

**V.A.W. WATER SYSTEM, INC.
SERVICE RULES & REGULATIONS**

SCHEDULE OF RATES, RULES AND REGULATIONS FOR WATER SERVICE FROM THE V.A.W. WATER SYSTEM, INC. AS SET FORTH BY THE BOARD OF DIRECTORS.

- I. AREA TO BE SERVED The Water System is incorporated under the laws of the State of Alabama. Water is furnished to customers in all or part of the following counties: Cullman, Morgan, Winston and Lawrence.
- II. WATER RATE SCHEDULE Water Rates will be set by the Board of Directors, and with the approval of U.S.D.A./Rural Development and/or any other financial lending institution if required. Rates are subject to change to accommodate inflation and/or a project cost. No discounts will be given; all water will be billed monthly. **WATER RATES CAN ONLY BE CHANGED** with the prior approval of the Board of Directors and financial lending institutions when required.
- III. RULES AND REGULATIONS Hereinafter the V.A.W. Water System, Inc. will be referred to as the “Water System.” Hereinafter the words “consumer or customer” will mean the person who is responsible for the payment of the water bill.

A. APPLICATION FOR CONNECTION TO WATER SYSTEM MAINS

- 1) Connection with the mains of the Water System may be made upon the written application of the owner of the premises to be supplied with water (or his duly authorized agent), all items in Section B will apply. Upon compliance by the applicant with the Rules & Regulations of the System and after approval of the application by the System, the applicant will be required to sign a water user’s agreement. The rates, and the Rules & Regulations are to be made a part of each water user’s agreement by reference.
- 2) When a new tap is requested, payment for the installation must either be made in full, or a finance agreement signed and in place. The cost of meter taps vary depending on the size of the meter. These charges are set by the Board of Directors. Meter taps will generally be set within 30 days. The Owner is bound by and must comply in all aspects to the Water Systems Rules and Regulations, as defined herein.
- 3) The Water System reserves the exclusive right to tap or install connections in its water mains and it shall be unlawful for any plumber or any other person to introduce a ferrule or other fixture into the Water System’s water mains, except as expressly provided for in these Rules and Regulations.
- 4) No plumber or any other person shall attach any fittings, fixtures or appliance to any water service connected to the Water System’s water mains, change location thereof, or in any manner alter or interfere with any water service connected with the Water System, without first having obtained written permission from the Water System.

5) Should any Owner or other person, in making a connection of the Consumer's service line, or in shutting off water at the curb stop, damage any property of the Water System, such person shall pay the cost thereof immediately.

6) All meters will be furnished by the Water System and will remain its property and be made accessible to the Water System at all times, and will be subject to the control of the Water system. All meters shall be conveniently located at a point selected by the Water System.

7) Once a meter and service line are set for a specific 911 address, it remains with that address always. It may not be removed, except by V.A.W. personnel, upon the direction of the Water System. (Revised 09/15/09)

8) Life Support: If any person living at the service address is on life support; annual documentation must be provided to the System for exempt status.

B. APPLICATION FOR WATER SERVICE TO BE TURNED ON

1) Upon written application, and the signing of the Water Users Agreement by the consumer to activate an existing water service, the water will be furnished within 48 hours (excluding weekends and holidays). A non-refundable new service fee will be collected prior to the turn on of any existing service. The Consumer will be bound by the Water System's Rules and Regulations, as defined herein, and amended by the Water System's Board from time to time. (Revised 09/15/09)

2) In order to apply for water service, applicant must present the following items at the time of application: 1) Proof of ownership of said property by copy of deed or other item showing applicants name and service address. Or, copy of lease and/or Rental Verification Form, if applicant does not own property. 2) The 911 address for the service; 3) Social security number(s); 4) Valid U.S. picture identification (preferably a Driver's License). If applicant does not have the proper documents, the account must be placed in the Owner's name (04/20/10).

3) The Consumer, by making application to be supplied with water by the Water System agrees to pay at the regular schedule of rates and to comply with the Rules and Regulations governing the service to Consumers of the Water System as such rules then exist or may thereafter be modified. The Consumer shall pay the charges for water service to the premises at the office of the Water System in any manner of payment acceptable by the Water System. The Water System may discontinue the water service to any service location for failure by the Consumer to comply with the Rules and Regulations governing the water service to Consumers of the Water System.

