRPERSON THOMAS: -- and they're a family of two.

DISTRICT FINANCIAL DIRECTOR SHERMAN: No, they're -- they're not.

CHAIRPERSON THOMAS: Okay.

DISTRICT FINANCIAL DIRECTOR SHERMAN: They're not. They're not.

CHAIRPERSON THOMAS: Okay.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Okay?

BOARD MEMBER J. DAVIS: Um, Mr. Chair?

DISTRICT FINANCIAL DIRECTOR SHERMAN: Yes?

CHAIRPERSON THOMAS: Miss Davis?

BOARD MEMBER J. DAVIS: Piggybacking on what you just said. Um, just so that it's consistent, is there a way that you could develop a chart for a one-person residence, a two- --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Yeah.

BOARD MEMBER J. DAVIS: .But then again, you know, if somebody says there's three in their family, how do -- I mean, we don't know for certain whether it's --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Right. Right.

BOARD MEMBER J. DAVIS: -- that's really accurate or not.

DISTRICT FINANCIAL DIRECTOR SHERMAN: And I -- right.

BOARD MEMBER J. DAVIS: But if -- I think if you develop a chart that really just kind of --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Yeah.

BOARD MEMBER J. DAVIS: -- outlines, you know, what it is for --

DISTRICT FINANCIAL DIRECTOR SHERMAN: We -- we could create set dollar amounts and just put it -- 'cause -- 'cause we do that with -- with meter sizes on the commercial. You know, it's -- it's a set amount. And we could do that on the residential side. A lot of it -- you know, a lot of the variation between the accounts is really the irrigation.

BOARD MEMBER J. DAVIS: Uh-huh.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Um, but again, we could come up with a chart. Now, what I would like to, again, do over time is get this number down so the deposits are actually lower once we get better collections. And then, again like some of the other utilities do, is once you have a customer that has a good payment history, return their deposit to them. I mean, you don't need to be --

BOARD MEMBER J. DAVIS: Uh-huh.

DISTRICT FINANCIAL DIRECTOR SHERMAN: -- holding it for somebody who's lived there 30 years and has --

BOARD MEMBER J. DAVIS: Right.

DISTRICT FINANCIAL DIRECTOR SHERMAN: -- made their payment. You know, it's like, Okay. Let's release their deposit. We just don't need it anymore. Um, so again --

CHAIRPERSON THOMAS: And again, Mr. --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Yes.

CHAIRPERSON THOMAS: -- Mr. Sherman? Once again, so have we addressed the issues where the landlord may pay the deposit or pay the water bill and, um, the tenant ends up having to also put a deposit down or -- have we addressed that issue?

DISTRICT FINANCIAL DIRECTOR SHERMAN: Well, and that's the fifth one.

CHAIRPERSON THOMAS: Okay.

DISTRICT FINANCIAL DIRECTOR SHERMAN: If I can jump to the fifth one.

CHAIRPERSON THOMAS: Okay.

DISTRICT FINANCIAL DIRECTOR SHERMAN: 'Cause right now what we do is we require on rental properties that the tenant -- that the tenant be the customer. What we would actually like to do is make the owner be the customer. Okay? So just like they do with property taxes --

BOARD MEMBER J. DAVIS: Uh-huh.

DISTRICT FINANCIAL DIRECTOR SHERMAN: -- the owner would be the customer. And if they pass it to their tenant, they pass it to their tenant. Now, part of the reason that we're looking to do that is currently right now, you know, we have -- I believe it's over 60 percent of our properties are rental properties. That was the number I heard. Okay?

BOARD MEMBER J. DAVIS: Sixty?

DISTRICT FINANCIAL DIRECTOR SHERMAN: Okay. Right now one-third of our customers are delinquent. Okay?

BOARD MEMBER J. DAVIS: Hmm.

DISTRICT FINANCIAL DIRECTOR SHERMAN: That's over 90 days delinquent.

BOARD MEMBER J. DAVIS: Hmm.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Okay? That's 15 percent of our total revenues. If we collected all that money, everybody could have water free for two months. Okay? It's a lot of money that's delinquent right now.

CHAIRPERSON THOMAS: Hypothetically speaking.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Hypothetically speaking.

CHAIRPERSON THOMAS: Yes, please.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Um, last year the -- the field staff closed out 12,400 work orders. 8,700 of those were due to delinquencies.

