

RESOLUTION NO. 70-2013 OF THE CITY OF LAKE WORTH, FLORIDA, ESTABLISHING UTILITY DEPOSIT REQUIREMENTS AND REFUNDS; PROVIDING FOR INTEREST PAYMENTS ON ALL DEPOSITS; PROVIDING THAT CONFLICTING RESOLUTIONS ARE REPEALED; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City previously adopted City resolution 1-98; 56-98; 2-2001; 65-2007; and, 18-2008, which established rules governing utility deposits for water, sewer and electric and other related matters; and,

WHEREAS, the City has entered into a contract with ONLINE Information Services, Inc., to assist the City in determining the appropriate residential deposit for utility service based on an applicant's credit history and other factors; and,

WHEREAS, in entering said contract, the City has reviewed its existing resolution governing utility deposits and found that it needs to revise the rules governing utility deposits to be consistent with the contract; and,

WHEREAS, the City now desires to revise its rules governing utility deposits; and,

WHEREAS, the City finds revising said rules related to utility deposits serves a valid public purpose.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF LAKE WORTH, FLORIDA, that:

Section 1. Recitals. The foregoing recitals are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Resolution.

Section 2. Deposits.

(A) Generally

Before any person shall be entitled to utility service, he/she or the entity must pay a security deposit to the City unless specifically waived herein. Any security deposit may be applied by the City at any time in satisfaction of indebtedness for utility services which may be or become due to the City by the customer. After such application, the remainder thereof may be applied in discharge of any indebtedness of the customer to the City whatsoever and the City may use said deposit as if the City were the absolute owner thereof. This deposit shall not preclude the City from discontinuing, for non-payment, any and all services covered by this deposit regardless of the sufficiency of said deposit to cover such indebtedness for such services.

(B) Residential service

The initial service deposit for residential utility service in the name of an

individual(s) shall be established by consumer information received from a centralized database containing credit and consumer data information pertaining to the payment history of utility bills and other services ("Consumer Information Check" hereafter). The source of the Consumer Information Check may be without limitation credit information, consumer information, credit scoring services, fraud detection, and criminal records provided by national credit reporting repositories, and national criminal record databases, and/or local county systems.

The Consumer Information Check will determine the amount, if any, of the deposit required to establish service. The specific amount of the deposit shall be as follows:

- (1) Individual(s) whose Consumer Information Check suggests a substantial risk of delinquency shall pay a deposit of two and one-half (2.5) times the average or estimated monthly billing at the location rounded to the nearest Fifty Dollars (\$50).
- (2) Individual(s) whose Consumer Information Check suggests a moderate risk of delinquency shall pay a deposit of one (1.0) times the average or estimated monthly billing for electric service and/or Fifty Dollars (\$50) for water service per unit.
- (3) Individual(s) whose Consumer Information Check suggests no risk of delinquency shall not be required to pay a deposit.

The risk of delinquency shall be established based on information revealed in the Consumer Information Check as reviewed by the city and/or its designee.

An individual(s) who fails to provide the proper identification as required on the application for service; who initially provides false information; or, who has no Consumer Information Check history, shall be charged the same deposit as those individual(s) whose Consumer Information Check suggests a high risk of delinquency.

Once service is established, the City reserves the right to update an individual(s) Consumer Information Check and require a deposit or an increase in the deposit if the updated Consumer Information Check reveals an increase in risk of delinquency. The customer shall be notified, in writing, of any deposit adjustment and/or amount due the City. The amount due, if any, shall be paid within thirty (30) days of notification. Failure to pay the additional deposit amount may result in disconnection of service.

The initial service deposit for residential utility service in the name of an

entity (corporation, partnership, company, etc.) shall be as set forth below for Non-Residential (Commercial) General Service.

(C) Non-Residential (Commercial) General Service

Electric

The initial service deposit for electric utility service shall be the greater of Two Hundred Seventy Five Dollars (\$275) or two and one-half (2.5) times the monthly average or estimated bill rounded to the nearest Fifty Dollars (\$50).

Water and/or Sanitary Sewer

The service deposit for water and/or sanitary sewer service shall be the greater of Three Hundred Dollars (\$300) or two and one-half (2.5) times the monthly average or estimated bill rounded to the nearest Fifty Dollars (\$50).

No non-residential (commercial) electric or water/sewer deposit shall be waived. However, deposits for service to any unit of federal, state or local government are waived as are deposits for service to any organization having a valid State of Florida tax exempt certificate as long as such organization is assessed no more than one (1) delinquent late fee in the most recent twelve (12) month period.

