

SERVICE RULES AND REGULATIONS

OF

THE ISLAND WATER ASSOCIATION, INC.

CONNECTION CHARGES

&

RATE SCHEDULE

CERTIFIED A TRUE COPY

A handwritten signature in black ink, appearing to read "Timothy A. Gardner", written over a horizontal line.

TIMOTHY A. GARDNER

President

(Revised 3/1/2009)

SERVICE RULES & REGULATIONS
OF
THE ISLAND WATER ASSOCIATION, INC.

The Board of Directors of THE ISLAND WATER ASSOCIATION, INC., (hereinafter known as "Association") has adopted the following basic rules and regulations that will be observed by both the Association and its members.

1. TYPES OF SERVICE

A. The rate schedule referred to below contemplates service to a single meter which may serve a single family residence, a motel, a condominium, an apartment unit, a commercial unit, or a group of commercial units under one owner, or one farm dwelling with appurtenances.

B. Extraordinary circumstances shall be governed by the Board of Directors.

2. RATE SCHEDULE

A. For the service contemplated in Paragraph 1.A above:
The changes set forth in Exhibit A attached hereto and made a part hereof.

3. APPLICATION FOR SERVICE

A. The consumer will make application for service at the office of the Association. The consumer shall pay such connection charges and meter charges as shown on Schedule B, attached.

4. CONNECTION CHARGES & METER CHARGES

A. Each consumer connecting to the service of the Association shall pay connection charges and meter charges as shown on Exhibit B attached hereto and made a part hereof.

B. The connection charges referred to in Paragraph A above shall be assessed against any new building for which service is being requested.

5. MINIMUM CHARGE

A. The minimum charge, as provided in Exhibit A attachment hereto, shall be made for each connection applied for under provisions of 4.A above, and shall commence when water is available.

B. Water furnished for a given lot shall be used on that lot only. Each consumer's service must be separately metered at a single delivery and metering point.

C. Except for fire protection and drinking fountains, the Association shall not, under any condition, furnish water free of charge to anyone.

6. ASSOCIATION'S RESPONSIBILITY & LIABILITY

A. When the distribution line exists, and runs immediately adjacent to and parallel to the property to be served, the Association shall run a service line from its distribution line to the property line.

B. After application and approval by the Board of Directors of the Association, the Association may make connections and/or line extensions to serve other properties not adjacent to its lines upon payment of reasonable costs for the extension of its service or distribution lines as may be required to render such service.

C. The Association reserves the right to refuse service unless the consumer's lines or piping are installed in such a manner as to prevent cross-connections or backflow. A backflow prevention device shall be installed on all connections serving multi-family structures, commercial establishments, sewer plants, sewer lift stations, all locations with a well (including for irrigation), any other situations deemed by the Association to present a potential cross-connection/backflow hazard, and all Memberships applied for after 1996. All new buildings, including existing structures which are demolished and rebuilt or completely remodeled, and any meter which is exchanged for a larger size will be considered "new construction" and will require a backflow prevention device. The device installed shall be in accordance with the Association's Cross-Connection Control & Backflow Prevention Program.

D. The Association may install its meter at or near the property line, or, at the Association's option, on the consumer's property.

E. Under normal conditions, the consumer will be notified of any anticipated interruption of service.

F. Meter installation will be made as soon as possible after application for service has been approved.

7. CONSUMER'S RESPONSIBILITY

A. Where meter or meter box is placed on the premises of a consumer, a suitable place shall be provided by the consumer which is unobstructed and accessible at all times to the meter reader. Should a meter or meterbox be obstructed or inaccessible, the consumer shall be notified of the problem with a request that the consumer clear any obstructions and make the meter or meterbox accessible prior to the next scheduled meter reading. Failure to comply with the Association's request will allow the Association to discontinue service until the problem is corrected. A reconnection fee will be charged to reinstitute service if termination is required.

B. The consumer shall furnish and maintain a private cut-off valve on the consumer's side of the meter; the Association will provide a like valve on its side of such meter.

C. The consumer's piping and apparatus shall be installed and maintained by the consumer at the consumer's expense, in a safe and efficient manner, in accordance with the Association's Rules & Regulations and in full compliance with all applicable state, county and city laws and regulations.

D. Water furnished by the Association shall be for use by the consumer, members of his household and employees only. The consumer shall not sell water to any other person.

8. DAMAGE TO IWA PROPERTY

A. If IWA property or facilities are intentionally damaged by either members or third parties, the party causing the damage shall be responsible for reimbursing IWA for the total cost of repair, including materials, labor and machine time.

B. If IWA property or facilities are unintentionally damaged, the following policies will apply:

1. If the damage-causing party is an IWA member, and if IWA was not asked to locate the facilities, the member shall reimburse IWA for only those materials, labor and machine time repair costs in excess of \$100.

2. If the damage-causing party is not an IWA member, and if IWA was not asked to locate the facilities, IWA shall be reimbursed for the total cost of repair, including materials, labor and machine time.

3. If IWA did locate the facilities, they are damaged and they were found to be **more** than two feet on either side of the indicated location, all repair costs will be the responsibility of IWA, regardless of whether the damage-causing party is an IWA member. If they are damaged and they were found to be **less** than two feet on either side of the indicated location, IWA shall be reimbursed for the total cost of repair, including materials, labor and machine time.

9. ACCESS TO PREMISES

A. Duly authorized agents of the Association shall have access at all reasonable hours to the premises of the consumer for the purpose of installing or removing Association property, inspecting piping, reading and testing meters or any other purpose in connection with the Association service and facilities.

