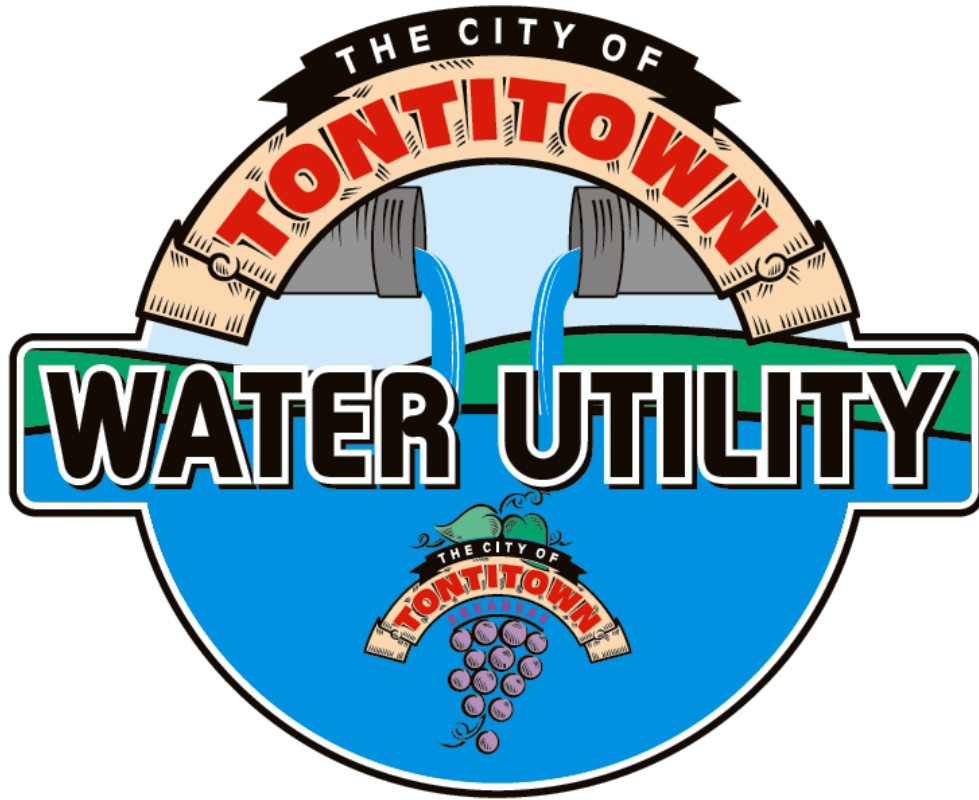


TWU TERMS AND CONDITIONS OF SERVICE



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TABLE OF CONTENTS

SECTION I:

GENERAL INFORMATION

- Chapter 1: Terms and Conditions of Service
 - 1.1.1. Purpose of Terms and Conditions of Service
 - 1.1.2. Applicability of Terms and Conditions of Service
 - 1.1.3. Modifications to Terms and Conditions of Service
 - 1.1.4. Responsibility for Preparation and Enforcement of Terms and Conditions of Service

- Chapter 2: General Policies
 - 1.2.1. Access by TWU's Authorized Agents
 - 1.2.2. Refusal to Provide Access
 - 1.2.3. Meter Seals
 - 1.2.4. Right of Self-Defense
 - 1.2.5. Special Contracts
 - 1.2.6. Denial of Service
 - 1.2.7. Defective Conditions
 - 1.2.8. Non-Separation of Services
 - 1.2.9. Water Leaks
 - 1.2.10. Open Records
 - 1.2.11. Cross Connection Policy
 - 1.2.12. Changing Meter Service

- Chapter 3: Special Programs
 - 1.3.1. "Life Support" Utility Accounts
 - 1.3.2. Vacation Disconnect

SECTION II:

POLICY MANUAL FOR UTILTIY ACCOUNTS, BILLING AND COLLECTIONS

- Chapter 1: Service Agreement and Deposit
 - 2.1.1. Service Agreement for Water, Waste Water, and Sanitation Utilities
 - 2.1.2. Inspection of Premises
 - 2.1.3. New Dwellings
 - 2.1.4. Unauthorized Service
 - 2.1.5. Temporary Service
 - 2.1.6. After-Hours Service
 - 2.1.7. Transfer of Service
 - 2.1.8. Responsibility for Changes in Service
 - 2.1.9. Termination of Service
 - 2.1.10. Applicability of Utility Deposits
 - 2.1.11. Amount of Deposits
 - 2.1.12. Refunding Deposits
 - 2.1.13. Deposit-Exempt Status
 - 2.1.14. Unclaimed Money
 - 2.1.15. Lost Checks

- Chapter 2: Billing and Billing Adjustments

TWU Terms Of Service Rev. January 24, 2012

- 2.2.1. Applicability of Bills
- 2.2.2. Delivery of Utility Bills
- 2.2.3. Reading and Billing Cycles
- 2.2.4. Billing Rates
- 2.2.5. Payments
- 2.2.6. Late Payments
- 2.2.7. Testing of Meters
- 2.2.8. Adjustment of Bills

Chapter 3: Credit and Collections Policies

- 2.3.1. Delinquent Accounts
- 2.3.2. Notification of Discontinuance of Service
- 2.3.3. Disconnection of Service
- 2.3.4. Extension of Time to Pay
- 2.3.5. Dishonored Checks and Drafts
- 2.3.6. Reconnection of Service
- 2.3.7. Summary of Disconnection Policies

Chapter 4: Fraudulent Use of Utility Services

- 2.4.1. Customer's Responsibility for TWU Property
- 2.4.2. Resale and/or Sub metering Prohibited
- 2.4.3. Metered Service
- 2.4.4. Evidence of Utility Diversion
- 2.4.5. Tampering with Service Equipment
- 2.4.6. Penalties for Utility Service Diversion

SECTION III: DEFINITIONS

SECTION IV: RATE AND FEE SCHEDULE

- APPENDICIES:**
- Residential Service Agreement
 - After-hours Temporary Service Agreement
 - Deposit Waiver Agreement
 - Medical Certification of Need to Maintain Utilities
 - Bank Draft Authorization
 - Utility Payment Extension Agreement
 - Utility Account History Verification Form
 - Request for Meter Test
 - Utility Billing Adjustment
 - Request for Record Inspection
 - Request for Meter Change

SECTION I

GENERAL INFORMATION

CHAPTER 1

TERMS AND CONDITIONS OF SERVICE

1.1.1. PURPOSE OF TERMS AND CONDITIONS OF SERVICE

These Terms and Conditions of Service, as approved by the Tontitown Water & Sewer Commission, shall govern all technical aspects for the delivery of the TWU's utility services and all policies concerning the maintenance of accounts, billing procedures, and credit and collections procedures for those services, and rate schedules pertinent to the various utilities. Revised sections supersede and cancel only those respective portions of previous Terms and Conditions of Service or sections thereof as may be pertinent to the proposed revisions.

