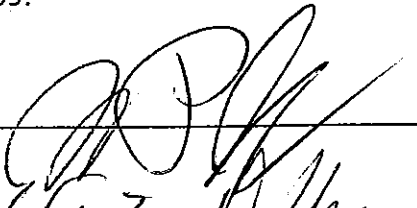
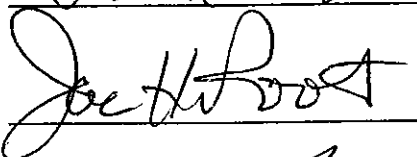
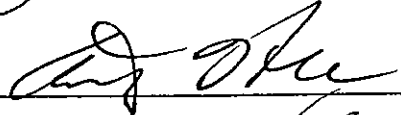



RESOLUTION 2009-0001

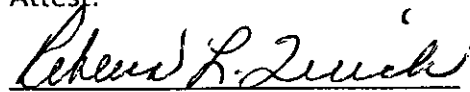
The Resolution is made and adopted this 4th day of April, 2009 by the Utility Service Board of the City of Frankfort ("the Board").

WHEREAS, The Board determined that it is necessary to adopt the Water Utility Rules and Regulations attached. This resolution set the rules and regulations of the City of Frankfort Municipal Water Utility.

INWITNESS WHEREOF, The Utility Service Board of the City of Frankfort has adopted Resolution 2009-0001 this 4th day of April, 2009.

  
\_\_\_\_\_  
Peter B. Moore  
  
\_\_\_\_\_  
Joe Hoot  
  
\_\_\_\_\_  
Andy O'Keefe  
  
\_\_\_\_\_  
Mike Clark

Attest:

  
\_\_\_\_\_  
Secretary

**CITY OF FRANKFORT, INDIANA**

**UTILITY SERVICE BOARD**

**WATER UTILITY**

**RULES AND REGULATIONS**

**1. APPLICATION**

The rules as set forth herein and supplemented from time to time, shall govern all water service rendered or to be rendered by the City of Frankfort ("City") Municipal Water Utility ("Utility"). These rules shall be binding upon every customer and constitute a part of the terms and conditions of every contract for water service, whether expressly incorporated therein or not. In case of conflict between any provision of a rate schedule or contract and these rules, the provisions of the rate schedule or contract prevail.

**2. TAMPERING WITH FIRE HYDRANTS PROHIBITED.**

It shall be unlawful for any person or persons to open the valve of any fire hydrant of the Utility, remove any cap or caps of any hydrant of the Utility, in any way to injure, deface, or tamper with any fire hydrant, in any manner to molest or interfere with the pipes, valve box cover, or any valve, or to place, deposit, or fill up with dirt or other material the valve boxes of the Utility unless the person is authorized to do so by either the Utility, the Common Council, or an officer of the City.

**3. CITY APPROVAL REQUIRED FOR CONNECTION, USE OF WATERWORKS PROPERTY.**

It shall be unlawful for any person to lay any water service pipe and attach it to any pipe, hydrant, or fixture of the Utility, make any connection whatsoever to the mains or pipes of the waterworks, do or perform any plumbing work whatever in or about any water pipe or fixture belonging to or owned by the Utility, or turn on and use water from the Utility after the use thereof has been shut off without first having obtained permission from the Utility. All service rendered by Utility shall be solely for the uses and premises designated by the prospective customer at the time service is requested and subject to, and in accordance with, these rules and regulations and the Utility's rate schedules. A customer shall not sell or give away water to anyone not specifically included in its agreement with the Utility for service.

**4. RATES AND CHARGES.**

The rates and charges for the use of and the service rendered by the Utility are set forth in Appendix A.

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**5. TEMPORARY USERS.**

Water furnished to temporary users, such as contractors, circuses, and the like, shall be charged on the basis of the cubic feet and rates as set forth in Rule 4, which number of cubic feet used shall be determined by the Superintendent of the Utility.

**6. SERVICE CONNECTION FEES.**

Each user, at the time he is connected with the waterworks system, shall pay a charge to cover the costs of tapping the main, furnishing and laying service pipe, corporation and stop cocks, service and meter box, and installing the meter all as established in Appendix A.

**7. BILLING AND DEFERRED PAYMENT CHARGE.**

(A) Bills for service will be rendered monthly at intervals of approximately thirty days and will be based on the usage of water and applicable rate schedules. Bills are payable at the Office of the Utility or to its authorized collection agency.

