

# AUBURN WATER SYSTEM, INC.

## RULES AND REGULATIONS

### (As Amended)

#### **Section 1 - FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION REGULATIONS**

All regulations and requirements of the Florida Department of Environmental Protection (“DEP”) are incorporated herein, as if those rules and regulations were included in this document. If a rule herein conflicts with a DEP rule, then the DEP rule shall govern.

Auburn Water System, Inc. (“AWS”) retains the right to institute more stringent requirements than those set forth by DEP, if, in the opinion of the Board, the increased requirements are for the protection and benefit of the Members of AWS.

#### **Section 2 - SERVICE CLASSIFICATION**

Residential: This category applies to a single-family dwelling or to each residential unit in a mobile home park, travel trailer park, duplex, triplex or multiple dwelling building.

Commercial: This category applies to all services not classified as Residential.

Dormant Residential and Commercial Accounts: This category applies to accounts which qualify for the Residential or Commercial classification and for which the Member does not require active service but wishes to retain the existing tap and meter for the future provision of water service. Meters servicing Dormant Residential or Commercial accounts shall be locked off by the System but shall be otherwise maintained and monitored by the System in a condition satisfactory to render water service to the Member upon request. Dormant Residential or Commercial accounts shall be charged a monthly readiness to serve charge as established in the Annual Rate Schedule (as amended and posted on AWS website) and shall be further subject to meter activation and deactivation fees as established in the Annual Rate Schedule.

#### **Section 3 - APPLICATION FOR SERVICE:**

1. The customer shall make application for service, in person at AWS offices or electronically.
  - a. In order to obtain Residential service, the following information is required by each applicant:
    - i. Government issued picture identification
    - ii. If owner, upon request:
      1. Proof of ownership (i.e., Deed, Order, Certificate of Title)
    - iii. If tenant, upon request:
      1. Proof of tenancy (i.e., executed lease or affidavit of Owner)
  - b. In order to obtain Commercial service, the following information is required by each applicant:

- i. Government issued picture identification
  - ii. If owner, upon request:
    1. Proof of ownership (i.e., Deed, Order, Certificate of Title)
  - iii. If tenant, upon request:
    1. Proof of tenancy (i.e., executed lease or affidavit of Owner)
2. If the applicant meets all requirements for service as outlined above and after review of the application AWS accepts the applicant, the applicant shall pay the current tap fee(s), if applicable, as established in the Annual Rate Schedule and shall remit any other fees or deposits as required in the Annual Rate Schedule, at which time they shall become a Member of AWS.
3. AWS reserves the right to reject any application for service at its sole discretion for any reason.
  - a. Common reasons for denial of service in the past have included:
    - i. service not available under a standard rate;
    - ii. service which requires excessive service cost;
    - iii. service which may affect the supply of service to other Members;
    - iv. applicant has previous unpaid debts with AWS.
4. The name(s) on the application shall be the name of the Member, who shall be responsible for payment of all bills incurred in connection with the service provided.

**Section 4 - DEPOSIT(S):**

1. For any Service Classification, the minimum cash deposit, as stated in the current Annual Rate Schedule, shall be required.
2. A separate deposit is required to be paid for each meter installed as stated in the current Annual Rate Schedule.
3. The deposit amounts are not negotiable.
4. Any Member with a good payment history<sup>1</sup>, may, upon request, transfer an existing Membership and deposit and any outstanding bill to a new address. AWS reserves the right to deny any request at its sole discretion.
5. All deposits will be held without interest paid to the Member. All deposits will be held in perpetuity until such time as the Member terminates service or it is claimed as payment towards an outstanding debt.

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<sup>1</sup> The Member cannot have had their service cut off in the past AND have no more than two (2) late payments in any twelve (12) month period.

6. When termination is requested, the final bill will be subtracted from the deposit(s) and any remainder will be sent to the Member. For accounts where the final bill exceeds the deposit, a bill for the remainder of the account will be sent to the Member. If a Member fails to pay its final bill, AWS reserves the right to collect monies owed in any manner provided by law.
7. In the event AWS deems it necessary to pursue a Member for a past due debt, AWS, shall be entitled to costs and reasonable attorneys' fees, to include any appellate proceedings.
8. Any and all deposits made by a Member as a result of applying for and receiving services from AWS are hereby cross-collateralized so that each deposit shall stand as security jointly and severally for any and all amounts due under any other accounts held by the same Member.

