

MINNEHAHA COMMUNITY WATER CORPORATION

RULES AND REGULATIONS

OBJECTIVES

- A. To establish rules and regulations setting forth the Corporation's intentions for the conduct of the business affairs of the Corporation in a manner that will result in a successful operation.
- B. To treat all water users alike with respect to recurring situations requiring the establishment of a set of rules and regulations.
- C. To provide high quality service to the water users of the Corporation at the lowest possible cost, consistent with sound business practices.
- D. To make known, to the water users, the rules and regulations of the Corporation.
- E. To create a favorable image among the water users and the general public.
- F. To promote maximum beneficial utilization of water among water users by providing additional services desired by them.
- G. To represent at all times, the interests of water users in the most fair and equitable manner.

The Board of Directors of the Minnehaha Community Water Corporation resolves that the following rules and regulations shall be recognized, established, and maintained as representing their intentions in governing the affairs of the Corporation. It is intended that these rules and regulations reflect long-range intentions and authority on actions to be taken by the Corporation. Rules and regulations affecting water users will be available for their review. The Board of Directors shall review all rules and regulations at least annually and make whatever changes are necessary.

I. CLASSIFICATIONS OF SERVICE

- 1. Farm: The location's water use is 100% for the purpose is of raising livestock or crops; or, the customer location has a residence with farming operations furnishing more than 50% of water user's income.
- 2. Rural Residence: Single-family dwelling or each residential unit in a duplex or multiple dwelling building, five acres or less. A residence adding a shop, a stable, or other commercial venture must add a separate membership hookup and meter to qualify for commercial or farm rate water use.
- 3. Commercial: Consumer whose primary use is for business or industrial use such as, but not limited to, mobile home courts, motel operations, or industrial parks.
- 4. Towns, Individual Hook-ups.

- 5. Schools and Churches.
- 6. Bulk Sales.
- 7. Temporary Service

In the event there are any questions as to the proper type of classification, the Board of Directors shall have the right to determine the classification of the water user and such determination shall be conclusive.

II. APPLICATION FOR SERVICE

- A. At the time a water user makes application for service, he shall pay to the corporation an application fee of \$1100.00. Once the service has been installed, the membership transfers with ownership of the property and the membership fee is non-refundable. Municipal customers applying for bulk delivery will fund the infrastructure improvements needed to make service available in lieu of a membership fee.
- B. The Corporation may reject any application for service not available under the standard rate, or which involves excessive service cost, or which may affect the supply to other users, or for other good and sufficient reasons.
- C. The Corporation may reject any application for service when the applicant is delinquent in payment of bills incurred for water service, labor, materials, late fees, or any other charges billed at other locations.
- D. Reconnection of water service to a location where the membership rights have been terminated shall require a new membership application and payment of the \$1100.00 application fee plus the cost of any needed replacement parts. Activation of a disconnected service that has not terminated will require the payment of all past due amounts, including minimum monthly payments.

III. TENANT POLICIES

- A. A meter deposit shall be required of all tenants. The meter deposit is not negotiable and can be redeemed only at the Corporation office provided all amounts due and owing the Corporation are paid in full. Non-payment of the meter deposit is cause for disconnection of service.
- B. The meter deposit for a meter of required size shall be as follows:
 - Up to and including a 1” meter..... \$ 100.00
 - 1 1/4” meter up to and including a 2” meter...\$ 150.00
- C. The individual in whose name the deposit is made shall be responsible for payment of all bills incurred in connection with the service furnished. Landowners shall promptly notify the Corporation of tenant changes. The corporation shall notify the landowner of disconnection of service to a tenant property.

- D. The landowner will continue to be responsible for monthly payments if the Corporation is not notified that a home is being occupied by a tenant. The landowner will also be responsible for reconnection fees incurred when tenants move out before paying the meter deposit. Repeated failure to notify the Corporation of tenant changes in a timely manner may lead to loss of membership in the Corporation.

IV. MINIMUM CHARGE

- A. A minimum monthly charge, as provided in the rate schedule, shall be made for each desired point of delivery.
- B. Charge for service commences when the water is available for use. The minimum monthly charge is first imposed four weeks after the first monthly billing date on which water is available to the water user.
- C. Each service connection shall be separately metered at the point of delivery specified for the service connection. Standby service for points where water has been made available for a future service connection shall be billed at the minimum monthly rate, as provided in the rate schedule.
- D. Approved members will begin paying minimum monthly payments after one year if the service line is not installed. Otherwise, billing starts 30 days after the service is installed, whether the water is used or not.
- E. The water user of record at the beginning of the month shall be responsible for the water used and/or minimum charge for the following billing date when there is a change of occupancy or possession during that month.

