

EXHIBIT "A"

CUSTOMER SERVICE POLICY

Rules and Regulations of the Ozark Water Department, Ozark, AR,
hereinafter referred to as the "Utility"

Definitions

Applicant - Any individual, firm, partnership, authority, or other entity residing or owning land within the service area, or a wholesale water supplier serving another water service area applying for water service.

Council - The governing body of the Utility or its authorized representative(s).

Customer - Any individual, firm, partnership, corporation, authority, or other entity which has applied for and is currently receiving water service.

Point of Delivery - The point of delivery of service to each Customer shall be at the meter, unless otherwise specified.

Point of Use - For each customer of the Utility, the point of use shall mean the precise location at which water is used or consumed (a residence, building, dwelling, business, etc.) or similar location on the Customer's premises, where water is to be used by the Customer.

Service - The term "Service" shall mean the availability for use by the Customer of water adequate to meet the Customer's requirements. Service shall be considered "available" when the Utility maintains the water supply at normal pressure at the point of delivery in readiness for the Customer's use, regardless of whether the Customer makes use of it.

Service Area - The geographic areas served by the utility described on attachments.

Service Line - The water line that extends from the Point of Delivery to the Point of Use for each Customer of the Utility.

Water Service Connection - A Water Service Connection consists of a water meter and other facilities for supplying water to a single Point of Use (one residence, dwelling, property, or premises, structure, business, etc.) A single Customer may be supplied by more than one service connection if that Customer has more than one point of use.

1. General Rules

a) The purpose of the Utility is to provide a safe supply of water to the customers within its Service Area. The supplying and taking of water shall be in conformance with these rules and regulations, the applicable city and state plumbing codes and the applicable rate schedules of the Utility.

b) Each Customer of the Utility shall be eligible to receive services from the Utility only after a security deposit has been paid by the Customer as a means of guaranteeing payment of any outstanding debt owed by the Customer to the Utility. Also, any previous bad debt by Customer shall be satisfied prior to connection of services. If the Customer requires Service at more than one Point of Use, a separate security deposit shall be paid for each additional Point of Use. The security deposit shall be as follows: \$75.00 for each metered water service and \$75.00 for bulk water purchasers.

c) The Utility agrees to provide Service to the Point of Delivery and install and maintain, at its' expense, one metered service connection for each Customer Point of Use.

d) The Customer will install and maintain, at his own expense, service lines from the Point of Delivery to the Point of Use. The Customer will make repairs on a timely basis as necessary. All new water services will require the Customer to install a shut-off valve with valve box and check valve to be located on the customer's side of the water meter.

e) A metered service connection is for the sole use of the applicant or Customer. Customers shall not permit the extension of pipes for the purpose of transferring water from one property to another, from one point of use to another, nor share, resell, or sub-meter water to any other property. The exception to this regulation would be a public water system purchasing water from the Utility for resale within its own service area.

f) Multiple Residential and Point of Use Properties: The standard residential rates of the system shall be applicable to all multiple residential and point of use properties. Multiple residential properties include mobile home parks, apartment buildings, motels, housing complexes, or similar residential developments. The Council may, at its discretion, choose to serve multiple residential properties through a single master meter. In such cases, the owner must agree in writing that he/she will be responsible for payment of the monthly water bill. The system's monthly bill for multiple residential properties will be computed as follows:

Ozark Water Department's minimum residential rate x the total number of dwelling units per 1,000 gallon-charge for all gallons used above the total minimum gallon usage for all units.

*Example: $\$8.21 \times 10 = \$82.10 / 10,000$ Gallons

g) At no time shall any Customer or individual connect a non-system water source to any service line or water line that is also connected to the system. Representatives of the Utility shall have the right to enter Customer's premises for the purpose of inspection and enforcement of this policy at all reasonable hours. Violations of this policy shall constitute cause for immediate disconnection of service.

h) It is the responsibility of each Customer to anticipate changes in occupancy and to have Service transferred to the new customer in accordance with the policy for obtaining service

(Section 2). Until service is formally transferred, the original Customer shall be responsible for payment of service. The Utility may refuse to transfer service until all past-due bills and charges have been paid.

i) Customers agree to pay the established fees for water / sewer service in accordance with the schedules contained herein at the time Service is provided by the Utility.

j) Representatives of the Utility shall have the right at all reasonable hours to enter the Customer's property in order to: read water meters, inspect piping, and to perform other duties for the proper maintenance and operation of service; or to remove its meters and equipment upon discontinuance of Service by either the Customer or the Utility.

k) The Utility 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 Customers who may be affected by such interruptions, but the Utility will not accept responsibility for losses which might occur due to such necessary interruptions of Service caused by storms, floods, or other causes beyond its control.

l) New water / sewer services will be installed, i.e., connected, only after normal tap fees are paid and Customer has furnished proof to the Utility that the proper address numbers are posted to building or structure.

m) The Utility will repair/replace old sewer services located in city streets to the Customer's property line after the Customer provides proof from a licensed plumber that a problem exists in the street. The Customer shall pay for a street cut and all materials to repair the sewer service.

