

**TOWN OF PENNEY FARMS**

**Water Utility Committee Meeting**

**Minutes**

**Meeting Thursday, October 10, 2019**

**Present:** Chairman, Tom DeVille; Fred Bruner; Tina Green; TM Dave Cooper

**Absent:** Judge McWhorter

Additional Audience: None

=====

*Chairman, Tom DeVille opened the meeting at 9:05 a.m. and asked the Committee to read and review the minutes from the last meeting held on July 11, 2019.*

**Items on the Agenda that were discussed:**

1) Motion to accept the minutes from July 11, 2019 meeting:

***A motion to approve the minutes from the July 11, 2019 Water Utility Committee meeting by T. Green; second by F. Bruner. Motion passed without dissent.***

2) Clay County Utility Authority (CCUA) increase:

*Mayor DeVille- stated Town Manager Cooper has told him the Town has been notified, by CCUA in the last few days, of a sewer increase of 4%.*

*TM Cooper- stated the Town received the notice on the 2nd of October, 2019. Every year, CCUA lets the Town know what their increase is going to be, if there is one, and this year it is 4%. He stated in September, the Town billed \$14,066.00, for sewer. He further stated with a 4% increase that is an average of \$562.67 per month. If you take that number and multiply that by 12, that total is \$6,752.04, for the year.*

*TM Cooper- stated that Wendy is in the process of figuring the numbers for how much it will cost per household. He stated it should be about a dollar and some change per resident.*

*TM Cooper- stated the Town's base rate on the CCUA bill in September was \$2,050.67, and the new bill just received shows a 4% increase from CCUA. He further stated CCUA's new increase has already gone into effect, and is always billed in arrears.*

*TM Cooper- stated the 4% increase raised the October base rate to \$2,132.70.*

*TM Cooper- stated there has been a lot happening in the past few months, with the implementation of Ad Valorem taxes, the utilities Consumer Price Index (CPI) increase, and now the 4% increase from CCUA. The Town has an approved Water Ordinance and has always passed on the increase from CCUA by Resolution. He stated the CCUA increase is usually an automatic pass through.*

*TM Cooper- stated he understands the timing of this increase is bad and he doesn't know what the Water Utility Committee wants to recommend to the Town Council. He further expressed his concern that if the Town does not pass the CCUA increase through, the Town will fall behind in the Sewer Fund.*

*TM Cooper- reminded the Committee that when he first came here five years ago, the Town was taking money out of the General Fund to help the Water Utility run. He reported if the CCUA increase does not pass, the Town is looking at losing approximately \$6,700.00 in revenue for the new fiscal year (2019-2020). He also stated that the Town could probably expect another increase next year from CCUA and if that doesn't get passed, the Town will be further in the hole.*

*TM Cooper- stated to the Water Utility Committee, if you think the Town has been through enough and choose not to pass on the CCUA increase, he is okay with that.*

*Tina Green- asked for clarification of where the money would come from if the CCUA increase did not pass.*

*TM Cooper- stated the Town would not have it and the financials would probably show a loss in the Sewer Fund.*

*Mayor DeVilleville- stated the sewer has always been in the hole.*

*TM Cooper- stated the sewer bill always depends on how much usage you have. He reported on the raw costs and stated if the Town Council does not pass the CCUA increase there will be approximately a \$2,859.00 guaranteed loss, that the Town will have to pay regardless.*

*TM Cooper- stated the Town's Water Utility Ordinance was voted on and approved, and states the Town should automatically pass through the annual CCUA increase, by Resolution. He stated he is venting to the Committee this morning, because there's so much tension in the Town. He is trying to figure out what the Town can do to relieve some of that tension. He expressed his concern again, about the next increase and does not want the Town to go backwards.*

*TM Cooper- explained that Wendy is working on the individual bills now. He stated her computer crashed and the Town had to get a new computer, so she is currently trying to get it all figured up now.*

