Resolution No. UA 2010-08

A RESOLUTION RESCINDING AND RESTATING AND REVISING THE SCHEDULE OF COMMERCIAL SECURITY DEPOSITS FOR UTILITY SERVICES FURNISHED BY FORT PIERCE UTILITIES AUTHORITY, FORT PIERCE, FLORIDA, IN ACCORDANCE WITH THE CHARTER OF THE CITY OF FORT PIERCE, FLORIDA, ARTICLE XII, SUPERSEDING AND RESCINDING THE COMMERCIAL SECURITY DEPOSIT REQUIREMENTS PREVIOUSLY CONTAINED IN RESOLUTION NO. UA 2006-16 OF FORT PIERCE UTILITIES AUTHORITY, AND PROVIDING AN EFFECTIVE DATE HEREOF.

WHEREAS, Fort Pierce Utilities Authority was created and established by the City Commission of the City of Fort Pierce, Florida, through a referendum election held in said City on May 30, 1972; and

WHEREAS, the Charter of the City of Fort Pierce, Florida, Article XII, grants to said Fort Pierce Utilities Authority the exclusive jurisdiction, control, and management of the electric, gas, water, and wastewater (sanitary sewer) utility services, and other utility services sold and services rendered by said Fort Pierce Utilities Authority;

NOW, THEREFORE, BE IT RESOLVED BY FORT PIERCE UTILITIES AUTHORITY (FPUA), FORT PIERCE, FLORIDA:

SECTION I. COMMERCIAL SECURITY DEPOSITS

The Commercial Security Deposit policy of FPUA 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. Unless the context otherwise requires, the terms used in this Resolution shall have the meanings specified in the resolution entitled General Rules and Regulations Governing the Provision of Utility Service.

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.

Security Deposits established or set for any one Utility Service (electric, water, wastewater, gas, or solid waste) may be applied to other Utility Services.

(1) Customer Expansion: When 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.

(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 had previously signed a Waiver of Deposit Agreement under Commercial Deposit Resolution No. UA 2006-16. Failure to maintain an Excellent Payment History, as defined in Section D.1. in this Resolution, will result in a reinstatement of the required Security Deposit.

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 Inside City	WATER Outside City	WASTEWATER Inside City	WASTEWATER Outside City
5/8 x ¾	$ 50.00	$ 60.00	$ 70.00	$ 90.00
1 inch	$ 160.00	$ 160.00	$ 210.00	$ 260.00
1 ½ inch	$ 250.00	$ 300.00	$ 350.00	$ 450.00
2 inch	$ 600.00	$ 700.00	$ 850.00	$1,050.00
3 inch	$ 800.00	$ 900.00	$1,000.00	$1,300.00
4 inch	$1,300.00	$1,450.00	$1,700.00	$2,150.00
6 inch	$2,000.00	$2,300.00	$2,550.00	$3,150.00
8 inch	$2,800.00	$3,250.00	$3,550.00	$4,400.00
10 inch	$3,900.00	$4,550.00	$4,900.00	$6,150.00

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.

D. ADDITIONAL SECURITY DEPOSITS: At the discretion of FPUA, 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, FPUA 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 <u>not</u> 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

The Commercial Security Deposit requirement will not be reduced or refunded while the Commercial account is active.

When a Customer requests termination of Utility Service(s):

A. Cash Security Deposits shall be credited to the Customer's final bill. If the Security Deposit exceeds the amount of the final bill, FPUA 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 shall be forfeited to the State of Florida following notice to the last known address of such Customer.

B. Bonds or Irrevocable Letters of Credit shall be mailed to the institution that furnished such, no earlier 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, FPUA shall request payment from the insurance company, bonding company, banking company, or banking institution that provided the deposit instrument.

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 FPUA 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 17th day of August, 2010.

This is the 17th day of August, 2010 A.D.

ATTEST:

Secretary

Chairman

Approved for Form and Correctness:

Fort Pierce Utilities Authority Attorney