

ORDINANCE NO. 1183-08-18

AN ORDINANCE AMENDING CHAPTER 13, SECTION 13.05.001 – “APPLICATION FOR SERVICE; PAYMENT-GUARANTY DEPOSIT” AND SECTION 13.002.035 – “REFUND OF DEPOSIT” TO HAVE CITY RETAIN CUSTOMER SECURITY DEPOSITS ON ELECTRICAL AND WATER SERVICES UNTIL CLOSING OF ACCOUNTS AND PROVIDING FOR LETTERS OF CREDIT IN LIEU OF DEPOSITS; REPEALING ALL PARTS OF ORDINANCES IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; AN OPEN MEETINGS CLAUSE; AND PROVIDING FOR RELATED MATTERS.

WHEREAS, the city council of the City of Hondo approved ordinances establishing Chapter 13 of the Code of Ordinances to establish comprehensive and well-defined procedures for the operation of municipal utilities, including water and electrical service;

WHEREAS, the city now wishes to revise the procedures on the handling of customer security deposits;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HONDO:

SECTION 1. AMENDMENT. Chapter 13 of the City of Hondo Code of Ordinances is amended as follows:

A. Section 13.02.034(b) is deleted in its entirety and replaced with the following:

(b) Deposits may be waived if an applicant can provide a letter of credit for a period over one year from another utility company. The letter of credit must be dated within 60 days of the date of the application and reflect no more than two delinquent payments and no disconnects for non-payment within the prior consecutive 12-month period. If a customer who presented a letter of credit has his services disconnected for non-payment, then the customer may be required to provide a deposit to re-establish service. If a customer has more than one dwelling and has an established credit history with the city of no disconnects for non-payment and no more than two delinquent payments within the prior consecutive 12-month period, then the deposit for the additional dwelling(s) may be waived.

B. Section 13.02.035(b) is deleted in its entirety.

C. Section 13.05.001(a) is deleted in its entirety and replaced with the following:

(a) No application for electric service furnished by the city shall be considered

unless made by the owner of the property to be served on his own responsibility or by a tenant when accompanied by a deposit sufficient to ensure prompt payment of any account which might be rendered for services and inspection fees, such deposit to be sufficient to cover the first month's bill, which payment is a payment-guarantee deposit. This payment-guarantee deposit may be waived if, in the discretion of the city manager, no deposit is required. An account that has been closed and for which there is a payment-guarantee deposit or bond on file shall be credited for that deposit or bond amount. Any refund that is owed the customer shall be mailed to the customer at the address listed on the account unless a forwarding address is provided. Refunds shall not be issued until any balance due is paid and a final reading is taken.

D. Section 13.05.001(b) is deleted in its entirety and replaced with the following:

(b) Deposits may be waived if an applicant can provide a letter of credit for a period over one year from another utility company. The letter of credit must be dated within 60 days of the date of the application and reflect no more than two delinquent payments and no disconnects for non-payment within the prior consecutive 12-month period. If a customer who presented a letter of credit has his services disconnected for non-payment, then the customer may be required to provide a deposit to re-establish service. If a customer has more than one dwelling and has an established credit history with the city of no disconnects for non-payment and no more than two delinquent payments the prior consecutive 12-month period, then the payment-guarantee deposit for the additional dwelling(s) may be waived.

SECTION 2. Recitals. The City Council finds the recitals contained in the preamble to this ordinance are true and correct and incorporates them for all purposes.

SECTION 3. Conflicts. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict with all remaining portions not conflicting being saved from repeal herein.

SECTION 4. Severability. If any provision of this Ordinance or the application of any provision to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications hereof which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

SECTION 5. Open Meetings. That it is hereby officially found and determined that the meeting at which this Ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as a required by the Open Meetings Act, Chapter 551, Local Government Code.

SECTION 6. Effective Date. This ordinance shall be effective from and after its approval and passage in accordance with the Texas Local Government Code and the city charter.

Passed and approved this 27th day of August, 2018.



A handwritten signature in blue ink, appearing to read "James W. Danner Sr.", is written over the seal.

James W. Danner Sr.
Mayor

ATTEST:

A handwritten signature in blue ink, appearing to read "Miguel Cantu", is written over the seal.

Miguel Cantu
City Secretary