

**ORDINANCE NO. 561-AC**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NEEDLES, CALIFORNIA, AMENDING ORDINANCE NO. 404-AC, ARTICLE I (AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NEEDLES, CALIFORNIA, CHAPTER 6C CONSISTING OF ARTICLE I, II, III, TERMS AND CONDITIONS FOR THE SALE OF ELECTRIC SERVICES) INCREASING THE AMOUNT OF SECURITY DEPOSIT FOR ELECTRIC SERVICES**

WHEREAS, the Terms and Conditions for the Sale of Electric Services (Ordinance No. 404-AC), provides for the establishment of residential and nonresidential credits or security deposits for an Applicant for electric services, pursuant to sections 2.4 and 2.5, respectively.

WHEREAS, when credit cannot be established as provided for in Section 2.4.1 or 2.5.1, or when it is determined that an Applicant left an unpaid final bill owing to another utility, an Applicant may be required to place a cash deposit to secure payment of bills for service. Residential security deposits must currently be a cash deposit and may be the customer's highest monthly bill as estimated by the City or a minimum of \$100.00, whichever amount is greater. Nonresidential security deposits may be either cash or noncash, and shall not exceed two (2) times the customer's estimated average monthly billing.

WHEREAS, with the current economic state, the Needles Public Utility Authority (NPUA) is experiencing an excessive number of customer delinquent bills and customer failure to meet obligations under payment agreements, as well as customers with delinquent accounts frequently leaving the City with unpaid balances of several hundred dollars; often in excess of two (2) months billings. Unpaid nonresidential accounts often exceed the amount of unpaid residential accounts

WHEREAS, at the meeting of June 17, 2014, the Board of Public Utilities discussed raising the security deposit to help offset the delinquent bill amounts that are left by customers failing to meet their responsibilities.

WHEREAS, after discussions at the meeting of June 17, 2014, the Board of Public utilities adopted Resolution No. 6-17-14-BPU recommending to the City Council that the security deposit for the establishment of residential and nonresidential electric services be raised to help offset the delinquent bill amounts.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NEEDLES DOES HEREBY ORDAIN AS FOLLOWS:**

SECTION 1. The City Council HEREBY FINDS AND DETERMINES that this activity is not subject to the California Environmental Quality Act ("CEQA") as the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment. (14 C.C.R. § 15060 (c)(2).)

**SECTION 2.** The City Council HEREBY FINDS AND DETERMINES that it is in the interests of the health, safety and general welfare of the City and its residents to approve an amendment to the City of Needles Municipal Code (“Code”) increasing the security deposit for the establishment of residential and nonresidential electric services.

**SECTION 3.** The City Council HEREBY APPROVES Ordinance Number 561-AC, amending Section 2.7 of Article I, Chapter 6C of the City of Needles Municipal Code to read as follows:

**2.7 Security Deposits**

2.7.1 Residential security deposits must be a cash deposit in the amount of one and one-half times the previous customer’s highest monthly bill (June through September) at the residence where the account is to be established or \$150.00, whichever amount is higher.

2.7.1.1 Deposits will automatically be refunded after 12 months of service provided Customer has not been delinquent in the payment of bills or disconnected for nonpayment during the previous twelve (12) consecutive months, unless Customer has filed bankruptcy.

2.7.2 Nonresidential security deposits may be either cash or noncash, as described in 2.7.2.1, and shall be in the amount of two and one-half times the previous customer’s highest monthly bill (June through September) at the non-residential location where the new account is established.

2.7.2.1 Deposits and noncash deposits on file with the City will be reviewed after twenty-four (24) months of service and will be refunded or released provided Customer has not been delinquent in the payment of bills or disconnected for nonpayment during the previous twelve (12) consecutive months, unless the Customer’s financial condition warrants extension of the security deposit. Deposits not returned within the first twenty four month period, shall be reviewed annually to determine if Customer qualifies for return of deposit.

2.7.3 City reserves the right to increase or decrease the security deposit amount when the Customer’s average consumption changes by more than ten (10) percent for residential accounts within the twelve (12) consecutive month period and five (5) percent for nonresidential accounts within the twelve (12) consecutive month period. Separate security deposits may be required for each location.

2.7.4 Customer security deposits shall not preclude the City from terminating an agreement for service or suspending service for any failure in the performance of Customer obligations under an agreement for service.

2.7.5 Cash deposits held by the City shall not earn interest. Deposits on inactive accounts may be applied to the final bill and the balance, if any, will be refunded to the Customer of record within sixty (60) days.

2.7.6 If Customer terminates service with City, the security deposit may be credited to Customer’s final bill.

2.7.7 In implementing the foregoing provisions, the NPUA/City Council shall not discriminate on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations.

SECTION 4. This action shall become final and effective thirty (30) days after this decision by the City Council as provided for by the Code.

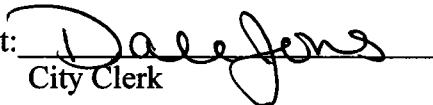
SECTION 5. The City Clerk shall certify to the adoption of this Ordinance.

**BE IT FURTHER RESOLVED** that in implementing the foregoing ordinance, the City Council shall not discriminate on the basis of race, color, religion (creed), gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations.

**INTRODUCED AND READ** for the first time and ordered posted at a regular meeting of the City Council of the City of Needles, California, held on the 8<sup>th</sup> day of July, 2014, by the following roll call vote:

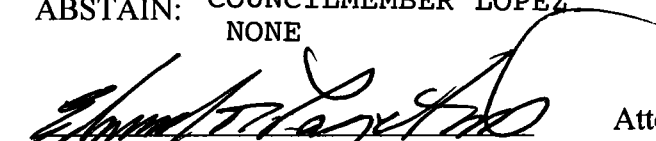
AYES: COUNCIL MEMBERS LOPEZ, KIDD, CAMPBELL, DARCY AND GUDMUNDSON  
NOES: NONE  
ABSENT: COUNCIL MEMBER FRAZIER  
ABSTAN: NONE

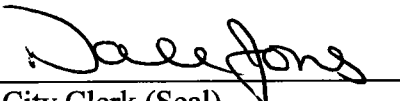
  
\_\_\_\_\_  
Mayor Edward Paget, M.D.

Attest:   
\_\_\_\_\_  
City Clerk

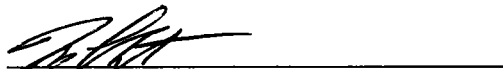
**PASSED, APPROVED AND ADOPTED** at a regular meeting of the City Council of the City of Needles, California, held on the 12<sup>th</sup> day of August, 2014.

AYES: COUNCIL MEMBERS KIDD, FRAZIER, CAMPBELL, DARCY AND GUDMUNDSON  
NOES: NONE  
ABSENT:  
ABSTAIN: COUNCILMEMBER LOPEZ  
NONE

  
\_\_\_\_\_  
Mayor Edward Paget, M.D.

Attest:   
\_\_\_\_\_  
City Clerk (Seal)

Approved as to form:

  
\_\_\_\_\_  
City Attorney