

CITY OF CHENEY

UTILITY DEPOSITS

I POLICY STATEMENT

The City of Cheney has determined utility deposits are needed and provide a means for protection from delinquent utility bills. This reduces the amount of money utility customers at large must pay to cover unpaid accounts.

II PURPOSE

The purpose of this policy is to delineate the various issues surrounding utility deposits. This policy gives direction to City staff as well as customers regarding utility deposits.

Objectives include:

- Defining length deposits will be held.
- Amount of deposit for each utility.
- Deposit requirement for new service.
- Repayment guidelines for utility deposits.

III POLICY

Deposits per utility upon adoption of this policy:

- Water- \$50 residential, \$100 commercial
- Sewer- \$50 residential, \$100 commercial
- Natural Gas- \$200 residential, \$300 commercial
- Deposit amounts may be changed by action of the governing body.

Deposit requirements:

- Anyone wishing to receive City services must pay a deposit unless meeting one of the exceptions listed in the next section.
- A separate deposit shall be required for every service account. Each service address shall be considered a separate service account.
- Any current customer who has been disconnected and does not have a deposit currently held by the City will be required to pay the bill in full and pay a deposit to the City prior to reconnection.
- Landlords who have not paid more than 3 late fees within the last 12 months will not be required to pay a deposit when putting the account in their name.
- New accounts must complete the City application for services and provide a copy of the applicant's driver's license as well as a social security card or other identification card issued by U.S. Government.
- Deposit requirements may be waived, if customer enrolls in auto-draft and maintains it for 12 consecutive months. Upon the end of 12 months, the customer can notify City Hall to remove the auto-draft; however, if the customer is then disconnected for non-payment the customer will then be required to pay the deposit. If at any time during the 12 months the auto-draft payment is returned by the bank, the customer will be required to pay the deposit.

Exceptions to deposits:

- Deposits will be required for current customers changing residences if there has been a disconnection or more than 3 late fees within the past 12 months.
- New customers will not be charged a deposit if they provide a reference letter from a previous utility company showing at least 12 months of recent service with no disconnect or no more than 3 late fees.
- As part of economic development, the City council may waive utility deposits for new businesses.
- Exceptions to this policy may be granted in the discretion of the City Administrator.

Refunding of deposits:

- Customers who have had utility services for more than 12 consecutive months and had no late fees will be eligible for the refunding of deposits.
- Refunds to customers having no late fees within the last 12 months will be credited to their 13th month bill.
- Refunds will be applied to the customer's final bill when service is discontinued. Any amount in excess of the final bill will be paid by check at the City's next payment cycle after disconnection.
- All deposits will accrue interest at a rate established by the Kansas Corporation Commission.

Customers with previous obligations that could not be collected

- If, for whatever reason, a previous customer of the City of Cheney utility services has left the city with an unpaid balance which could not be recovered, this person or persons will be required to pay the previous unpaid account balance in full plus the required deposit amount in full before a new service is activated.

Adopted this 13th day of April, 2006 by the Cheney City Council.

Revision this 8th day of March, 2006 by the Cheney City Council.

Revised this 14th day of February, 2013 by the Cheney City Council.

Revised this 11th day of October, 2018 by the Cheney City Council.

Revised this 14th day of March, 2024 by the Cheney City Council

Mayor Philip Mize

Angie Gassmann, City Clerk