

**MEMORANDUM**

**TO:** Programs, Projects and Operations Subcommittee

**FROM:** Justin Novak, Project Manager

**SUBJECT:** Updates to District Policy Manual, Appendix H, Rules and Regulations for the Rural Water Supply Systems

**DATE:** 11/23/2021

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Attached is a proposed update to the District's Policy Manual, Appendix H, Rules and Regulations Rural Water Supply Systems.

The update includes:

\*Increases for hookup fees on Washington, Dakota and Thurston Rural Water Systems which was approved by each systems Advisory Boards.

\*Increase of \$0.15/1,000 gallons in water usage rates per for Dakota County Rural Water (approved by the DCRW Advisory Board)

\*Collection of sales tax for commercial accounts only per Neb. Rev. Stat. § 77-2704.68 starting October 1, 2021. Per the new state statute residential customers water utility bills are tax exempt.

**Staff recommends that the Subcommittee recommend to the Board that the proposed updates to the District's Policy Manual, Appendix H – Rules and Regulations Rural Water Systems be approved, subject to changes deemed necessary by the General Manager and approval as to form by District Legal Counsel.**

**PAPIO-MISSOURI RIVER NATURAL RESOURCES DISTRICT**

***RULES AND REGULATIONS***

(Revised December 2021)

**DAKOTA, THURSTON AND WASHINGTON COUNTY  
RURAL WATER SUPPLY SYSTEMS**

These Rules and Regulations are issued by the Papio-Missouri River Natural Resources District in compliance with Sections 2-3201 to 2-3262 R.R.S., Nebraska 1943, as amended, and are designed to govern the supplying and taking of water service in a uniform manner for the benefit of the District and its members. They are subject to further change from time to time; however, all such changes may need approval by bondholders, Rural Development (USDA), or the Berkadia Commercial Mortgage Corporation, until such time as the Papio-Missouri River NRD has retired all loans or bonds. If a provision of these Rules conflicts with a provision of the rate schedule, the provision of the rate schedule will prevail. If any portion of these Rules shall be declared invalid by competent authority such voidance shall not affect the validity of the remaining portions.

***DEFINITIONS***

**APPLICANT:** Any individual, firm partnership, corporation or other entity or agency owning property located within Papio-Missouri River Natural Resources District rural water supply service areas and applying for water service to such property.

**ADVISORY BOARD:** A board appointed for the purpose of making recommendations to the District on phases of operation of the rural water supply systems. Their composition, term and appointment are as follows:

<u>Water System</u>	<u>Members</u>	<u>Term</u>	<u>Appointed by</u>
Dakota County	9	3 years	9-District
Thurston County	5	3 years	5-District
Washington County #1&#2	7	3 years	4-District 3 - Ft Calhoun

**APPLICATION FOR WATER SERVICE AND CONSUMER'S AGREEMENT:** The agreement or contract between the consumer and the District, pursuant to which one water service is supplied and accepted.

**BENEFIT UNIT:** A right entitling the holder to one water service.

**BENEFIT UNIT CERTIFICATE:** A certificate showing ownership of a Benefit Unit.

**BOARD:** The Board of Directors of the Papio-Missouri River Natural Resources District.

**CONSUMER:** Any individual, firm partnership, corporation or other entity or agency holding a Benefit Unit and receiving water service from the District.

**DATE OF BILLING:** The date of billing for each rural water system shall be designated by the District.

**DISTRIBUTION MAIN:** A water main designed and constructed for the purpose of carrying water to two or more service mains.

**DISTRICT:** The Papio-Missouri River Natural Resources District.

**SERVICE MAIN:** A water main and associated appurtenances including a meter, meter reading, meter vault, valves, etc., designed and constructed by the District for the purpose of providing one water service by carrying water from a distribution main to one consumer's point of delivery.

**POINT OF DELIVERY:** The point where the District's mains deliver water service to the consumer. The Point of Delivery for one water service shall be the consumer's property line (street side), except as may otherwise be determined by the District,

**PRIVATE WATER LINE:** A water line constructed and connected by the consumer at his own cost to convey water on his own property for his own use from the point of delivery.

**PROPERTY:** A defined tract of land as surveyed, platted, and recorded with the County Register of Deeds.

**WATER SERVICE:** The availability of an adequate supply of water at the point of delivery to meet the consumer's requirements and in readiness for use regardless of whether or not the consumer makes use of it. A consumer must purchase a benefit unit certificate, reflecting a benefit unit for each residential dwelling or business establishment served, for each separate property.

