

MORGAN COUNTY RURAL WATER CORPORATION CUSTOMER POLICY MANUAL

SECTION NO. 1.1 POLICY FOR MEMBERSHIP ELIGIBILITY, FEES, TERMS, AND TERMINATION

I. OBJECTIVE.

To establish policies and procedures governing membership eligibility, fees, terms, and termination.

II. POLICY CONTENT.

The Board of Directors of Morgan County Rural Water Corporation (the "Corporation") recognizes, establishes, and maintains this Customer Policy Manual (the "Manual") for the policies and procedures for membership in the Corporation:

- A. Eligibility. Any person, firm, association, limited liability company, corporation, or similar entity that is a legal titleholder of property served or to be served by the Corporation's water facilities may become and remain a Member of this Corporation by complying with all of the following membership requirements:
1. Paying the required membership and connection fees and charges, including any and all costs that may be required to extend the Corporation's facilities to the Member's property.
 2. Agreeing to connect to the Corporation's water distribution system and agreeing to begin paying the Corporation's monthly charges, both within nine (9) months of the creation of the service tap to the property.
 3. Agreeing to purchase water from the Corporation at the designated location at the rates to be determined from time to time by the Board of Directors and approved by the Indiana Utility Regulatory Commission, or its successors, (the "Commission").
 4. Agreeing to comply with and be bound by the Articles of Incorporation and the Bylaws of the Corporation and such lawful resolutions, rules, regulations, and policies as may be adopted from time to time by the Board of Directors.
 5. Agreeing that the membership fee paid by the Member at the time of application shall not bear interest.
 6. Providing a water utility easement(s) to the Corporation, in the form prescribed by the Corporation, properly executed, in recordable form, for each property served by the Corporation's water.

7. Executing a Membership Agreement, in the form prescribed by the Corporation, for each service connected. And,
8. Being actively connected to the Corporation's water distribution system, and receiving and paying a monthly bill for water service from the Corporation.

Non-property owners, including but not limited to tenants and other users of water supplied by the Corporation, are ineligible to become Members of the Corporation, and are not entitled to the Members' rights set forth in this Manual. Holding equitable title as a land contract purchaser is not sufficient to satisfy the property ownership requirement to become a Member.

The use of water supplied by the Corporation does not create an implied contract between the Corporation and the user, and non-Member users of water supplied by the Corporation are not third party beneficiaries of any agreements entered into between the Corporation and its Members.

- B. Multiple Memberships. In the event a property owner has multiple water connections serving their property(ies), at least one membership shall be required for each service connection. This rule shall not apply to present owners who have fewer memberships than connections. However, when one of these multiple water connections is transferred to a new titleholder, the new titleholder shall meet all eligibility requirements of Section No. 1.1, II.A. of this Manual for the transferred connection regardless of whether the new titleholder owns a membership in association with another connection.
- C. Amount of Fee for Membership. Membership fees shall be fixed by resolution of the Board of Directors with the approval of the Commission. Membership fees shall be refundable upon termination of membership in the Corporation, subject to applicable deductions. Only Members, not users, pay membership fees. Therefore, in the event there is a change in the user of water on a property, the Member will not be assessed a new Membership fee.
- D. Use of Membership Fees. The membership fee in whole or in part may be applied, without notice to the Member, toward the payment of delinquent charges or other debts of the Member to the Corporation. In the event a membership fee is used to pay debts of a Member whose water service connection has been disconnected, in order for the membership to be re-instated and the water service to be reconnected, such person must pay the Corporation an amount sufficient to replenish the membership fee to the then current membership fee amount.
- E. Termination of Membership Upon Voluntary Transfer or Disconnection. Membership in the Corporation shall automatically and immediately terminate upon the occurrence of any of the following events:
 1. Voluntary permanent disconnection of water service to the property under the name of the Member. (However, a Member may request a temporary disconnection of water service, in which case the membership will be placed on suspended status (also known as "inactive"). During such suspended

status, such person shall have no right, title or interest in the Corporation or its assets, nor any other rights of membership in the Corporation. Suspended status merely allows the Member desiring a temporary disconnection to retain the benefits of their original membership fee for use upon reconnection. To illustrate, a Member that originally paid a \$15 membership fee may temporarily disconnect and later reconnect without having to pay any increase in the membership fee that may have occurred since the time the Member originally paid their membership fee.) Or,

2. Transfer of water service to a property into a new name, without disconnection, as a result of a transfer of title, of the property from one titleholder to another titleholder of the property. In such case, as provided in Section No. 1.2 of this Manual, the Corporation must be provided a written notice, in the form prescribed by the Corporation, requesting termination of water service under the name of the person relinquishing title to the property and a written notice from the new titleholder authorizing water service to the property to be continued in the name of the new titleholder. Or,
3. Upon death or cessation of existence of the Member, or one of the Co-Members if held jointly. However, termination under this provision shall not occur in the event of the death of a spouse if the surviving spouse requests that the membership be transferred into the name of the surviving spouse and the surviving spouse is otherwise entitled to control the property associated with the membership, in which case the membership shall be transferred into the name of the surviving spouse without a termination of the membership, and without requiring any additional membership fee.

