

POLICIES, RULES, & REGULATIONS



2023-2024

LINCOLN COUNTY RURAL WATER SYSTEM, INC.

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THE SYSTEM OFFICE IS LOCATED AT:

27066 HENRY PL
SIOUX FALLS SD 57108
(LOCATED EAST AND NORTH OF THE TEA EXIT AT I-29)

OFFICE HOURS

8:00 AM TO 4:30 PM
MONDAY THROUGH FRIDAY

THE OFFICE IS CLOSED MAJOR HOLIDAYS

*Our mission is to sell and deliver high quality water
to our members with great service at a fair price.*

This booklet contains our current policies, rules, and regulations as of September 2020. Our policies, rules, and regulations are updated periodically. There are several policies in particular we want to emphasize.

1. Lawn watering restrictions can be found on page 3.
2. The method we use to process returned checks is found in Section 9, subsection H.
3. The monthly minimum is set by the Board of Directors.
4. The prohibition against physical hookups between this rural water supply system and other private water sources is found in Section 10, subsection F.
5. The penalty for tampering with the system equipment or meters is found in Section 10, subsection D.
6. The monthly meetings of the Board of Directors are normally held at the LCRWS office on the second Thursday of the month at 7:00 P.M.
7. The annual meeting is scheduled to be held on the third Tuesday of March at 7:00 P.M. at a location in Lincoln County. The meeting place for the annual meeting will be determined by the Board of Directors.
8. Requirements for changes in occupancy and rental responsibilities can be found in Section 8.

Below you can find Section headings for topics covered in this handbook:

1. CLASSIFICATION OF SERVICE
2. APPLICATION FOR SERVICE
3. MINIMUM CHARGE
4. RESPONSIBILITY AND LIABILITY
5. WATER USER RESPONSIBILITY
6. EXTENSIONS TO MAINS AND SERVICES
7. ACCESS TO PREMISES
8. CHANGE IN OCCUPANCY
9. METER READING, BILLING, AND COLLECTING
10. DISCONTINUATION OF WATER SERVICE
11. MEMBERSHIP REFUND
12. COMPLAINTS / ADJUSTMENTS
13. EASEMENTS—MAINLINES AND SERVICE LINE
14. BOARD OF DIRECTOR DISTRICTS

LAWN WATERING IS PROHIBITED FROM 12:00 NOON TO 5:00 PM DAILY.

WATERING OF GARDENS, TREES, AND SHRUBBERY IS PERMISSIBLE AS NEEDED. ARTICLE IV. F. OF THE BYLAWS PROVIDES THAT THE WATER RESTRICTIONS OR WATERING BAN MAY BE IMPOSED BY THE CORPORATION OR ITS MANAGER. THE CORPORATION RESERVES THE RIGHT TO AMEND THE WATER USE POLICY AT ANY TIME. FAILURE TO ADHERE TO ANY POLICIES INCLUDING WATERING RESTRICTIONS MAY INCUR PENALTIES AS LISTED UNDER SECTION 10, SUBSECTION E.

LINCOLN COUNTY RURAL WATER SYSTEM, INC

POLICIES, RULES, AND REGULATIONS

The Board of Directors of Lincoln County Rural Water System, Inc. has established the following policies, rules, and regulations to govern the affairs of the System. These policies, rules, and regulations grant authority for actions taken by the System and govern the System's relationship with its members. A copy of these Policies, Rules, and Regulations shall be made available to its members. The Board of Directors reserves the right to review all policies, rules, and regulations periodically and make whatever changes are necessary.

OBJECTIVES OF THE BOARD

- A. To establish rules and regulations for the conduct of the business affairs of the System.
- B. To ensure that all members are in compliance with applicable rules and regulations.
- C. To provide quality service to the members of the System at a cost consistent with sound business practices.
- D. To inform the members and lessees of members of the rules and regulations of the System.
- E. To represent the interests of the members in a fair and equitable manner.

1. CLASSIFICATION OF SERVICE

- A. Except as otherwise provided herein, there shall be four (4) classifications of services of water service for members, regardless of the use being made for the water.
 - 1. Residential/Small business
 - 2. Residential/Small business within the System designation fire flow area.
 - 3. Residential/Small business served by LCRWS from Sioux Falls.
 - 4. High demand water users requiring 1-inch water meter or larger must enter into a written agreement for the supply of water between the System and the high demand water user. The monthly base charge will be set by the Board of Directors and may be changed at any time by the Board of Directors.
- B. Bulk Users—Service to municipalities or other water systems is subject to a written agreement entered into by the System and the municipality or water system.

2. APPLICATION FOR SERVICE

- A. The policies for the new service can be found in Section 6.
- B. At the time a member makes application for service, the Class A or Class B member shall pay to the System a membership fee in the amount established by the Board of Directors.
- C. Before the System will install or allow to be installed a new water service the following must occur:
 - 1. An application containing the legal description of the property at which the water service is to be installed shall be presented to the System.
 - 2. The System will confirm ownership or lease of property.