**RULES AND REGULATIONS**

1. GENERAL RULES

(A) The supplying and taking of water will be in conformance with these Rules and Regulations and the adopted rate schedule provided, however, that such rate schedule is subject to change by the Board. If at any time the Board determines that the total amount derived from the collection of charges is insufficient for payment of operating costs, emergency repairs, debt service, and a reasonable reserve, the Board shall adjust the rate schedule in an amount sufficient to pay such operating costs, emergency repairs, debt service, and to accumulate reasonable reserves.

(B) Applicants for service shall make application to the District on forms provided by the District. If the applicant's Application for Water Service and Consumer's Agreement is accepted by the Board, the applicant will purchase a Benefit Unit for each water service desired and sign the standard Application for Water Service and Consumer's Agreement for an indefinite period.

(C) Before any applicant shall be entitled to service, the applicant shall grant an easement for the mains and water service facilities of the District over and across any real estate owned by him within the Improvement Project Area. Said easement shall be on terms and conditions prescribed by the District.

(D) The District is not obligated to approve an application for water service if an adequate water supply is not available.

(E) All actions taken by an Advisory Board, pursuant to these Rules, must have the affirmative approval of the Papio-Missouri River Natural Resources District before such actions become effective.

2. COST OF BENEFIT UNIT

Dakota County Rural Water Supply Systems

The Benefit Unit cost (hookup fee) shall be ~~\$3,400.00~~ the rates below, or the District's actual costs of connection plus capital facilities charge of \$1,800.00, whichever is greater.

NOTE: Two-unit service types, or greater, will be prescribed by the District when A) more than one residence, or commercial establishment, or combination thereof is located within the defined legal description of one property, B) or when the consumer requests a larger service type to accommodate a greater supply of water, C) or when the District determines that a larger meter is required to meet the expected demand of the consumer.

Service Type	Meter Size	Hookup Fee
1 Unit	5/8 x 3/4"	\$4,000
2 Unit	1"	\$5,500

Thurston County Rural Water System

The Benefit Unit cost (hookup fee) shall be as stated below, or the actual cost of connection, plus capital facilities charge of \$1,300, whichever is greater.

Service Type	Meter Size	Hookup Fee
1 Unit	5/8 x 3/4"	<del>\$1,625.00</del> \$3,000
2 Unit	1"	<del>\$1,775.00</del> \$3,400
3 Unit	1-1/2"	<del>\$2,025.00</del> \$3,800

Washington County Rural Water System #1 & #2

The Benefit Unit cost (hookup fee) shall be ~~\$3,500.00~~ the rates below, or the actual cost of connection, plus ~~Metropolitan Utilities District~~ capital facilities charge of \$1,800, whichever is greater.

A deposit for any estimated cost of a Benefit Unit shall be made by the applicant in cash upon submission of the Application for Water Service to the District (settlement to be made when water service commences).

~~Washington County Rural Water System #2~~

~~The Benefit Unit cost (hookup fee) shall be as stated below, or the actual cost of connection, whichever is greater.~~

Service Type	Meter Size	Hookup Fee
1 - Unit	5/8 X 3/4 "	<del>\$3,500</del> \$4,500
2- Unit	1"	<del>\$5,900</del> \$6,900

~~A deposit for any estimated cost of a Benefit Unit shall be made by the applicant in cash upon submission of the Application for Water Service to the District (settlement to be made when water service commences).~~

3. WATER SERVICE IS FOR SOLE USE OF THE CONSUMER

A standard water service connection shall be for the sole use of the applicant. Such service shall supply water to only one farm, non-farm residence or business establishment. Extension of pipes to transfer water from one property to another shall not be permitted, nor shall the holder of a Benefit Unit share, resell, or sub-meter water in its unaltered state to any other consumer. If an emergency or specific situation should make such an arrangement advisable, it shall be done only on specific written permission from the District, and only for the duration of the emergency or to meet the needs of the specific situation.

4. AGREEMENTS WITH GOVERNMENTAL AND PUBLIC BODIES

The Board may make specific water service contracts with the Federal Government, the State of Nebraska, or any of its subdivisions, agencies or municipal corporations, differing from

stipulations set out in the rate schedule and Rules. Such contracts shall be subject to the approval of the Board. Approval is necessary from Berkadia, for the Thurston County Rural Water Supply System.

