

**NORTH BRANCH WATER AND LIGHT COMMISSION ADMINISTRATIVE
POLICY
ADOPTED: JULY 19, 2023**

Administrative Policy No. 100.0 - Commission

POLICY ORIGIN AND APPROVAL

The North Branch Water & Light Commission (“Commission”) shall initiate, adopt, amend, and revise policies for the conduct of the Utilities business and affairs. Prior to Commission action on a proposed administrative policy, such policy may be reviewed by the Utility Attorney and policy drafts shall be submitted to the Commission for study and consideration. Policies of the Utility shall be approved by a majority of the Commission in attendance at a meeting for which quorum was established. Nothing herein shall be construed as limiting power of the Commission to modify or to make such further rule or rulings as it may deem necessary or expedient from time to time.

1.0 - COMMISSION

As a customer of the North Branch Municipal Water and Light Commission, you are being serviced by a utility that is incorporated under the City of North Branch but is independently operated by the Water & Light Commission. It is governed by elected City officials that have appointed a five (5) member Commission that is responsible for establishing operating procedures, setting rates, and future planning of the Utility.

1.1 - Commissioner’s Duties, Compensation and Responsibilities

The Commission is responsible to the residents of North Branch for the overall management of the affairs of the Utility in accordance with the City Council Ordinance creating the Public Utilities Commission.

In the discharge of its responsibility for the overall management of the Utility, the Commission delegates responsibilities and authorities through policies, resolutions and other Commission action pertaining to the Utility. The Commission, however, remains accountable to the residents even though it has delegated certain responsibilities and authorities. All acts of the Commission in the discharge of its responsibilities must be undertaken with the approval of a majority of the Commission assembled in official session and said action recorded in the Minutes of said session. All authorization and direction from the Commission is made as a commission as a whole. Any act or acts by a Commissioner or group of Commissioners, not meeting in official session, or as authorized by a majority of the Commission in official session and recorded in the Minutes of said session, is invalid.

The Commission is reimbursed at the rate of \$65.00 per meeting for their service and \$65.00 per day for any out-of-town meetings attended. Payable each December before the close of business for the year. Commissioners shall also receive reimbursement for any actual travel or reasonable out-of-pocket expenses incurred while on Commission business. The mileage rate for use of a personal vehicle on Utility business shall be the amount permitted under provisions of the Internal Revenue Service as they relate to standard mileage allowance.

1.2 - Commission Meetings

Regular monthly meetings of the Commission shall be held to conduct the business of the Utility. Such meetings shall take place on the third Wednesday of each month or as soon as practical, allowing staff to adequately prepare monthly information appropriate for the meeting.

Special meetings and working sessions may be called from time to time by the Commission.

Notice of all meetings shall be in accordance with the Statutes of the State of Minnesota.

1.3 - Commission Travel

Members of the Commission are encouraged to attend institutes and conferences after receiving Commission approval.

Any Commissioner desiring to attend an institute or conference may present such request orally or in writing at any regular or special meetings of the Commission.

The Commissioner shall be entitled to expenses while attending a conference or institute.

1.4 - Voting at Commission Meetings

Unless a specific request is made to use a different method of taking a vote, voice votes will be the norm. The responsibility of announcing or declaring the vote rests upon the Chair. The Chair will judge silence by a member to be a vote in the affirmative. All votes will be considered to be unanimous unless there is a clearly announced nay vote by a member of the Commission. The Chair has the responsibility of announcing whether a unanimous vote has occurred. A roll call vote will be utilized and recorded whenever there is not a unanimous decision. A roll call vote can be taken on any item.

1.5 – Commission Errors and Omissions Insurance

The Utility shall provide coverage for the Commissioners for errors and omissions. The Utility shall pay the cost of the policy.

1.6 - Commission Positions and Selection Process

Chair/Vice-Chair/Secretary

The Chair will conduct the Commission meeting. The Vice-Chair will conduct the Commission meeting if the Chair is absent. The Secretary will conduct the Commission meeting if the Chair and Vice-Chair are absent. The Secretary will also sign the official Commission meeting minutes.

If there is more than one Commissioner who is nominated and declares that they would accept a recognized position, the selection process shall be as follows when nominations are closed:

- The Chair will call for a vote for the first nominated Commissioner. If selected by Commission majority, the Commissioner is accepted for the Commission position.
- If the first nominated Commissioner is not approved, the selection shall continue for the second nominated Commissioner.
- Process will continue until a Commission majority approves the selection or there are no Commissioners selected for the position.
- If no selection, the Commission position will remain unfilled until there is a change of Commissioners or at the annual reorganization meeting.

For various purposes and times, the Commission may establish subcommittees to address or respond to specific matters such as customer, personnel, and financial policy. Subcommittees can include up to two Commissioners. These subcommittees will be nominated from the current Commissioners with the individuals normally being appointed at the time the subcommittee is formed by a majority vote of the Commission.

As per Chair/Vice-Chair/Secretary positions, Subcommittee members also need to be nominated and accept the position before a vote is taken on the specific Subcommittee position.

If there is more than one Commissioner who is nominated and declares that they would accept the Subcommittee position, the selection process shall be as follows when nominations are closed:

- The Chair will call for a vote for the first nominated Commissioner. If selected by Commission majority, the Commissioner is accepted for the Subcommittee position.
- If the first nominated Commissioner is not approved, the selection shall continue for the second nominated Commissioner.
- Process will continue until a Commission majority approves the selection or there are no Commissioners selected for the Subcommittee.
- If no selection, the Subcommittee position will remain unfilled until there is a change of Commissioners or at the annual reorganization meeting.

1.7 - Capitalization Policy

The purpose of this policy is to describe the procedures utilized in NBWL capital management system and to put in place guidelines to account for and depreciate NBWL capital assets.

