

**Water
SERVICE RULES
OF THE
MILFORD MUNICIPAL UTILITIES**

Milford Municipal Utilities

Amending and Replacing Prior Versions of the Utility's Service Rules

Effective September 11, 2017

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Chairman

WATER SERVICE RULES OF THE MILFORD MUNICIPAL UTILITIES

Contents

DIVISION ONE - PURPOSE AND CONSTRUCTION 1

 SECTION 1.1 PURPOSE 1

 SECTION 1.2 APPLICABILITY 1

 SECTION 1.3 DEFINITIONS..... 1

DIVISION TWO – SERVICE CHARACTERISTICS 3

 SECTION 2.1 SERVICE CHARACTERISTICS (General Statements) 3

 SECTION 2.2 ENGINEERING PRACTICE 3

 SECTION 2.3 CLASS OF SERVICE FOR APPLICATION OF RATES..... 4

 SECTION 2.4 METERING 5

DIVISION THREE – CUSTOMER RELATIONS 5

 SECTION 3.1 APPLICATION FOR SERVICE 5

 SECTION 3.2 CUSTOMER DEPOSITS 6

 SECTION 3.3 BILLING INFORMATION 7

 SECTION 3.4 DISCONNECTION OR DENIAL OF SERVICE 9

 SECTION 3.5 CUSTOMER OBLIGATIONS 10

 SECTION 3.6 CUSTOMER COMPLAINTS 11

LIST OF ATTACHMENTS: 12

 A. Resolution Adopting Service Rules 12

 B. Resolution Adopting Rates and Charges for Services or copy of current rate
 schedule. 12

 C. Diagram of Water Service 12

DIVISION ONE - PURPOSE AND CONSTRUCTION

SECTION 1.1 PURPOSE

These service rules have been adopted by the Board of Trustees of the Milford Municipal Utilities. The rules are subject to change from time to time to ensure safe and efficient service in compliance with applicable laws and regulations.

SECTION 1.2 APPLICABILITY

Pursuant to an election held on the 11th day of October, 1909, there has heretofore been established a municipal waterworks system in and for the City of Milford, Dickinson County, Iowa hereinafter referred to as the "City"; and

Pursuant to an election held on the 1st day of February, 1934, there has heretofore been established a municipal waterworks system in and for City of Milford, Dickinson County, Iowa; and

Pursuant to an election held in the year 1935, the management and control of the Milford Municipal Utilities Water System has been in the hands of a Board of Trustees (hereafter referred to as the "Board"); and

Pursuant to an election held in July of the year 1996, the Board of trustees was increased in membership from three members to five members.

These service rules are intended to broadly govern the operation of the Milford Municipal Utilities Water System. Where a rule cannot be reasonably applied to a specific situation, the Board of Trustees reserves the right to act in an adjudicative capacity to resolve such conflicts.

Rates and charges are not included in these operating rules. References to rates or charges and certain other terms and conditions of service adopted by the Board of Trustees refer to applicable resolutions or ordinances adopted by the utility's Board of Trustees.

Special terms and conditions (including exceptions to the provisions of this resolution) may be made where water is used by the Utilities or the community for public purposes, including fire protection, parks and other recreational purposes or other governmental uses for the benefit of the community.

SECTION 1.3 DEFINITIONS

Unless another meaning is specifically indicated, when used in these rules:

1.3(1) Customer

Means any person, firm, association, or corporation, any agency of the federal, state or local government, or legal entity directly benefiting from water service. In the case of a residence, customer also means other adult persons occupying the residence.

1.3(2) Service Line

WATER SERVICE RULES OF THE MILFORD MUNICIPAL UTILITIES

Means the water line running from the main to the water meter. The tapping saddle and the corporation are part of the service line. See diagram included in the attachments to this document.

1.3(3) End User

For purposes of the End User Charge, it means a person or property with water service that ultimately uses or is intended to use water originating from the Milford Municipal Utilities' Water System.

1.3(4) End User Water Service

For purposes of the End User Charge, it means a pipe or water line from the water main and appurtenances on the main to the water meter, including the curb stop and corporation cock at the end of the water line into a structure, building or other premise which is to receive water.

