

RESOLUTION NO. 2-14

**A RESOLUTION OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, REVISING THE CUSTOMER DEPOSIT POLICY (INCLUDES REQUIRED SECURITY DEPOSITS) FOR ELECTRIC, WATER, WASTEWATER, AND REUSE/ RECLAIMED WATER); RESCINDING RESOLUTION NO. 1-08, AND RESCINDING ALL OTHER RESOLUTIONS, OR PORTIONS THEREOF, IN CONFLICT HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Utilities Commission, City of New Smyrna Beach, Florida, has the full and exclusive authority over the management, operations and control of the City's utilities and the authority, pursuant to the laws of the State of Florida, particularly Chapter 67-1754, Laws of Florida, as amended and restated in Chapter 85-503, Laws of Florida, to prescribe rules, rates, and regulations governing the sale of utilities and associated services, wherever such are provided by the Utilities Commission, and to make such changes from time to time in the Rules and Regulations as it deems necessary; and

**WHEREAS**, the Utilities Commission, City of New Smyrna Beach, Florida, has deemed it necessary to revise the existing Customer Deposit Policy to establish a residential blanket deposit, remove internet service language and previous billing software's points for credit events, and further clarification regarding existing customers and new policies affecting customers; and

**WHEREAS**, the Utilities Commission, City of New Smyrna Beach, Florida, presented the said proposed and revised Customer Deposit Policy to the customers of the Utilities Commission, and to other parties of interest, during two duly noticed and advertised public hearings on February 24, 2014, and March 17, 2014.

**NOW, THEREFORE, BE IT RESOLVED BY THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, AS FOLLOWS:**

**SECTION 1:** That the revised rules and regulations set forth in the attached Customer Deposit Policy shall become effective April 1, 2014, and thereafter until changed or modified.

**SECTION 2:** If any section, subsection, sentence, clause, phrase, or portion of this Resolution is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions thereof.

**SECTION 3:** Resolution No. 1-08 shall be rescinded, and all Resolutions, or portions thereof, in conflict herewith are hereby rescinded and superseded.

RESOLUTION NO. 2-14 (cont.)

**SECTION 4:** After adoption by the Utilities Commission, this Resolution shall take effect April 1, 2014.

THE ABOVE AND FOREGOING RESOLUTION was introduced at a regular meeting of the Utilities Commission, City of New Smyrna Beach, Florida, held on March 17, 2014, by Commissioner Zeller, who moved its adoption, which motion was seconded by Commissioner Griffith, and upon roll call vote of the Commission was as follows:

CHAIRMAN	<u>William E. Hall</u>	<u>yes</u>
VICE CHAIRMAN	<u>[Signature]</u>	<u>yes</u>
SECY.-TREAS.	<u>[Signature]</u>	<u>YES</u>
ASST. SECY.-TREAS.	<u>Lee Griffith</u>	<u>Yes</u>
COMMISSIONER	<u>[Signature]</u>	<u>Yes</u>

APPROVED:

William E. Hall  
CHAIRMAN

ATTEST:

[Signature]  
SECRETARY-TREASURER



APPROVED AS TO FORM AND CORRECTNESS:

[Signature]  
Utilities Commission Attorney

RATES, CHARGES AND FEES

CUSTOMER DEPOSIT

I. REQUEST FOR UTILITY SERVICES

Application for utility services may be established by telephone or in person. The requirements for such applications are as follows:

A. Residential Accounts

1. Name of Applicant
2. Social Security Number
3. Date of Birth
4. Telephone Number
5. Mailing Address

B. General Service (Commercial) Accounts

1. Name of Applicant / Corporation
2. Social Security Number / Tax Identification Number
3. Corporate Papers / Florida Business License (if applicable)
4. Telephone Number
5. Mailing Address

II. DEPOSIT

It is the policy of the Utilities Commission, City of New Smyrna Beach, Florida, to require a deposit of all new applicants for electric, water, wastewater, and reuse/reclaimed water services as follows:

A. Electric Service

1. Residential Accounts

For customers on Residential Service, the minimum deposit shall be \$75.00 and the maximum shall be \$240.00.

