

HENRY COUNTY WATER COMPANY

RULES AND REGULATIONS

Be it resolved by the Board of Directors for Henry County Water Company that the rules and regulations in which water and sewer service will be provided to the customers of the Henry County Water Company of Clinton, Mo. Water and sewer system are hereby set forth. These rules and regulations provide for the orderly service and system uses, sets standards for connections to the system, sets rates and charges, provides for conservation and protection of drinking water, sets penalties for violations and other matters thereto.

(16th Revision –Effective April 21st 2026)

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1. SERVICE AGREEMENTS

1.01 Application for Service

(A) Before the Company begins rendering any water service, the person, persons, firm or corporation shall supply the information necessary to complete the Company's Application for Service. A separate application shall be made for each customer, for each class of service at each metering point, and at each separate location. Areas separated by public streets or alleys shall be considered separate locations.

(B) Application for service shall be made in person at the Company's office unless an existing customer with a satisfactory credit history requests a new service. This request may be made via telephone in accordance with Paragraph 7.01 (B) (Added 4/26/94)

(C) Application for a new account where person, persons, firm or corporation have multiple accounts shall ensure there are no outstanding debts over 15 days due. Application for service will be denied until outstanding debt is paid. (C) (Added 04/21/2026)

1.02 Term of Agreement

(A) Commencement of a new service installed by the Company in conformance with the request of customer and acceptance of service by which the customer agrees to receive service for a minimum term of one year. The obligations of both parties shall continue thereafter on a month-to-month basis until terminated by mutual consent of the Company and the customer. A reasonable time for making a disconnect shall prevail when service is terminated.

(B) Such termination shall be in accordance with Section 1.06 of these Rules and Regulations.

1.03 Agreements Not Transferable

(A) Water service supplied under an agreement is for the customer's use within or upon the premises served and for the purpose designated in the agreement, and such agreement is not transferred without written consent of the Company.

1.04 Deposits

(A) Existing customers in good standing with the Company on November 15, 1983, shall not be required to make deposits for water service as long as they continue to remain as customers in good standing. Customers in good standing are defined as those customers that are not involved in any activities listed in 1.04 (D) (1) through (3).

(B) Prompt connection of service in advance of collection of a cash deposit shall not affect the requirement for such cash deposit by the customer where a deposit is required.

(C) The Company shall require security deposits per Appendix B attached hereto.

(D) The Company may require a security deposit per Appendix B as a condition of continued service by a customer at a new or old location due to any of the following:

(1) The service of the customer has been discontinued by the Company for nonpayment of a delinquent account not in dispute.

(2) In an unauthorized manner, the customer interfered with or diverted the service of the Company situated on or about or delivered to the customer's premises.

(3) The customer has failed to pay an undisputed bill before the delinquency date for five billing periods out of twelve consecutive billing periods.

(E) Discrimination shall not be a criterion for requiring a deposit because of a customer's race, sex, creed, national origin, marital status, age, number of dependents, source of income or geographical area of residence.

(F) A security deposit may be required pursuant to the provisions in Appendix B and any such deposit is subject to the following terms and conditions:

(1) Interest at a rate not-to-exceed five percent (5%) per annum compounded annually shall be payable on all accounts effective January 1, 1992. The Board of Directors will review and adjust rates annually thereafter. The current deposits effective are specified in Appendix B. Interest shall be either credited to the service account of the customer on an annual basis or paid upon the return of the deposit. Interest shall not accrue on any cash deposit after the date the Company has made a reasonable effort to return such deposit to the customer. This rule shall not preclude the Company from crediting interest upon each service account during one complete billing cycle annually. (Revised 10/22/91)

(2) Upon termination of service, or where the customer has established a satisfactory credit history with the Company, the deposit with accrued interest shall be credited to the customer's bill and any balance remitted promptly to the customer when applicable. The satisfactory credit history is located in Appendix B attached hereto. Determination of a satisfactory credit history shall not be granted if any of, but not limited to, the following have occurred:

(a) The service of a customer has been discontinued for non-payment of a delinquent account not in dispute;

(b) The customer has in an unauthorized manner interfered with or diverted the service of the Company;

(c) The customer has failed to pay an undisputed bill before the delinquency date for five (5) billing periods out of twenty-four (24) consecutive months. A deposit may be required if a refunded account becomes delinquent in the future as provided in the preceding sentence. (Revised 4/12/01)

(3) Each customer posting a security deposit shall receive in writing at the time of tender of deposit, or with the first bill, a receipt as evidence thereof, unless the Company shows the existence or non-existence of a deposit on the customer's bill, in which event the receipt shall not be required unless requested by the customer. The receipt shall contain the following minimum information: name of customer; date of payment; amount of payment; identifiable name, signature, and title of the Company employee receiving payment; and statement of the terms and conditions governing the payment, retention, and return of deposits.

(4) The deposit will be refunded after the final bill has been credited and all obligations of customer are satisfied, regarding water and sewer collection.

(G) The Company may apply all deposits subject to refund against existing undisputed utility charges provided the amount of the refund is identified and disclosed on the bill. Deposits otherwise subject to refund may be withheld pending the outcome of any dispute.

(H) The Company shall require a deposit (SEE APPENDIX B) for any party authorized by the Company to take bulk water from its system hydrants. Deposits may not be charged to an existing customer. The Company may require a deposit when requested by a non-existing customer or in an unusual circumstance. (Revised 5/85)

1.05 User Charges

(A) The water charges consist of the service charge and usage charge based on gallons used. The service and usage charge rates are specified in Appendix A.

(1) The cost is based on the amount of usage. The bills are computed on 100 gallon increments for the appropriate rates.

(2) Late Charge

(a) Late payment charge is ten percent (10%) of the water charges of the bill when it is not paid by fifteen (15) days following the date the bill is issued. If the date falls on a weekend or holiday, it advances to the next working day.

(3) Minimum Bill

(a) The minimum bill shall consist of the monthly service charge as specified in Appendix A.

(B) Fire Protection

(1) Refer to Appendix A attached hereto for rates. Fire protection is available to customers, with adequate water distribution mains, desiring to use water for private fire protection.

