

**RULES AND REGULATIONS
OF
MARTIN COUNTY WATER AND SEWER DISTRICT NO. 1**

I. CLASSIFICATION OF SERVICE

All services are classified under one category to include residential, schools, churches, and commercial users.

II. RATE SCHEDULE AND TAP-ON FEES

A. Rate Schedule

A schedule of rates, fees and charges is provided in Exhibit A and B. The rates, fees and charges in effect shall be as set from time to time by the Board of Commissioners of the Martin County Water and Sewer District No. 1, (hereafter the "District").

B. Master Meters

Multi-Users, such as apartment complexes, mobile home parks, duplex apartments, commercial strip malls, etc. served through one meter, shall be billed at the water district's regular published rates plus the addition of the minimum monthly rate per benefiting units.

C. Metering Individual Trailers in Mobile Home Parks

Mobile home park owners requesting that the District run lines in their home parks and place meters at individual mobile home park sites will be required to grant construction and perpetual maintenance easements to the District at no expense to the District.

Such easements shall conform to the District's engineering design criteria as such criteria relate to physical dimensions. All grants of easements shall be in writing and mobile homes will be individually metered. A separate tap will be required for each mobile home site in the park.

D. Vacant Lots

(1) Mobile Home Parks

Mobile home park owners will be responsible for paying the minimum rate on all vacant home park sites, except that when special circumstances occur and /or when the mobile home park owner expects a lot to be vacant for at least 6 months, he may apply for a disconnection of service for a fee as specific in Exhibit B Section 8, and a reconnection fee as specified in Exhibit B, Section 9.

(2) Land for Development

Persons who possess an approved application for service expecting to develop raw land shall not be charged the minimum charge or delivered a meter while such land is in an undeveloped condition.

(3) Privately Owned Lots

Persons who possess an approved application for service for a previously subdivided lot which remains vacant shall not be charged the minimum charge or delivered a meter while such lot remains in an undeveloped condition.

E. Fire Hydrants

(1) Fire hydrants will be installed on lines that are a minimum of 6" and with adequate flow capacity at the fee required in Exhibit B, Section 13a.

(2) A minimum deposit as specified in Exhibit B, Section 13b is required to accompany a request for a hydrant. Excess over installation fee shall be refunded.

F. Tap-On Fees During Designated "Sign-up" period:

(1) During specially designated "sign-up" period for proposed new construction, tap-on fees per meter shall be established by resolution by the District Board of Commissioners.

(2) The District Board of Commissioners shall establish the "sign up" period for the purpose of new construction by resolution.

III. APPLICATION FOR SERVICE

A. Service will be supplied only to those who have:

(1) Properly executed a User Agreement

(2) Paid appropriate Tap Fee, Change in Occupancy, Connection or other applicable fee.

(3) Paid security deposit, if required.

B. Application for service shall be made in person at the office of the District.

- C. Application for service shall be accompanied by a cash deposit as shown in Exhibit B, Section 1, if the User does not own the residence or business to be served, and the appropriate tap-on fee, if required.
- D. Deposits are refundable upon termination of service and settlement of all accounts.
- E. Deposits are non-interest bearing.
- F. Tap-on fees are non-refundable.
- G. A separate deposit is required for each meter installed.
- H. The individual in whose name the deposit is made shall be responsible for payment of all bills incurred in connection with the service furnished.
- I. The deposit receipt is not negotiable and can be redeemed only at the District's office.
- J. Where the District finds that the request for a deposit refund is questionable, the District may require the refund applicant to produce the deposit receipt properly endorsed.
- K. The District may reject any application for service if the District cannot provide a service at a standard cost or if said service may affect the supply of water to existing customers, or for any other good and sufficient reasons deemed necessary by the District Board of Commissioners.
- L. 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.
- M. For violation of any of the listed provisions of these rules, the District may at the expiration of 15 days after mailing a written notice to the last known address of the User, remove the meter and discontinue service. Where the meter is thereafter re-installed, the User shall first pay to the District a re-installation charge as specified in Exhibit B, Section 5d.
- N. Persons requesting water service due to a system expansion will begin being billed immediately upon water availability. If, at the time water is available, the customer decides that service is not wanted, the customer's service will be discontinued. No refunds of tap-on fees or deposits will be granted unless special circumstances exist which are acceptable to the District Board of Commissioners for granting of an exception.