3. A water utility easement granting an easement for the installation of water lines and appurtenances in form and manner acceptable to the System has been executed by the owners of the real property.
 4. The signed and notarized original easement prepared or approved by the System has been returned and is on file with the System.
- D. No water service will be provided to a location that has not complied with all applicable building, zoning, and planning laws, rules and regulations, and policies, including the issuance of any building permit, planning and zoning approval, or other approval which may be required.
 - E. The signature on the application by a Class A member or a Class B member for the service is an affirmation by the member that the member has read, understands, and agrees to be bound by the Policies, Rules and Regulations of the System.
 - F. The System may reject any application for water service under any water service classification which involves excessive infrastructure cost, or which may affect the water supply or service to other members or for any other reason determined by the Board of Directors.
 - G. The System may reject any application for water service when the applicant is in default in the payment of bills incurred for the installation of water infrastructure or service supplied at any location. The System will not provide service to anyone at any location where there is an outstanding bill for infrastructure installed or water supplied.
 - H. In the event Class A memberships or Class B memberships are not being issued due to unavailability of an adequate water supply, an interested party may submit contact information to the System, and the System will attempt to contact those who have indicated a desire for service when an adequate water supply is available. The submission of contact information to the System does not establish any priority for water service but constitutes merely an inquiry as to the availability of water service.
 - I. Once a Class A or Class B member's water service is installed, the membership and all service facilities used in connection therewith shall remain with the property on which the installation was installed.
 - J. When the real property upon which a Class A membership has been assigned, interest in the real property is terminated or sold, or lease is terminated, the new owner of the membership will pay a membership fee of \$500.00 of which \$200.00 will be held as a deposit by the System. The System will read the water meter on the date of transfer of the membership if properly notified by the current member. It is the responsibility of both the new member and the transferring member to inform the System of any assignment, transfer, sales, or lease termination concerning a membership. The System may deduct any amounts due to the System for water or other services before returning any deposit due to a former member. \$300.00 of the membership fee will be used for system upgrades and administrative fees.
 - K. When the real property upon which a Class B membership has been assigned, interest in the real property terminated or sold, or lease is terminated, the new owner of the membership will pay a membership fee of \$250.00 of which \$200.00 will be held as a deposit by the System. The System will read the water meter on the date of transfer if properly notified by the current member. The System may deduct any amounts due to the System

- for water or other services before returning any deposit due to the former member. \$50.00 of the membership fee will be used for administrative fees.
- L. A cancelled Class A membership with an installed service may be reinstated upon payment of a \$1,600.00 "reinstated membership fee", which includes a fee for system improvement/system upgrades, a \$200.00 deposit, and a set cost of an 18" diameter meter pit including installation. If the property already has a meter pit which is acceptable to the Manager or if the Manager determines that the meter pit is not necessary, then in that event, the reinstatement fee is \$1,200.00. If additional construction is required to reinstate a cancelled membership, the costs thereof will be paid by the Class A member. Effective 3/1/2017 all reinstated memberships will be required to have a meter pit installed unless an exception is granted by the Manager, in writing.
 - M. A cancelled Class B membership with an installed service may be reinstated upon payment of a \$1,200.00 reinstated membership fee, which includes a \$200.00 deposit. If additional construction is required to reinstate a cancelled membership, the costs thereof will be paid by the Class B member.
 - N. The System reserves the right to control the timing of service line installations. No services will be connected after November 1st and before April 1st unless approved by the Manager.
 - O. The System is obligated under the "Settlement Agreement and Release" dated 9/30/2008 to determine availability of new construction memberships in areas presently served by the System and will issue no memberships that violate the "Settlement Agreement and Release".
 - P. The System has adopted a "Fire Flow" policy effective 11/15/2008 within certain designated areas of the System. New members within those areas are required to comply with all regulations of that policy.

3. MINIMUM CHARGE

- A. A minimum monthly charge for water service shall be provided for in the rate schedule determined from time to time by the Board of Directors.
- B. Each service connection shall be separately metered at the point of delivery specified for the service connection by the System. Standby service for points where water has been made available for the future service connection will be billed at the minimum levels as provided in the rate schedule.
- C. All members who have paid the membership fee and hookup fee for the connection to the System are required to pay the monthly minimum.
- D. The minimum monthly charge for a member, or lessee of a member, shall be paid when the water meter has been installed and the water has been turned on.
- E. All other water users shall pay the monthly minimum.

4. RESPONSIBILITY AND LIABILITY

- A. Class A and Class B members and water users are required to pay the full cost of installing and maintaining a frost-free service line from the water main to the meter area or meter pit according to the specifications of the System.
- B. When two or more meters are installed on the same premises they shall be closely grouped and each clearly marked as to the member served.