V. THE CORPORATION'S RESPONSIBILITY AND LIABILITY

- A. The Corporation will install a meter pit for new services and relocated services. Meters will not be installed in houses, shops, or existing underground facilities.
- B. Water users will be required to pay the full cost of installing a service line and meter pit.
- C. When two or more meters are installed on the same premises for different water users, they shall be closely grouped and each clearly designated to which water user it applies.
- D. The Corporation does not assume the responsibility of inspecting the water user's piping or apparatus and will not be responsible therefore.
- E. The Corporation reserves the right to refuse service unless the water user's line or piping is installed in such a manner as to prevent cross-connection or back-flow, and all connections from other sources will be disconnected.
- F. The Corporation shall not be liable for damage of any kind what so ever resulting from water or the use of water on water user's premises unless such damage results directly from negligence on the part of the Corporation. The Corporation shall not be responsible for any damage done by or resulting from any defects in the piping, fixtures, or

appliances on the water user's premises. The Corporation shall not be responsible for negligence of third persons or forces beyond the control of the Corporation resulting in any interruption of service.

VI. WATER USER'S RESPONSIBILITY

- A. Piping on the water user's premises must be so arranged that the connections are conveniently located with respect to the Corporation's lines or mains.
- B. If the water user's piping on his premises is so arranged that the Corporation is called upon to provide additional meters, each place of metering will be considered as a separate and individual account.
- C. The water user shall furnish and maintain a private cut-off valve on the water user's side of the meter.
- D. The water user's piping and apparatus shall be installed and maintained by the water user and at the water user's expense, in a safe and efficient manner and in accordance with the sanitary regulations of the State Board of Health.
- E. The water user shall guarantee proper protection for the Corporation's property placed on the water user's premises and shall permit access to it only by authorized representatives of the Corporation.
- F. In the event that any loss or damage to the property of the Corporation or any accident or injury to persons or property is caused by or results from the negligence or wrongful act of the water user, his agents, or employees, the cost of the necessary repairs or replacements shall be paid by the water user to the Corporation and any liability otherwise resulting shall be assumed by the water user.
- G. The amount of such loss or damage or the cost of repair shall be added to the water user's bill and if not paid, service may be discontinued.
- H. Water furnished by the Corporation shall be used according to the classification of the water user. Water shall not be used for irrigation of agricultural land or watering of lawns, except when water is available in sufficient quantity and the flow rate does not interfere with the regular classified use in the area served. Disregard for this rule shall be sufficient cause for refusal or discontinued service. Water may be provided to commercial water haulers, but only on an individual permit basis.
- I. In regard to watering livestock, the water user may be required to provide a flow control or other device, acceptable to the Corporation, so that water will be more uniformly delivered to the livestock-watering trough throughout the twenty-four hour period. Such flow control shall be installed at all principal livestock watering places.
- J. The water user/member shall not be abusive to, or harass, any employee or officer of the Corporation, and shall not use or display any obscenity in the presence of any employee or officer of the Corporation. The Corporation's Board of Directors shall have the right to determine what constitutes abusive conduct, harassment, or obscenity.

VII. EXTENSION TO MAINS AND SERVICES

- A. The Corporation may supply service for temporary purposes, provided the Corporation has water available in excess of regular needs, and provided the Corporation has available material and equipment necessary to supply said service. Each applicant for such service must pay in advance to the corporation an estimate of the cost of labor and materials, for installing such service, at the rates established by the Corporation for the classification of use.
- B. In the case of extension of a water main to service an applicant outside municipal growth areas, the Corporation may at its discretion exercise one of the following options:
1. If the cost of a mainline extension is \$2,000.00 or less per hook-up, and sufficient construction funds are available, the Corporation may elect to make the extension upon the applicant's payment of the membership fee and service line construction cost.
 2. If the cost of a mainline extension is greater than \$2,000.00 per new hook-up, the Corporation may elect to contribute to the extension cost the amount of \$2,000.00 and require the applicant to deposit in cash the cost above \$2,000.00 in addition to the amount of the membership fee and service line construction cost. If, and as, additional consumers are connected to the extension, and as funds become available, all or part of the original water user's deposit may be returned to him. This reimbursement will only be allowed for attachment of a new service line to the length of pipe the water user was billed for. Later connection to the main to further extend the main pipeline to new users is not reimbursable. In no case will interest be paid on such deposits. The right to reimbursement for additional consumers connected to the extension shall transfer along with property water rights to subsequent landowners who maintain active membership with the Corporation.
 3. In the event that the Corporation does not have funds available to pay for the construction of mainline in the maximum amount of \$2,000.00 per user, the Corporation may require that the applicant deposit, in addition to the membership fee, an amount equal to the entire cost of the extension. In such event the Corporation may, as funds become available, return to the water user that portion of his deposit up to a maximum of \$2,000.00 per hook-up to the line. In no case will interest be paid on such deposits.
 4. The present policy for mainline extension allows a maximum of \$2,000.00 per member, which is based on the average original water system investment per hookup.
- C. In the case of extension of a water main to service an applicant inside the growth area of a municipality, the corporation may at its discretion exercise one to the following options:
1. No reimbursement will be made for mainline extensions to serve multiple lot developments. All costs are to be paid by the developer. Infrastructure may be installed to municipal standards where appropriate.

2. The cost of mainline extensions to individual members will be paid by the member requesting service. If, and as, additional consumers are connected to the extension, the corporation will invoice the added consumer \$2,000 for mainline costs. The \$2,000 mainline contribution from the additional consumer will be reimbursed to the current member at the location which funded the original mainline extension. Mainline costs may be reimbursed up to the original invoiced cost of the mainline extension less \$2,000. In no case will interest be paid on such deposits. The right to reimbursement for additional consumers connected to the extension shall transfer along with property water rights to subsequent landowners who maintain active membership with the Corporation.

