

RESOLUTION NO. U.A. 2006-16

A RESOLUTION RESCINDING AND RESTATING AND REVISING THE SCHEDULE OF COMMERCIAL SECURITY DEPOSITS FOR UTILITY SERVICES FURNISHED BY THE FORT PIERCE UTILITIES AUTHORITY, FORT PIERCE, FLORIDA, IN ACCORDANCE WITH ORDINANCE NO. F-399 OF THE CITY OF FORT PIERCE, FLORIDA, AS CONTAINED IN RESOLUTION NO. UA 99-3 OF FORT PIERCE UTILITIES AUTHORITY AND PROVIDING AN EFFECTIVE DATE HEREOF.

WHEREAS, the Fort Pierce Utilities Authority was created and established by Ordinance No. F-399 enacted by the City Commission of the City of Fort Pierce, Florida, and approved by a majority vote of the qualified electors of the City of Fort Pierce, Florida, in a referendum election held in said City on May 30, 1972, and

WHEREAS, said Ordinance F-399 was modified by Ordinance No. G-297 which was enacted by the City Commission of the City of Fort Pierce, Florida, and approved by a majority vote of the qualified electors of the City of Fort Pierce, Florida, in a referendum election held in said City on November 2, 1976, and

WHEREAS, said Ordinances No. F-399 and No. G-297 grant to said Fort Pierce Utilities Authority the power and duty to furnish electric, gas, water, and wastewater utility services,

NOW, THEREFORE, BE IT RESOLVED BY THE FORT PIERCE UTILITIES AUTHORITY (UA) OF THE CITY OF FORT PIERCE, FLORIDA:

SECTION I. COMMERCIAL SECURITY DEPOSITS

The Commercial Security Deposit policy of the UA is hereby established with the intent of providing security for payment of final, unpaid bills incurred for Utility Service, and flexibility within established guidelines for retaining and expanding accounts on an individual customer basis. Definitions of terms used in this Resolution are located in the Customer Service Policy Manual.

A. COMMERCIAL SECURITY DEPOSITS: The Security Deposit for all commercial accounts shall be twice the average monthly bill for a consecutive twelve (12)-month period, or the minimum stated below in Section I.B., whichever is greater. For existing accounts, the average monthly bill will be calculated by averaging the total amount actually billed for the most recent, consecutive twelve

(12)-month period. For new accounts, the average monthly bill will be calculated based on the average of the expected (estimated) total amount billed for a projected consecutive twelve (12)-month period. For existing accounts with less than twelve (12) months of actual billing history available, the average monthly bill will be calculated for a twelve (12)-month period using a combination of the actual monthly billing history available and the expected (estimated) billings for those months with no actual billing history established. "Total Amount Billed" is defined as the total bill rendered for electric, water, wastewater, gas, and/or solid waste services, including applicable taxes, fees, and service charges, etc.

(1) Customer Expansion

Where a Commercial Customer expands its business at a new service address, the customer may be required to:

- a. Increase the current Security Deposit to include and cover the new address, or
- b. Provide a separate Security Deposit for the new service address.

If the customer's security deposit has been refunded for excellent credit (see Section II.A.), the above requirement may not apply.

Security Deposits established or set for any one utility service (electric, water, wastewater, gas, or solid waste) may be applied to other utility services.

(2) Exceptions

- a. Accounts listed in the name of government agencies (City of Fort Pierce, St. Lucie County, St. Lucie County School Board, State of Florida, and United States of America). Non-governmental accounts leasing or using government-owned buildings or facilities must post the required Security Deposit(s).
- b. Accounts for which the customer signs a Waiver of Deposit Agreement.

B. MINIMUM SECURITY DEPOSIT TABLES: The tables shown below may be used to establish minimum Security Deposits for commercial accounts (as referred to in Section I.A.):

	Inside/Outside City
ELECTRIC	\$240.00
NATURAL GAS	\$ 50.00
TEMPORARY ELECTRIC	\$100.00
TEMPORARY WATER	\$130.00

Meter Size	WATER		WASTEWATER	
	Inside City	Outside City	Inside City	Outside City
5/8 x 3/4	\$ 50.00	\$ 60.00	\$ 70.00	\$ 90.00
1 inch	\$ 160.00	\$ 160.00	\$ 210.00	\$ 260.00
1 1/2 inch	\$ 250.00	\$ 300.00	\$ 350.00	\$ 450.00
2 inch	\$ 600.00	\$ 700.00	\$ 850.00	\$ 1050.00
3 inch	\$ 800.00	\$ 900.00	\$1000.00	\$1300.00
4 inch	\$1300.00	\$1450.00	\$1700.00	\$2150.00
6 inch	\$2000.00	\$2300.00	\$2550.00	\$3150.00
8 inch	\$2800.00	\$3250.00	\$3550.00	\$4400.00
10 inch	\$3900.00	\$4550.00	\$4900.00	\$6150.00

C. SECURITY DEPOSIT PAYMENT INSTRUMENTS: All Security Deposits must be received within five (5) business days from the date utility service(s) is connected or activated, or such service is subject to disconnection. For all commercial accounts, the following deposit instruments may be offered and accepted in lieu of cash:

- (1) A properly executed Indemnity (Surety) Bond from a corporate insurance or bonding company authorized to do business in the State of Florida, or
- (2) An Irrevocable Bank Letter of Credit from a recognized banking institution.

