

1 **MINUTES OF THE UTILITY CODE REVISIONS WORKSHOP** of the City Council of the City of
2 Orange City, Florida, held on Thursday, March 20, 2008 at 7:00 p.m. in Council Chambers, 201 N.
3 Holly Avenue, Orange City.

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5 **CALL TO ORDER** The Meeting was called to order at 7:00 p.m. by Mayor Strickland and roll call was
6 taken.

7
8 **ROLL CALL**

9
10 **PRESENT:** Mayor Harley Strickland; Vice Mayor Jeff Allebach; Council Members; Tom Laputka,
11 Tom Abraham, Don Sherrill, Donald Sandford (late); City Manager John McCue, City
12 Clerk Deborah Renner

13
14 **ABSENT:** Council Members Jim Mahoney; City Attorney William Reischmann;

15
16 **1 DISCUSS REVISIONS TO UTILITIES CODE (Chapter 17.3)**

17
18 Mr. McCue advised that staff has reevaluated Chapter 17.3 - Utilities Code of the City Code of
19 Ordinances and are recommending revisions. He said these revisions would update the code to agree
20 with current requirements and policies. The changes are financial and/or grammatical in nature and the
21 area with the most substantial change is the requirements for customer deposits.

22
23 Christine Davis, Finance Director, came forward to explain the changes to the customer deposit
24 regulations. She said that at the present time, if an existing customer buys a second home, an additional
25 deposit is required. Under the proposed revisions, an existing customer with a good payment history
26 would not be required to pay additional deposits. She stated that a customer with a good payment
27 history has not had penalties applied or disruption of service for 24 months. These accounts are
28 reviewed periodically to make certain the account does not go into default. Ms. Davis noted that if a
29 customer exceeds 4 dwelling units, the commercial rate structure would apply. She remarked the Utility
30 does not have the same recourse with renters and that a renter deposit would only be returned when the
31 account is closed and the balance due is settled. Mr. McCue explained that a deposit is required to
32 offset losses to the Utility. Ms. Davis noted the amount of uncollected accounts last year was \$11,000
33 and that 55% of that was due to renters leaving without settling their accounts. She discussed the billing
34 cycles. She said that by the time it is realized that a customer is delinquent there would have been two
35 months of water usage. This is why the Utility is requiring a three month deposit of \$100 to open a
36 water account, and a total of \$150 for both a sewer and water account. Mr. McCue noted that under
37 current policy, deposits are not returned.

38
39 Mayor Strickland asked if the proposed revisions would address the concerns of the Orange Tree
40 Village residents that they are not entitled to get their deposit back because they do not own the
41 property. Mr. McCue responded in the affirmative stating that it actually revolves their concerns.

42
43 Council Member Laputka asked what percent of customers defaulted last year. Ms. Davis said that she
44 did not have that data available this evening but that she would research it. Mr. McCue noted that the
45 Utility has recently implemented a new financial system and that staff is working with the software
46 company to provide that type of information. Ms. Davis noted that, at this point, the data would not be
47 conclusive because the system does not yet have a year worth of data.

48

1 Council Member Sherrill questioned how municipal water companies in surrounding cities handle their
2 rental customers. Mr. McCue remarked they do not refund the deposits. Council Member Sherrill
3 stated, "I don't think we should either." Ms. Davis commented that a lien could be placed on a
4 homeowner's property and the city could solicit collection agencies for both the homeowner and the
5 renter. She said that the city would get 60% of whatever is collected. Mr. McCue agreed, he reiterated
6 that the Utility's approach would be through collections.

7
8 Council Member Sherrill stressed that the Utility is not "out to take people's money" but that it needs to
9 be able to absorb and/or take care of its losses. He stated, "We shouldn't have to take our money and
10 pay for it." Ms. Davis agreed.

11
12 (Council Member Sandford arrived at 7:13 p.m.)

13
14 In response to a question from Council Member Abraham, Ms. Davis said that the \$11,000 of non
15 payments represents a combination of homeowners and renters. She said that she would draft an email
16 with a detailed breakdown and historical analysis of the bad debt. Mr. McCue noted that the bad debt
17 has increased slightly because the customer base has increased. Ms. Davis said that the Utility now has
18 a higher collection rate due to implementing the lien process. She remarked it has been very effective.
19 Mr. McCue discussed the Cacioppo properties in Orange City. He said that the company went bankrupt
20 and that the Utility has \$1,700 in liens on the properties. Ms. Davis noted that the Utility is in the
21 process of collecting on those liens. She said that information has been provided to the city attorney
22 requesting that the Utility debt be given priority in the lien process.

23
24 Referencing Article I, Sec. 17.3-1 (c), second sentence, Mayor Strickland suggested that the words "and
25 promotes conservation" should be included. Mr. McCue agreed.