All bills will be subject to a late payment charge of 3% of the net bill when not paid within 17 days following the mailing of the bill. When the due date falls on Sunday or on any legal holiday, the first business day thereafter shall be added to the seventeen day period.

Failure to receive a bill shall not entitle customer to pay the net bill after the designated date has passed. Upon request, Utility will inform customer of the approximate date on which customer should receive the bill each month and, if the bill is lost, Utility will issue a copy of such bill.

(B) The Utility may accept payment by credit and debit cards for customers served exclusively by 5/8 or 3/4 meters. The Utility may refuse to accept any credit card payment for which it does not have a merchant agreement. Customers shall be assessed any transaction fees charged to the utility to process credit card payments, provided assessing such transaction fees to customers is consistent with any contractual obligations of the Utility.

(C) All charges follow the customer and moving from one premises to another shall not absolve the customer from any unpaid charges incurred at a previous location. A customer's service may be discontinued for failure to pay for service rendered to him at a previous location if such bill has remained unpaid for more than 45 days. There will be no abatement of charges by reason of the extended absence of the customer from the premises unless the Utility has been notified to discontinue service.

(E) When Utility is unable to obtain the reading of a meter after reasonable effort, it may estimate the reading and render a bill, so marked. In the event Utility's meter fails to register properly for any reason, Utility shall estimate customer's energy usage during the period of failure based on such factors as customer's historic usage during a like corresponding period.

(D) All billing errors, including incorrect tariff applications, will be adjusted by the Utility to the known date of error or for a period of one year, whichever period is shorter.

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**8. CUSTOMER DEPOSITS.**

(A) The Utility may require a cash security deposit in an amount equal to the customer's estimated billing for a period of 60 days, not to be less than \$35, if the customer (1) is a new customer unable to furnish the Utility with a letter or evidence of good payment from another utility or does not own the property to which water may be supplied, (2) has been mailed disconnect notices for two consecutive months or any three months within the preceding twelve months or (3) has had service discontinued for nonpayment of bills.

(B) If, after a 12 month period of receipt of the deposit, the customer has timely paid all bills from the Utility, the Utility will return any deposit to the customer.

(C) Upon disconnection of service, the Utility will apply the customer's deposit to the customer's unpaid balance, and the excess, if any, of the deposit over the unpaid balance will be returned to the customer. If service is terminated at the request of the customer, the Utility will apply the deposit, plus accrued interest, if any, to the customer's final bill.

(D) Notwithstanding Rule 8(A), the Utility may demand any assurance of payment consistent with State or Federal law with respect to a customer who has (i) made an assignment or any general arrangement for the benefit of creditors; (ii) filed a petition or otherwise commenced, authorized or acquiesced in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against; or (iii) otherwise become bankrupt or insolvent (a "bankrupt customer"). The Utility may require any of the following payment assurances from a bankrupt customer: (1) a cash deposit; (2) a letter of credit; (3) a certificate of deposit; (4) a surety bond; (5) a prepayment of utility consumption; or (6) another form of security. Nothing herein shall require the Utility to continue serving a bankrupt customer.

**9. SERVICE DISCONNECTIONS**

(A) Upon Customer's Request. A customer desiring disconnection of service must notify the Utility at least three days in advance of the day on which disconnection is desired. The Utility will endeavor to disconnect the service within three working days of the requested disconnection date but does not guarantee the disconnection will occur within three working days. The customer shall remain responsible for all service used and the related billings until service is disconnected pursuant to the customer's notice.

(B) Without Customer's Request and Without Notice. The Utility may disconnect service to a customer without request by, or prior notice to, the customer if:

(1) there exists an unapproved cross-connection of a customer's water pipes to any other source of water supply or any other condition about the customer's premises that might cause contamination of the public water supply or otherwise be dangerous or hazardous to life, physical safety or property;

(2) there is an outstanding order of a court or other duly empowered authority directing disconnection;

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(3) a fraudulent or unauthorized use of water is detected by the Utility, and the Utility has reasonable grounds to believe the customer is responsible for such use;

(4) the meter or any of the Utility's regulating or measuring equipment has been tampered with, and the Utility has reasonable grounds to believe that the customer is responsible for such tampering; or

(5) the Utility becomes aware of a broken water line in the building and is unable to communicate the customer (provided that nothing herein shall impose an obligation on the Utility to take steps to identify broken water line's within a customer's premises and shut-off service to minimize damage).