- C. The System does not assume the responsibility for inspecting the member's piping or apparatus and will not be responsible thereof.
- D. The System reserves the right to refuse service to anyone whose line or piping are installed in such a manner as to create a cross connection, back flow or connection with a private well, cistern or other water source. The System will issue a written notice to physically disconnect any improper connection within ten days from the date of written notice to the member. The System has the right to discontinue any service without notice until the violation has been corrected.
- E. The System is not liable for damages of any kind whatsoever resulting from water use unless such damage results directly from negligence on the part of the System. The System is not responsible for any damages done or resulting from any defects in piping, fixtures, or appliances owned by the System. The System is not responsible for negligence of third persons or forces beyond the control of the System resulting in any interruption of service or damages to a member.
- F. The System may impose such restrictions on the use of water as may be deemed necessary and in the best interest of the System. The determination by the System of water use restrictions shall be binding upon all parties. A watering ban goes into effect automatically at any time deemed necessary by the System. The Manager may impose such restrictions on the use of water as may be deemed necessary and the determination by the Manager is binding upon all parties. A watering ban goes into effect immediately at such time as deemed necessary by the Manager.
- G. LCRWS does not allow structures to be placed on or constructed over water mainlines or water service lines owned by the water system. Prior written permission must be granted by the System manager before the member builds over or near water lines or water service lines. If a structure is placed or planned to be placed or constructed over a water line or within 20 feet of a water line, the Manager may require a meter pit to be installed at a location determined by the Manager.

5. MEMBER RESPONSIBILITY

- A. Piping on the member's premises must be so arranged by the member so that connections are conveniently located with respect to the System's water lines or main lines and in accordance with the System's specifications or directions.
- B. If the member's water piping is so arranged that the System is called upon to provide additional meters, each meter will be considered as a separate and individual account.
- C. Every water meter assembly must be installed in form and manner acceptable to the System. The member must make available and maintain a frost-free area for the purpose of installing a water meter assembly. If as determined by the System, that no adequate frost-free area exists at the member's desired point of delivery, the System will install a frost-free meter pit at the sole expense of the member. If the Manager determines an existing meter location or access is not safe, the Manager will contact the member about the determination. The Manager, upon approval from the Board of Directors, may cancel the membership of a member whose meter location or access has

been determined to be unsafe, and in that event, the water service will be shut off, after giving thirty day written notice to the member, unless the meter location or access is repaired, modified, or relocated in form and manner acceptable to Manager.

- D. The member's water piping and apparatus shall be installed and maintained by the member at the member's expense in accordance with the System's rules and regulations and in compliance with applicable plumbing codes.
 - E. The member shall guarantee proper protection for the System's property on the member's premises and shall permit access to System's property only by authorized representatives of the System.
 - F. In the event that any loss or damage to the property of the System or any accident or injury to persons is caused by or results from the negligence or wrongful act of the member, or lessee of a member,, his agents, or employee, the cost of the necessary repairs or replacements shall be paid by the member to the System, and related cost, expense of liability otherwise resulting shall be assumed by the member. The amount of such loss or damage or repairs shall be added to the member's, or lessee of a member's, bill, and if not paid within sixty days of the billing statement, water services may be discontinued in the same manner as with any unpaid water bill.
 - G. Water furnished by the System shall be used according to the provision of the member's agreement which must be executed by the member prior to the commencement of water service. The execution of the member's agreement requires the member to comply with the "Policies, Rules, and Regulations" of the System. Water from the System shall not be used for internal building sprinkler systems or other forms of fire extinguishing except in areas designated by the System as "Fire Flow Areas".
 - H. In the event of foreclosure of a mortgage, a member being foreclosed on who does not cancel their membership must continue to pay the monthly minimum plus any water that flows through the meter. If the monthly minimum has not been paid for a period of three months, the membership may be cancelled with no refund to the water user.
6. EXTENSION TO MAINS AND SERVICES
- A. The System may supply service for temporary purposes, at the sole discretion of the System. An applicant to whom a temporary service has been granted must pay for material and labor in advance as determined by the System. A deposit may be required for temporary services as deemed appropriate by the System.
 - B. A new Class A member will pay the fees that are set annually by the Board of Directors for the membership and hookup. The fees include: a sum for system improvements or system upgrades, a \$200.00 deposit, a set cost for material and installation charges for an *18-inch diameter meter pit, a ¾ inch meter assembly, curb stop and box (riser), saddle and corporation valve, fittings, digging in the water service up to twenty (20) feet. (footage beyond 20 feet will cost an additional \$8.00 per foot in normal digging conditions). (Adverse digging conditions or obstructions above and / or below ground will be charged accordingly on a case by case basis). Road bores will incur additional charges as determined by the contractor.

* Meter pits are mandatory for all new services and all reinstated memberships in the System unless otherwise authorized by the Manager in writing.