A Commercial Security Deposit may be partially refunded or reduced down to an average one (1)-month billing with the signing of an agreement for "direct debit payment." If funds are not available on the agreed upon date, an additional Security Deposit may be required (see Section I.D.).

D. ADDITIONAL SECURITY DEPOSITS: At the discretion of the UA, all commercial accounts are subject to periodic review and subsequent adjustment to maintain the required deposit amount and determine compliance with this policy.

- (1) For those commercial accounts which establish an excellent payment history, the UA may waive the upward adjustment and elect to maintain

the level (amount) of Security Deposit covering the account at the time of said review.

Excellent Payment History is defined as not having incurred the following service charges and/or fees within the most recent continuous three (3)-year period:

- Two (2) late payment (penalty) charges per year, or
- One (1) dishonored payment instrument charge, or
- One (1) reconnection charge, or
- One (1) cut seal fee, or
- One (1) tampering fee.

(2) When an additional deposit is required, the customer will be notified by certified mail, return receipt requested. The customer will be required to bring their Security Deposit to the stated level within thirty (30) days. If the customer fails to satisfy the deposit amount in the allotted time or sign a written agreement arranging for payment of the additional deposit amount, utility service will be subject to disconnection.

SECTION II. REFUNDS

A. EXCELLENT CREDIT: The Commercial Security Deposit requirement may be reduced for excellent credit upon the customer satisfying the criteria described below.

The Commercial Security Deposit may be fully refunded or returned upon the customer meeting all of the following standards:

1. Establish at least a five (5)-year continuous service history with the UA.
2. Establish an Excellent Payment History (as defined in Section I.D.) with the UA.
3. Designate an employee to be contacted regarding utility bill payments. The employee must also have authorization for issuing payment for all utility billings.
4. Sign a Refund Agreement to adhere to the above standards.

B. TERMINATION OF SERVICE: When a customer requests termination of utility service(s).

(1) Cash Security Deposits shall be credited to the customer's final bill. If the Security Deposit exceeds the amount of the final bill, the UA will send a refund check for the difference made payable to the customer of record at

the time the account is terminated. The refund check will be mailed to the forwarding address furnished by the customer. In the event any deposit is unclaimed within six (6) months, such unclaimed deposits and any accrued interest thereon shall be forfeited to the UA following thirty (30) days' written notice to the last known address of such customer.

(2) Bonds or Irrevocable Letters of Credit shall be mailed to the forwarding address furnished by the customer, no later than thirty (30) days after all accounts have been paid in full. If payment in full has not been received on all accounts within seventeen (17) days from the date of termination, the UA shall request payment from the insurance company, bonding company, banking company, or banking institution that provided the deposit instrument.

(3) Based on total revenue, past payment history, and length of time in business, the annual cost of purchasing a deposit instrument (Bond or Letter of Credit), or a percentage thereof, may be credited to the customer's account(s).

SECTION III. INTEREST ON CASH SECURITY DEPOSITS

The interest rate paid during each calendar year on cash Security Deposits covering active accounts will be equal to the average interest rate earned by the UA on its pooled cash accounts during the most recent fiscal year. The interest paid shall be credited to the customer's bill on the anniversary month of the Security Deposit payment. The interest rate paid on each anniversary month will be the rate established for that particular calendar year and no pro-rated amounts will carry over from previous calendar years.

No interest will be paid if service is discontinued for any reason or cause during any one (1)-year interest accruing period (anniversary month to anniversary month). A transfer of service from one location to another (see Section IV) shall not be considered a discontinuance of service with regard to the payment of interest on Security Deposits, provided that such transfer period does not exceed twenty-four (24) hours from the time the service is discontinued at one location and the service is established at a new location.

SECTION IV. TRANSFERS

A customer moving from one service address to another (using the same customer name) may have the Security Deposit transferred from the former to the new address. Such transfer period shall not exceed thirty (30) days from the time the service is discontinued at one location and the service is established at a new location. If the Security Deposit at the former service address is more or

less than required for the new address, the amount of the Security Deposit may be adjusted accordingly.

SECTION V. This Resolution shall be and become effective this 19th day of December, 2006.

This is the 19th day of December, 2006 A.D.

ATTEST:


Secretary


Chairman

Approved for Form and Correctness:


Fort Pierce Utilities Authority Attorney