In lieu of a cash deposit, a surety bond or an irrevocable letter of credit, as approved by the utility customer service manager or designee, may be accepted for non-residential (commercial) general service.

Section 3. Deposit Review/Adjustment Policy.

(A) Residential

In addition to the City's reserved right to periodically update an individual(s)' Consumer Information Check and revise the required residential deposit accordingly, the City shall require an adjustment of a residential deposit balance under the following circumstances:

1. One (1) disconnect for non-payment;
2. One (1) dishonored check;
3. Four (4) delinquent payments within current twelve (12) month period;

4. Balance due on a prior final bill;
5. Evidence of Illegal Use; or,
6. Any other evidence to suggest a higher risk of delinquency.

If any of the above exist, the residential account balance shall be adjusted to the amount required for an individual whose Consumer Information Check suggests a high risk of delinquency.

(B) Non-Residential (commercial) General Service.

The City shall require an adjustment of a non-residential deposit balance under the following circumstances:

1. One (1) disconnect for non-payment;
2. One (1) dishonored check;
3. Four (4) delinquent payments within current twelve (12) month period;
4. Balance due on a prior final bill; or,
5. Evidence of Illegal Use.

If any of the above exist, the non-residential account balance shall be adjusted to the amount equal to two and one-half (2.5) times the recent monthly average or estimated bill rounded to the nearest Fifty Dollars (\$50).

- (C) An existing customer may request a deposit status review and the review will be used to bring the account into compliance with the requirements herein.
- (D) The customer shall be notified, in writing, of any deposit adjustment and/or amount due the City. The amount due, if any, shall be paid within thirty (30) days of notification. Failure to pay the additional deposit amount may result in disconnection of service.

Section 4. Refund of Residential Service Deposits.

- (A) Residential service deposits shall be refunded to the depositor(s) after a continuous service period of twenty-five (25) months provided that the customer has a satisfactory payment record; the customer has not, in the previous twelve (12) months, made more than one (1) late payment of a bill; had a check returned for non-payment of a utility bill; has not engaged in any Illegal Use; left an unpaid balance from a previous account; and, does not have any other indebtedness to the City.
- (B) Refund of a deposit for an active utility account(s) shall be in the form of a credit to the corresponding account(s). Refund of deposit for closed accounts will be in the form of a check payable to the person or persons who established said utility deposit. In the event of a deceased depositor, refund will be to the estate or pursuant to Court order.

Section 5. Commercial Deposits - Non-refundable.

No commercial deposit shall be refunded until the service(s) are terminated; the final bill is paid in full; and, any other indebtedness to the City is paid.

Section 6. Interest on Deposits.

Deposits paid to and held by the City of Lake Worth shall accrue simple interest. The interest on the customer's deposit shall be effective after the customer's service and the deposit have been in existence for a continuous period of six (6) months.

The following procedure shall be utilized:

- (A) Deposit amounts shall be received and properly receipted in accordance with established procedures.
- (B) Each year, during the month of September, the City of Lake Worth shall establish the percentage rate to be applied on those monies on deposit on September 30 of that year. The percentage rate to be applied shall be based on the interest earned by the city for the deposits less a reasonable administrative fee for administration of the deposits. The city manager shall be vested with the authority to approve the percentage rate to be applied and associated administrative fee.
- (C) Each year during the month of October, the accrued interest shall be credited and applied to the customer's account as payment towards the current bill. If the monies have not been on deposit for the entire year, the credit will be adjusted to reflect the actual number of months that the monies have been on deposit.

Section 7. Conflicting Resolutions Repealed.

All resolutions or parts of resolutions in conflict herewith are hereby repealed.

Section 8. Effective Date.

This Resolution shall take effect immediately upon its passage.

The passage of this Resolution was moved by Vice Mayor Maxwell, seconded by Commissioner Szerdi, and upon being put to a vote, the vote was as follows:

Mayor Pam Triolo	AYE
Vice Mayor Scott Maxwell	AYE
Commissioner Christopher McVoy	NAY
Commissioner Andy Amoroso	NAY
Commissioner John Szerdi	AYE

The Mayor thereupon declared this Resolution duly passed and adopted this 3rd day of December, 2013.

LAKE WORTH CITY COMMISSION

By: _____
Pam Triolo, Mayor

ATTEST:

Pamela J. Lopez, City Clerk