

**Water
SERVICE RULES
OF THE
MILFORD MUNICIPAL UTILITIES**

Milford Municipal Utilities

Amending and Replacing Prior Versions of the Utility's Service Rules

Effective July 18, 2022

Revised Date: 3/20/2023

Mike Anderson

Chairperson

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DIVISION ONE - PURPOSE AND APPLICABILITY

SECTION 1.1 HISTORY AND PURPOSE

Pursuant to an election held on the 11th day of October, 1909, there has heretofore been established a municipal waterworks system in and for the City of Milford, Dickinson County, Iowa hereinafter referred to as the “City”; and

Pursuant to an election held on the 1st day of February, 1934, there has heretofore been established a municipal waterworks system in and for City of Milford, Dickinson County, Iowa; and

Pursuant to an election held in the year 1935, the management and control of the Milford Municipal Utilities Water System has been in the hands of a Board of Trustees (hereafter referred to as the “Board”); and

Pursuant to an election held in July of the year 1996, the Board of trustees was increased in membership from three members to five members.

These service rules (“the rules”) have been adopted by the Board of Trustees of the Milford Municipal Utilities. 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 the operation of the Milford Municipal Utilities Water System. Where a rule cannot be reasonably applied to a specific situation, the Board of Trustees 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 Board of Trustees refer to applicable resolutions or ordinances adopted by the utility's Board of Trustees (“the Board”).

Special terms and conditions (including exceptions to the provisions of rules) may be established where water is used by the Utilities or the community for public purposes, including fire protection or other governmental uses for the benefit of the community.

SECTION 1.3 DEFINITIONS

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

- a. “Backflow” means the undesirable reverse flow of used water, contaminants or pollutants into the public drinking water supply as a result of a cross-connection.

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- b. "Backflow Preventer" means a device or process that prevents impurities or contaminants from being drawn into the public drinking water supply.
- c. "Complaint" means a statement or question by anyone, whether a utility customer or not, alleging a wrong, grievance, injury, dissatisfaction, illegal action or procedure, dangerous condition or action, or utility obligation.
- d. "Cross-connection" means any actual or potential connection between the public drinking water supply and a source of contamination or pollution.
- e. "Customer" means any person, firm, association, or corporation, any agency of the federal, state or local government, or legal entity directly benefiting from water service. Customer includes other adult persons occupying the residence who receive the benefit of the water service provided by the utility.
- f. "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.
- g. "End User" (subject to the exceptions below) for purposes of the End User Charge, means a person, property that ultimately uses or is intended to use water originating from the Milford Municipal Utilities' Water System. However, this definition of "End User" will not be applied to individual residents in the case of nursing homes, assisted living facilities, hotels, or other properties with separate sleeping quarters and common cooking or other facilities.
- h. "End User Water Service" for purposes of the End User Charge, means water service to the End User.
- i. "End User Water Service Availability" for purposes of the End User Charge, it means having pressure within the service line from the water main to the water meter or the curb stop. If the structure, building or premises is gone and the water is turned off at the curb stop, water service is still available for purposes of this definition. To remove the End User water service availability to a structure, building or premises, water must be discontinued at the water main with the removal of the customer's appurtenances, corporation stop and or tapping saddle, and repaired with a stainless-steel repair sleeve at the cost of the End User.
- j. "Master Meter" means a single meter used in determining the amount of water provided to all End Users behind that master meter, including a multioccupancy building or multiple buildings of End Users behind the master meter. Please refer to the definition of End User above for exceptions.
- k. "Meter" means a device that measures and registers the use of water.
- l. "Service Line" means the water line running from the main to the water meter. The tapping saddle and the corporation are part of the service line. See diagram included in the attachments to this document.
- m. "Timely Payment" means 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 a payment charge to the current bill or future collection efforts.
- n. "Water Utility" or "utility" means the Milford Municipal Utilities and all of the facilities it owns and uses for producing, transmitting, and distributing water.