1.3(5) End User Water Service Availability

For purposes of the End User Charge, it means having pressure on from the water main to the water meter or the curb stop in the lot or easement, in a structure, building or premise. If the structure, building or premise is gone and the water is turned off at the curb stop, water service is still available to such lot. To remove the End User water service availability to a structure, building or premise, water has to be discontinued at the water main with the removal of said customer's appurtenances, corporation stop and or tapping saddle, and repaired with a stainless-steel repair sleeve at the cost of the End User.

1.3(6) Delinquent or delinquency

Means an account for which a service bill or service payment has not been paid in full on or before the last date for timely payment.

1.3(7) Meter

Means a device that measures and registers the use of water.

1.3(8) Timely Payment

Is a payment on a Customer's account made on or before the date shown on a current bill for service, or on a form which records an agreement between the customer and a utility for a series of partial payments to settle a delinquent account, as payment charge to the current bill or future collection efforts.

1.3(8) Utility

Means the Milford Municipal Utilities

1.3(9) Complaint

Means a statement or question by anyone, whether a utility customer or not, alleging a wrong, grievance, injury, dissatisfaction, illegal action or procedure, dangerous condition or action, or utility obligation. The utility may require that complaints be in writing.

DIVISION TWO – SERVICE CHARACTERISTICS

SECTION 2.1 SERVICE CHARACTERISTICS (General Statements)

The Utility will construct extension of its water lines to points within its service area but the Utilities shall not be required to make such installations unless the customer pays the Utilities the entire cost of the installation. All line extensions shall be evidenced by a contract signed by the Utilities and the person advancing funds for said extension, but for such period as the Utilities remains indebted to the United States for loans in regard to providing water service each contract shall be null and void unless approved by the Farmers Home Administration or its successor agencies. All decisions in connection with the manner of installation of any extension and maintenance thereof shall remain in the exclusive control of the Utilities and such extension shall be the property of the Utilities and no other person shall have any right, title or interest therein.

Any excavation company that is hired by the Utilities shall follow the laws established by the Department of Labor, Occupational Safety and Health Administration and have proof of insurance on file at the Milford Utilities Office.

The Utilities may refuse service to persons, not presently customers, when in the opinion of the Utilities the capacity of the facilities will not permit such service. The utilities may also refuse service to persons outside the city limits of the City of Milford unless those proposed customers agree to annex to the City when the Municipal limits of said city are adjacent to the proposed property to be served. Said agreement shall be filed with the Dickinson County Recorder's Office and shall become a part of the chain of title to said real estate and shall be binding on succeeding purchasers and assigns thereof. The Utilities may waive this requirement when service is given in return for needed easements.

SECTION 2.2 ENGINEERING PRACTICE

Facilities of the utility shall be constructed, installed, maintained and operated in accordance with accepted good engineering practice in the water industry.

The Utilities shall make all reasonable efforts to eliminate interruption of service, and when such interruptions occur will endeavor to re-establish service with the shortest possible delay. Whenever the service interrupted for purpose of working on the distribution system, all consumers affected by such interruption will be notified in advance whenever it is possible to do so. Such notification will be by a note on the premises or KICD & KUOO Radio Stations.

The Utilities shall in no event be held responsible for claims made against it by reason of the breaking of any mains or service lines, or by reason of any other interruption of the supply of water caused by the breaking of machinery or stoppage for necessary repairs; and no person shall be entitled to damages nor have any portion of payment refunded for any interruption of service which in the opinion of the Utilities may be deemed necessary.

2.2(1) Water Service Standards

WATER SERVICE RULES OF THE MILFORD MUNICIPAL UTILITIES

All underground piping, services and connections made under these rules or made to the water system, and all piping and connections made to residential customers shall meet the standards set forth in the most recent American Water Works Association Publication AWWA Standard for Underground Service Line Valves and Fittings, American Water Works Association. All other plumbing connected directly or indirectly to the system by any retail customer, including residential, commercial and industrial customers shall comply with the most recent State Plumbing Code as published by the Iowa Department of Health. Copies of both codes shall be kept at the Utilities offices and made available for public inspection.