EFFECTIVE: April 1, 2014

RATES, CHARGES AND FEES

CUSTOMER DEPOSIT (Cont.)

2. General Service (Commercial) Accounts

For customers requesting General (Commercial) Service, the required deposit shall be two times the average monthly bill as estimated by the Utilities Commission. In the event the Utilities Commission determines that the deposit is not sufficient to cover two times the actual average monthly bill, an adjustment to the required deposit may be made. In any event, the minimum deposit for all General Service electric accounts shall be \$75.00.

B. Water Service

The security deposit for each water account for the various meter sizes offered is as follows:

5/8"	\$ 25.00
1"	30.00
1½"	50.00
2"	80.00
3"	150.00
4"	250.00
6"	500.00
8"	800.00

C. Wastewater (Sewer) Service

The security deposit for each wastewater account for the various meter sizes offered is as follows:

5/8"	\$ 25.00
1"	30.00
1½"	50.00
2"	85.00
3"	170.00
4"	260.00
6"	520.00
8"	840.00

In the event wastewater service only is furnished by the Utilities Commission and no water is connected to the system, the deposit for the account will be determined by the Utilities Commission prior to providing service.

EFFECTIVE: April 1, 2014

RATES, CHARGES AND FEES

CUSTOMER DEPOSIT (Cont.)

D. Reuse Water (Reclaimed) Service

The security deposit for each reuse service for the various service/meter sizes offered is as follows:

3/4"	\$ 10.00
1"	25.00
1½"	50.00
2"	80.00
3"	160.00
4"	250.00
6"	500.00

III. DEPOSIT PAYMENT

Residential Accounts

The customer will be billed for the deposit(s) and will have ten (10) days to pay said deposit(s). If the customer does not pay the deposit(s) within the ten (10) day period, utility services will automatically be disconnected.

Deposits must be made by cash, check, money order, or Utilities Commission approved aid voucher. Credit cards will be accepted up to \$1,000.00.

The following guidelines apply to all customers requesting residential electric, water, wastewater (sewer), and reuse/reclaimed services:

- A. For existing accounts with good credit standing with the Utilities Commission at the time of adoption of this policy, their existing deposits will remain unchanged. Discontinuance of service for non-payment on existing accounts will require an additional deposit.
- B. Any new customer establishing services with the Utilities Commission will have their social security number verified by the "On-Line Utility Exchange" or any other provider of similar services. Based on the results, the customer may or may not be required to pay a deposit.

EFFECTIVE: April 1, 2014

RATES, CHARGES AND FEES

CUSTOMER DEPOSIT (Cont.)

- C. Any current or returning customer, with at least six months' of history with the Utilities Commission, requesting new service will have their deposit based on current/previous account history. Customers with no more than two late fees, no disconnections for non-payment, and no returned checks, all within the most recent 24 month period, will not be required to pay a deposit. Any returning customers not meeting this criteria will be required to pay a maximum deposit.
- D. Any customer requesting service that has a paid write-off (final bill balance sent to collections) with the Utilities Commission will be required to pay the maximum deposit prior to connection of service. If the customer has an unpaid write-off with the Utilities Commission, they will be required to pay it in full, along with the maximum deposit prior to connection of service.
- E. The Utilities Commission will not transfer a deposit from one individual to another individual. Transfers of deposit(s) from one address to another address for the same individual will be made provided the account balance at the currently served location is in a current (outstanding balance is zero) status.
- F. If a customer transfers his deposit to an account within the system, the final bill on the old account, if delinquent, will be transferred to the current account for collection and becomes subject to collections and disconnect procedures.
- G. Customers that are continuously delinquent are subject to update their deposit.
- H. Residential Blanket Deposit  
Blanket deposits will be accepted from residential customers with an average of ten or more active, long term accounts - open simultaneously. Long term defined as active for a minimum of two complete billing periods. Deposits will be held on a master account, thereby eliminating the need to place a deposit for each individual service address.

