

HARKERS ISLAND SANITARY DISTRICT

HARKERS ISLAND, NORTH CAROLINA

SERVICE RULES AND REGULATIONS

REVISED 7-15-08

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1. Application for service

- A. Applications for service can be made by phone or in person at the District offices. A non-refundable connect fee as listed in the Schedule of Charges is charged at the time of application, in addition to any other fees as required by the District's Service Rules and Regulations.
- B. The District may reject any application for service not available under a standard rate or which involves excessive service cost, or which may affect the supply of service to other customers or for other good and sufficient reasons in which case the connect fee will be refunded.

The District may reject any application for service when the applicant is delinquent in payment of bills incurred for service previously supplied at any location.

- D. Where required the tap-on fee, impact fee, and meter installation fee, as listed in the Schedule of Charges, must be paid in advance before the installation of service.
- E. Requests to relocate a residential water meter will be reviewed by a staking technician. The customer will pay a meter relocation fee as listed in the Schedule of Charges provided the relocation does not require a new tap into the main line, and provided the meter is being relocated within 20 feet of its original placement.
- E. All fees as listed in the Schedule of Charges shall remain in effect until modified by the District. The District may, by resolution, modify for a limited period of time tap-on fees in areas of new main line service or line extensions to encourage tap-on.

2. Service Security Deposits

A. Residential Services

Satisfactory arrangements must be made regarding a service security deposit before connecting water service to a residence, apartment, condominium, mobile home, travel trailer, or any other unit or building used primarily for living quarters. The Schedule of Charges and service location history will be used to determine the maximum amount of the deposit. This deposit is in addition to the required connect fee, and any other fees as required by the District's Service Rules and Regulations.

The service security deposit may be waived if the customer desiring water service furnishes one of the following:

1. A satisfactory credit report from another utility (electric or water) which has furnished electric or water service to the applicant for the most recent twelve-month period, a satisfactory report from a nationally recognized credit reporting agency, or a previously satisfactory payment history with the District.
2. Proof of payment for the most recent 12-month period on an established account with the District maintaining an "A" credit rating.
3. Recommendation by the District's designee that the deposit be waived. The District designates and grants the authority to waive or reduce a deposit to the Chief Executive Officer/General Manager of Carteret-Craven Electric Cooperative and his or her designee.

When it is determined that a service security deposit is not needed to assure payment of bills and a deposit is not collected prior to service connection or has been refunded, the customer must continue the timely payment of monthly bills. Should the account be disconnected for non-payment, the customer may be required to furnish a service security deposit in the amount as required by this policy.

B. Other Than Residential

Satisfactory arrangements must be made regarding a service security deposit before connecting any service. Other deposit requirements may be set on the basis of a written contract, or when the District determines that a higher deposit is necessary due to extraordinary circumstances. See the Schedule of Charges for the amount of the deposit.

In determining the need for service security deposits, and in fixing the amount of such deposits, the District will give careful consideration to the following factors:

1. Type of service requested or required.
2. Risks involved in a new or continuing enterprise.
3. Proposed use of facilities.

4. Credit rating of applicant as determined by at least two written credit reports furnished by other utilities, banks, suppliers, credit reporting agencies, and others who have previously furnished credit to the applicant.
5. Recommendation by the District's designee that the deposit be waived. The District designates and grants the authority to waive or reduce a deposit to the Chief Executive Officer/General Manager of Carteret-Craven Electric Cooperative and his or her designee.

When it is determined that a service security deposit is not needed to assure payment of bills and a deposit is not collected prior to service connection, or if the deposit has been refunded, the customer must make timely payment of monthly bills. Should the account be disconnected for non-payment, the customer may be required to pay a service security deposit in the amount as required by this policy.

Service security deposits shall not be required for service to any public authority such as Federal, State, County, and Municipal bodies provided that the service is used exclusively by the public authority.