- C. A new Class B member will pay the fee that is set annually by the Board of Directors for the membership and hookup. The fee includes: a \$200.00 deposit, a set cost for material and installation charges for an *18-inch diameter meter pit, a ¾ inch meter assembly, curb stop and box (riser), saddle and corporation valve, fittings, digging in the water service up to twenty (20) feet. (footage beyond 20 feet will cost an additional \$8.00 per foot in normal digging conditions). (Adverse digging conditions or obstructions above and / or below ground will be charged accordingly on a case by case basis). Road bores will incur additional charges as determined by the contractor.

* Meter pits are mandatory for all new services to the System. Meter pits are mandatory on all reinstated memberships. If the Manager determines that a meter pit is not feasible for a service line involving a 1 inch or larger meter assembly, the Manager may waive the requirement for a meter pit.

- D. Water service line fees for a water meter assembly larger than 1 inch will be calculated on a case by case basis by the System.
- E. When a mainline extension or service line is put into service, the line becomes the property of the System. The System is responsible for maintaining the line even though the installation expense was borne by the individual.
- F. Prior to allowing a line extension or a new service, the System may confer with the System's Engineering firm to confirm the additional service or services will not adversely affect existing members. If an Engineering study is conducted, the developer(s), or member(s), shall pay all costs of the study. If the engineering study determines that upgrades are needed within the system, the System may negotiate with the developer(s), or member(s) a plan for the payment of the upgrades which may include a cost share agreement.
- G. Prior to the System extending water lines or allowing water lines to be extended for the System within or along developments, easements will be granted within the development by the developer, property owner(s), or member(s), all in form and manner acceptable to the System. If landowners not connected with the proposed development refuse to provide easements within private property along the water extension route, the System may elect, but is not obligated to, construct or have the water line constructed with in the public Right of Way with the local governing boards consent or may refuse the construction of the water line.
- H. If dirt or other cover has been removed from the water service line or mainline after the service line or mainline has been installed, the individual, entity, lessee, or landowner who made, caused, or permitted such removal or otherwise changed the landscape after installation shall be responsible for all costs of reinstalling the line to a depth that complies with System specifications.
- I. If landscaping including rock, trees or other plants, sidewalks or driveways are placed over the water lines after the water line has been installed, the System is not responsible for the costs for removal, replacement, or repair of such items if damage occurs as a result of settling or construction activities

- required to repair or replace the existing water lines. The System will notify the property owner of the situation, the need for the removal of obstacles and a timeline for such removal. Failure to comply with the notification may result in the water system shutting water service to the property or hiring a contractor to remove obstacles then invoicing the property owner for added time and contractor costs associated with the removal of the obstacles.
- J. When a mainline extension is requested by a developer or member for the purpose of providing service to a development, the System may pay one-half of the cost, up to a maximum of \$2000.00. Any developer, developers or member requesting a mainline extension must pay the estimated cost in advance, less the portion of the cost agreed to be paid by the System. Upon completion of the mainline extension the developer or member will pay for any additional costs in excess of the estimated cost or will receive a refund in the amount determined by the difference between the estimated cost of installation and the actual cost of installation, if the cost of installation is less than the estimated cost paid in advance by the developer, developers or member. This policy does not include line extensions within developments. The System will not pay any portion of a line extension within a development.
 - K. After a line extension has been put into service, even though paid by a developer or member, the System, at its sole discretion, may add additional members to the mainline.
 - L. The water lines of the System must be accessible at all times for maintenance or repair. If landscaping or other obstructions including buildings, decks, or trees are placed over or near the water lines the System will not be held responsible for damage caused by water leaks or excavation to repair or replace water main lines or service lines. The System may at its option; install a meter pit, reroute the water line at the members expense around any obstruction placed over or near the water line or request the member sign an encroachment agreement. In the event the water line is relocated the member shall grant a new easement for the relocated water line.
 - M. Failure by a developer or member to pay the amount due to the System within 30 days of statement date may result in any of the following:
 - 1. If the developer is a member of the System, then that member's water service may be discontinued as outlined in Section 10.
 - 2. A mechanics lien may be filed regarding the water main and service to the property.
 - 3. An amount of money due to the System by a developer or member will incur a monthly penalty fee if not received within 30 days of statement or invoice date.
 - N. The System requires all contractors working on water system piping and appurtenances to have sufficient experience in water system construction and be approved by the Manager of the System. This policy includes new construction as well as connecting to the existing system. The System requires a 24-month warranty on all new water main construction within the System from date of final completion.
 - O. Developers or landowners must contact the System office prior to connecting to the water system. The System Manager, with assistance from the System Engineer, will determine a mainline improvement recovery fee. All mainline recovery fees will be calculated on a case by case basis and must be paid to

the System prior to connection to the water system. The Board of Directors is required to approve all mainline improvement recovery fee agreements.