#### **SECTION 5 - METER REQUIREMENTS**

1. A separate meter shall be required for each Residential class of service.
2. A separate meter shall be required for each unit in a duplex, triplex or multiple dwelling building.
  - a. AWS reserves the right, after a review of the master plans for projects such as duplexes, triplexes, or multiple dwelling buildings, to require a specific type of meter (single per unit or master meter) depending upon capacity capabilities.
3. For all mobile home parks and travel trailer parks, a separate meter shall be required for each vehicle/trailer lot.
  - a. AWS reserves the right, after a review of the master plans for projects such as mobile home parks and travel trailer parks, to require a specific type of meter (single per unit or master meter) depending upon capacity capabilities.
4. For all Commercial accounts, a separate meter may be required for each building, unit or suite in a building.
5. Water furnished for a given parcel or residence shall be used on that parcel or residence only.
6. Each Member's service must be separately metered at a single delivery and metering point.
7. All commercial use, including storerooms and stalls for business purposes shall be metered separately from any residential use, and vice versa, whether now in service or to be installed in the future. Any intended commercial use within a residential structure shall be reviewed by AWS and additional requirements, if any, shall be identified.
8. When an existing service has been purchased to serve a structure on a particular parcel, and the owner splits the parcel, the service will remain with the existing structure. If the service needs to be relocated (example: service now sits on new parcel easement) the service must be moved at the expense of the structure owner). When no structure exists, and the parcel is split, the service

remains with the parcel upon which it sits. The other parcel must obtain a new tap. No connections from the existing service will be allowed to cross property lines.

9. Taps shall be paid for a specific parcel or parcel and are not transferable to another parcel.

**Section 6 - MINIMUM MONTHLY CHARGE/PAYMENT:**

1. For any Service Classification, the minimum monthly water use charge, as stated in the current Annual Rate Schedule shall be paid monthly for each meter.
  - a. The minimum monthly water use charge is applicable to all meters that are in service and not "Dormant."
2. Should a Member use more water than the minimum monthly charge then the Member shall pay the rates as stated in the current Annual Rate Schedule for all water used.

**Section 7 - AWS RESPONSIBILITY AND LIABILITY**

1. AWS shall run a service line from its distribution pipe to the point at the Member's property line where the main distribution line exists and runs immediately adjacent and parallel to the property to be served, unless at AWS sole discretion the line shall not run adjacent and needs to run in a different manner.
2. AWS may install its meter in the easement at the property line, or in a location mutually agreed upon (in writing) between Auburn Water System, Inc. and the Member.
3. When two or more meters are to be installed on the same Property for different Members, they shall be as closely grouped as possible on the Property and each will be clearly designated as to which unit/structure the meter services.
4. AWS shall be responsible for all piping, apparatus and/or connections between the main distribution line and the meter. AWS installed parts shall be placed in the Right-of-Way or easement whenever possible.
5. The meter box and all equipment contained therein remain the property of AWS and it shall be the responsibility of AWS to replace and maintain same as needed.
6. AWS does not assume any responsibility for a Member's piping, apparatus, or connections beyond the meter. The Member will be billed, and is responsible for, payment for all metered water used.
7. AWS reserves the right to inspect and to refuse service to a Member if the Member's lines or piping are installed in such manner as to potentially allow cross connection or backflow of water into AWS-lines and to immediately discontinue service if a cross connection is found and where a backflow prevention device is not present.

- a. In the event AWS deems a backflow protection device necessary (SEE Backflow Policy), the Member is responsible for the installation of the device and for the cost of the yearly testing. Failure to do so is grounds for refusal of service.
8. AWS shall not be liable for damage of any kind resulting from water, or the use of water, on the Member's property, unless such damage results directly from negligence on the part of AWS.
9. AWS shall not be responsible for any damage done by or resulting from any defect in the piping, fixtures, or appliances on the Member's property. AWS shall not be responsible for negligence of third persons, or forces beyond the control of AWS, resulting in any interruption of service.
10. For any anticipated or actual interruption of service not associated with non-payment, AWS will notify the Member by a method approved by the Florida DEP. This shall include, based on the number of Members affected by the interruption and whether or not the action is based on a non-compliance problem, be by door hanger, public announcement via news media and/or reverse 911.
11. AWS monitors monthly consumption reports to identify usage trends that could indicate a leak on the Member's side of the meter. When a potential leak is identified, as a courtesy, AWS will undertake reasonable efforts to contact the Member including, when feasible, by phone and or in-person visit to the service address. AWS reserves the right to turn off water supply at the meter when a leak on the Member's side of the meter is apparent and efforts to contact the Member have been unsuccessful or if the Member has been notified and the leak has not been properly addressed in a timely manner, as determined by AWS in its sole discretion. AWS shall not be responsible for any loss or damage resulting from the decision to turn off supply at the meter because of an apparent leak. Nothing herein shall create any affirmative obligation on the part of AWS to find or identify any leaks or to notify the Member of any leak existing on the Member's side of the meter and no liability is assumed for any failure to find any leak or issues.