C. Refunding of Deposits

A service security deposit will be refunded under the following conditions:

1. After a period of 36 consecutive months of service during which the customer has established satisfactory credit (as defined in this Section) in the most recent 12 months, or
2. As provided for in a written contract for service, or
3. Upon termination of service, less any amounts the customer may owe to the District, or
4. Upon such conditions as may be established by the District with respect to service risks of similar or the same character, whichever may be applicable.

Satisfactory credit is defined as:

- a. No more than one delinquent payment, and
- b. No check which was not honored upon presentation for payment, and
- c. No disconnection of service for non-payment.

A service security deposit is non-transferable and must remain with the account on which it is paid. If a customer has other accounts with unsatisfactory credit, the service security deposit may be retained until all accounts held in the same name have satisfactory credit.

3. Classification of Service

The District has established Rate Schedules which define the different rate classifications by meter size and are made available to customers upon request.

4. Offices and Service Hours

The District's customers are served through the offices of Carteret-Craven Electric Cooperative. The main office is located at 1300 Hwy 24, west of Morehead City, North Carolina. The Cooperative also has branch offices at 450 McCotter Blvd., Havelock, North Carolina, and 849 Island Road, Harkers Island, North Carolina. Regular office hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday. Service work is performed during regular work hours only, except for unusual conditions or circumstances. Emergency work is performed from these offices 24 hours a day, 7 days a week, and the District can be contacted by calling (252)247-3107 at any time day or night.

5. District's Responsibility and Liability

- A. The District shall run a service line from its distribution line to the property line where the distribution line runs immediately adjacent and parallel to the property to be served.
- B. The District may install its meter at the property line or on the customer's property in a location mutually agreed upon.
- C. When two or more meters are to be installed on the same premises for different customers, they shall be closely grouped and each clearly designated as to which customer it supplies.
- D. The District does not assume the responsibility of inspecting the customer's piping to insure they are installed in such manner as to prevent cross connections or backflow.

- E. The District reserves the right to refuse service unless the customer's line and piping are installed in such a manner as to prevent cross connections or backflow.
- F. The District shall not be liable for damage of any kind whatsoever resulting from water or the use of water on the customer's premises, unless such damage results directly from negligence on the part of the District. The District shall not be responsible for any damage done by or resulting from any defect in the piping, fixtures or appliances on the customer's premises. The District shall not be responsible for negligence of third person or forces beyond the control of the District resulting in any interruption of service.
- G. Under normal conditions the customer will be notified of any planned interruption of service.

6. Customer's Responsibility

- A. Piping on the customer's premises must be so arranged that the connections are conveniently located with respect to the District's lines or mains.
- B. If the customer's piping on the customer's premises is so arranged that the District is called upon to provide additional meters, each place of metering will be considered as a separate and individual account.
- C. The customer shall provide a suitable place for the water meter that is unobstructed and accessible at all times to District personnel and other personnel approved by the District.
- D. The customer shall furnish and maintain a private cutoff valve on the customer's side of the meter. The District will provide a cutoff valve on the District's side of the meter.
- E. The customer's piping and apparatus shall be installed and maintained by the customer at the customer's expense in a safe and efficient manner and in accordance with the District's Rules and Regulations and in full compliance with the sanitary regulations of the North Carolina Department of Environment and Natural Resources.

- F. The customer shall guarantee proper protection for the District's property placed on the customer's premises and shall permit access to it only by authorized representatives of the District.
- G. In the event that any loss or damage to the District's property or any accident or injury to persons or property is caused by or results from the negligence or wrongful act of the customer, his agents, or employees, the cost of the necessary repairs or replacements shall be paid by the customer to the District and any liability otherwise resulting shall be assumed by the customer.
- H. The amount of such loss or damage or the cost of repairs shall be added to the customer's bill, and if not paid, service may be discontinued by the District.

7. Extensions to Mains and Service

- A. Water distribution lines to serve subdivisions under development will be handled as follows:

- 1. The developer will submit plans for review and approval by the District, its engineer and the North Carolina Department of Environment and Natural Resources. Cost to be paid by the developer.
- 2. Lines will be installed in accordance with the approved plans.

