

**NORTHEAST PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS
66 FLORENCE DRIVE
MOUNTAIN HOME, AR 72653**

RULES AND REGULATIONS

RULES AND REGULATIONS FOR THE OPERATION AND CONDITIONS OF SERVICE OF THE WATER SYSTEM OF THE NORTHEAST PUBLIC WATER AUTHORITY HEREINAFTER, REFERRED TO AS THE “COMPANY”.

DEFINITIONS

APPLICANT: Any individual, firm, partnership, corporation or other agency owning land located within the area, applying for water service.

CONSUMER: Any individual, firm, partnership, corporation or other agency receiving water service.

POINT OF DELIVERY: The point of delivery shall be at the meter, unless otherwise specified in the Water Users Agreement.

SERVICE: The term service when used in connection with the supply of water shall mean the availability of water for use by the Consumer. Service shall be considered as available when the company maintains the water supply at normal pressure at the point of delivery, in readiness for the Consumer’s use, regardless of whether or not the Consumer makes use of it.

WATER USERS

AGREEMENT: The agreement or contract between the Consumer and the Company, pursuant to which water service is supplied and accepted.

WATER

SERVICE: A water service shall consist of facilities for supplying water to one residence or business establishment.

CUSTOMER DEPOSIT: The company is a nonprofit PWA organized under the provisions from the Rules Governing Water Authorities, September 17, 2003, by the Arkansas Secretary of State. Each user must be a member of the Company. The deposit shall be paid by the water user for each service. Each water user deposit shall represent one vote.

NEW ACCOUNT (Service Fee): A fee in the amount of **\$20.00** for the change of occupancy.

CONNECTION

FEE: A fee paid by the Applicant for labor and materials used to connect water service.

GENERAL RULES

1. The Company shall follow the guidelines set forth by the Arkansas Department of Health in their “Rules Pertaining to Public Water Systems”.
2. The supplying and taking of water will be in conformance with these Rules and the applicable rate schedule. Provided, however, that such rate schedule is subject to change with the approval of the Board of Directors or from compliance with ACT 605 of 2021 from the Arkansas Legislature; provided further that if the total amount derived from the collection of water charges is insufficient for the payment of operating the water system.
3. Applications for ¾” service shall be accompanied by a service fee of **\$20.00** and a deposit of **\$70.00**. Applications for 1” service shall be accompanied by a service fee of **\$20.00** and a deposit of **\$300.00**. Applications for 2” service shall be accompanied by a service fee of **\$20.00** and a deposit of **\$500.00**. Applications for 3” service shall be accompanied by a service fee of **\$20.00** and a deposit of **\$800.00**. The service fee will be nonrefundable. The will be maintained in a special account to insure payment of water charges. When service is discontinued, any portion of the deposit remaining after the final bill is paid will be returned to the Consumer. All meter service connections shall each have a separate deposit.
4. Applications for service that are received after the planned construction is started will be accompanied by a connection fee and the deposit as reflected in #3 above.
5. The plumber or Applicant will pay for a plumbing permit if required by state law and abide by the Arkansas State Plumbing Code.
6. Before installing a service connection and providing water available for use, the Company is required by the state law to have a copy of the septic or sewer system approval on all new construction from the Health Department and may require the Applicant to pipe their home and be in readiness to accept service following all code and cross-connection guidelines.
7. The Applicant shall install and maintain, at his own expense, a service line which shall begin at the half union meter setter connection and extend to the dwelling and other portions of their premises. Upstream of this connection, all water appurtenances are the Company’s property, including but not limited to, the meter, meter setter and box.

SERVICE IS FOR SOLE USE OF THE CONSUMER

A standard water service connection is for the sole use of the Applicant or the Consumer, and does not permit the extension of pipes to transfer water from one property to another, nor to share, resell, or sub-meter water to any other Consumer. If an emergency or specific situation should make such an arrangement advisable, it shall be done only on specific written permission for the duration of the emergency.