**Section 8 - MEMBER RESPONSIBILITY AND REQUIREMENTS:**

1. Piping on the Member's property must be so arranged that the connections are conveniently located with respect to AWS lines or mains or AWS may require the Member to relocate the piping. If the Member's piping on their property is so arranged that AWS is called upon to provide additional meters, each meter will be considered as a separate and individual account. Examples of this include separate living structures on the same property, lot splits, or a separate structure on the same property acting as a business.
  - a. The Member may indicate their preferred location, on the Right-of-Way or easement, for a meter by placing an AWS Flag (as provided by AWS) in their desired location. Assuming the desired location is in a location which is always unobstructed and accessible to AWS employees, AWS will install the meter at the desired location. Should the location not meet the requirements of AWS, AWS in its sole discretion reserves the right to place the meter in a place of its choosing.

2. The Member is required to maintain any private cut-off valve or other equipment, such as a backflow prevention device, pressure reducer, etc., on their side of the meter box.
  - a. In the event AWS deems a backflow protection device necessary, the Member is responsible for the installation of the device and for the cost of the yearly testing. Failure to do so is grounds for refusal of service. (See separate AWS policy on Backflow devices)
3. The Member's piping and apparatus shall be installed and maintained, by the Member at their expense, in a safe and efficient manner, in accordance with these rules and regulations and in full compliance with the sanitary regulations of the Florida DEP. The Member will be liable for payment of all metered water delivered to their property.
4. The Member shall guarantee proper protection for AWS property placed on the Member's property line. This includes, but is not limited to, a five (5) foot buffer radius around the meter box in which shrubs, plants, trees or other structures are prohibited. AWS reserves the right to remove any obstruction within the five-foot radius of the meter box or other equipment to service the equipment if the Member is unable or unwilling to remove the obstruction. Absent an emergency, AWS shall provide up to ten (10) days' notice prior to removing any obstruction.
5. The Member shall allow access to any AWS employee, at all reasonable hours, absent an emergency, to the property of the Member for the purpose of installing or removing AWS property, inspecting piping, reading or testing meters or for any other purpose in connection with AWS service and facilities. Should a Member refuse access to the property by an AWS employee, then AWS may, in its sole discretion, refuse to provide service or terminate service and Membership hereunder.
6. In the event any loss or damage occurs to the property of AWS or any accident or injury to persons or property is caused by or results from the negligence or wrongful act of the Member, his agents or employees, the cost of the necessary repairs or replacements shall be paid by the Member to AWS and any liability otherwise resulting shall be assumed by the Member. The amount of such loss or damage, or the cost or repairs, shall be added to the Members' bill. If said bill is not paid, service may be discontinued by AWS.
7. Each Member shall grant or convey, or shall cause to be granted or conveyed, to AWS, a perpetual easement and right of way across any property owned or controlled by the Member, wherever said perpetual easement and right of way is necessary for AWS water facilities and lines, so as to be able to furnish service to Member or other contiguous Members. Should a Member refuse to provide the easement and right of way described herein, AWS may refuse to provide service.
8. No Member shall be allowed to connect to a fire hydrant for potable water unless there has been an emergency declared or has been authorized by Auburn Water System. AWS has the authority to disconnect the improper connection.

9. Any Member that connects their water line to an adjacent property, or another structure, to serve as a water supply for a residence, business, either occupied or under construction, shall be deemed to have done so to avoid payment of the base rate for a meter to AWS, unless such deviation is authorized by the General Manager and is fully documented. When an improper connection has been found to have been made, the following shall occur:
  - a. The Member shall be fined as stated in the Annual Rate Schedule.
  - b. The Member must terminate the connection to the adjacent property and have the work inspected by AWS. The fee for this inspection shall be as stated in the current Annual Rate Schedule.
  - c. No additional water taps will be provided to the Member until the fines and service charges have been paid and the improper connection terminated and approved by AWS.
10. If a Member diverts a meter for service, service will be terminated, an immediate \$1,000 fine shall be issued to the Member and service will not be restored until all associated fees/fines are paid.
11. If the seal of a meter is broken by anyone other than an AWS representative, or if the meter fails to register correctly, or is stopped for any cause, the Member shall pay an amount estimated from the record of the twelve (12) previous bills, not to exceed twelve (12) months. If a lock is removed by anyone other than an AWS representative, there shall be a charge, as stated in the Annual Rate Schedule, added to that Member's account.
12. No Member shall be responsible for the balance owed for water service at a property by a previous Member.
13. See separate AWS policy on Fire Hydrant Meters.