*Mayor DeVilleville- stated there was a CPI increase for water and sewer also this month. So it is like a "triple whammy" in the past four weeks, Ad Valorem taxes, CPI increase, and now sewer. If you look at the history on the sewer, the rain is what runs the sewer bills. It's not every time you flush your commode, wash dishes, and drain the sink. It depends if the Town get's rain every day, what the sewer bill is. The majority of that problem has been solved. The Town has knocked its monthly CCUA payment down with corrections and repairs the Town Manager has done in the field. Mainly due to work that went on ten years ago that was less than acceptable.*

*TM Cooper- stated the Town is doing the right thing by making the repairs, as we find them. The Town has improved and it is getting better all the time. The Town still has some terracotta sewer lines, some on Dwight Street and Gwinn Street, but the Town is getting there with the sewer lines. He stated, he has to inform the Committee what his recommendations are, and reminded them the Town is going to get another increase next year. He does not want the Town to get a "double whammy", where next year 4% comes out and now the Town is really in trouble with the sewer, when a small amount would fix the whole thing. He stated, it always seems like he's the one bringing the barrel of bad news to everybody, but that's part of his job.*

*T. Green- stated she wanted to understand, as far as the budget, when you budget each year, where does the money come from that would do repairs?*

*TM Cooper- stated there is some money in a line item for repairs.*

*T. Green- asked if you take that big circle of budget, and you don't pass this through, then that will affect what can be repaired?*

*TM Cooper- stated the Town will still make the repairs no matter what, but it will show a loss in sewer.*

*TM Cooper- stated he's sympathetic to the residents, he understands that the Town just did the millage rate, and now the CPI increase. He stated he understands PRC's concerns because they have most of the population, they are going to get hit the hardest, that's just the way it works. He stated he is very sympathetic to the residents.*

*T. Green- stated she thinks the Ad Valorem tax is much more damaging than what the dollar something would be on your bill.*

*F. Bruner- stated people are unhappy about the tax and now you give them another increase.*

*TM Cooper- stated he just wants the Committee to know the preliminary numbers, here's this month's CCUA bill, and here's last month's CCUA bill to compare the increase.*

*Mayor DeVillie- stated it will not break the Town, if the Town just lets it go this year.*

*TM Cooper- stated you have to also remember, when the Finance Committee and Town Council start asking him why the Town is not meeting its Sewer Fund budget, it is because the increase didn't get pushed through.*

*F. Bruner- stated there is already an Ordinance stating that the Town is supposed to pass this thing through.*

*TM Cooper- stated yes, that's right.*

*T. Green- asked if PRC pays sewage also?*

*TM Cooper- stated they pay sewage on everything they pump. He stated this is something that he's going to leave in the Water Utility Committee's hands. He stated he will support whatever decision is made, he just wanted to be on the record that he is concerned about next year's CCUA increase and if that does not get passed through, the Town will be in trouble.*

*Mayor DeVillie- stated if you look at the scales of justice, the Town pays a lot to keep the sewers running, because the Town had such infiltration problems, and the Town has corrected enough, to where the sewer system is almost at a break even. If the Town doesn't pass this, it will take a step backwards, it won't be a big step backwards, but it might just be a 'time-out' step for one year. Give everybody a break after what they have gone through the last 3-4 weeks. It is a bitter pill, the Ad Valorem taxes, the CPI increase, and now the sewer.*

*T. Green- stated you're talking less than \$15.00 a year to keep the budget correct. So next year when it goes up again, you're still going to be in the hole that 4%. So when are you ever going to make up that 4%.*

*Mayor DeVillie- stated the only way the Town will ever come close to doing any makeup is to stop all the infiltration, and the Town is doing that a little bit at a time.*

*TM Cooper- stated the Town did an increase last year, which he believed was about 2%. You can almost count on CCUA doing an increase. The CPI increase will be done every year, there is nothing that can be done about that.*

*Mayor DeVillie- reminded the Committee that part of the agreement the Town had with CCUA when the Town went on board with them, was to fix the water infiltration problem.*

*TM Cooper- stated the Town has identified our problem areas and we have a mapping system which you all have seen. It took a long time to identify the priorities and he is very proud of that.*

*Mayor DeVillie- stated he believes with the way the Town has upset everybody in Town, with the Ad Valorem tax, and the CPI increase, and now you turn around and throw another 4% on them, it's just going to make Town Council and the Town look bad.*

*TM Cooper- stated if the Town puts it off for a year, the Town is going to have to consider it next year for sure.*

Mayor DeVille- stated the Town is liable to get another 4% next year.

