
ORDINANCE NO. 747**AN ORDINANCE AMENDING SECTION 42-221 OF THE CITY OF BOX ELDER MUNICIPAL CODE REGARDING THE REFUND OF UTILITY ACCOUNT DEPOSITS**

WHEREAS, the City of Box Elder manages the municipal water system including customer deposits; and

WHEREAS, per 42-217 of City Code, "all funds derived from the operation of the city system shall be deposited in a water fund account and be used for no purpose other than to defray the expense of operating and expanding the city system"; and

WHEREAS, upon closure of the customer's water service account the City of Box Elder issues refunds of the remaining amount of the deposit after all other fees and charges are paid; and

WHEREAS, it often costs the City of Box Elder more in administrative expenses, including staff time, postage and check printing costs, to issue a refund than the value of the refund itself; and

WHEREAS, per Section 42-216 of City Code, "All fees, deposits, water service rates, and surcharges may be reviewed and approved by the city council as needed."

NOW THEREFORE BE IT ORDAINED by the City of Box Elder that Section 42-221 of the City of Box Elder codified ordinances be amended to read as follows: (new language shall be indicated by underscore, and language to be deleted shall be indicated by strike-through):

ARTICLE III. WATER*DIVISION 6. FEES AND CHARGES***Sec. 42-221. - Customer deposits.**

- (a) Basis; minimum amount. Customer deposits are based on water meter size. A separate customer deposit shall be required for each water meter installed, and the amount of each customer deposit is not negotiable. Minimum deposits are listed in the master fee schedule.
- (b) Authority of public works director to require additional deposits. The public works director may double the amount of a customer deposit for any applicant who has previously been delinquent on a water service account or where the account shows a poor financial history and may otherwise require a water user to make an additional reasonable water use deposit to give a reasonably safe guarantee to secure payment of bills for water service as provided by state law.
- (c) Deposits to be held in trust; interest. All water deposits shall be placed in a water user deposit trust account. Interest earned by the water user deposit trust account shall be transferred to the water system operation fund.
- (d) Deposit refunds. Each customer deposit is refundable upon closure of the customer's water service account. To obtain a refund of a customer deposit, the customer must make an

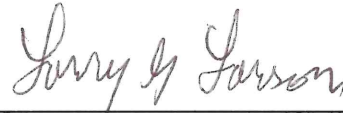
appointment with the administration office for a final water meter reading. The amount of the final water bill will be deducted from the amount of the customer deposit before a refund will be issued. If, after deducting the amount of the final water bill, the remaining deposit is less than ten dollars (\$10), no refund will be issued and the remaining deposit amount shall be applied to the water fund account. The refund of the customer deposit will be made after the first regular council meeting following the final water meter reading.

- (e) Transfer of deposits. Each customer deposit is transferable. Any customer desiring to transfer a customer deposit shall personally appear at the administration office and request the transfer in writing.
- (f) Receipt for deposit may be required. If the public works director finds that the request for a customer deposit refund is questionable, the public works department may require the customer to provide a copy of the city-issued receipt for the customer deposit.

(Ord. No. 647, § 53.19.05, 3-27-2020)

PASSED AND APPROVED ON FIRST READING this 5^{SS} day of March^{SS}, 2024.

PASSED, APPROVED AND ADOPTED ON SECOND AND FINAL READING this 19 day of March, 2024.

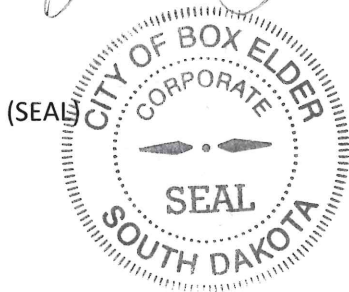


Larry Larson, Mayor

ATTEST:



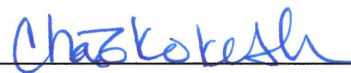
Nicole Schneider, Chief Financial Officer, City Administrator



ATTESTATION

I, Chaz Kokesh, the City Clerk of the City of Box Elder, South Dakota, do hereby attest and state the above ordinance was published on March 28, 2024 in the manner required by law and that all procedures required by the State of South Dakota law were complied with. This ordinance shall become effective on the twentieth day after its publication, that date being:

April 16, 2024.



Chaz Kokesh, City Clerk