F. Non-Routine Termination of Membership. In addition to the termination of membership otherwise provided herein, a membership in the Corporation may be terminated by the Board of Directors under the following conditions:

1. A Member's account with the Corporation remaining delinquent in excess of 90 days. In such event, the Board may terminate the membership without any notice other than the delinquency notice and the final bill, which shall include notice that the Member's membership is subject to revocation.
2. Any other noncompliance with the Articles of Incorporation, the Bylaws, or the rules, regulations, or policies of the Corporation, and any amendments of the aforesaid, or any contracts or agreements between the Member and the Corporation, including without limitation, a Member's failure or refusal to grant an easement to the Corporation. In such event, the Member shall be given no less than 10 days to come into compliance. If noncompliance continues after 10 days, the Board shall give no less than 15 days' notice to the Member before a vote on such expulsion shall be taken and such notice shall set a hearing during such 15 day period and at least 5 days prior to the vote at which time the Member shall be allowed to present its position to

the Board. After such hearing has been held, a vote shall be taken, and if the Member is expelled, such expulsion (and corresponding disconnection of water service) shall be effective immediately unless otherwise determined by the Board. The hearing may be replaced at the Board's option or at the Member's option by a written statement of the Member to be submitted 5 days before the vote.

Termination of membership in any manner shall not release a Member or his or her estate from debts owed to the Corporation. Upon termination or withdrawal, a Member shall have no right, title, or interest in the Corporation or its assets.

- G. Reinstatement of Membership. Any expelled Member may be reinstated by a majority vote of the Board of Directors or by vote of the Members at any annual or special meeting. The Secretary of the Board of Directors or authorized employee shall give the applicant for reinstatement at least ten (10) days prior notice of the date of the Members' meeting to which his application will be submitted and such applicant may be present and heard at the meeting.
- H. Membership Agreement. By applying for and becoming and/or remaining a Member, the Member agrees to sign such agreements for the purchase of water as may from time to time be provided and required by the Corporation.
- I. Easements. An easement is a portion of private property that has been made available to be used by the Corporation in providing services to its Members. Members still own and maintain the land that contains the easement. The easement assists the Corporation in operating and maintaining the water lines in a cost efficient manner to help keep water costs low. Since the Corporation is a Member-owned entity, the Corporation's policy is to not pay Members for easements obtained from or needed across property owned by a Member.

By applying for and becoming and/or remaining a Member, the Member agrees to sign and provide to the Corporation, at no cost to the Corporation, such instruments to grant, expand, or relocate easements across property owned by the Member, as are needed from time to time to facilitate the operations of the Corporation, in the form prescribed by the Corporation, provided that the new, expanded, or relocated easement will not unreasonably interfere with the Member's use of the Member's property. The Corporation shall restore all of the Member's property disturbed by the Corporation's use of the new, expanded, or relocated easement, at the Corporation's expense, to as good as or better condition, to the extent reasonably possible. Easements granted to the Corporation are perpetual and not subject to termination or expiration. Easements are part of the property's record and all future owners are bound by the terms of the easement.

III. RESPONSIBILITY.

- A. The Board of Directors shall be responsible for making necessary changes to this policy.
- B. It shall be the responsibility of the Manager to administer this policy and recommend changes to the Board of Directors.

**SECTION NO. 1.2 PROCEDURE FOR TRANSFERRING SERVICE
FROM AN EXISTING MEMBER TO A NEW APPLICANT**

I. OBJECTIVE:

To establish a procedure to expedite transfers of service in a fair and equitable fashion for all Members and would-be Members, without regard to race, color, religion, age, sex, or national origin.

II. POLICY CONTENT AND PROVISIONS:

- A. Because of the monetary value of a membership in the Corporation, the personal presence of all parties concerned is necessary. However, if a transferring party cannot be present, as an alternative, a written statement, in the form prescribed by the Corporation, requesting the service be transferred as of a specific date and naming the new owners, may be presented to the Corporation, if signed by the Member and properly notarized.
- B. Upon receiving specific orders from the Member requesting transfer of service to an applicant either by personal presence or by notarized statement of the Member, the transfer can be accomplished after the following has occurred: a final reading has been obtained from the water meter, a final bill has been computed, and all applicable forms and fees have been received from the applicant.
- C. The new applicant should be present to receive a copy of the Corporation rates and charges, and a pamphlet of rights and responsibilities of customers, to sign a Membership Agreement, complete an easement (if needed), and pay a membership fee and a reconnection fee (if applicable), and to exchange needed general information, such as proper name, address, telephone number, etc.
- D. If a Member requests a final reading of the water meter and requests for that final reading and bill be sent to an address other than the address presently known to the Corporation office, then at that point in time the membership will be considered in jeopardy until final payment from that Member has been received and deposited in the Corporation account.

