



# City of Eustis

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TO: EUSTIS CITY COMMISSION

FROM: RONALD R. NEIBERT, CITY MANAGER

DATE: AUGUST 3, 2017

RE: ORDINANCE NO.17-10  
IMPLEMENTING WATER, WASTEWATER, AND IRRIGATION LIENS

**Introduction:**

The purpose of Ordinance No. 17-10 is to implement water, wastewater, and/or irrigation liens per Florida Statutes 159.17 and to ensure the payment of utility services.

**Recommended Action:**

Staff recommends approval of Ordinance No. 17-10.

**Background:**

The City provides various utility services to properties throughout the City, including water, wastewater, and irrigation. To be in compliance with Florida Statutes and provide prudent measures to recoup reimbursement of utility services, the City is recommending property liens for qualifying delinquent utility accounts. The purpose of a utility lien is to recover the City's cost of water, wastewater, and/or irrigation services. When bills become delinquent, City staff turns off utility services under procedures adopted by the Code of Ordinances.

Often, when service is shut off, the property owner pays the bill. However, there are times when the bills become uncollectible, especially when the property is sold or is subject to foreclosure.

In researching the lien process, it was determined that Per F.S. 159.17 *Lien of Service Charges*, “any municipality issuing revenue bonds shall have a lien on all lands or premises served by any water system, sewer system, or gas system.” The City issued Water and Sewer Revenue Bonds, Series 2016, in October 2016.

This proposed action will help the City achieve the following objectives:

- Be in compliance with Florida Statutes.
- Create a procedure on the collection of past due utility bills which are the property owner's responsibility.
- Impose and maintain liens on properties for unpaid utility bills

**Alternatives:**

1. Approve Ordinance No. 17-10.
2. Deny Ordinance No. 17-10 and provide direction to staff on how they would prefer to proceed.

**Discussion of Alternatives:**

***Approval of Ordinance No. 17-10:***

**Advantages:**

- Approval of the Ordinance will comply with Florida Statutes and provides prudent management of City utility receivables.

**Disadvantages:**

- The minimal filing and administrative costs required to record a lien.

***Denial of Ordinance No. 17-10:***

**Advantages:**

- No additional filing or administrative costs required to file a lien.

**Disadvantages:**

- The City is not in compliance with Florida Statutes and has little recourse for unpaid utility services.

**Budget/Staff Impact:**

The utility enterprise fund has sufficient revenue to process the liens, release and pay recording fees. It is unknown what the amount of recovery will be.

**Prepared By:**

Colleen J. Scott, CPA, Finance Director