4) No water service shall be established for any service location until all outstanding charges for any applicant are paid in full. On rental property, the account must be placed in property owners name as long as outstanding debt is present on account. (04/20/10)

5) A contract for service for a corporation shall be executed by an authorized officer of the corporation. A contract for service for a limited liability company shall be executed by a member or manager of the limited liability company. A contract for services for any commercial entity including a corporation or limited liability company shall be signed by an individual or individuals who shall be held personally responsible for the account. (Revised 09/15/09).

6) All meters will be furnished by the Water System and will remain its property and be made accessible to the Water System at all times, and will be subject to the control of the Water system. All meters shall be conveniently located at a point selected by the Water System.

7) Life Support: If any person living at the service address is on life support; annual documentation must be provided to the System for exempt status.

C. ADDITIONAL

1) No faucet or hose shall be connected directly to a meter or meter coupling. A private water lateral connecting directly to a meter or meter coupling must be extended a minimum of ten (10) feet from the meter before a faucet may be attached.

2) If application is being made for a subdivision, the Owner must obtain and follow the "Subdivision Policy" as set by the Board of Directors.

3) All other applications for service should be followed as outlined in sections 1 or 2.

D. CHANGE IN TENANCY OR SERVICE

1) The Owner of rental property may apply for a "Landlord Agreement" which would allow them to have the service put in their name, after a tenant leaves, without completing new paperwork. They must have current paperwork on file with the Water System and the appropriate fees may be added to his monthly bill. (Revised 09/15/09)

2) A Consumer who is transferring from one service to another must make a new application for the new service. The old service must be locked within seven (7) days in order for this to be considered a transfer. Otherwise, it will be considered a new service. The appropriate fees will apply.

The Consumer's old account must be current. If the final bill is not paid by the delinquent date, the balance will be transferred to the new account as a past due balance.

E. METERS

1) Each **domestic** water service on or after October 1, 2009 shall serve a single 911 address and that address only. Separate facilities occupying the same lot may be served by a common service as long as they are **all for domestic use**. See Section F on how these will be billed. (Revised 09/15/09).

All other services, other than domestic, shall be served by a separate meter.

2) The Water System will furnish and maintain at its own expense all the necessary fittings, pipe and fixtures including the meter and meter boxes to deliver water to the consumer's pipeline, at a point to be determined by the Water System. All such fittings, pipes and fixtures, including the meter and meter boxes will remain the sole property of the Water System and under its control and will be made accessible at all times.

3) The service line from the meter to the Consumer's premises will be laid and maintained by the applicant at his/her own expense . The line will be of ample size, of a weight and quality standard for such use. The Consumer will install a cutoff valve and a regulator and will maintain the same in good order and condition.

4) The consumer's responsibility begins at the point where his/her service line makes connection with the meter. The Owner shall maintain his service line and fixtures. The Owner shall be responsible for any damages caused by failure to maintain his service line properly and he shall hold the Water System harmless for all claims, damages, or any other liability that might be caused by failure to maintain his service in satisfactory condition.

Should the Owner fail to repair his service line within a reasonable amount of time when notified by the Water System that repairs are needed, the Water System may shut off the water at the main. A service charge shall be made to cover the cost of shutting off the water, and the water shall not be turned on again until the necessary repairs to the service line have been made.

All damage to water services, mains, meters, meter boxes, lids, interface units, hydrants or other property caused by negligence of any Consumer or by negligent or improper work on property of a consumer may be charged to such consumer and may be billed to such consumer with his regular bill and shall be due and payable at the same time as the water bill. Failure to pay for such damages shall be good and sufficient reason for the Water System to discontinue service and not to restore same until the consumer has complied with all rules and regulations governing service to water consumers of the Water System, including the payment of charges for such damage, cost of collection, and attorney's fees, if applicable. (Revised 09/15/09)

5) As necessity may arise the Water system shall have the right to temporarily turn off the water supply in order to flush lines, make repairs, connections, etc. In such case, the Water System shall not be liable for any damage to either person or property. (Revised 09/15/09)

From time to time Fire Departments do pressure and flow tests on hydrants. These tests are not associated with the Water System. These tests may cause interruption in service along with a change in water pressure and/or color. The Water System shall not be liable for any damage to either person or property. (Revised 09/15/09)

The Water System shall not be liable for any claim against it at any time for interruption in service, lessening of the supply, inadequate pressure, or a poor quality of water.