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DIVISION TWO – SERVICE CHARACTERISTICS

SECTION 2.1 GENERAL SERVICE CONDITIONS

The Utility supplies customers with water from the Utility’s water mains using meters owned by the Utility. The customer or property owner must install, own, and maintain the water service line from the water main to the water meter in accordance with these rules. The Utility will transmit and distribute water through the Utility’s service lines to points within its service area but the Utilities shall not be required to make or install the utility infrastructure necessary for such installations unless the customer pays the Utility the entire cost of providing service, including all costs for the installation of the infrastructure. A person applying for service and requiring a service line extension shall be required to deposit sufficient funds with the Utility prior to constructing utility infrastructure or providing service. All service line extensions shall be evidenced by a contract signed by the Utility and the person advancing funds for said extension, but for such period as the Utilities remains indebted to the United States for loans in regard to providing water service each contract shall be null and void unless approved by the Farmers Home Administration or its successor agencies. All decisions in connection with the manner of installation of any extension and maintenance thereof shall remain in the exclusive control of the Utility and such extension shall be the property of the Utility and no other person shall have any right, title or interest therein.

Any person who excavates, or hires an excavation company, for purposes of installing or maintaining the customer-owned portions of the system shall comply with all applicable laws, including rules and regulations adopted by the federal Occupational Safety and Health Administration (OSHA), the Environmental Protection Agency (EPA), the Iowa Department of Natural Resources (IDNR), and any applicable local ordinances or other requirements. The person excavating, including both the customer and the contractor hired by the customer, shall be liable for any and all damages caused by the excavation, including all acts, omissions, or other negligence in the course of the excavation. The contractor or other person engaged in excavation shall, prior to any excavation, file proof of insurance with the Utility and shall not begin any excavation until receipt is acknowledged by the Utility.

The Utility may reduce service to existing customers or may refuse service to persons, not presently customers, if in the sole discretion of the Utility the capacity of the Utility’s facilities will not permit such service or if the provision of service to any person would have an adverse impact on the Utility’s source water, treatment, transmission, or distribution system, other utility infrastructure, service quality, or rates and charges. The Utility may provide service on a contract basis with persons whose type or quantity of use for service is unusual. The Utility may also refuse service to persons outside the city limits of the City of Milford unless those persons agree to annexation by the City when

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the corporate limits of the City or other customers of the Utility are nearby or adjacent to the property that is to be served. The Utility provides service pursuant to either these rules or on a contract basis with certain customers, and as a condition of receiving service, each customer of the Utility, including customers living outside the corporate limits, must comply with all rules, regulations, and terms of service established by the Board of Trustees for the operation of the water system whether such rules, regulation, and terms are specified in these rules, in a contract, or in a resolution of the Board. Any agreement relating to annexation run with the land and shall be filed with the Dickinson County Recorder's Office, becoming a part of the chain of title to the real estate and shall be finding on all future owners and assigns of the property. The Utility may waive a rule or requirement of service in its sole discretion when necessary to obtain easements.

SECTION 2.2 ENGINEERING PRACTICE – NON-LIABILITY TO CUSOMERS

The Utility's facilities and service infrastructure shall be constructed, installed, maintained and operated in accordance with all applicable laws and regulations and with generally accepted good engineering practice in the water supply industry.

All customer installations of water service lines, infrastructure or equipment shall comply with both the Code of Ordinances of the City of Milford and with all applicable service requirements of the Utility. The Utility reserves the right to inspect all such customer installations as a condition of and before initiating service.

The Utility shall make all reasonable efforts to eliminate interruption of service, and when such interruptions occur will endeavor to re-establish service with the shortest possible delay. Whenever the service must be interrupted for purposes of system maintenance, the Utility will make a good faith effort to timely notify all persons affected by such interruption whenever it is possible to do so. Such notification may be by a note on the premises, by phone or email, by publication in a local newspaper, or by public announcement on the Wireless Emergency Network System.

The Utility shall in no event be liable for any claims or damages related to the provision of water service, including all routine or emergency maintenance as well as cessation or interruption of service due to a failure or repair of the system's facilities No person shall be entitled to damages or to a bill credit or refund for any interruption of service which in the sole discretion of the Utility was deemed necessary.