1.1.2. APPLICABILITY OF TERMS AND CONDITIONS OF SERVICE

The TWU does not discriminate in providing services or establishing policy on the basis of race, age, gender, religion, disability, or type of service. These Terms and Conditions of Service and any modifications thereof and additions thereto lawfully made are applicable to all customers receiving utility service from the TWU and to all standard service agreements and contracts now existing or which may be entered into by the TWU, and to all rate schedules which from time to time, may be lawfully established.

The TWU may decline to serve a customer or prospective customer until such customer has complied with the rules and regulations of the Commission and any and all applicable federal, state, municipal or other local laws, rules, and regulations.

The TWU may deny or discontinue service to any customer for noncompliance with these Terms and Conditions of Service where it specifically so provides.

1.1.3. MODIFICATIONS TO TERMS AND CONDITIONS OF SERVICE

The TWU retains the right to amend these Terms and Conditions of Service or to make additional terms and conditions, as it may deem necessary.

1.1.4. RESPONSIBILITY FOR PREPARATION AND ENFORCEMENT OF TERMS AND CONDITIONS OF SERVICE

The Executive Director has primary responsibility for the preparation, revision, and enforcement of the service rules governing technical requirements associated with each utility.

TWU Terms Of Service Rev. January 24, 2012

The Administrative Assistant shall have the primary responsibility for enforcement of administrative policies and coordinating general policies related to utility accounts, billing and collections.

CHAPTER 2

GENERAL POLICIES

1.2.1. ACCESS BY TWU'S AUTHORIZED AGENTS

It is not required for authorized TWU employees to seek permission to enter a customer's property incidental to the supplying of utility service, including tree trimming and tree removal in utility easements, and for the purpose of reading, maintaining, or servicing meters. All authorized agents requiring access to the property of a customer will present identification upon request.

1.2.2. REFUSAL TO PROVIDE ACCESS

Refusal on the part of the customer to provide access for TWU-authorized purposes after reasonable request shall be deemed to be sufficient cause for discontinuance of service. The customer will be notified by letter, if the premises are deemed inaccessible and will be asked to contact the TWU within five (5) days to arrange for necessary access. Lack of response from the customer, may result in discontinuance of service without further notice.

1.2.3. METER SEALS

No person, other than an authorized agent of the TWU acting in an official capacity, shall break the seal on any meter unless lawful authority from the TWU to do so has been granted.

1.2.4. RIGHT OF SELF-DEFENSE

Authorized TWU employees and agents may use pepper spray, animal bite sticks or "Dog Dazer" for self-defense when necessary in the judgment of the employee.

1.2.5. SPECIAL CONTRACTS AND WHOLESALE CUSTOMERS

The TWU may require a special long-term contract when a customer's requirements for utility service are unusually large or necessitate a considerable amount of special or reserve equipment. Arrangements for special contracts will be made between the customer and appropriate utility manager. The terms of any special contract shall supersede any language relevant to the terms of the contract as contained in these Terms and Conditions of Service.

1.2.6. DENIAL OF SERVICE

The TWU reserves the right to deny service to a customer, at any premises, until all delinquent utility billings for prior or current utility services incurred with the TWU are paid.

The TWU shall not be required to provide service to a customer who uses an alias, trade name, business name, or the name of another person as a device to escape payment of an unpaid obligation for prior service.

1.2.7. DEFECTIVE CONDITIONS

The TWU reserves the right to discontinue service to any customer without advance notice when a defective condition of wiring, lines, or equipment upon the premises of the customer results, or is likely to result, in danger of life or property or in interference with proper service to others. Service to the customer will not be resumed until the defective condition has been remedied to the satisfaction of the TWU. If such defective condition is the result of tampering with TWU equipment, other sections of these Term and Conditions of Service may also apply.

1.2.8. NON-SEPARATION OF SERVICES

When a customer applies for service at an account where more than one type of utility service is available, the customer assumes responsibility for all TWU utilities provided at that address, whether or not the customer chooses to utilize those services.

1.2.9. WATER LEAKS

The TWU will not be liable for any loss, damage, or injury whatsoever caused by leakage, escape, or loss of water after the same has passed through the meter, nor for defects in the customer's piping.

All pipes and fixtures on the customer's side of the meter shall be kept in good repair and free from leaks at the expense of the customer.

Under certain conditions as explained below, the TWU may adjust the charge for residential house and/or irrigation water charges when there has been abnormally large water consumption. First, the conditions that must be met before any adjustment can be considered are outlined. Second, the method of figuring an adjustment is described for those situations that meet the conditions that qualify for an adjustment.

1. House Meter

The conditions for an adjustment of charges on a house meter to be considered are:

- i. The customer must have had service for the past twelve months.
- ii. There must be firm evidence of a leak on the customer side of the meter.
- iii. There must be an invoice from a plumbing company that repaired the leak, OR, for a leak repaired by the customer, a notarized letter from the customer stating the date of the leak, date of repair, and the location of the leak along with an invoice for parts.
- iv. The consumption must exceed the average consumption for the past six billings by at least twenty thousand gallons.

The procedures for calculating the adjustment of charges on a house meter are:

- i. The average consumption as calculated above will be billed at the standard TWU rate.
- ii. The first five thousand gallons above the average consumption will also be billed at the standard TWU rate.
- iii. The remaining consumption will be billed at fifty percent of the standard TWU rate.

Note: If it is proven that leak did not result in water being introduced into sewer system, sewer charges will be calculated in the same way.

