

NORTHWEST RURAL WATER DISTRICT

RULES AND REGULATIONS

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TABLE OF CONTENTS

I. INTRODUCTION3

II. GENERAL PURPOSES3

III. RULES AND REGULATIONS3

 A. Classification of Services3

 B. Application for Service4

 C. Payments, Charges and Fees5

 D. Transfer of or Change in Membership or Account6

 E. District’s Responsibility7

 F. Customer’s Responsibility8

 G. Access of Premises12

 H. Complaints & Adjustments13

IV. COMPENSATION OF DIRECTORS AND OFFICERS13

 A. Reimbursement of Expenses13

I.
INTRODUCTION

1. District. The reason for the existence of the Northwest Rural Water District, hereinafter referred to as “the District”, is to provide water to its Members (as defined in Section 1, Article IV of the District’s By-Laws) (hereinafter referred to as “Members”) and services to its Non-Member Customers (as defined in Section 2, Article IV of the District’s By-Laws) (hereinafter referred to as “Non-Member Customers”). The Members and Non-Member Customers are hereinafter collectively referred to as “Customers.”

2. Purpose of District. The purposes for which the District is organized are:

- a. to establish and operate a system for the distribution of water;
- b. to engage in any other activity within the purposes for which water districts may be organized under the law of North Dakota; and
- c. to have and to exercise any and all powers as may be necessary or convenient to accomplish any or all of the foregoing purposes, as may be permitted by law.

II.
GENERAL PURPOSES

1. Articles and By-Laws. The Articles of Incorporation and By-Laws of the District are the primary rules by which the management of the District is governed, with the By-Laws granting the Board of Directors certain powers.

2. Purpose of These Rules and Regulations. The purposes of these Rules and Regulations are to centralize management in the position of the manager and allow the manager to function without having to request an opinion from the Board of Directors for each individual transaction.

3. Review and Comment. The Board of Directors shall review these Rules and Regulations periodically and make appropriate changes. The Board of Directors invite comments and suggestions for constructive changes in these Rules and Regulations at any time.

III.
RULES AND REGULATIONS

The Board of Directors of Northwest Rural Water District hereby resolves that the following Rules and Regulations shall be established and maintained as evidence of the Board of Directors’ intentions for governing the affairs of the District.

A. Classification of Services: The services provided by the District are classified as follows:

1. Residential: This classification applies to and shall include all single family dwellings.

2. Commercial/Industrial: This classification applies to and shall include any business or industry.

3. Services to Multiple or Large Users: This classification applies to and shall include multiple or large users, such as those buildings in which more than one business is located, mobile home parks, overnight camping services, multiple dwellings, motels and other similar services, such as mancamps.

4. Services to Non-Member Customers: This classification applies to and shall include a Non-Member Customer who desires to purchase water through the District's infrastructure for industrial purposes.

B. Application for Service:

1. Application, Application Fee, and Down Payment on Hook-up Fee. When submitting application for review by the District, any potential consumer shall make application for service at the office of the District and, at the same time as submitting the application, any potential consumer shall pay the non-refundable application fee and the down payment on the hook-up fee as both are prescribed by the District.

2. Reject Service. The District may reject any application for service or transfer from any potential consumer for any good and sufficient reason, including but not limited to, the following

- a. the service may involve an excess service cost,
- b. the service may affect the supply of water to other Customers,
- c. the service could not reasonably be served under the standard rate,
- d. the potential consumer has any prior infractions with the District,
- e. the potential consumer is delinquent in payment of bills incurred for services previously supplied, or
- f. the potential consumer, at any time, has refused or has otherwise been unwilling to grant the District an easement across real property owned by the potential consumer regardless of whether the potential consumer intended to use or currently uses water from the District at the property for which the easement was sought.

When the premises for which a potential consumer is making application for service have been supplied with water and the water has not been paid for, the District shall not be required to

render service to anyone at that location until all prior water bills have been paid or satisfactory arrangements made for payment of the same.