If the customer requests service after service has been discontinued, the cost for service shall include tap-on fees in effect at the request date, including reconnection and deposit fees, if applicable.

IV. MINIMUM CHARGE

- A. There shall be a monthly bill for each meter installed, regardless of location. Each meter requires a separate meter reading sheet, and each meter reading sheet shall cover a separate and individual account.

All active meter accounts shall be billed the Fixed Minimum Charge as provided in Exhibit A.

All amounts of water used beyond that provided with the Fixed Minimum Charge shall be billed as specified for variable flow charge in Exhibit A.

- B. For seasonal services where service is furnished to a User during certain months only, the User will be charged the current charges for water during that period. There will be no charge for the period of non-use provided the User notify the District of the dates the service is to be cut-on and cut-off. User shall notify the District a minimum of one-week prior to date of cut-on or cut-off. Cut-on and cut-off charges shall be billed as specified in Exhibit B, Section 8 and 9.

Seasonal services requested during system expansions shall be paid for at the rate given in Exhibit B, Section 2.

- C. Water furnished for a given lot shall be used on that lot only.
- D. With exceptions for master meters, each User's service must be separately metered at a single delivery and metering point. Each commercial unit and each storeroom or stall used for business purposes shall be metered separately from any residential use and vice versa, whether now in service or to be installed in the future.
- E. Minimum charges for master meters shall be computed based upon the number of benefiting units served multiplied by the minimum charge.

V. 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, and for which a tap-on fee then in effect for each size of meter has been paid.
- B. The District shall provide an angle stop, meter, dual check valve assembly and meter box for residential and small commercial services.

The District shall provide for large service apparatus based on determination of requirements including stops, meter(s), check valve(s) and meter box (es).

- C. In high-risk cases, a reduced pressure backflow preventor shall be required at the discretion of the District, the cost of which shall be borne by the User. The cost of the reduced pressure backflow preventor and all appurtenances shall be in addition to the regular tap on fee.
- D. The District may install its meter at the property line or, at the District's option, on the User's property or in a location mutually agreed upon.
- E. When two or more meters are to be installed on the same premises for different Users, they shall be closely grouped and each clearly designated to which User it applies.
- F. The District does not assume the responsibility of inspecting the User's piping or apparatus and will not be responsible therefor.
- G. The District reserves the right to refuse service unless the User's lines or piping are installed in such manner as to prevent cross-connections or backflow.
- H. The District shall not be liable for damage of any kind whatsoever resulting from water or the use of water on the User's premises. The District shall not be responsible for any damage done by or resulting from any defect in the piping, fixtures or appliances on the User's premises.
- I. The District shall not be responsible for negligence of third persons or forces beyond the control of the District resulting in any interruption of service. Under normal conditions, the User will be notified of any anticipated interruption of service.

- J. All meters, boxes, pipes and other equipment furnished and installed by the District in a water connection shall remain the property of the District. If, after an installation is completed, the property owner requests that a meter or lateral be changed in size and this request is approved by the District, the property owner shall pay for the change of lateral as though it were a new connection according to the current price. In such cases both meters remain the property of the District.

VI. USER'S RESPONSIBILITY

- A. Piping on the User's premises must be so arranged that the connections are conveniently located with respect to the District's lines or mains.
- B. If the User's piping on User'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. Where meter is placed on premises of a User, a suitable place shall be provided by User for placing such meter, unobstructed and accessible at all times to the District.
- D. The User shall furnish and maintain a private cutoff valve on the User's side of the meter.
- E. The User's piping and apparatus shall be installed and maintained by the User at the User'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 NC Division of Health Services.
- F. The User shall guarantee proper protection for the District's property placed on the User'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 property of the District or any accident or injury to persons or property is caused by or results from the negligence or wrongful acts of the User, his agents or employees, the cost of the necessary repairs or replacements shall be paid by the User to the District and any liability otherwise resulting shall be assumed by the User.
- H. The amount of such loss or damage or the cost of repairs shall be added to the User's bill; and if not paid, service may be discontinued by the District.

- I. Service on an un-improved lot will be installed as if the lot has been brought to finish grade, with the top of the meter box flush with the ground. If the service is disturbed due to landscaping, plumbing or for any other reason, the User will re-position the service to its required grade. If the User fails to re-position the service as required, the District may correct the installation and bill the User in the following month's billing. Failure to pay labor charges may result in discontinuance of service. The District will not be responsible for damages to User's piping.
- J. The User, or any other citizens under no circumstances shall access the District distribution system or any appurtenances thereof except through a metered service, said service being acknowledged by the District. The User, or any other citizens shall not connect a pump to a fire hydrant or any metered service or connected piping for any purpose whatsoever.