(2) Billing

(a) Billing for private fire protection shall be monthly and will be one-twelfth (1/12) of the annual charge.

1.06 Delinquent Accounts And Discontinuance of Service

(A) The Company shall permit each residential customer at least fifteen (15) calendar days from the date of rendition of each bill for payment in full. If the customer's bill is not paid in full by (15) calendar days, the customer's account will become delinquent. If the last calendar day for payment falls upon a Sunday, legal holiday, or any other day when the offices of the Company regularly used for the payment of customer bills are not open to the general public, the final payment date shall be extended through the next business day.

(B) The Company may discontinue service to a residential customer for one or more of the following reasons:

- (1) Nonpayment of a delinquent account.
- (2) Failure to post a security deposit as required in these rules.
- (3) Unauthorized interference, diversion, or use of the utility service situated or delivered on or about the customer's premises.
- (4) Failure to comply with the terms and conditions of a settlement.
(Section 5.07)
- (5) Refusal to grant access at reasonable times to equipment installed upon the premises of the customer for the purpose of inspection, meter reading, maintenance or replacement.
- (6) Misrepresentation of identity for the purpose of obtaining utility service.
- (7) Violation of any other Rules and Regulations of the Company which adversely affects the safety of the customer or other persons, or the integrity of the Company's delivery system.

(C) Subject to the requirements of these Rules and Regulations, the Company may discontinue service to a residential customer between the hours of 8:00 a.m. and 4:00 p.m. on the date specified on the customer's bill or within a reasonable time thereafter. Service shall be discontinued for nonpayment of a delinquent account fifteen

(15) days after an account becomes delinquent except where written notice is delivered to a customer in which case discontinuance may be effected not less than forty-eight (48) hours after delivery of the notice.

(D) The Company shall attempt to notify the customer by phone prior to the date of the proposed discontinuance of service. If written notice is delivered to the customer, it shall be done at least forty-eight (48) hours prior to discontinuance. Service of notice by mail is complete upon mailing. A notice of discontinuance of service will be listed on the customer's bill.

(E) At least five (5) days prior to discontinuance of service for nonpayment of a bill or deposit at a multi-dwelling unit residential building at which usage is measured by a single meter, notices of the Company's intent to discontinue shall be conspicuously posted in public areas of the building provided, however, that such notices shall not be required if the Company is not aware that said structure is a single metered multi-dwelling unit residential building. Such notices shall include the date on or after which discontinuance may occur. The Company shall not be required to provide notice in individual situations where safety of employees is a consideration.

(F) At least five (5) days prior to discontinuance of service for nonpayment of a bill or deposit at a multi-dwelling unit residential building where each unit is individually metered at which a single customer is responsible for payment for service in all units in the building or at a residence in which the occupant using water service is not the Company's water customer, the occupant(s) shall be given written notice of the Company's intent to discontinue service provided, however, that such notice shall not be required unless the occupant has advised the Company or the Company is otherwise aware that he is not the customer. In the case of a multi-dwelling unit residential building where each unit is individually metered or in the case of a single family residence, the notice provided to the occupant of the unit about to be discontinued shall outline the procedure by which the occupant thereof may apply in his or her name for service of the same class presently received through the existing service.

(G) Immediately preceding the discontinuance of service, the employee of the Company designated to perform such function shall, except in individual situations where the safety of the employee is a consideration, make a reasonable effort to contact and identify himself to the customer or responsible person then upon the premises and shall announce the purpose of his presence. When service is discontinued, the employee shall leave a notice upon the premises in a manner conspicuous to the customer that service has been discontinued and the address and telephone number of the Company where the customer may arrange to have service restored. Furthermore for liability and employee safety all discontinuance of service shall be performed by two employees.

(H) Notwithstanding any other provision of these Rules and Regulations, the Company shall postpone the discontinuance of water service to a residential customer for a time not in excess of twenty-one (21) days if the Company is advised the discontinuance will aggravate an existent medical emergency of the customer, a member of his family, or other permanent resident of the premises where service is rendered. The Company may require a customer to provide satisfactory evidence that a medical emergency exists.

(I) Notwithstanding any other provision of these Rules and Regulations, the Company may discontinue residential service temporarily for reasons of maintenance, health, safety, or a state of emergency.

(J) Upon the customer's request, the Company shall restore service promptly when the cause for discontinuance of service has been eliminated, applicable restoration charges paid, and if required, satisfactory credit arrangements have been made. At all times a reasonable effort shall be made to restore service upon the date restoration is requested, and in any event, restoration shall be made no later than the next working day following the day requested by the customer.

1.07 Charge for Disconnection and Reconnection of Service

(A) See Appendix B for charges.

(1) If water service is disconnected for violation of any of the terms and conditions of any service agreement or because the customer has a delinquent account, a charge shall be made to the Customer whose service was disconnected to cover the cost of disconnecting and reconnecting service before water service will be restored. All charges shall be paid at the office during normal business hours between 8:00 AM and 4:30 PM Monday-Friday.

(2) If a customer whose service has been disconnected for nonpayment requests that such service be reconnected after regular working hours, then the reconnection charge shall be based upon the actual cost of the prevailing overtime rates plus transportation and other incidental costs. All charges shall be paid at the office during regular office hours prior to restoration of service. No service shall be restored after hours unless payment has been made at the office during regular office hours.

2.0 SUPPLYING AND TAKING OF SERVICE

2.01 Interruptions of Water Service

(A) The Company shall not be responsible for any failure or interruption of water service unless such failure or interruption is due to the willful and wanton misconduct of the Company.

2.02 Use of Water Service

(A) Water supplied is for the personal use of the customer. The customer shall not sell any such water to any other person nor permit it to be used by persons over whom the customer has no control. For violation of this rule, the Company may remove its meter and discontinue service.

2.03 Access of Customer Premises

(A) Permission shall be given to the Company or any of its duly authorized employees or agents to enter the customer's premises at all reasonable times for the purpose of inspecting, repairing, or removing all of its apparatus used in connection with supplying water service.

2.04 Tapping of Company Mains

(A) No person other than a duly authorized representative of the Company shall tap or connect a service pipe to the Company's water supply mains unless authorized by the Company.