If the District rejects any application for service, the District shall return to the potential consumer the down payment on the hook-up fee less any portion of the down payment on the hook-up fee needed to cover the actual engineering costs in considering the application.

3. Water Users Agreement, Right-of-Way Easement, and Fees. If the District approves any application for service, within thirty (30) days from approval, each potential consumer shall execute a water users agreement to become a Customer, shall execute a right-of-way easement agreement, and shall pay the remaining applicable hook-up fee and associated meter assembly fee, if any, as such fees are prescribed by the District.

4. Reapplication for Service Following Cancellation of Account, Membership, and/or Hookup. In order for a Customer or their successor (whether being a subsequent record owner of a fee or undivided fee interest, or one having a subsequent substantial possessor interest, in property affected by the prior cancellation) but whose account, membership, and/or hookup was previously cancelled by the District in accordance with any provision of these Rules and Regulations, said Customer must:

- a. Satisfy all requirements set forth in Section III(B)(1)-(3) above; and
- b. Pay a new hookup fee equal to the *greater* amount of either:
 - i. the original hookup fee the Customer paid for the account, membership, and/or hookup which was cancelled, or
 - ii. \$2,500.00.

C. Payment, Charges, and Fees

1. Charges. The Customer shall begin paying the monthly minimum charges, the charges for water based on usage, any surcharges for service, and fees associated with the account when the membership or application, as applicable, is approved and water is made available at the curbside serving the Customer's property, whether the Customer is using the water at that time or not.

2. Customer's Responsibility. The Customer shall always be responsible for all charges and fees associated with the account.

- a. Leased Property. If the Customer wants to lease their property to a renter, the Customer may
 - i. continue to have the District send the monthly bills to the Customer and the Customer can pay, *or*

- ii. fill out a request to have the District send the monthly bills to the renter and the renter can pay.

The Customer shall be responsible for all charges and fees associated with the account regardless of whether a renter is on the account.

- b. Renter's Responsibility. The Customer may require the renter to contact the District and sign a Renter's Agreement with the District, by which the renter agrees to be jointly and severally liable with the Customer for the charges and fees associated with the Customer's account. It is not the responsibility of the District to have the renter complete the Renter's Agreement.

3. Due Date. The Customer shall pay any amounts due by the fifteenth of the month, hereinafter the "Due Date".

4. Notice of Late Payment. Notice of late payment shall be deemed to have been given to the Customer upon depositing written notice in the United States mail addressed to the last known address of the Customer or by personal delivery of written notice to the last known address of the Customer.

5. Late Fee Assessment.

- a. If payment is not made by the Due Date, the District may immediately assess a late fee of three percent (3.0%) of the total amount of the delinquent account, which percent may be changed at the discretion of the Board of Directors.

- b. If payment is not made within thirty (30) days after the Due Date, the District may assess an additional late fee, which fee is in the sole discretion of the District, and may shut the water off to the Customer's property without any notice thereof.

6. NSF Check Fee. The District will assess a \$25.00 charge to the Customer's account for a NSF check.

7. Personal Checks. The District, in its sole discretion, may refuse personal checks for payment of amounts due from Customers, particularly those who have established an unreliable payment record as unreliability is determined in the sole discretion of the District.

8. Security Deposit. The District, in its sole discretion, may require a security deposit in an amount equal to three (3) average monthly bills from a Customer.

9. Reconnect Fee. If the District shuts off the Customer's water, the District may assess a reconnect fee to the Customer's account, which fee may be changed at the discretion of the Board of Directors. If the District has had to shut off the Customer's water one or more times, the District may increase the amount of the reconnect fee in each instance. If the District

shuts off the Customer's water at least three (3) times, the District may cancel the membership and hookup of the Member or the account and hookup of the Non-Member Customer.

10. Cancellation of Account, Membership, and/or Hookup for Non-Payment. If any payment is not made within ninety (90) days after the Due Date, then the District may, upon a vote of the Board of Directors, cancel the account, membership, and/or hookup of a Customer without any notice thereof.

