

Dinwiddie County Water Authority

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Residential Deposit Policy:

Background:

Section 15.2-2119, paragraph F. of the Virginia Water and Waste Authorities Act allows an authority to collect a security deposit for not less than three (3) months and not more than five (5) months of water and sewer charges. The current average residential monthly bill for an average usage of 4,500 gallons is \$48.39. Therefore, the current minimum deposit is \$150.00 and maximum is \$250.00.

Section 14-6 Applications for Service of the Authority's Rules and Regulations states:

- (b) Applications for turn-ons to existing services, property owners shall not be required to make a deposit for such service unless prior records indicate a pattern of delinquent payments. The Authority may then require a minimum deposit of \$150.00. The deposit shall be held for a period of one year of satisfactory billing payments then credited to applicant's account. No interest will accrue on the deposit.
- (c) Application for turn-ons to existing services by tenants will be required to make a minimum deposit of \$150.00. The deposit shall be held for the full period of occupancy and credited to final billing. No interest will be paid on the deposit.

Deposits of \$150.00 minimum are collected from all residential tenants. Normally deposits are not collected from property owners unless review of the account history warrants a deposit. Actions for property owners that warrant a deposit include, but are not limited to; history on another account of delinquency – cut-offs, outstanding liens, account write off, or collection from Debt Setoff.

Policy:

A. New Account Set up

New account applications will be reviewed for previous account history with the Authority. All tenants are charged a minimum of \$150.00 deposit. Tenants with a previous account history of two (2) cut-offs in a year period will have a deposit of \$200.00. Tenants with an account history of more than two (2) cut-offs in a year or a lien filed or request sent to Debt Setoff will be assessed the maximum

deposit of \$250.00.

Property owners will not be charged a deposit at account set up unless previous account history at another account demonstrates delinquency. Property owners applying for service who have a history of late fees and two cut-offs in their final year of service will pay a \$150.00 deposit. If the account history illustrates three (3) cut-offs in the final year of service then the deposit will be \$200.00. Property owners with an account history of more than three (3) cut-offs in the final year of service or a lien filed or request sent to Debt Setoff will be assessed the maximum deposit of \$250.00.

B. Existing Customer deposit increases

A customer's deposit will be increased based on the number of cut-offs for nonpayment in a rolling twelve (12) month period as follows:

- Property Owner
 - First cut-off – no increase in deposit
 - Second cut-off – if there was no deposit, then the minimum deposit is added, \$150.00. If there was an existing deposit, the deposit is increased by \$50.00.
 - Third cut-off – deposit increased to maximum amount.
- Tenant
 - First cut-off – no increase in deposit
 - Second cut-off - \$50.00 increase in deposit
 - Third cut-off – deposit increased to maximum amount

Accounts are automatically closed five (5) business days after the cut-off for nonpayment if the outstanding balance and fees is not paid in full. After closing the account, the deposit is applied. To reestablish the account after the fifth day, a new account, with all new documentation, \$25 account set-up fee, \$50 reactivation fee and new security deposit will be required prior to reactivation. The deposit at the time of set up will be per Paragraph B.

Existing tenants with deposits less than the minimum \$150.00 will be contacted and brought to the new minimum deposit.