If service has been disconnected for the reasons described in Paragraphs B(3) or B(4) above, restoration of service will be conditioned on the payment of a penalty for tampering plus the applicable charges for unbilled water usage, as calculated by the Utility.

**(B) Without Customer's Request But With Notice.** The Utility may disconnect service to a customer for any of the following reasons, provided it notifies the customer as set forth herein:

(1) the customer fails to repair any leak in the service pipes or appurtenances for which the Customer is responsible or in any private fire system or unmetered facilities,

(2) the customer vacates the premises or fails to pay his water bills or other charges related to his water utility service installations or facilities in accordance with these rules and the Utility's rate schedules, or otherwise violates any of these rules,

(3) the customer fails to provide free and nonhazardous access to the premises and meter so that the Utility's representatives may make meter readings and necessary inspections and maintain, replace, or remove the meter, or fails to maintain approved meter settings, including pits and vaults,

(4) the customer installs a new service pipe or appurtenances or alters or removes the existing service pipe or appurtenances, including the meter, without the Utility's written consent, or

(5) the customer fails to remedy a condition or use on his premises which, in the Utility's judgment, endangers the Utility's distribution system.

If service is to be disconnected for any of the foregoing reasons, the Utility will, at least five days prior to the proposed disconnection, mail or personally deliver notice to the customer or a responsible person on the premises, at the address of the customer shown on the records of the Utility. The notice will state the date of the reason for the proposed disconnection, and the Utility's telephone number which the customer may call during regular business hours for further information.

**(C) Postponement of Disconnection of a Residential Customer for Medical Reasons.** Except in the case of disconnection for any of the reasons set forth in Rule 9(B), the Utility will postpone the disconnection of service to a residential customer for ten days if, prior to the

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disconnect date specified in the disconnect notice, the customer provides the Utility with a medical statement from a licensed physician or public health official stating that such disconnection would be a serious and immediate threat to the health or safety of a designated person in the household of the residential customer. The postponement of disconnection will be continued for one additional 10-day period upon the customer furnishing the Utility an additional medical statement dated on or before the end of the first 10-day period.

(D) Reconnection. After disconnection of water service to a premises in accordance with these rules, the Utility will reconnect the service to a premises if (1) all conditions, circumstances or practices which caused the disconnection have been corrected, (2) all delinquent charges owed the Utility by the customer have been paid, (3) the deposit, if required by the Utility in accordance with these rules, has been made by the customer, (4) a responsible person is present in the premises to see that all water outlets are closed to prevent damage from escaping water, and (5) the customer has paid the Utility's charge for reconnection of service as prescribed in the Utility's rate schedules.

## 10. SERVICE PIPES AND OTHER FACILITIES

(A) Installation and Ownership of Service Pipes. For premises with meters located in a basement, the service pipe shall be the infrastructure from the curb stop to the premises. For all other customers, the service pipe shall be the infrastructure from the meter outlet to the premises. The service pipe shall be installed owned by the customer. The type, kind and quality of all pipe and materials installed between the main and the meter connection shall be subject to approval by the Utility. The meter and tap will be furnished, installed, maintained and replaced, if necessary, by the Utility and are its property. If the tap is installed by the Utility outside regular working hours for the convenience of the customer, the customer shall be charged the actual cost to the Utility of labor and equipment used in the work. The customer or his plumber shall install the meter connection, which will be furnished, owned, repaired and replaced, if necessary, by the Utility. If the connection is damaged or lost by the customer or his plumber, the customer shall pay the Utility the cost thereof, but the customer will not be held responsible for loss or damage if he has used reasonable care to protect the Utility's property.

(B) Maintenance of Service Pipes. For services pipes of customers whose meters are located in the basement of their premises, the Utility will maintain, repair or replace the portion of the service pipe and appurtenances between the main and the curb stop made necessary by leaks and the customer will maintain, repair or replace the portion of the service pipe, and appurtenances from the curb stop to the premises. For all other customers, the Utility will maintain, repair or replace the portion of the service pipe and appurtenances between the main and the meter outlet made necessary by leaks and the customer will maintain, repair or replace the portion of the service pipe, and appurtenances from the meter outlet to the premises.