11. Account for Previously Delinquent Customer. If the delinquent Customer pays late fees, past due amounts, the reconnect fee, and any other fees on the accounts, the District, in its sole discretion, may allow the Customer to resume use of the account, but the District shall not be compelled to allow the Customer to resume use of the account.

12. Illegal Hookup Fee. The District may assess an illegal hookup fee against the Customer as described in Section III(F)(5).

13. Recording of Notice of Cancellation. If the District cancels a Customer's account, membership, and/or hookup in accordance with any provision of these Rules and Regulations, then the District may record a notice of cancellation indexed against any real properties affected by the cancellation.

14. Reapplication Following Cancellation. If the Board of Directors cancels the account, hookup, and/or membership of a Customer, as applicable, in accordance with any provision of these Rules and Regulations and the Customer desires to receive water from the District in the future, then the Customer must first successfully reapply for membership or for service, as applicable, pursuant to Section III(B)(4) above.

D. Transfer of or Change in Membership or Account:

1. Transfer Allowed. A Member may transfer his membership, and a Non-Member Customer may transfer his account, to another individual with the prior approval of the District, which requires the appropriate paperwork by the Customer and approval by the Board of Directors.

2. Location Change. A Customer may change the location of the Customer's hookup with the prior approval of the District, which requires the appropriate paperwork by the Customer and approval by the Board of Directors.

3. Invalid Transfer. A Customer may not sell or transfer his hookup to another individual when a change of location is involved.

4. No Service for Delinquent Account. The District will not serve the successor in interest in a transfer of account until payment of any past due amount has been made, and the District shall not be required to render service to anyone at that location until all prior water bills have been paid or satisfactory arrangements made for payment of the same. In the case of owner-rented property, Section III(C)(2) applies.

5. No Transfer of Cancelled Account. An account, hookup, and/or membership which has been cancelled by the District in accordance with any provision of these Rules and Regulations cannot be transferred. Every person who is a subsequent record owner of a fee or undivided fee interest, or having a subsequent substantial possessor interest, in property affected by the prior cancellation must successfully apply for membership or for service, as applicable, pursuant to Section III(B)(4) above.

E. District's Responsibility:

1. Installation and Maintenance of Main Distribution Pipelines. The District shall install, maintain, and operate a main distribution pipeline(s) from the source of the District's water supply.

2. Maintenance of Service Pipelines. After the Customer installs the service pipelines, the District shall maintain and repair the service pipeline(s) from the main distribution pipeline to where the curbstop is located.

3. Main Breaks and Valves. The District shall only be responsible for operating all valves and supplying necessary parts for the main distribution pipeline and service pipelines as described in Section III(E)(2), including, but not limited to, main breaks, pipe, pipe fittings, and thrust blocking.

4. Materials Furnished to Licensed Plumber. The District shall furnish only the following materials to a licensed plumber to install for the Customer, collectively the "meter assembly,"

- a. 1 meter,
- b. 2 meter ends,
- c. 1 check valve,
- d. 2 ball valves,
- e. 1 pressure reducing valve,
- f. 2 tees,
- g. 2 gauges,
- h. 1 poly pac-joint, and
- i. 4 nipples.

The District shall not be responsible for any damages or additional costs incurred by the Customer due to defective parts of the meter assembly. If the District provides a defective part in the meter assembly, the District shall replace the part upon receiving notice and the defective part back from the Customer, but the District shall not be responsible for any costs associated with replacing the part at the Customer's property, including labor costs.

5. Materials Furnished to Licensed Contractor. The District shall furnish only the corporation and tapping saddle, the curbstop and standpipe, and any reducers and connectors to a licensed contractor to install for the Customer.

6. Meter Checks. The District, in its sole discretion, may check or cause to be checked, but not necessarily test, the meters.

7. Right to Refuse Service. The District may refuse service to a Customer if the installation, connection, or operation of the Customer's pipeline or appurtenances thereto does not meet federal, state, and local statutes and regulations.

8. No Responsibility for Meters, Piping, or Other Connections. The District shall not be responsible whatsoever for the use, misuse, or connection of the meter, meter assembly, the Customers' service pipelines, or other related apparatus, but the District reserves the right to inspect the same.