VII. EXTENSIONS TO MAINS AND SERVICES

- A. The District may construct extensions to its waterlines to points within its service area, but the District shall not make such installations unless the person requesting the extension advances to the District the entire cost of said installation. Said fees shall be non-refundable. All line extensions shall be evidenced by Contract signatures by the District and the person advancing funds for said extension, but each Contract shall be null and void unless approval is authorized by the District Board of Commissioners.

Upon completion of a line extension, and after all costs for said extension have been paid, any balance of extension costs paid to the District will be refunded to the applicant. In the event there is a deficit of funds for payment of project costs, the applicant shall pay that deficit before the extension is put into service by the District.

- B. In addition, all persons or corporations making application for extension of water service shall convey all rights-of-way necessary and required to the District and shall have all roads and streets completely graded in the manner specified by the North Carolina Department of Transportation and all ditches properly installed in accordance with the standards of the North Carolina Department of Transportation with written certification for said N.C. Department of Transportation that said road and drainage standards have been met. All of the above requirements must be met prior to the connection to any water service in the area requested.
- C. The applicant requesting service must pay to District at the time of filing the application the preliminary fees hereinafter set forth for legal, engineering and other necessary expenses in processing and approving said application. The fees paid by the applicant are non-returnable regardless of the action of the District concerning the line extension.

The preliminary approval fees shall be applied to the project cost. See Exhibit B, Section 3.

- D. The term "units" shall include lots, houses, duplexes (duplexes considered as two units), mobile homes, apartments, (each apartment considered as one unit), condominiums, any other structures in said subdivision. The term "subdivision" means any area where more than one single family unit may be involved. A single unit User (single family) shall be required to pay tap-on fees and expenses of extension of the lines and shall convey all necessary or required rights-of-ways to the District.

VIII. ACCESS TO PREMISES

- A. Duly authorized agents of the District shall have access at all reasonable hours to the premises of the User 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 User 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 User wherever said perpetual easement and right-of-way is necessary for the District to install water facilities and lines so as to be able to furnish service to the User.

IX. CHANGE OF OCCUPANCY

- A. Not less than three days notice must be given in person or in writing, at the District's office, to discontinue service for a change in occupancy.
- B. The outgoing party shall be responsible for all water consumed up to the time of departure or the time specified for departure, whichever period is longer.
- C. A Change in Occupancy Connection Fee as specified in Exhibit B, Section 12, shall be paid at time of application for service for new occupants who utilize existing meters for service.

X. METER READING – BILLING-COLLECTING

- A. Meters will be read and bills rendered monthly; but the District reserves the right to vary the dates or length of period covered, temporarily or permanently if necessary or desirable.
- B. Bills for water will be calculated in accordance with the District's published rate schedule then in effect and will be based on the amount consumed for the period covered by the meter readings.

- C. Charge for service commences when meter is installed and connection made, whether used or not.
- D. Readings from different meters will not be combined for billing, irrespective of the fact that said meters may be for the same or different premises, or for the same or different Users, or for the same or different services.
- E. Bills are due when rendered and become delinquent after the due date. A late penalty as specified in Exhibit B, Section 4 will be charged to the Users account. If no payment is received by the 5th of the month following the due date, service will be disconnected, and water will not be restored until the account has been paid in full. Service will be restored the same day if payment is made prior to 2 p.m. If the payment is made after 2 p.m., service will be restored the next day.

(Notes: Meter reading cycle for District No. 1 is between the 15th and 20th of the month.)

(Note: Exhibit B Section 4 changed to 15 percent)

- F. Failure to receive bills or notices shall not prevent such bills from becoming delinquent or relieve the User from payment.
- G. Any customer who has a check or draft returned from any financial institution because of insufficient funds or a closed account shall be charged a service fee as specified in Exhibit B, Section 11 .