BOARD MEMBER J. DAVIS: Hmm.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Seventy percent of our work orders were due for delinquent accounts. Turn on, turn off. Get a check, turn it on. Check bounces, we turn it off. You know, I mean, just going back -- so 70 percent -- and again, not all necessarily rentals. Okay? Um, but we are thinking that if we make this change, that this was going to reduce that workload and again be able to go in and put the preventative maintenance program in place.

CHAIRPERSON THOMAS: Mr. -- Mr. Sherman?

DISTRICT FINANCIAL DIRECTOR SHERMAN: Yes.

CHAIRPERSON THOMAS: And we probably would need more time to -- to discuss this. But I think what's going to happen with this is you're going to put us in the middle.

CITY MANAGER JONES: Uh-huh.

CHAIRPERSON THOMAS: Some landlord is going to be responsible for it and the tenant is going to say, Hey, listen, the landlord is supposed to pay this but the landlord didn't pay it. Now the tenant is without water and they've paid their rent or whatever. I don't want the City to be in that go-between area. So we're gonna have to tighten that up a little bit or find some type of way so that the City is not creating another issue with trying to make sure --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Yeah.

CHAIRPERSON THOMAS: -- that we can have a resolution for those type of issues.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Um --

BOARD MEMBER J. DAVIS: I would agree with that.

CHAIRPERSON THOMAS: Yeah.

BOARD MEMBER J. DAVIS: Because I -- I know a lady that it happened to. Um, the meter is in the, um -- the landlord's name for both units. But yet she had paid her rent and, you know, he turned the water off. So, um, that's -- that's -- that's really not a -- a good thing, I don't think.

DISTRICT FINANCIAL DIRECTOR SHERMAN: It -- I -- I guess I'm not even sure how I would respond to that.

CITY MANAGER JONES: Yeah.

DISTRICT FINANCIAL DIRECTOR SHERMAN: I mean, again, I look at the amount of work and the amount of dollars that are just --

BOARD MEMBER J. DAVIS: I understand.

DISTRICT FINANCIAL DIRECTOR SHERMAN: -- falling because, you know, the tenants are -- are not taking the responsibility for it. Um, and again, as the tenants leave, the tenants leave. We can't lien the property. You know? We can't track the tenants down.

CHAIRPERSON THOMAS: Well, we -- we just may need to just do some further research to see if there's --

BOARD MEMBER J. DAVIS: Yeah. Right.

CHAIRPERSON THOMAS: -- a way --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Yeah.

CHAIRPERSON THOMAS: -- that we can have a shared responsibility. It -- it -- it's -- it's -- it affects you on both sides. On one side, you may have a tenant that does everything perfectly and have a landlord that pays it every month or whatever the situation is.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Uh-huh.

CHAIRPERSON THOMAS: But in those cases where we hope are few where a tenant is really not responsible for the fact that their landlord did not take care of their responsibilities due to their water bill --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Right.

CHAIRPERSON THOMAS: -- and then they would suffer. I don't want to be in a position where we're punishing a tenant that's done everything that they're supposed to do. Sometimes we can't find these landlords. Sometimes these landlords are out of state or where -- wherever. I just think that that part needs to be --

BOARD MEMBER J. DAVIS: Yeah. Needs some more work.

CHAIRPERSON THOMAS: -- this is not a part that we should just accept blanket --

DISTRICT FINANCIAL DIRECTOR SHERMAN: I mean, are you -- are you looking -- are you looking for us to maybe broaden the -- the time frame for a turn-off if it's an owner/tenant relationship?

CHAIRPERSON THOMAS: I think at some point you're just going to continue to -- to get into that -- that cycle. We're going to need to do something else. The plan is good

on one side but we need to strengthen it on the side that protects our tenants. I don't -- and -- and maybe I'm not making myself --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Yeah. Yeah. No, I -- I -- I hear what you're saying.

CHAIRPERSON THOMAS: -- clear.

DISTRICT FINANCIAL DIRECTOR SHERMAN: I'm just -- I'm -- I'm -- I'm trying to process it and try to figure out what the -- what the solution to it is and -- and, um --

BOARD MEMBER J. DAVIS: I don't have --

BOARD MEMBER T. DAVIS: Excuse me.

BOARD MEMBER J. DAVIS: -- well, maybe it might not be a solution. I'm sorry.

CHAIRPERSON THOMAS: No, no, no. Go ahead, Miss Davis.