RIGHT OF ACCESS:

Representatives of the Company shall have the right at all reasonable hours to enter upon Consumers' premises to read and test meters, inspect piping and to perform other duties for the proper maintenance and operation of service, or to remove its meters and equipment upon discontinuance of service by the Consumer. A Consumer shall not install any objects that might hinder access to the Company's property. If the Consumer erects a fence blocking access to a meter box, a gate must be installed no more than 25 ft away. No permanent fixtures shall be installed around a meter box. If the Company must repair or do maintenance on any appurtenance, the Company is only responsible for cleaning, clearing debris, repairing driveways, seeding and strawing the area. Any other fixtures such as, but not limited to, structures, flower boxes, flowers, steps, and cement fixtures will be the responsibility of the home owner.

CONTINUITY OF SERVICE

The Company will make all reasonable efforts to supply continuous, uninterrupted service. However, it shall have the right to interrupt service for the purpose of making repairs, connections, extensions, or for other necessary work. Efforts will be made to notify Consumers who may be affected by such interruption, but the Company will not accept responsibility for losses that might occur due to such necessary interruptions.

The Company does not accept responsibility for losses that might occur due to interruptions to service by storms, lightning strikes, floods, or other causes beyond its control.

METERS

Meters will be owned, inspected, tested and kept in proper operating condition by the Company, without cost to the Consumer. A complete record of tests and histories of meters will be kept. The Company, as often as deemed necessary, will make meter tests according to methods of the American Waterworks Association.

METER ACCURACY

Service meters whose errors do not exceed two percent (2%) fast or slow shall be considered as being within the allowable limits of accuracy for billing purposes. The percentage of error will be considered as that arrived at by taking the average of the error at full load and then at ten (10%) load, unless a consumer's rate of usage is known to be practically constant in which case the error at such constant will be used. It is the Consumer's responsibility to pay for all metered water at the current rate structure. It is not the Company's responsibility to identify the exact usage of the Consumer's water. The Company does not deduct the Consumer's billed water usage for leaks and repairs, however payment plans may be made.

METER LOCATION

Meters shall be set in an accessible place on the outside of buildings except where otherwise directed by the Company. All meters shall be set horizontally and never connected into a vertical pipe. Meters set outside of a building shall be placed in a meter box installed by the Company on private property immediately off of the right-of-way. The meter shall not be located on any easements or right-of-ways. This meter shall remain accessible. A new meter installation will only be installed if the water main is on, or across the street from the Applicant's property and if not, a water main extension will be required to be installed at the Applicant's expense to do so. No meter service lines shall cross any other properties.

COMMERCIAL SPRINKLER SYSTEMS

There will be an annual fee charged for any commercial building that has a sprinkler system throughout their building that does not have a meter. Delinquent fire sprinkler annual dues will be subject to a 10% late penalty on each billing cycle to coincide with our current delinquent water bill policy. The rates are as follows:

SQUARE FEET OF BUILDING	YEARLY COST
0 -----TO-----2,000	\$ 200.00
2,001-----TO-----3,000	300.00
3,001-----TO-----5,000	400.00
5,001-----TO-----15,000	500.00
15,001----TO-----25,000	600.00
25,001----TO-----50,000	700.00
50,001----TO-----75,000	800.00
75,001----TO-----100,000	900.00
OVER 100,001	1,200.00

BILLS

Bills will be rendered for service by the 1st day of the month following that in which the service was rendered as set forth in the rate schedule. Service bills not paid by the 16th of the month shall be subject to a 10% late charge. Failure of the Company to submit a service bill shall not excuse the Consumer from this obligation to pay for the water used when the bill is submitted. Failure to pay a bill by 25 days after the due date in which the bill is rendered, shall result in the disconnection of service. Payment plans can be made by the Consumer at the Company's discretion. Payments may be made with cash or check at the office, by bank draft, or online bill pay. Returned checks or drafts will be charged a fee of **\$30.00** along with the delinquent amount. The delinquent account and fees from returned checks or drafts shall be paid by noon of the next business day, or account will then be subject to an additional **\$60.00** lock off fee and service will be disconnected. Any check or bank draft that has been returned to the Company twice by a Consumer will result in the Consumer being required to pay only by cash or on-line bill pay for debts owed going forward. Any delinquent accounts will be turned into collections 90 days after disconnection of service if account has not been paid. The Company will automatically roll over a delinquent balance, up to a \$10.00, to the Consumer's next month's bill to avoid a lock off of service. Upon Consumer request, the Company will provide one late payment extension of (7) seven calendar days per each Consumer account.