Goals

- To ensure that NBWL's capital assets are accounted for in conformance with generally accepted accounting principles.
- To establish a consistent and cost-effective method for accounting of NBWL capital assets.

Establishing Thresholds for Capital Assets

- Capital assets should be capitalized only if they have an estimated useful life of at least two (2) years.
- Capitalization thresholds should be applied to individual assets rather to groups of similar items, e.g., meters, poles, etc. Assets that qualify for capitalization and depreciation under the "group method" will be handled differently (see threshold).
- NBWL should exercise and maintain adequate internal control measures over their non-capitalized capital assets and employ compensating controls in cooperation with the finance staff of the city of North Branch.

Authority: NBWL Commission

Application: This policy applies to all NBWL department heads, employees, and agencies operating under service agreements and contracts with North Branch Water and Light.

Responsibility: In accordance with the terms and conditions of the Service Contract by and between the Commission and the City of North Branch, dated August 27, 2021, as amended from time to time, the City by and through the employees assigned to support the commission, shall be responsible for the implementation of this policy.

Threshold

NBWL will capitalize individual assets that cost \$10,000 or more. Individual assets that cost less than \$10,000 but operate as a part of a network system, may be capitalized using the group method. A network is determined to be where individual components may be below \$10,000, but are interdependent and the overriding value to NBWL is on the entire network and not the individual assets, e.g., water mains, meters, etc.

Capital Assets Reporting

As part of the financial audit, NBWL will submit a capital asset report to the external auditors on an annual basis. This report will include the following information:

Type of asset
Acquisition cost

Estimated useful life
Annual depreciation
Accumulated depreciation

Depreciation

NBWL will use the Straight-Line/Monthly Method as its standard approach to depreciate assets.

Controlled Assets

For internal control purposes, NBWL may maintain an inventory of certain assets (controlled equipment) that do not meet the above referenced capitalization amounts. Controlled equipment includes items that should be specifically accounted for and inventoried periodically due to the high re-sale value of the equipment and potential risk of theft. Controlled equipment may include such items as computers, plant equipment, and other office equipment. The City by and through the employees assigned to support the commission, shall be responsible for all controlled equipment within their areas of responsibility.

Disposal of NBWL's capital assets

Disposition of NBWL's assets will be performed in accordance with applicable policies and procedures.

1.8 - Purchasing Policy

The City by and through the employees assigned to support the Commission, shall have spending authority is up to \$10,000 without prior Commission approval. All expenditures shall be brought to the Commission for approval prior to payment whenever possible. This is for operating expenses only as the capital asset management policy also has a \$10,000 threshold.

Also, a method for emergency purposes over the above referenced spending authority is needed for accountability and timely response to emergencies and unplanned events. In such case, it shall be an accepted practice for the City by and through the employees assigned to support the Commission, to receive written approval from either the Chair or Vice-Chair. The purchase will then be included on the next scheduled Commission meeting consent agenda. Depending on the specific emergency, the purchase may be either a capital expenditure or operating expense.

Items that do not specifically require the Commission's approval prior to payment include the following:

- Capital projects that have received prior Commission approval.
- Mandatory payments including but not limited to customer meter deposit refunds, city, county, state, and/or federal fees.
- Invoices that if delayed for approval/review would require penalties or interest.

2.0 - INVESTMENTS

2.1 - Primary Purpose

The primary purpose of this investment policy is to provide for the most secure method possible for the investment of Utility funds and that which seems best for the rate payer. The rate of return, however important, is of secondary consideration.

3.2 - Resolution to Designate Depositories of Funds:

In accordance with Minnesota Statutes, Chapter 118, the Utilities Commission by resolution shall designate institutions as depositories for its funds.

The Commission shall also by resolution designate the custodian of collateral. This shall also include the approval of all pledged collateral.

2.3 - Types of Allowable Investments

- 1) Certificates of Deposit (Investments with a longer term than 45 days, shall be made in the form of CDs with financial institutions who have met minimum policy guidelines.)
- 2) Treasury Bills, Bonds.
- 3) Money Market Savings Account.

2.4 - Collateral

Acceptable Securities to serve as pledged collateral include Class One, Two and Three securities defined in M.S. 50.14, Subd. 2-4.

2.5 - Custodians

The custodian of the collateral shall be a Federal Reserve Bank or member thereof or other custodians approved by the Commission.

The Utilities, the depository bank, and the custodian at collateral shall enter into an "Agreement for Safekeeping of Pledged Securities," which shall be signed by all parties.

2.6 - Utility Investment Procedure

Utilities staff shall request quotations from lending institutions, which can meet all requirements of this policy.

Staff shall tabulate bids and determine the term of investment not to exceed State Statute. Such determination shall be based primarily upon the Utility's cash flow requirements.

Investments shall be awarded by the Commission based on the best combination of highest interest rates, term of investment, and the Utility's cash flow requirements.

The Commission shall delegate and authorize the City by and through the employees assigned to support the Commission, to make all necessary withdrawals and deposits within the scope of this policy. All necessary forms of investment collateral and custodian shall be implemented.

2.7 - Signature Authorization

The Commission authorizes the designated City employees assigned to support the commission, and any one member of the Utilities Commission, to be its fiduciary agents regarding Certificates of Deposits. The authorization requires one signature for purchasing, changes or renewing terms on a certificate of deposit and two signatures for any withdrawals of a certificate of deposit.

3.0 - DEPOSITORIES / CUSTODIANS

The selection of all institutions where the Utility funds are deposited shall be made by the Commission and a record made of such selection. Designated institutions can be added or replaced by the Commission as it deems necessary and advisable.