(B) The Company has the exclusive right and use of the curb stop at the curb line, and all other persons are prohibited from using the same.

2.05 Location and Route of Company Facilities

(A) When extending water service to customers, the route and location of Company's facilities, including mains and services, shall be determined at the sole discretion of the Company, whether the extensions are being made at no cost to the customer or under an arrangement requiring a customer deposit or contribution. The location and route of facilities installed shall be in conformance with good practice for the overall water distribution system taking all factors into consideration including safety, present and estimated future capacity requirements and overall installation costs.

3. CUSTOMER INSTALLATIONS

3.01 Customer Installation

(A) The Company shall own and be responsible for maintenance and repair of all water distribution facilities up to and including the service curb box for services with inside meters or up to and including the water meter for services with pit type meters. The customers shall be solely responsible for maintenance or repair of the service lines extending beyond the aforementioned points. All plumbing work on the customer's service shall be performed by competent plumbers employed by the customer or the owner of the premises. The Company assumes no responsibility for the design or condition of the customer's service line or interior plumbing. The Company shall perform an initial inspection for leaks in the customer's piping and equipment prior to connecting such piping and equipment to the service line of the Company. If any such piping and equipment are found to have leaks, the Company shall not make connection of such piping and equipment to its lines until such leaks have been corrected by the customer. If leaks are discovered by the Company in the customer's piping or equipment subsequent to making the connection of the customer's piping and

equipment to the Company's service lines, the Company will notify the customer of the leak and unless the leak is corrected immediately, the Company shall discontinue service.

3.02 Protection of Company's Property

(A) The customer shall be responsible for all damage to or loss of the Company's property located upon his premises unless occasioned by the Company's negligence.

4. METERING

4.01 Meter Installation

(A) For the purpose of determining the amount of water used, a meter shall be installed by the Company upon the customer's premises at a point most convenient for the Company's service. Only one meter installation will be installed to measure service of like character to each structure. The readings of such water meter shall be used for calculating bills for service rendered.

(1) Meters located inside dwellings or other establishments shall be read by the Water Company after an appointment has been scheduled with the owner or tenant. The tenant shall be present at the appointed time to provide the Company access.

(B) Meters must be set where there is no danger of freezing. The size of the meter required for any given service shall be determined by the Company.

(C) The Company will furnish the meters to be used, and the title to all meters shall remain with the Company.

(D) The Company shall have the right to remove, repair, or replace any meter at any time found necessary. All meters or services which cannot be shut off for meter repairs shall be equipped with a by-pass at the expense of the customer.

4.02 Billing Adjustments

(A) Adjustments in billing for water service will be made where the average meter error is found to be in excess of five percent (5%). Where the meter reads fast, the adjustment will be made to compensate the customer for such meter error. Where the meter reads slowly, the adjustment will be made to compensate the Company for such meter error. Any billing adjustment shall be applicable only for the billing period immediately preceding the one in which the error was discovered plus the elapsed period in the current billing period during which the test was made. (also see appendix C attachment revised 2-02)

4.03 Meter Testing

(A) The Company's meters shall be tested for accuracy by the Company.

5. BILLING

5.01 Meter Reading and Billing

(A) The Company will, as near as practicable, read its meters on the same day of each monthly period, and such readings shall be used in billing the customer for such period. The minimum monthly bill shall not be prorated by the Company. Non-receipt of bills by the customer shall not release or diminish the customer's obligation with respect to payment thereof. Company shall normally render a bill for each billing period to every residential customer.

(B) Meters which are equipped with remote reading equipment shall be inspected and an actual meter reading taken annually.

(C) The Company shall render a separate billing for service provided at each address or location.

(D) Billing may include charges for special services together with utility charges on the same bill. Charges for special services shall be designated clearly and separately from utility charges. If partial payment is made, the Company shall first credit all payments to the balance outstanding for utility charges.

5.02 Billing Period

(A) Bills ordinarily will be rendered regularly at monthly intervals, but may be rendered more or less frequently at the Company's option. If bills are rendered more frequently than monthly, the total of the minimums of such bills for any one month will not exceed the monthly minimum required in the rate schedule being applied. When bills are rendered on a monthly basis, prorating is not necessary. The final bill is not prorated. The billing computation calculates charges on usage.

5.03 Estimated Bills

(A) Each billing statement rendered shall be computed on the actual usage during the billing period except as provided herein.

(B) Estimated bills shall be rendered when the Company is unable to read a customer's meter due to extreme weather conditions, emergencies, labor agreements,

work stoppages, inability to obtain access to the customer's premises, or in situations where the customer makes reading the meter unnecessarily difficult.

(C) Estimated bills shall be computed on the basis of the customer's previous use, weather conditions, season of the year, and other information available bearing on the customer's use.

(D) Estimated bills shall not be rendered as a customer's initial or final bill for service unless conditions beyond the control of the Company prevent an actual reading.

(E) If Company underestimates a customer's usage, the customer shall be given the opportunity, if requested, to make payments in installments.

(F) Estimated bills should not be rendered for more than three (3) consecutive billing periods except under conditions described in Section 5.04 (B), but if for some reason actual readings cannot be obtained, the Company shall advise the customer of the following: the bills being rendered are estimated; such estimation may or may not reflect actual usage; and the customer may read and report his usage to the Company. Estimated bills have an "E" typed on the bill after the reading to indicate the reading was an estimate.

5.04 Billing Based on Customer Meter Readings

(A) At the Company's option, bills may be rendered based on readings furnished by the customer.

(B) Company shall attempt to secure an actual reading at least quarterly. Such attempt shall include personal contact with the customer to advise the customer of the regular meter reading date, or the Company will offer appointments for meter readings on Saturday or prior to 9:00 p.m. on weekdays. Where special appointments are arranged for making meter readings, the Company shall assess a charge of \$15.00 for the cost of making such meter reading out of normal meter reading sequence or \$20.00 for meter readings that are made outside of normal working hours.

(C) If a customer fails to report usage regularly to the Company, billing will be estimated by the Company for those billing periods. Customer will be advised that readings must be reported regularly. If customer does not comply and fails after written request to grant access to the meter for the annual reading by the Company, then service may be discontinued in accordance with Section 1.05 (B) of these Rules and Regulations.

