

CITY OF STAPLES
RESOLUTION NO. 1799
UTILITY CUSTOMER DEPOSIT POLICY
(REPLACES RESOLUTION NO. 1747)

BE IT RESOLVED BY THE CITY COUNCIL OF STAPLES, MINNESOTA, that Resolution No. 1747, is hereby deleted in its entirety and a new utility customer deposit policy is hereby established, to wit:

1. Purpose of Deposits

The purpose of the utility deposit is to provide a monetary security to ensure all bills are paid in full by the due date, and to draw upon in the event a customer does not remit payment for any utility charges.

2. Deposit Requirement

The City of Staples will require a customer to make an initial deposit, based on the Schedule of Utility Deposits (Exhibit A), as a guarantee of the payment for utilities used. A deposit shall be required on all buildings or units, whether residential, commercial, industrial or leased property. Deposits shall be paid at the time of filing an application for utility service, and before service can be added in a customer's name.

3. Schedule of Utility Deposits

The Schedule of Utility Deposits shall be updated periodically by the Public Works Director. The Schedule of Utility Deposits will declare the deposit required for each utility service type and class (electric, water, sewer). The deposit amounts are based on two times the average monthly bill, for each respective utility service based on the past twelve months, excluding taxes, rounded up to the nearest ten dollars. After updating by the Public Works Director, the Schedule of Utility Deposits shall be reviewed and approved by the Public Works Commission and the City Council.

4. New Customers

- a. Residential: All new residential customers will be required to pay the utility deposit for all applicable City of Staples utility services as per the Schedule of Utility Deposits. Service will not be established prior to payment of the deposit.
- b. Commercial/Industrial: All new commercial/industrial customers will be required to pay the utility deposit for all applicable City of Staples utility services as per the Schedule of Utility Deposits or 2 times the estimated monthly utility bill for the new customer, whichever is less. However, if the usage of the commercial/industrial account differs greatly from the estimated usage, the City of Staples reserves the right to require an increase in the deposit amount for continuation of service. Service will not be established or continued prior to the payment of the deposit.

5. Existing Customers

Any existing customer not in good standing may be required to pay the applicable utility deposits.

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6. Deposits and Service Disconnect

Any customer whose service is involuntarily disconnected for non-payment, meter tampering or other reasons as determined by the utility, may be required to pay any applicable deposit before reconnection or continuation of services.

7. Deposit Refunds

- a. Voluntary Discontinuation of Service: A deposit will be refunded automatically when service is voluntarily discontinued. The customer's final bill shall be deducted from the deposit and any remaining amount will be mailed in the form of a check within 45 days of the final bill. In the event the customer has other past due utility accounts with the City of Staples, the remaining deposit credit on the account voluntarily disconnected will be applied to the remaining account with the largest past due balance. (MN Statute 325E.02)
- b. Property Owner in Good Standing: A property owner in good standing for 24 months may request to have the deposit refunded. Accounts that are in a tenant's name shall be retained until the renter moves out.
- c. Deposits may be reviewed annually and any deposit and applicable interest will be applied as a credit on the account if the account is in good standing for the past 24 months provided the account is not in the name of a tenant.
- d. Interest on Deposit: Deposits shall bear interest at the rate announced by Minnesota Commerce Department by December 15 of each year as required by Minnesota Statutes 325E.02 (b). Interest shall be paid at least annually either directly or by credit against the customer's bill.

8. Definition of Good Standing

Good Standing is defined as having no late payments, no returned checks and no involuntary disconnections.

9. Accounts in Name of Owner

When a tenant requests to have the utility service terminated, the property owner will be liable for the services supplied to the property until a new tenant has made application for service for the property. Any unpaid charges incurred by a property owner shall become a lien on the property.

Adopted this 10th day of March, 2020.

APPROVED: _____

Chris Etzler, Mayor

ATTEST: _____

Diane Archer, City Clerk

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EXHIBIT A

ELECTRIC	RESIDENTIAL	\$190
	COMMERCIAL	
	SINGLE PHASE	\$380
	THREE PHASE	\$760
	INDUSTRIAL	\$10,100
	ELECTRIC HEAT	\$100
WATER	RESIDENTIAL	\$ 60
	COMMERCIAL	140
	INDUSTRIAL	640
SEWER	RESIDENTIAL	\$ 50
	COMMERCIAL	120
	INDUSTRIAL	540

NOTE: Commercial or Industrial customer deposits are as stated or the equivalent of two months estimated usage whichever is less.