4.0 - AUTHORIZED CHECK SIGNATURES

All checks drawn on Utility accounts shall bear the signature of the Commission Chair and the Commission Secretary.

5.0 - ANNUAL FINANCIAL AUDIT

Following the close of business at the end of each fiscal (calendar) year, a complete audit of the financial position of the Utility shall be conducted. This audit shall be conducted by an independent auditing firm approved by the Commission acting in official session.

6.0 - OPERATIONS

The following duties and responsibilities are delegated to the City by and through the employees assigned to support the commission, as set forth in the Service Contract. The city's Public Works Director shall serve as the acting General Manager of the Commission to the extent such role is necessary for the effective operation of the Utility.

The City by and through the employees assigned to support the Commission, shall be is responsible to the Commission for the direction and administration of the Utility in accordance with policies; budgets and programs approved by the Commission, the effectiveness of all employees, and seeing that all the Utility's functions are carried out at maximum efficiency in all aspects of its operations. The City by and through the employees assigned to support the Commission, shall be responsible for developing, maintaining and motivating a well-qualified group of employees; and developing, through leadership and direction, sound personnel policies, standards and practices

affecting the selection, training, development, utilization, motivation, compensation, working conditions, and welfare of all employees to the end that their productivity, teamwork, loyalty and high morale contribute to the total effectiveness of the Utility.

The City by and through the employees assigned to support the Commission, shall be responsible for determining basic operational procedures in accordance with a general plan approved by the Commission; exercising such coordination as may be necessary to assure the carrying out of all the Utility's activities in conformity therewith; reviewing reports from the staff regarding progress of established programs; effecting remedial action as necessary; and submitting periodic reports concerning the operations and finances to the Commission, the Citizens and other agencies as required.

The City by and through the employees assigned to support the Commission, is also responsible for promoting general Utility welfare and maintaining good working relationships with other municipal utilities and State agencies.

Administrative Policy No. 200.0 – CUSTOMER POLICIES AND PROCEDURES

1.0 - REQUIRED SERVICE INSTALLATIONS

All residences and business establishments within the City intended for human habitation, occupancy or use shall be required to connect to the Utility’s water in accordance with Chapter 58 of the City of North Branch Code of Ordinances, as amended from time to time. Customer Class Definitions

RESIDENTIAL DESCRIPTION

Domestic Single-family residence includes indoor or outdoor use includes residences with second family units.

Multi-family More than one residential unit served by one or more meters (apartments, duplexes, town homes, mobile home parks, condominiums, etc.).

Irrigation Landscape only, no dwellings, buildings or other structures, or businesses served.

COMMERCIAL DESCRIPTION

Commercial Business or mixed use (e.g. business and residential on same meter) includes indoor or outdoor use.

Irrigation Landscape only, no dwellings, buildings or other structures, or businesses served.

2.0 - SERVICE INSTALLATION PROCEDURES AND REQUIREMENTS

Approval of the location, size and kind of service shall be granted by the Utility prior to all installations, and the Utility reserves the right to make these determinations.

The customer or its contractor shall be responsible to install the water service line from the Utility water main to the premise or building where water is to be used. The customer’s service line shall include a corporation stop valve at the main, curb stop valve and curb box adjacent to the street, alley or right of way nearest the water main tap, and gate valve or other full-way valve on both the inlet and outlet side of the water meter. The customer shall also be responsible to install a pre-approved tracer wire on all new or replacement services from the Utility’s water main to the premise or building where the water service is to be used.

It is the customer’s responsibility to maintain the water service line from the curb stop to the premise or building where water service is to be used. If the portion of the customer’s service needs repair or replacement, it shall be the customer’s responsibility to repair or

replace that portion of the customer's service. It is also the customer's responsibility to replace or restore any grass, shrubs, trees, concrete or asphalt etc. from the curb line, traveled surface of the road, alley or right of way to the premise or building where the water service is being used.

No service pipe shall be less than $\frac{3}{4}$ inch in diameter and no service line in excess of 200 feet in length shall be less than 1 inch in diameter. Service pipes shall have a minimum working pressure rating of 160 psi and shall meet all standards as required by the Minnesota Plumbing Code. Service lines of copper tubing shall have flared fittings and shall not have more than one joint for each 70 feet of length. All service line fittings shall be uncovered until water pressure is applied and the line inspected.

Water service pipes and sewer service pipes can be placed in a common trench if the bottom of the water service pipe is kept at a minimum of 12 inches above the top of the sewer pipe at all points and the water pipe is placed on a solid shelf at one side of the common trench. A common trench may also be used without the separation requirements if the sewer pipe is of cast iron and the water pipe is of copper or cast iron. All water service pipes shall be installed not less than 7 feet below the surface as to prevent rupture and stoppage due to freezing. Frozen service pipes shall be the responsibility of the customer.

3.0 - CODE REQUIREMENTS

All service lines, connections, piping, and appurtenances shall be installed and performed strictly in accordance with the Minnesota Plumbing Code. Failure to install or maintain the same in accordance therewith, or failure to have or permit required inspections shall be additional grounds for termination of water service to any customer.

4.0 - WATER MAIN CONNECTIONS

All taps and connections to the mains of the Utility shall be made by and/or under the supervision of an employee of the Utility.

No more than one house, building or premise shall be supplied from one tap unless by special written permission from the Utility and unless provision is made so that each house, building or premise shall install individual curb stop valves and curb boxes to enable each to be shut off independently of the other.

5.0 - CROSS CONNECTIONS

No water supply pipe or water service line which is connected to the Utility's water system shall in any way be connected to a pump, well, tank or other device that is connected to any other source of water supply or other questionable substance.

If such cross-connection is found to exist, the Utility will notify the customer to make an immediate correction of the problem and may require the Utility's water supply to be shut off until such time as no cross-connection shall exist.