2. Irrigation Meter

a. The conditions for an adjustment of charges on a irrigation meter to be considered are:

- i. The customer must have had service for the past twelve months.
- ii. There must be firm evidence of a leak on the customer side of the meter.
- iii. There must be an invoice from a plumbing company that repaired the leak, OR, for a leak repaired by the customer, a notarized letter from the customer stating the date of the leak, date of repair, and the location of the leak.
- iv. Unexplained water loss of at least twenty five thousand gallons above the average consumption for a representative period, based on factors such as time of year, average of previous season, etc. will be taken into consideration.

- b. The procedure for calculating the adjustment of charges on a irrigation meter are:
 - i. The average consumption as calculated above will be billed at the standard TWU rate.
 - ii. The first ten thousand gallons above the average consumption will also be billed at the standard TWU rate.
 - iii. The remaining consumption will be billed at fifty percent of the standard TWU rate.

The Executive Director has final authority on any exceptions or disputes regarding this policy.

1.2.10. OPEN RECORDS

According to Arkansas AG Opinion #2007-192 generally information for drinking water bills is subject to the Arkansas FOIA, however Personal information collected for the purpose of identifying a person's true identity and for collection purposes shall not be made public under a Freedom of Information request. Persons requesting information other than the customer's name and service and/or mailing address will need to complete a request for record inspection/copy (APPENDICES: Request for Record Inspection) and submit it to the TWU Attorney/ Staff Attorney for approval before such information will be released.

1.2.11. ANNUAL INSPECTION OF CROSS CONNECTION

Tontitown Water Utility, pursuant to Arkansas Department of Health standards, requires testing of any backflow prevention device attached to our system. All testing and reports shall be performed by Tontitown Water Utilities or their designee using methods as outlined under The Arkansas Plumbing code, and by a state certified tester. Procedure is as follows:

- (a) June 1 of each year an annual fee, as listed at <http://www.tontitownws.com/pdf/wsrates.pdf>, will be charged to all water accounts which have backflow prevention devices.
- (b) Customer will be notified if non-working devices are found.
- (c) Any repairs are the responsibility of the customer and must be done within 30 days of customer receiving notification.

Failure to provide proof of repairs to the TWU billing office within time period as outlined under (c) will result in disconnection of water service.

1.2.12. CHANGING METER SERVICE

In the event a customer wishes to change their meter size, a Request for Meter Change application shall be completed by the customer. If a customer wishes to downsize their existing water meter, a charge as defined in the W&S Rates will apply. If a customer wishes to upsize their existing water meter, the applicable charge will be based on the size of the existing service line. If the service line is of adequate size to support the desired meter size, a charge as defined in the W&S Rates will apply. If the service line is not adequate and a new tap is necessary, the applicable charge will be based on the W&S Rate Schedule in effect at the time of the new connection.

CHAPTER 3

SPECIAL PROGRAMS

1.3.1 “LIFE SUPPORT” UTILITY ACCOUNTS

The TWU will maintain a list of customers who submit written evidence that their health would be seriously impaired if water service were disconnected, due to either outages or non-payment of a utility account. This list is coordinated by the Utility Billing and Collection Department and disseminated to the Water, Police, Fire and Dispatch Departments, so that the TWU can expend all necessary efforts to maintain continuity of service to these customers.

A customer may qualify for this category of service by supplying an affidavit from a physician that loss of water will cause serious impairment to the health of an individual in permanent residence at the account address for which consideration is being requested. Upon receipt of the affidavit and completion of an information sheet that will provide the data necessary for any affected department to properly serve the account, the account will be designated as a “Life Support” account (APPENDICIES: Medical Certification of Need to Maintain Utilities). The completed affidavit will include information pertaining to the duration of the condition. In the interest of properly serving all the customers designated as life support, it is imperative that the customer notify the TWU as soon as possible following any change in status.

Except at the customer’s request or due to a verified change in the status of the health of the affected individual, service will not be disconnected for non-payment, unless all reasonable remedies to correct the past-due situation have been attempted and failed.

Should disconnection for non-payment become necessary, the procedure to be followed for an account qualifying for this consideration is as follows:

TWU Terms Of Service Rev. January 24, 2012

1. A notice is to be mailed to the customer at the same time as all other notices for the customer's billing cycle.
2. Should a customer request additional time to pay their utility bill, a signed extension of up to thirty days may be granted. However, at the end of the extension period the account shall not have any balances in arrears.
3. On the day of disconnection, either the day the account is scheduled for disconnection or the day after the extension was to have been paid, a door notice shall be prepared and placed on the customer's door if they are not at home, reflecting the account is past due and subject to disconnection if payment of the arrears is not received in the utility billing office by 9:00 a.m. the following business day. A copy of the notice shall be maintained in the utility billing office until payment is received. The Executive Director or designee shall be notified that there is a "Life Support" customer in danger of being disconnected.
4. If no payment is received by 9:00 a.m. the following business day, approval from the Executive Director or designee shall be documented by the Administrative Assistant to continue with the disconnection procedure. Once approval is received, a service person is to go to the location and attempt to contact the customer. If no one answers the door, the service person is to continue with the disconnection. If someone does answer the door, the service person, shall attempt to collect the amount in arrears. If the customer is not able to pay the service person, the service person shall allow up to one hour for the customer to make payment at the utility office or for the relocation of the patient.
5. Upon completion of the disconnection, the service person shall notify the Administrative Assistant, who will in turn notify the Executive Director or designee.
6. Recertification of the medical condition and continued residency of the impaired individual shall be completed yearly. Failure to recertify the medical necessity will cause the customer's account to be removed from the "Life Support" list.

A customer may elect to be removed from the program at any time. If a customer chooses to be removed from the program, any deferred charges will be due in full immediately.

Termination or transfer of service voids the Average Billing Agreement. Another agreement cannot be accepted for residency at a new address until twelve monthly bills showing continuous service at the new address have been issued.

1.3.2 VACATION DISCONNECT/RECONNECT

A vacation disconnect order temporarily disconnects service at the customer's request. When vacation disconnect is requested, a final read will be taken on the customer's meter and the meter will be locked. The account will be billed new charges in the current billing period, but will not accrue charges until the account is requested to be reconnected.