T. Green- asked what are you going to do? Charge 6% next year and then the following year charge another 6%, if it's 4%, to try to make up for it? She asked if that was the thought process, because eventually you have to make up for it to get your budget to balance.

TM Cooper- stated it wouldn't break the Town if the CCUA increase did not pass this year, but let's just say 4% comes next year. The Town would definitely have to pass that 4% next year, the Town wouldn't have a choice. Sewer is up and down, you just don't know what the volume and the usage is going to be with the infiltration and such. He stated he understands what Mr. DeVille is saying, he is probably trying to ease some of the tension here in the Town, and if you don't want to pass it this year, let's run a year and see what it looks like by not passing it. He stated he does think, we are fixing things, so that's going to slow down on the sewer bill, but if a 4% comes out next year the Town's going to have to pass it.

T. Green- clarified that in regards to next year, if a 4% increase is given to us by CCUA, then the Town would only pass the 4% increase through, and not try to make up for this year's 4% loss.

TM Cooper- stated that is correct, the Town will not try to make up this year's loss next year.

T. Green- stated her concern is if you don't pay your 4% this year, and then next year a new group comes in and says we need to make this up and balance this budget so we need to go with an 8%.

TM Cooper- stated there would be a whole new budget that would have to be approved by the Town Council again next year. The Town may not pass the increase this year, and we will be able to see what it does do to the budget. It's not going to break the Town. He stated he understands exactly what Mr. DeVille is saying, the Town has been through a lot of recent increases but the Town would have no choice, but to do the increase next year.

Mayor DeVille- stated the budgeted dollar amounts can go down as the Town stops the infiltration.

TM Cooper- stated he does have a tendency to feel we can make that 4% up within the year. All he is concerned about, is next year, if the Town gets a 4% increase next year it will have to be passed through. This will buy the Town a year to see if it can tighten the ropes, see if it can find a few more things to save that 4% and try to give back to the residents at the same time.

F. Bruner- asked if the Town could do a 2% increase this year?

TM Cooper- stated the Ordinance says pass through. The Town would have to do the whole increase or nothing at all.

F. Bruner- stated no compromise. What he is saying is that if you compromise a little bit, it helps with that feeling of compromise. You didn't pass the whole thing through.

T. Green- asked if this would be an exception to the Ordinance?

TM Cooper- stated the Town Council still has to approve it.

T. Green- stated she is always about saving money, because she doesn't know about anyone else, but you don't get a big increase when your retired. You don't get a big increase when you're working anymore either. Years of 5% increases, they don't exist much.

Mayor DeVille- stated he would be in favor of letting the 4% CCUA increase slide this year.

**A Motion to skip the 4% CCUA pass through increase for this year 2019/2020 by T. Green; second by F. Bruner. Motion passed without dissent.**

Mayor DeVille- stated he will present to the Town Council that the Water Utility Committee recommends to waive the 4% increase this year, under the premise that the Town has corrected so much of its water infiltration problems, that the scales of justice are holding equal.

**CPI INCREASE:**

TM Cooper- stated the CPI increase was passed back in February 2019, with a 2.36% CPI increase on water and sewer, when the asset management plans were approved. He reported that yesterday, he had an unscheduled visit from Teresa Scott and Dale Fish from the Penney Retirement Community, in my office. Mrs. Scott expressed her disdain for the Town and its Council for the constant rate increase for everything from the utility rates, building permits, franchise fees, and employee salaries in the last five years. Mrs. Scott's main reason for meeting with me was to insist on getting a credit for the October billing, which included the new CPI increase rates for the water and sewer. The water bills went out on October 1, 2019 as scheduled, and your water bill went up \$1.14 on an average. This was approved back in February. At the time, the Town Council decided the Town would hold off on the increase and do it in the new fiscal year effective in October. We left off one line on the Resolution, which was "billed in arrears". The Resolution says, effective October 1st. The explanation for the rate increase has been posted on all of the Town bulletin boards since July 2019, which stated the October bill will be based on September usage. We made sure we went overboard to make it very simple, so the residents know 100%. Mrs. Scott's reason for the credit is because of a technicality. Both of the Resolutions state that the rate is effective October 1st, however that has no mention of the effective date being "billed in arrears", on those Resolutions, Mrs. Scott stated the increase should have been on the November billing for October's usage.