(C) Service Pipe Installation Requirements. Service pipes, including branches, shall be installed according to the following specifications:

- (1) The minimum inside diameter of the service pipe shall be 3/4-inch (or in accordance with the building code applicable to the area).

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(2) The service pipe shall run in a straight line perpendicular to the main or from the main to the property line or easement line of the premises being served. Any exceptions to this practice must be approved by the Utility.

(3) The service pipe shall be installed and maintained with a minimum cover of 4 1/2 feet from the main to a point where the service pipe is otherwise protected from freezing.

(4) The service pipe shall include a service stop of the type approved by the Utility. Service pipes for meters one-inch or smaller installed in an outside meter pit shall have a service stop with a locking device, which is a part of the meter-holding connection furnished by the Utility. Service pipes for meters one-inch or smaller which cannot be installed in an outside pit shall have a service stop approved by the Utility placed between the curb and the public right-of-way line. Unless otherwise approved, the service stop shall be placed in the unpaved portion of the public right-of-way near the curb edge of the sidewalk and shall be in front of the structure served. Each meter shall have its own service stop. In streets where there are no sidewalks or curbs, such service stops, as a general rule, shall be placed in the public right-of-way 5 1/2 feet from the right-of-way line. All service pipes 1 1/2-inch or larger shall have a service stop installed within three feet of the main. In no case shall service stops be placed in vaults under the sidewalk.

(5) Each service stop except those installed in pits shall be provided with an approved box. The top of the box shall be set level with the grade of the surrounding street, sidewalk, or ground. This box shall be originally installed and owned by the customer and if located on private property shall be maintained and kept to proper grade by the customer.

(6) Each service pipe shall contain an approved shut-off valve. Where the meter is located in a building, the valve shall be located where the service pipe first enters the building and on the street side of the meter. Where the meter is located in an outside pit, the valve shall be installed either in the basement or in a riser pipe just above the first floor so that all outlets are controlled. A drawing showing the proposed layout of branched service pipes and valves shall be submitted to, and have been approved by, the Utility prior to installation of said service pipes and valves.

(7) Any service pipe laid in proximity to an existing or proposed sewer or drain line shall be installed in accordance with the current plumbing rules and regulations of the State of Indiana applicable to such installation.

(8) Every premises shall receive water utility service through a separate service pipe unless the Utility approves and authorizes the provision of water utility service to two or more separate premises. A service pipe shall not extend from one premises to another across a public right-of-way. A service pipe shall not extend across a property, lot or easement line except in those instances where the main to which the service pipe is connected is installed in a public right-of-way or in an easement parallel to the public right-of-way.

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(9) The Utility, upon request, will review a customer's plans and specifications with respect to the type, location and arrangement for the service, service pipe and other facilities downstream from the meter, but the Utility is not responsible for the adequacy of such service pipe and facilities downstream from the meter or for selection by the customer of the best or most economical type of service or metering arrangement.

(E) Replacement of Service Pipes. The Utility may require the property owner or owners of a premises to replace an existing service pipe connection that is not in compliance with this Rule at the owner's or owners' expense.

(F) Metering Points. Unless the customer requests additional metering points and the request is approved by the Utility, service shall be supplied through a separate service pipe and meter for each premises. In new or unusual situations or situations not described by the existing rules, service and metering points must be reviewed and approved by the Utility prior to installation.

(G) Relocation of Service Pipes. The Utility shall not be liable for the cost of moving or relocating a service pipe or related appurtenances to serve the convenience of the customer. If the Utility relocates a main in connection with a public improvement project, the Utility will, at its expense, reconnect the service pipe from the old main to the new main. If a service pipe must be relocated or lowered in connection with a public improvement project not involving a Utility main relocation, the service pipe will be relocated or lowered at the expense of the public improvement project agency.

(H) Undersized Service Pipes. The Utility is not responsible for inadequate or unsatisfactory service due to an undersized service pipe. Replacement of an undersized service pipe and appurtenances shall be at the customer's expense.

(I) Thawing Frozen Service Pipes. The Utility shall not be required to attempt to thaw service pipes.

(J) Modification of Facilities. Where modification of the customer's facilities, or the type or arrangement of service is required in the Utility's judgment because of changes in the use of the premises or because of the customer's operations which affect the Utility's distribution system, such as the causing of pressure fluctuations which affect service to other customers or damage to the Utility's system, the necessary modification shall be made at the customer's expense at the request of the Utility. The Utility shall also be entitled to recover from such a customer the costs of repairing its distribution system.

