

**SERVICE RULES
OF THE
MUNICIPAL WATER UTILITY**

GUTHRIE CENTER MUNICIPAL UTILITY

PURPOSE AND CONSTRUCTION

SECTION 1.1 PURPOSE

These service rules have been adopted by the governing body of the municipal utility. 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

These service rules are intended to broadly govern operation of the municipal water utility. Where a rule cannot be reasonably applied to a specific situation, the governing body 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 governing body” refer to applicable resolutions or ordinances adopted by the utility’s governing body.

SECTION 1.3 DEFINITIONS

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

- a. “Complaint” means a statement or question by anyone, whether a utility customer or not, alleging a wrong, grievance, injury dissatisfactions, illegal action or procedure, dangerous condition or action, or utility obligation. The utility may require that complaints be in writing.
- b. “Customer” means any person, firm, association, or corporation, any legal entity directly benefiting from gas service from the utility. In the case of a residence, customer also means other adult persons occupying the residence.
- c. “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.
- d. “Water” means treated water produced , distributed, or furnished by the utility.
- e. “Governing body” means the board of trustees established under Chapter 388, Code of Iowa, or, if a utility board has not been established, the City Council.
- f. “Main” means a water line owned, operated, or maintained by the utility, which is used for the purpose of transmission or distribution of water, but does not include the “service line.”
- g. “Meter,” without other qualification, means any device or instrument that measures a quantity of water.
- h. “Service line” means a distribution line that transports water from a common source of supply to a customer meter or the connection to a customer’s piping,

whichever is farther downstream. A customer meter is the meter that measures the transfer of water from the utility to a customer.

- i. "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.
- j. "Utility" means the municipal water utility.

SECTION 2.1 SERVICE CHARACTERISTICS (General Statements)

To the extent practicable and subject to limits of water supply, the utility shall provide water service of a character determined by the utility to meet the needs of its customers.

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 to assure, as far as reasonably possible, continuity of service and safety of people and property. However, the utility shall not be held liable in actions arising from interruptions in service.

SECTION 2.3 SPECIAL CONDITIONS OF SERVICE

The customer shall be responsible for all water piping and appliances on his/her premises. The installation and maintenance of customer facilities shall be consistent with standards imposed by these service rules and any other applicable laws or regulations.

No inspection or approval of a customer's compliance with this section by the utility or other agent of the municipal government shall be construed to impose any duty or liability on the utility, but shall be considered solely for the purposes of ensuring protection of the utility's property and continuity of service to customers of the utility.

SECTION 2.4 CLASS OF SERVICE FOR APPLICATION OF RATES

Service classification shall be based upon the type of service supplied and on similarities in customer load and demand characteristics. Service classifications shall be defined as part of the rate schedules adopted by the governing body. In addition, the utility reserves the right to supply water service in accordance with the provisions of a written contract. As nearly as practicable, rate schedules adopted by the utility shall reflect relative differences in the costs of providing various quantities of service to each customer class

SECTION 2.5 METER INSTALLATION

The utility shall furnish the original water meter, spuds, and rubber washers. All water meters shall be installed at Property owner's expense by a licensed plumber. All water connections must meet the State of Iowa plumbing codes. All water meters should be installed in the basement of home where applicable. Meter installation also includes touch pad reader or read-o-mat outside the home.

If no basement is available, meters may be installed in a meter pit located in the front yard behind curb box. Costs for meter pits are the Property owner's expense.

2.5 (1) Shutoff valve

Property owner shall ensure that licensed plumber installs a shutoff valve where water comes into home or business and before water meter. The board of utility highly recommends a ball valve be installed as a shutoff valve.

2.5 (2) Additional Water Meter installations

Property owner is required to pay for any water meter beyond original water meter. Cost of additional water meters will be a current marketable cost. All water meters shall be installed at Property owner's expense by a licensed plumber. Second water meters installed for outside water usage only will not include sewer charges with use, however they will be billed on a monthly basis.

2.5 (3) Curb Stop and Curb Box

In addition to installing water meter, property owner shall ensure that licensed plumber also installs curb stop and curb box. Curb stop shall be placed on property owner's property not in parking. A driveway or sidewalk may be used with approval of the governing body. It is property owner's responsibility to ensure that curb box and curb stop is in good working condition.