- E. The transfer of an inactive service can be accomplished when a properly executed easement and all other applicable forms and fees have been received from the applicant.

III. RESPONSIBILITY:

- A. The Board of Directors shall be responsible for making necessary changes in this policy.
- B. The Manager shall be responsible for the administration of this policy and shall issue the necessary procedural guidelines for its administration. The Manager may delegate authorities given him/her in this policy but he/she shall retain the responsibility for accounting to the Board of Directors concerning compliance with this policy.

**SECTION NO. 2.1 PROCEDURE FOR COLLECTION OF
DELINQUENT ACCOUNTS**

I. OBJECTIVE:

To establish a policy pertaining to the collection of delinquent accounts due to the Corporation for water service rendered and the procedure to be followed for involuntary disconnection of the Member's water service. The provisions of this policy shall be applied to all Members without regard to race, color, religion, sex, or national origin.

II. POLICY CONTENT AND PROVISIONS:

- A. Members are responsible for payment of all water use provided by the Corporation regardless of whether such use is due to a leak. Billing statements for water use will only be sent to Members – the Corporation will not send billing statements to non-Member users. The Corporation shall provide the Member notice for nonpayment of bills for water service rendered which states the date of the proposed disconnection, the specific factual basis and the reason for the proposed disconnection, the telephone number of the Corporation office which the Member may call during regular business hours in order to question the proposed disconnection or seek information concerning his/her rights, and a reference to the pamphlet furnished to the Member pursuant to 170 IAC 6-1-18 for information as to the Member's rights. Such disconnect may not be rendered to a Member prior to the date on which the account becomes delinquent and must allow for seven (7) days' prior notice to date of the proposed disconnection.
- B. Non-Member users of the water supplied by the Corporation do not have a property interest in continued water service, and the Corporation is not obligated to provide non-Member users with notice prior to disconnection of services.

- C. The Corporation employees assigned the responsibility for disconnecting a Member's service for nonpayment of billing for water services rendered shall not accept payment from the Member, user, or other responsible person in order to prevent the service from being disconnected. The Corporation shall notify its Members pursuant to 170 IAC 6-1-16 that this policy is in effect and shall uniformly follow such policy without discrimination.
- D. The Corporation employee responsible for disconnection of a Member's water service due to nonpayment of billing for water services rendered shall make a reasonable attempt to identify himself to the Member or any other responsible person upon the premises and shall announce the purpose of his/her presence and shall make a record thereof to be maintained for at least thirty (30) days.
- E. The Corporation employee responsible for disconnection of water service to Members for reason of nonpayment of billing for water services rendered shall have in his/her possession information sufficient to enable him/her to inform the Member or occupant of the premises of the reason for disconnection including the amount of any delinquent bill of the Member.
- F. When the Corporation employee has disconnected the service, he/she shall give the Member, or a responsible person at the premises, a notice stating that service has been disconnected and stating the address and telephone number of the Corporation where the Member may arrange to have service reconnected. The Corporation employee responsible for such disconnection of service shall leave in a conspicuous place on the premises, if no one is present, a notice stating that service has been disconnected and stating the address and telephone number of the Corporation office where the Member may arrange to have his/her service reconnected.
- G. This policy is subject to all Rules and Regulations of the Commission contrary to the policy set forth herein. In such event, the Rules and Regulations of the Commission shall apply and shall be incorporated herein as part of this policy of the Corporation.

III. RESPONSIBILITY:

- A. The Board of Directors shall be responsible for reviewing and making necessary changes in this policy as may be recommended or that are required by changing circumstances.
- B. The Manager shall be responsible for the administration of this policy and shall issue the necessary procedural guidelines for its administration. The Manager, if he/she so desires, may delegate authorities given him/her in this policy but he/she shall retain responsibility for accounting to the Board of Directors concerning compliance with this policy.

**SECTION NO. 2.2 RECONNECTION OF WATER SERVICE
TO DELINQUENT ACCOUNTS**

I. OBJECTIVE:

To establish a policy governing the reconnection of water service to those Members whose service has been disconnected due to nonpayment of billings for water service rendered in a reasonable and equitable manner. The provisions of this policy shall be applied to all Members without regard to race, color, religion, sex, or national origin.

II. POLICY CONTENT AND PROVISIONS:

- A. The Corporation will reconnect the service for a delinquent account as soon as reasonably possible after all payment and required fees are received, which will normally be the next working day of the Corporation.
- B. The Corporation will charge an amount as approved in rates set by the Commission for reconnection of service disconnected for reason of nonpayment of billings for water service rendered.
- C. The substantive provisions of this Manual concerning reconnection of water service shall be included within the delinquency notice sent to Members of the Corporation.
- D. If the Corporation disconnects service in violation of the Rules and Regulations of the Commission, water service shall immediately be restored at no charge to the Member.
- E. This policy is subject to change, modification, or revocation in the event the Rules and Regulations of the Commission are amended or revoked in a manner contrary to the policy set forth herein. In such event, the Rules and Regulations of the Commission will apply and will be incorporated herein as part of this Manual of Corporation.