5.05 Customer Complaint Procedures

(A) When a customer initiates a complaint or inquiry that cannot immediately be resolved, or if the complaint or inquiry results in a dispute, the Company shall immediately record the date, time, and place the complaint is made; investigate it promptly and completely; and, attempt to resolve the matter informally in a manner mutually satisfactory to both parties.

(B) A customer may advise the Company that a bill is in dispute in any reasonable manner such as by written notice, in person, or by a telephone call directed to the Company during normal business hours. A dispute must be registered with the Company at least twenty-four (24) hours prior to the date of the proposed discontinuance for a customer to avoid discontinuance of service as provided by these Rules and Regulations.

(C) The Company, in attempting to resolve the dispute in a mutually satisfactory manner, may use telephone communication, personal meetings, on-site visits, or any other technique reasonably conducive to settlement of the dispute.

(D) The failure of a customer who has lodged a dispute to cooperate in the investigation of that dispute, to respond to the Company's offer to negotiate, or to enter into a reasonable settlement agreement shall constitute a waiver of the customer's right to continuance of service, and Company may, not less than five (5) days after provision of the notice required by Section 1.05 (D) of these Rules and Regulations, proceed to discontinue service unless the customer files a complaint with the Company's Board of Directors within the five (5) day period.

(E) Customers presenting frivolous disputes shall have no right to continued service. The Company, before proceeding to discontinue the service of a customer presenting a dispute it deems frivolous, shall advise the Board of Directors of the circumstances. The Board of Directors shall attempt to contact the customer by telephone and ascertain the basis of the dispute. If telephone contact cannot be made, a customer service representative shall send the customer a notice by first class mail, stating that service may be discontinued by the Company unless the customer contacts a Board of Directors member within twenty-four (24) hours. If it appears that the dispute is frivolous, or if contact with the customer cannot be made within forty-eight (48) hours following the Company's report, the Company shall proceed to discontinue service. If it appears that the dispute is not frivolous, service shall not be discontinued until five (5) days after the notice required under Section 1.06 (D) has been sent the customer by the Company. The customer shall retain the right to lodge a complaint with the Board of Directors.

(F) If a customer makes a complaint on a disputed bill, he shall pay to the Company an amount equal to that part of the bill not in dispute. The amount not in dispute shall be mutually determined by the parties. The parties shall consider the customer's prior consumption history, weather variations, the nature of the dispute, and any other pertinent factors in determining the amount not in dispute.

(G) If the parties are unable to mutually determine the amount not in dispute, the customer shall pay to the Company at the Company's option fifty percent (50%) of the bill in dispute or an amount based on usage during a like period under similar conditions which shall represent the amount not in dispute.

(H) Failure of the customer to pay to the Company the amount not in dispute within four (4) working days from the date that the complaint is lodged shall constitute a

waiver of the customer's right to continuance of service, and the Company may then proceed to discontinue service as provided in these Rules and Regulations.

(I) If the dispute is ultimately resolved in favor of the customer in whole or in part, any excess monies paid by the customer shall be refunded promptly.

(J) If the Company does not resolve the complaint to the satisfaction of the customer, the Company's representative shall advise the customer that each has a right to register an informal complaint with the Board of Directors and of the address and telephone number where the customer may file this complaint.

(K) The Company may treat a customer complaint or dispute involving the same question or issue based upon the same facts already adjudged (*res judicata*) and is not required to comply with these Rules and Regulations more than once prior to discontinuance of service.

5.06 Settlement Agreements

(A) When the Company and a customer arrive at a mutually satisfactory settlement of any dispute or the customer does not dispute liability to the Company but claims inability to pay the outstanding bill in full, the Company and the customer may enter into a settlement agreement. A settlement agreement which extends beyond sixty (60) days shall be in writing and mailed or otherwise delivered to the customer.

(B) Every settlement agreement resulting from the customer's inability to pay the outstanding bill in full shall provide that service will not be discontinued if the customer pays the amount of the outstanding bill specified in the agreement and agrees to pay a reasonable portion of the remaining outstanding balance in installments until the bill is paid. For purposes of determining reasonableness, the parties shall consider the following: the size of the delinquent account; the customer's ability to pay; the customer's payment history; the time that the debt has been outstanding; the reasons why the debt has been outstanding; and any other relevant factors relating to the customer's service.

(C) If a customer fails to comply with the terms and conditions of a settlement agreement, the Company may discontinue service after notifying the customer in writing, by personal service, or first class mail that the customer is in default of the settlement agreement; the nature of the default; that unless full payment of all balances due is made within five (5) days from the date of mailing the Company will discontinue service; and, the date upon or after which service will be discontinued.

6. EXTENSION OF DISTRIBUTION WATER MAINS

6.01 Extensions

An extension of a water line is defined as an addition to a main line that is capable of serving one or more customers and is located on public or Company-owned

easements. Connections to serve individual units that are constructed perpendicular to the main are typically defined as "services" rather than an extension. (Revised 11/6/84) The extension of distribution water mains may be initiated and made in one of the following ways:

(A) The Company's Board of Directors declare the necessity for and direct the extension of water mains as a public improvement. The cost of this form of extension will be paid by the Company in conjunction with contributions-in-aid of construction by private applicant funds, or through application of "service area connection fees" as may be established by the Board of Directors based upon criteria established for the particular area where the improvement is made. Criteria will generally be based upon allocating the cost of the improvement distributed to the users benefiting from the improvement. (Revised 3/91)

(B) Any individual, group of individuals, corporation, association, institution, club or other parties desiring to become customers and to purchase water from the Company, may upon approval of proper application and as otherwise herein provided, extend the Company's water mains at their own expense. All water mains extended under this rule shall comply fully with the Company's "Specifications for Water Main Construction and/or Alterations" and the requirements set forth in Section 6.03. (Revised 10/22/91)

(C) Any individual, group of individuals, corporation, association, institution, club or other applicant desiring to become customers and to purchase water, may upon approval of proper application and, as otherwise herein provided, request that the Company extend water mains at the applicant's expense.