6.0 - APPLICATION FOR SERVICE

Each new customer must fill out an Application for Service form. Only the owner of the property, or the owners' authorized agent, is authorized to fill out an Application of Service. This form is necessary for the Utility to know who the customer is for purposes of service and billing. It also gives the Utility an opportunity to ensure that each customer receives pertinent material about the Utility.

7.0 - RULES REGARDING LANDLORD AND TENANT

Only the owner of the property, or the owners' authorized agent, may complete the Application for utility service. As detailed in Section 1, a signed lease agreement is the document providing authorization that the tenant is the owner's authorized agent. Service will normally continue until the customer requests that it be discontinued, or until such time that the customer does not adhere to the rules and regulations of service. Upon request of discontinuance of service, the meter reading is recorded and, if no arrangements have been made in advance by another person or persons, the service will normally be disconnected.

The owner of the property the utility services are being provided to may include a lease agreement stipulation that they also receive a copy of the tenant's utility bills. The owner shall inform NBWL by written request of this arrangement. The request notice shall also contain an acknowledgement that the owner continues to assume responsibility for payment of service. Regardless of lease agreement, if the tenant does not submit payment by the due date listed on any invoice, the owner will be included on additional invoices and notices thereafter.

8.0 - UTILITY DEPOSITS

Each new customer is required to make a deposit when applying for utility services. The amount of deposit is variable based on the utilities being requested and the utility classification, and such deposit amounts shall be established by the Commission each year as part of its fee setting resolution.

For Property Owners, this deposit is returned upon request of the customer (with interest as set by the Minnesota Department of Commerce) after one (1) year of service, provided customer has maintained a good "on time" pay record and has not been delinquent; or the deposit shall be returned to the customer at such time as services are discontinued by request, less any amount due the Utility for utility services rendered.

For Property Owners, a letter of good payment from the customer's previous utility of twelve (12) months prior, presented with the application of service, shall constitute waiver of deposit.

Both residential and commercial renter respective deposits will be retained for the entire time they are NBWL customers. Annual interest will be credited to the account; however, a letter of good payment and 12-months off on-time payments do not change NBWL retaining the deposit.

All outstanding or delinquent bills with the Utility must be paid before connection or reconnection.

If a customer's account becomes delinquent and service has been terminated for non-payment, they will be required to redeposit an amount equal to two (2) times the highest recorded bill at that location in the past twelve (12) months, at no time will the deposit be less than the minimum amount per classification, which will be held until satisfactory credit history is re-established for property owners. Written payment plans are not available to pay the increased deposit amount.

Refusal or failure by customer to satisfy the deposit requirements shall result in delay or discontinuance of service until such time as the deposit has been made.

All deposits are non-transferable from one applicant to another and are payable only to the original applicant upon proper identification.

9.0 – BILLING AND COLLECTION PROCEDURES

Each utility meter is read on or near the same day each month so that approximately 30 days' usage is recorded. In cases where the meter is not accessible or damaged, usage will be estimated according to past usage records. The customer has the right to dispute the estimated amount and has the right of appeal. Bills are prepared by the billing department at the utility and mailed to the customer on or before the end of the month.

Utility bills will be calculated, and the monthly statement mailed to each customer monthly. A bill shall become delinquent if unpaid at the close of business on the 22nd day of the month following such billing, provided, that if the 22nd day shall fall on a non-business day of the Utility, the time shall be extended to the close of business on the next succeeding day on which business is normally transacted. A penalty of 10% shall be added to all delinquent utility bills. Failure to receive a bill will not release a customer from obligation of payment.

All payments of utility services rendered by the Utility system to customers shall become due and payable when bills are rendered. Payment of utility bills may be made in person or by mail to the Utility office at 6408 Elm Street, North Branch, MN. All questions or complaints about the bill should be made at the Utility office at 6408 Elm Street in person, by mail or by telephone at 651-674-7100. All such bills may be paid without

penalty up to and including the final due date which is the 22nd day of each month following the respective bill. If this date should occur when the Utility office is normally closed, then payment without penalty will be accepted through the drop box as of the start of business the next day the office is open for business.

Each item on the Utility bill is coded and an explanation of the code is shown on the front of the bill, which is retained by the customer.

9.1 – Penalty Forgiveness

Penalty forgiveness may be given if the customer agrees to have their monthly bills on autopay as a one time courtesy.

9.2 – Not Sufficient Funds (NSF) Charge

Per MN statute 604.113 and 609.535, whoever issues any payment that is dishonored is liable for a penalty of \$30 per transaction denied.

9.3 – Delinquent Account Collection Methods

The Utility has three means for delinquent account collection depending on home/business ownership. If the account holder is a homeowner or business owner, the Utility will use the property tax certification process as detailed in City Ordinance 58-285. The Utility will make a detailed listing of the owed balances by service type and will request certification from the City. The City then requests certification from Chisago County. The process normally occurs annually in the fourth quarter.

The second means to collect delinquent account funds is the MN Revenue Recapture Program. This option will be used for renters where we cannot assess delinquent accounts to property taxes. More information on this option can be found on the attached link <https://www.revenue.state.mn.us/revenue-recapture#:~:text=The%20Revenue%20Recapture%20program%20allows,or%20for%20the%20federal%20government.>

For those customers where we have insufficient personal information to apply to the MN Revenue Recapture program, NBWL will use the services of a collection agency.

10.0 - EXCESS RESIDENTIAL WATER USAGE CREDIT POLICY

The Utility considers maintenance and repair of water lines on private property to be the responsibility of the private landowner, as is any water lost due to leaks or breakage after the curbstop. NBWL will consider adjusting a high-water bill due to leakage if the customer had no knowledge of the leak and has made prompt repairs, as determined in the sole discretion of the Public Works Director.

