

ORDINANCE 1074

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LLANO, TEXAS,  
AMENDING ORDINANCE NO. 1033 WHICH ADOPTED A UTILITY SERVICE  
REGULATION POLICY FOR SERVICES PROVIDED BY THE CITY OF LLANO.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LLANO:

CITY OF LLANO, TEXAS

UTILITY SERVICE REGULATIONS

“SECTION VII. DEPOSITS” IS REPLACED IN ITS ENTIRETY AS FOLLOWS:

VII. DEPOSITS

1a.) Required deposits for all new customers shall be as follows:

Residential

**Customer is property owner:**

With satisfactory Letter of Credit	
Electric	\$75.00
Water	\$25.00
Non refundable connect fee	<u>\$25.00</u>
Total	\$125.00

Without satisfactory Letter of Credit	
Electric	\$75.00
Water	\$25.00
Non refundable connect fee	\$25.00
Additional deposit	<u>\$150.00</u>
Total	\$275.00

**Customer is a tenant:**

Owner files a declaration of rental property-

With satisfactory Letter of Credit	
Electric	\$75.00
Water	\$25.00
Non refundable connect fee	\$25.00
Additional deposit	<u>\$150.00</u>
Total	\$275.00

Without satisfactory Letter of Credit  
Three months estimated average bill  
Plus \$25.00 non refundable connect fee

Owner refuses to file declaration of rental property-

Same as deposit for services where customer is property owner

Commercial

**Customer is property owner:**

With satisfactory Letter of Credit  
One month estimated average bill  
Plus \$25.00 non refundable connect fee

Without satisfactory Letter of Credit  
Two months estimated average bill  
Plus \$25.00 non refundable connect fee

**Customer is a tenant:**

Owner files a declaration of rental property:

With satisfactory Letter of Credit  
One month estimated average bill  
Plus \$25.00 non refundable connect fee

Without satisfactory Letter of Credit  
Two months estimated average  
Plus \$25.00 non refundable connect fee

Owner refuses to file declaration of rental property:

With satisfactory Letter of Credit  
One month estimated average bill  
Plus \$25.00 non refundable connect fee

Without satisfactory Letter of Credit  
Two months estimated average  
Plus \$25.00 non refundable connect fee

- b.) Deposits will be applied against delinquent bills after the 25<sup>th</sup> of each month. New deposits and new Utility Service Application and Agreements will be required before services are reconnected.
  - c.) The deposit on any residential property may be raised up to three (3) months average bill, or four (4) months average bill on commercial property, by the City Manager upon recommendation of the Utility Office Supervisor if the customer's payment history indicates frequent, recent, or large delinquencies, or the property is declared rental property.
  - d.) The City of Llano retains the right to obtain a credit report, payment history, and/or service verification on any person or entity making application for utility service from the City. This information may be used when establishing the required deposit.
  - e.) The customer may request the City of Llano to run a credit report to verify their credit history. The customer will be responsible to pay for this credit report at the time of the request. If the credit report returns a favorable history, the deposit required shall be equal to that of a deposit with a Letter of Credit.
  - f.) For customers without a Letter of Credit or Favorable Credit Report, after twelve (12) months of continuous non-delinquent payments have been recorded, the City of Llano will adjust the deposit to the amount required when a Letter of Credit is received and will apply the balance toward their next utility bill.
  - g.) All customer deposits existing at the time of the passage of this ordinance where no acceptable Letter of Credit has been received will begin the 12 month payment history during the month the ordinance is passed. For accounts with existing deposits at the time of the passage of this ordinance which may have been a lesser amount if the ordinance had been in place at the time the deposit was made, a written request may be made on a form provided by the Utility Office requesting a review of the account. The Utility Office Supervisor may determine that the deposit can be reduced before 12 months after the passage of this ordinance and the difference applied to the customer's account at an earlier date.
2. A deposit will not be required for public schools or governmental agencies. Waiver of deposits for any other individual or agency must be granted by the City Council.
  3. A deposit for temporary or seasonal service may be required by the City in such amount, and in such form, as determined by the Utility Office Supervisor to be sufficient to protect the City against the risk of loss of payment for service.
  4. Upon discontinuance of service, the deposit shall be applied to the payment of the final utility bill, with any negative balance billed to the customer. A transfer of service from one premise to another shall not be deemed a discontinuance, but all service charges for such a transfer shall apply.

5. Interest on deposits shall not be paid by the City.

“SECTION VIII. LIENS: UTILITY SERVICES (Electric, Water, Sewer, Garbage)”  
IS AMENDED TO INCLUDE:

VIII.6.e. Whenever a declaration has been filed by the owner of a residential property, the deposit of 3 months average estimated bill may be reduced to a sum of \$250.00 if the tenant can produce a Letter of Credit issued in the tenant’s name showing a 12 consecutive month history of timely payments within the last 18 months with a prior utility company. If such a letter cannot be produced and the tenant subsequently makes 12 consecutive timely payments for utility services to the City of Llano, the deposit of 3 months average estimated bill may be refunded to a deposit balance of \$250.00.

f. Whenever a declaration has been filed by the owner of a commercial property, the deposit of 2 months average estimated bill may be reduced to a sum of 1 month average estimated bill if the tenant can produce a Letter of Credit issued in the tenant’s name showing a 12 consecutive month history of timely payments within the last 18 months with a prior utility company. If such a letter cannot be produced and the tenant subsequently makes 12 consecutive timely payments for utility services to the City of Llano, the deposit of 2 months average estimated bill may be refunded to a deposit balance of 1 month average estimated bill.

That this ordinance shall become and be effective on and after its adoption.

PASSED AND APPROVED this the 6th day of August, 2007.

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Roger Pinckney, Mayor

ATTEST:

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Kerry Williams, City Secretary