Service lines, including the necessary tapping saddle, fittings and curb top box shall be constructed of the following materials and in accordance with this resolution and/or the State Plumbing Code; Copper-ASTM specifications B-88 for Type K seamless annealed. The Utilities will allow one repair by the customer and their approved contractor on any service line not constructed according to approved standards. For any subsequent leak, the Utilities will require replacement of the service from the water main to the water meter with approved standard materials. All repairs are the responsibility of the customer.

The minimum earth cover over all customer service lines shall be six and one-half feet.

The Water Department shall determine the size of service to be installed at any customer location.

2.2(2) Taps and Connections

All taps and connections to the mains of the utilities shall be made by or under the direction and supervision of the water department personnel and constructed in accordance with the provisions of this document. All fees for these services shall be paid in advance at the Utilities office before any tap or any other work shall begin. Fees are established by resolution of the Board of Trustees. In the event the cost of tapping material increases, this increase shall be passed on to the customer as an additional charge without need to amend this resolution.

2.2(3) Subdivisions, Developers and Areas of New Construction

In the event water service is to be provided to residential, commercial, industrial or other development, subdivision or area of new construction, the Developer shall install, at its expense, any main needed to service any such area and Type K Copper service from the Utilities' main to the lot or easement line, including the necessary tapping saddle, fittings and curb stop box. Each individual customer shall install, at its expense, that portion of the Type K Copper service from said lot or easement line to the house, building or other premises which is to receive water service, including a stop and waste cock at the end of the building, house or structure side of the service line.

The Developer who installs any main under this provision of this resolution will, after acceptance of the main by the Utilities, give the main to the Utilities at no charge. All service lines and appurtenances from the main to the meter shall be and remain the property of the customer.

SECTION 2.3 CLASS OF SERVICE FOR APPLICATION OF RATES

WATER SERVICE RULES OF THE MILFORD MUNICIPAL UTILITIES

There shall be two classes of permit applications: one for residential service and a second for commercial and industrial service (non-residential).

SECTION 2.4 METERING

The water meter is the property of the residential, commercial or industrial property owner. The Utilities reserves the right to determine the size and type of meter used. If a customer requests a larger water meter, the added cost of a meter test for such a larger meter will be paid by the customer.

2.5(1) Meter Costs including additional water meters

The property owner shall pay the cost of all water metering, meter interface and its connections.

2.5(2) Meter Installation, location, and Right of Entry

All water meters shall be easily accessible to meter readers and repairmen.

The property owner shall pay for or provide all necessary piping and fittings for proper setting of the meter including valves on both sides of the meter. All installations shall include ¾" conduit ran to the outside of the home, with a 2# 18 3-wire wires from the water meter. The meter interface unit for radio read will be placed in an accessible location as directed by Milford Municipal Utilities Staff outside of the residence or building.

The Utility staff shall be permitted to enter the premises of any customer at any reasonable time to read, remove, or change a meter and its location whenever it is deemed advisable to do so.

2.5(3) Meter Testing

Upon written request of a customer, the meter serving said customer shall be tested by the Utilities. Such test will be made without charge to the customer if the meter has not been tested within twelve months preceding the requested test, otherwise a charge equal to the cost to test will be made and then only if the test indicates meter accuracy within the limits of 1.5% slow or fast.

2.5(4) Meter Repairs

Water meters shall be maintained by and at the expense of the Utilities except in the event vandalism, carelessness or negligence of the property owner or customer. Whenever a water meter or meter interface unit is found to be out of order, the Utility staff shall have it repaired or replaced. If it is found that damage to the meter or meter interface and its connections has occurred due to vandalism, carelessness or negligence of the property owner or customer, then the property owner shall be responsible for the cost of replacement. Service calls resulting from the above mentioned shall be billed to the property owner.

DIVISION THREE – CUSTOMER RELATIONS

SECTION 3.1 APPLICATION FOR SERVICE

WATER SERVICE RULES OF THE MILFORD MUNICIPAL UTILITIES

Application for service shall be filed at the utility's business office on the form provided by the Utility. At the time of application, the applicant shall be given an opportunity to designate a person or agency to receive a copy of any notice to disconnect service due to the applicant's nonpayment of a bill or deposit. No service shall be provided to any new customer until such customer has made an application as herein required. Neither the application for service, nor service itself is assignable by the customer.

As soon as practicable after the approval of the application, the utility shall supply service to the applicant in accordance with these rules and at a rate established by the utility for the applicant's appropriate class of service.