26
27 Mayor Strickland discussed Section 17.3-23 (a) (2) Connection to system required; exceptions. He
28 questioned how the city would respond if individual wells were shutdown. Mr. McCue commented that
29 unregulated private wells are huge water consumers. If a well is within 200 feet of an existing line, it
30 would be required to connect to that line. He said that staff had concerns with the notification process
31 discussed in this section and, as a result, a system has been developed to identify the private wells in
32 Orange City.

33
34 Next, Mayor Strickland talked about Section 17.3-25 (a) Free Service prohibited. He asked if the City
35 would continue to provide free water from the fountain on Graves Avenue. Mr. McCue said "yes, that
36 the City pays the bill in accordance with the bond covenants."

37
38 Noting Section 17.3-27 (a), Utility deposit, on page 5 Mayor Strickland asked if established water
39 customers would be required to pay an additional deposit once this policy is in effect. Ms. Davis noted
40 that deposits are only an issue when you open a new account. Mr. McCue suggested adding, "except
41 exclusions that may be applicable in (1) (d) of this Section."

42
43 In response to a question from Council Member Sandford, Ms. Davis noted that commercial accounts
44 are handled differently and that a deposit is required for all commercial accounts.

45
46 Mayor Strickland asked about Section 17.3-28 Billing; payment of charges; delinquency. He discussed
47 a water customer that complained she did not receive her bill and was assessed a \$15.00 late fee. Ms.
48 Davis noted that included in the revised code are provisions which state if a customer has a good

1 payment history and contacts the Utility office, the late fee may be waived. She acknowledged the
2 customer the Mayor was referencing and said that staff is working to waive that fee. Mr. McCue
3 commented that is a common complaint. He said that staff investigated sending out the bills return
4 receipt requested and found that the fee would be \$6.00 per bill and remarked that would not be cost
5 effective. Mr. McCue felt that customers should be aware that payments are due; he stated "You've
6 been drinking the water...you need to pay your bill."

7
8 Council Member Sandford noted that he never pays his bills unless he receives an invoice. He stated
9 "Personally, I don't trust the mail system in Florida." Mr. McCue agreed. He said that he has a car
10 payment through a credit union and never receives a bill. If I do not pay on time, I must pay late
11 charges.

12
13 In response to a question from Council Member Sandford, Vice Mayor Allebach noted that bills are a
14 friendly reminder. Ms. Davis advised that as of today, water customers can access their current bills and
15 water usage history on line. She said an email address or phone number would have to be provided to
16 receive the pin number to access the account information.

17
18 Council Member Laputka asked what happens to the interest earned on the customer deposits. Ms.
19 Davis said it is held in an interest bearing account, calculated and applied to the customer's account
20 annually in February.

21
22 Referring to Section 17.3-28 Billing; payment of charges; delinquency, Mayor Strickland asked how
23 much this would cost the customer. He questioned the reasonableness of the expenses. Mr. McCue
24 responded that this section refers to customers who are at least two months delinquent. He said the fees
25 charged are established by ordinance or resolution. Vice Mayor Allebach noted that these types of fees
26 are also regulated by the State.

27
28 Mayor Strickland asked Paul Johnson, Public Works Director, when the Orange City Utilities Standard
29 Handbook was revised and if it is available for review. Cheryl Bredbenner, Utility Superintendent,
30 came forward and noted that the Orange City Utilities Standards are the construction standards for
31 Orange City. She said it was updated last year and is constantly being updated as technology changes.

32
33 Council Member Sandford advised that he is planning to cut down a tree on his property with roots that
34 are wrapped around the water meter and asked if the water needed to be shut off. Mr. McCue suggested
35 that he contact Paul Johnson or Cheryl Bredbenner to determine if the tree roots would interfere with the
36 water system. He explained that if the water service system is broken from the meter back to the house,
37 it is the customer's obligation to repair and if the system is damaged in the right away, the city would
38 provide assistance. Linda Snyder, Financial Services Supervisor, came forward and said that on short
39 notice the Utility could turn off the water. If the removal is scheduled for the weekend, the Utility could
40 coordinate the shutoff with the on-call service technician. Ms. Davis suggested that a technician go out
41 to the location before the removal and assess what has to be done. Mr. McCue asked that someone be
42 dispatched accordingly.

43
44 Mayor Strickland asked for clarification on the first sentence on Page 13, Section 17.3-41 (3) Equivalent
45 residential unit (ERU). Mr. Johnson said that applies to impact fees. He said that a single family home
46 is one ERU and that in most cases this section applies to commercial establishments where there may be
47 equipment that would impact the water usage (i.e. dishwashers, chilling towers) that put an increased
48 demand on the city's water system. He said the Utility wants to make sure that the maximum amount of

1 water capacity is reserved for those customers. He said that would cap the highest amount of water that
2 business would use. Mayor Strickland clarified that this calculation is used to determine the maximum
3 usage. Mr. Johnson responded in the affirmative.
4