(D) When extensions are paid by applicants, the Company will extend its water mains along streets or public right-of-ways or easements available to the Company within its certificated area to serve new customers under the following terms and conditions:

(1) Upon receipt of written application(s), the Company will provide the applicant(s) with an estimate of the cost of the proposed extension. Said estimate shall include all labor and materials required, reconstruction of existing mains if necessary, supervision, engineering, permits, insurance, tool expense, accounting and related expenses, and all other costs incident to the installation of said extension.

(2) Applicant(s) shall enter into a contract with the Company for the installation of said extension and shall tender to the Company a contribution-in-aid-of-construction equal to the amount determined above. Applicant(s) shall have the option of installing the extension under the provisions of Section E in lieu of entering into said contract.

(3) Refunds of cost of extension shall be made to applicants(s) as follows:

(a) Should the actual cost of the extension be less than the estimated cost, the Company shall refund the difference as soon as the actual cost has been ascertained.

(b) Company shall divide the actual cost of the extension by the number of lots abutting said extension(s) to obtain the per lot extension cost. When counting lots, corner lots which abut an existing main shall be excluded. If the area is not platted the number of lots shall be considered to be based on a 100 foot frontage counting as one lot. As additional customers are directly attached to the extension, within the first ten (10) years from the time the extension was completed, these additional customers shall pay to the Company the per lot construction cost for the lot being connected which will be refunded by the Company to the original applicant(s). Refunds will only apply to property outside of the development for which the main extension was installed.

(c) Each refund shall be distributed to initial applicant(s) based upon the percentage of the actual extension cost contributed by each applicant.

(4) Extension made under this rule shall be and remain the property of the Company in consideration of its perpetual upkeep and maintenance.

(5) The Company reserves the right to connect future extensions to this main line and the attaching of customers to such further extensions shall not entitle applicant(s) contracting for the original extension to additional refund.

(6) The pipe used in making extensions under this rule shall be of a type and size which will be adequate to supply the area to be served. Such determination as to pipe size beyond 6 inches in diameter shall be left solely to the judgment of the Company. If the Company desires to make the extensions in pipe larger than required to provide service to the lots abutting said extension, the additional cost due to larger size shall be borne by the Company. The minimum size line that shall be used for main extensions shall be 6".

(E) When extensions are made by the applicant and the applicant elects to construct said extension, the Company will connect said extensions to its existing water mains and provide service to applicant(s) under the following terms and conditions:

(1) Applicant(s) shall construct said water line extensions to meet the requirements of all governmental agencies and the Company's Rules and Regulations. If the extension is within 200 feet of an existing main, the applicant must continue the proposed extension to connect with the said existing main.

(2) The pipe used in making extensions under this rule shall be of a type and size which will be reasonably adequate to supply the area to be served. Such determination as to size and type of pipe shall be left solely to the judgment of the Company. If the Company desires to make the extensions in pipe larger than reasonably required to provide service to the lots abutting said extension, the additional cost due to larger size shall be borne by the Company. The minimum size line that may be used for water extensions shall be 6".

(3) The Company, or its representative, shall have the right to inspect and test the extension prior to connecting it to the Company's mains.

(4) Connection of the extension to existing Company's mains shall be made only by representatives of the Company.

(5) Upon acceptance of the extension by the Company, applicant(s) shall furnish to the Company a detailed accounting of the actual cost of construction, excluding cost of any applicant-installed service connections, and the portion of said cost paid by each applicant.

(6) Refunds of cost of extension shall be made to applicant(s) as follows:

(a) Should the actual cost of extension be less than the estimated cost, the Company shall refund the difference as soon as the actual cost has been ascertained.

(b) Company shall divide the actual cost of the extension by the number of lots abutting said extension to obtain the per lot extension cost. When counting lots, corner lots which abut an existing main shall be excluded. If the area is not platted, the number of lots shall be considered to be based on a 100 foot frontage counting as one lot. As additional customers make direct connections to the extension, within the first ten (10) years from the time the extension was completed, these additional customers shall pay to the Company the per lot construction cost for the lot being connected which will be refunded by the Company to the original applicant(s). Refunds will only apply to property outside of the development for which the main extension was installed.

(7) Extensions made under this rule shall be contributed to the Company in consideration of its perpetual upkeep and maintenance.

(8) The Company reserves the right to connect future extensions to this main line and the attaching of customers to such further extensions shall not entitle applicant(s) contracting for the original extension to additional refund.

(F) The Company shall provide water service beyond the corporate limits of the City subject to the following:

(1) All requests/applications for service must be made in writing describing the scope of the projects, number of customers to be served, location of project, preliminary layout of system with pipe sizes and length, estimated cost of project and schedule of "build-out" or development. Additionally the request should include a statement that all rules and policies of the Company will be adhered to and that the applicant will not oppose incorporation within the City if such issue is presented.

(2) The Company shall allow connection to the Company's system and provide water service according to the established policy and requirements, however,

those customers outside the City limits shall be required to pay all applicable fees and charges at a rate of one and one-half (1 1/2) times the rates and fees in effect for City users at that time.

(3) Any expansion, additions or modifications necessary to serve users outside the corporate limits shall be designed and constructed in accordance with the standards in effect at the time and approved by the Company.

(4) The Company's Board of Directors may receive and consider requests for participation in construction of transmission mains to distribution systems within an existing or proposed development. Such request shall accompany the application for service and the project description. The Board will review all requests submitted and may elect to participate in all, or part, of such project up to a maximum of one-half (1/2) of the estimated cost per connection. The actual cost of participation plus interest will be recovered by Company through a surcharge applied to all connections to the funded system. The surcharge amount will be calculated and applied on a maximum ten (10) year recovery basis. Additional connections shall pay the same surcharge rate which will result in an earlier "pay off" of said line. The surcharge will be discontinued when the debt is satisfied. (Revised 1/9/90)

6.02 Ownership of Main Extensions

(A) All extensions made pursuant to the above rules are the property of the Company.

6.03 Networked Extension and Plans Required (Revised 10/22/91)

(A) All applications for permission to make such extension shall be submitted in writing to the Company along with plans prepared by a licensed professional engineer authorized to practice in the State of Missouri. Such plans shall include at a minimum:

(1) An overall site plan referencing the project in relation to its locale in or adjacent to the City of Clinton.

