



Finance Department Administrative Procedure

TITLE: Utility Deposit Policy

POLICY NO. 501

EFFECTIVE DATE: May 16, 2011

REVIEWED/REVISED ON: May 17, 2011

CONTACT: Utility Billing Customer Service 623-930-3190

Policy:

The Finance Department may require a prepaid deposit on new or delinquent utility accounts before utility services will be supplied to the property. The deposit amount is established by resolution however the Finance Director has some discretion in terms of deposit requirements. Those instances where discretion may be exercised are laid out in these administrative procedures.

Purpose:

Glendale City Code Sec. 33-40 authorizes the Finance Director to adopt administrative procedures setting forth utility deposit collection, waiver, and refund process and criteria. This policy will ensure that the Finance Department will collect, waive and refund utility deposits in a fair and equitable manner.

Procedure:

Residential Accounts/Owners

1. A deposit is required for all residential utility accounts. The deposit is to be paid in full before the account will be opened.
2. A residential account holder may request in writing a refund of their deposit 7 months after the deposit has been paid if the preceding 6 months have been free from delinquencies. The deposit amount will be applied to any outstanding balance on the account. If the net amount should result in a credit at the time the refund is generated, the account holder has the option to receive a check in the amount of the credit or leave the credit on the account to absorb future charges.
3. If a request for refund has not been made in writing, the deposit amount will stay on the account until it is voluntarily or involuntarily closed at which time the deposit will be used towards the balance on the account. Any remaining funds will be mailed to the account holder.
4. In the event water service has been disconnected for non-payment or where the customer service contact has been attempted or made, the Finance Director may, at their discretion, require a deposit not to exceed five (5) times the applicable deposit for water before utility services will be restored.
5. Residential account holders that voluntarily close their account and then wish to restart service may not be required to pay another deposit if the last 12 months of their former account contained no

delinquencies and if no more than 6 months has passed since their last month of service. These requests will be handled on a case-by-case basis by the management authority.

Residential Accounts/ Tenants

1. A deposit is required for all new tenant utility accounts. The deposit is to be paid in full before the account will be opened.
2. Pursuant to Finance Department procedure number 500, a valid lease agreement between the property owner and the tenant must be presented before the account will be opened.
3. The deposit amount will stay on the account until the account is voluntarily or involuntarily closed at which time the deposit will be used towards the balance on the account. Any remaining funds will be mailed to the account holder.
4. In the event water service has been disconnected for non-payment or where customer service contact has been attempted or made or the account has been in default, the Finance Director may, at their discretion, require a deposit not to exceed five (5) times the applicable deposit amount for water before utility services will be restored.

Commercial Accounts

1. A deposit may be required for all new commercial utility accounts. The deposit is to be paid in full before the account will be opened.
2. The deposit amount will stay on the account until it is voluntarily or involuntarily closed at which time the deposit will be used towards the balance on the account. Any remaining funds will be mailed to the account holder.
3. In the event water service has been disconnected for non-payment or where customer service contact has been attempted or made or the account has been in default, the Finance Director may, at their discretion, require a deposit not to exceed five (5) times the applicable deposit for water before utility services will be restored.

Realtors and Property Management Accounts

1. Realtors and property management companies are required to pay a deposit in order to establish utility services at a property. The requirements of the deposit will be consistent with the guidelines set in the “residential accounts” or “commercial accounts” sections of this administrative procedure.
2. A separate deposit will be required of each property requiring utility services.
3. In order to establish utility services, realtors and property management companies must present a valid listing or management agreement for each property. The requirements of the deposit will be consistent with the guidelines set in the “residential accounts” or “commercial accounts” sections of administrative procedure.
4. The party responsible for establishing the account (and therefore being deemed the “account holder”) is dependent on the agreement made between the property owner and property manager.

Bankruptcy

1. The deposit collected prior to the bankruptcy petition filing date will be applied to accountholder’s outstanding balance as of the filing date.

2. The utility account may be closed if the accountholder or trustee failed to furnish adequate assurance of payment within 30 days after the filing of a bankruptcy petition. The amount of adequate assurance of payment will be five (5) times the deposit amount adopted by the City Council, unless the amount is modified by a court order.

Waiver by Finance Department Director

The Finance Director may modify any requirements in this policy for an accountholder if the modification is not inconsistent with the Glendale City Code and the strict application of a requirement will:

- (1) impose substantial and undue hardship to an accountholder; or
- (2) not be in the best interest of the City.

In an event an account holder cannot or refuses to provide a valid TIN (taxpayer identification number) when establishing a new utility account, a charge of two (2) times the applicable deposit will be required. Valid TIN's accepted are:

SSA – Social Security Number

EIN – Employer Identification Number

ITIN – Individual Tax Payer Identification Number

Diane Goke, Finance Director