The City by and through the employees assigned to support the Commission, shall be responsible for is granted the authority to resolve the water utility billings upon receipt of a request to do so from a utility customer based on the established procedure described below.

10.1 - Procedure

In the case of a leak in the water service pipe, after being metered, the owner may be entitled to an adjustment of only their current water utility bill provided each of the following conditions is met.

1. Within seven days of the leak discovery by the owner/customer or within seven days of the NBWL notifying the owner/customer of a probable leak, whichever occurs sooner, the owner shall have completed the repair of said leak. The owner/customer shall submit to the NBWL an invoice or other evidence to show that the leak was repaired with the aforementioned time frame. An adjustment in the water utility billing shall not be permitted if such excess water consumption is due to a customer's neglect or failure to timely repair the leak.
2. Said leak in the water service pipe was not caused by and/or the fault of the owner/customer.
3. An adjustment for a water service leak shall be allowed for plumbing infrastructure failure after the residential customer water meter. No adjustment shall be made for leaks or breaks associated with filling of a swimming pool or other recreational use.
4. Said property has not had a previous water bill adjustment due to a water service leak in the previous five (5) years.
5. Proof of insurance claim has been submitted.
6. Utility service to property is classified as a single-family residence and is heated. Commercial, multi-family, and industrial classified water utility service customers are not eligible for an excess water usage adjustment to their utility bill.
7. Single-family residential customers will be eligible for a water service leak adjustment if the total usage amount of the adjustment is greater than twenty-five (25) units above the average and will be billed out to the customers' six (6) month's average. All usage above the six-month average will be billed out at half the current lower water tier's rate. The calculation on the water credit form is used to determine the amount of the credit.
8. All refunds will show up as a credit on the next billing cycle.

9. The NBWL reserves the right to discontinue water service to any premises where the owner/customer refuses to make necessary repairs to avoid the wasting of water. If after reasonable efforts to contact the owner about observable water being lost through leakage, the NBWL may terminate water service and shall leave a written notice as to its action and the reasons.

10. If the Customer requests a dual review of Utility water and City sewer charges, the customer request and NBWL determination will be provided to the City for its separate determination of sewer credits. A key item in the City's determination to provide a credit is if the excess water usage did not enter the sanitary sewer.

11.0 - METERING

Water furnished to customers shall be measured through meters, which are furnished, owned, and maintained by the Utility. The Utility reserves the right to determine the size, type, and position in which the meter is set.

The property owner shall be responsible for the installation of the water meter in a location, which is easily accessible to meter readers and for repairs; protected from freezing and other damage. In the event of any loss or damage to the meter, which is due to customer negligence, or meters connected to private wells, the Utility shall collect from the customer the cost of repairs or replacement.

Meters shall be tested for accuracy by the Utility upon request of any customer who believes their meter to be inaccurate. If, upon test, it appears that such meter over-runs to the extent of 3% or more, the Utility shall pay the costs of such tests and shall make a refund for overcharges collected since the last known date of accuracy but for no longer than 12 months, on the basis of the extent of the inaccuracy found to exist at the time of the tests. If, upon test, it appears that such meter is slow to the extent of 3% or more, the customer shall pay for undercharges since last known date of accuracy but for no longer than 12 months on the basis of the extent for the inaccuracy found to exist at the time of the test. If when the meter is tested upon demand of a customer, it is found to be accurate or slow or less than 3% fast, the customer may be billed the reasonable cost of such testing.

11.1 Submetering for Multi Family Units

The Utility allows owners of multi-family developments authorization to submeter their facilities under conditions established by the Utility to encourage conservation while ensuring fair treatment of consumers. For new multi-family developments, the Utility may require submetering of their facilities on a case-by-case basis or as required by law. A written request shall be submitted for consideration of waiver.

DEFINITIONS

Submetering is defined as metering of water to an individual unit that has first been master metered by the Utility.

Master Meter is defined as the water meter, maintained by the Utility, serving the property.

Owner is defined as the owner of the development and/or property.

Tenant is defined as the occupant receiving submetered service.

Multi-Family Development is defined as a land or building development wherein more than one residential unit is included in a structure or group of structures. It includes mobile home parks, condominiums, and apartments, excludes second-family units.

PROCEDURES

If submetering is required by the Utility or requested by the owner, the owner of the multi-family development shall install submetering for each unit, under the following conditions.

- (a) Submetered accounts billed by the owner shall not exceed the current Utility commodity rate and customer charge as specified by the Utility for the same period. In addition, the total volume of water billed shall not exceed the amount of water billed on the master meter.
- (b) The water system on private property side of the master meter, including the submeter shall be solely the responsibility of the owner.
- (c) A reasonable cost for the administration of submeters may be billed to the submetered accounts by the owner. The owner shall clearly delineate on the bill that any cost associated with the submeter is a cost imposed by the property owner and not the Utility.

11.2 - Trailer Court Metering

The owner of the trailer court is responsible for the overall metering of the trailer park; a meter must be located at each main tap serving the trailer park. This will allow the Utility to accurately measure all the water being served to the privately owned trailer park. The main tap meters will follow all the requirements of service identified in this the **North Branch Water and Light Commission Water Department's Administrative Policy**.

11.3 - Individual Trailer Metering

It is not a requirement of the Utility to meter the individual trailers in a trailer park. If the owner of a trailer park desires individual meters, it shall be the trailer park owner's responsibility to meter the individual trailers.

Arrangements may be made between the Utility and the park owner to provide maintenance and billing services. A recorded agreement with the Utility would be required for this service.