BOARD MEMBER J. DAVIS: Okay. A solution right now. But, you know, if we keep working on it maybe you'll come up with one.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Well, and -- well, and I guess let me -- 'cause what I'm gonna say about this part is clearly if you adopt the policy, um, this doesn't go into effect on day one. I mean, 'cause you have to -- we have -- we'd have to notice all the owners. Um, they obviously that leases that may need to change over time and as -- as tenants change. Um, yeah, I guess I'd have to think about how we would address the issue of nonpayment.

CHAIRPERSON THOMAS: I'm -- I'm gonna take Mr. Davis really quick.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Yeah. Go ahead.

CHAIRPERSON THOMAS: Mr. Davis?

BOARD MEMBER T. DAVIS: Um, can you hear me?

CHAIRPERSON THOMAS: Yeah.

BOARD MEMBER T. DAVIS: Um, one thing we could look at -- when you discussed earlier, you was talking about the deposit and returning those deposits.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Uh-huh.

BOARD MEMBER T. DAVIS: Deposit usually is supposed to protect us from situations like this.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Yeah.

BOARD MEMBER T. DAVIS: And we have landlords, um, we can require landlords to, um, have a -- a higher deposit, because --

DISTRICT FINANCIAL DIRECTOR SHERMAN: There you go.

BOARD MEMBER T. DAVIS: -- if I don't pay my bill and I'm using water and I've got people coming in and out of my house and, I don't know, my child has friends over, staying the night, um, that's the landlord's responsibility to make sure there's some money in that account. We should not be returning any money back. That's there to protect us --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Right.

BOARD MEMBER T. DAVIS: -- as a -- as a city and as -- as -- as our residents. Because all residents should not suffer because of a landlord that's not doing their job and doing their due diligence.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Well, that's a good point. And that way we could buy more time to --

BOARD MEMBER T. DAVIS: Yeah.

DISTRICT FINANCIAL DIRECTOR SHERMAN: -- you know, to get them to resolve the issue.

CHAIRPERSON THOMAS: Um, that could -- that's definitely something that I think you ought to take in.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Yeah. Okay.

BOARD MEMBER J. DAVIS: Uh-huh.

CHAIRPERSON THOMAS: Um, however, residents that have been paying their bill for a long time --

BOARD MEMBER J. DAVIS: Yeah, absolutely.

CHAIRPERSON THOMAS: -- I do think we should return their deposits.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Right, Right.

BOARD MEMBER J. DAVIS: Yeah.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Right. But that -- but that's a -- but that's a good point because that --

CHAIRPERSON THOMAS: The -- the other thing I'm gonna have a problem with is --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Yeah.

CHAIRPERSON THOMAS: -- because I've heard this so much where we'll discuss something like this and we'll approve this, but we've already talked about this so long. And then a year later when it pops up, the famous line is, Well, you all approved this.

BOARD MEMBER J. DAVIS: Uh-huh.

CHAIRPERSON THOMAS: You -- you all did this. So I'm not comfortable approving something where we have that many, uh, questions on it.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Well --

CHAIRPERSON THOMAS: And maybe it's just for me --

BOARD MEMBER J. DAVIS: Maybe it's just the rental property.

CHAIRPERSON THOMAS: Yeah. Well, okay. Maybe -- maybe -- yeah, maybe we can look at just the rental part of it. But this particular part I'm really not comfortable with right now because I can --

BOARD MEMBER J. DAVIS: Yeah.

CHAIRPERSON THOMAS: -- I can just --

DISTRICT FINANCIAL DIRECTOR SHERMAN: No, I --

CHAIRPERSON THOMAS: -- visualize the -- the -- the disaster that will come from that. So I'm definitely not comfortable with this part right now. And if the board wants to do something different, then I'm -- I'm -- I'm -- I'm, you know -- we'll -- we'll take whatever the board wants to do. But, you know, I just don't think that we ought to approve this until this is -- you know, is worked on. We obviously can't implement it right away.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Yeah. Again, it -- it wouldn't be --

CHAIRPERSON THOMAS: Um, there's some portions you -- some portions maybe we could. But this portion is -- you know, is not -- a lot of places don't even have leases. I mean, a lot -- there's a lot of things that we'll still have to work through so --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Well, again, this -- this clearly would have to be phased in and, you know --

CHAIRPERSON THOMAS: Yeah.

DISTRICT FINANCIAL DIRECTOR SHERMAN: -- we'd have to notice, you know -- we have -- we know who all the -- all the -- you know, the property owners are that lease. I mean, they all have to get a business license.