- B. Other Extensions

Extensions of water lines within the District's service areas will be handled as follows:

- 1. The plans for the extension will be submitted for review and approval by the District, its engineer and the North Carolina Department of Environment and Natural Resources. Any costs associated with this project will be paid by the developer/customer.
- 2. The lines will be installed in accordance with the approved plans.

8. Access to Premises

- A. Duly authorized agents of the District shall have access at all reasonable hours to the customer's

premises for the purpose of installing or removing District property, inspecting piping, reading or testing meters or for any other purpose in connection with the District's service and facilities.

- B. Each customer shall grant or convey or shall cause to be granted or conveyed to the District a perpetual easement and right of way across any property owned or controlled by the customer wherever said perpetual easement and right of way is necessary for the District's water facilities and lines so as to be able to furnish service to the customer.

9. Meter Reading - Billing - Collections - Returned checks

- A. All meters will normally be read monthly. It shall be the responsibility of each customer to provide access to the meter for meter reading purposes. In the event the meter reader is unable to obtain a reading, the account shall be estimated for that month and adjusted to the actual usage in a subsequent month.
- B. Bills for water will be figured in accordance with the District's published rate schedule then in effect and will be based on the amount used for the period covered by the meter readings.
- C. Water meter readings from different meters will not be combined on a single bill.
- D. Each billing period is based on approximately 30 days of usage. Bills are due and payable when rendered and become delinquent if not paid within the time allotted to each billing. When the customer fails to pay the bill, the delinquent amount will appear as a past due amount on the following bill. Customers' accounts will be subject to disconnection without further notification. If an account is delinquent, a late fee as listed in the Schedule of Charges will be charged to the account.

When a delinquent account balance forces field collection or disconnection by a District's employee or agent all applicable fees will be charged in accordance with the Schedule of Charges, including, but not limited to, a service charge, for each visit. If the District is authorized to reset a meter disconnected for non-payment and this is done outside of regular working hours, or on days the District is closed, the District will collect in addition to the delinquent bill and other applicable charges, an overtime charge as listed in the Schedule of Charges.

If it becomes necessary to bring legal action against a customer in order to collect delinquent accounts,

the customer will also be responsible for any court costs and reasonable attorney fees.

- E. Failure to receive bills or notices will not prevent such bills from becoming delinquent or relieve the customer from payment.
- F. Where a customer pays his or her bill or deposit by check, whether presented in person, through the mail, or electronically, the customer understands the District may charge and collect processing fees, as listed in the Schedule of Charges, for checks on which payment has been refused by the customer's bank. If the returned item was presented via Carteret-Craven Electric Cooperative's website, a returned check fee and electronic returned item fee, as listed in the Schedule of Charges, will be charged.

When a check received in payment of a bill for service or deposit is returned by the bank as invalid, the account will be debited for the amount of the check plus the appropriate handling fee, and a new or additional deposit amount may be charged as required in the District's deposit policy. The customer will be notified by letter that the amount of the check is due immediately to avoid disconnection of service. Extensions will not be given to make payment for returned checks. The customer will be placed on a cash only basis for payment and the District will no longer accept a personal check as payment for service for a period of 12 months. Exceptions to the cash only requirement may be made at the discretion of the District's designee. The District designates and grants the authority to waive the cash only requirement to the Chief Executive Officer/General Manager of Carteret-Craven Electric Cooperative and his or her designee.

10. Disconnection/Suspension of Service

- A. The District requires one (1) day notice to disconnect service or for a change in occupancy, and a disconnect fee as listed in the Schedule of Charges will be charged. The disconnecting customer shall be responsible for all water used up to the time of the meter reading.
- B. The District reserves the right to discontinue its service without notice for the following reasons:

1. To prevent fraud or abuse.
 2. Customer's willful disregard of the District's rules.
 3. Emergency repairs
 4. Insufficiency of supply due to circumstances beyond the District's control.
 5. Legal procedures
 6. Direction of public authorities
 7. Strike, riot, fire, accident or any unavoidable cause
- C. The District may, in addition to prosecution by law, permanently refuse service to any customer who tampers with a meter or other measuring device.