9. No Responsibility for Damage. The District shall not be liable for any damage whatsoever resulting from water or from the use of water on the Customer's property, unless said damage results directly from the negligence of the District.

10. No Responsibility for Interruption of Service. The District shall not be responsible for negligence of third parties or forces beyond the control of the District that results in interruption of service to a Customer.

F. Customer's Responsibility:

1. Installation of Service Pipeline, Curbstop and Apparatus. Upon approval by the District and execution of a release of liability for the District, each Customer shall install, and is responsible for installing, a service pipeline from the delivery point on the District's main transmission pipeline to the curbstop that the Customer installs and shall install a service pipeline from the curbstop to the building to be served on the Customer's property. The Customer shall install these service pipelines in accordance with the specifications of the District. In the case of a Member, only one (1) dwelling and one (1) out-building, such as a garage, barn, or shop, may be connected to one curbstop.

a. Work by District. The District shall not work on the weekends, except for a water main break, and the employees of the District shall not be in trenches or holes.

b. Payment. The Customer shall pay for all digging, pipe, materials, and labor necessary for the installation on the Customer's property.

c. Expansion Tanks. The Customer shall purchase an expansion tank, which must be installed.

d. Type of Pipe. The Customer shall use 200 lb PSI SIDR 7 poly pipe on all new hookups.

e. Heated Structure. Unless otherwise expressly authorized by the District, the Customer shall provide an accessible heated room inside, not under, a residence or commercial building to be served. If the Customer is a mancamp, RV park, or trailer

park, the Customer shall provide a heated building at least eight feet (8') by eight feet (8') that fits the meter assembly and heating system. Meter pit installations may be allowed on a case-by-case basis by obtaining prior approval from management of the District, which the management may determine in its sole discretion.

f. Contact District Before Work. The Customer shall cause the District to be notified at least forty-eight (48) before any work begins.

g. Licensed Contractor. The Customer shall hire a licensed contractor that is approved by the District to install service pipelines. The contractor must provide copies of the following information to the District before installation may be commenced: insurance certificate, contractor's license, state plumbing board water & sewer certificate, workman's compensation certificate, and an original, signed receipt of these Rules and Regulations.

(1) Locate Existing Lines. The licensed contractor shall locate electrical, gas, and telephone lines before digging by calling ND One Call at 1-800-795-0555.

(2) Submit Preliminary Drawings. The licensed contractor shall submit preliminary drawings to the District for approval before commencing any digging or building of any structure, including reservoirs and meter houses.

(3) Condition of Site. The licensed contractor shall maintain the dig site as close to the original condition as is possible for the weather conditions. If the dig site is determined in need of clean up by the District, the District, in its sole discretion, may hire an independent contractor or may hire the licensed contractor to clean up the site at a set rate.

(4) Necessary Equipment. The licensed contractor shall supply all tools, pumps, and safety equipment as the District is not responsible for supplying the tools, including, but not limited to, chop saws, files for the pipe, shovels, bars, ladder, lighting equipment, cleaning rags, PVC glue, PVC pipe joint lubricant, generators or diaphragm pumps with attachments and torque wrenches, except that the licensed contractor may use the tapping tool of the District if the licensed contractor pays \$35.00 per day to use the 1" tapping tool or \$40.00 per day to use the 2" tapping tool.

(5) Traffic Control. Without the assistance of the District, the licensed contractor shall control traffic in and around the licensed contractor's work area.

(6) Install Locating Wire. The licensed contractor shall install locating wire in the ditch of all new or updated water and service pipelines, meaning locating wire must be installed from the main distribution line of the District to the curbstop and from the curbstop to the foundation of the building being serviced.

(7) Curbstops. The licensed contractor shall install a concrete block under the curbstop.

(8) Call for Inspection. The licensed contractor shall call the District at least one (1) hour prior to completing the installation, with the hole exposed, to have the District representative visually inspect the installation and flush the service pipelines from the main distribution pipeline to the curbstop and from the curbstop to the foundation of the building being services.

