

CAPE FEAR PUBLIC UTILITY AUTHORITY

Customer Deposit Policy FAQ

Why is a deposit needed?

To enable collection of all utility charges, which helps keep rates from unfairly increasing for those customers who do pay their bills.

Who must pay a deposit and how much?

- i. Any person requesting water and/or sewer service who has an unpaid utility bill outstanding or previously charged off by the Authority, the City of Wilmington, or the New Hanover County Water and Sewer District, will be required to repay this amount, plus pay a deposit per section ii or iii below; and
- ii. Any person requesting water and/or sewer service for residential property who is **NOT** the owner of the property or does **NOT** provide *evidence of satisfactory credit* will be required to pay an initial deposit of **\$200**. The Authority reserves the right to increase this amount based on delinquent history of an individual customer (owner or tenant); or if service is interrupted two or more times in a twelve month period.
- iii. Any person requesting water and/or sewer service for commercial, industrial, or institutional property may be required to pay a deposit equivalent to 90 days of anticipated utility service as computed by Authority staff.

What is evidence of satisfactory credit?

- i. Letter from prior water/sewer utility attesting that within the prior twelve months customer had no returned checks, no more than one late payment no return checks and no disconnections for nonpayment.
- ii. Prior utility account with the Authority, the City of Wilmington, or New Hanover County that had no returned checks, no more than one late payment, no return checks and no disconnections for nonpayment during the final twelve months of service.
- iii. Credit report from one of three major credit reporting agencies revealing no more than one late payment to any creditor during the prior twelve month period, or a minimum score of 700.
- iv. Any equivalent documentation satisfactory to the Director of Customer Service that utility bills will be paid in their entirety by the due dates.

When will I get my deposit back?

- i. The Authority will apply the deposit to a Customer account, upon written request from the customer, will apply the deposit to the customer's account provided all bills had been paid on time for at least one year. You will see the credit on your utility bill when this is done.

- ii. Any deposit held by the Authority when a customer terminates service will be applied to the final bill and all outstanding balances. Any amounts remaining will be refunded by an Authority check mailed to the forwarding address supplied by the customer when notice of termination was given.

Will I get interest paid on my deposit?

- i. No. There is no legal requirement that a local government pay interest on funds held as a utility deposit.

Can I be billed for my deposit or pay in installments?

- i. No. The deposit must be paid before the utility service is turned on. The purpose of the deposit is to cover utility charges in the event that the first or subsequent bill is not paid.

Do you have a sliding scale for deposits based on income or ability to pay?

- i. No. North Carolina law prohibits any discrimination within a class of customers, such as residential customers. Rates and deposits cannot vary according to ability to pay, disability, or age for the same reason rates and deposits must be the same regardless of race, religion, national origin, and gender.

Can someone else pay the deposit for me?

- i. Yes. The Authority can accept payment from a third party, such as a church or relative, that is directed to be applied to your account. However, once paid, the funds are considered to be paid by you and will be applied to any unpaid utility charges incurred by you. If the deposit remains after you terminate the account, the deposit will be refunded to you, not the third party.

If I am late in paying my utility bill will the deposit be used to satisfy the debt so my service won't be cut off?

- ii. Your water or sewer may be cut off even with the deposit. CFPUA bills in arrears, which means you are sent a bill AFTER you use the utilities. The deposit is designed to cover the cost of services for the regular billing period plus the thirty days you have to pay your bill. Therefore, your water may be turned off if your bill is not paid on time. You will need to pay your bill in full, as the Authority will retain your deposit until you terminate your account or until the Authority is satisfied with your payment history.

Where can I get additional information about the customer service deposit?

- i. Call 910-332-6550.
- ii. Go to www.cfpua.org