SECTION II
POLICY MANUAL
FOR UTILITY ACCOUNTS, BILLING, AND COLLECTIONS

CHAPTER 1

SERVICE AGREEMENT AND DEPOSIT

2.1.1. SERVICE AGREEMENT FOR WATER, WASTEWATER, AND SANITATION UTILITIES

1. Responsible Party:

Each customer desiring water, wastewater, irrigation or sanitation service from the TWU shall complete a service agreement (APPENDICIES: Residential Service Agreement and Commercial Service Agreement) in person at the Utility Billing and Collections office.

Should the customer not be in Tontitown or the surrounding area at the time service is required, several options exist for starting the service without the customer present.

- a. The customer may elect to complete the service agreement by facsimile. Should the customer choose this option, the customer is responsible for transmitting to the Utility Billing and Collections office the signed service agreement and a legible copy of their photo identification. The customer shall follow-up by telephone to complete the deposit process by providing a credit or debit card to pay the required deposit amount.
- b. The customer may elect to complete the service agreement by electronic mail. Should the customer choose this option, the customer is responsible for transmitting to the Utility Billing and Collections office the signed service agreement and a legible image of their photo identification. The customer shall follow-up with a phone call to complete the deposit process by providing a credit or debit card to pay the required deposit amount.
- c. The customer may elect to have their utility service connected after-hours. The customer is responsible for completing the service agreement and paying any additional deposit amounts by 1:00p.m. the following business day.

2. Information and Identification:

Completion and validation of the agreement is subject to the applicant providing their true name, mailing address, telephone number(s), social security number or other identifying number, employer, next of kin not residing at the same address and such other information as the TWU may deem necessary in order to ensure the effective billing and collection of each account.

Identification to substantiate the signature of the applicant and proof the applicant is at least eighteen years of age must be presented when the agreement is filed. A legible, valid copy of a lease or bill of sale may be required when a customer is applying for service. Refusal to provide requested information or identification or providing false information may result in denial or termination of service.

3. Deposit, Payments and Fees

Any necessary deposit shall be made at the time the service agreement is filed. Any balances in arrears, along with any fees must also be paid before utility service(s) can be connected.

INSPECTION OF PREMISES

The TWU may, at its option, inspect the premises prior to final approval of any service agreement. If said premises are in conformance with these Terms and Conditions of Service and all applicable provisions of the TWU Code, and the service agreement has otherwise been approved, the necessary connections and installations shall be made. However, the service agreement will be deemed not approved, if unacceptable conditions are found at the premises during the inspection. No service connections will be made until all such conditions have been corrected in accordance with all local, state, federal, and other laws, rules, and regulations.

NEW DWELLINGS

A utility account for a new dwelling or business concern shall be established in the name of the contractor whose name appears on the building permits as soon as the Utility Billing and Collection Department is notified a service has been connected at a location. Service may not be transferred from the contractor to another party until the certificate of occupancy is issued. Once the certificate of occupancy is issued, sewer service, if provided, shall be added to the account.

UNAUTHORIZED SERVICE

If the TWU leaves utility service(s) connected at a vacant location, it does not constitute consent by the TWU for use of such service without completion of a service agreement for the service(s). Nor is it permissible for occupants, whether authorized customers or not, to turn on services themselves or to cause service(s) to be turned on by anyone other than TWU personnel acting in compliance with these Terms and Conditions of Service.

Failure to complete the service agreement process will result in termination of service, in accordance with these policies. Occupants who have used service(s) without completing the required application process, shall be liable to the TWU for the deposit amount, as well as for payment of bills resulting from usage's, estimated or actual, on all services available to the premises, billed at the prevailing rates. All relevant fees and charges must also be paid prior to any connection or reconnection of service(s) at that or any other premises.

Said occupants will be required to show a lease or bill of sale or other verifiable document showing when occupancy began and will be billed from the reading nearest the commencement date of occupancy. If no such document is available, billing will occur using the last available reading for the previous customer at the premises.

If it appears that metering was bypassed or other evidence of tampering is found, service will be discontinued immediately, without advance notice. Further, the TWU may estimate usages and bill charges, including charges assessed for damage to TWU property, together with any other outstanding utility bills, must be paid prior to any connection or reconnection of service at that or any other premises.

TEMPORARY SERVICE

The TWU may from time to time temporarily install service without requiring a deposit. Such service will be granted for limited periods of time and only under specific circumstances. Payment for any and all water, wastewater, or sanitation service associated with the location are the responsibility of the customer. This service is available for vacant properties only.

Multi-rental property owners with good credit history with the TWU, or if a new customer, provide a good credit reference from another utility, may sign a deposit waiver agreement (APPENDICIES: Deposit Waiver Agreement) in lieu of placement of a deposit. The owner must furnish and maintain an updated list of rental properties eligible for such a waiver. It is the obligation of the owner to keep Utility Billing and Collections department notified of changes in rental status of the subject properties.

Multi-residential or commercial units under construction by the same contractor may also qualify. To qualify for this waiver, such owners must have good credit with the TWU, or if a new customer, provide a good credit reference from another utility, may sign a deposit waiver agreement in lieu of placement of a deposit. The customer must furnish and maintain an updated list of units under construction eligible for such a waiver. It is the obligation of the contractor to keep Utility Billing and Collections department notified of changes in status of the subject properties.

AFTER-HOURS SERVICE

Utility Billing and Collections staff may install service for residential customers after normal working hours. The customer will complete an after-hours service agreement (APPENDICIES: After-hours Temporary Service Agreement) at the time service is connected. The customer is then responsible for completing the permanent service agreement and paying all deposit amounts by 1:00 p.m. the following business day.

TRANSFER OF SERVICE

Neither the agreement for service, nor the associated deposit is transferable from one person to another. Service at a new location for a customer moving within Tontitown may be established by transfer of the current deposit. The transfer can only be made by the responsible person listed on the account.

Service will not be connected if, on the date for which a connection is requested, there exists or will exist any past due balance on any current or prior utility accounts.