Customers shall report to the Utilities any additions to their property or fixtures, which will increase or change the use or consumption of water by the customer. Such changes may result in the need for the customer to make additional application to the Utilities.

For new construction, the permit application shall be supplemented by plans, specifications, or other information considered pertinent in the judgment of Utilities' personnel. There shall be a permit and inspection fee for residential service connection as approved by Board Resolution. The permit and inspection fee for a commercial or industrial service connection shall be a reasonable amount determined by the Utilities based on the size of the water meter or meters and an estimated amount of water usage, but in no event, less than \$25.00 per building. Said permit and inspection fees shall be paid to the Utilities at the time the permit application is filed.

SECTION 3.2 CUSTOMER DEPOSITS

A deposit intended to guarantee payment of bills for service may be required prior to approval of the service application. In any case where a deposit has been refunded or is found to be inadequate, a new or additional deposit may be required upon notice of the need for such deposit.

3.2(1) Credit Criteria for Initial Deposits

The requirements of an initial deposit shall be determined by application of the following criteria:

- a. No initial service deposit shall be required of an applicant: 1) who has previously established a credit history with the utility; 2) whose twelve most recent bills from the utility were timely paid (including one automatic forgiveness of a late payment); and 3) whose new service is subject to the same rate classification as that for which the payment history was established.
- b. An initial service deposit established by Board resolution shall be required of an applicant for service who does not meet the credit criteria of subparagraph "a" above.

3.2(2) Criteria for New or Additional Deposits

A new or additional deposit may be required of a current customer whose initial deposit has been refunded or is found to be inadequate. The new or additional deposit shall ensure a total deposit not less than the minimum established by Board Resolution.

3.2(3) No Interest on Deposits

No interest shall be paid on customer deposits.

WATER SERVICE RULES OF THE MILFORD MUNICIPAL UTILITIES

3.2(4) Record of Deposits –Unclaimed Deposits

The utility shall maintain a record of all deposits. The record of each unclaimed deposit shall be maintained for a period of three years from the date service is terminated. During that period, the utility shall make a reasonable effort to return the deposit. Deposits remaining unclaimed one year after termination of service will be transferred to the state in accordance with Chapter 556, Code of Iowa.

3.2(5) Refund of Deposit

A deposit shall be refunded after twelve consecutive months of prompt payment (which may be eleven timely payments and one automatic forgiveness of late payment). For refund purposes, the account shall be reviewed for prompt payment after twelve months of service following the making of the deposit and for each month thereafter until twelve consecutive timely payments are made. Upon termination of service, the deposit plus accumulated interest (if applicable), less any unpaid utility bill of the customer, shall be reimbursed to the customer.

SECTION 3.3 BILLING INFORMATION

Customers shall be billed on a monthly basis according to the appropriate rate schedule for metered service received during the billing period.

Bills and notices relating to the conduct of the business of the utilities will be mailed to the customer at the address listed on the application, unless a change of address has been filed in writing at the business office of the Utilities; and the Utilities shall not otherwise be responsible for delivery of any bill or notice, nor will the customer be excused from non-payment of a bill or from any performance required in said notice.

3.3(1) Billing Form

The following information shall be included on the billing form or made available to the customer at the utility's business office:

- a. The actual or estimated meter readings at the beginning and end of the billing period.
- b. The date of the meter readings.
- c. The number and kind of units metered.
- d. Reference to the applicable rate schedule.
- e. The account balance brought forward and amount of each net charge, and total amount currently due.
- f. The last date for timely payment shall be clearly shown and shall be not less than twenty days after the bill is rendered.
- g. A distinct marking to identify an estimated bill or meter reading.
- h. Any conversions from meter reading units to billing units or any other calculations to determine billing units from recording or other devices or any other factors such as multipliers used in determining the bill.

WATER SERVICE RULES OF THE MILFORD MUNICIPAL UTILITIES

3.3(2) When Payable -- Late Payment Penalty

Meters will be read monthly on or around the 20th of each month. A bill shall be due and payable when rendered and shall be considered delinquent after twenty days from the time it is rendered. A bill shall be considered rendered by the utility when deposited in the U.S. mail with postage prepaid or when delivered by the utility to the last known address of the party responsible for payment. Bill payments received by the utility on or after the delinquent date shall be for the gross amount stated on the bill which shall include a late payment penalty of 1.5% per month of the last due amount. Failure to receive a properly rendered bill shall not entitle the customer to relief from penalties for late payment.