2.2(1) Water Service Standards

All service lines and equipment, whether owned or installed by the Utility or the customer, including all underground piping, services and connections made to the water system, and all underground piping, services and connections made to customers shall meet the standards set forth in the most recent AWWA Standard for Underground Service Line Valves and Fittings, as published by the American Water Works Association. All other service lines or equipment connected directly or indirectly to the system by any retail customer, including residential, commercial and industrial customers shall comply with the most recent State Plumbing Code as published by the Iowa Department of Health. The

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Utility will provide copies of the AWWA standards or the State Plumbing Code upon request. Note that copying charges or licensing fees may apply.

Service lines, including the necessary tapping saddle, fittings and curb top box shall be constructed of the following materials and in accordance with rules, the Water Service Guidelines for Property Construction and Water Service Repair, and/or the State Plumbing Code. In the event of a leak or failure in service lines or equipment required to be maintained by the customer, the Utility will allow one repair by the customer or a contractor hired by the customer, on any service line not constructed according to approved standards. For any subsequent leak or failure of service lines or equipment, the Utility will require replacement of the service line from the water main to the water meter with approved standard materials. All such repairs are the responsibility of the customer including all costs or charges for the repairs.

All customer service lines shall be installed at least six and one-half feet below the surface, unless another depth is approved in writing by the Utility.

The Utility shall inspect and approve, prior to the initiation of service, all customer installations and repairs, including the approval of the size and materials of the service line to be installed at any customer property or facility.

In the event the Utility determines there is a leak on the water main side of a curb stop or that there is a leak in any part of the system that is not required to be maintained by the Customer, the Utility shall be responsible for locating, servicing, and repairing the leak.

2.2(2) Taps and Connections

All taps and connections to the main service lines of the Utility shall be made by or under the direction and supervision of the Utility and shall be constructed in accordance with the provisions of these rules. All fees for these services shall be collected by the Utility in advance, before the customer or contractor begins work on the installation. All rates, charges, and fees of the Utility are established by resolution of the Board of Trustees and may be amended from time to time. The fees charged to customers for taps and connections to the Utility system shall include the actual cost of materials, which is subject to change, and the Board of Trustees by approving these rules hereby authorizes and approves a variable charge in an amount equal to the actual cost of such materials without the need to further amend these rules or the resolutions of the Board that establish its rates, fees, and charges.

In the case of a customer installation, tap, or other connection to the system, the customer or the contractor shall perform the work without requesting an interruption of service at the main service line. The Utility will not under normal operating conditions shut off a water main to accommodate the customer's installation or repair of a service line. The Utility may, in its sole discretion, shut off a water main in an emergency.

2.2(3) Subdivisions, Developers and Areas of New Construction

In the event that water service is to be provided to a residential, commercial, industrial or other development, including a new subdivision or other area of new construction, the Utility may require that the developer install, at developer's expense, all mains or other service lines necessary to serve the area

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being developed, Such lines shall be Type K Copper service lines from the Utility's main service line to the lot or easement line, including the necessary tapping saddle, fittings and curb stop box. The developer or the customer shall install, at its expense, that portion of the Type K Copper service from the lot or easement line to the house, building or other premises which is to receive water service. Such service line shall include a stop and waste cock at the end of the building, house, premises or structure on the customer's side of the service line.

Pursuant to these rules and in accordance with the applicable ordinances of the City of Milford, a developer who installs a main service line subject to this provision of these rules, after inspection, approval, and acceptance of the main service line by the Utility, shall grant, convey, and dedicate the main service line to the Utility at no charge. The Utility may require the developer to provide a bill of sale for the dedication and conveyance of the main service line. All service lines and appurtenances from the main to the meter shall be and remain the property of the customer and are not subject to this provision.

SECTION 2.3 CLASS OF SERVICE FOR APPLICATION OF RATES

There shall be two classes of permit applications: one for residential service and a second for non-residential service.

SECTION 2.4 METERING AND THEFT OF SERVICES

The water meter is the property of the Utility. The Utility reserves the right to charge the customer for the meter and will collect all such costs upon the initiation of service. Customers shall not tamper with or damage the meter. Visible seals may be placed on all meters, water service line valves, and bypass valves for the purpose of maintaining security. Breaking these seals or tampering with the meters, their associated equipment, or the interconnecting piping is prohibited. Evidence of tampering may result in an investigation by the Utility of the possible theft of utility services. A customer who tampers with the meter or other equipment shall be subject to costs and penalties, as determined by the Utility, and may be subject to criminal prosecution for theft of utility service under the laws of the State of Iowa.

