



**MINUTES**  
**THE TOWN OF INDIAN RIVER SHORES**  
**6001 North Highway A1A, Indian River Shores, FL 32963**  
**SPECIAL CALL WATER UTILITIES MEETING**

**Thursday, March 29, 2012**  
**2:30 p.m.**

**PRESENT:** Thomas W. Cadden, Mayor  
Gerard A. Weick, Vice Mayor  
Frances F. Atchison, Councilmember  
Richard M. Haverland, Councilman  
Michael B. Ochsner, Councilman

**STAFF PRESENT:** Richard Jefferson, Town Manager  
Laura Aldrich, Town Clerk  
Chester Clem, Town Attorney

**OTHERS PRESENT:** 10 Residents and Brian Kroh, John's Island Club

1. **Call to Order**

- a. Pledge of Allegiance
- b. Invocation (Councilman Ochsner)
- c. Roll Call

Mayor Cadden called the meeting to order at 2:30 p.m., with the Pledge and Invocation recited. The Town Clerk called the roll and noted the attendees as reflected above.

2. **Council Discussion of Water, Wastewater, Reuse Water Agreement Status**

Mayor Cadden announced that we are down to two options, which have to do with Section 6 of the proposed agreement. The Council will discuss the options, then open it to the audience.

Councilman Ochsner said it would have been better to have received this draft sooner. With just focusing on Section 6, he is in favor of using the County rates (Option 2, but attached as Option 1) simply because we have no input into the administration of the City of Vero Beach and we would have no recourse or mechanism to protect the prices.

The Mayor was in favor of Option 1, the City rates, because we may be able to move the savings up on reuse, potable and sewer rates before October 1. The City will be matching the County rates, even under tremendous pressure from its citizens to not have their rates raised. He stated concern with the County fees for large users, such as the John's Island Club, which uses significant amounts of potable water since they can't use reuse water and would expect (based on actual 2011 consumption) an increase of close to \$50,000 at County rates. Those who are paying \$1.97 for reuse water deserve to get to \$.67 as soon as they can.

Mr. Clem clarified that he understood that both potable and reuse water rates would be effective October 1, contrary to the Town Council's desire. In order to go with the County rate, the City has software modifications to implement. Mayor Cadden said the \$7.70 County rate for greater than 13,000 gallons/month is because there are not that many users and the St. Johns River Water Management District is strongly encouraging conservation.

Vice Mayor Weick had taken actual bills from the John's Island Club and had the County calculate them. He compared this big bill, with the City charging \$4,432 plus tax, and the County charging \$5,169 or \$737 more. They discussed the difference in the sewer rates, with the Vice Mayor saying they had previously received a chart with the City's commercial rates versus the County's residential

*Please Note: The Town of Indian River Shores does not routinely keep verbatim minutes. Any party interested in such an appeal relating to any decision made by the Council with respect to any matter considered at this meeting is responsible to record the meeting and include the testimony and evidence upon which the appeal is to be based.*

rates. The sewer rates where the big savings are were excluded. The Mayor Cadden and Vice Mayor reviewed the methodology for compiling the rates (yearly averages versus monthly).

Councilman Haverland had also performed independent calculations using County rates based on 1400 residences in John's Island, which led to his conclusion that the residential savings on water/sewer dwarf the higher rate the commercial users are charged. So the Club pays more, the residents pay less, which is better off, net/net. Vice Mayor Weick agreed. They all knew that anyone using more than 10,000 gallons would pay more.

Vice Mayor Weick continued that he did condominium savings, which would be 20-30% less at the County rate, which is \$4,000 for one condominium building per year. We have 32% condominiums in Town, and 68% single residences. He said there were several calculations and copies of bills, reviewing the savings on irrigation water and potable water for the County.

Councilman Ochsner said the greater good is accomplished by going with the County rates.

Councilmember Atchison said the vote of the Council was predicated on comparative analysis, and is in favor of going with the County rates.

Mayor Cadden recapped that the Town is in favor of a contract with Option 2, the County rates.

### 3. Public Discussion

John Steiner, Ocean Colony, agreed with going with the County rates and asked if the date could be moved up, especially for reuse water. Vice Mayor Weick said compared to what we have, there will be four years of savings. Time involved to change software and rates was discussed briefly.

Patty Gundy, Pebble Bay, received confirmation that the rates applied to all single family homes.

Dr. Steve Finestone, The Shores, stated that the Town has the obligation for the greatest long term rate benefit for all residents, not just John's Island. Mayor Cadden said based on the GAI engineering study, the big users lose and small users win. The differential between the two billings taken in by the City in revenue is less than \$20,000, there is no savings.

Councilman Haverland questioned the GAI Study and the accuracy of the rates used. With the City, the Town would be subject to fluctuating rates, while the County has a history of flat rates. There are many variables in the City that have potential for decreasing their income. Vice Mayor Weick added City's guaranteed rates are void after four years, and they can follow historical trend and raise them.

### 4. Follow-up Action

Mayor Cadden received a **motion** from Vice Mayor Weick **accept the Franchise Agreement with County rates, Option 2, which** was seconded by Councilman Ochsner and **passed unanimously**.

Mr. Clem was directed to prepare the agreement with Option 2 rates. Mr. Clem said the document in front of them has all of the iterations that have been included shown as underlined or struck through. Unless the Council collectively has any changes, it will be submitted to the City exactly as it is with the exception of paragraph 6.

The effective date was discussed as hoping to be earlier by the Town and October 1 by the City, Mr. Clem added. Vice Mayor Weick explained that the October 1 date keeps the City from having a significant loss of income that would create a huge impact on their current budget year for the reuse water rate adjustment. He is fine with the verbiage in the contract, as Mayor Cadden said he was. Councilman Ochsner and Councilman Haverland said they wanted to read it once more before Friday, and if either has a problem with it, they will let Mr. Clem know. Vice Mayor Weick questioned Section 3, last two lines, which said that all other reuse lines installed by Vero Beach shall be the property of Vero Beach. Although it is different than what they said initially, it is not a deal breaker to him. Mayor Cadden said he will talk to them about putting the rates in the system earlier.

### 5. Adjournment

The Mayor adjourned the meeting at 3:05 p.m.

Respectfully submitted,

/s \_\_\_\_\_  
Laura Aldrich, Town Clerk

(Approved by the Town Council at the 4-26-12 meeting)