(a) Inspection Hours. Normal inspection hours are Monday through Friday from 7:00 a.m. to 6:00 p.m. If inspections are required at any other time than during the normal inspection hours, the District may charge the licensed contractor \$100.00 plus mileage costs in accordance with the current mileage rates.

(9) Failure Within 72 Hours. The licensed contractor shall be liable for failures that occur within seventy-two (72) hours of completing an installation or repair.

(10) Submit As-Built Design. The licensed contractor shall submit as-built designs with measurements to the District as soon as the project is complete.

h. Licensed Plumber. The Customer shall hire a licensed plumber. The plumber must provide copies of the following information to the District before installation may be commenced: insurance certificate, contractor's license, state plumbing board water & sewer certificate, workman's compensation certificate, and an original, signed receipt of these Rules and Regulations.

(1) Obtain Meter Assembly. The licensed plumber shall obtain and sign for the meter assembly from the District. The District will not give a meter assembly to Customers.

(2) Installation. The licensed plumber shall install

(a) the entire meter assembly and valves in the accessible heated room, as described in Section III(F)(1)(e) above,

(b) only 200 lb PSI SIDR 7 poly pipe may be used for new hookups as described in Section III(F)(1)(d) above, and no less than 200 lb PSI SIDR 7 poly pipe or 200 PSI PVC for other hookups,

(c) only 200 lb PSI SIDR 7 poly pipe above ground prior to the meter,

(d) the expansion tank as described in Section III(F)(1)(c) above,

(e) only non-barbed fitting before the meter assembly.

(3) Call for Inspection from District. The licensed plumber shall call the District at least one (1) hour prior to completing the installation of the meter assembly to have the District representative visually inspect the installation prior to the licensed plumber leaving the site.

(a) Inspection Hours. Normal inspection hours are Monday through Friday from 7:00 a.m. to 6:00 p.m. If inspections are required at any other time than during the normal inspection hours, the licensed plumber will be charged \$100.00 plus mileage costs in accordance with the current mileage rates.

(4) Call for Inspection from State Plumbing Inspector. The licensed plumber shall have the state plumbing inspector inspect all new hookup installations.

i. Legal Installation. The Customer shall cause the licensed plumber and the licensed contractor to install everything in accordance with federal, state, and local statutes and regulations as well as the specifications of the District.

2. Use According to Classification. The Customer shall use the water provided by the District according to the Customers' classification, pursuant to Section III(A) above. If the Customer disregards the restrictions, the District may discontinue the Customer's service without notice thereof.

a. Livestock. If watering livestock, the Member may be required to provide a constant flow valve or other device, and back flow preventers, acceptable to the District.

3. Protect District Property and Permit Access for District Representatives. The Customer shall provide proper protection of the District's property placed upon the Customer's property and shall permit access to the District's property only by authorized representatives of the District.

4. No Industrial Water Sales. The Customer shall not sell water from the District to any other individual or entity for industrial purposes related to oil and gas exploration and production activities, including but not limited to water used in fracking or maintenance.

5. Illegal Hookups. An illegal hookup is any hookup in violation of these Rules and Regulation, the By-Laws of the District, or the Water Users Agreement. The District has the sole discretion of determining whether a hookup is an illegal hookup. If the District discovers an illegal hookup or theft of water by the Customer or on the Customer's account, the Board of Directors, in its sole discretion, may

a. Assess a fee, which amount is in the sole discretion of the Board of Directors not to exceed \$15,000.00, and such fee must be paid before the offending hookup shall be entitled to receive water from the District; or

b. Cancel the account, hookup, and/or the membership of the Customer, as applicable.

6. Responsible for Service Line, Pipes, and Apparatus. The Customer shall be responsible for installing, maintaining and repairing the service pipeline from the curbstop to the building being serviced, the curbstop, the standpipe, the meter assembly and other apparatus. If the Customer needs parts, the Customer shall purchase the parts from the District.

