

# MINUTES

## COUNCIL FINANCE & HUMAN RESOURCES COMMITTEE

Monday, May 16, 2022 – 10:00 AM

City Hall Council Chambers

Members Present: Aaron Baker, Chair, Council Member  
Mac Morrow, Vice Chair, Council Member  
Steve Harrell, Interim City Manager  
Dean Luebbe, Finance Director  
Kelley Craig, Human Resources Director

Staff Present: Denise Hodsdon, Executive Assistant

### A. Welcome & Call to Order

Committee Chair Aaron Baker welcomed everyone and called the meeting to order at 10:03 AM.

### B. Certification of Quorum

Quorum was certified by Executive Assistant Denise Hodsdon.

### C. Approval of Minutes of January 3, 2022 Meeting

Motion by Mr. Morrow, seconded by Mr. Harrell to approve the minutes of the January 3, 2022 meeting as presented. The motion carried unanimously.

### D. Proposed Revision to Customer Service Policy

Mr. Harrell explained that when a customer has a water leak, currently it is the City's practice to adjust the customer's water and sewer monthly charges, up to two times in a 12-month period. The adjustment is made back to the customer's average water and sewer usage and it occurs whether the leak is one that does not enter the sewer system, (i.e., a burst water line), or is a leak that does enter the sewer system, (i.e., a leaking toilet). This current practice costs the City approximately \$80,000 annually in lost water and sewer collections.

Mr. Harrell pointed out that the problem with this practice is, if it is an outside water leak and it doesn't go into the sewer system, adjusting the sewer charge is fine because it never got to the Wastewater Treatment Plant and we never had any cost. However, if it is a leaky toilet, then it does get to the Wastewater Treatment Plant and there is a cost to

the City because we are treating it. The other factor is that our water treatment costs are all up front, so even if you have a leak, that water has been treated and paid for by our other water customers and that is what is funding the Water Treatment Plant. He explained that in other cities he has managed, if there was a leak, whether outside or inside, the customer was charged for the water, but we worked out a payment arrangement for up to 12 months. The sewer was adjusted unless it went into the sewer system.

Mr. Harrell asked the Committee to consider recommending a policy revision to City Council that the customer would be charged for water, but sewer charges will be adjusted if it never went into the sewer system. We can bring it back to the average use for sewer, but there would no longer be an adjustment back to the average on the water side. However, if it did go into the sewer system, there would no longer be an adjustment on the sewer side. We would offer the customer a payment arrangement so they could spread it out over several months. That way the City is recouping what it cost to operate the enterprise. Mr. Harrell noted that we would not recoup the entire \$80,000 if we were to change the policy, but you would gain about half of that.

Mr. Harrell said the City does have a system now that can pick up when there is a major leak. That way we can let customers know they are running at a rate greater than their normal rate and that they may have a leak they need to get fixed.

Mr. Baker asked if there would be a contingency for extreme cases. Mr. Harrell said we would spread the payments out over several months to bring it down to a level that is tolerable for the customer. He suggested that maybe we could include language that says if it is in excess of a certain amount, it will be brought to City Council for consideration.

Mr. Harrell noted that this would require amending the current ordinance and he would like to take this to City Council at the June 2<sup>nd</sup> meeting. Motion by Mr. Morrow, seconded by Mr. Baker to send the amendment to City Council with a recommendation to approve. During discussion, Mr. Baker asked if there would be some sort of upper level protection for renters if their landlord doesn't fix the leak in a timely manner and then tries to pass that cost onto the renter who is paying the utility bill. Mr. Harrell will consult with City Attorney Mack McKeller regarding that issue. The motion carried unanimously.

Mr. Baker thought that it is good we are tracking the leaks on the customer side, and asked if we track it system-wide. Mr. Harrell said we are looking at it right now as we recently found out that there is a discrepancy between what the meter at the plant was saying we're producing and what we are selling, to the tune of about a 50% difference. He said we have looked into it and it is more likely a meter problem than a 50% leak in the system, so we are going to test and calibrate the current metering system at the Water Treatment Plant to determine if we need to put in a new meter. Public Works is also using sonar equipment and checking block-by-block for any leaks.

Mr. Harrell also mentioned that we have approximately 70 customers who have a summer home in Brevard and when they are not here, they have the water turned off and

we don't charge them anything for the entire time they are gone. The base charge on the water and sewer bill is a facility charge to customers for maintenance of the system and these 70 customers are not contributing to that maintenance for 4 or 5 months of the year. Mr. Harrell suggested that we should at least be sending them a bill for the base charge. He will pursue that administratively and send those customers a letter letting them know that going forward, they will get a bill each month for the base charge.

**E. Set Date for Next Meeting**

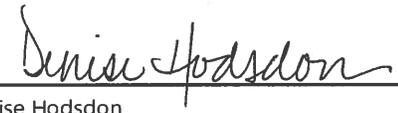
It was decided that the Finance and Human Resources Committee will meet again when needed.

**F. Adjourn**

There being no further business, the meeting was adjourned at 10:36 AM.

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Aaron Baker  
Chair, Council Member

Minutes Approved: August 22, 2022

X   
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Denise Hodsdon  
Executive Assistant