

Date: March 10, 2016

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

Subject: Report on Outstanding Connection Charges and the Status of the Collection for
the Miami-Dade Water and Sewer Department - Directive 151845

June 7, 2016
Agenda Item No. 2B3

During the October 6, 2015 Board of County Commissioners meeting, Commissioner Levine Cava requested that the Miami-Dade Water and Sewer Department (WASD) prepare a report on the Department's outstanding connection charges and the status of the collection.

Miami-Dade County Ordinance 89-95 requires that retail users within the jurisdiction of the Department's wholesale customers pay WASD water and sewer connection charges. Prior to the implementation of this Ordinance, the County was not authorized to charge these retail customers connection charges even though they utilized the Department's regional water and sewer facilities. On April 19, 2005, the Board approved Ordinance 05-167, which requires new retail users of municipal wholesale customers to pay connection charges before the building permit is issued. In the event a new retail user does not make payment to the County, the municipal wholesale customer is liable for damages to the County in the amount of the connection charge owed by the new retail customer. The requirements of Ordinance No. 05-167 have served to facilitate the Department's collection of water and sewer connections charges.

In 2006, a total of \$12.6 million in back connection charges was due to the County primarily because the County's municipal wholesale customers had set meters for their retail users regardless of whether payment had been made to the County or not. By September 2007, WASD had collected approximately \$7 million in back connection charges. Since then, WASD has collected \$1.5 million and has written off \$500,000.00 which leaves an outstanding balance of \$3.6 million. The receivables due consist of accounts that remain uncollectible, mostly because of Section 95.11 of the Florida Statutes which imposes a four-year Statute of Limitations on the recovery of public money.

The report (Attachment A) is divided into two (2) sections. The first section, entitled "Delinquent Connection Charges," shows accounts that are uncollectible because the corporation was dissolved or the statute of limitations has lapsed. In all cases, the meter was set by the municipal wholesale customer with the exception of one (1) payment agreement issued by WASD. The second section, entitled "Delinquent Connection Charges Collected in Calendar 2015," contains two (2) accounts in which WASD's collection efforts have been successful, meaning partial or full payment has been received.

The previous administration made a management decision to forego legal action against the municipal wholesale customers whose new retail users owed the County a backlog of outstanding connection charges, which are now subject to the statute of limitations. Direction from the Board is requested as to whether the County should pursue legal action against municipal cities to resolve new debt, if the debt is determined to be uncollectible and before the Statute of Limitations prohibits any legal action. Currently, there are no accounts that meet the criteria described above.

Per Ordinance 14-65, this memorandum will be placed on the next available applicable Board of County Commissioners meeting agenda.

Should you have any questions or require further information, please contact Miami-Dade Water and Sewer Director Lester Sola at 786-552-8086.

c: Abigail Price-Williams, County Attorney
Jack Osterholt, Deputy Mayor, Office of the Mayor
Lester Sola, Director, Water and Sewer Department
Eugene Love, Agenda Coordinator

Attachment A
Report on Outstanding Connection Charges and the Status of Collection
Miami-Dade Water and Sewer Department

Delinquent Connection Charges			
Meter Set Date	Customer Name	Ledger Balance	Collection Status
08/25/1993	Barbizon Condo/Hotel	\$ 40,183	Uncollectible Account due to Statute of Limitations - 4 Years
09/28/1993	Park Beach Club Condominium	\$ 48,930	Uncollectible Account due to Statute of Limitations - 4 Years
01/10/1995	West Bay Plaza Condominium	\$ 20,736	Uncollectible Account due to Statute of Limitations - 4 Years
04/22/1996	Villas at South Beach	\$ 52,425	Uncollectible Account due to Statute of Limitations - 4 Years
05/30/1996	Portofino Tower	\$ 319,423	Uncollectible Account due to Statute of Limitations - 4 Years
06/03/1996	Coral Bay Club Condominium	\$ 61,512	Uncollectible Account due to Statute of Limitations - 4 Years
02/12/1997	Magnolia Townhomes	\$ 22,717	Uncollectible Account due to Statute of Limitations - 4 Years
11/20/1997	Loews Hotel	\$ 976,007	Uncollectible Account due to Statute of Limitations - 4 Years
03/13/1998	Bentley Hotel	\$ 120,752	Uncollectible Account due to Statute of Limitations - 4 Years
10/01/1998	Hotel of SOBE, Tiffany Hotel	\$ 71,648	Uncollectible Account due to Statute of Limitations - 4 Years
10/24/1998	Yacht Club at Portofino	\$ 537,389	Uncollectible Account due to Statute of Limitations - 4 Years
12/22/1998	Pinnacle	\$ 94,731	Uncollectible Account due to Statute of Limitations - 4 Years
03/15/1999	Rond Point Condominium	\$ 42,988	Uncollectible Account due to Statute of Limitations - 4 Years
03/18/1999	Collins Park Apartments	\$ 13,980	Uncollectible Account due to Statute of Limitations - 4 Years
04/07/1999	Beach Cinema	\$ 65,524	Uncollectible Account due to Statute of Limitations - 4 Years
01/20/2000	Ocean Steps Condo & Commercial	\$ 62,828	Uncollectible Account - Corporation Dissolved (No Longer in Business)
05/03/2000	Shores Club	\$ 255,415	Uncollectible Account - Corporation Dissolved (No Longer in Business)
09/26/2002	Sunny Isles Luxury Ventures (f.k.a. Trump International Sonesta Beach)	\$ 467,794	Uncollectible Account due to Statute of Limitations - 4 Years
12/06/2002	Bentley Beach Condo Hotel	\$ 29,707	Uncollectible Account due to Statute of Limitations - 4 Years
06/04/2003	RK Aventura Beach Apartments	\$ 71,000	Pending Litigation
10/20/2003	Ocean Blue Condominiums (a.k.a. Seaside Waterfront Villas, LLC	\$ 134,557	Miami-Dade County filed Case. No. 06-4510 CA 20; (Judgement awarded to Miami-Dade County - \$244,976.40 Uncollectible Account - Corporation Dissolved (No Longer in Business))
11/08/2004	Westside Lofts	\$ 16,077	Uncollectible Account - Corporation Dissolved (No Longer in Business)
03/05/2009	Akoya - Formerly White Diamond	\$ 23,766	Miami-Dade County filed Case. No. 06-3678 CA 27; (Judgement awarded to Miami-Dade County - \$50,253.81)
09/01/2013**	Huella's Thrift Shop	\$ 1,293	Recorded Lien
**Agreement Date	Total :	\$ 3,551,380	
Delinquent Connection Charges Collected in Calendar 2015			
	Bentley Beach Condo Hotel	\$ 45,610	Additional Connection Charges were Assessed for New Activity at the Property. The charges were paid October 22, 2015.
	The Clinton Hotel	\$ 12,500	Settlement Agreement was approved by the BCC on Oct. 6, 2015 via R-873-15.
	Total :	\$ 58,110	