III. RESPONSIBILITY:

- A. The Board of Directors shall be responsible for reviewing and making necessary changes in this policy as may be recommended or that are required by changing circumstances.
- B. The Manager shall be responsible for the administration of this policy and shall issue the necessary procedural guidelines for its administration. The Manager, if he/she so desires, may delegate authorities given to him/her in this policy but he/she shall retain responsibility for accounting to the Board of Directors concerning compliance with this policy.

**SECTION NO. 2.3 MEMBER'S RESPONSIBILITY TO NOTIFY CORPORATION
OF FINANCIAL HARDSHIP PRIOR TO DISCONNECT DATE**

I. OBJECTIVE:

To establish a policy pertaining to the Member's responsibility for notifying the Corporation of his/her financial hardship which would result in his/her inability to pay the full amount due for water service provided. The provisions of this policy shall be applied to all Members without regard to race, color, religion, sex, or national origin.

II. POLICY CONTENT AND PROVISIONS:

- A. The Member must provide the Corporation with information that shows cause for his/her inability to pay the full amount due the Corporation for service provided. Included in such cause may be financial hardship. Such information shall be provided to the Corporation at least one day prior to the disconnect date.
- B. Upon receiving such information referenced in Subsection A above, the Corporation shall not disconnect service if said Member agrees to pay a reasonable portion (not to exceed \$10.00 or one-tenth (1/10) of the bill, whichever is less, unless the Member agrees to a greater portion) of the bill and agrees to pay the remainder of the outstanding bill within three (3) months, and agrees to pay all undisputed future bills for service as they come due, and has not breached any similar agreement with the Corporation made pursuant to this rule within the past twelve (12) months.
- C. The Corporation may add to the outstanding bill a late payment charge not to exceed the amount set forth in Rule 13(b) [170 IAC 6-1-13(B)] of the Rules and Regulations adopted by the Commission.
- D. The Corporation shall provide the Member with a written agreement signed by the Member and a representative of the Corporation stating the arrangements for settlement of the amount due in accordance with the Rules and Regulations of the Commission and of this Manual.
- E. If the Member is unable to pay a bill which is unusually large due to a prior incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection or functioning of the meter, prior estimates where no actual reading was taken for over two (2) months, stopped or slow meter, or any human or mechanical error of the Corporation, and the Member:
 - (1) Pays a reasonable portion of the bill, not to exceed an amount equal to the Member's average bill for the twelve (12) bills immediately preceding the bill in question;
 - (2) Agrees to pay the remainder at a reasonable rate; and
 - (3) Agrees to pay all undisputed future bills for service as they become due;

the Corporation may not disconnect service.

- F. The Corporation agrees that it will not add any late charges to the outstanding bills described in paragraph E.
- G. The Corporation will provide the terms of agreement in writing to the Member to be signed by the Member and a representative of the Corporation.
- H. This policy is subject to change, modification, or revocation in the event the Rules and Regulations of the Commission are amended or revoked in a manner contrary to the policy set forth herein. In such event, the Rules and Regulations of the Commission will apply and will be incorporated herein as part to this Manual of the Corporation.

III. RESPONSIBILITY:

- A. The Board of Directors shall be responsible for reviewing and making necessary changes in this policy as may be recommended or that are required by changing circumstances.
- B. The Manager shall be responsible for the administration of this policy and shall issue the necessary procedural guidelines for its administration. The Manager, if he/she so desires, may delegate authorities given him/her in this policy but he/she shall retain responsibility for accounting to the Board of Directors concerning compliance with this policy.

SECTION NO. 2.4 DISHONORED CHECK CHARGE

I. OBJECTIVE:

To establish a policy concerning receiving a dishonored check from any bank whose Member has attempted to make payment to Corporation for products or services and the check is not honored by the bank for insufficient funds.

II. POLICY CONTENT AND PROVISIONS:

- A. When a check (personal or business) is received for payment of products or service and is returned from a bank for insufficient funds and is being held as a bad debt, an amount approved in rates set by the Commission will be charged to the account and must be paid in cash or cash equivalent before the office will surrender the bad check and clear the account.

III. RESPONSIBILITY:

- A. The Board of Directors shall be responsible for reviewing and making necessary changes in this Manual as may be recommended or that are required by the Commission or other changing circumstances.
- B. The Manager shall be responsible for the administration of this Manual and shall issue the necessary procedural guidelines for its administration. The Manager, if he/she so desires, may delegate authorities given him/her in this policy but he/she shall retain responsibility for accounting to the Board of Directors concerning compliance with this policy.

SECTION NO. 3.1 PLACEMENT OF WATER SERVICE PIT LOCATIONS

I. OBJECTIVE:

To establish a policy concerning the placement of water service locations to permit the safest, most efficient and economical installation of water service by the Corporation.