5 Mr. Polgar, 585 Montclair Avenue, came forward. Referencing page 12, Section 17.3-38 Right of entry
6 for purpose of making inspection, he questioned the terminology “free access to your home and your
7 buildings.” Mr. Johnson said the language is from an existing ordinance. He explained it has to do with
8 cross-connections and potential contamination. Mr. Johnson said that when he lived in Altamonte
9 Springs he had a sprinkler system on his property and that the back flow prevention valve was inspected
10 annually. He remarked that on occasion, the water company asked for access to his home to inspect the
11 toilet tanks to make sure that an anti-siphon valve was connected. He said a lot of people put chemicals
12 in the toilet to keep it clean and those chemicals can get sucked back into the system and create a major
13 health problem. Mr. Johnson assured Mr. Polgar that staff would not gain access to someone’s home
14 without permission. Mr. Polgar felt strongly that the wording of this section would give the city the
15 right to come into his home without a search warrant and remarked that is a violation of his rights. Mr.
16 McCue disagreed. He said this section limits access to the plumbing and the water use areas of the
17 building and remarked that is predominately outside of the building. He stated it is not a violation of
18 anyone’s privacy. Council Member Sherrill noted that this is similar to Country Tree Village. He said
19 management has the right to come into the home in an emergency.
20

21 Council Member Sandford agreed with Mr. Polgar that the section does read as if it gives the city the
22 right to come into a customer’s home to inspect the plumbing. Vice Mayor Allebach said that this
23 terminology has been in effect for quite some time and that no one has ever questioned it. Mr. McCue
24 reiterated that this does not give the city permission to enter a dwelling without the owner’s permission.
25 He said it is a standard practice in the state of Florida and suggested that there is a state statute that
26 would support it. Mayor Strickland advised Mr. Polgar that his issues have been heard and that this
27 policy would come before the Council at a later date.
28

29 Mr. Ron Saylor, 361 Dixson Street, came forward. He agreed with Mr. Polgar and stated that the entire
30 section needs to be rewritten so that it does not appear as if constitutional rights are being violated. He
31 said that he sent an email to staff and the council outlining his concerns. Council Member Laputka
32 asked Mr. Saylor if he agreed that an inspection should take place if there is a concern. Mr. Saylor
33 responded in the affirmative. Mr. McCue stated, “I will do my best to try and go back and wordsmith
34 this to some extent.” Addressing Mr. Saylor, he stated, “I want you to understand this is not geared
35 towards you this is geared towards someone who does not want the city to access their property.” He
36 said staff will soften the wording, and at the same time keep the main point.
37

38 Mayor Strickland discussed page 32, Section 17.3-83, Declaration of water shortage. He expressed
39 concerns that the Water Authority of Volusia (WAV) is referenced and questioned what would happen
40 if WAV was no longer in existence. Mr. McCue responded that WAV does not have the authority to
41 declare a water shortage. Ms. Davis advised that reference to WAV would be removed. Mr. McCue
42 suggested removing WAV completely from Section 17.3-82 Definitions, Water shortage and Section
43 17.3-83. He advised that staff would review and possibly reword Section 17.3-83 (a-e).
44

45 Council Member Abraham presented a newsletter that he received from Volusia County. He said this
46 newsletter was sent out with his water bill and has a lot of information about water conservation. He
47 suggested the Utility consider preparing that type of information for its customers.
48

1 Council Member Laputka said there would be potential for cross-connections with some of the older
 2 homes that previously had wells. He said many of the homes have changed ownership and that the new
 3 owners are not aware that the connections are there. He expressed concerns that these connections
 4 could be contaminating the city water supply. Council Member Laputka felt that the city should have
 5 mechanisms to deal with that. Mr. McCue agreed.

6
 7 Mr. Saylor questioned how many council members received his email. He said he that one of the issues
 8 discussed in the email was that this policy should be broken down into three parts residential,
 9 commercial, and/or developments. Referencing page 10, Section 17.3-33 Water users to accept
 10 provision of article, Mr. Saylor stated that he had a problem with that statement. He said that he is a
 11 water customer and that most customers do not understand backflow issues, etc. Mr. McCue
 12 recommended rewording the section to state, "No water service shall be furnished by the city to any
 13 person unless such person agrees to all applicable provisions of this article." Mr. Saylor expressed
 14 concerns that Section 17.3-2 Policy Dispute says that any disputes must be submitted in writing. He
 15 said that means if I do not agree with your findings, the Utility is going to shut off my water. He stated
 16 "I have a problem with the way this thing is going." Mr. Saylor asked Council to look at the policy
 17 closely. He felt that changes to the verbiage could make the policy more acceptable.

18
 19 Mr. McCue noted staff will make the changes discussed. Council Member Sherrill thanked staff for
 20 their work on this policy.

21 Meeting adjourned at 8:07 p.m.

22 RESPECTFULLY SUBMITTED:

APPROVED ON:

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 28
 29
 30 Gloria Williams
 31 Deputy City Clerk