CHAIRPERSON THOMAS: Uh-huh.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Um, so again, we could notice them and go through that process. Um --

CHAIRPERSON THOMAS: And is this a -- is this a -- the person that will be monitoring this -- um, we obviously are usually behind on, uh, these work orders. Is there going to be an additional person that's employed to monitor this? Or are you going to try to carry this policy on the backs of the employees that are already doing so much?

DISTRICT FINANCIAL DIRECTOR SHERMAN: No. This actually would reduce the workload.

BOARD MEMBER J. DAVIS: Have a person that do (inaudible).

DISTRICT FINANCIAL DIRECTOR SHERMAN: 'Cause one of the things that we would be able to do is those -- those owners that have multiple property, okay, again, rather than dealing with 20 different tenants, we could deal with one property owner. Um, and we also believe that, again, this will eliminate a lot of the work orders, the turn on/turn off. 'Cause if I'm the owner and my tenant leaves -- I mean, I'm good payer, whatever -- right now when a tenant leaves, we go out and we turn it off. And we wait for the next tenant. If it's the property owner, they're not gonna want to be turning it off and turning it on, 'cause again, there's charges, you know, for doing those types of things. So we -- we think this is actually -- I -- I don't think all 70 percent is going --

CHAIRPERSON THOMAS: You -- you --

DISTRICT FINANCIAL DIRECTOR SHERMAN: -- to go away. But --

CHAIRPERSON THOMAS: Yeah.

DISTRICT FINANCIAL DIRECTOR SHERMAN: -- even if you get rid of half of it, um --

CHAIRPERSON THOMAS: You know what? I'm -- you know, and I'm appealing to my colleagues here. The more I hear this the more I know of individuals who have several properties that are landlords in this city who would probably want to at least weigh in with some form of public comment tonight.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Uh-huh.

CHAIRPERSON THOMAS: They may have not known that we were going to have such an in-depth conversation on -- on this. And this is probably something that we -- we probably want to -- to -- to labor on a little bit. Just for the record, Board Member Guyton is in attendance. You wanted to say something, Miss Davis?

BOARD MEMBER J. DAVIS: Yes, sir.

CHAIRPERSON THOMAS: Okay.

BOARD MEMBER J. DAVIS: I just had a few questions if you're done.

CHAIRPERSON THOMAS: Of course. Go -- go right ahead.

BOARD MEMBER J. DAVIS: Um, and just looking through your information here --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Uh-huh.

BOARD MEMBER J. DAVIS: -- um, now, the disconnect between staffs, are you -- you've created something electronically or are you gonna use, like, a -- like a -- I mean, I just want to make sure -- I'll give you an example of why I'm asking this.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Okay.

BOARD MEMBER J. DAVIS: Is because, um, there was a, um -- for instance, like one department does pipe work. You know, they may have to cut out a piece of the pavement and do some pipe work. Well, the disconnect is between them sending the paperwork on to the people who are going to redo the pavement. You see? So -- and it's just because one -- one department doesn't tell the other department, well, they're finished with their work and now you can --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Right.

BOARD MEMBER J. DAVIS: -- you can do yours. So is this going to be an electronic method that you --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Well, we --

BOARD MEMBER J. DAVIS: -- that you do?

DISTRICT FINANCIAL DIRECTOR SHERMAN: That -- that's not utility billing. But that's okay.

BOARD MEMBER J. DAVIS: I know. I -- I was just giving you an example of disconnect.

DISTRICT FINANCIAL DIRECTOR SHERMAN: All right. But I think -- I think we've actually got a pretty good system working right now that --

BOARD MEMBER J. DAVIS: Okay.

DISTRICT FINANCIAL DIRECTOR SHERMAN: -- you know, that we're communicating back and forth with -- with our issues as far as billing and the -- and the field work --

BOARD MEMBER J. DAVIS: Okay.

DISTRICT FINANCIAL DIRECTOR SHERMAN: -- that's being done.

BOARD MEMBER J. DAVIS: And the other thing that I -- I noticed here, um, your responses to some of the concerns is you're going to develop staff rotation. So I'm

assuming that's going to be that everybody's cross-trained?

DISTRICT FINANCIAL DIRECTOR SHERMAN: Correct.

BOARD MEMBER J. DAVIS: Okay. I think that's great. Um, and establishing a set calendar for your meter reads. And the reason I say that, I did get a bill twice in one month.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Yes. Yeah.

BOARD MEMBER J. DAVIS: So I was, you know, really concerned about that. Um, so it's only going to be one --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Yeah. We're gonna have --

BOARD MEMBER J. DAVIS: -- that you'll come out?