II. POLICY CONTENT AND PROVISIONS:

- A. Upon application for water service, such Member will be first given the opportunity to select the location for the meter pit; however, safety of equipment, accessibility and other factors will be considered by Corporation personnel and the Corporation will have final say in meter pit placement. The Corporation shall provide and install a meter pit, meter pit cover, meter setter with a cut-off valve, and meter at each service. The meter pit shall be installed as near as possible to the water main but on the Member's property. The location of the meter pit shall be such that surface water will not run into the pit, and away from any shrubbery that may interfere with the reading of the meter.

III. RESPONSIBILITY:

- A. The Board of Directors shall be responsible for reviewing and making necessary changes to this policy as may be recommended or that are required by changing circumstances.
- B. It shall be the responsibility of the Manager to administer this policy and recommend changes to the Board of Directors.

**SECTION NO. 3.2 MODIFICATION OF WATER SERVICES
AND FACILITIES**

I. **OBJECTIVE:**

To establish a policy concerning the modification of existing water service and facilities for the benefit of Members.

II. **POLICY CONTENT AND PROVISIONS:**

If a Member requests that utility facilities be redesigned, re-engineered, relocated, removed, modified, or reinstalled, the Corporation may require the Member to make full payment to the Corporation for the full cost of performing such service prior to the Corporation performing such service.

III. **RESPONSIBILITY:**

A. The Board of Directors shall be responsible for reviewing and making necessary changes in this policy as may be recommended or that are required by changing circumstances.

B. It shall be the responsibility of the Manager to administer this policy and recommend changes to the Board of Directors.

**SECTION NO. 4.1 UNAUTHORIZED USE OF FLUSH PLUGS, HYDRANTS AND
SERVICE SETTERS; AND DISCLAIMER OF FIRE PROTECTION**

I. **OBJECTIVE:**

To establish a policy concerning the use of Corporation facilities and equipment, including but not limited to Flush Plugs, Hydrants, and Service Setters, by Members and non-Members of Corporation.

II. **POLICY:**

A. No unauthorized use of any Corporation facilities will be condoned. The use of any of the Corporation's facilities must be approved in writing by the business office of the Corporation located at 1395 E. Shore Dr., Martinsville, IN 46151. Notwithstanding any other policies of the Corporation to the contrary, and consistent with public policy considerations, qualified emergency responders are authorized to use the Corporation's facilities for fire emergencies without charge, subject to such use being consistent with requirements and conditions established by the Corporation's management and/or the Board of Directors, which shall be designed to reasonably protect the Corporation's facilities, water supply, and operations.

- B. **FIRE PROTECTION DISCLAIMER:** The Corporation may allow its water to be used for fire protection, but the Corporation's water system is not designed for or operated to provide water for fire protection, and the Corporation disclaims any responsibility for personal injury, death, property damage, or any other loss, arising out of or relating to the Corporation not providing an adequate supply of water for fire protection. The Corporation shall not be considered in any manner an insurer of property or persons, or to have undertaken to extinguish fire or to protect any Member, persons, or property against loss or damage by fire, and the Corporation shall have no liability on account of any injury to property or persons by reason of fire, water used for the extinguishment of fire, or failure of water supply or pressure during a fire. Member waives, releases, and forever discharges the Corporation, and each of its employees, officers, directors, representatives, agents, insurers, successors, and assigns, and any other Corporation affiliated person or entity, from any and all claims, actions, suits, losses, liabilities, obligations, and demands of every kind and nature whatsoever, arising out of or relating to the Corporation not providing an adequate supply of water for fire protection.

III. PROCEDURE FOR OBTAINING PERMISSION TO USE FACILITIES:

Any Member or non-member wishing to purchase water from Corporation from one of its flush plugs or hydrants may do so as long as the following guidelines and rules are observed and followed:

- A. A personal appearance to the business office is mandatory for identification and credit reference. If credit is not established a cash deposit will be required. A schedule of rates and charges as approved by the Commission will be furnished.
- B. Disclosure of quantity and desired location of the withdrawal will be requested and noted.
- C. A metering device and location of withdrawal will be assigned by Corporation personnel, and all water withdrawn must flow through the meter at the location designated.
- D. If the assigned meter is to be held for use by the Member for longer than a twenty-four (24) hour period, a cash (or equivalent) deposit sufficient to cover the replacement cost of the meter will be required with refund in full upon returning the meter in a workable and undamaged condition.
- E. If a Member retains possession of a meter for an extended period of time (thirty [30] days or more), the meter location will be made available and the reading of the meter will be taken by Corporation personnel once every thirty (30) days and the Member will be billed for that amount with payment in full due upon receipt. Late payment or failure to pay will be due cause for the Member to surrender the meter thereby forfeiting the total deposit held by the Corporation.

- F. Tampering with or altering equipment or a metering device will be considered as an infraction with the Member suffering legal charges and discontinued service.

