



Boynton Beach mistake leaves condo with \$443,000 water bill

Comments 2 Share 110 +1 0 Tweet 7 Recommend 8

Daniel Vasquez
Sun Sentinel Columnist
7:24 p.m. EST, December 13, 2011

Imagine believing you are up-to-date with monthly bills only to be slapped with an unpaid water bill of nearly \$500,000.

And then finding out that you're on the hook for the bill, even though the water company made the mistake.

That is the ugly holiday surprise — and tough financial lesson — faced by the Villa Lago Condominium Association in Boynton Beach.

The city of Boynton Beach claims it has under-billed Villa Lago for nearly five years and is suing the community of 328 units to recover \$443,700.

According to the lawsuit filed two weeks ago in Palm Beach County Circuit Court, the unpaid bill is the result of a clerical error that caused the city to under-charge Villa Lago thousands of dollars per month from early 2007 through at least this summer. Now the city is demanding the condo make good on the debt.

"The city made the mistake but says we have to pay for it," said Carl Klepper, a Villa Lago board member. "How can they expect us to collect this money?"

Klepper said owners and tenants have come and gone during the five-year period the city claims it charged too little for water, sewage and storm water service. He said there have been "approximately 50 ownership turnovers due to foreclosure and hundreds of tenants in and out" since then.

The city also has upped Villa Lago's monthly water bill by about \$10,000 a month, Klepper said.

Barry Atwood, finance director for Boynton Beach, explains the error this way: "It was an administrative clerical error." He said a staffer incorrectly input the number of units that should have been billed to Villa Lago.

"The residents received the services and should have been billed for it," Atwood said. "You can look at it like we were late in billing."

Legal experts say the plight of Villa Lago is a teaching moment for other condo and homeowners communities.

The first and most painful lesson: Florida laws give a utility four years to pursue unpaid or unbilled charges, which could apply to water, electricity and sewer companies.

The law applies to consumers and condo and homeowners communities alike, said Robert Kaye, of the community association law firm Kaye & Bender.

"It appears the city has acted within that time period for most, if not all, the accrued charges," said Kaye, who does not represent either party. "The best hope for this condominium is perhaps to negotiate a long-term pay back plan of these charges, assuming the specific charges can be verified."

Here are ways Florida condo and homeowners communities can avoid similar problems:

Check all charges with vendors. "We will ask additional questions of vendors going forward," Klepper said.

Ask nearby communities what they pay vendors and utility companies.

Verify charges with companies. Check with vendors periodically to catch changes in contract pricing. Ask utility companies whether bills are based on meter readings or estimates.

dvasquez@tribune.com, 954-356-4219 or 561-243-6686.