(2) The proposed location and route in reference to the utility's water lines and where connections are to be made.

(3) In the case of subdivisions and developments, an overall plan of ultimate development and provision for a networked pipe system to minimize dead-ends and provide flow from at least two (2) separate locations ensuring service if either of the connections are closed for a repair.

(4) Such extension shall be of a pipe size, as determined by the Company, which will provide adequate fire protection and service to the area.

(5) Plans shall provide adequate detail as to final grades and elevation, proximity to other utilities and any other special methods needed to protect the line constructed.

(B) In order to provide a complete and adequate water distribution system for all users of the system, the Company may require connection of all extensions in a network or "looped" system where the Company deems practical and reasonable, but in no case shall exemption be given where connection can be made within two hundred (200) feet of an existing line. The Company may require easements or other agreements as deemed appropriate to provide access or service to main extensions at a future time.

(C) The Company may direct that service be provided from more than a single or local connection where the required flows may not be available.

(D) All plans submitted for such extensions must be approved by the Company and the required permits obtained. The Company shall not be required to provide service until satisfactory completion, testing and transfer of the water main extension is made to the Company. (Revised 11/26/91)

(E) Applicant(s) must provide the Company all construction easements and permanent easements necessary to permit construction of the line extension as well as easements (construction and permanent) to permit future extension of the line completely across the applicant's property. These easements must be assigned to the Company and recorded before water service is turned on.

The applicant(s) will complete the line extension completely across the applicant's property to facilitate line availability to future downstream customers unless mitigating circumstances warrant waiver of this requirement by the Company. (Added 4/12/94)

7. SERVICES AND CONNECTION FEES

7.01 Service Connections and Fee

(A) From the effective date of these extension rules, the Company will extend, own and maintain all new service lines from its mains to the property line. The Company will also furnish and install the meter well. Such well is to be installed on or near the property line.

(B) The service connection fee (tap fee) for the 5/8 & 3/4" inch meters will be due and payable when application for service is made in person by the applicant(s). Tap fees for 1 inch through 6 inch meters will be billed when actual work order costs are established. Late tap fee payments will be processed in accordance with Paragraph 1.06 and 1.07 dealing with delinquent accounts, discontinuance of service and reconnection charges. Service connection fee amount is specified in Appendix A.

(1) Current customers with a satisfactory credit history as defined in Paragraph 1.04 G.3 can arrange for a new service via telephone without the requirement to appear in person at the Company's office. The customer must provide all necessary

information during the call and will be billed the service fee (tap fee) once the meter is set by the Company. (Added 4/26/94)

(C) A customer desiring relocation of an existing service or meter will bear the cost of the relocation. The Company will provide an estimate of cost for the information of customer. The customer will be invoiced the actual amount by the Company.

(1)The customer must enter into a written agreement before the Company will proceed with the relocation of service and deposit an amount equal to the Company's estimated cost of the relocation before the Company will proceed with relocation of service. After work is completed and the final cost ascertained, any amount under the deposit will be refunded and any amount over shall be paid to the Company. (Revised 3/91)

8. COMPLIANCE WITH RULES AND REGULATIONS

8.01 Agents Cannot Modify

(A) No agent of the Company has power to modify, waive, or bind the Company by making any promise or representation not contained in the approved Rules and Regulations of the Company.

9. CROSS-CONNECTION CONTROL

9.01 Definition

(A) "Cross-connection" means any physical link between a potable water supply and any other substance, fluid, or source, which makes contamination of the potable water supply possible, due to the reversal of flow of water in the piping or distribution system. Bypass arrangements, jumper connections removable sections, swivel or changeover devices, and other temporary or permanent devices through which or because of which backflow can occur are to be considered as cross-connections. Cross-connections may be considered as direct or indirect. A direct connection is where the Company's water system is physically joined to a system containing unsafe water, sewage, or other substances that could contaminate the safe water system. An indirect cross-connection may be a condition where a source of contaminated water may be blown across, sucked or diverted into the Company's system.

9.02 Cross-Connection Prohibited

(A) Cross-connections in the customer's water installation are not permitted. If a cross-connection is discovered, the Company will give the customer fifteen (15) days notice to install a backflow prevention device. If the device has not been installed within 15 days, the Company will discontinue service until the condition is corrected and

an approved backflow prevention device is installed by and at the expense of the customer. If the Company determines that a real and serious threat to public health is posed, the Company may discontinue service without notice.

(B) Service connections will not be made nor be allowed to continue where there is, in the opinion of the Company, a strong potential for hazardous cross-connections, unless the customer will install and maintain at his own expense a backflow prevention device approved by the Company.

9.03 Backflow Prevention Required

(A) The following types of facilities fall into one or more of the categories of premises where an approved air gap separation or reduced pressure principle backflow prevention device is required by the water purveyor and the Missouri Department of Natural Resources to protect the public water supply and must be installed at these facilities unless all hazardous or potentially hazardous conditions have been eliminated or corrected by other methods to the satisfaction of the water purveyor and the Missouri Department of Natural Resources.

1. Aircraft and missile plants
2. Automotive plants
3. Auxiliary water systems
4. Beverage bottling plants
5. Canneries, packing houses, and reduction plants
6. Car washing facilities
7. Chemical manufacturing, processing, compounding or treatment plants
8. Film laboratories
9. Fire protection systems
10. Hazardous waste storage and disposal sites
11. Hospitals, mortuaries, clinics
12. Irrigation and sprinkler systems
13. Laundries and dye works
14. Metal manufacturing, cleaning, processing and fabricating plants
15. Oil and gas production, storage or transmission properties
16. Paper and paper products plants
17. Plating plants
18. Power plants
19. Printing and publishing facilities
20. Radioactive material processing or nuclear reactors
21. Research and analytical laboratories
22. Rubber plants, natural and synthetic
23. Sewage and storm drainage facilities - pumping stations
24. Water front facilities and industries

(B) The Company, at its discretion, may require a device at other facilities where a danger to public health is determined.

9.04 Inspection and Approval for Installation

(A) Backflow prevention devices shall be approved by the Company before installation by the customer. Continuation of installation and inspection reports shall be furnished to the company before water may be turned on for permanent service.