IV. RESPONSIBILITY:

- A. The Board of Directors shall be responsible for making necessary changes in this policy.
- B. The Manager shall be responsible for the administration of this policy and shall issue the necessary procedural guidelines for its administration. The Manager may delegate authorities given him/her in this policy but he/she shall retain the responsibility for accounting to the Board of Directors concerning compliance with this policy.

SECTION NO. 4.2 CONSERVATION AND RATIONING OF WATER

I. OBJECTIVE:

To establish a policy concerning the conservation and rationing of water in times of severe drought, emergencies, or water shortage for any other reason.

II. BACKGROUND:

- A. Climatic and other conditions, both natural and man-made, may arise or occur which cause a temporary shortage of water.
- B. Such conditions may affect the Corporations system's ability to provide an adequate supply or to maintain adequate pressure at all locations.
- C. In such an event it is imperative to the well-being of the Corporation and its Members that the use of water not essential to the health and welfare of its membership be restricted.

III. APPLICATION:

This directive shall apply to all persons, firms, partnerships, associations, corporations, companies, or organizations of any kind connected to the Corporation water system or using water therefrom.

IV. DECLARATION OF NEED:

Upon determining that the Corporation water system is in imminent danger of a shortage of water or is experiencing a shortage of water, the Board of Directors may declare a water

conservation emergency and establish the appropriate conservation measures and the duration thereof.

V. VOLUNTARY CONSERVATION:

Members shall be requested to reduce water consumption by practicing voluntary conservation techniques. The Board of Directors shall suggest reasonable and meaningful actions which will alleviate existing or potential water shortage.

VI. MANDATORY CONSERVATION:

In the event of a water conservation emergency, Members may be prohibited from the water uses listed below, subject to reasonable terms, times, and conditions as the Board of Directors shall determine:

- A. Sprinkling, watering, or irrigating of shrubbery, trees, grass, ground covers, plants, vines, gardens, vegetables, or any other vegetation.
- B. Washing of automobiles, trucks, trailers, mobile homes, railroad cars, or any other type of mobile equipment.
- C. Cleaning or spraying of sidewalks, driveways, paved areas, or other outdoor surfaces.
- D. Washing and cleaning of any business equipment or machinery.
- E. The filling of swimming pools, wading pools, and ornamental fountains.
- F. Knowingly allowing leakage through defective plumbing.

VII. RATIONING:

In addition to the mandatory conservation measures identified, Members may be limited to water use per the following schedule, or any other limitations deemed appropriate by the Board of Directors:

- A. Residential use may be limited to seventy-five (75) gallons per person per day.
- B. Business, commercial, and industrial Members may be limited to 75% of the volume of water used during the corresponding month of the preceding year. Business, commercial, or industrial Members that were not in business and operating in the area served by the Corporation more than one (1) year prior to the declaration of need may be restricted to 75% of the average monthly volume of water used during the number of months such business, commercial, or industrial Member was in business and operating in the Corporation's system area.

VIII. EXCEPTIONS:

The Board of Directors reserves the right to establish alternative rationing requirements for the following:

- A. Health care providers.
- B. A reasonable use of water to maintain adequate health and sanitary standards.
- C. Those industrial and agricultural activities declared to be necessary for the public health and well-being by the Indiana Department of Health or the Department of Health and Human Services.

IX. NOTICE:

Notice of voluntary conservation measures shall be by publication in a local newspaper of general circulation or local radio or other means as deemed appropriate by the Board of Directors. Said Notice or Announcement shall be effective upon publication.

Notice of mandatory conservation or rationing shall be by First-Class United States Mail, or by other door-to-door distribution to each current Member, and may also be made by electronic and print media. Said notice shall be deemed effective at the conclusion of door-to-door distribution, or at noon of the third day after depositing same in the United States Mail.

X. ENFORCEMENT:

Any Member who violates this directive may be punished by a fine of not more than \$2,500.00. Each day of violation shall constitute a separate offense. In addition to, or in the alternative to a fine, water service may be terminated for any Member who violates this directive.

XI. RESPONSIBILITY:

- A. The Board of Directors shall be responsible for reviewing and making necessary changes to this policy as may be recommended or that are required by changing circumstances.
- B. It shall be the responsibility of the Manager to administer this policy and recommend changes to the Board of Directors.

SECTION NO. 5.1 BACKFLOW PREVENTION POLICY

I. OBJECTIVE

- A. To protect the public potable water supply served by the Corporation from the possibility of contamination or pollution, by isolating contaminants or pollutants that could potentially backflow or back-siphon into the public water system.
- B. To promote the elimination or control of existing cross connections, actual or potential, between its Members' potable water distribution systems and non-potable water systems.
- C. To provide for the maintenance of a continuing program of cross connection control that will effectively prevent the contamination or pollution of all potable water systems by cross connection.

II. AUTHORITY

- A. The implementation of this Backflow Prevention Policy (Policy) is authorized by the Corporation Rules and Regulations.
- B. This Policy does not supersede the Indiana Plumbing Code or the IDEM Rule 327 IAC 8-10, but is supplementary to them.