B. Extensions to the system shall be made only when the consumer shall grant or convey or shall cause to be granted or conveyed, to the Association a permanent easement or right of way across any private property traversed by the lines.

10. CHANGE OF OCCUPANCY

A. In order to discontinue service or to change occupancy, notice must be given by phone, in person or in writing at the Association office to obtain a final meter reading.

B. The outgoing member shall be responsible for all water consumed up to the time of the final read. Meters with an outstanding balance cannot be transferred to a new member.

C. The new member shall apply for water service, and failure to do so will make him liable for the water consumed since the last meter reading.

11. METER READING/BILLING/COLLECTING

A. Meters will be read and bills rendered monthly, but the Association reserves the right to vary the dates or length of period covered, temporarily or permanently, if necessary or desirable.

B. Bills for water will be figured in accordance with the Association's rate schedule and will be based on the amount consumed for the period covered by the meter readings, except where a consumer orders turnoff less than one month after turn-on, the minimum bill to such consumer for such period shall be equal to the minimum charge for one full month's service.

C. Members subscribing for water pursuant to Paragraph 4.A above will commence payment of at least a minimum water bill when water is available and meter box is installed.

D. Bills shall be paid at the place specified by the Association.

E. Delinquent Notices may be mailed to the customer 60 days after the regular monthly bill date, with a minimum of an additional five business days to allow for payment to be made. Whether the customer acknowledges receipt of the notice or not, if payment of the delinquent amount is not received, service may be discontinued.

F. Failure to receive bills or notices shall not prevent such bills from becoming delinquent nor relieve the consumer from payment.

12. SUSPENSION OF SERVICES

A. Upon discontinuance of service for non-payment of bills, the Association may proceed to collect the balance in the usual way provided by law for collection of debts.

B. Service disconnected for non-payment of bills will be restored only after the total amount due on the account and the reconnection service charge are paid in full. The reconnection service charge is \$25 per meter during the Distribution

Department's normal working hours. After hours, weekends and holidays, the charge is \$40 per meter.

C. The Association reserves the right to discontinue its service without notice for the following additional reasons:

1. To prevent fraud or abuse
2. Consumer's willful disregard of the Association's rules
3. Emergency repairs
4. Insufficiency of water supply due to circumstances beyond the Association's control
5. Legal process
6. Direction of public authorities
7. Strike, riot, fire, flood, accident or any unavoidable cause

D. The Association may, in addition to prosecution by law, permanently refuse service to any consumer who tampers with a meter or other measuring device.

E. A member may request his service be turned off to prevent water loss from leaks, line breaks, unauthorized use, etc., during period of absence. However, the minimum fee (demand charge plus meter reading charge) will still be billed, and a \$25 service charge may be imposed when turn-on is called for.

F. The Association, on behalf of the City of Sanibel, may turn off a member's meter for non-payment of a sewer bill.

13. COMPLAINTS/ADJUSTMENTS

A. If the consumer believes his meter malfunctioned or was misread, he shall present his claim at the office of the Association before the bill becomes delinquent. Such claim, if made after the bill has become delinquent, shall not be effective in preventing discontinuance of service as heretofore provided. The consumer may pay such bill under protest, and said payment shall not prejudice his claim. If the meter was misread, an adjustment based on actual usage shall be made. If the meter malfunctioned, the Association shall provide the consumer an estimated bill. This bill is calculated from the consumer's consumption records using the 12-month period immediately prior to the problem. The bill will be based on the average monthly consumption for this period (total gallons used divided by 12), plus applicable meter and unit charges. If there is less than 12 months of history available, the estimated bill will be calculated in the same manner using consumption for the number of months available.

If a customer believes a bill is unusually high resulting from a water loss due to known or unknown causes, he or she is not entitled to make such a claim and the resulting bill is due according to the usual and standard billing schedule unless the situation is covered by a corporation policy offering relief.

B. Water service shall continue during a dispute over a misread or malfunctioning meter and during any litigation if the member, in good faith, pays the amount he

admits is due and owing. No penalty shall accrue during this period so long as the Board determines that the member is acting in good faith. However, interest at a rate equivalent to the highest rate IWA is earning on any investment held during the dispute shall be paid on any amount finally determined to be owed in addition to such good faith payment.

C. If the seal of a meter is broken by other than the Association's representative or if the meter fails to register correctly or is stopped for any cause, the Association will estimate the bill as put forth in section 13A.

EXHIBIT A (Effective March 1, 2009)

Monthly Rate Schedule

\$ 1.50 Reading Charge per meter
\$ 11.50 Demand Charge per unit (no water)
\$ 3.30 per 1,000 gallons for the first 5,000 gallons per unit
\$ 3.95 per 1,000 gallons for 6,000-10,000 gallons per unit
\$ 4.60 per 1,000 gallons for 11,000-15,000 gallons per unit
\$ 5.25 per 1,000 gallons for 16,000-20,000 gallons per unit
\$ 5.90 per 1,000 gallons for 21,000-25,000 gallons per unit
\$ 6.55 per 1,000 gallons for over 25,000 gallons per unit

EXHIBIT B (Effective August 1, 1992)

Unit Connection Charges:

System Development	\$1,567.00
Transmission & Distribution	<u>314.00</u>
TOTAL	\$1,881.00

Meter Charges:

5/8" x 3/4"	\$294.00
1"	423.00
1½"	780.00
2"	880.00

Larger sizes on application.