7. ACCESS TO PREMISES

- A. Duly authorized agents of the System shall have access, at all reasonable hours, to the premises of the member for the purpose of installing, updating, repairing or removing the System's property, inspecting piping, reading or testing meters, or for any purpose in connection with the System's service and facilities.
- B. Each member shall grant or convey or cause to be granted or conveyed to the System, a permanent easement and right-of-way across any property owned or controlled by the member wherever said permanent easement or right-of-way is necessary for the System water facilities or lines. The determination of such necessity shall be at the sole discretion of the System, and such easement and right-of-way may be requested as to real property not being served by the System.
- C. In the event the System suspects a water meter or communication wire to the meter to be defective, the member, or lessee of a member, shall allow a representative of the System access to repair or replace the water meter or communication wire. Until such time as the meter or communication wire has been fixed the System may estimate the water usage for billing purposes.

8. CHANGE IN OCCUPANCY

- A. Not less than seven (7) day notice shall be given by the member to the System, in person, in writing, or pursuant to a phone call to discontinue service or to notify a change in occupancy. This 7-day notice requirement may be waived by the System.
- B. The member shall be responsible for all water used until such time of the disconnection of service or the time specified for the disconnection of service, whichever is later, and if no notice is given to the System, the member shall continue to be responsible for paying for all water used at that service.
- C. If a member's property is a rental property, the member is responsible for any and all unpaid charges relating to water service incurred by the occupant of said property or any damages to the property of the System during occupancy or relating to such occupancy.
- D. If the member's property is sold or transferred to an immediate family member, other than the member's spouse, a name change will be made at the System office, upon payment of a fee of \$200.00 subject to the requirement that the membership must remain at the same location. In this event, the deposit will not be returned to the member who is selling or transferring the membership, but will become the property of the new member. This provision does not apply to members identified in Section 11 paragraph "B".
- E. If the property served by the System is a rental property, a \$100.00 deposit must be paid by the tenant. The deposit shall be returned to the tenant when tenant and member has properly notified the System as provided in Section 8, subsection A, and the account is current at the time tenant moves out of property.

- F. If the property served by the System is a rental property, the System reserves the right to notify the member that the tenant is delinquent on his water bill.
- G. If a member in good standing moves from one residence to another with water service within the System, a fee of \$200.00 will be charged. This provision applies to existing properties with memberships and hookups to the System. This provision does not apply to members identified in Section 11 paragraph "B". The membership deposit will be transferred to the new residence or location.

9. METER READING, BILLING, and COLLECTING

- A. The System will read the water meter monthly by means of radio read technology. The System will bill and send out monthly statements. The readings will take place approximately between the 21st and the end of the month.
- B. The System will send out statements to the member, or lessee of a member, before the 1st of the month following the reading date. The statement shall include the amount of water used during that time period, the amount of payment due and the date the payment is due. Other information may be included on the monthly statement.
- C. Payment in full of the monthly water bill will be due at the System office on or before the 11th of the month.
- D. A payment in full of the monthly water bill not received by the System on or before the 11th day of the month will incur a \$5.00 late fee. ANY PARTIAL PAYMENTS INCLUDING APPLICABLE LATE FEES ARE CONSIDERED DELINQUENT.
- E. The failure to pay for water charges and applicable late fees when due will result in automatic imposition of the following penalties:
 - 1. Nonpayment for ten days after due date will appear as a previous balance on the following billing statement. The account will be considered delinquent and if payment is not received at the office by the 11th day of the month water service will be disconnected. A reconnection fee of \$70.00 will be charged during business hours. The System will not reconnect disconnected services after normal business hours, on weekends or on holidays. A collection fee of \$30.00 will be charged if an employee of the System goes out to shut the water off and the bill is paid while the employee of the System is on site. The System will NOT send any additional notices to the member or lessee of a member prior to disconnection of service.
 - 2. Nonpayment for sixty days after due: The member's membership may be cancelled by the Manager of the System if any bill for water service owed to the System is sixty (60) days past due.
- F. The System may obtain meter readings as often as it deems necessary.
- G. The System may use whatever legal means are available to recover any bad checks received for payment of water bills, materials, supplies, or any other services performed by the System. Such accounts will be treated as delinquent accounts. All expenses incurred by the System in the collection of delinquent checks are the responsibility of the water user. There is a \$30.00 fee for a returned check or ACH chargeback. This fee is subject to revision by the Board of Directors. The current charged fee for returned checks or ACH

chargebacks will be posted in the office of the System.