9.05 Responsibility of Maintenance, Testing and Inspection

(A) It is the customer's responsibility to furnish, install and annually inspect backflow prevention assemblies to assure the device is in proper working condition. It is also the customer's responsibility to provide the water provider with the annual test results of the yearly inspections. It is the customer's responsibility to maintain the device in proper working condition and to make no piping or other arrangements for bypassing the device. All costs for repair or replacement of the backflow prevention assemblies will be the customer's responsibility.

10 ECONOMIC DEVELOPMENT CLAUSE (Added 11/92)

10.01 Purpose

(A) The purpose of this Economic Development Clause is to encourage industrial and commercial development in Clinton, MO and the surrounding area.

10.02 Availability/Applicability

(A) Water service under this clause is only available in conjunction with local, regional and state governmental economic development activities where incentives have been offered and accepted to locate or expand existing facilities in Company's service area.

(B) Water service under this clause is only available when the commercial or industrial customer can document creation of twenty-five (25) or more new jobs at the Clinton site. For computation purposes, a new job is defined as a minimum of 1,800 work hours per year. New part-time employee hours can be utilized to calculate new jobs on the basis of 1.800 hours/year equals one new employee.

(C) Requests for service under this clause shall be accompanied by sufficiently detailed information to enable the Company to determine whether the new customer or expanded facility meets the above criteria.

(D) Service under this clause shall be evidenced by a contract between the customer and Company.

10.03 Incentive Provisions

(A) The Company's current user charges include a service charge based on meter size and a two-step commodity charge based on usage. The first step is for water usage up to 40,000 gallons/month. The second step is for monthly usage in excess of 40,000 gallons/month. Current step rates are specified in Appendix A. For purposes of this clause, the first step rate will be known as Rate A and the second step rate will be known as Rate B. Monthly user charges will be calculated using rates in effect at the time the bill is issued.

(B) The economic development incentive will be applied over the first five (5) years as follows:

MONTHLY CHARGE RATES

<u>Customer Charge</u>	<u>First 40,000 Gallons/Month</u>	<u>Excess</u>
Year 1: Customary Charge Per Paragraph 1.05 Rules & Regulations	Rate B	Rate B
Year 2: Customary Charge Per Paragraph 1.05 Rules & Regulations	Rate A x .68	Rate B
Year 3: Customary Charge Per Paragraph 1.05 Rules & Regulations	Rate A x .76	Rate B
Year 4: Customary Charge Per Paragraph 1.05 Rules & Regulations	Rate A x .84	Rate B
Year 5: Customary Charge Per Paragraph 1.05 Rules & Regulations	Rate A x .92	Rate B
Year 6:		

Customary Charge Per Paragraph 1.05 Rules & Regulations	Rate A	Rate B
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(C) The economic development incentives for years 2-5 will only be applicable in months where total usage exceeds 40,000 gallons.

(D) Company will provide a water meter and backflow preventer at no cost to any customer requiring a new service while creating fifty (50) or more full time new jobs, and having a water usage of more than 300,000 gallons per month for twelve (12) months of the first twenty-four (24) months after startup of the facility. For purposes of this clause, the term startup is defined as the date the Certificate of Occupancy is effective.

Any equipment required in addition to the water meter and backflow preventer for water service and/or fire protection will be borne by the customer. In addition, all installation costs will be borne by the customers. (Revised 3/22/94)

10.04 Miscellaneous

(A) Company reserves the right to rescind this Economic Development Clause at any time following the first anniversary of its effective date. Any commercial or industrial customer enrolled in the program or industrial customer enrolled in the program prior to its dissolution will continue to receive benefits as specified in the clause.

11 DEFINITIONS

11.01 List of Definitions

Definitions shall be as follows:

Applicant – Any person, persons, firm, corporation, partnership, etc. desiring or applying for water service.

Backflow Prevention Device – A device owned by the customer which is installed to allow water to flow only in one direction, from the Company's distribution system into a premise. The device should be approved by the Missouri Department of Natural Resources and tested annually by a MDNR certified backflow tester.

Bill – A written demand for payment for services, taxes, fees and other related charges.

Board of Directors – Persons duly elected or appointed by the Company with general powers pertaining to the management of the business affairs of the Company.

Commercial Customer – Customers that are non-residential or whose general purpose and use is of a business nature. Includes commercial, business and industrial establishments, with or without dwelling units in the premise or on the property.

Company – Henry County Water Company, acting through its Board of Directors or other duly authorized agents.

Company Service Line – The pipeline from the main to the Customer's Service Line.

Customer – Any person, persons, firm, corporation or partnership using or allowing the use of water service provided by the Company.

Estimated Bill – A charge for water service, which is not based on an actual reading of the meter or other registered device.

Industrial Customer – Service to manufacturing and processing establishments, including production facilities, agricultural products processing facilities, assembly Plants, refineries and similar establishments.

Main or Water Main – A pipe, which is owned and maintained by the Company, located on public property, public utility easements, or on private easements, and used to distribute and supply water to Customers.

Meter – A device, owned by the company, which measures the quantity of water which passes through a water service line supplying a premise, including attached equipment used for remote reading.

Premise – Any building, land or structure on it used as a dwelling unit or used for any commercial, business or industrial use or purpose.

Residential Customer – Customers that are non-commercial or whose general purpose and use is of a residential nature. A residence is defined as consisting of one or more rooms, with space for eating, living, sleeping and permanent provisions for cooking and sanitation.

Settlement Agreement – An agreement between a Customer and the Company, which provides for payment of undisputed charges over a period longer than the Customer's normal billing period.

Tax Exempt – A not for profit business, church, federal, state, county, or local Governmental entity.

Usage Charge – The rates for utility service and other charges authorized by the HCWC Board of Directors as an integral part of utility service.

