

RESOLUTION NO. 1-08

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, REUSE/ RECLAIMED WATER, AND INTERNET); AMENDING RESOLUTION NO. 2-03, 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 all 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 regarding refunding of deposits to align with the capabilities of our customer utility software upgrade and ensure all requirements of the Utilities Commission are met; and

WHEREAS, the Utilities Commission presented said proposed and revised Customer Deposit Policy (revisions to rules and regulations only, no charges revised) to the customers of the Utilities Commission, and to other parties of interest, during the regular U.C. meeting held April 21, 2008, which was duly noticed and advertised.

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

SECTION 1: That the following existing charges in the Customer Deposit Policy remain, and the revised rules and regulations set forth in the attached Customer Deposit Policy shall become effective ~~June~~-1, 2008, and thereafter until changed or modified.

July* (*amended at 4-21-08 UC Meeting)

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. 2-03 shall be amended, and all Resolutions, or portions thereof, in conflict herewith are hereby rescinded and superseded.

RESOLUTION NO. 1-08 (cont.)

~~June-1, 2008.~~
July* **SECTION 4:** After adoption by the Utilities Commission, this Resolution shall take effect
(*amended at 4-21-08 UC Meeting)

THE ABOVE AND FOREGOING RESOLUTION was introduced at a regular meeting of the Utilities Commission, City of New Smyrna Beach, Florida, held on April 21, 2008, by Commissioner Reynolds, who moved its adoption, which motion was seconded by Commissioner Zeller, and upon roll call vote of the Commission was as follows:

CHAIRMAN	<u>Walter Allen III</u>	<u>yes</u>
VICE CHAIRMAN	<u>William Zfall</u>	<u>4-21-08</u>
SECY.-TREAS.	<u>Jeanette Wilson</u>	<u>yes</u>
COMMISSIONER	<u>Walter Zeller</u>	<u>4-21-08</u>
COMMISSIONER	<u>Henry Reynolds</u>	<u>yes</u>

APPROVED:

Walter Allen III
CHAIRMAN

ATTEST:

Jeanette Wilson
SECRETARY-TREASURER

S E A L

APPROVED AS TO FORM AND
CORRECTNESS

Walter PaeL
Utilities Commission Attorney

**RULES & REGULATIONS GOVERNING THE UTILITIES COMMISSION CUSTOMER
DEPOSIT POLICY**

I. REQUEST FOR UTILITY SERVICES

Applications 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
6. Second Party Contact

B. Commercial Accounts

1. Name of Corporation
2. Corporate Papers
3. Tax Identification Number

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, reuse/reclaimed water, and internet service as follows:

A. Electric Service

1. Residential Accounts

For customers on Residential Service, the required deposit shall be two times the average monthly bill as estimated by the Utilities Commission. The minimum deposit for Residential Electric Service shall be \$75.00 and the maximum shall be \$240.00.

2. General Service Accounts

For customers on General Service rate, 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 water accounts 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 wastewater accounts 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.

D. Reuse Water (Reclaimed) Service

The security deposit for reuse water 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

For reuse (reclaimed) water service only. Existing Utilities Commission customers exempted.

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.

An applicant for electric, water, wastewater (sewer), and reuse/reclaimed water, and internet services will not be required to make a deposit when the applicant meets one of the following conditions:

- 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 the application in full of this policy and will be treated as new applicants.
- 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.
- C. 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.
- D. 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.
- E. Customers that are continuously delinquent are subject to update their deposit.

Commercial Accounts

- A. The customer will need to pay the full deposit at the time the account is being established.
- B. When the required combined total deposit exceeds \$1,000, the applicant, at his 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.

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 for which credit points will be adjusted);

AND

4. When a customer has a credit history rating of "good" or higher within a twenty-four (24) month period.

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

VI. REFUNDS OF DEPOSITS (cont.)

Points for credit events that affect a customers rating are listed below:

CREDIT DESCRIPTION	POINTS
Late Notice/ Penalty	2
Long Notice	6
Disconnection for Non-Payment	10
Charge Off	50
NSF	20
Illegal	30
Installment Broken	6
Promise to Pay Broken	30
Bankruptcy	30

Credit points in regard to standing are as follows:

DESCRIPTION	FROM	TO
Excellent	0	10
Good		
Fair	25	41
Poor		
Unsatisfactory	75	9999

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.

Internet Only Accounts with Past Due Balances will be charged \$2.00.

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.