DISTRICT FINANCIAL DIRECTOR SHERMAN: -- it -- it's within these days you get read, within these days you get a bill and, you know, try -- and again, obviously you have, uh, holidays and weekends.

BOARD MEMBER J. DAVIS: Uh-huh.

DISTRICT FINANCIAL DIRECTOR SHERMAN: You know, but, you know, we've set up a -- a framework that it's gotta be within those days.

BOARD MEMBER J. DAVIS: Okay.

DISTRICT FINANCIAL DIRECTOR SHERMAN: And that'll stop the fluctuation of you get billed 26 days one month and 34 days the next month and --

BOARD MEMBER J. DAVIS: Right. Right.

DISTRICT FINANCIAL DIRECTOR SHERMAN: -- you know, try to consolidate that.

BOARD MEMBER J. DAVIS: Okay. Wonderful. And, um, for the banking part of it as far as, um, people -- residents who want to pay their bill online through their banking, uh, institution, um, you've heard me tell you that a lot of times I pay my bill through my bank --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Uh-huh.

BOARD MEMBER J. DAVIS: -- um, and it sits there. I don't -- you know, it sits there for, like, weeks. So does this mean that we have to establish relationships with, um, more than one banking institution to make sure that those -- those payments get done?

DISTRICT FINANCIAL DIRECTOR SHERMAN: No. See, right now all 13,500 checks come in and get handled downstairs. Um --

BOARD MEMBER J. DAVIS: I mean, checks, yeah. But I'm talking about when I electronically pay it.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Right. But -- but what your bank actually does is they write us a check and send --

CHAIRPERSON THOMAS: Sends a check.

DISTRICT FINANCIAL DIRECTOR SHERMAN: -- us a check.

BOARD MEMBER J. DAVIS: Okay. Okay.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Um, one, going to the lockbox --

BOARD MEMBER J. DAVIS: Uh-huh.

DISTRICT FINANCIAL DIRECTOR SHERMAN: -- will speed that up, because it's not just going to wait in line downstairs till somebody gets to it. Uh, and then the other issue is -- on tonight's council agenda is the contract for the credit cards, which will also be able to speed things up. Now, you may choose not to use a credit card but that'll take part of those 13,000 payments and we'll be able to collect them faster in a different fashion.

BOARD MEMBER J. DAVIS: Okay. Okay.

DISTRICT FINANCIAL DIRECTOR SHERMAN: So that'll -- again, will reduce the -- the workloads.

BOARD MEMBER J. DAVIS: Okay. Thank you very much.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Okay.

CHAIRPERSON THOMAS: Um, also, um, I heard you say that you and Dr. Aurigemma, um, you all have pretty much worked out your communication issues. But we need more than just you and Dr. Aurigemma to work out the communication. We need the public to know exactly what's happening, what's going on.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Yeah.

CHAIRPERSON THOMAS: Because that adds a level of -- of frustration. And sometimes they -- you heard me just -- well, you didn't hear but Dr. Aurigemma heard me ask him about something that actually goes to Stormwater.

DISTRICT FINANCIAL DIRECTOR SHERMAN: Right.

CHAIRPERSON THOMAS: Where I actually thought that, you know, he dealt with it. So a lot of this stuff that's being, you know, handled by two or three different departments --

BOARD MEMBER J. DAVIS: Uh-huh.

CHAIRPERSON THOMAS: -- it -- it does -- the public needs to know what's happening and why it's --

BOARD MEMBER J. DAVIS: Uh-huh.

CHAIRPERSON THOMAS: -- taking that -- uh, that long. I -- I would really suggest --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Absolutely.

CHAIRPERSON THOMAS: -- that we, um, put this back on and -- and --

DISTRICT FINANCIAL DIRECTOR SHERMAN: In the next --

CHAIRPERSON THOMAS: -- allow more time --

DISTRICT FINANCIAL DIRECTOR SHERMAN: -- meeting. Uh-huh.

CHAIRPERSON THOMAS: -- maybe an hour, start the meeting, uh, an additional half-hour early just to make sure that we can go through this. These are -- this -- this issue was probably one of our most high-volume, you know --

DISTRICT FINANCIAL DIRECTOR SHERMAN: Uh-huh.

CHAIRPERSON THOMAS: -- issues that we have. Um, so I just don't think we ought to rush through this at this point.

DISTRICT FINANCIAL DIRECTOR SHERMAN: No. And I'm -- and I'm fine 'cause I -- 'cause I agree with you. Most people probably didn't know it was coming on tonight.

