

DEPOSIT

Section 1. PURPOSE

The purpose of this policy is to state the Bedford Regional Water Authority's ("Authority") policies as they relate to security deposits ("Deposit"). The Deposit rates are set as required by § 15.2-2119 and 15.2-5139 of the Code of Virginia, relating to fees for water and sewer systems.

Section 2. DEPOSITS

- A. Deposits are required for all new customers that are provided with water and/or sewer service. Each service requires a separate deposit, and they must be paid in full before service will be initiated. Deposits for new customers will not be waived under any circumstance.
- B. Interest is not paid on Deposits.
- C. If a customer applying for a new service has an outstanding balance with the Authority, the previous outstanding balance must be paid in full or have arrangements for payment made with the Authority before any additional Deposits will be accepted.
- D. The Authority determines the Deposit on a regular basis based on no less than three and no more than five months of water and sewer charges. This determination can be based on either of the following methods:
 1. The fixed amount of the deposit shown in the Rate Policy, which is based on an average of all of the Authority customers. This fee determination is performed for both residential users and non-residential users, as defined in the Rate Information Policy 2.01.
 2. The deposit may be calculated based on the average of 12 months of documented historical usage.
- E. If a customer has been disconnected for non-payment, or a customer is not in good standing with the Authority as defined in the Billing and Payments Policy 2.11, a new Deposit may be required in order to continue service.
- F. For current customers in good standing who will be moving into any of the Authority service areas, the deposit may be transferred to the new account (if not previously refunded). If the deposit has been refunded, a new deposit will not be required.
- G. For previous Authority customers that left the service area in good standing, a deposit will not be required when a new account is opened and they once again become customers of the Authority.

Section 3. REFUNDS

- A. Refunds are applied to active accounts as a credit; other forms of refund, such as a check, will not be issued to customers that maintain accounts with the Authority.

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- B. Customers that own property with accounts in good standing will have the deposit amount credited to their account within two (2) months after the twelve (12) month period of being in good standing.
- C. Deposits for Tenants with accounts in good standing that are directly served by the Authority with billing meters that are owned by the Authority will have the deposit amount credited to their account within two (2) months after a twenty-four (24) month period of being in good standing.
- D. Deposits for Tenants that are served with sub-meters, as defined in the Sub-metering Policy 2.73, will only be refunded after the Authority receives notification that the Tenant has vacated the premises and the account is closed.
- E. For accounts where the customer terminates service and will no longer have an account with the Authority, the deposit is applied to the final bill. Any credit balance left on closed accounts will be mailed to the account holder, within two (2) months from when the account was closed, in the form of a check. Refund checks will only be made to the account holder.

Section 4. REVISIONS

- A. This policy was approved and adopted by the Authority's Board of Directors on March 26, 2013, effective July 1, 2013.
- B. This policy was modified as follows:
 - 1. Approved September 17, 2013, effective September 18, 2013:
 - a. Section 2.D. was modified to allow for two different ways of determining the deposit.
 - 2. Approved April 21, 2015, effective July 1, 2015:
 - a. Section 2 was modified to allow for collection of deposit when accounts have been disconnected for non-payment
 - b. Section 3 was modified to refund the deposits after twelve months of being in good standing.
 - 3. Approved November 15, 2016, effective December 1, 2016:
 - a. Section 2D was modified to allow the deposit to be required by the Authority based on historical usage calculations
 - b. Section 3 was modified to hold the deposit for sub-meter tenants
 - 4. Approved June 19, 2018, effective July 1, 2018:
 - a. Sections 2.F and 2.G were added to the policy