11.4 - Unmetered Service

Unmetered service may be provided for special events, construction, flooding of skating rinks and for other short-term purposes which may be agreed to by the Utility.

Unmetered service shall be billed at a predetermined rate or shall be based on existing rates with an agreement by the consumer to accept the Utility's estimation of water usage. In so estimating, the Utility shall consider the use to which the water is put and the length of time of unmetered service.

12.0 - SERVICE CONNECTION FEES

A service connection fee shall be charged to the customer for all new service connections, which are made to the Utility's water system. The fee shall be billed and considered payable prior to the Utility providing the meter for said installation.

All services shall carry a connection fee based on the Utility's actual cost to furnish the required materials, metering and tapping of the main.

If a customer should request additional water meters connected to a single service line, and if approved by the Utility, an additional charge shall be made for each meter which shall be based on the actual cost of the meter and meter setting device when required plus \$25.00.

When an existing service shall be upgraded by the installation of a larger meter, or irrigation meter, the customer shall be charged a fee in direct proportion to the cost of the replacement meter.

All water meters shall remain the property of the Utility and the Utility is responsible for their repair and maintenance.

13.0 - CUSTOMER COST PARTICIPATION IN SERVICE

In cases where a customer requests service to a facility where an extension of the Utility distribution is required to reach such facility, the customer may be required to participate in the cost of such extension when the anticipated revenue from such service is insufficient to justify the expense by the Utility alone. This shall also be true for establishing new polyphase services where the anticipated revenue from such service does not justify the expense. That portion of the cost not justified by the anticipated revenue shall be determined by the Utility and shall be the amount paid by the customer for the new service.

14.0 - ADDITIONAL SERVICE REQUEST

When a customer requires an additional service to a building already being served, the customer may be required to pay for such additional service(s) at an amount to be determined by the Utility as stated above.

15.0 - DISCONNECTION & RECONNECTION PROCEDURES AND CHARGES

There will be no charge for service changes from one customer to another made during the normal working hours of the Utility. If service changes must be made during other than normal working hours at the request of the customer, a special charge will be assessed based on actual labor costs to the Utility.

Water service disconnected by the Utility due to non-payment of bills or for failure to comply with required codes, policies, or regulations shall require a reconnection charge of \$50.00 during business hours and \$250 after hours. "Business hours" is defined as Monday – Friday 7:00 am – 3:00 pm, except holidays. "After hours" is defined and any time before 7:00 am and after 3:00 pm Monday- Friday, holidays and weekends. Under these circumstances all reconnection charges shall be required prior to the reconnection being made.

Each disconnected customer will be billed a monthly basic service charge for any disconnected service from date of disconnect to date of reconnect.

When a reconnection of service is desired, a reconnection charge of \$50.00 will be assessed to the owner of the property or premise who previously requested the disconnection. The only exception to the reconnection charge is to a new owner or owners who had no previous personal ownership or partnership in the property or premise at the time of disconnection.

16.0 - SERVICE DISCONNECTIONS FOR NON-COMPLIANCE

A permit may be canceled and/or water service disconnected by the Utility for any violation of a national, state, or municipal code or Utility regulation or policy and especially for any of the following:

1. Misrepresentation in an application for service to the property or fixtures to be supplied or use to be made of water.
2. Waste or misuse of water due to improper or imperfect service pipes or fixtures, or failure to keep in a suitable state or repair.
3. Tampering with a water meter or service line in such a way as to divert the flow of water without total usage being measured or permitting such tampering by others.

4. Failure to report to the Utility additional fixtures or usage which could affect the Utility quality or quantity of water supply.
5. Connection, cross connection, or permitting same, of any other water supply to fixtures, tanks, pipes, or service lines, which are connected to the Utility water system.
6. Non-payment of connection fees, service charges or bill rendered for usage of water.

A disconnection in no way releases the customer from any obligation to pay for water or services that have been received. The Utility will reconnect a service which has been disconnected only when determined that the situation requiring such action has been corrected. A reconnection charge shall be imposed by the Utility for all such reconnections.

17.0 - TERMINATION OF SERVICE

The following guide shall be used in determining utility service termination for delinquent accounts.

In general, utility termination will be made at or around 10:00 am, on any day except Fridays, Saturdays, Sundays, holidays, and all days preceding holidays.

A reconnection charge will be assessed each time a customer's utility service is restored after termination. The reconnection charge may also be assessed if a Utility representative has been dispatched for the purpose of utility termination, even if the customer agrees to pay the delinquent bill at that time since the customer's delinquency has necessitated the service call.

The time frame for delinquent accounts to become subject for termination shall generally be as follows with allowances made for excepted days as listed below.

Step 1a. When an account is not paid by the 22nd of the month, their next statement will show a past due and will also have a late payment penalty applied. In addition, all email customers will receive an email notification that the account is past due.

Step 1b. If receiving no payment for a second billing cycle, step 1a is repeated for a second time. In addition, within five (5) days of the second month of no payment, an email or a disconnect notice will be mailed and will state that if payment is not made or an initial hearing is not requested within ten (10) days of the mailing of the second bill, utility service to the premises will be shut off for nonpayment. The notice shall also give the proposed utility termination date.

Both notices (reminder and disconnection) will contain the address and telephone number of the City's Public Works Director. This information will be clearly visible and easily readable.

Step 2. An attempt of a minimum of two telephone calls is made to contact the delinquent customer at least two (2) days prior to the utility termination.

Step 3. A utility termination notice card is placed on the doorknob on delinquent customer's residence or place of business 15 days prior to the date of service termination.

Step 4. If by the time specified on the delinquent notice has passed with, and no response is received from the customer, a Utility representative is dispatched to the place of service. The City's Public Works Director has discretionary approval to direct the services to be restored if premises appear vacant or unoccupied. Restoration in such cases is for the purpose of attempting to avoid damages to the property or perishable goods if the customer is away from their property for an extended period. In such cases, continued effort will be made to contact the customer.