6) The Water System shall have the right to reserve a sufficient supply of water at all times in its reservoirs to provide for fires and other emergencies, and may restrict the quantity of water used by Consumers in case of scarcity, or whenever the public welfare may require it. In such cases, the Water System will follow the Board approved Conservation Plan for V.A.W. and such plan or plans adopted by the Water System's supplier(s). (Revised 09/15/09)

7) Property owners will be held responsible for any damage done to meter, meter boxes, lids, meter interface units, locks, etc., due to negligence, vandalism, or damage done by any person, tenant or contractor on behalf of the owner.

F. MULTIPLE WATER CONSUMERS ON AN INDIVIDUAL LOT

1) The Owner of a building used as a dwelling or apartment house for more than one family may connect such building or apartment house to be serviced by a single meter and will be billed as a multiple hookup based on the number of units (occupied or not). In such a case, the application for service shall be made by the Owner or his duly authorized agent and the bills for water shall be paid by the Owner. (Revised 09/15/09)

2) The Owner of building(s) used for commercial or agricultural reasons may connect such buildings to be serviced by a single meter service for which one monthly charge shall be paid (as long as the owner/operator is the account holder or their spouse. If not, service will be billed as a multiple hookup as stated above (occupied or not). In such a case, the application for service shall be made by the Owner or his duly authorized agent and the bills for water shall be paid by the Owner. (Revised 09/15/09)

3) Where two or more dwelling (occupied or not) are on the same plat of land, with the same 911 address are supplied by a single water service, the applicant will be billed as a multiple hookup according to the number of residences hooked to it. A consumer may not run a service line from one 911 address to another 911 address where a meter is located. (Revised 09/15/09)

4) Where two or more consumers on the same platted lot are supplied by a single water service, with the approval of the Water System, and where the consumers desire to contract separately for the water furnished, or new service is required for an additional structure, the owner at its own expense shall apply for a new tap and meter service. This will be done as outlined in Section I, and will require a separate 911 address.

5) A separate water service and meter are required for each individually owned and platted lot and, in the case of individually owned townhouses or condominiums on a commonly owned lot, a separate meter is required for each unit.

6) All meters will be furnished by the Water System and will remain its property and be made accessible to the Water System at all times, and will be subject to the control of the Water system. All meters shall be conveniently located at a point selected by the Water System.

The consumer will notify the water system of any damage to or the non-workings of any meter immediately. Should the water meter fail to register the total amount of water consumed, the consumer shall pay for such period an estimated amount based upon consumption in a similar period.

On request, the Water System will test any meter through which the consumer is receiving service. If the meter is not over-registering the flow of water by more than 3%, the meter shall be considered to be accurate and the cost of the test will be charged to the consumer. The cost shall be determined by the Water System, but shall not exceed the actual cost of making the test. Any adjustment necessary on account of inaccuracy of a meter shall extend over a period not to exceed thirty (30) days prior to the date of such test. (Revised 09/15/09)

6) No water meter or curb stop shall be enclosed within a fence, wall or other structure so as to deprive the Water System of immediate and ready access thereto. Items shall not be placed on top of meter boxes to prevent immediate and ready access. If the consumer fails to provide ready access at all times to the employees of the Water System, the water may be turned off and will not be turned on until full compliance has been made with all rules and regulations governing water service to water consumers of the Water System. (Revised 09/15/09)

NOTE: In all the above cases, it is the sole responsibility of the customer to inform the Water System when a residence is no longer on the property and the line has been capped off. The customer will be given a confirmation number when this is done (this is your proof that you notified us. A work order will be issued to verify before the number of Classes will be changed on the account. Credits will not be given for failure to notify the Water System. (Revised 02/24/10)

G. PAYMENT OF WATER BILLS

1) All bills for water service will be rendered monthly and shall become payable at the Water System on the mail date of each cycle. Failure to receive bills will not release the Consumer from indebtedness to the Water System. Failure to receive bills will not be cause to waive late fees or shut off dates.