2. 4(1) Meter Costs including additional water meters

The property owner shall pay the cost of all water metering, meter interface and its connections.

2. 4(2) Meter Installation, location, and Right of Entry

All water meters shall be easily accessible to meter readers and repairmen.

The property owner or customer shall pay for or provide all necessary piping and fittings including a #7-WATT backflow preventer, for proper setting of the meter and shall install valves on both sides of the meter. The customer shall not install, and the Utility will not allow or approve, across-connection between the Utility's system and any other source of water. In the event of new construction, the Utility may require the installation of a temporary meter.

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As an express condition of service, the Utility has a right-of-entry to the premises and shall be permitted to enter the premises of any customer at any reasonable time to read, remove, or change a meter or its location whenever the Utility in its sole discretion deems it necessary. The Utility may inspect the meter whenever the property is transferred to a new owner, leased to a new tenant, or whenever the Utility, in its sole discretion, reasonably believes that the meter has been tampered with or is otherwise not functioning properly.

2. 4(3) Meter Testing

Upon written request of a customer, the meter serving the customer shall be tested by the Utility. The Utility will perform the test without charge to the customer if the meter has not been tested within the twelve-month period preceding the request. If the meter has been tested at any point within the preceding twelve-month period, then the customer may be charged for the second test, but only if the second test indicates that meter accuracy is within of 1.5% slow or fast.

Customers may request that the Utility or a qualified third party, in the Utility's discretion, test the meter. Meter testing by a third party shall be subject to the Utility's discretion and scheduling. The Utility may be present for all tests and retains control over all Utility property and meters during the test. If meter testing in accordance with this rule shows that an overcharge has occurred, the Utility may accept the findings or perform or obtain a second meter test. If the initial test results that showed an overcharge has occurred is accepted the Utility, or if such findings are confirmed by a second meter test, then the Utility will determine how long the meter has been in error and may provide a refund or recover underpayments as described elsewhere in these rules.

2.4(4) Meter Repairs

Water meters shall be maintained by and at the expense of the Utilities except in the event vandalism, carelessness or negligence of the property owner or customer. Whenever a water meter or meter interface unit is found to be out of order, the Utility staff shall have it repaired or replaced. If it is found that damage to the meter or meter interface and its connections has occurred due to vandalism, carelessness or negligence of the property owner or customer, then the property owner shall be responsible for the cost of replacement. Service calls resulting from the above mentioned shall be billed to the property owner.

2.4(5) Additional Water Meters

The property owner shall pay the cost of any additional water meter and its necessary piping and fittings.

2.4(6) Billing Errors and Adjustments

This service rule is intended to establish the maximum time period for (1) the collection of billing undercharges, and (2) the refund or credit for billing overcharges. This rule shall supplement all other applicable service rules of the Utility that may pertain to the calculation of billing overcharges and undercharges, the recovery of undercharges, and the refund or credit for overcharges.

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The Board of Trustees is the governing body of the Utility and is solely responsible for the establishment, imposition, adjustment, and collection of rates and charges, including billing adjustments relating to overcharges and undercharges.

Customer and ratepayers (“Customer”) of the Utility shall have a duty to review billing invoices and other billing communications from the Utility, to monitor their utility usage, and to notify the Utility promptly if any billing appears out of the ordinary, whether deficient or excessive in general or relative to prior billing and usage. Such notice shall be given to the Utility’s Management. Failure to promptly request for a refund or credit for an overcharge for the time period after the Customer was aware of or suspected the potential overcharge.