- H. The System reserves the right to refer returned checks to the proper authorities for prosecution. The System may, at their sole discretion, opt to follow the procedures set below.
 - 1. Present all checks two times for payment.
 - 2. A second deposit of a returned check will be made after a check is returned the first time.
 - 3. If a member, or lessee of a member, has two returned checks in a four month period, the System will not accept checks for six consecutive months, but will only accept payment in the form of credit card, cash, cashier check, or postal money order.
 - 4. At the option of the System, after six months of not accepting checks from a member, or lessee of a member, , it may reinstate the right of that member, or lessee of a member, to pay by personal check.
 - 5. Any account will be considered delinquent until payment in full of a returned check has been made.
 - I. A service call fee of \$50.00 is charged during business hours and a service call fee of \$100.00 is charged after business hours, on weekends or on holidays. This service call fee is charged when an employee or representative of the System comes out at the request of the member to check a problem and the problem does not relate to the operation of the System's water delivery system. There will be no charge if it is a problem of the System's water delivery system. Example: water leak before the meter or water coming from a leaking meter assembly (meter, regulator, or backflow devise) are water delivery problems of the System and are System property. Leaking pipes after the meter, including underground lawn water sprinkling systems are not water delivery problems of the System and the member is responsible for those problems.
 - J. For active members of the armed forces, the System will waive the disconnect fee, reconnect fee, and the monthly minimums for those members who are called away from home to serve active duty so long as no water usage will occur during that time.
 - K. In the event the System suspects a water meter or communication wire to be defective, the member, or lessee of a member shall allow a representative of the System access to repair or replace the meter or communication wire. Until such time that the meter or communication wire can be fixed, the System may estimate the water usage for billing purposes.
10. DISCONNECTION OF SERVICES
- A. The System reserves the right to discontinue services for the following reasons:
 - 1. Nonpayment of bills owed the System.
 - 2. Member's, or lessee of a member's willful disregard of the System's "Policies, Rules, and Regulations".
 - 3. Emergency and non-emergency repairs.
 - 4. Insufficient supply due to circumstances beyond the control of the System.
 - 5. Legal process.
 - 6. Direction of public authorities.

7. Strike, riot, fire, accident, or any unavoidable cause.
 8. Public safety.
 9. Compliance with the terms of the "Settlement Agreement and Release" with the city of Sioux Falls, Tea, and Harrisburg including any exhibits referred to in it.
 10. Compliance with the terms of any water contract with any water supplier of the System.
 11. Unauthorized use of the water, including connections of service lines for the purpose of supplying water to another user, whether with or without consideration, the resale of any purchased water from the System other than pursuant to a written agreement, and any connection between any private water source and the water lines of the System.
- B. When water service is disconnected for nonpayment of bills or for noncompliance with these Policies, Rules, and Regulations of the Member Agreement, the System, at its sole discretion, may cancel the membership of the offending member. Service may be restored upon payment of a reinstated membership fee at the then current rate, together with payment of all expenses incurred for the disconnection of the water services, plus the amount owed for water service prior to the disconnect, and any new expenses incurred for the collection of such amount, together with payment in full of the current reconnect fee as established from time to time by the Board of Directors.
- C. In the alternative, the System may allow the offending member to retain a membership in the System. In such case, the water service may be restored only after payment of all amounts owed for water services at the premises including the minimum monthly charges for any period of non-use, plus expenses incurred for the disconnection and reconnection.
- D. The System may, in addition to prosecution by law, permanently refuse service to any member that tampers with the meter, other measuring device, or any property of the System. The System may impose as liquidated damages the sum of \$500.00 against anyone, except authorized personnel of the System, who tampers with the property of the System, which sum in the case of the member, or lessee of a member, shall be added to and become part of that member's, or lessee of a member's monthly water charges. Example: Turning on the water after the service was turned off for nonpayment of a water bill. The System's property includes: Curb stop and riser, meter assembly, radio read transmitter, valve signs, or anything belonging to the System or used by the System to deliver water. Turning the water back on after it was shut off by the System, subjects the member to a liquidated damages charge of \$500.00.
- E. The following procedure applies to violation of any of the system's water conservation rules including failure to comply with lawn water restrictions and lawn watering bans.
1. First offense---Written warning
 2. Second offense---Disconnection of service and payment of reconnection fee in the amount of \$200.00
 3. Third offense---Disconnection of service and payment of reconnect fee in the amount of \$500.00

F. S.D. LAW: SDCL Chapter 49-34 provides as follow:

49-34-18. Definitions – Unauthorized use of service.