Termination of utilities may be avoided by the customer by various means and under various circumstances. In all cases, full payment of all past due bills will avoid termination. Also, the customer may avoid termination by entering a mutually agreed-to written payment plan, which includes provisions for payment of past due and current billings. Past due amounts must be paid in full in one month or less. However, there are exceptions that will be considered on a case-by-case basis. Failure to make such agreed-to payments shall be cause for disconnection without any additional notice. Payment of past due bills via NSF checks shall not constitute payment and shall subject the customer to immediate disconnect and appropriate prosecution under state and local laws.

During cold weather months (October 1 to April 30) in accordance with Minnesota Cold Weather Rule and its provisions, no disconnects will be made where such disconnects would affect the primary heat source of a residential unit if the customer is willing to enter a mutually agreed-to payment schedule per above. In such cases where the customer declares an inability to pay his or her utility bill under any circumstances, the customer shall be informed as to possible assistance agencies for the area.

Every reasonable effort shall be made to contact a delinquent customer who is subject to utility disconnect. Such effort shall include the normal delinquent and shut off notices via first class mail, telephone call attempts, and a visit to the property during normal business hours by Utility personnel. In such cases, where all attempts to reach the customer are unsuccessful, or the customer is non-responsive to successful contacts or unwilling to enter a payment schedule per above, service may be terminated in the customary manner.

Unusual or special cases of non-payment will be considered on the merits of the individual case. The normal process for utility disconnections is to disconnect one utility at a time. If a customer has a second utility, there is at least one additional week before the second utility is disconnected for non-payment or non-compliance with a written payment agreement.

A customer is allowed one (1) modification to a written payment plan on an annual basis. Any other non-compliance with a written payment plan will result in utility disconnection(s). However, if a utility is disconnected before the written payment plan is revised, the standard reconnect fee will apply.

18.0 - PROTECTION OF EQUIPMENT

The customer shall protect the equipment of the Utility on his or her premises and shall not interfere with or alter, nor permit interference with or alteration of the Utility material or other property except by duly authorized representatives of the Utility.

In the case of loss or damage to the property of the Utility due to, caused by or arising from carelessness, neglect, or misuse by a customer or other unauthorized persons, the cost of the necessary replacement and repairs shall be paid by the customer.

19.0 - RIGHT OF ACCESS

Free and clear access to Utility equipment shall always be maintained for emergency and normal maintenance services and meter reading. The access area shall be kept safe and free from all hazards, including pet animals.

The customer shall grant all necessary permission to allow the Utility access to, and the right to operate all water service line valves, including but not limited to the curb stop valve. The Utility employees or agents shall have the right to enter upon the customer's premises at a reasonable time for the purpose of operating service valves, or for the reading, inspection, repairing or removal of the Utility water meter.

20.0 - RELOCATION OR PROTECTION OF UTILITY'S FACILITIES

It is the responsibility of the customer to arrange for the relocation and/or protection of the Utility's facilities whenever such action is appropriate. Any intended relocation or protection of Utility's facilities must be reviewed with and approved by the Utility in advance. The cost of any change or relocation of the Utility facilities for the benefit only of the customer, and which the customer has initiated, shall be borne solely by the customer. A deposit by the customer may also be required before the changes are made. The Utility will bear costs to the extent that a change or relocation benefits the Utility. The customer shall not be required to pay for changes necessitated through public improvements by the City, County or State.

21.0 - AFTER HOURS SERVICE TROUBLE CALLS

Occasionally, after hours service calls are made to residences or businesses where the problem with the service is with the property owner's equipment and not with the Utility equipment. An example of such a case is a blown fuse in the customer's service panel.

Until such calls become a significant part of the Utility's maintenance costs, such service calls will not be billed to the customer.

22.0 - ABANDONED SERVICE LINES

All service installations connected to the water system that have been abandoned, meaning that there is no future use expected or intended at that site as determined by the Public Works Director or, for any reason, have become useless for future service shall be disconnected at the main. The owner of the premise, which was served by this service, shall pay the cost of the excavation. The Utility shall inspect and approve the actual disconnection before such excavation shall be backfilled. It shall be unacceptable for any person to cause or allow any service pipe to be hammered or squeezed together in order to stop the flow of water and not properly remove such pipe from the main. Any improper disposition or abandonment of service line shall be corrected by the Utility and the cost incurred shall be billed to the owner of the property causing or allowing such work to be performed.

23.0 - PRIVATE FIRE SUPPRESSION SYSTEMS

Owners of structures with self-contained fire protection systems may apply for and obtain permission to connect to the Utility's water mains by direct connection without meters. These systems shall be used only in the case of fire and shall be constructed in accordance with and for that purpose only.

All such systems shall be installed at the expense of the customer and the utility shall bill an additional service charge to each customer, which is based on the size of the fire service line installed. The service charge shall be \$2.00 per inch, per month, based on the diameter of the fire service pipe.

24.0 - INTERRUPTION OF WATER SUPPLY

The Utility shall make all reasonable efforts to eliminate interruption of service, and when interruptions occur, will endeavor to re-establish service with the shortest possible delay. Whenever the service is interrupted for the purpose of working on the distribution system or the station equipment, the Utility will attempt to make an advance notification to consumers affected by such interruption whenever it is possible to do so. In no event shall the Utility be held responsible for claims made against it by reason of breaking of any mains or service pipe, or by reason of any other interruption of the supply of water caused by breaking of machinery or stoppage for necessary repairs; and no person shall be entitled to damages nor have any portion of a payment refunded for any interruption of service which in the opinion of the Utility may be deemed necessary.