If for any reason the Utility determines there has been a billing error, the Utility may adjust the bill as provided in this rule. The time period for recovery of undercharges and for a refund or credit of overcharges shall be limited as follows:

- The maximum time period for which an undercharge may be recovered the Utility, and the maximum time period for which an overcharge may be refunded or credited to the customer, is three (3) years.
- There shall be no recovery of an undercharge or refund or credit for an overcharge for time periods more than three (3) years prior to the time notice was given by the Customer or the Utility, as applicable.
- In the case of a failure to promptly notify the Utility or the Customer, as applicable, of a potential or suspected overcharge or undercharge, there shall be no recovery of an undercharge or refund or credit for an overcharge for the time period after the Customer suspected or was aware of the potential undercharge or the Utility suspected or was aware of the potential undercharge.
- No interest shall be applied to undercharges or overcharges.

Examples:

- If a meter error results in a customer being overcharged by 10% for each bill for the most recent two-year period and the Customer gives the Utility prompt notice once the Customer suspects the overcharge, the Customer will receive a full refund or credit of the overcharge.
- If the 10% overcharge has occurred for the most recent 7 years and the Customer gives prompt notice the Utility once the Customer suspects the overcharge, the Customer will receive a refund or credit for the most recent 3 years of the overcharge.
- If the 10% overcharge occurred for a 7-year period which began 10 years ago and stopped 3 years ago, the Customer gives prompt notice to the Utility once the Customer suspects the overcharge, the Customer will not receive a refund or credit for the overcharge because the overcharge was more than 3 years ago. The outcome is the same without regard to whether the Customer knew, should have known, or could have known of the overcharge.

Undercharges payable under this rule may be recovered by the Utility by billing the amount of the undercharge on the Customer’s Utility bill in a lump sum or monthly over a period of time up to one year or may be recovered through a payment plan established by contract, at the Utility’s discretion. A

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Customer's failure to pay an undercharge, or failure to enter into a payment plan, or breach of a payment plan, may result in a disconnection of service or in a lien upon the property as provided by law.

Overcharges payable under this rule may be refunded or credited to the Customer, in the Utility's discretion. If the Utility provides a refund, it may be paid in a lump sum or monthly over a period of time up to one year. If the Utility provides a credit, the credit shall be applied to the Customer's account balance for the applicable utility for each billing cycle thereafter until the credit has been used in full.

If a customer gives notice of a suspected or potential overcharge and the Utility does not agree, and if the source of the overcharge involves the meter, the Customer's sole remedy is to request a meter test under the terms of the above service rule.

This rule shall not be construed to require a cash refund to a current customer if the amount is less than five dollars nor to a previous customer in an amount less than ten dollars.

Authority: This rule is adopted under the authority reserved for and granted to the Utility by applicable law, including the following:

- Municipal Home Rule authority under the Iowa Constitution, as amended (at the time of adoption of the Service Rule, Article III, Section 38A of the Iowa Constitution);
- Iowa Code section 384.84, as amended regarding the establishment, imposition, adjustment, and collection of rates and charges by the governing body of the city utility; and
- Iowa Code Chapter 388;

Non-Applicability and Waiver: The provisions of this service rule are not subject to and shall not be subject to or modified by the discovery rule or theories of continuing violations, statutory law (unless expressly regulating municipal utility ratemaking authority), provisions or theories of general contract law, equitable principles, or other common law theories or remedies which might otherwise have the effect of extending the time period for or the amount of collection of underpayments and refunds or credit for overpayments. By accepting service from the Utility, the customer expressly waives, hold harmless from, and agrees not to assert any of the aforementioned claims causes of action, or theories against the Utility, or in relation to its water service or financial management, in any forum whatsoever.

Severability. If any part or provision of this rule is legally declared invalid or unenforceable by a court of law what proper jurisdiction, that part or provision of the rule will be construed consistent with applicable law as nearly as possible, and the remaining parts and provisions will remain in full force and effect. Such invalidity or non-enforceability will not invalidate or render unenforceable any other part or provision of this Service Rule.

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SECTION 3.1 APPLICATION FOR SERVICE

Application for service shall be filed at the utility's business office on a form provided by the Utility. 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. No service shall be provided to any new customer until such customer has made an application as herein required. Neither the application for service, nor service itself is assignable by the customer.

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 Board of Trustees of the Utility for the applicant's appropriate class of service.