APPENDIX A (WATER)

WATER USAGE CHARGE (Per 1000 Gallons) Inside City Limits

<u>YEAR</u>	<u>FIRST 40,000 GALLONS</u>	<u>OVER 40,000 GALLONS</u>
2013	\$ 6.34	\$ 4.43
2014	\$ 6.44	\$ 4.50
2015	\$ 6.44	\$ 4.50
2016	\$ 6.54	\$ 4.57
2017	\$ 6.64	\$ 4.64
2018	\$ 6.78	\$ 4.74
2019	\$ 6.92	\$ 4.84
2020	\$ 7.02	\$ 4.91
2021	\$ 7.13	\$ 4.98
2022	\$ 7.53	\$ 5.26

WATER USAGE CHARGE (Per 1000 Gallons) Outside City Limits

<u>YEAR</u>	<u>FIRST 40,000 GALLONS</u>	<u>OVER 40,000 GALLONS</u>
2019	\$10.38	\$ 7.26
2020	\$10.53	\$ 7.37
2021	\$10.69	\$ 7.48
2022	\$10.69	\$ 7.48

**MONTHLY SERVICE CHARGE
METER SIZES AND RATES Inside City Limits**

5/8"	\$ 9.50	2"	\$ 51.76
3/4"	\$ 12.61	3"	\$ 94.18
1"	\$ 18.64	4"	\$ 154.68
1 1/2"	\$ 33.81	6"	\$ 306.36

**MONTHLY SERVICE CHARGE
METER SIZES AND RATES Outside City Limits**

5/8"	\$ 13.49	2"	\$ 73.46
3/4"	\$ 17.90	3"	\$ 133.67
1"	\$ 26.46	4"	\$ 219.51
1 1/2"	\$ 47.99	6"	\$ 434.76

**FIRE PROTECTION CHARGES
(MONTHLY RATES)**

2"	\$ 2.91	8"	\$ 29.32
4"	\$ 11.66	10"	\$ 32.10
6"	\$ 26.26		

STATE WATER FEES (Annually)

<u>METER SIZE</u>	<u>RATES</u>
5/8"	\$ 2.76
>5/8" BUT <2"	\$ 7.44
>2" BUT <4"	\$41.16
4" AND >	\$82.44

SERVICE CONNECTION FEES

<u>Meter size</u>	<u>Charge</u>
5/8" & 3/4"	\$1500.00
1" through 6"	Actual Cost

MO. SALES TAX

RESIDENTIAL	- 2.20%
COMMERCIAL	- 8.05%
INDUSTRIAL	- 3.825%
TAX EXEMPT	- 0.00%

HENRY COUNTY PWSD#3 RATE- \$3.70/1000

APPROVED- _____ DATE- December 14, 2021 Effective Date- January 1, 2022

APPENDIX A (SEWER)

SEWER RATES

<u>YEAR</u>	<u>MINIMUM</u>	<u>\$/1000 GALLON</u>
2000	\$2.45	\$1.05
2010	\$2.90	\$1.25
Nov. 1, 2010	\$5.20	\$2.24
Oct. 1, 2011	\$6.52	\$2.81
Oct. 1, 2012	\$7.83	\$3.37
2013	\$7.83	\$3.37
2014	\$7.83	\$3.37
2015	\$7.83	\$3.37
2016	\$7.83	\$3.37
2017	\$7.83	\$3.37
2018	\$7.83	\$3.37
2019	\$7.83	\$3.37
2020	\$8.97	\$3.86
2021	\$9.01	\$3.87
2022	\$9.53	\$4.09
2023	\$9.53	\$4.09
2024	\$14.23	\$4.70
2025	\$14.23	\$5.30
2026	\$14.23	\$6.10

STATE SEWER FEES (Annual)

5/8"-	\$ 0.80
<1"-	\$ 3.00
1" to 4"-	\$11.00
>4"-	\$29.00

Approved-_____ Effective Date- January 1, 2026

APPENDIX B

Customer Account Water Deposit Charges

Residential “homeowners” (property must be deeded in the customer’s name to be considered a homeowner) will not be required to pay a water deposit except as described below. Residential “renters” will be required to pay a \$100.00 water deposit (the deposit will be waived for customers in good standing for a minimum of 2 years). “Commercial” customers will be required to provide a reference letter (from another utility company) or two-month water deposit based on estimated usage.

All deposits will be returned after two years of service provided the customer has not violated Section 1.04 /F,1-2/ a,b,c of the Henry County Water Company rules and regulations. The company will credit interest at an annual rate as listed below (Interest on Deposits).

Any customer, residential or commercial, who has had service terminated as a result of violations specified in section 1.06 of these rules, shall be subject to the following deposit schedule.

Any balance of water/sewer deposits paid by a charitable organization will be returned back to the charitable organization that paid the deposit.

Residential Homeowners and Renters- \$100.00

Commercial Accounts- two months average bills over the prior 12 month period.

Interest on Deposits – 0%

Fire Hydrant Meter Deposit

\$200.00

Charges for Disconnection/Reconnection of Water Service

Restoration of service during regular working hours (8:00 am to 4:30 pm) of the water company (Monday-Friday excluding holidays)- \$50.00

In the event a collection agency is retained the customer will be charged a 28% collection fee.

Returned Check, Electronic Check, Credit Card, ACH, and Stop Payment Charge

Fee

\$35.00 per event

EFFECTIVE DATE- April 21st 2026

Approved by- _____ Title- President Date- 04/21/2026

APPENDIX C

HENRY COUNTY WATER COMPANY LEAK ADJUSTMENT POLICY

Customers will be offered a 50% billing adjustment per account for water leaks once every 5 years. Customers will also be offered a one time billing adjustment of 100% per account for water leaks over the life of the account. The adjustments will be given on the usage portion of the bill and will apply to a maximum of two consecutive monthly billings. Customers must provide the Company with a repair ticket or documentation verifying that a leak has occurred and that it has been repaired or corrected before a billing adjustment can be provided.

The adjustment for the water usage portion of the bill for the leak period (not to exceed two months) shall be based on the Customers average water usage for the prior 12-month period.

Only one leak adjustment can be used within a 12-month period.

The Customers usage must be at least double their average monthly usage before a leak adjustment will be offered.

Note: Once the leak has been reported/discovered and meter reading has been recorded, customer will be responsible for all additional water loss until the repair has been made without further adjustment.

Effective Date- April 21st 2026

Approved by _____ Title –President Date- 04/21/2026