Customers having boilers and/or pressure vessels receiving a supply of water from the Utility must have a check valve to prevent collapse in case the water supply from the Utility is disconnected or interrupted for any reason, with or without notice.

25.0 - EXTENSIONS TO WATER MAINS

If in the opinion of the Utility, the capacity of the facilities will permit extensions to the water system, they may be permitted. When water main extensions are deemed beneficial to the entire system, or to the operation of the existing system, the Utility may on its own accord carry out said extensions.

If water main extensions are required to benefit a particular area, customer or group of customers, the construction of such extension shall proceed in accordance with the following:

- A. Permit: Before any party shall construct or cause to be constructed an Extension to the Utility's water system they shall obtain a permit from the Utility, but each permit shall be null and void unless approved by the Minnesota Department of Health and other governing bodies which may possess such authority.
- B. Construction by Customer: The customer shall be responsible for the construction of all extensions. Before any such construction shall begin the customer shall have caused to be executed unto the Utility, and deposited with the Utility, a corporate surety conditioned that the work will be performed faithfully with due care and skill, and in accordance with the laws, rules and regulations established under authority or any ordinance pertaining to plumbing, waterworks or appurtenances. Such bond shall remain in force, and must be executed for a period of a minimum of one year after completion of construction, except that on such expiration it shall remain in force as to all penalties, claims and demands that may have accrued thereunder prior to such expiration.
- C. Construction by Utility: When deemed beneficial, the Utility will construct extensions to its water system, on behalf of its customers, but the Utility shall not be required to make such extensions unless the customer pays the Utility the entire cost as stipulated by a contract or other legal binding document.
- D. Rights of Utility: All decisions regarding the manner of Construction and installation of any extension and maintenance thereof shall remain in exclusive control of the Utility and such extension shall become the property of the Utility for future operation and maintenance, and no other person shall have any right, title, or interest therein.

26.0 - COMPLAINT PROCEDURE

26.1 – Service Complaint

It is understood that there are times when a customer of the Utility has a complaint about the quality of service.

Complaints may be made by personal contact with a Utility employee, by letter, or telephone. In any case, the Utility employee will write down the complaint and is

responsible that the complaint is properly recorded and processed. The employee may be able to satisfy the complaint immediately. If not, the complaint will be forwarded to the person who can take the necessary action. Once action is taken, details and the response will be recorded. Also, the customer who registered the complaint will be contacted to determine if the action was satisfactory. If the customer is not satisfied with the action taken, they may submit a written notice of appeal in accordance with the adopted appeal procedure outlined in Section 9.

In the case of a service problem, the Utility representative will usually be the service person doing the actual work. The next step for a service problem would be with the City's Public Works Director. If satisfaction is still not reached, the customer may submit a complaint to the Commission by requesting a hearing by letter to the Chair, North Branch Water and Light Commission, 6408 Elm Street, North Branch, MN 55056.

26.2 – Billing Complaint

It is understood that there are times when a Utility customer has a complaint about a particular billing which seems inaccurate or unjust. In the event a complaint is made to a Utility employee, and it is determined that there is a clerical type of error on the invoice, the Utility employee can take authorized steps to satisfy the complaint immediately.

For any complaints other than clerical errors, the Utility employee should notify the customer that the owner and/or occupant has the right to an initial hearing before the utility service is shut-off with the potential for the unpaid amount to be forwarded to the North Branch City Council for certification to the County Auditor, by requesting a hearing in writing within ten (10) days of receipt of the shut-off and certification notice. If the written initial hearing request is not received within such time, there shall be no further hearing or appeal rights. The appeal process is listed below in Section 27.

27.0 - APPEAL PROCEDURE

When a customer is dissatisfied with action taken on his or her complaint, he or she has the right of appeal. It is intended that the appeal process be orderly for the benefit of the customer and the Utility. A written record shall be made of the appeal and filed with the original complaint. In all cases, the customer has the right to access his or her complete file and may make his or her own record of the file, at his or her own cost.

If the customer timely requested a hearing before the City's Public Works Director related to unpaid charges and utility shut-off, and the customer is unsatisfied with the decision of the City's Public Works Director, the customer may appeal the decision to the Commission, by written notice of appeal which must be received by the commission within ten (10) days of the date the City's Public Works Director issues his decision. The written appeal should be mailed to the attention of the Commission Chair, North Branch Water and Light Commission, 6408 Elm Street, North Branch, MN 55056. The commission shall review such facts and documents and conduct such appeal hearing and,

in such manner, as it shall determine to be appropriate, decide regarding the appeal. The decision of the commission is final.

In the case of a disputed payment, the Utility may require an “escrow payment” at the time of the appeal. This precludes a customer from using the appeal process to delay payment.

Throughout the appeal process, a written account will be established and filed at the Utility office.

This appeal process to the City’s Public Works Director and Commission at the disconnect notice is also available to the property owner during the property tax certification process.

28.0 - PLACEMENT OF ANTENNAS OR OTHER APPURTENANCES ON UTILITY STRUCTURES

The North Branch Water and Light Commission is concerned about the placement of antennas or other appurtenances on utility structures, including, but not limited to, buildings, water storage facilities, streetlights, and power poles. This concern relates to structural and liability effects, as well as effects on the aesthetics of the structures, and their maintenance costs.

Placement of antennas or other appurtenances on utility structures may be allowed for public and private use. The commission requires a written request for space as well as shop drawings showing wiring and mounting. The commission reserves the right of refusal if the mounting and wiring does not meet its requirements, or the designated inspectors’ approval. Leases will be required on accounts. Fees and charges will be determined when leases are executed. The commission reserves the right to change this policy in the future as circumstances dictate.