Each account shall be granted one complete forgiveness of a late payment penalty in each calendar year.

The Utilities shall serve a customer a written final notice of said delinquency informing the customer that water service will be discontinued if payment is not made within twelve days of the date of the written notice. If a delinquent bill is not paid within twelve days after date of such final notice, the water supply to the customer may be discontinued without further notice.

3.3(3) Partial Payments

When a partial payment is made prior to the delinquent date and without designation as to the service being paid, the payment shall be credited to electric, water, sewer, and garbage in that order. Payments for municipal services made during the winter disconnection moratorium may be credited to services other than electricity, at the customer's request.

3.3(4) Where Payable

Bills shall be paid by mail, by direct deposit through a financial institution, by deposit in a designated receptacle, or in person at the utility's business office, or if available, electronic payment online.

3.3(5) Reasonable Agreement to Pay

A residential customer who has been disconnected or is about to be disconnected due to inability to pay in full may be offered the opportunity to enter into a reasonable agreement to pay.

3.3(6) Minimum Bill

The minimum bill provided for in the rate schedule for each class of service will apply to any billing period during which the service remains connected and the minimum quantity of service is not used.

3.3(7) Temporary Disconnections

A customer may voluntarily discontinue water service to any premises for periods in which the house, building, or other structure so serviced is not used for human occupancy, employment, recreation or other purposes. Any customer desiring to discontinue the water service to a premise for this reason must give written notice of discontinuance in writing at the business office of the water system, otherwise, the customer shall remain liable for all water used and service rendered by the utilities until said notice is received by the Utilities. There shall be a reconnection fee charged to a customer who has discontinued water service and then asked to have it reconnected. This fee is

WATER SERVICE RULES OF THE MILFORD MUNICIPAL UTILITIES

established by resolution by the Board of Trustees. The customer shall hire a plumber to turn the water off and drain the water pipes prior to disconnection.

3.3(8) Service Calls

The customer shall be billed for the cost of services not the responsibility of the utility, as follows:

- a. For a service call where the trouble is found to be on the customer's equipment, the customer shall be billed in accordance with terms and conditions established by the governing body.
- b. For a service call requesting the relocation of facilities belonging to the utility, the customer shall be billed for the direct cost of labor and replacement of materials. An advance deposit equal to the total estimated cost may be required where the estimate exceeds one hundred dollars.

3.3(9) Adjustment of Bill for Meter Error

Where a meter has ceased to register, or meter reading could not be obtained, the quantity of water consumed for billing purpose will be based upon an average of the prior six months consumption, adjusted for unusual conditions of the water service prevailing during the period in which the meter failed to register.

3.3(11) Returned Checks

A service charge in an amount established by the governing body shall be assessed to any customer whose check is returned unpaid by the bank on which it was drawn. The service charge shall be in addition to the late payment penalty if the check is not made good and the service fee not paid prior to the delinquent date of the bill. If two or more checks are dishonored within a six-month period, the utility may require future payments to be by cash, cashier's check, postal money order or electronic transfer.

SECTION 3.4 DISCONNECTION OR DENIAL OF SERVICE

Water Services may be discontinued or an application for service canceled by the Utilities for any of the following reasons:

- Failure to get proper locates of the Utilities in the construction area. Phone One Call 811 or 1-800-292-8989.
- Misrepresentation in the application as to the property or fixtures to be supplied or use to be made of the water.
- Failure to report to the Utilities any addition to the property or fixtures to the supplies or additional use to be made of water.
- Resale or giving away of water in violation of this resolution
- Waste or misuse of water due to improper or leaking service pipes or fixtures, or failure to keep same in suitable state of repair.
- Tampering with meter, outside reader, service valves or permitting of such tampering by others.
- Making connection, cross-connection, or permitting connection or cross-connection, to any separate water supply.

WATER SERVICE RULES OF THE MILFORD MUNICIPAL UTILITIES

- Violation of any condition of service
- Any action by the customer, which endangers public safety or health.