CHAIRPERSON THOMAS: Yeah.

DISTRICT FINANCIAL DIRECTOR SHERMAN: It's 30 pages --

CHAIRPERSON THOMAS: Right.

DISTRICT FINANCIAL DIRECTOR SHERMAN: -- of reading that we want to make sure we get it right. Um, you know, take time, put it on the -- the June meeting. I'm -- I'm fine with that.

CHAIRPERSON THOMAS: I would suggest but that's me. I'll hear from the -- the colleagues. Did somebody else want to say something? Did you --

CHAIR PRO TEM PARDO: Um, Mr. Chair, I'd like to make a motion to --

CHAIRPERSON THOMAS: Yes, Miss --

CHAIR PRO TEM PARDO: -- bring this item back at our next meeting in June.

BOARD MEMBER J. DAVIS: Second.

CHAIRPERSON THOMAS: Been properly moved and second. Any additional comments or concerns? Just to update Mr. Guyton, we're on item 3 and, uh, we just put a motion on the table to bring it back to discuss it further next meeting.

BOARD MEMBER GUYTON: Would it be coming back to the Utility District Meeting or a council meeting?

CHAIRPERSON THOMAS: Yes. Utility District.

CHAIR PRO TEM PARDO: Utility.

BOARD MEMBER GUYTON: Okay.

CHAIR PRO TEM PARDO: Okay.

CHAIRPERSON THOMAS: Um, okay. It's been properly moved and second. Any additional questions or concerns? Hearing none, Madam Clerk?

DEPUTY CLERK ANTHONY: Board Member J. Davis?

BOARD MEMBER J. DAVIS: Yes.

DEPUTY CLERK ANTHONY: Board Member T. Davis?

BOARD MEMBER T. DAVIS: Yes.

DEPUTY CLERK ANTHONY: Board Member Guyton?

BOARD MEMBER GUYTON: Yes.

DEPUTY CLERK ANTHONY: Pro Tem Pardo?

CHAIR PRO TEM PARDO: Yes.

DEPUTY CLERK ANTHONY: Chair Thomas?

CHAIRPERSON THOMAS: Yes.

DEPUTY CLERK ANTHONY: Unanimous vote.

CHAIRPERSON THOMAS: Okay. Are there any discussions by the city manager? Anything from city manager?

CITY MANAGER JONES: No, sir.

CHAIRPERSON THOMAS: Nothing from Legal, nothing from the E.D. Uh, anything from the board?

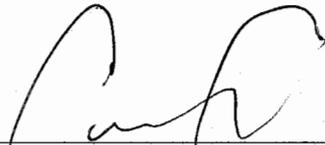
CHAIR PRO TEM PARDO: Nothing from me.

CHAIRPERSON THOMAS: Okay. I'll entertain a motion for adjournment.

CHAIR PRO TEM PARDO: So moved.

(CONCLUSION OF MEETING)

APPROVED:

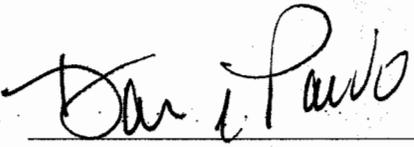


CEDRICK A. THOMAS
CHAIRPERSON

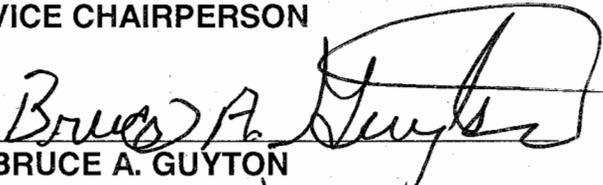
ATTEST:



CARRIE E. WARD
MASTER MUNICIPAL CLERK
CITY CLERK



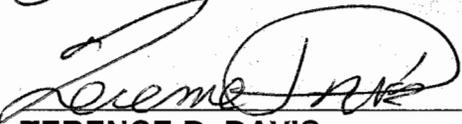
DAWN S. PARDO
VICE CHAIRPERSON



BRUCE A. GUYTON
BOARD MEMBER



JUDY L. DAVIS
BOARD MEMBER



TERENCE D. DAVIS
BOARD MEMBER

MOTIONED BY: D. PARDO
SECONDED BY: J. DAVIS

B. GUYTON AYE

J. DAVIS AYE

C. THOMAS AYE

D. PARDO AYE

T. DAVIS AYE

DATE APPROVED: 06/05/2013