Water bills are mailed at set times each month. The bills are due and payable on mail date of each cycle and are considered delinquent 20 days from the mail date. Bills not paid by the penalty date are subject to a ten percent (10%) penalty of the amount of the current charges on the bill. Any amount due the water system that remains unpaid after forty (40) days from the mail date will be disconnected without further notice. A service charge will be added to the customer's amount due for the disconnection of the service. The water meter will be locked and a notice placed inside the meter box. This notice will explain the charges owed by the customer that must be paid for the meter to be unlocked and service re-established. (Revised 12/15/16)

2) Whenever a service is discontinued for nonpayment and a consumer request that the service be restored, a re-connection fee (amount to be determined by the Board of Directors), a collection fee

(if applicable), and any other charges owed must be paid before service is restored.

3) Consumers may request additional time to pay their bill by contacting the Water System office and requesting a reference number. Reference numbers will be given based on the customer's current account status, and will be looked at on an individual basis. This can only be done prior to the service being locked for nonpayment. (Revised 12/15/16)

4) Whenever service is discontinued, whether by request or not, and a final bill has been rendered and remains unpaid beyond the authorized limits for payment, the bill may be sent to a collection agency. Should the consumer subsequently be found to have water service at another location: A letter will be sent requesting payment of the old debt. If not paid within ten (10) days, then the unpaid bill shall be made an item of charge against the consumer at his/her new address. The unpaid bill will be added as a prior balance and payable as such. As a prior balance, it is subject to disconnection as stated above in item 1. An unpaid bill may be discovered by name, social security number, or other methods used by the Water System. Property owners may not open additional accounts or let others open accounts until all prior charges incurred by the property owner have been paid in full. (Revised 09/15/09)

5) If a consumer's check, bank draft or other method of payment, is returned to the Water System unpaid, the consumer will be contacted using the information provided on the application. Once contacted the consumer will be given 3 days to make payment on the returned item, plus a returned check fee. If payment is not received within 3 days, the service will be discontinued. If the service is discontinued, all charges owed, plus any additional charges will need to be paid before service will be re-instated. (Revised 09/15/09)

If the Water System is unable to contact a customer, the System may discontinue service (lock the service) in order to encourage customer to contact the V.A.W. office. If the service is discontinued, all charges owed, plus any additional charges will need to be paid before service will be re-instated. (Revised 09/15/09)

If the Water System receives a payment back that included a shut-off service charge, and the payment was received prior to being locked, the Water System will only give customer 48 hours (once contacted) to make payment on the item, plus any additional charges. If the customer cannot be contacted or payment is not received within 48 hours, the service will be discontinued, and all charges owed, plus any additional charges will need to be paid before service will be re-instated. (Revised 09/15/09)

Consumers on Bank Draft are treated the same as cash. Consumers who have three checks returned unpaid within a 12 month period will be placed on a cash only basis. Unpaid checks returned by bank are subject to be sent to the District Attorney's office for collection and payment must then be made to the District Attorney's office and are subject to fees imposed by the District Attorney's office.

6) Upon the consumer's request, the Water System may establish an extended payment schedule where the consumer has received a bill for abnormally high water usage or under other appropriate circumstances as determined by the Board. In such cases, a 20% initial payment will be required immediately upon establishment of the payment schedule. The remainder shall be paid in monthly payments of no less than 1/12 of the remaining amount due. Only one extended payment schedule will be granted to a consumer in any 12 month period. The extended payment may be adjusted for subsequent events under appropriate circumstances to be determined by the Water System Board. Failure to pay any installment shall be subject to discontinuance of service until the entire balance is paid in full. (Revised 09/15/09)

H. USE OF HYDRANTS

1) No person, except an employee of the Water System, shall take water from any hydrant for any purpose unless specifically permitted in writing by a duly authorized representative of the Water System.

In order to request permission to draw water from a hydrant, an unauthorized person must apply in person at the Water System with information concerning the specific location of the hydrant, and pay for the installation and removal of a hydrant meter to be attached by Water System personnel. The meter will be read and billed accordingly. NOTE: Filling a pool using a hydrant is STRICTLY PROHIBITED. (Revised 09/15/09)

I. CROSS CONNECTION AND BACK FLOW PREVENTION

1) EVERY APPLICANT SHALL COMPLY WITH THE WATER SYSTEM'S CROSS CONNECTION AND BACK FLOW PREVENTION POLICY.