Customers shall notify the Utility of any changes or additions to the premises, which will increase or change the use or consumption of water by the customer, including the addition of new residents who will be receiving the benefit of the service or contributing to the payment of bills. The Utility may require the customer to submit an additional application for service if the Utility, in its sole discretion, determines that service may be substantially or materially altered based on the customer's change in usage or the addition of new persons benefitting from service. A failure to notify the Utility of such changes in use or service may result in a reduction or discontinuance of service.

For new construction the owner or developer shall submit an application for service and shall provide any plans, specifications, or other information the Utility reasonably requires to determine the appropriate service level, including projected usage and an estimate of the impact on the Utility's treatment capacity. Upon receiving an application for service, the Utility will inspect the premises to be served and will charge an inspection fee for residential service connection as established by the Board of Trustees by resolution. The application for service shall be accompanied by a service initiation fee, as established by the Board of Trustees by resolution, to recover the cost of installing and inspecting a new meter and any work the customer performed to accommodate the initiation of service. The application and inspection fee for a non-residential service connection shall be a just and reasonable amount as determined by the Utility based on the cost of initiating and inspecting service at the commercial or industrial facility. Such costs may include the size of the water meter or meters and an estimated amount of water usage, but in no event, less than \$25.00 per building. All application and inspection fees shall be paid to the Utility at the time the application is submitted. The Utility may require one application for the installation and inspection of a service line and another application for the installation and inspection of the meter.

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 notice of the need for such deposit.

3.2(1) Credit Criteria for Initial Deposits

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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 (including one automatic forgiveness of a late payment); and 3) whose new service is subject to the same rate classification as that for which the payment history was established.
- b. An initial deposit amount will be established by the Board of Trustees by resolution and shall be required of all applicants who do not meet the credit criteria of subparagraph "a" above.

3.2(2) 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 determined to be inadequate. The new or additional deposit shall ensure a total deposit in an amount comparable to the initial deposit. The Utility may establish alternative deposit amounts for customers being served on a contract basis, and the amount of such deposits will be established pursuant to the terms of the contract.

3.2(3) No Interest on Deposits

The Utility shall not pay interest on customer deposits.

3.2(4) Record of Deposits –Unclaimed 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. Deposits remaining unclaimed one year after termination of service will be transferred to the state in accordance with Chapter 556, Code of Iowa.

3.2(5) Refund of Deposit

A deposit shall be refunded after twelve consecutive months of prompt payment (which may be eleven timely payments and one automatic forgiveness of late payment). For refund purposes, the account shall be reviewed for prompt payment after twelve months of service following the making of the deposit and for each month thereafter until twelve consecutive timely payments are made. 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.

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.

Bills and notices relating to the conduct of the business of the Utility will be mailed to the customer at the address listed on the application, unless a change of address has been filed in writing at

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the business office of the Utility; and the Utility shall not otherwise be responsible for delivery of any bill or notice, nor will the customer be excused from non-payment of a bill or from any performance required in said notice. The Utility may agree to provide bills to the customer in an electronic format.

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 carried forward and amount of each net charge, and total amount currently due.
- 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 multipliers used in determining the bill.
- j. Any voluntary contribution to a renewable energy fund or the option to contribute to such fund at the time of bill payment.

3.3(2) When Payable -- Late Payment Penalty

Meters will be read monthly on or around the 20th of each month. 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 electronic mail 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 Utility shall serve a customer a written final notice of said delinquency informing the customer that water service will be discontinued if payment is not made within twelve days of the date of the written notice and informing the customer of the opportunity for a hearing prior to the

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discontinuance of service as provided in Iowa code section 384.84(3). If a delinquent bill is not paid within twelve days after date of such final notice, the water supply to the customer may be discontinued without further notice.

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 to electric, water, sewer, and garbage in that order. Payments for municipal services made during the winter disconnection moratorium may be credited to services other than electricity, at the customer's request.

3.3(4) Where Payable

Bills shall be paid by mail, by direct deposit through a financial institution, by deposit in a designated receptacle, in person at the utility's business office, or at a location or through a service designated by the Utility on the billing statement.

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. See the Utility's Disconnect Policy for additional information.