In the event of disconnection from the system for any reason, the Utilities will be responsible for removal of the water meter. If it becomes necessary for the Milford Water Department to turn the curb stop on or off, the Department assumes no responsibility for any damages that is a result of turning the water on or off.

A reconnection fee in an amount established by the governing body shall be applicable when service has been disconnected pursuant to this section. If the service was disconnected due to non-payment and the reconnection will not be made until after all delinquent bills and other charges, if any, owed by the customer to the Utilities have been paid.

SECTION 3.5 CUSTOMER OBLIGATIONS

Acceptance of service shall obligate a customer to the conditions imposed by these rules. Customers should note that other sections of these service rules prescribe standards of engineering practice and establish special conditions for service

3.5(1) Service Line

The service line, as defined above, is the responsibility of the customer to keep in good repair at all times. The service line should meet all standards as explained above.

3.5(2) Boilers, Pressure Vessels, and Sprinkler Systems

Customers having boilers, pressure vessels and or sprinkler systems, receiving a supply of water from the utilities must have appurtenances to meet the current Iowa State Plumbing code for backflow protection on the water supply line to prevent contamination in case the water supply from the utilities is discontinued or interrupted for any reason, with or without notice.

3.5(3) Use of Water

Water furnished by the Utilities to residential customers may be used for domestic consumption by the customer, members of the customer's household, guest, invitees (including business invitees) and employees only. The customer shall not sell or give the water to any person except as provided under this resolution. This rule does not apply to industrial or commercial customers or to institutions or other entities that have made special contractual arrangements with the Utilities.

Water for building or construction purposes will be furnished by permit after application and payment of a deposit. The deposit amount is established by the Board of Trustees by resolution. The amount shall be determined by the Utilities based upon the size of the construction work contemplated. All water for building or construction purposes, as set forth in the permit, must pass through one single meter.

Water supplied to a construction site shall be discharged through a hose or pipe directly upon material to be wet, or into a barrel or other container, and in no case upon the ground or into or through a ditch or trench, except for back filling or water jetting. All use of water by other than applicant or the applicant must prevent use of water for any purpose or upon any premises not described in the application, or water service may be discontinued without notice.

WATER SERVICE RULES OF THE MILFORD MUNICIPAL UTILITIES

3.5(4) Connections or alterations to the water system

No person shall uncover, make any connections with or opening into, use, alter or disturb the water system or appurtenances thereof without first obtain a written permit from the Utilities setting forth terms and conditions under which such activities may be undertaken.

3.5(5) Access and Inspection

The premises receiving a supply of water and all service lines, meter and fixtures, including any and all fixtures within the said premises shall at all reasonable hours be subject to inspection by duly authorized employees of the Utilities.

3.5(6) Easement and Right of Way

Each customer shall grant or convey, or shall cause to be granted or conveyed, to the Utilities a permanent easement and right-of-way across any property owned or controlled by the customer wherever said easement or right-of-way is necessary in order for the Utilities to provide water facilities, lines or service to the customer.

3.5(7) Loss or Damage to Utility Property

If any loss or damage to the property of the Utilities or any accident or injury to persons or property is caused by or results from the negligence or wrongful act of the customer, member of the customer's household or guest, agent or employee of the customer, the cost of the necessary repairs or replacement shall be paid by the customer to Utilities and any liability otherwise resulting shall be that

3.5(8) Meter Damage

If for any reason the water meter is damaged, the customer is responsible and shall pay to the Utilities the cost of repairs to return the meter to working order or cost to replace the meter.

3.5(9) Notice by Customer to Terminate Service

A customer shall give the utility not less than three business days notice prior to final termination of service. Disconnection of service under this section shall be during the regular business hours of the utility.

SECTION 3.6 CUSTOMER COMPLAINTS

Complaints concerning the operation of the water system may be made in writing. Staff shall respond to said complaints in writing within thirty days. Where a response will require more than thirty days the customer will be informed that the response will take more than thirty days. All responses may be appealed to the Board of Trustees by written notice directed to the Board within ten days.

LIST OF ATTACHMENTS:

- A. Resolution Adopting Service Rules***
- B. Resolution Adopting Rates and Charges for Services or copy of current rate schedule.***
- C. Diagram of Water Service***