2. Obtaining Water Service

Application for services shall be made at the Utility office and must be accompanied by a security deposit of \$75.00. The security deposit will be maintained in a special account to insure payment of water charges. When Service is discontinued, any portion of the deposit remaining after the final bill has been paid will be returned to the Customer upon their request. Customers with service termination due to non-payment will have their deposit applied to their account to satisfy the final bill and any balance will be posted to the Utility's bad debt list for future inquiries. The deposit for bulk water purchasers shall be \$75.00 as stated hereinabove in Section 1 b).

3. Customer Billing

a) Customers will be billed monthly in accordance with the rate structure of the Utility.

b) Water meters will be read between 18th and 28th day of each month.

- c) Bills will be mailed on or about the 1st day of each month.
- d) Water, sewer and sanitation charges will be billed as separate items on the bill.

4. Payment Terms

- a) Payments are due by the 15th day of each month.
- b) Payments made for service after the 15th will incur a penalty of 10% of the total bill.
- c) Customers may request a payment extension once every six months.
- d) Extensions forms must be signed by the Customer and payment date must be agreed upon by the Utility. Water payments cannot be carried over to the next month.
- e) Customers may receive a leak adjustment for water/sewer bills in excess of 20% of their normal average use of the previous 10 months caused by a leak in their plumbing system. The following conditions apply:
 - (1) The Customer must present an affidavit testifying to the fact that there was indeed a leak and that it has been repaired. If a licensed plumber completed the repairs, he must sign the affidavit.
 - (2) If the Customer was notified by the Utility that a leak on his Service was occurring and repairs were not made within 5 days of the notification, no adjustment will be given.
 - (3) Only one leak adjustment per calendar year may be given.
- f) Leak adjustment amounts are determined by completing a Water Leak Adjustment Credit Worksheet.

5. Termination of Water Service

- a) Customers who fail to pay the entire amount due by the due date each month will be subject to termination of water service on or after the 25th of the month.
- b) Customers with unpaid bills by the 15th day of the month will be notified of their past due status by mail. Customers with unpaid bills after the due date (15th) will be notified by mail that their water service will be terminated by the end of the month if payment is not received. A past due notice / disconnect notice will be mailed after the due date to notify Customers of past due status and the respective disconnect date. These notices will be mailed between the 16th and 25th day of each month.

c) Customers subject to termination of water service will be charged a non-refundable reconnect fee of \$35.00 for restoration of water service.

6. Reconnection of Water Service after Termination for Non-payment

Customers desiring restoration of water service after termination for non-payment must pay the arrears in the full amount and a \$35.00 Non-Refundable Reconnect Fee. Water will not be turned on if anyone living in the household owes an outstanding bill to the Utility.

7. Meters

a) Meters will be furnished, installed, owned, inspected, tested, and kept in proper operating condition by the Utility. Any meter test will be made according to methods of the American Waterworks Association by the Utility as often as deemed necessary.

b) Service meters whose errors do not exceed 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 the error at full/load and that at 10% load, unless a customer's rate of usage is known to be practically constant, in which case the error at such constant use will be used.

c) Meters shall be set in an accessible location on the outside of buildings, except where otherwise directed by the Utility. All meters shall be set horizontally and never connected to a vertical pipe. Meters set outside of a building shall be placed in a meter box furnished and installed by the Utility.

d) Meter tests requested by customers will be performed without cost to the customer if the meter is found to be in excess of 2% fast. Otherwise, the customer who requested the test will be charged for the cost of making the test.

e) The customer shall be responsible for any damage caused by other than normal wear and tear to the meter installed for his/her service.

8. Main Extensions

In extending a water main to serve an applicant, the Utility may, at its discretion, exercise one of the following options:

a) If construction funds are available, the Utility may elect to extend the water main to the customer and charge a normal connection fee and meter deposit.

b) If limited construction funds are available, the Utility may elect to participate on a cost sharing basis as determined by the Council.

c) In some cases, an assessment district may be created to assist in funding the water main extension, or in retiring the debt incurred. The developer may share in the recoupment on a percentage basis as determined by the Council. If the full cost of the main extension was borne by the developer, the developer may recoup his investment through an assessment district, with the Utility collecting a 5% administrative fee on the individual assessments amount. The Utility will administer and collect any assessment fees paid under such an arrangement.

d) The customer or developer may be required to pay for the main extension in full.

e) Any new water or sewer line construction shall be maintained for up to one year by the installer before it becomes property of the City of Ozark. Any new water or sewer line construction that is an extension or upgrade to the Utility shall conform to the DESIGN STANDARDS FOR THE CONSTRUCTION OF WATER AND SEWER UTILITIES of the City of Ozark.