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

A customer may voluntarily discontinue water service to any premises for periods in which the house, building, or other structure so serviced is not used for human occupancy, employment, recreation or other purposes. Any customer desiring to discontinue the water service to a premise for this reason must give written notice of discontinuance in writing at the business office of the water system, otherwise, the customer shall remain liable for all water used and service rendered by the Utility until said notice is received by the Utility. There shall be a fee charged to a customer who has discontinued water service and then asked to have it reconnected. This fee is established by resolution by the Board of Trustees. The customer shall hire a plumber to turn the water off and drain the water pipes prior to disconnection.

3.3(8) Service Calls

The customer shall be billed for the cost of services that are not the responsibility of the utility, as follows:

- a. For a service call where the trouble is found to be on the customer's equipment, the customer shall be billed in accordance with terms and conditions established by the Board of Trustees by resolution.

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b. For a service call requesting the relocation of facilities belonging to the Utility, the customer shall be billed for the direct cost of labor and replacement of materials. An advance deposit equal to the total estimated cost may be required where the estimate exceeds one hundred dollars.

3.3 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 returned unpaid within a six-month period, the utility may require future payments to be by cash, cashier's check, postal money order or electronic transfer.

SECTION 3.4 DISCONNECTION OR DENIAL OF SERVICE

Water Services may be discontinued or an application for service rejected by the Utility for any of the following reasons:

- Failure to comply properly with the Iowa One Call law. Phone One Call 811 or 1-800-292-8989.
- Misrepresentation or material omissions in the application as to the property or fixtures to be supplied or use to be made of the water.
- Failure to report to the Utility any addition to the property or fixtures to the supplies or additional use to be made of water.
- Resale of water or water service from the Utility or the giving away of water in violation of these rules.
- Waste or misuse of water due to improper or leaking service pipes or fixtures, or failure to keep same in suitable state of repair.
- Tampering with the meter, outside reader, service valves or permitting of such tampering by others.
- Making a connection, or cross-connection, or permitting a connection or cross-connection, to any other water supply or service.
- Violation of any condition of service set forth in these rules or in any resolution of the Board of Trustees of the Utility or in a contract for service with the Utility.
- Any action or omission by the customer, which in the sole discretion of the Utility endangers public safety or health.
- Nonpayment of a bill or deposit as provided in these rules.

In the event of disconnection from the system for any reason, the Utility will be responsible for removal of the water meter. If it becomes necessary for the Utility to turn the curb stop on or off, the Utility assumes no responsibility for any damages that is a result of turning the water on or off.

In the event the water supply to a customer has been discontinued for nonpayment of bills, the customer will be charged for the reconnection of water service, but the reconnection will not be made

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until after all delinquent bills and other charges, if any, owed by the customer to the Utility have been paid. The reconnection fee has been established by the Board of Trustees by resolution.

SECTION 3.5 CUSTOMER OBLIGATIONS

Acceptance of service shall obligate a customer to comply with all of the terms and conditions of these rules. Customers should note that other sections of these service rules prescribe standards of engineering practice and establish special conditions for service. These rules are only applicable to water service, and the terms and conditions of other Utility services or city services are set forth separately in other service rules.

3.5(1) Service Line

The service line, as described above, is the responsibility of the customer to keep in good repair at all times. The service line should meet all standards and requirements set forth above.

If MMU finds that a service line is not in good repair, or fails to meet the standards and requirement of these rules, MMU will give written notice to the customer identifying the deficiencies. Such notice shall be sent by certified mail, return receipt requested, and is deemed complete when deposited with the U.S. Postal Service. The notice shall identify the customer's name; the address of the property; the deficiencies found; and a description of the remedy required of the customer. The notice shall also inform the customer that he or she has twenty days from the date of mailing of the notice to request a hearing before the MMU Board. The notice shall also state that if the customer fails to request a hearing, the remedial action shall be completed by a stated date, which shall allow a reasonable time to the customer. The notice shall inform the customer that failure to take remedial action will result in MMU doing so and adding the cost to the next utility bill.

If the customer requests a hearing, the MMU Board shall provide the customer with the opportunity to present such evidence or witnesses as may be appropriate to the situation. The hearing shall be informal. The MMU Board's decision shall be made in writing and sent to the customer. The decision can be made as part of meeting minutes and the hearing can be held during a regular or special meeting of the Board. If the board decides to require the customer to take remedial action, the decision shall specify a date by which it must be completed, which shall allow a reasonable time.

