

# Memorandum



**Date:** May 24, 2012

**To:** Honorable Xavier L. Saurez  
Commissioner - District 7

**From:** Carlos A. Gimenez  
Mayor 

**Subject:** Sunset Palm Villas Condominium Association, Inc.

In response to the inquiry and letter from Representative Daphne Campbell, which was forwarded by your office, please be advised that the Water and Sewer Department (WASD) has been working directly with the Receiver, Mr. Michael Gomez, to ensure that water services to this property remains. At no time, has the water services been terminated while WASD has been working with the Court Appointed Receiver. In reference to the "fire line account", this is a dedicated water service line only to be used for fire prevention and is billed on a separate account. Below is a financial summary and background history for your review.

Domestic Account #2515197611: **Current balance owed is \$98,610.09**, consisting of the following:

- a. **\$27,453.94** - April 2012 bill which is outstanding (due by May 10, 2012)
- b. **\$23,678.14** - March 2012 bill which is outstanding (became past due on April 11, 2012)
- c. **\$39,668.53** - current balance due of the revised payment arrangement made in April 2011, which totaled \$80,914.54. The terms of the payment arrangements are as follows:
  - \$3,750.00 monthly from May 25, 2011 to January 25, 2013
  - \$2,164.54 amount to be paid for the last payment due on February 25, 2013
  - Customer is not current on this payment arrangement. A payment of \$3,750.00 was due by April 25, 2012 and is included in this amount.
- d. **\$7,809.48** - represents outstanding balances transferred from the "fire line account" (Number 4039837984).

In addition to this amount, this account presently has a balance of \$3,107.74. If this amount is not paid by May 15, 2012, it will be transferred to their domestic account and due with the May 2012 bill payment.

Background History:

Sunset Palms was formerly a public housing development for low income persons. It was sold to a private developer who renovated it and converted it to a condominium development for low to moderate income persons. A condominium association was created called the Sunset Palm Villas Condominium Association, which had a Board of Directors (Board). The Board is responsible for managing the association, the property, payment of utilities, and responsible for assessing homeowner association fees in order to pay for water and sewer service. The Board is also required to comply with Florida's condominium laws, which includes keeping certain financial records, budgets and insurance.

Sunset Palms consists of 267 units in several two-story buildings. There is one master water meter and one water and sewer account, which serves the entire condominium complex. There is a second water meter on a dedicated water line that serves the property for fire protection only. It also has a private lift station for collection and transmission of raw sewage. In 2005, the Miami-Dade County sued Sunset for failing to maintain its lift station. Certain repairs were made and the suit was dismissed. At that same time, Sunset fell behind on its water and sewer bills. This was due to various reasons including failure of the Board to properly assess, collect and enforce maintenance fees against the owners. In addition to mismanagement, there were allegations that Board members embezzled fees.

In 2007, Sunset owed WASD over \$310,000.00 in water and sewer fees. WASD sought to terminate service and the Health Department was ready to evacuate the units. However, Sunset admitted owing over \$310,000 in water and sewer fees and the Board President (Ramon Abreu) signed a Stipulation in which he agreed that the Board would pay the delinquent fees in several installments and pay the water and sewer bill when rendered. The Stipulation was filed with the Court. The Board defaulted on the Stipulation and WASD again began the termination process. However, instead of terminating service, WASD agreed to work with the Board under the Court's supervision. Despite several chances, the Board was not successful in complying with the Stipulation and WASD again sought termination, which was the last resort in order to get payment. The County agreed not to terminate if the Court appointed a Receiver to manage the property.

On January 20, 2009, Circuit Court Judge Gisela Cardonne-Ely ruled and issued an agreed order appointing Michael Gomez as Receiver for Sunset Palm Villas Condominium Association, Inc. At which time, WASD waived all late fees leaving the Association with an outstanding balance of \$349,659.13. A lien was levied against the properties in the amount of \$328,395.13 on a pro rata basis. The remaining balance of \$21,264.00 which was owed for stormwater charges will be assessed on a pro rata basis upon the satisfaction of lien. A new account was created for the Receiver. As of this date, a total of \$109,989.38 has been collected from the liens and \$6,690.49 was paid for the stormwater charges from 84 properties. The remaining lien amount is \$218,405.75 and \$14,573.51 for the stormwater charges.

The Receiver has performed substantial repairs to plumbing facilities and has cracked down on wasteful and illegal water use. The Receiver has also attempted to enforce the condominium documents and sought to foreclose on special assessment and maintenance fees against owners and evict occupants that have breached the rules and regulations of the condominium association.

Please be advised that the County is working with the Receiver on improving the living conditions cited by Representative Campbell's letter.

c: Alina T. Hudak, County Manager/Deputy Mayor  
Jack Osterholt, Deputy Mayor/Director, Permitting, Environment and Regulatory Affairs Department  
John W. Renfrow, Director, Water and Sewer Department  
Charles Danger, Assistant Director, Permitting, Environment and Regulatory Affairs Department