RESPONSIBILITY FOR CHANGES IN SERVICE

It is the responsibility of the customer to notify the TWU of any changes in occupancy that will affect the billing and/or service of the customer. Changes may be requested in person, by telephone, or in writing. However, the TWU will not be responsible for any error or omission in account changes if the requests for change are not made in writing. For requests necessitating connection of service, the customer must contact the TWU and may be required to complete a new service agreement and tender a new deposit in accordance with these terms.

TERMINATION OF SERVICE

When a customer elects to terminate service, it is the responsibility of the customer to notify the TWU as to the day such termination is desired. The TWU may disconnect service at any time after 8:00 a.m. on the day for which the disconnection is requested. If the customer requests service to be terminated the same day they contact the TWU, a same day service fee will be assessed to the account.

The TWU will read the appropriate meter(s) on the requested termination date and disconnect the service. A final bill will be prepared as a result of the final reading(s) and mailed to the current or forwarding address of record. Any outstanding security deposit will be applied to the final bill.

If service has been disconnected according to a customer's request and the customer then requests the service reconnected for any reason, the customer must present verification the reconnection is duly authorized by the responsible party for the account. All appropriate fees must be paid and a new disconnection date scheduled before service will be reconnected.

APPLICABILITY OF UTILITY DEPOSITS

Every potential customer requesting utility service from the TWU may be required to make a deposit with the TWU. A deposit may be made for every completed service agreement and for each separate premises, except as may be otherwise specified in these terms and conditions.

In the event a customer discontinues service or the account is otherwise closed, the deposit will be credited to the customer's account in the amount of the outstanding deposit. A potential refund shall not be used in lieu of tendering a new deposit for service at a new TWU address, except as may be otherwise specified in these terms and conditions. If a meter or meters located on the premises are damaged in any way, except by ordinary wear and tear, as ascertained by the appropriate utility manager, the whole of the deposit or as much thereof as is necessary to pay for repair of damages shall be deducted from the deposit before any refund is made.

AMOUNT OF DEPOSITS

1. Residential:

For the purpose of guaranteeing payment of the final utility billing, a residential deposit may be required at the time the service agreement is completed, and before service is installed. The amount of such deposit shall be determined according to the current deposit schedule (SECTION IV: Rate and Fee Schedules).

2. Commercial:

Deposits for commercial and business establishments shall be determined on the currently approved deposit schedule (SECTION IV: Rate and Fee Schedules).

After twelve months of service, a commercial/business establishment may request that the amount of deposit be reviewed and adjusted to an amount determined to be the actual average utility bill for the most recent twelve months of service. Such adjustment may result in an increase or decrease to the existing deposit. However, if payments have been late more than once in the previous twelve months no decrease in deposit amount will be made.

REFUNDING DEPOSITS

When a utility account is closed, all outstanding deposits associated with that account shall be credited toward the final utility bill. Any balances remaining will be sent to the customer, however, a check will not be issued for any balances less than one dollar.

DEPOSIT-EXEMPT STATUS

Federal, state, county, municipal agencies and public schools shall be exempt from posting deposits with the TWU.

UNCLAIMED MONEY

If a deposit refund check is returned to the TWU, all reasonable attempts will be made to contact the customer. If the check cannot be delivered, the Utility Billing and Collection staff shall attempt to locate another active utility account with the TWU that is in the customer's name and apply the credit to that account. If there are no other active utility accounts, the check will be handled in accordance with prevailing and applicable State regulations.

If a credit balance should arise on a utility account for any reason, the Utility Billing and Collections staff shall attempt to locate an active utility account in the customer's name. If one is located the credit shall be transferred to that account. If the customer does not have another active utility account, a check will be created and mailed to the most recent address according to the utility billing system. If this check is returned, after all reasonable attempts have been made to contact the customer; the check will be handled in accordance with prevailing and applicable State regulations.

LOST CHECKS

When utility refund checks of any nature have been sent to the last known address of a utility customer, but have not been received by the customer, the TWU may, at its option and after a reasonable amount of time has elapsed, issue a "stop payment" request to the bank on which the lost check was drawn, and initiate those internal procedures appropriate for reissuing the check. The customer may be responsible for the stop payment charges according to the fee schedule if the customer chooses to request an immediate reissue of the check.

CHAPTER 2

BILLING AND BILLING ADJUSTMENTS

2.2.1. APPLICABILITY OF BILLS

No person shall use any utility service provided by the TWU without paying for same.

2.2.2. DELIVERY OF UTILITY BILLS

The TWU may mail a bill for utility services to the address at which service is taken or to other such address as designated by the customer.

Delivery is deemed to have taken place when, according to the TWU's records, a bill or any notice containing billing or delinquent information has been properly delivered to the U.S. Postal Service.

Failure to receive a duly delivered bill or other notice in no way exempts a customer from liability for payment of any amount due.

2.2.3. READING AND BILLING CYCLES

TWU meters will typically be read at monthly intervals of not less than twenty-five days and not more than thirty-five days; billing for service will normally be submitted to customers monthly.

Should it not be possible to read meters for each billing period, the TWU may submit an estimated bill to the customer, based on previous usage and other available information, to be adjusted, as necessary, when the next actual reading is obtained.

2.2.4. BILLING RATES

The TWU's standard rate schedules (SECTION IV: Rate and Fee Schedules) state the conditions under which each rate for each service is available. They also state the terms or period for which each is established.

Design of the appropriate rate structure shall be the responsibility of the appropriate utility director.

2.2.5. PAYMENTS

The TWU accepts cash, checks, money orders, and credit or debit cards for payment of utilities. Should a customer believe their account has not been properly credited for a payment; the customer should contact the Utility Billing and Collections office immediately. When contacting the TWU, the customer must have either a receipt or proof such as a canceled check to receive credit

2.2.6. LATE PAYMENTS

If the balance of each monthly bill is not received in the billing office on or before the Due Date, as printed on each bill, a late payment charge shall be added to the current bill.

Each late charge applied to a utility account, whether due to non-payment or late payment, shall cause a late payment indicator to be created within the customer's master utility account record.

A recorded voice notice stating that the amount owed on the customer's account is past due and a late fee has been added. The notice shall say that the balance must be paid by the fourth Monday in order to avoid discontinuation of service.