#### 5. RIGHT OF ACCESS

Representatives of the District shall have the right at all reasonable hours to enter upon consumers' premises to operate and test control valves and meters, inspect piping, and to perform other duties for the proper maintenance and operation of service, or to remove its service equipment and shut off water upon discontinuance of service, in accordance with Neb. Rev. Stat. §§ 70-1605 and 70-1606.

#### 6. CONTINUITY OF SERVICE

The District will make all reasonable efforts to supply continuous, uninterrupted service. However, it shall have the right to interrupt service for the purpose of making repairs, connections, extensions, or for other necessary work. Efforts will be made to notify consumers who may be affected by such interruptions, but the District will not be responsible for losses which might occur due to such necessary interruptions, or for interruptions caused by acts natural or otherwise beyond its control, and the applicant shall be deemed to have expressly waived any right to damages in connection with any interruption of service.

#### 7. CONTROL EQUIPMENT

Meters and pressure control valves will be furnished installed, owned, inspected, tested and kept in proper operating condition by the District. A complete record of tests and histories of meters will be kept. No consumer will be supplied a service except through a properly installed meter.

#### 8. METERS OR PRESSURE ACCURACY

Meters and pressure control valves will be checked periodically at the direction of the District. Pressure control valves will be checked by means of a pressure gauge to assure reasonable accuracy. If a pressure control valve is inaccurate, the said valve will be corrected or replaced. Meter tests will be made according to methods of the American Waterworks Association by the District, as often as deemed necessary by the District upon its request by the Advisory Board. Service meters whose errors do not exceed two percent (2%) fast or slow shall be considered as being within the allowable limits of accuracy for billing purposes. The percentage of error will be considered as that arrived at by taking the average of (A) the error at full load, and (B) the error at ten percent (10%) load, however, if a consumer's rate of usage is known to be practically constant, the error at such constant use will be used in place of such average. Water bills will be adjusted for the previous six months if meters are found to be outside the allowable limits.

#### 9. METER LOCATION

Meters generally will be installed by the District in a meter vault at the point of delivery. The District reserves the right to require a different location for the meter if the location at the point of delivery would not be practical or economical. All meters shall be set horizontally. As a normal practice, meter boxes will be located about five (5) feet inside the applicant's property line (street side).

## 10. NOTICE OF WATER SERVICE AVAILABILITY

The District shall provide to the applicant a written notice when water service is available at the address indicated in the application for water service. The applicant's first remittance for water service furnished shall be due on the first day of the first whole calendar month.

## 11. BILLING

**Dakota, Thurston and Washington County Rural Water System.** Water meters will be read and billed around the 15<sup>th</sup> day of the month. Payment of such monthly water bill shall be due, and must be received, on or before the 15th day of the next month. Bills not received by the due date shall be subject to a 10% late charge. A \$50.00 charge will be imposed for each instance that the District's staff, after examination of a customer's meter, determines that such customer had intentionally provided a meter reading to the District that is inaccurate.

All bills due to the District for water service may be paid during normal business hours at the District office, or by mail. There shall be a \$25.00 handling charge for all checks returned.

Failure to pay a bill within 60 days of the due date shall be grounds for discontinuance of the water service and, after notice and an opportunity for hearing, such failure shall be grounds for forfeiture of the Benefit Unit. If a defaulting water subscriber is a tenant, such 60 day period shall not commence to run until the District ~~has mailed by certified mail to at least one of the landowners, at the last known address shown by the records of the District,~~ **has notified the landowner by phone and placed pink tag at the service address,** as a notice that the water bill is due.

## 12. DISCONNECTION NOTICE

The District shall provide notice to any customer whose service is proposed to be terminated. Such notice shall contain the information required under Neb. Rev. Stat. 70-1606(1)(a)-(k) and shall be given in person, by first-class mail, or by electronic delivery—only if the customer has specifically elected to receive such notice by electronic delivery. The importance of such notice shall be conspicuously marked.

Service will not be discontinued for at least seven business days after notice is sent or given. Holidays and weekends shall be excluded from the seven days.

The District shall make the service termination information required under Neb. Rev. Stat. 70-1606(1)(d), (e), (f), (g), (i), (j), and (k) readily accessible to the public on the District's website and available by mail upon request.

Upon termination of service, a lock will be placed on the water meter. Tampering with or damage to the lock or meter will result in a \$500 fine in addition to the outstanding balance due.

## 13. RECONNECTION CHARGES

The below-listed fees for the reconnection of utility service represent the reasonable costs of providing such service.