IF the customer fails to remedy the problem within the allotted time, MMU may make the repair and add the cost to the customer's next utility bill.

In the event of an Iowa One Call locate the Utility will locate the curb stop, as a service to the customer, if it is readily visible. The Utility assumes no responsibility for any damages that is a result of a missed locate of the customer curb stop.

3.5(2) Boilers, Pressure Vessels, and Sprinkler Systems

Customers having boilers, pressure vessels and or sprinkler systems, receiving a supply of water from the Utility must have appurtenances to meet the current Iowa State Plumbing code for backflow protection on the water supply line to prevent contamination in case the water supply from the utilities is discontinued or interrupted for any reason, with or without notice.

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3.5(3) Use of Water

Water furnished by the Utility to residential customers may be used for domestic consumption by the customer, members of the customer's household, guest, invitees (including business invitees) and employees only. The customer shall not sell or give the water to any person except as expressly permitted by the Board of Trustees by resolution. The Utility, in its sole discretion, may waive this rule for non-residential customers or for institutions or other entities that have made special contractual arrangements with the Utility.

Water for building or construction purposes may be furnished by permit contract after application and payment of a deposit. The deposit amount is established by the Board of Trustees by resolution. The amount shall be determined by the Utilities based upon the size of the construction work contemplated. All water for building or construction purposes, as set forth in the permit, must pass through one single meter.

Water supplied to a construction site shall be discharged through a hose or pipe directly upon material to be wet, or into a barrel or other container, and in no case upon the ground or into or through a ditch or trench, except for back filling or water jetting. All use of water by persons other than the customer or the applicant for any purpose or upon any premises not described in the application is prohibited by these rules, a failure to comply with this rule may result in the immediate discontinuance of water service with or without notice.

3.5(4) Connections or alterations to the water system

No person shall uncover, make any connections with or opening into, use, alter or disturb the water system or appurtenances thereof without first obtaining a written permit from the Utility setting forth terms and conditions under which such activities may be undertaken.

3.5(5) Access and Inspection

The premises receiving a supply of water and all service lines, meter and fixtures, including any and all fixtures within the said premises shall at all reasonable hours be subject to inspection by duly authorized employees of the Utility.

3.5(6) Utility Facilities

The Customer shall provide utility employees, or duly authorized agents of the utility, safe and convenient access to all utility facilities on the Customer's Premises at all reasonable hours. The failure to provide access to utility facilities may result in a disconnection or denial of water service.

3.5(7) Loss or Damage to Utility Property

The Customer shall exercise reasonable care to protect utility property from loss or damage. The Customer shall be responsible for any damage, alteration or interference with utility metering or any other water facilities on the Customer's premises, by the Customer or any other party on the premises, whether authorized or unauthorized by the Customer. No one other than an agent of the Utility shall be permitted to operate, remove or make any alterations or changes to such property.

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If any loss or damage to the property of the Utilities or any accident or injury to persons or property is caused by or results from the negligence or wrongful act of the customer, member of the customer's household or guest, agent or employee, or licensee of the customer, the cost of the necessary repairs or replacement shall be paid by the customer to Utility and any liability otherwise resulting shall be the sole responsibility of the customer.

3.5(8) Meter Damage

If for any reason the water meter is damaged, the customer is responsible and shall pay to the Utility the cost of repairs to return the meter to working order or cost to replace the meter.

3.5(9) 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

Complaints concerning the operation of the water system may be made in writing. If a complaint merits a response, the Utility shall respond in writing within thirty days. Where a response will require more than thirty days the customer will be informed that the response will take more than thirty days. All responses may be appealed to the Board of Trustees by written notice directed to the Board within ten days.

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LIST OF ATTACHMENTS:

- A. Resolution Adopting Service Rules***
- B. Resolution Adopting Rates and Charges for Services or copy of current rate schedule.***
- C. Diagram of Water Service***
- D. Disconnection policy***
- E. Water Service Guidelines for Property Construction and Water Service Repair***