2.2.7. TESTING OF METERS

It is the responsibility of the utility to maintain all meters related to the appropriate utility in good repair and proper working condition without cost to the customer, except where the customer may become liable, as stated in these Terms and Conditions of Service. All meters shall be inspected and tested as often as deemed necessary and sufficient by the TWU in order to insure their good working condition and accurate calibration. The TWU may replace any meter, at any time, at its option.

The TWU will test the accuracy of any customer's water meter after receipt of a written request (APPENDICIES: Request for Meter Test) from the customer and prepayment of the stipulated meter test fee. The customer may request to be present, during normal working hours, when the meter is tested. Further, the customer may, at the customer's option and own expense, have an expert or other representative present at the time of the test.

If the tested meter is found to be more than two percent incorrect, causing the customer to be over billed, the TWU shall credit the meter test fee, correct the billing as set for the in these Terms and Conditions of Service, and shall replace or adjust the meter. In the case where the tested meter is found to be more than two percent incorrect, causing the customer to be under billed, the TWU shall not credit the meter test fee, however it will correct the billing as set for the in these Terms and Conditions of Service, and shall replace or adjust the meter.

If the tested meter is found to be within the accuracy limits of two percent, whether slow or fast, the TWU will not credit the meter test fee, nor make any adjustment to the account's billing.

2.2.8. ADJUSTMENT OF BILLS

If the results of any meter test, whether requested by the customer or performed at the option of the TWU, show that a meter registers inaccurately by more than two percent, fast or slow, the TWU will correct the customer's utility billing, using the percent of error as the factor for calculating adjustments:

TWU Terms Of Service Rev. January 24, 2012

1. **Fast Meters:** The TWU shall credit to the customer's account the amount overcharged during the previous billing periods, not to exceed thirty months.
2. **Slow Meters:** The TWU may charge for the services(s) consumed, but not included in bills previously rendered, for a period not to exceed thirty months.
3. **Clerical/Technical Errors, Adverse to the TWU:** If a meter or account record is found to have an incorrect register, connection, multiplier, or constant, or if a meter is found not to register or to have been registering intermittently for any period, or if a clerical error of any nature has been made on the account, the error shall be corrected and the account adjusted. Billable usage may be estimated based on such information as is available from the TWU's records and as is deemed reasonable in comparison to previous usage at the same account or similar usages at comparable accounts.
4. **Clerical/Technical Errors, Adverse to the Customer:** When the error is adverse to the customer, a credit adjustment will be made to the account for the amount charged due to incorrect metering or due to errors in billing calculations for the period of time that the bills were in error, but not to exceed thirty months. When the error is adverse to the TWU, the TWU may charge the customer the undercharge for the utility service incorrectly metered or billed for the period of time that the bills were in error, but not to exceed thirty months.
5. **For sanitation charges,** should a pick-up not occur due to weather conditions or holiday schedule, no adjustment will be made to the customer's account.
6. **Minimum Adjustment:** No billing adjustment will be made where the full amount of the adjustment is less than \$1.00.
7. **Payment of retroactive Billing:** The TWU may accept installment payments for account adjustments issued due to meter, billing, or technical errors. The maximum period of time for such installment payments to be spread may equal, at the discretion of the Executive Director, the same amount of time over which the error existed, but not to exceed thirty months.
8. **Objections to Retroactive Billing:** If the customer should object to retroactive billing, the objection should be made in writing to the Billing and Collections office on or before the due date specified for payment of the retroactive billing. Non-payment of the disputed amount will not cause the account to be subject to disconnection; however, the maximum objection period is limited to three months. Thereafter, the account may become subject to disconnection, even if the dispute is unresolved.
9. **Payment during Dispute:** During the period of dispute, applicable minimum charges and all properly billed subsequent charges shall be due and payable on each respective due date. Service will become subject to disconnection, if current charges become delinquent, even if resolution of the disputed amount is still pending.

10. Routine Testing: These procedures shall not apply to routine testing and/or replacement of meters.

CHAPTER 3

CREDIT AND COLLECTIONS POLICIES

2.3.1. DELINQUENT ACCOUNTS

Charges for utility service shall be due and payable monthly on such dates as determined by the TWU's Billing and Collection Department. Each customer's monthly bill shall have printed thereon the date on which payment is due in full. If a monthly bill is not paid by the indicated date, a late payment charge is assessed and the account is delinquent and becomes subject to disconnection.

2.3.2. NOTIFICATION OF DISCONTINUATION OF SERVICE

In the case of disconnection of service due to non-payment of account, the following procedures shall apply, except as otherwise provided for in these policies:

A recorded voice notice stating that the amount owed must be paid in order to avoid discontinuation of service shall be sent to the customer's primary phone number, as shown on TWU records. The notice shall be sent at least one business days prior to the disconnection date recorded in the notice.

2.3.3. DISCONNECTION OF SERVICE

1. Disconnects with Prior Notice

The TWU may discontinue utility service to a customer for reasons set forth below, as long as notice of impending discontinuation of service has been delivered to the postal service. Failure to accept or acknowledge notification shall not be cause for delay of the disconnection. Disconnection may take place anytime during normal working hours on or after the day designated for disconnection.

Non-payment of any bill, or any portion of a bill, properly rendered by the TWU to the customer at any premises for any utility service.

Refusal by the customer to provide reasonable access for TWU personnel to read, service, or otherwise maintain TWU equipment located on the customer's premises, in accordance with these policies.

Violation of or non-compliance with an approved rule of service of the TWU, including these Terms and Conditions of Service.

Violation of or non-compliance with any rule or regulation of any applicable federal, state, municipal, or other local laws, rules, or regulations.

Failure by the customer to complete a service agreement or furnish a deposit.

Failure by the customer to complete a service agreement in the true name of the customer.

Checks or bank drafts returned by a bank unpaid for any reason.

2. Disconnects with Simultaneous Notice

The TWU may discontinue utility service without advance notice to a customer for any of the reasons set forth below. However, notice will be posted at the premises at the time of discontinuation of service, indicating the reason for disconnection.

Existence of a dangerous or defective condition of wiring, plumbing, or utility-related equipment on the customer's premises.

Fraudulent use of service.

Tampering with the TWU's regulating and measuring equipment or other property.

