



City of Hurricane

147 North 870 West Hurricane, UT 84737

(435) 635-2811 phone

Utility Policy for Security Deposits

- **Deposit Required.** A \$300.00 security deposit is required to activate utility service with Hurricane City. This deposit covers *all* services provided or billed by Hurricane City which may include electricity, water, sewer, and garbage services. The deposit is required if any utility services are provided by Hurricane City. Residents should be aware that in some locations there may be other service providers in addition to Hurricane City. The Utility Billing Office can confirm which services are billed by Hurricane City for a given property.
- **Conditions for Waiver of Deposit.** The security deposit may be waived in limited circumstances outlined below:
 - Property owners who provide proof of ownership, such as a Buyer's Settlement Statement or Property Tax Notice, will *not* be required to pay a security deposit *unless* the property owner has had prior utility service with Hurricane City and has established an unsatisfactory payment record (see criteria for *good payment history* under deposit refunds below).
 - Customers who have had prior service with Hurricane City for whom the Utility Billing Office can verify a satisfactory payment record (see criteria for *good payment history* under deposit refunds below) will *not* be required to pay a security deposit.
- **Deposit Contract.** In general, the full \$300.00 security deposit must be paid in order for service(s) to be connected. At the discretion of the Utility Clerk(s), if a customer does not have the ability to pay the full deposit to establish service, a contract may be granted to split the deposit into two payments. A *minimum* of half the deposit (\$150.00) *must* be paid prior to any services being connected. The contract may grant the customer *up to 30 calendar days to pay the remaining balance of the deposit*. The customer will be provided a copy of the signed contract at the time he or she signs up

for service. The *customer is responsible* for ensuring the deposit balance is paid in full by the due date established in the contract. As a courtesy, a reminder notice will be sent prior to the due date. However, failure to receive this notice will **not** absolve the customer's responsibility for payment of the deposit balance by the date stated in the contract. ***Failure to pay the balance of the deposit by this date will subject the utility service(s) to immediate disconnection.*** Should service(s) be disconnected for failure to pay the deposit balance, the customer will be required to pay the **full deposit balance plus any account balance** that has accrued in order for service(s) to be restored. A non-payment reconnection fee of \$25.00 will be assessed if services are disconnected.

- **Returned Checks.** The Utility Billing Office accepts payment for the security deposit by cash, check, money-order, or Visa/MasterCard debit or credit cards. However, if a customer pays the security deposit by check and the check is later *returned by the bank*, utility service(s) will be subject to **immediate** disconnection. In the event a deposit check is returned and service is disconnected, the **full** deposit balance *plus* a \$20.00 return fee will be required before service can be restored. A non-payment reconnection fee of \$25.00 will be assessed if services are disconnected.
- **Refund of Deposit.** The security deposit may be refunded or applied to the utility account under the circumstances outlined below:
 - If the customer **closes the utility account** *at any time*, the security deposit will be applied to the final account balance and any remaining deposit will be refunded to the customer. Refunds are issued in the form of a check which will be mailed to the address provided by the customer upon termination of the account. Refunds are typically issued within approximately one-week of the utility disconnection date.
 - If a customer **purchases a home** after initially paying the security deposit, the deposit *may* be refunded or applied to the account upon the customer providing proof of ownership. The customer should request refund of the deposit at the time the home is purchased and provide documents establishing property ownership such as a Buyer's Settlement Statement. However, if the customer has established an ***unsatisfactory payment record*** during the time of service with Hurricane City the customer will be required to keep a security

deposit on the account until such time as the deposit can be refunded or applied under the terms of another qualifying event outlined in this policy. Payment history indicating any of the following would require a homeowner to maintain an existing security deposit:

- More than three (3) late payments (*paid more than 1 business day after 15th of the month*) in any two-year period.
 - Any balance carried over from one month into the next month.
 - Any non-payment disconnections.
- If a customer establishes two years of **good payment history** with Hurricane City, the customer may *apply in writing* to have the security deposit refunded or applied to the utility account as a credit. After receiving the refund request, the Utility Billing Office will review the customer's history to determine whether the payment history meets the requirements for refunding the deposit. The following criteria are used to determine eligibility:
- *Not more than three (3) late payments (paid more than 1 business day after 15th of the month) in the prior two-year period.*
 - *No balances carried over from one month into the next month.*
 - *No non-payment disconnections.*

If the payment history meets the eligibility requirements, the refund request will be approved and processed. If the customer has requested the deposit be refunded, a check will be processed and mailed to the customer within approximately one week of the approval date. If the customer has requested the deposit be applied to the account, the credit will be applied to the customer's account within one business day of the approval date.

If the payment history *does not* meet the eligibility requirements, the refund request will be denied and the customer will be notified. If the customer is in the Utility Billing Office at the time of denial, the customer may be notified in person that the history does not meet eligibility requirements for refund of the deposit. If the customer is not present at the time ineligibility is determined, the request will be denied in writing and mailed to the customer. A copy of

the utility history used to determine ineligibility will be provided to the customer.

- The obligation for requesting a refund for good payment history lies with the customer; however, at the discretion of the Utility Clerk(s), deposit records may be **periodically reviewed** to identify accounts eligible for refund of the security deposit. In the event that the Utility Billing Office initiates a review of deposits and approves a refund based on good payment history, the deposit will be *applied to the utility account as a credit*. The customer will be notified in writing that the deposit has been applied to the account based on good payment history.
- **Transfer of Deposit.** If a customer with a security deposit on file moves from one property in Hurricane City to another, the deposit will be transferred to the new account. However, before new service can be started in the customer's name, any current account balance must be paid. Once the current balance is paid and the new account is opened, the deposit will be transferred to the new account. Customers should be aware that there will always be a final closing bill when an existing account is terminated. This final billing may be transferred to the new utility account.