XI. SUSPENSION OF SERVICE

- A. Upon discontinuance of service for nonpayment of bills, the deposit will be applied by the District toward settlement of the account. Any balance will be refunded to the User; but if the deposit is not sufficient to cover the bill, the District may proceed to collect the balance in the usual way provided by law for the collection of debts.
- B. Service discontinued by nonpayment of bill or at the voluntary request for suspension by a User will be restored only after bills are paid in full, redeposit made, and pay a service charge as specified in Exhibit B, Section 5, for reinstatement of service.
- C. The District reserves the right to discontinue its service without notice for the following additional reasons:
 - (1) To prevent fraud or abuse.

- (2) Users 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) Strikes, riot, fire, flood, accident or any unavoidable cause.
- D. Any User who cuts the lock off a meter serving his premises or property owned by others without the written approval of the District shall be charged a fee as specified in Exhibit B, Section 7. Said amount shall be paid prior to service re-connection. If the lock is cut a second time, the meter shall be removed and service discontinued.

If the User requests the service to be reinstalled, the tap-on fee in effect shall be paid along with all fees owed for damaged materials, deposit, etc., as required by the District.

XII. COMPLAINTS – ADJUSTMENTS

- A. If the User believes his bill to be in error, he shall present his claim, in person, at the District's 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 User may pay such bill under protest and said payment shall not prejudice his claim.
- B. The District will make special meter readings at the request of the User for a fee as specified in Exhibit B, Section 6 provided, however, that if such special reading disclosed that the meter was overread, no charge will be made.
- C. Meters will be tested at the request of the User upon payment to the District of the fee, as specified in Exhibit B, Section 10, for making the test provided. However, if the meter is found to overregister beyond four (4) per centum of the correct volume, no charge will be made.
- D. 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 User shall pay an amount estimated from the record of his previous bills and/or from other proper data.

- E. Upon request and approval of the District, a User's bill may be adjusted due to a leak as follows: The average of the previous 12 months bills for that User will be used by the District as the basis for determining the amount of credit to be given the User after the leak has been repaired, but not more than one such adjusted bill or credit shall be given for any one meter during any twelve months period of time.

For services installed less than 12 months, the bill will be adjusted to the average of those months of consumption. If there is no previous record of consumption at the service, the User will be billed for the meter reading cycle minimum.

XIII. ABRIDGEMENT OR MODIFICATION OF RULES

- A. 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 authorized representative of the District.

No modifications of rates or any of the rules and regulations shall be made by any agent of the District.

XIV. SEVERABILITY

If any word, provision, paragraph, section or article of these rules and regulations is invalidated by any court of competent jurisdiction, the remaining provisions, paragraphs, sections or articles shall not be affected and shall continue in full force and effect.

XV. ADOPTION OF RULES

Until further order of the Board of Commissioners of this District, the rules and regulations as the same are hereinabove set out are hereby adopted as of the date hereof to become effective on and after _____, _____.

Adopted the ____ day of _____, _____.

Tommy W. Bowen, Chairman

Attest:

Linda G. Hardison

EXHIBIT A
RATE SCHEDULE

Fixed Minimum Charge (includes first 1,000 gallons)	
3/4 Inch Service	\$15.77 per month
1 Inch Service	\$15.77 per month
1 1/2 Inch Service	\$15.77 per month
2 Inch Service	\$15.77 per month
Variable Flow Charge (beyond first 1,000 gallons)	\$2.81 per 1,000 gallons

EXHIBIT B
FEE SCHEDULE

1.	Cash deposit for water service on existing water main	\$ 30.00
2.	Tap-on Fee	
	a. 3/4" Service	\$ 550.00
	b. 1" Service	\$ 700.00
	a. 2" Service	Cost
	Greater than 2"	Cost
3.	Preliminary Extension Fees	
	a. Administration	\$ 150.00
	b. Legal	\$ 300.00
	c. Engineering	\$ 300.00
4.	Late payment penalty	15.00%
5.	Reinstatement Fee	
	a. Cut-off charge	\$ 25.00
	b. First lock removal	\$ 35.00
	c. Second and following lock removals per occurrence	\$ 70.00
	d. Meter reinstallation per occurrence	\$ 100.00
6.	Special Meter Readings	\$ 25.00
7.	Service Tampering	\$ 50.00
		(Plus Actual Cost)
8.	Cut-off charge	\$ 25.00
9.	Cut-on charge	\$ 25.00
10.	Meter Testing	Actual Cost
11.	Insufficient Funds Service Fee	\$ 20.00
12.	Change in Occupancy Fee	\$ 50.00
13.	Fire Hydrants	
	a. Installation	Cost plus 20%
	b. Minimum Deposit	\$2000.00