



## Cover Memorandum/Staff Report

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**File #:** 24-724

**Agenda Date:** 5/21/2024

**Item #:** 6.F.

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**TO:** Mayor and Commissioners  
**FROM:** Hugh B. Dunkley, Chief Financial Officer  
**THROUGH:** Terrence R. Moore, ICMA-CM  
**DATE:** May 21, 2024

RESOLUTION NO. 122-24, A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF DELRAY BEACH, FLORIDA AUTHORIZING THE CITY MANAGER TO RETROACTIVELY APPROVE CREDITS TO CUSTOMERS OF THE CITY'S WATER UTILITY SYSTEM AS STATED HEREIN; REPEALING ALL RESOLUTIONS INCONSISTENT HEREWITH; PROVIDING FOR AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

**Recommended Action:**

Staff recommends approval of Resolution No. 122-24.

**Background:**

At the January 4, 2024 City Commission meeting, the issue of customers receiving "extraordinary" utility bills was addressed. This issue arose as a result of the increased need to perform manual meter reads due to the increasing rate of encoders that were malfunctioning. Encoders are the devices that transmit usage data to the Utility Billing Division's computer system, so that customers may be billed based on actual consumption.

Since the January 4<sup>th</sup> meeting, it became readily apparent that the existing meter readers (consisting of 3 full-time employees) could not perform manual reads of all of the 8,439 meters that had malfunctioned encoders. Several options were discussed, including using external meter reading resources (3<sup>rd</sup> party vendor) to perform the manual reads. It was determined that additional internal staff from the Utilities Maintenance Division would assist the existing meter readers in the Utility Customer Service Division to perform the required manual reads. This augmentation in the meter reading staff has resulted in a significant increase in the number of meters being read manually.

The increase in manual reads have resulted in some utility bills being higher than "normal." The total credits that have been granted to date for these customers amounts to \$515,418.45. Staff is hereby requesting that the City Commission authorize the City Manager the authority to grant these credits retroactively.

**City Attorney Review:**

Legal review is attached.

**Funding Source/Financial Impact:**

Revenue loss of \$515,418.45.

**Time Sensitive:**

N/A