III. DEFINITIONS

- A. Backflow: The flow of any foreign liquid, gas or other substance into the distributing pipelines of a potable supply of water from any source or sources other than its intended source.
- B. Backflow Preventer: A device or means designed to prevent backflow or backsiphonage. Most preventers are commonly categorized as air gap, reduced pressure principle device, double check valve assembly, pressure vacuum breaker, atmospheric vacuum breaker, hose bibb vacuum breaker, and barometric loop.
- D. Cross Connection: Any physical arrangement whereby a public water supply is connected, directly or indirectly, with any secondary water supply system, sewer drain, conduit, pool, storage reservoir, plumbing fixture, or other device which contains or may contain any water, contaminated liquid, or other waste of unknown or unsafe quality that could impart a contaminant to the drinking water as a result of backflow caused by backpressure or back siphonage.
- E. Manager: the utility manager of the Corporation.
- F. Member: Any person who has legal title to a property for which a cross connection inspection is to be made or upon which a cross connection is present.

IV. POLICY

- A. No water service connection to any commercial, industrial, or other facility identified herein shall be allowed unless the water supply is protected as required by the Corporation Rules and Regulations and this Policy. Service of water to any property shall be immediately discontinued if a backflow preventer required by this Policy is not installed, tested and maintained, or if it is found that a backflow preventer is defective, has been removed, bypassed, or if an unprotected cross connection exists on the property. Service will not be restored until such conditions or defects are corrected.
- B. An approved backflow preventer shall be installed on the service lines of each facility designated cross connection hazards by 327 IAC 8-10-4:
1. Aircraft and missile manufacturing plants.
 2. Automotive plants, including those plants that manufacture motorcycles, automobiles, trucks, recreational vehicles, and construction and agricultural equipment.
 3. Beverage bottling plants, including dairies and breweries.
 4. Canneries, packing houses, and reduction plants.
 5. Car washes.
 6. Chemical, biological, and radiological laboratories, including those in high schools, trade schools, colleges, universities, and research institutions.
 7. Hospitals, clinics, medical buildings, autopsy facilities, morgues, other medical facilities, and mortuaries.
 8. Metal and plastic manufacturing, fabricating, cleaning, plating, and processing facilities.
 9. Plants manufacturing paper and paper products.
 10. Plants manufacturing, refining, compounding, or processing fertilizer, film, herbicides, natural or synthetic rubber, pesticides, petroleum or petroleum products, pharmaceuticals, radiological materials, or any chemical that could be a contaminant to the public water supply.
 11. Commercial facilities that use herbicides, pesticides, fertilizers, or any chemical that could be a contaminant to the public water supply

12. Plants processing, blending, or refining animal, vegetable, or mineral oils.
 13. Commercial laundries and dye works, excluding coin-operated laundromats.
 14. Sewage, storm water, and industrial waste treatment plants and pumping stations.
 15. Waterfront facilities, including piers, docks, marinas, and shipyards.
 16. Industrial facilities that recycle water.
 17. Restricted or classified facilities (federal government defense or military installations), or other facilities closed to the supplier of water or to the commissioner.
- C. In addition to the facility designated cross connection hazards by 327 IAC 8-10-4, an approved backflow preventer shall be installed on the service lines of each of the following facilities:
1. Facilities equipped with fire suppression systems, including without limitation schools and government centers.
 2. Restaurants.
 3. Convenience stores.
 4. Grocery store with onsite food preparation.
 5. Any other facility, in the sole discretion of the Manager, that may pose a threat of pollution or contamination to the public water system.
 6. Property equipped with a land irrigation system.
- D. A Member may request to be exempt from the installation of a backflow preventer on the service line. The Member shall submit an application to the Manager requesting approval for the installation of an alternate device or a waiver from installing a device. If an exemption is granted and a change in use occurs at the facility, the exemption shall no longer be valid and the Member shall install a backflow preventer or re-apply for an exemption.
- E. Any backflow preventer existing prior to implementation of this Policy and properly maintained shall be allowed to continue in service unless the degree of hazard is such as to supersede the effectiveness of the present backflow preventer, or result in an unreasonable risk to the public health, as determined by the Manager.

V. PROCEDURES

A. Morgan County Rural Water Corporation

1. The Manager, or its designee, will operate a cross connection control program which fulfills the requirements of the Corporation Rules and Regulations.
2. On new installations, the Corporation will require an approved backflow preventer to be installed on the service line to the facility. The backflow preventer information and any exemptions allowed will be tracked by the Manager.
3. The Manager shall have on file, a list of private contractors who are certified backflow device testers. All charges for required tests shall be paid by the Member.
4. Upon presentation of credentials of the Corporation, the Manager, or its designee, may conduct property inspections to determine the nature of existing or potential hazards and the need for a backflow preventer.
5. The Manager will inform the Member by letter of any corrective action deemed necessary and the time allowed for the correction to be made.
6. The Manager shall maintain inspection and testing records as required by Indiana law or regulations, which shall include the annual test reports for the three (3) most recent years.