**Section 9 - EXTENSIONS TO MAINS AND SERVICES:**

1. AWS may construct extensions to its water lines to points within its service area at the request of a Member. Any request shall be analyzed on a case-by-case basis and AWS reserves the right to deny such a request at its sole discussion.
  - a. AWS shall not undertake any Member requested extension work unless the Member advances to AWS the entire cost of the extension work.
  - b. All line extension work shall be evidenced by a contract signed by AWS and the Member.
  - c. Each contract shall be null and void unless reviewed and approved by the AWS attorney and approved by AWS Board of Directors.
  - d. Any contract for extension work is NON-REFUNDABLE and final.
2. A Member may request installation of a fire hydrant (not within 1000 feet of an existing hydrant) on a line sufficient in size to accommodate same. Any request shall be analyzed on a case-by-case basis and AWS reserves the right to deny such a request for any reason. If the request is granted,

the Member shall pay to AWS, in advance, for the materials needed for the installation and AWS shall provide the labor, free of charge, to install the fire hydrant at a time convenient to AWS.

**Section 10 - TERMINATION OF SERVICE:**

1. Notice of termination by the Member shall be given to AWS in writing, either delivered in person at AWS office or via electronic means, or orally, via telephone (with satisfactory proof of identity).
2. The outgoing Member is responsible for notifying AWS of a termination date. The outgoing Member shall be responsible for all water consumed up to and including the time specified for departure. If no time is specified for departure, the account will remain active and monthly minimum use charges will apply.

**Section 11 - METER READING - BILLING COLLECTIONS**

Meters will be read and bills rendered as follows:

1. AWS reserves the right to vary the dates or length of period covered, temporarily or permanently, if necessary or desirable.
2. Bills for water will be figured in accordance with the AWS published Annual Rate Schedule in effect and will be based on the amount of water consumed for the period covered by the meter readings.
3. Readings from different meters will not be combined for billing, irrespective of the fact that said meters may be for the same or different property, or for the same or different Members, or for the same or different services.
4. Bills are due when rendered. Bills become delinquent after the 15th of the month and a penalty of 10% will be added. Delinquent accounts are subject to disconnect any time after the 15th of the month. No disconnect notices will be sent to the Member.
5. Failure to receive bills or notices shall not prevent such bill from becoming delinquent nor relieve the Member from payment.

**Section 12 - SUSPENSION OF SERVICE:**

1. AWS reserves the right to discontinue its service without notice, to include but not be limited to, the following reasons:
  - a. To prevent fraud or abuse.
  - b. Members willful disregard and violation of any of the Rules and Regulations hereunder.
  - c. Emergency repairs.
  - d. Insufficiency of supply due to circumstances beyond AWS control.
  - e. Legal processes.
  - f. Direction of public authorities.
  - g. Strike, riot, fire, flood, accident or any unavoidable cause.



- h. Theft of utility by reversal of meter or making an unmetered connection to the AWS distribution lines, or by installing a non-AWS or stolen AWS meter when AWS has had the original meter removed for cause.
  - i. Failure of Member to pay their bill and other charges when due.
  - j. Whenever a cross connection or illegal connection is found.
  - k. Tampering with any AWS equipment and/or service pipe or permitting tampering by others.
  - l. Use of water by Member at any location other than that described in the Application for Service.
  - m. Refusal of access to property to authorized representatives of AWS.
  - n. Failure of Member to comply with any water use restrictions imposed.
  - o. Pursuant to any other regulations of the Federal Government, Florida Department of Environmental Protection, Northwest Florida Water Management District State of Florida or Okaloosa County.
  - p. Failure to repair a leak.
2. AWS may, in addition to prosecution by law, refuse service to any Member who tampers with a meter, taps into the distribution line, or secures water through any illegal method. In the event of any loss or damage to AWS property which results from the negligence or wrongful act of the Member, his agents or employees, to resupply water after the meter has been locked, AWS will remove the meter and assess a penalty approved by the Board. The meter will be reinstalled only after payment of the current established reconnection fee as stated in Annual Rate Schedule, balance on account and penalties.
3. AWS expressly reserves the right, as long as any account of a Member or an affiliate of a Member, is delinquent, to refuse services, or issue new taps in that Member's name without full payment of any delinquent account.
4. Any connection, tap or meter which is not specifically associated with any existing Member in either a RESIDENTIAL or COMMERCIAL account, is hereby declared to be an INACTIVE CONNECTION. Inactive connections require the expenditure of System resources and therefore place an undue burden on the Members of the System. The System shall regularly audit its accounts to identify Inactive connections. Once identified, the System shall make reasonable efforts to locate the last known Member associated with that connection and/or the owner of the real property serviced by the Inactive connection and advise said Member or owner of the intention to terminate service. If the appropriate party fails to take action to establish an account within the appropriate service category within six (6) months of the first reasonable efforts to locate the responsible party, said connection shall be noticed for termination. The intention to terminate the connection shall thereafter be published in the agenda of a regular or special meeting of the Board of Directors and upon a vote of a majority of the Members of the Board, said connection shall be terminated. Once terminated, any new service request to replace the terminated service shall be subject to the fees and conditions of any new service request.