### A. Dakota County Rural Water System

The Benefit Unit shall be reinstated (or service restored) if all book charges are paid in full, plus \$120.00 reconnection costs and a sum to reimburse the District for mileage expense incurred in discontinuing and reinstating service.

Non-profit organizations may reconnect at one-half the price of a regular reconnection after the liquidating damages have been paid in full and upon request of said organization to the Advisory Board and the Advisory Board's approval.

B. Thurston and Washington County Rural Water Systems

The Benefit Unit shall be reinstated (or service restored) if all book charges are paid in full, plus \$60.00 reconnection costs.

14. REQUESTED METER OR PRESSURE VALVE TESTS

Meter or pressure reducing valve tests requested by consumers will be performed without cost to the consumer if the items are found to be in error exceeding the following limits: water meters found to be in excess of two percent (2%) fast in recording the rate of water flow, or pressure reducing valves allowing greater than 80 p.s.i. of pressure to be delivered to the consumer. A request for a meter or pressure valve test shall be made in writing to the District office.

15. CONSUMERS RESPONSIBILITY

The consumer shall be responsible for any damage to the meter and any point of delivery equipment installed by the District for his service, on account of any cause other than normal wear and tear, defect in workmanship or material, or the District's installation thereof.

Consumers who initiate construction or repairs after July 1, 1988, will not be allowed to connect to the District's water system should any pipe, pipe fittings, solder or flux, used in the installation or repair of the consumer's lines not be lead free. (Lead free when used with respect to solders and flux means they contain not more than two-tenths percent lead. When used with respect to pipe or pipe fittings, it shall not contain any more than eight percent lead). Any violation of this regulation shall be removed at consumer's expense, plus an additional verification cost of \$100.00 and a sum to reimburse the District for mileage expense incurred for inspecting and approving materials used.

16. CHANGE OF OCCUPANCY/ OWNERSHIP

It shall be the consumer's responsibility to anticipate changes of occupancy, and to have his Benefit Unit transferred to the new consumer. Until the Benefit Unit is formally transferred, the original holder shall be responsible for payment of all charges and damages. All charges and damages levied against a Benefit Unit must be paid before the Benefit Unit can be transferred, or before service can be resumed where there has been a suspension.

17. LIQUIDATED DAMAGES

In the event the applicant for water service shall fail or refuse to pay for water service as herein provided for a period of sixty (60) months after such connection, the applicant shall pay the District, as liquidated damages and not as a penalty, the sum of Nine Hundred Dollars (\$900.00). This sum represents the reasonable costs of providing such service and amortizes the applicant's investment for a sixty (60) month period and which shall be in addition to the benefit unit charged; provided, however, that any monthly Water Service shall be credited as part payment of said sum. Payment of such liquidated damages shall terminate the responsibility of the consumer to pay any additional Water Service charges. Upon such payment the benefit unit shall be then forfeited to the District. Water Service shall be discontinued and all consumer rights canceled.



## 18. SERVICES

The District will install and own all water mains from the transmission main to the point of delivery. The size of all mains shall be established by the District. The District will provide, install and own the meter, any meter vault required, and the meter setting device.

## 19. FIRE HYDRANTS

The District's water systems are designed to meet normal needs for domestic water and may not be designed to provide fire protection flows for rural areas. The rates of flow existing in the District's mains and available from the District's hydrants will not be increased by the District on a temporary or ad hoc basis to permit the usage of fire-fighting flows directly from the hydrants, to permit the connection of fire pumper units thereto, or to permit more rapid filling of fire tanker units therefrom. Hydrants may also be used by the District to flush water mains. Hydrants shall not be used for any other purpose without express permission of the District. A \$500.00 charge will be imposed against each person who operates or attempts to operate a District fire hydrant without authorization of the District. Nothing shall be erected or planted which shall interfere with the use of a fire hydrant. Sufficient clearances shall be maintained around a hydrant to permit easy connection of hoses and full circle operation of the hydrant using regular hydrant wrenches and hose spanners. Shrubs, trees, flowers or weeds, shall not be planted nor permitted to grow so as to prevent full view of a fire hydrant from the street or road.

## 20. INSUFFICIENT WATER SUPPLY

In the event the total water supply shall not be sufficient to meet all of the needs of the consumers, or in the event there is a shortage of water, the Advisory Board may prorate the available water supply on such basis as it deems equitable.