3. Disconnects without Notice

Under the following conditions, utility service may be disconnected without notification, either prior or at the time of disconnection. Notice of the original disconnection date will have been made in writing at the time that the related agreement was signed, a copy of which was then given to the customer.

Expiration of a Temporary Service Agreement

Failure to comply with the terms of a Utility Payment Extension Agreement.

2.3.4. EXTENSION OF TIME TO PAY

If a customer is unable to pay an outstanding amount on a utility bill and is in danger of service being disconnected, the customer may request an extension of up to fourteen calendar days to pay the account provided a Utility Payment Extension Agreement is completed and signed. The extension agreement (APPENDICIES: Utility Payment Extension Agreement) shall include the complete amount past due.

Extension agreements are available to customers only once every three months for a maximum of four times in a twelve month period. Failure to comply with the terms of any extension agreement will result in disconnection of service without further notice. The customer will not be eligible for any additional extensions for twelve months following a broken extension.

2.3.5. DISHONORED CHECKS AND DRAFTS

In the event a customer should offer for payment for any utility bill, deposit, fee, or portion thereof, by means of a check or bank draft which is not honored by the payer's bank for any reason, a returned check service charge shall be charged.

Notification shall be sent to the customer's mailing address or e-mail address, that a check or draft has been returned unpaid by the bank. The notice shall state the customer has five business days from the date of the letter to replace the check and pay all fees associated with the dishonored check. Failure to replace the dishonored check or draft with cash, certified check, cashier's check, or money order by the date indicated shall be disconnected.

In the event that two dishonored checks or drafts have been tendered to the TWU as payment for utility service within any of the last twelve months, payment by any such customer for the next twelve months of service shall be accepted only when tendered by certified check, cashier's check, money order, or cash.

After the customer is no longer precluded from presenting checks for payment of utility billings, should that customer again have two checks or drafts returned within a twelve month period, payment by any such customer for the next twenty-four months of service shall be accepted only when tendered by certified check, cashier's check, money order, or cash. The third time a customer has two checks or drafts returned within a twelve month period, payment by any such shall be accepted only when tendered by certified check, cashier's check, money order, or cash.

The TWU reserves the right to contact the payer's bank to insure that sufficient funds are available to cover the amount of any check or draft.

2.3.6. RECONNECTION OF SERVICE

When any utility service has been disconnected, reconnection shall occur only upon certified correction of the condition that caused the disconnection, including payment of the total current account balance, all fees and/or deposits.

2.3.7. SUMMARY OF DISCONNECTION POLICIES

1. Commercial Accounts
 - a. Weather does not affect disconnection.
 - b. Payment of all past due amounts made before 8:00 a.m. the day of disconnection will stop disconnection.
 - c. Returned checks and drafts are to be paid with cash, cashier's check, money order or credit card by the end of the business day indicated on the notice mailed to the customer.

2. Residential Accounts
 - a. Service will not be disconnected when weather forecasts indicate that the temperature will rise to one hundred degrees Fahrenheit or above.
 - b. Payment of all past due amounts made before 8:00 a.m. the day of disconnection will stop disconnection.
 - c. Returned checks and drafts are to be paid with cash cashier's check, money order or credit card by the end of the business day indicated on the notice mailed to the customer.
 - d. Service will not be disconnected on the day before any legal holiday.

3. Residential and Commercial Accounts
 - a. Once service has been disconnected, payment of the entire balance on the account, together with the appropriate fees and deposits, are required before service will be resumed.
 - b. Billing and Collection department staff responding to calls for connections or reconnections will issue a receipt to the customer and record payments taken in the field. Staff shall not make change for a customer. If a customer makes a payment in cash and does not have exact change, the excess amount will be applied toward the account as a payment.
 - c. Agreements granting extensions of time for payments on an account must be approved by the Executive Director or designated representative.

4. If a designated disconnection date for which proper notice has been given is delayed, service may be disconnected within the next five working days without further notice. If disconnection continues to be delayed, a second notification shall be given, whether by mail, e-mail or by notice left at the service address.

CHAPTER 4

FRAUDULENT USE OF UTILITY SERVICES

2.4.1. CUSTOMER'S RESPONSIBILITY FOR TWU PROPERTY

No person shall deface, damage, or destroy any TWU property. No regulating or measuring equipment or other property or equipment owned by the TWU, wherever situated, whether upon the customer's premises or elsewhere, shall be tampered with, removed, worked on, or interfered with, either for the purpose of adjustment or otherwise, except by authorized representatives of the TWU acting in their official capacity.

The customer shall be responsible for all damage to or loss of TWU property located on the premises of said customer, unless the damage or loss is proven to be beyond the customer's control. In addition, the customer shall be responsible for any and all costs incurred by the TWU in the removal, relocation, or modification of the TWU's property, equipment, or facilities when such removal, relocation, or modification has been necessitated by some act of the customer and results in inaccessibility, danger, or interference with utility service.

2.4.2. RESALE AND/OR SUBMETERING PROHIBITED

Utility service delivered to customers shall be for use upon the premises of the customer only and shall not be resold or delivered for use off the premises of the customer or shared with others. No person shall allow sub-metering for any utility service without express, written authorization and consent by the TWU. This rule may be waived by special contract with the TWU.

2.4.3. METERED SERVICE

It shall be unlawful for any person to receive or use any utility service from the TWU's distribution systems which has not passed through a meter. All meters must meet all TWU specifications and all the provisions of these Terms and Conditions of Service.

No person shall install piping or wiring or make such connections or attach pipes or wires to service lines in such a manner that service may be obtained without being supplied according to these Terms and Conditions of Service.

2.4.4. EVIDENCE OF UTILITY DIVERSION

Proof of the existence of or an attempt to create any bypass, tampering, or unauthorized metering shall be deemed prima facie evidence that the customer at the premises where such bypass, tampering, or unauthorized metering or an attempt thereof occurred, if it is proved that the customer is an occupant of the premises and that said customer had or controlled access to the meter or other utility equipment where the bypass, tampering, or unauthorized metering or attempt thereof occurred.

2.4.5. TAMPERING WITH SERVICE EQUIPMENT

It shall be unlawful for any unauthorized person to turn on service or otherwise tamper with shut-off devices on TWU metering equipment in any way, form, or manner.