Terms as used in this section and 49-34-19 to 49-34-21, inclusive, mean:

- (1) “Bypassing,” the act of attaching, connecting or in any manner affixing any wire, cord, socket, motor or other instrument, devise or contrivance to the public utility supply system or any part thereof in a manner to transmit, supply or use and utility service without passing through an authorized meter for the measuring or registering the amount of utility service;
- (2) “Customer,” the person responsible for payment for utility services for the premises. The term includes employees and agents of the customer;
- (3) “Tampering,” damaging, altering, adjusting or in any manner interfering with or obstructing the action or operation of any meter provided for the measuring or registering the amount of utility service passing through the meter, or any valve provided by the utility for preventing back flow of water into supply lines, or any other devices owned and maintained by the utility;
- (4) “Unauthorized metering,” removing, moving, installing, connecting, reconnecting or disconnecting any metering device for utility service by a person other than an authorized agent of the utility;
- (5) “Utility,” any public utility, municipality owned utility, rural water system or cooperative which provides electricity, gas or water for sale to customers;
- (6) “Utility service,” the provision of electricity, gas, water or any other service or commodity customarily furnished by the utility for compensation;
- (7) “Utility supply system,” includes all wire, conduits, pipes, cords sockets, motors, meters, instruments and all other devices used by the utility for the purpose of providing utility service;

49-34-19. Civil liability for unauthorized service and damage to facilities –
Limitation of action – Treble damages – Costs

A utility may bring a civil action for damages against any person who commits authorizes, solicits, aids, abets or attempts any of the following acts resulting in damages to the utility, namely: bypassing, tampering or unauthorized metering. In addition, a utility may bring civil action for damages pursuant to this section against any person who knowingly receives utility service through means of bypassing, tampering or unauthorized metering. An action brought pursuant to this section shall commence within three years after the cause of action accrues. In any civil action brought pursuant to this section, the utility shall be entitled, upon proof of willful or intentional bypassing, tampering or unauthorized metering, to recover as damages three times the amount of actual damages plus all reasonable expenses and costs incurred on account of bypassing, tampering or unauthorized metering, including but not limited to, costs and expenses for investigation, disconnection, reconnection, service calls, employees and equipment, expert witness fees, costs of trial and reasonable attorney’s fees as allowed by the court. If a defendant in a civil action brought pursuant to 49-34-18 to 49-34-21, inclusive, prevails, the court shall award costs to the defendant.

49-34-19.1. Tampering with a back-flow preventer a misdemeanor.

It is a class 2 misdemeanor for any person without lawful authority to connect, disconnect, bypass, or tamper with a back-flow preventer installed on a public water

system. Nothing in this section affects the right of a water service company to recover any damages caused by the violation of this section.

49-34-20. Presumptions

There is rebuttable presumption that a tenant or occupants of any premises where bypassing, tampering or unauthorized metering is proven to exist, caused or had knowledge of such bypassing, tampering or unauthorized metering, if the tenants or occupant had controlled access to the part of the utility supply system on the premises where the bypass, tampering or unauthorized metering is proven to exist, and if the tenant or occupant was responsible or partially responsible for the payment to the utility or to any other person for utility services provided for the premises. There is a rebuttable presumption that a utility customer at any premises where bypassing, tampering or unauthorized metering is proven to exist, caused or had knowledge of such bypassing, tampering or unauthorized metering, if the customer controlled access to the part of the utility supply system on the premises where the bypassing, tampering or unauthorized metering is proven to exist.

49-34-21. Remedies additional.

It is the purpose of this section and 49-34-18 to 49-34-20, inclusive, to provide additional remedies to avoid the wrongful use of the facilities of utilities; and nothing in this section and 49-34-18 to 49-34-20, inclusive, abridges or alters those rights of action or remedies existing prior to July 1, 1985.

11. MEMBERSHIP REFUND

- A. The refund of the water membership is determined by the Board of Directors of the System. The following is the membership refund schedule:

Transfer of Membership

Date Membership Purchased	Fee	Refund Amount	System
01/01/1971 to 01/01/1978	\$ 150.00	\$150.00	\$0.00
01/01/1978 to 01/01/1984	\$ 200.00	\$200.00	\$0.00
01/01/1984 to present	\$ 500.00	\$200.00	\$300.00

- B. The original customers of the City of Harrisburg that were transferred to the Water System from the City of Harrisburg in 2016 and 2017 will receive no deposit refund from the Water System when that member's property is sold, transferred, or terminated.
- C. For NEW Construction Membership Fees, please call our office. The refund amount on a new construction is \$200.00.

12. COMPLAINTS / ADJUSTMENTS

- A. If a member or lessee of a member believes the meter reading to be in error, such member or lessee of a member shall present a claim, in person or in writing, at the System office before the bill becomes delinquent. Such claim, if made after the bill has become delinquent, shall not be effective in preventing the discontinuance of service. The member or lessee of a member shall pay such bill under protest, and the payment protest shall not prejudice the claim.