All repairs to curb box and curb stop are property owner's responsibility. When it is found that a property owners curb stop or curb box needs repair or replacement the property owner has sixty (60) days after date of official notice from the utility to make said repair or replacement.

Any necessary repairs to curb stop and curb box shall be at property owner's expense by licensed plumber.

2.5 (4) New Service Installations

Customer is responsible for all materials and manpower necessary to properly run new service. Property owner shall ensure service from main to home is completed by licensed plumber and licensed excavator at Property owner's expense. Customer shall run the service following these specifications:

¾" Copper service – 1" type K annealed copper, all fittings must be copper or brass.

¾" Plastic service – 1" 160# to 200 psi with locate wire.

Curb stop – 1 ½" Minneapolis pattern inverted key, Mueller H-155150 or equal.

Curb box – Extension type, Minneapolis pattern base with 1 ¼" upper section for ¾" line or 1" stop. Mueller H-10300 or equal.

All of the above items may be carried in stock by municipal utility and may be purchased by customer or contractor at cost. Please allow ample time for utility to order and receive parts.

2.5 (5) Excavating

All trench work, excavation and backfilling required in making a connection shall be performed by a licensed excavator. Property owner shall ensure licensed excavator excavates an area large enough to ensure safety and free operation of tapping equipment. A tapping charge may be assessed on all new water services.

SECTION 3.1 APPLICATION FOR SERVICE

Application for service shall be filed at the utility's business office. 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. 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.

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 twelve days written 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; and 3) whose new service is subject to the same rate classification as that for which the payment history was established. Reasonable proof of an equivalent recent payment history for similar service from another utility may be accepted by the utility.
- b. An initial service deposit not exceeding the usual cost of ninety days of water service during the previous twelve month period shall be required of an

applicant for service who does not meet the credit criteria of subparagraph "a" above.

3.2 (3) Deposit Calculation Criteria

- c. In calculating customer deposits the deposit is not to exceed the usual cost of ninety days of water service shall be required of an applicant for service who does not meet the credit criteria of subparagraph "a" above.

3.2 (2) Credit 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 equal to the highest monthly billing for service during the previous twenty-four month period and shall apply to customers who make two late payments in a twelve month period.

3.2 (3) Deposit Calculation Criteria

In calculating customer deposits which may be based on the maximum estimated charge for a billing period, the amount shall be determined from the highest meter reading period of the previous year. The maximum level of consumption so determined, may be adjusted for reasonably determinate differences in the likely level of water consumption, including: number of persons, and likely level of energy consumption.

3.2 (4) Interest on Deposits

Interest at a rate determined by the governing body will be paid on deposits from the date of deposit to the date of refund or the due date of any bill to which the deposit is applied. The date of refund is the date on which the refund or notice of refund is forwarded to the customer's last known address.

3.2 (5) Record of 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. Unclaimed deposits, together with accrued interest, shall be credited to an appropriate utility account. Deposits remaining unclaimed two years after termination of service will be transferred to the state in accordance with Chapter 556, Code of Iowa.

3.2 (6) Refund of Deposit

A deposit shall be refunded after twelve consecutive months of prompt payment. For refund purposed, the account shall be reviewed for prompt payment after twelve months of service following the making of the deposit and for each twelve-month interval

terminating on the anniversary of the deposit. 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 or other person who made the deposit.

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. In addition, the bill will include charges for applicable purchased water adjustments as well as special extension and service costs applicable to the billing period.

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. In the case of prepayment meters, the amount of money collected shall be shown.
- 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. A distinct marking to identify a minimum bill.
- i. 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 sliding scale or automatic adjustments used in determining the bill.

3.3 (2) When Payable – Late Payment Penalty

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 customer shall be informed of the use of the automatic forgiveness by phone or in person, by posting to the next bill, or by separate mailing.

The date of delinquency for all customers shall be changeable for cause in writing.

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 in the following order: garbage, solid waste, wastewater, sewer, sewer tax, water, water tax, gas, and gas tax.

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.

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 in accordance with applicable rules of the Utilities Division of the Iowa Department of Commerce.

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

The utility may, upon reasonable notice by a customer, make temporary disconnections for the customer's convenience. The customer shall be required to pay a fee for such service in an amount to be determined by the governing body.