III. ACCESS TO PREMISES

- A. Duly authorized agents of the Corporation shall have access, at all reasonable hours, to the premises of the water user for the purpose of installing or removing the Corporation's property, inspecting piping, reading or testing meters, or for any other purpose in connection with the Corporation's service and facilities. Failure to grant access or to respond to requests may result in trip charges or disconnection of service.
- B. Each water user shall grant or convey, or shall cause to be granted or conveyed, to the Corporation a permanent easement and right of way across any property owned or controlled by the water user wherever said permanent easement and right of way is necessary for the Corporation water facilities and lines.

IX. CHANGE OF OWNERSHIP

- A. Not less than seven days notice shall be given by the water user to the Corporation office, in person or in writing, to discontinue service or change occupancy.
- B. The outgoing party shall be responsible for the monthly minimum and all water used until the time of departure or the time specified for departure, whichever period is the longer.

X. METER READING - BILLING - COLLECTING

- A. The Corporation will obtain member readings remotely the last business day of the month. A billing will be sent out around the 1st of the month with payment due by the 15th.
- B. Bills shall be declared delinquent if not received by the 15th of the month and a late payment charge of \$5.00 applied. Thereafter, the Corporation may discontinue service after proper notice to the water user.
- C. The Corporation may use whatever means available to effectuate recovery of returned ACH or bad checks received for payment of water bills, materials and supplies, or any other service performed by the Corporation. Such accounts will be treated as delinquent accounts, and will be assessed a \$30.00 bad check charge.

- D. The Corporation may refuse personal checks for payments of amounts due from water users who have established an unreliable payment record, or the Corporation may require a security deposit in an amount equal to three months average bill.
- E. Under no circumstances will more than one residence or place of business be served from a common meter.
- F. Any amount owing by a tenant or owner for minimum charges, late fees, collection trip fees, or water use and not paid for 1 year for a water service that has been disconnected shall result in termination of the membership and water rights for that location after one year from the date of disconnection. At any time after the disconnect day, the Corporation may use any available legal practices for collecting the balances owed, including collection agencies and small claims court.

XI. SUSPENSION OF SERVICES

- A. The Corporation reserves the right to discontinue its service for the following reasons:
 - 1. Non-payment of bills for water service, labor, materials, late fees, meter deposits, or any other charges.
 - 2. Water user's willful disregard of the Corporation's rules and regulations, including failure to grant access to equipment.
 - 3. Emergency repairs.
 - 4. Insufficiency of supply due to circumstances beyond the Corporation's control.
 - 5. Legal processes and/or expenses.
 - 6. Direction of public authorities.
 - 7. Strike, riot, fire, accident or any unavoidable cause.
- B. When service is discontinued for non-payment of bills or disregard of the Corporation's rules and regulations, the Corporation, at its option, may forfeit the membership of the offending water user and cancel his voting rights. Service may be restored upon payment of a new membership fee at the then current rate, together with payment of all expenses incurred for disconnection and reconnection of the water service, plus the amount owed for water service prior to disconnection, and any expenses incurred for collection attempts on such amount.
- C. In the alternative, the Corporation may allow the offending water user to retain his membership in the Corporation. In such case, water service may be restored, as the case may be, only after payment of all amounts owed for water service at the premises including minimum monthly charges for any period of non-use, plus all expenses incurred for disconnection and reconnection.

\$50.00 - Trip Charge for Collection
\$100.00 - Disconnect, Reconnect Charge
\$200.00 – After Hours Reconnect Charge

Service Call Rates: \$60.00 first hour or part thereof, plus
\$35.00 each additional hour during normal business hours
After normal business hours, on weekends and holidays:
\$75.00 first hour or part thereof, plus
\$50.00 each additional hour.

- D. Upon discontinuance of service for non-payment of bills, the meter deposit will be applied by the Corporation toward settlement of the account. Any balance will be refunded to the water user, but if the deposit is not sufficient to cover the bill, the Corporation may proceed to collect the balance in the usual way provided by law for the collection of debts.
- E. The Corporation, in addition to prosecution by law, may disconnect and refuse service to any water user who tampers with a meter or other utility equipment.

XII. COMPLAINTS - ADJUSTMENTS

- A. If the water user believes his meter reading to be in error, he shall present his claim, in person, at the Corporation office before the bill becomes delinquent. Such claim, if made after the bill has become delinquent, shall not be effective in preventing discontinuance of service, as heretofore provided. The water user may pay such bill under protest and said payment shall not prejudice his claim.
- B. Meters will be tested at the request of the water user upon payment to the Corporation of the actual cost to the Corporation of making the test, provided, however, that if the meter is found to over-register beyond 3% of the correct volume, no charge will be made.
- C. The water user shall not without written authorization break the meter seal. The Corporation may test or cause to be tested, a meter with a broken seal. The water user may be subject to paying the actual cost, to the Corporation, of making such a test.