11. Billing Inquiries / Billing Adjustments

- A. If the customer believes his bill to be in error, he shall present his claim, in person or in writing at the District's office before the bill becomes delinquent. Such claims, if made after the bill has become delinquent shall not be effective in preventing discontinuance of service as provided in this article. The customer may pay such bill under protest and said payment shall not prejudice his claim. Adjustments may be authorized by the District's designee on bills under the following conditions:

1. A concealed leak in the customer's piping and
2. A statement from a licensed plumber, the owner, lessee, or tenant, on the location of the concealed leak and that same has been repaired.

The District designates and grants the authority to approve adjustments on bills to the Chief Executive Officer/General Manager of Carteret-Craven Electric Cooperative and his or her designee.

Adjustments on concealed water leaks shall be made for fifty percent (50%) of the excessive water usage. No adjustment will be made unless the excessive water usage is at least 25,000 gallons over the average monthly usage for the preceding twelve (12) months. Customers will be given no more than one adjustment per year or two in a lifetime.

In the event the District discovers that a leak exists and the customer is notified of same, the customer shall take immediate steps to correct the situation. Undue delay by the customer shall cause forfeiture of the benefits of an adjustment.

- B. Meters will be tested at the request of the customer upon payment to the District of a meter test fee as listed in the Schedule of Charges. If the meter is found to be faulty and does not test between ninety-five percent (95%) and one hundred and five percent (105%) accurate, the meter test fee will be refunded.
- C. If the seal of a meter is broken by other than the District's representative or if the meter fails to register correctly or is stopped for any cause, the customer shall pay an amount estimated from the record of his previous bills and/or from other proper data.

12. Abridgement or Modification of Rules

No promise, agreement, or representation of any employee of the District shall be binding upon the District except as it shall have been agreed upon in writing, signed and accepted by the acknowledged officers of the District.

Notice of Equal Opportunity Program

This is an equal opportunity program. Federal law prohibits discrimination. Complaints of discrimination can be filed with Administrator, FMHA, US Department of Agriculture, Washington, DC 20250-0700.

Harkers Island Sanitary District

13. SCHEDULE OF CHARGES

DEPOSITS

1. Residential: the greater of \$90 or the highest estimated water bill for two and one half months of service.
2. Other than Residential: The greater of \$90 or the highest estimated water bill for two and one half months of service.

TAP-ON FEES

| <u>Meter size</u> | |
|-------------------|------------|
| ¾" | \$1,000.00 |
| 1" | 2,400.00 |
| 1 ½" | 2,600.00 |
| 2" | 4,800.00 |

For any meter size larger than 2" the customer will pay the greater of the 2" tap-on fee or the total actual cost of the tap-on.

IMPACT FEES

| <u>Meter size</u> | |
|-------------------|------------|
| ¾" | \$5,000.00 |
| 1" | 5,200.00 |
| 1 ½" | 5,400.00 |
| 2" | 11,200.00 |

The staking technician will quote the impact fee for meters larger than 2".

SERVICE FEES

| | |
|---|----------|
| 1. Connect | \$ 25.00 |
| 2. Disconnect | 25.00 |
| 3. Field Service Charge | 30.00 |
| Includes: | |
| <i>Delinquent disconnect trip</i> | |
| <i>Delinquent reconnect trip</i> | |
| <i>Delinquent field extension</i> | |
| <i>Delinquent field collection</i> | |
| 4. Delinquent Service Charge | 5.00 |
| 5. Meter Test | 50.00 |
| 6. Overtime (additional service charge after normal business hours) | \$ 45.00 |

| | | |
|-----|---|--------|
| 7. | Returned check | 25.00 |
| 8. | Electronic returned item | 10.00 |
| 9. | Meter Relocation (under 20 feet/no new tap) | 250.00 |
| 10. | Meter Installation | 500.00 |