J. UNAUTHORIZED CONNECTION (revised and approved on 07/25/06)

Persons found connecting to the Water System without following the Rules & Regulations (including those services discontinued) will be fined and/or criminal charges may be filed.

After two (2) unauthorized connections (in a twelve month period) to the System, the entire service may be disconnected from the water main. In order to establish water service again at this same location, the customer will be required to apply for a new connection to the Water System mains as outlined on page 1. This will include paying all appropriate fees and charges due V.A.W., incurred by the original service.

Unauthorized connections consist of, but are not limited to the following: Locks being removed from the curb stop by any person not authorized to do so. Curb stops being tampered with to allow water flow, with a lock on. Unauthorized persons connecting to hydrants. (Revised 09/15/09)

At times, it is difficult to determine who created the unauthorized connection. It is V.A.W.'s policy to charge the person(s) who would benefit the most from connecting to the water supply. This may be a new tenant, a property owner (or their agent). If a meter is found to have been

tampered with, it will be re-locked (secured) and a notice placed in the meter box. All fees/fines will need to be paid before the meter will be allowed to be active. All meters are checked each month to insure locks are in place and readings have not changed. (Revised 09/15/09)

K. ADDITIONAL GROUNDS FOR DISCONTINUING WATER SERVICE

In addition to the foregoing rules and regulation, the Water System shall have the right to discontinue water service to any consumer for any of the following reasons:

- 1) Misrepresentation of any facts in application.
- 2) Willful or negligent waste of water through improper or imperfect service pipe, fixtures.
- 3) Damaging any service pipe, meter, curbs stop, lock seals or any other appliances of The Water System controlling or regulating the water supply.
- 4) Vacancy of premises
- 5) Where the consumer does any act or attempts to do any act with malicious intent to injure or deface any of the equipment or facilities of the Water system, or where the Water System has good reason to believe that the consumer is violating any of the Water System's rules and regulations.
- 6) Failure to update paperwork as requested
- 7) Violating any rules or regulations of the Water System
- 8) Failure to notify Water System of additional dwellings/business' connected to same meter. (Revised 09/15/09)

IV. AGREEMENTS OR REPRESENTATION BY AGENTS OF THE WATER SYSTEM

NO employee or agent of the Water System will have the authority to bind it by a promise, agreement, or representation in violation of these Rules & Regulations.

V. REFUSAL OF SERVICE

The Water System reserves the right to refuse to make a new connection when the load being carried by the Water System is such that further additional connections would adversely affect the quality of service being rendered to the then present customers.

VI. CONSUMER REQUEST FOR CONSTRUCTION

In the event of a request by a consumer or group of consumers for upgrading V.A.W. Water lines for fire protection, or other project developments which would benefit these consumers only, the following will apply:

It is the policy of the V.A.W. Water System, Inc. that the Consumer or Consumers, must bear the entire cost of construction, including but not limited to: The cost of *materials; the current cost of digging (as posted on the current list of charges) and, a rock clause will be added. All lines must be a minimum of 36 inches, and the consumer must pay for the installation of a Fire Hydrant to be installed, if necessary, to keep with current policies. All materials must meet the required

specifications of the Water System prior to the beginning of construction. All construction is subject to the inspection of V.A.W. (at any time) and must meet all System specification. (*Materials may be ordered and purchased thru V.A.W. at cost, plus a 10% handling fee.)

The Consumer or Consumers must furnish all necessary permits, and easements prior to the start of any construction. The cost of such construction and materials is non-refundable, and must be paid in full prior to the start of work. The Water system will own and maintain all new construction.

If Consumer gets their own Contractor (who must be Certified, Bonded and Licensed) in lieu of waiting for scheduled time with the V.A.W. crew, the Consumer would be responsible for maintaining the line for one (1) year.

Projects on the Water System's five year plan as of November 5, 2001 are excluded.

The foregoing notwithstanding, the Water System reserves the right to make or amend the Rules & Regulations of the Water System from time to time, without notice to the Consumer. The Consumer agrees to abide by such changes.

Approved with revisions on April 20, 2010 by V.A.W. Board of Directors.

Last Revision 12/15/2016