RECONNECTION CHARGE

If the Consumer is delinquent on payment from their water service 25 days after the due date, the water service will be turned off and a lock will be placed on the meter disconnecting service on the following business day after the 25 delinquent days.

The reconnection charge for restoration of service, if reconnection is authorized and approved after each suspension of service from delinquent payment or for other infraction of these Rules, shall be as followed:

1. We must receive payment in full before the opening of the next business day, following the 25 days after the due date. If we have not received payment, a **\$60.00** disconnect fee will automatically be applied to the Consumer's account whether a lock has been physically placed on the Consumer's meter or not. This fee will then be due along with any past due amount before service is restored. If Consumer calls after hours for a reconnect, another **\$50.00** will be added to the total bill.
2. Locks placed on water meters are considered to be the property of the Company. Tampering with said meters are considered destruction of property. In the event that a Consumer, being a new or current one that has been locked off for nonpayment, removes or destroys the lock to gain access to water, they will be assessed a fee in the amount of **\$300.00**, plus the actual expense of repairs and/or replacement of said meter and lock. Also, if locked off for non payment the past due balance will have to be paid in full before the water service is restored.
3. Meters that have been locked off for more than 30 days shall be removed. If the meter is removed because of delinquent payments, the deposit will be applied to the unpaid account upon final billing. If ¾" service is reconnected, the Consumer will pay a **\$350.00** reconnection fee, plus the **\$70.00** deposit. 1" meters removed for delinquent payments if service is reconnected, the Consumer will pay a **\$400.00** reconnection fee, plus the **\$300.00** deposit. 2" meters removed for delinquent payments if service is reconnected, the Consumer will pay a **\$1600.00** reconnection fee, plus the **\$500.00** deposit. 3" meters removed for delinquent payments if service is reconnected, the Consumer will pay a **\$2000.00** reconnection fee, plus the **\$800.00** deposit. All delinquent accounts, after the meter has been removed, will receive a letter stating they have 30 days from the date of the letter to pay off outstanding debt or they will be referred to an outside collection agency or possibly a lien on the Consumer's property may be filed. All delinquent accounts will incur a 40% Administrative Fee before filing the account to the collection agency. New Applicant's will not be subject to pay the previous Consumer's delinquent account, however a new Applicant that has been a previous Consumer after being in arrears and sent to the collection agency, will be required to pay double the current deposit amount before service will be approved and established.

REQUESTED METER TESTS

Meter tests requested by Consumers will be performed without cost to the Consumer if the meter is found to be in excess of two percent (2%) fast. Otherwise the Consumer for whom the requested test was made will be charged a **\$30.00** testing fee.

CONSUMER'S RESPONSIBILITY

The Consumer shall be responsible for any damage they incur to a meter or related appurtenances other than normal wear and tear. The Consumer is responsible for the cost of repairs to the Company's property from damage incurred on their property or easement whether they caused the damage or not. It is also the Consumer's responsibility, not the Company, to find the responsible party that caused said damage.

The Consumer, contractor, etc. must by state law call Arkansas One-Call to request line locations and wait the allotted time until indication that all utilities have been marked. Repairs will be charged to the responsible party if lines were marked properly within 18" of either side of the line or caused from negligent construction. The Consumer, contractor, etc., which cause damage to our water lines, meters or related appurtenances, shall be held responsible for repair costs.

CHANGE OF OCCUPANCY

It shall be the Consumer's responsibility to anticipate changes of occupancy and to notify the Company of such changes: otherwise, the original Owner shall be responsible for payment of service. Any credit balance due for a Consumer on a deposit will be refunded. For any change of occupancy the new Applicant will be required to show proof of ownership or residency, such as a Warranty Deed, Tenant Agreement, or any other document at the Company's discretion, and pay all applicable fees and deposits before service can begin.