7. Responsible for Curbstops. The Customer shall keep the top of the curbstop standpipe above ground so it is available for servicing, and any Customer burying or otherwise covering the standpipe shall be responsible for the cost of raising or uncovering the same. If the curbstop and standpipe is damaged in any way, or if the water pipe into this curbstop is broken, whether by acts of the Customers or otherwise, the Customer shall pay the cost of any repairs and water loss, which includes, but is not limited to, if the standpipe on the curbstop is driven over or bent, if the pipe breaks in the curbstop, or if the meter assembly is allowed to freeze up and break.

8. Payment for Loss, Damage, or Cost of Repair. The District may add the amount of loss, damage, costs of repairs, or cost of supplies to the Customer's monthly bill, and if the Customer does not pay, the District reserves the right to discontinue services to the Customer.

9. Indemnification. The Customer shall indemnify the District against, and hold the District harmless from, any and all liabilities, losses, damages, injuries, penalties, claims, demands or actions caused by negligent, wrongful actions by the Customer, agents of the Customer, or employees of the Customer.

G. Access of Premises:

1. Access by District. The Customer shall allow duly-authorized agents of the District access, at reasonable hours with prior notice, if practicable, to the Customer's property, including the residence of the Member, for the purpose of installing or removing the District's property, inspecting piping, reading or testing meters, or for any other purpose in connection with the District's service and facilities.

2. Easement. Prior to installing the service pipeline, each Customer, or, if the Customer is a lessee of or has a substantial possessor interest in the property served, then the record title owner of the property served, shall grant or convey a permanent easement and right-of-way to the District across any property owned or controlled by the Customer whenever such permanent easement and right-of-way is necessary for the District's water facilities and pipelines so as to enable the District to furnish service to the Customer. The Customer shall do this at no cost to the District so long as the District provides the necessary easement forms for signature and pays all necessary filing fees.

H. Complaints and Adjustments:

1. Error in Meter Reading. If a Customer believes that the Customer's meter reading is in error, the Customer shall present the Customer's claim in writing to the District's office before the Due Date. If the claim is made after the Due Date, the claim is not effective in preventing discontinuance of service. The Customer shall pay such bill under protest, which payment will not prejudice the Customer's claim.

2. Request to Test Meter. The District shall test meters at the request of the Customer upon the Customer paying the actual cost of making the test to the District. If the meter is found to register 3% over or under the correct volume, an adjustment, if any, may be made by the District.

3. Break or Tamper with Meter Seal. The Customer shall not break the meter seal or tamper with the meter under any circumstances without the prior approval of the District. If the District determines that the seal was broken or the meter tampered with, the District may immediately disconnect the Customer and turn such matter over to the Board of Directors for its review. The Board of Directors shall have the authority to:

- a. Cancel the account, hookup, and/or membership of the Customer, as applicable;
- b. Assess costs for using unmetered or lost water;
- c. Assess penalties against the Customer; or
- d. Submit for prosecution for theft of services.

IV.

COMPENSATION OF DIRECTORS AND OFFICERS

A. Reimbursement of Expenses:

1. Salary. The officers and directors of the District shall receive no salary.

2. Reasonable Expenses. The officers and directors of the District shall be allowed reasonable expenses while engaged in a business of the District, such to be audited, allowed and paid as other claims against the District. Under no circumstances should these expenses be advanced from petty cash.

a. Check for Expenses. When a check for expenses is written, the following information is to be included on the check stub:

- Date
- Officer or Director Name
- Advance for Travel (destination)
- Purpose

b. Expenses Other Than Mileage. As to expenses other than mileage, the substantiating receipts reimbursement is to be made only where substantiating receipts are presented.

3. Expenses for Mileage. Recognizing that officers and directors reside outside of the corporate limits of the City of Williston, the District shall pay each officer and director \$100.00 as and for expense reimbursement for a board meeting (excluding annual meetings) attended by such officer or director in the City of Williston, North Dakota, with such amount being considered as reimbursement for mileage, meals, and other expenses incurred by the officer or director in attending the meeting.

Approved this 17th day of March, 2020.

NORTHWEST RURAL WATER DISTRICT

Secretary