

## Section 21: Conditions of Deposit

- A. The maximum deposit for a new or existing residential account shall not exceed the estimated gross bills for all water service, both billed and unbilled, which can be supplied before the District's filed disconnect rule becomes applicable. The amount to be deposited may be a minimum of \$10.00 per month for each class of water service furnished.
- B. Interest.
1. Deposits shall bear interest payable from the date of deposit to the date it is applied to an account balance or is refunded.
  2. The interest rate to be paid shall be subject to change annually on a calendar year basis. The Public Service Commission shall determine the rate of interest to be paid on deposits held during the following calendar year and notify utilities of that rate by December 15 of each year. The rate shall be equal to the weekly average of one (1) year United States treasury securities, adjusted for constant maturity, for the week ending on or after December 1, as made available by the federal reserve board, rounded to the nearest tenth of one percent.
  3. The rate of interest set by the Public Service Commission shall be payable on all deposits. Utilities shall calculate the interest earned on each deposit at the time of refund and at the end of each calendar year. The interest rate in a calendar year shall apply to the amount of the deposit, and all interest accrued during the previous year(s), for the fraction of the calendar year that the deposit was held by the District.
- C. Arrearages. An arrearage owed by a customer may be deducted from the customer's deposit under the following conditions:
1. A deposit may be used by the District to satisfy an arrearage occurring after the deposit was made.
  2. If the District deducts an arrearage from a customer deposit, it may require the customer to bring the deposit up to its original amount. Failure of the customer to do so within twenty (20) days of mailing a written request for payment is a basis for disconnection.
  3. When a deposit is refunded to the customer, the District may first deduct any arrearage owed by the customer, whether the arrearage arose prior to or after the date of the deposit.
- D. Review. the District shall review the payment record of each residential utility customer with a deposit on file at twelve (12) month intervals. the District shall not require or continue to require a cash deposit unless a deposit is required under the provisions of Section 20 B.

- E. Refund. Any deposit or portion thereof refunded to a customer shall be refunded by check unless both the customer and the District agree to a credit on the regular billing unless Subsection F. applies.
- F. Accrued Interest. Upon termination of service, the deposit, with accrued interest shall be credited to the final bill and the balance shall be returned promptly to the customer.
- C. Guarantee. the District shall not require any customer to pay a deposit or establish a guarantee in lieu of deposit-without explaining, in writing if requested, why that deposit is being required.
- H. Service Refusal. Service may be refused or disconnected for failure to pay a deposit request subject to the rules pertaining to disconnection and refusal of service.

adopted 10/20/2010