TM Cooper- stated to appease Mrs. Scott, the Town will give a credit of \$1.14 this month off of everyone's water bill and the new increase will be on the November 1st billing. Mrs. Scott stated the information was misleading to all of the Town residents, and threatened to call the Ethics Commission. When I finally got a chance to speak, I told her that nothing was done underhanded or intentionally. I told her I would get with the appropriate committees and each Council member individually, to take care of this issue. This credit will result in approximately a \$500.00 credit for the month of October. This will include all residents in the Town, including PRC. Mrs. Scott insisted this be taken care of before the upcoming Town Council Meeting on this coming Tuesday, or she will take further action.

TM Cooper- stated the Town, left out the words "billed in arrears" on the original Resolutions that were approved, back in February 2019. He further stated he authorized Wendy to go ahead and administer the credit. So, residents will receive a credit this month, and it will be billed correctly in November.

T. Green- asked if the credit is based on the September usage?

TM Cooper- stated yes, and yours, Mrs. Tina, will probably be around \$1.14.

Mayor DeVille- stated he is sorry it happened like that. Mistakes are made and sometimes you have to just own up to them and move on. The matter has been corrected and he thanked the Town Manager.

**3) Update on Storm Water Grant - Community Development Block Grant (CDBG):**

TM Cooper- stated the Town is working very hard on the storm water problems. He explained that we have run into a couple snags right now that we are in the process of straightening out. The engineers are doing all the drawings now. What we are trying to figure out right now, is what is the cheapest way to get all of the pipes down in the ground, for everything we want to do. He reminded the Committee, the Town has \$625,000.00, with this grant. No matter what, the storm water that came out of the end of Clark Avenue and Caroline Blvd., from the swamp, must be fixed before anything else is done. The Federal Emergency Management Agency (FEMA) helped us get the grant up to \$600,000.00. They stated the flooding has happened in that area, a couple of times, and it is mandatory that the Town fix it.

Mayor DeVille- reminded the committee that FEMA said we will help you fix this problem one time only, but you must correct the problem. This is the process of correcting the problem. FEMA is not going to lend another \$60-\$70,000.00 to help us redo the park again, if the flooding happens again. They put the ball in our court and firmly stated, the Town needs to fix the problem of the water coming out of the swamp and prevent the flooding.

T. Green- asked if FEMA was involved in any funds for the sewage?

TM Cooper- stated no. The Town had to go through the whole process of applying for a CDBG grant, and FEMA wrote a nice letter saying we needed the help, and that letter helped the Town get the grant. At the end of Clark Avenue and Caroline Blvd., where the water came out of the swamp, we are trying to figure out if it is cheaper to run the pipe down Clark Avenue to Kohler Park, or is it cheaper to go down Caroline Blvd. and come up an easement to Kohler Park. What the engineers are doing, is a price comparison. He explained if they come down Clark Avenue, they are going to tear up every resident's driveway. When they have the backhoe in there, they are talking about how the ditch has to be 15 foot wide, by law, without shoring, and they would have to dig up half of Clark Avenue. They haven't done all of the costs yet. They are also looking at all of their options. They are looking at how much it would cost to bring the pipe up from Caroline Blvd. and come through the easement to Kohler Park. If the engineer can do that, there would be only a section of blacktop on Caroline Blvd. and Morton Street that need to be removed.

TM Cooper- stated the same process is being thought out for Poling Blvd., the engineers are looking for a way to get rid of that water. Do they run it to the back ditch where it's always been going or do they redirect it North and come down Morton Street and tie into the storm water box on the corner of Wilbank Avenue and Morton Street? St. Johns River Water Management District (SJRWMD), the Wetlands Conservation, and the Army Corp of Engineers are all involved. If we can do it, the less water we can keep from dumping off in the ditch in the back, the better off we are.