## 21. APPLICANTS HAVING EXCESSIVE REQUIREMENTS

In the event an applicant's water service requirements are found to exceed the District's supply, adversely affecting service to other consumers to an extent deemed unreasonable by the Board, the District will not be obligated to render such excessive service, unless and until suitable self-liquidating financing is arranged to cover necessary investment in additional plant.

## 22. CROSS CONNECTIONS

Cross connections shall not be permitted, nor shall there be any physical connection between any private water system and the water system of the District. There shall be no physical connection between the water system of the District and any holding tank or reservoir intended for non-potable liquid, sewer drain conduit, tank, pump, plumbing fixture, heat exchanger or other mechanical equipment or device which contains, or may contain contaminated water, sewage, or other waste, liquid or gas of unknown or unsafe quality which may be capable of importing contamination or pollution to the potable water supply as a result of backflow (due to either backpressure or backsiphonage), unless such connection is protected by a back-flow prevention device deemed appropriate by the District under the Rules and Regulations of the State Health Department and installed at the consumer's expense. The District, through the licensed operator of its water system, shall conduct an on-going cross-connection control program consisting of cross-connection detection by means of consumer survey, assessment of apparent hazards presented by cross-connections detected through surveys, and the requirement of backflow prevention devices to be installed and maintained by consumers where necessary, in the District's judgment, in order to protect the public against potential hazards to the water supply. The program may also include containment through the use of backflow

prevention devices installed at appropriate locations throughout the water system where feasible and desirable in the judgment of the District. Compliance with the program shall be enforced by requiring as a condition of continued water service; A) the prompt return of consumer surveys as often as deemed necessary, but no less often than every 5 years, B) the correct installation and maintenance of any backflow prevention devices required by the District, and C) annual written certification of testing required devices, having test ports, by a state licensed backflow prevention device tester.

Representatives of the District shall have the right, during all reasonable hours, to enter upon the consumer's premises for the purpose of inspection and enforcement of these provisions. Violation of these provisions shall constitute cause for disconnection of the consumer's service.

### 23. WATER RATE SCHEDULE

The rate schedules for each calendar month shall apply to the following water systems:

A. Thurston County Rural Water System (effective 9-1-2014)

*\*5 ½% Nebraska State Sales Tax on Commercial Accounts Only*

Base Monthly Charge	\$ 35.00 *
First 20,000 gallons	\$ 5.50/1,000 Gallons*
All over 20,000 gallons	\$ 2.50/1,000 Gallons*

B. Dakota County Rural Water System (Effective 7-1--2019)

*Nebraska State & County Sales Tax on Commercial Accounts Only*

Base Monthly Charge	\$27.00 *
First 5,000 gallons	<del>\$ 2.35</del> /1,000 Gallons *\$2.50
Next 45,000 gallons	<del>\$ 2.10</del> /1,000 Gallons *\$2.25
All over 50,000 gallons	<del>\$ 2.00</del> /1,000 Gallons *\$2.15

C. Washington County Rural Water System #1 (Effective 6-1-2013)

*\*5 ½% Nebraska State Sales Tax on Commercial Accounts Only*

Base Monthly Charge	\$17.75 *
First 10,000 Gallons	\$ 4.95/1,000 Gallons *
Next 10,000 Gallons	\$ 3.35/1,000 Gallons *
Next 30,000 Gallons	\$ 2.35/1,000 Gallons *
All Over 50,000 Gallons	\$ 1.83/1,000 Gallons *

D. Washington County Rural Water System #2 (Effective 10-1-2013)

\*5 ½% Nebraska State Sales Tax on Commercial Accounts Only

Base Monthly Charge	\$25.00*
First 10,000	\$ 4.95 / 1,000 Gallons*
Next 10,000 Gallons	\$ 3.35 / 1,000 Gallons*
Next 30,000 Gallons	\$ 2.35 / 1,000 Gallons*
All Over 50,000 Gallons	\$ 2.10/ 1,000 Gallons*

24. VIOLATIONS

Violations of any of the provisions of the Rules and Regulations as set forth above, or as may be amended from time to time by the Board, shall constitute cause for disconnection of a consumer's service, in accordance with Neb Rev. Stat. §§ 70-1605 and 70-1606, pending compliance therewith; and, repeated violations, after notice and opportunity for hearing by the Board, shall constitute grounds for forfeiture of the Benefit Unit.

A copy of these regulations will be kept permanently on file in the office of the Papio-Missouri River Natural Resources District, Omaha, Nebraska.