### **Section 13 – COMPLAINTS/ADJUSTMENTS**

- a. If a Member believes the water bill to be in error, the Member shall present the claim, in person to AWS before the bill becomes delinquent. The Member shall pay such bill in a timely manner. Upon review of the claim by AWS, either an adjustment will be provided to the Member's account or the monies will be deemed as owed to AWS.
  - a. Such claim, if made after the bill has become delinquent, shall not prevent discontinuance of service, as heretofore provided.
- b. AWS will make special meter readings at the request of the Member for a fee approved by the Board as stated in the Annual Rate Schedule. If such special reading discloses that the meter was over-read, no charge will be made and an account adjustment will be made as appropriate.

### **Section 14 – PRESSURE REDUCING VALVES**

It is the policy of AWS to provide safe and adequate drinking water to Members at pressures within guidelines as established by the Florida Department of Environmental Protection and other appropriate regulatory agencies.

1. Members who determine that system pressures are greater than desired may install a pressure reducing valve downstream from the meter servicing the impacted Member.
2. Any pressure reducing valve installed by a Member shall be done so in accordance with all applicable codes and regulations and shall be done so at Member expense. Liability for maintaining the pressure reducing valve and associated connections shall rest solely with the Member.
3. All pressure reducing valves installed by AWS on or before February 15, 2016, are now deemed property of the Member and liability for the valve is the responsibility of the Member as if the Member had installed the valve.

It is the policy of AWS that all AWS assets be maintained on property owned by AWS or on property or right-of-way owned by a county, municipality, or other public entity. System assets shall only be installed on private property when, in the sole and exclusive determination of AWS, no feasible alternative exists, and when the property owner has granted a satisfactory perpetual generic easement for the purpose of installation and maintenance of utilities or a satisfactory perpetual easement has been granted specifically to AWS for the purposes of installing and maintaining utilities.

It is further the policy of the Board that existing AWS assets located on private property not in compliance with the above policy be identified, and when, in the sole and exclusive determination of AWS, it becomes practicable and cost feasible, be relocated to public property or right-of-way. When in the sole and exclusive determination of AWS, said assets cannot be feasibly relocated, a satisfactory perpetual easement shall be obtained from the property owner authorizing access to said assets, or service will be terminated.

The General Manager shall be empowered to authorize the installation of a replacement water line from the new meter to the old meter location provided that the property owner first executes an appropriate agreement holding AWS harmless and accepting ownership of the replacement service line.

If a property owner fails or refuses to provide a written easement pursuant to the above policy, the General Manager shall be empowered to authorize the abandonment of AWS assets and relocation of any impacted meters back to the nearest public property or right-of-way and require that the property owner install infrastructure necessary to connect to the relocated meter.

Nothing in the above policy shall be construed as waiving or relinquishing any existing easement or right of access held by AWS by prescription or otherwise.

**Section 15 - AMENDMENT OR MODIFICATION OF RULES:**

1. No promise, agreement, or representation of any employee of AWS shall be binding upon AWS except as it shall have been agreed upon in writing, signed and accepted by the General Manager or Board of Directors.
2. No Modification of rates or any of the rules and regulations shall be made by any agent of AWS.
3. Any modifications, changes or amendments to these Rules and Regulations shall be voted on by the Board of Directors at a duly noted meeting.
  - a. Any and all changes shall be posted to the AWS website for all Members to access.

Last Amended 01/18/2022