

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. 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. Municipalities: Municipalities will either be subject to a written agreement between the Corporation and the municipality or each water user will be considered for a separate membership according to its appropriate classification.
5. Schools and Churches.
6. Bulk Sales.
7. Temporary Service.
8. Mobile Home Courts. "A property intended for the placement of mobile homes, manufactured homes, and/or campers on rented lots.

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 \$2,500.00. Once the service has been installed, the membership transfers with ownership of the property and the membership fee is non-refundable.
- B. The Corporation may reject any application for service which: involves excessive service cost; may affect the supply to other users; or, for other good and sufficient reasons as determined by the Board of Directors in its discretion.
- 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 \$2500.00 application fee plus the cost of any needed replacement parts, service charges, and related costs specific to the location. Activation of a disconnected service that has not terminated will require the payment of all past due amounts, including minimum monthly payments.
- E. The Corporation may assign a different application fee, or waive the application fee, for those water users subject to alternative agreements, such as municipal users, bulk users, or temporary service.

III. TENANT POLICIES

- A. A meter deposit shall be required of all tenants unless the landowner wishes to guarantee the meter deposit. 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..... \$ 200.00
 - 1 1/4" meter up to and including a 2" meter...\$ 300.00
- 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. If the landowner guaranteed the meter deposit the landowner will be responsible for any bills left unpaid. Landowners shall promptly notify the Corporation of tenant changes. The corporation shall notify the landowner of disconnection of service to a tenant property. If the service is not reconnected 30 days after disconnection the meter deposit will be applied to the tenant's account and the account will then be switched back into the landowner's name.
- 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. The Board of Directors, in its discretion, may set a different minimum monthly charge based upon use classifications.
- 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.
- F. Mobile Home Park users will pay a minimum monthly charge equal to the number of lots in the mobile home park (both occupied and unoccupied) multiplied by 60% of the then existing minimum monthly charge. By way of example, if a mobile home park has 100 lots and the minimum monthly charge is \$100.00, the minimum monthly charge would be 100 (# of lots) x \$60 (60% of the \$100 minimum monthly charge) = \$6,000.00.

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 whatsoever 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. Without limiting the generality of the foregoing sentence, 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 actions or inactions 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 all applicable, laws, rules, and regulations, including without limitation, 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. Any amounts due from the water use to the Corporation shall be added to the water user's bill and if not paid, the Corporation may pursue any remedy available to the Corporation under these rules and regulation, the law, or equity, including without limitation discontinuing service to the water user and termination of the water user's membership.
- 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. Each applicant for such service must pay the corporation the cost of labor and materials for installing such service, at the rates established by the Corporation for the classification of use. The Corporation, in its discretion, may require prepayment of an estimate of such costs.
- B. 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.
- C. Beginning with membership applications received after May 1, 2022, the corporation will no longer contribute to mainline extensions. The corporation will honor mainline reimbursement agreements received prior to May 1st, 2022.

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 20th.
- B. Bills shall be declared delinquent if not received by the 20th of the month and a late payment charge of \$10.00 applied. Thereafter, the Corporation may pursue any remedy available to the Corporation under these rules and regulation, the law, or equity, including without limitation discontinuing service to the water user and termination of the water user's membership.
- 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 or ACH payments 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. If water service has been disconnected by request of the water user, and an amount is owed by tenant or owner for 1 year or more, the membership and water rights for that location shall be terminated.
- G. In the event a meter fails to properly record water use, the Corporation may estimate use for billing purposes using past averages and other available sources. If the water user believes the estimate to be incorrect, the water user shall present his claim, in person, at the Corporation office before the bill becomes delinquent. The Board of Directors shall make the final determination related to any such appeal.

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 cancel the membership of the offending water user and cancel his voting rights. Subject to the approval of the Board of Directors, 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.

Current Fees: \$ 50.00 - Winter Shut-Off
 \$ 50.00 - Trip Charge for Collection
 \$100.00 - Disconnect, Reconnect Charge
 \$200.00 - After Hours Reconnect Charge

Service Call Rates: \$ 60.00 per hour

After normal business hours, on weekends and holidays: \$ 75.00 per 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.
- F. Notwithstanding anything contained herein to the contrary, in the event the membership of a water user is terminated or cancelled, the water user's rights and interest in the assets of the Corporation shall not be forfeited.

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.