The initial calculation of the blanket deposit will be based on credit history and number of accounts provided. Blanket deposits may be evaluated and recalculated as necessary based on the number of active accounts and/or credit history.

EFFECTIVE: April 1, 2014

RATES, CHARGES AND FEES

CUSTOMER DEPOSIT (Cont.)

Blanket deposit payments may be made by cash, check, money order, or a credit card payment of up to \$1,000 or by a surety bond for the full amount required, or by an irrevocable letter of credit satisfactory to the Utilities Commission for the full amount required. The customer will need to pay the blanket deposit immediately at the time a blanket deposit is being requested. (Note – Only individual account residential deposits will be billed with a 10-day allowance for payment).

In the event the deposit is paid by surety bond or an irrevocable letter of credit, and the instrument matures, the Utilities Commission reserves the right to request cash (legal tender) for the required deposit. Failure to comply with this requirement will result in discontinuance of service.

General Service (Commercial) Accounts

- A. The customer will need to pay the full deposit at the time the account is being established.
- B. Deposit payments must be made by cash, check, or money order. Credit cards will be accepted up to \$1,000.
- C. When the required combined total deposit exceeds \$1,000, the applicant, at their option, may furnish in lieu of cash the following instruments:
  - 1. A surety bond for the full amount required;
  - OR
  - 2. An irrevocable letter of credit satisfactory to the Utilities Commission for the full amount required.

In the event the above instruments mature, the Utilities Commission reserves the right to request cash (legal tender) for the required deposit. Failure to comply with this requirement will result in discontinuance of service.

- 3. For new accounts, the Utilities Commission will initiate a review of customer's monthly billings as compared to the deposit paid, not less than six months but not more than one year from the service date.

EFFECTIVE: April 1, 2014

RATES, CHARGES AND FEES

CUSTOMER DEPOSIT (Cont.)

IV. ADDITIONAL DEPOSITS

In the event the utility service is discontinued for non-payment or has received two (2) or more returned checks within a twelve (12) month period, the Utilities Commission may require a deposit(s) sufficient to cover at least two (2) months of the previous average monthly billing to be paid within ten (10) days from notice. If such additional deposit is not made within ten (10) days, the Utilities Commission may disconnect service in accordance with the collection and disconnect policy. On a case by case basis, an extended due date for additional deposits may be considered.

V. INTEREST ON CUSTOMER POLICY

Interest rate to be determined by the Utilities Commission each year and will be credited to the customer's account each month beginning with the first full month of service.

VI. REFUNDS OF DEPOSITS

For residential accounts only, the Utilities Commission will promptly and automatically credit the deposit to the customer's account after adoption date of the policy when:

1. The customer had paid bills for the previous twenty-four (24) consecutive residential billings without having service disconnected for non-payment;  
AND
2. Without having more than two (2) occasions on which a bill was delinquent for the previous twenty-four (24) months;  
AND
3. When a customer has not had any returned checks within a twenty-four (24) month period (excludes verified bank errors ).

The deposits are refundable only to the customer whose name appears thereon.

EFFECTIVE: April 1, 2014



RATES, CHARGES AND FEES

CUSTOMER DEPOSIT (Cont.)

VII. RECORDS OF DEPOSIT

- A. The Utilities Commission will keep records to show:
1. Name, address and Social Security number of each depositor.
  2. Amount and date of deposit.
  3. Each transaction concerning deposit.
- B. The Utilities Commission will issue a receipt of deposit to each applicant from whom a deposit is received and provide a means whereby a depositor may establish claim if the receipt is lost.
- C. A record of each unclaimed deposit will be maintained and the Utilities Commission will make a reasonable effort to return the deposit.

VIII. OTHER CHARGES

Late Charges

Utility accounts that have a past due balance of less than \$25.00 will not be assessed a late charge.

Accounts with a past due balance greater than \$25.00 will be charged \$5.00 or 1.5%, whichever is greater.

Returned Checks

If the customer pays the returned check before the check is actually received from the bank, the fee is \$20.00.

If the check has already been received from the bank, the fee is \$35.00.

EFFECTIVE: April 1, 2014