CONSUMER HAS THE FOLLOWING OPTIONS AVAILABLE WHEN CHANGES IN OCCUPANCY OCCURS:

1. **OWNER OF PROPERTY: SELLS PROPERTY**

If ¾" account is paid up-to-date, the deposit is refunded after the new Applicant pays a \$20.00 service fee, and a \$70.00 deposit, a total of \$90.00. If 1" account is paid up-to-date, the deposit is refunded after the new Applicant pays a \$20.00 service fee, and a \$300.00 deposit, a total of \$320.00. If 2" account is paid up-to-date, the deposit is refunded after the new Applicant pays a \$20.00 service fee, and a \$500.00 deposit, a total of \$520.00. If 3" account is paid up-to-date, the deposit is refunded after the new Applicant pays a \$20.00 service fee, and a \$800.00 deposit, a total of \$820.00.

2. **OWNER OF PROPERTY: SELLING PROPERTY**

Owner agrees to continue monthly payments until property is transferred. When ¾" Property is transferred, the previous Owner's deposit is refunded and the new Applicant pays a \$20.00 service fee, plus a \$70.00 deposit, a total of \$90.00. When 1" property is transferred, the deposit is refunded after the new Applicant pays a \$20.00 service fee, and a \$300.00 deposit, a total of \$320.00. When 2" property is transferred, the deposit is refunded after the new Applicant pays a \$20.00 service fee, and a \$500.00 deposit, a total of \$520.00. When 3" property is transferred, the deposit is refunded after the new Applicant pays a \$20.00 service fee, and a \$800.00 deposit, a total of \$820.00.

3. **OWNER OF PROPERTY: DOES NOT WANT TO PAY MONTHLY BILL**

WHILE WAITING FOR PROPERTY TO SELL.

- A. Meter is removed and deposit is refunded.
- B. If $\frac{3}{4}$ " service is desired again, the present owner of the property must pay a \$350.00 reconnection fee, plus a \$70.00 deposit regardless of length of time the meter has been removed, a total of \$420.00. If 1" service is desired again, the present owner of the property must pay a \$400.00 reconnection fee, plus a \$300.00 deposit regardless of length of time the meter has been removed, a total of \$700.00. If 2" service is desired again, the present owner of the property must pay a \$1600.00 reconnection fee, plus a \$500.00 deposit regardless of length of time the meter has been removed, a total of \$2100.00. If 3" service is desired again, the present owner of the property must pay a \$2000.00 reconnection fee, plus a \$800.00 deposit regardless of length of time the meter has been removed, a total of \$2800.00.

4. OWNER OF PROPERTY: RENTS PROPERTY

The Owner must be current on their account, with no outstanding balance, before property can be transferred to a Tenant. After the Tenant has transferred the property in their name, the Owner will then be responsible to pay their final bill up-to-date to avoid interruption in their Tenant's water service. Owner pays a \$20.00 service fee plus a \$70.00 deposit for a $\frac{3}{4}$ " account, a total of \$90.00. Owner pays a \$20.00 service fee plus a \$300.00 deposit for a 1" account, a total of \$320.00. Owner pays a \$20.00 service fee plus a \$500.00 deposit for a 2" account, a total of \$520.00. Owner pays a \$20.00 service fee plus a \$800.00 deposit for a 3" account, a total of \$820.00. The deposit is only refundable when the owner sells the property. Service fees are not refundable. The Owner is responsible for the water bill when the house is vacant if meter has not been removed. If Owner has multiple rentals, a separate deposit shall be required for each meter service. If Tenant has been locked off from a delinquent account for more than 30 days, the Tenant account will then be discontinued, the Tenant's deposit will be credited to the delinquent account, and the account will then transfer back to the Owner's account which will then be the Owner's responsibility. If Tenant wants service restored in their account, they will be required to pay up-to-date all debt owed, plus a new deposit amount with a new Applicant's application. The Company will notify the Owner of a delinquent Tenant account before it is transferred back to the Owner's account. The Owner, if account was transferred into the Tenant's name, will not be responsible for a delinquent balance left from a Tenant.