## 11. METER TESTING.

(A) Determination of Meter Accuracy. The Utility will endeavor to maintain its meters and appurtenances used for measuring the quantity of water delivered to a customer in good mechanical condition. The accuracy of meters will be judged by reference to applicable industry standards published by the American Water Works Association.

(B) Customer Requested Meter Tests. A customer may request the Utility test the accuracy

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of a meter serving the customer. The customer shall be required to reimburse the Utility for the full cost of the meter unless the test reveals that the meter is more than two percent (2%) fast, in which case the Utility shall not assess a customer a charge for the meter test.

**12. UTILITY'S RESPONSIBILITY FOR SERVICE**

(A) Interruptions, Pressure, and Volume. The Utility will use reasonable care and diligence to avoid interruptions and fluctuations in its service, but it cannot and does not guarantee that interruptions and fluctuations will not occur. Variations in pressure or volume of flow are to be expected. In the Utility's judgment, customers requiring uniform service, an uninterrupted supply, or uniform pressure or volume shall make their own special provisions on their premises. Customers needing special provisions for uninterrupted service may also be required to install multiple meters or multiple backflow devices to allow the Utility to test meters and backflow devices or repair meters during the Utility's normal business hours and to allow the customer to repair its backflow devices.

(B) Liability for Damages on Customer's Premises. The Utility shall not be liable for any damage done or inconvenience caused by reason of any break, leak or defect in, or by water escaping from, service pipes that are the responsibility of the owner or customer.

INDS01 PJS 1099213v3

## APPENDIX A

### Frankfort, Indiana Rates and Charges for Water Service

(A) Use and Service Rates. There are established for the use of and the service rendered by the Utility, the following rates and charges, based on the use of water supplied by the waterworks system:

Metered Rates Per Month	Rate per 100 Cu. Ft.
First 6,000 cubic feet	\$ 2.57
Next 6,500 cubic feet	\$ 2.28
Next 55000 cubic feet	\$ 1.98
Next 65000 cubic feet	\$ 1.77
Next 132500 cubic feet	\$1.62
Over 265000 cubic feet	\$ 1.45

A Customer outside the city limits of the City of Frankfort shall pay 125% of the calculated charges, unless the customer is governed by an agreement between the customer and the City of Frankfort to make payments in lieu of taxes.

(B) Minimum Charges.

Size of Meter	Cubic Feet Allowed	Per Month
5/8 and 3/4 inch meter	400	\$10.28
1 inch meter	1610	\$41.38
1 1/4 inch meter	2415	\$62.07
1 1/2 inch meter	3020	\$77.61
2 inch meter	4025	\$103.44
3 inch meter	6050	\$155.34
4 inch meter	11050	\$269.34
6 inch meter	18830	\$427.73

A Customer outside the city limits of the City of Frankfort shall pay 125% of the calculated charges, unless the customer is governed by an agreement between the customer and the City of Frankfort to make payments in lieu of taxes.

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(C) Fire Hydrant Rates

Fire Protection	Per Annum
Public fire hydrants - per hydrant	\$ 550.45
Private fire hydrants - per hydrant	\$ 550.45

A Customer outside the city limits of the City of Frankfort shall pay 125% of the calculated charges, unless the customer is governed by an agreement between the customer and the City of Frankfort to make payments in lieu of taxes.

(D) Private Fire Protection Water Service. For use in extinguishing fires only.

Fireline up to:	Per Annum
2 inch line	\$ 331.63
3 inch line	497.47
4 inch line	718.55
6 inch line	1,464.31
8 inch line	2,929.40
10 inch line	4,559.92
12 inch line	5,814.94

A Customer outside the city limits of the City of Frankfort shall pay 125% of the calculated charges, unless the customer is governed by an agreement between the customer and the City of Frankfort to make payments in lieu of taxes.

(E) Miscellaneous Service Charges: Customers of the Utility shall also be responsible for the following miscellaneous service charges:

Service Charge	Fee
Turning on water service (waived for new connections)	\$5
Discontinuance of service	\$15
3/4-inch meter tap	\$600
1-inch or larger	the cost of labor and materials but not less than \$600
check returned for insufficient funds or because the check is written on a nonexistent bank account	\$27.50