

Indian River County, Florida
Department of Utility Services
Board Memorandum

Date: June 19, 2024

To: Indian River County Board of County Commissioners

Through: John A. Titkanich, Jr., County Administrator

From: Sean C. Lieske, Director of Utility Services

Prepared by: Bryan Beavers, Utilities Finance Manager

Subject: 4230 20th Avenue - Bad Debt Write Off of Utility Account (1050798/029174) and Future Continuation of Service

Background:

On August 16, 2022, the Indian River County Board of County Commissioners (BCC) authorized the County Attorney to pursue foreclosure on the property located at 4230 20th Avenue due to unresolved code enforcement violations. The foreclosure was pursued and has been completed. A certificate of title was filed on April 10, 2024, to transfer ownership of the property to Indian River County, Florida. On June 18, 2024, the BCC passed a resolution cancelling taxes on the subject property. This property is now being held by Indian River County for the purpose of future affordable housing initiatives.

Analysis:

The subject property has had a delinquent utility account balance for over twenty years. This account is a sewer only account with one sewer ERU. The unpaid balance of the utility account as of July 1, 2024, is \$32,002.16. This balance due can be summarized as follows:

Billing Type	Amount
Service Charges	\$4,775.24
Miscellaneous Fees	189.26
Penalties and Interest	27,037.66
Total	\$32,002.16

Since the property has now completed the foreclosure sale process and is owned by Indian River County, the utility account balance has been deemed uncollectible and should be written off. Further, since this account is active, the service availability charges will continue to bill to Indian River County until such time as the utility impact fee is relinquished.

Departmental Item

Funding:

Funds in the amount of \$32,002.16 are available to cover this expense from the account Utilities/Cust Svc/Bad Debt-Water/Sewer, number 47126536-036510, which is in the Utilities operating fund. Utilities operating funds are derived from water and sewer sales.

Description	Account Number	Amount
Utilities/Cust Svc/Bad Debt-Water/Sewer	47126536-036510	\$32,002.16

Recommendation:

Staff recommends the Board of County Commissioners (BCC) direct staff to:

- Write off the uncollectible account balance for the subject property in the amount of \$32,002.16, and further,
- Once the account is brought current after the write off, address whether to continue services going forward. Options for consideration include:
 1. The County determine which department will be the administrator of the property so that the Indian River County Department of Utility Services (IRCDUS) can continue billing that department the monthly sewer availability charges of \$17.73 per month until such time as the land is turned over to a developer; or,
 2. Stop the future IRCDUS service availability charges incurred by Indian River County on this account by relinquishing the sewer impact fee related to the subject property. If the impact fee is relinquished, the eventual future developer of the property will be required to pay the current impact fees to re-establish service for the property.

IRCDUS recommends the BCC pursue option 2 regarding the continuation of services.

Attachment:

Current Billing