5. TENANT RENTING FROM OWNER

Tenants pays a \$20.00 service fee plus a \$150.00 deposit for a $\frac{3}{4}$ " account, a total of \$170.00. Tenants pays a \$20.00 service fee plus a \$300.00 deposit for a 1" account, a total of \$320.00. Tenants pays a \$20.00 service fee plus a \$500.00 deposit for a 2" account, a total of \$520.00. Tenants pays a \$20.00 service fee plus a \$800.00 deposit for a 3" account, a total of \$820.00. The deposit will be applied to the last month's bill after the final reading of the meter after Tenant vacates the property. If account is up-to-date, the balance of the deposit will be refunded to the Tenant. The service fees are not refundable. If Tenant has been locked off from a delinquent account for more than 30 days, the Tenant account will then be discontinued, the Tenant's deposit will be credited to the delinquent account, and the account will then transfer back to the Owner's account which will then be the Owner's responsibility. If Tenant wants service restored in their account, they will be required to pay up-to-date all debt owed, plus a new deposit amount with a new Applicant's application. The Company will notify the Owner of a delinquent

Tenant account before it is transferred back to the Owner's account. The Owner, if account was transferred into the Tenant's name, will not be responsible for a delinquent balance left from a Tenant.

- A. If Owner wishes to leave the account in their name and be responsible for the Tenant's account, the Owner/Tenant Authorization Form must be signed by both Consumer and Applicant.

NOTE: Service fees are NON-REFUNDABLE.
Deposits are refundable on an up-to-date account
Deposits vary depending on meter size
All monetary figures used herein are subject to change by the Board of Directors, at its discretion.

WATER MAIN EXTENSION

1. A set of plans designed by an engineer for a water main extension shall be presented to the Manager or Board of Directors of the Company for their approval. The Applicant or developer is required to grant a minimum of a 15 ft utility easement on said plans that extends to the adjoining property. The Company requires that the final plans be signed by the Manager of the Company before recorded at the clerk's office or submitted the Arkansas Department of Health for their approval. Water main extensions must be the same size or larger than the existing water connection, unless otherwise approved by the Company.
2. After plans have been approved, the Applicant or Developer agrees to install all labor and materials according to the Company's current specifications and will warranty this installation for one year from the acceptance date. All materials, labor, expense and inspections are to be performed by a licensed Contractor and independent licensed Inspector, and solely paid for by the Applicant or Developer.
3. If during the warranty year after the acceptance date, another Applicant desires to receive water service from this line, the Applicant shall receive the written approval from the owner of the said line and submit the approval to the Company.
4. After the one year warranty period expires, the extension will become the sole property of and maintained by the Company. The Company, at that time, then cannot refuse any new Applicants.

SERVICES

The Company will install a service line not less than 3/4" in size, a corporation stop, saddle, meter, meter setter, box, and an AMR radio including labor for a connection fee. The meter will be set in front of the premises to be served or at the closest point as designated by the Company. If the main to which the service line is to be connected is not on the same side of the road that the meter will be set on, there will be an additional road crossing fee assessed that is to be paid by the Applicant.

APPLICANTS HAVE EXCESSIVE REQUIREMENTS

In the event an Applicant whose water requirements are found to exceed the Company's ability to supply from the existing system without adversely affecting service to other Consumers to an unreasonable extent, the Company will not be obligated to render such service, unless and until suitable self liquidating financing is arranged to cover necessary investment in additional system.

CONNECTION WITH PRIVATE WATER SYSTEM

There shall be no physical cross-connection between any private water system and the water system of the Company. Representatives of the Company shall have the right at all reasonable hours to enter upon a Consumer's premises for the purpose of inspection and enforcement of this provision. Violation of this provision shall constitute cause for disconnection of a Consumer's service.

ADDITIONAL PROVISIONS

These rules and regulations are subject to change from time to time. If a provision of the Rules and Regulations conflict with a provision of the rate schedule, the provision of the rate schedule will prevail.

If any portion of these Rules and Regulations shall be declared invalid by a competent authority, such voidance shall not affect the validity of the remaining portions.