F. Bruner- asked if you dump it into that ditch, where does that ditch go?

Mayor DeVille- stated it doesn't go anywhere.

TM Cooper- stated the ditch actually goes to a swampland on the Reinhold property, but what happens is when the water rises in that swampland, with a lot of rain, it overflows and flows right back into Town.

Mayor DeVille- stated the other part of the problem is, if we move the storm water to Kohler Park, you cannot dump it right into Black Creek. You have to put a little holding pond back there and then the overflow can run into Black Creek. SJRWMD is on board with that, but if we get a major storm like Matthew, or Irma, the water is going to runoff into the creek.

TM Cooper- stated he just received a letter from the engineer. He explained if the water is going to come down Morton Street to that little creek where it always does, now the engineers are asking if the Town has an easement to that creek. He stated he called Wayne Boone at PRC and asked him if they had an easement to that creek, where they built all of those houses behind the post office. Mr. Boone said no. SJRWMD is saying you have to have an easement to dump the water in there. The Reinhold Corporation owns that piece of property. Now the Town has to go back to SJRWMD, and go to the Reinhold Corporation and ask if they can give us this easement, so we have some kind of documentation giving their permission for an easement. If the Reinhold Corporation will not give an easement to the Town, there is another way to fix it. The Town would just have to tie in to the pipe, where it dumps into the creek, on Clark Avenue. It is just more expensive. All of this is not final yet, this is just preliminary.

Mayor DeVille- stated this engineering firm that the Town is working with is related to Mr. Stone that used to live here at Penney Retirement. Their concern now is to give us the best "bang for this buck". We have \$625,000.00. This engineering group realizes we have some grants coming in and they are going to help us. They want the next grant too, so they are going out of their way to help us and to get it done correctly.

TM Cooper- stated the Town wants everything underground.

T. Green- stated she never had flooding on the west end, but she does now. When they redid all of the sewage, we had a ditch. When they redid all of the sewage they filled the ditch in.

**4) Update on repairs and needs since the Town's Water Operator left:**

Mayor DeVille- explained that David has absorbed Tracy Jones's job. He is now reading meters every day and watching floats on the sewer. He has incorporated that into his daily routine. He stated, not only is he managing the office and the other workers out back. He informed the Committee that the Town Manager has brought in US Water Services to test the chlorine and do water samples, to make sure that everything is done correctly for the water product that we service the Town with. He thanked the Town Manager for all of his efforts.

TM Cooper- reiterated that he hired US Water Services to handle the chlorine residual tests and handle the required monthly water samples. He reported that now it costs the Town roughly \$400.00 per month, and he feels it is absolutely necessary to make sure the Town is 100% in compliance, and doing what it is supposed to in regards to its water.

F. Bruner- asked if the Town is going to hire someone to take his place?

TM Cooper- stated yes.

Mayor DeVille- stated the Town needs to bring someone back on board that can manage the other employees and take care of the equipment.

T. Green- wanted clarification on the subject of terracotta pipes. She asked if a resident has terracotta pipes going from their home, that was existent with their old house, and the new sewage system was done and they only replaced a portion of that...

TM Cooper- asked if it is a residents pipe? Or is it the Town's pipe?

TM Cooper- stated the resident is responsible for the lateral.

F. Bruner- stated if it is on their property it is their responsibility.

T. Green- stated her mom's pipe doesn't run through an easement. There is no easement there.

\* There was a brief discussion on where Mrs. Green's sewer pipe ran on her property and if there was an easement in her backyard.

TM Cooper- stated if it is on easement then the main pipe the Town is responsible for. She would be responsible for the pipe that comes from her house to that pipe on the easement.

=====

There were no further questions or discussions, the meeting was adjourned.

**Motion to adjourn the meeting by F. Bruner; second by T. Green. Motion approved without dissent.**

**The meeting adjourned at 10:00 a.m.**

---

Chairman, Tom DeVille