Tampering, bypassing, or unauthorized use of a meter, which is both subterfuge and a possible safety hazard, shall be grounds for immediate disconnection of service. Notification shall be delivered to the premises at the time of discontinuation of service. Service shall not be reconnected until any and all deficiencies in wiring, connections, meters, or other facilities at the premises have been repaired, corrected, or otherwise altered to conform to the requirements of all applicable ordinances, rules, and regulations.

In addition, all charges and bills, whether current, past due, and/or estimated, must be paid in full before service is restored. The amount of deposit shall be reviewed and shall be subject to change, as if the account were being activated for new service; however, any new deposit amount stipulated as a result of this review shall under no circumstances be less than any currently-existing level of deposit.

2.4.6. PENALTIES FOR UTILITY SERVICE DIVERSION

The TWU may estimate any and all usage not recorded as a result of tampering, bypassing, and/or unauthorized metering and bill an amount resulting from the estimated calculations. Such estimations may be derived from actual usage for the same account at a time when usage was known to be accurate, or in comparison with any other premises of a similar size or nature, or in accordance with any other method that the Administrative Assistant shall deem prudent and reasonable.

SECTION III

DEFINITIONS

TERM

DEFINITION

ADMINISTRATIVE ASSISTANT

shall mean the party chiefly responsible for, among other duties, ascertaining deposit amounts, assuring the accuracy of account maintenance and timely distribution of utility bills, overseeing credit and collection procedures, and reviewing the activities of the meter reading and utility staff.

BYPASS or BYPASSING

shall mean any device, or contrivance connected to the water supply system or any part thereof, so as to transmit, supply, or use any water without the water passing through an authorized meter for measuring or registering the amount of such water.

TONTITOWN WATER
AND SEWER COMMISSION

shall mean the duly appointed Commission members as authorized by the City of Tontitown as provided for under ACA 14-234-116

CUSTOMER

shall mean any person, firm, partnership, corporation, agency, or legal entity, including authorized agents or employees of an owner, who has assumed responsibility for and/or receives utility service of any nature for any given premises.

EXECUTIVE DIRECTOR

shall mean the party chiefly responsible for, among other duties, providing oversight to Water Utilities Manager, and the Waste Water Utilities Manager.

DWELLING UNIT

shall mean any living unit containing kitchen appliances and facilities used for residential dwelling, either continuously or part-time. A weekend cabin or mobile home is a dwelling unit.

LEGAL HOLIDAY

shall mean those days declared by the Council to be days on which TWU offices are not open for business.

METER

shall mean any device or devices, installed and approved for use by the TWU, used to measure or register water or waste water consumption

NORMAL WORKING HOURS

shall mean the hours of 8:00 a.m. to 4:30 p.m., Monday through Friday, with the exception of legal holidays.

POINT OF DELIVERY

shall mean the point at which the utility supply system of the TWU connects to the piping system of the customer.

TWU Terms Of Service Rev. January 24, 2012

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| PREMISES | shall mean any piece of land or real estate or any building or other structure or portion thereof or any facility where any utility service is furnished to a customer, including dwelling units as defined herein. |
| SANITATION | shall mean garbage or refuse collection service furnished by or for the TWU. |
| SERVICE OR UTILITY SERVICE | shall mean the supplying by the TWU water, waste water, sanitation, fire sprinkler service, or any combination thereof. |
| SUMMER SEASON | shall mean customer usage months beginning May 1 and ending October 31 of each year. |
| TAMPER OR TAMPERING | shall mean damaging, altering, adjusting, or in any manner, interfering or obstructing the action or operation of any meter provided by the TWU for measuring or registering the amount of utility service passing through the meter. |
| UNAUTHORIZED METERING | shall mean the installation, connection, moving, reconnection, removal, or disconnection of any meter or metering device for utility service by any person other than employee of the TWU acting in an official capacity of TWU or other designated parties acting on the behalf. |
| WASTEWATER | shall mean the wastewater service furnished by the TWU. |
| WASTE WATER UTILITY MANAGER | shall mean the party chiefly responsible for, among other duties, all technical aspects of waste water service provided by the TWU to its customers. |
| WATER | shall mean the water service furnished by the TWU. |
| WATER UTILITY MANAGER | shall mean the party chiefly responsible for, among other duties, all technical aspects of water service as provided by the TWU to its customers. |
| WINTER SEASON | shall mean customer usage months beginning November 1 and ending April 30 of each year. |

SECTION IV

RATE AND FEE SCHEDULES

FOUND @ <http://tontitownws.com/pdf/wsrates.pdf>

APPENDICIES

After-hours Temporary Service Agreement can be found at: <http://www.tontitownws.com/forms/After-hours%20Temporary%20Service%20Agreement.pdf>

Bank Draft Form can be found at: <http://www.tontitownws.com/forms/Bank%20Draft%20Form.pdf>

Customer Service Application can be found at:
<http://www.tontitownws.com/forms/Service%20Application%20-%20Commercial.pdf>

Deposit Waiver Agreement can be found at:
<http://www.tontitownws.com/forms/Deposit%20Waiver%20Agreement.pdf>

Disconnect/Reconnect Request Form can be found at:
<http://www.tontitownws.com/forms/DisconnectReconnect%20Service%20Request.pdf>

Medical Certification can be found at: <http://www.tontitownws.com/forms/Medical%20Certification.pdf>

Request For Meter Change can be found at:
<http://www.tontitownws.com/forms/Request%20For%20Meter%20Change.pdf>

Request For Meter Test can be found at:
<http://www.tontitownws.com/forms/Request%20for%20Meter%20Test.pdf>

Request For Record Inspection can be found at:
<http://www.tontitownws.com/forms/Request%20for%20Record%20Inspection.pdf>

Utility Account History Request can be found at:
<http://www.tontitownws.com/forms/Account%20History%20Verification%20Form.pdf>

Utility Payment Extension Agreement can be found at:
<http://www.tontitownws.com/forms/Utility%20Payment%20Extension.pdf>

Utility Billing Adjustment Request can be found at:
<http://www.tontitownws.com/forms/Billing%20Adjustment%20Request.pdf>