3.3 (8) Service Calls

The utility shall investigate leak calls by water meters to determine if it's a problem with the meter. If the bottom of the water meter has frozen and broken, there will be a charge for meter bottom replacement. In providing these services as a convenience to its customers, the utility, its employees, and/or the municipality offer no warranty express or implied, as to the operating condition of customer piping and appliances. For other services, such as adjustments to customer piping and appliances, the customer shall be advised to contact a qualified plumber, appliance dealer, or contractor.

3.3 (9) Customer Requested Meter Tests

The utility will periodically inspect and test meters in accordance with accepted engineering practice. In addition to regular testing, the customer may request a meter test, providing that such tests need not be made more frequently than once each eighteen months. The customer or the customer's representative may be present when the meter is tested and the results shall be reported to the customer within a reasonable time. If the meter is within the allowable tolerance, the customer shall be billed for the cost of the test in an amount established by the governing body.

3.3 (10) Adjustment of Bill for Meter Error

Whenever a meter is found to have an average error exceeding the allowable tolerance by more than 2.0 percent, the utility shall adjust a current customer's bill or issue a refund or back bill to a past customer. The amount of the adjustment shall be calculated on the basis of metering accuracy of one hundred percent. The adjustment period shall extend from the date the error began. If that date cannot be determined, it shall be assumed the error has existed for the shortest time calculated a five years from the date the error was discovered, one half the time since the meter was installed, or one half the time since the last previous meter test. The adjustment period for slow meters shall not exceed six months without the approval of the governing body. When a meter is found not to register, the utility shall issue an estimated bill.

An adjustment, refund or back-billing shall be made for any overcharge or undercharge resulting from incorrect reading of the meter, incorrect application of the rate schedule, incorrect meter connection or other similar reason.

This section shall not be construed to require a cash refund to a current customer nor a refund or back-billing to a previous customer in an amount less than five dollars. The utility further reserves the right to forego back-billing procedures which it determines are not cost effective.

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 or postal money order.

SECTION 3.4 DISCONNECTION OR DENIAL OF SERVICE

The utility reserves the right to disconnect or deny service in accordance with applicable rules of the Utilities Division of the Iowa Department of Commerce. Water supply may be shut off due to any violation of the water service rules.

A reconnection fee in an amount established by the governing body shall be applicable when service has been disconnected pursuant to this section.

SECTION 3.5 CUSTOMER OBLIGATIONS

Acceptance of service shall obligate a customer to the conditions imposed by these rules and applicable rules of the Utilities Division of the Iowa Department of Commerce.

3.5 (1) Damage to Utility Facilities

The customer shall not use the equipment or structures of the utility for reasons other than those incident to normal service nor create a condition likely to interfere with the functions of such equipment and structures, without written consent of the utility. The customer shall be held responsible for his or her actions which cause damage to or loss of equipment or structures located on property occupied by the customer.

3.5 (2) Customer Premises

The customer and owner shall grant the utility, without charge, right of way over and on the premises on which equipment and structures of the utility are located. Access to the equipment and structures shall be granted to the utility at reasonable times for installation, inspection, testing, repair, and other functions necessary for the maintenance of satisfactory service.

3.5 (3) 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

Customers may be asked to submit complaints in writing, specifying the nature of the complaint and the relief sought. Complaints concerning the charges, practices, facilities or service of the utility shall be investigated promptly and thoroughly. A customer may appeal the findings of the investigation and shall be given reasonable opportunity for a full hearing of the matter before the governing body or hearing officer(s) appointed by the governing body.

Complaints involving policies or actions of the utility that are regulated by the Utilities Division of the Iowa Department of Commerce may also be filed with the agency in accordance with applicable regulations.

SECTION 3.7 DELINQUENT BILLS

3.7 (1) Liens Against Property.

All owner-occupied business or residential property receiving any municipal utility service other than gas is subject to imposition of a lien for unpaid service in accordance with Section 384.84(3)(a) of the Code of Iowa.

3.7 (2) Residential Rental Property

Residential rental property can be afforded a conditional exemption from lien attachment for unpaid water service but not for unpaid sanitary sewer, solid waste collection, or solid waste disposal service, and utility repairs to private service lines and curb stops if the landlord follows guidelines as set forth in Section 384.84(3)(d) of the Code of Iowa to qualify for the exemption with respect to each tenant and each property every time tenancy or ownership changes.