B. Member

1. After the Manager has determined the type and location of backflow preventer required, Members shall be responsible for procuring, installing, testing, repair, and maintaining the required backflow preventer to protect the public water supply.
2. Members are also responsible for preventing the contamination and pollution of their internal water system through a program of fixture outlet protection. Members may utilize public health officials, plumbing inspectors, or other backflow specialists to assist Members in the survey of their facilities and to assist Members in the selection of proper fixture outlet devices, and the proper installation of these devices.
3. Members shall be responsible for the elimination or protection of all cross connections on their property.

4. Upon the presentation of credentials by the Corporation, Members shall allow their property to be inspected by the Corporation for possible cross connections and shall follow the provisions of this Policy and the Corporation Rules and Regulations.
 5. A Member shall inform the Manager of any proposed or modified cross connections and also any existing cross connections of which the Member is aware but has not been found by the Manager.
- f. Members shall not install a bypass around any backflow preventer unless there is a backflow preventer of the same type on the bypass. Members who cannot shut down operation for testing of the device(s) must supply additional devices necessary to allow testing to take place. Members shall install backflow preventers in accordance with 327 IAC 8-10-7 or in a manner approved by the Manager. Members shall install only backflow preventers complying with 327 IAC 8-10-7 (b) or approved in writing by the Manager.
 - g. Members shall be responsible for the payment of all annual or semi-annual device testing and repairing and retesting in the case that the device fails to operate correctly.
 - h. Nothing herein shall release Members of the responsibility for conducting periodic surveys of water use practices on his property to determine whether there are any actual or potential uncontrolled cross connections within their water system through which contaminants could backflow into the public water supply systems.
 - i. Member is responsible for the payment of all fines and penalties from any local, state, or federal government authority, and the costs of all remediation of any contamination to the Corporation's public water supply systems from the Member's property. Member shall immediately indemnify and hold harmless the Corporation, its employees, officers, directors, representatives, agents, insurers, successors and assigns, or any other Corporation affiliated person or entity from and against all claims, actions, suits, losses, liabilities, obligations, and demands of every kind and nature whatsoever, including without limitation, claims, suits, or actions for personal injury, death, property damages, or economic loss, from any contamination to the Corporation's public water supply systems from the Member's property.

VI. PERIODIC TESTING

- A. Backflow preventers shall be tested annually or as determined by the Manager.
- B. Periodic testing shall be performed by an Indiana certified tester, at the Member's expense.
- C. Any backflow preventer which fails during a periodic test shall be repaired or

replaced. When repairs are necessary, upon completion of the repair the device will be re-tested to insure correct operation.

- D. A copy of each test report shall be submitted to the Manager within ten (10) days of the test. It is the responsibility of the Member to ensure each test report is submitted to the Manager. The Manager shall keep on file the annual test reports for the three (3) most recent years, or as otherwise required by Indiana law or regulations, for review and inspection by IDEM staff.

VII. ENFORCEMENT

- A. For any violation of this Policy, the Manager will send a written warning notifying a Member of the violation and allowing (30) days for corrective action to occur or a compliance schedule to be agreed upon. The time period may be shortened depending upon the degree of hazard involved and the history of the device(s) in question. The Member must notify the Manager of the corrective action taken to correct the violation. The notification must be received within the time period allowed.
- B. Following the expiration of the time period given in the first letter for taking corrective action, a Member shall be fined up to \$2,500 per day for each day the violation is not corrected.
- C. After the first written warning, the Manager shall send two additional written warnings to the Member who is in violation of this policy before terminating water service to the Member's property for failure to correct the violation.
- D. Failure, refusal, or inability on the part of the Member to correct the violation within the time period allowed by the Manager shall constitute a ground for discontinuing water service to the property until such violation has been corrected.
- E. If the Manager determines at any time that a serious threat to the public health exists, the water service will be terminated immediately.
- F. A Member may appeal the Manager's violation determination by submitting a written request for reconsideration. The Manager shall schedule a meeting with the Member no later than fourteen (14) days from the date of the Member's request for reconsideration.

VIII. RESPONSIBILITY

- A. The Corporation shall be responsible for reviewing and making necessary changes in this policy as may be recommended or that are required by changing circumstances.

- B. The Manager shall be responsible for the administration of this Policy and shall issue the necessary procedural guidelines for its administration. The Manager, if he/she so desires, may delegate authorities given to him/her in this policy but he/she shall retain responsibility for accounting to the Corporation concerning compliance with this policy.

This Customer Policy Manual is adopted by the Board of Directors of Morgan County Rural Water Corporation on the ____2nd____ day of ____March_____, 2026__, and all existing Board of Directors Policy Bulletins and Customer Policy Manuals governing the matters addressed herein are hereby superseded.

By: _____
Jack Elliott _____, President

By: _____
Scott Youmans, Secretary to the Board of Directors