9. Applicants Having Excessive Needs

In the event an applicant whose water requirements are found to exceed the Utility's ability to supply it from the existing plant without adversely affecting service to other customers to an unreasonable extent, the Utility will not be obligated to render such service unless and until suitable self-liquidating financing is arranged to cover necessary investing in expanding the plant.

10. Availability of Records for Public Inspection

Utility records, including minutes of meetings and financial records, are available for inspection by the public each working day during office hours.

11. Service Charges

The Utility has set the following service charges:

(1) Normal Water Service Deposit	\$75.00
(2) Reconnection after Termination of Service	\$35.00
(3) Returned checks or ACH drafts	\$35.00
(4) Emergency Disconnects	\$35.00
(5) Customer Meter Test	\$50.00

12. Water and Sewer Rates

The following water/sewer rates will be in effect:

<u>Water Rates for Residential/Commercial Users Within City Limits</u>	
First 1,000 Gallons	\$8.21 Minimum
All Over 1,000 Gallons	\$2.00/1,000 Gallons
<u>Sewer Rates for Residential/Commercial Users Within City Limits</u>	
First 1,000 Gallons	\$5.46 Minimum
All Over 1,000 Gallons	\$1.83/1,000 Gallons
<u>Senior Citizen Discounted Water Rates for Residential Users Within City Limits and Meet Certain Requirements (13. Special Rates)</u>	
First 1,000 Gallons	\$6.57 Minimum
All Over 1,000 Gallons	\$1.60/1,000 Gallons
<u>Senior Citizen Discounted Sewer Rates for Residential Users Within City Limits and Meet Certain Requirements (13. Special Rates)</u>	
First 1,000 Gallons	\$4.37 Minimum
All Over 1,000 Gallons	\$1.46/1,000 Gallons
<u>Water Rates for Industrial Users Inside City Limits</u>	
First 1,000 Gallons	\$8.21 Minimum
All Over 1,000 Gallons	\$1.58/1,000 Gallons
<u>Water Rate for Wholesale Users</u>	
All Gallons	\$1.58/1,000 Gallons
<u>Water Rate for Bulk and/or Hydrant Meter Water Users</u>	
First 1,000 Gallons	\$31.27
All Over 1,000 Gallons	\$1.58/1,000 Gallons

The schedule of charges as described in Section 12. Water and Sewer Rates of the Ozark Water Department Customer Service Policy shall be adjusted starting March 1st, beginning 2017 and each subsequent year by the amount of increase in the South Unadjusted Consumer Price Index (CPIU) as published by the Bureau of Labor Statistics (http://data.bls.gov/pdq/SurveyOutputServlet?series_idCUUR0300SA0,CUUS0300SA0) by the amount reported, but NOT to exceed three (3%) percent (whichever is less) for the preceding calendar year. If the CPIU declines during the previous calendar year the rate adjustment will be zero (0%) percent.

**Example: If CPIU for 2016 equals 2.0% for the calendar year (January to December), the rates will increase 2.0% in February of 2017. If CPIU for the calendar year of 2016 drops by -1%, the rates will remain unchanged.*

A copy of the revised water and sewer rates shall be posted on the Ozark Water Department website (www.cityofozarkwater.com).

13. Special Rates

The Utility has established a special water and sewer rate classification for Senior Citizens that meet certain qualifications. The special rates are contained in Section 12 described as Senior Citizen Discount Rates. To qualify for this special rate the customer must:

- 1) Live within the City Limits of Ozark.
- 2) Present proof of age (Minimum age 65) and income to the Utility.
- 3) Have a household income not exceeding the current year Federal Poverty Level.
- 4) Be the head of the household.
- 5) Have a security deposit and account in the qualifying individual's name.
- 6) Only one account will be eligible for the special rate.

2021 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA

Persons in family/household	Poverty guideline
1	\$12,880
2	\$17,420
3	\$21,960
4	\$26,500
5	\$31,040
6	\$35,580
7	\$40,120
8	\$44,660

For families/households with more than 8 persons, add \$4,540 for each additional person.

14. Water and Sewer Tap Fees

Residential/Commercial	Inside City	Outside City
¾" water line	\$585.00	\$689.00
1" water line	\$901.00	\$1,007.00
2" water line	\$2,332.00	\$2,438.00
Larger than 2" water line	\$2,332.00 minimum plus cost	
Fire line Tap (any size)	\$530.00	
4" sewer line	\$318.00	CITY ONLY
6" sewer line	\$636.00	CITY ONLY
Road Bore Taps (Extra Charge) if Bore Cannot be Done In-House		
Street Cut Water/Sewer Tap	\$265.00	