- B. The meter will be tested at the request of the member or lessee of a member upon payment to the System of the actual cost to the System of making the test. If the meter is found to over-register beyond the 3 percent of the current volume, no charge will be made, and the meter testing charge will be refunded.
- C. The member or lessee of a member shall not, without written authorization from the System, break the meter seal. The System may test or cause to be tested a meter with a broken seal. The member or lessee of a member is responsible to reimburse the System for all its incurred costs to test the meters.
- D. If a member or lessee of a member incurs an unusually high water usage caused by an unintentional leak after the meter, the member or lessee of a member or spokesperson for that member or lessee of a member may attend the next regularly scheduled monthly meeting of the Board of Directors to ask for a reduction in the amount due for that water bill. The Board of Directors may decide at that meeting or at a following meeting to:
 - 1. Excuse the usage in question with no charge for a portion or all the water used; or
 - 2. Allow the use of a lower charge for calculating a cost for the unusually high usage; or
 - 3. Direct the member or lessee of the member to pay the full amount due.

13. EASEMENTS – MAINLINES OR SERVICE LINES

- A. Before a new service will be installed the owner will agree to and grant to the System an easement in form and manner acceptable to the System for the purpose of installing water service infrastructure determined necessary by the System.
- B. The System may pay \$1.00 as good and valuable consideration for easements granted within the service territory.
- C. The System may pay a negotiated amount to the landowner as a financial settlement if crop is damaged by construction or repairs of water lines. The settlement may be based on square footage of damaged crop area, the average yield of the crop and the market price of that crop.
- D. The System may negotiate and pay for easements for mainlines that are outside of the Lincoln County Rural Water System, Inc. service territory as shown on Exhibit A or as described in the “Settlement Agreement and Release” signed 09/30/2008 or attachments related to thereto.
- E. The System will require a mainline easement area based on the actual acreage described in the easement. Example: Thirty feet x ½ mile (2640 feet) equals 79,200 divided by 43,560 equals 1.8 acres.
- F. The System may at the discretion of the Board of Directors make a monetary offer for mainline easements.

14. DISTRICTS AND BOARD OF DIRECTOR PETITION PROCESS
 - A. DISTRICT 1: SHALL CONTAIN THOSE CLASS A MEMBERS AND CLASS B MEMBERS WHOSE WATER SERVICE MEMBERSHIP IS LOCATED NORTH OF THE CENTERLINE OF 272ND ST. AND EAST OF THE CENTERLINE OF 475TH AVE.
 - B. DISTRICT 2: SHALL CONTAIN THOSE CLASS A MEMBERS AND CLASS B MEMBERS WHOSE WATER SERVICE MEMBERSHIP IS LOCATED SOUTH OF THE CENTERLINE OF 272ND St.
 - C. DISTRICT 3: SHALL CONTAIN THOSE CLASS A MEMBERS AND CLASS B MEMBERS WHOSE WATER SERVICE LINE IS LOCATED NORTH OF THE CENTERLINE OF 272NDST. AND WEST OF THE CENTERLINE OF 475TH AVE.
 - D. AT LARGE BOUNDARIES: ALL CLASS A MEMBERS AND CLASS B MEMBERS OF DISTRICT 1, DISTRICT 2 & DISTRICT 3.

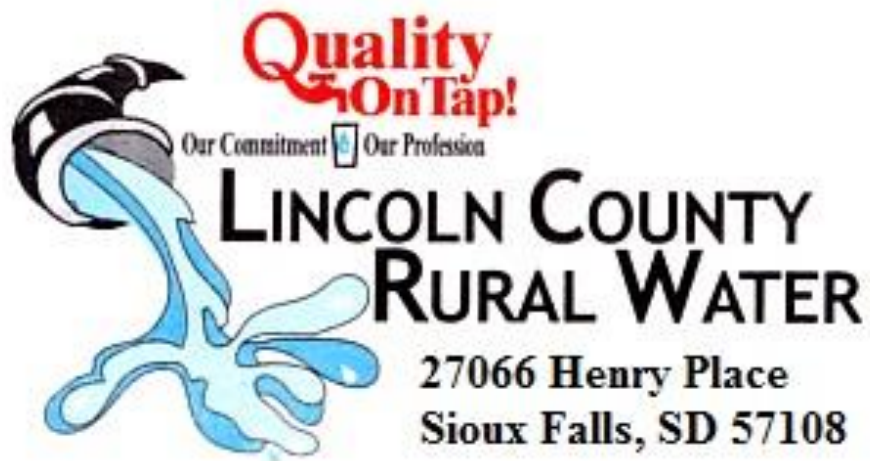
The petition must be returned to the Lincoln County Rural Water System office at 27066 Henry Place, Sioux Falls before 4:30 PM at least 60 days before the annual meeting.

A NATURAL PERSON WHO IS A MEMBER IN GOOD STANDING OF THIS CORPORATION AND RESIDING WITHIN THE DISTRICT IN WHICH THE VACANCY OCCURS OR RESIDING WITHIN THE SYSTEM FOR THE DIRECTOR AT LARGE POSITION, MAY BECOME A CANDIDATE FOR THE OFFICE OF DIRECTOR FOR SUCH VACANCY BY FILING AT THE CORPORATION HEADQUARTERS AT LEAST 60 DAYS PRIOR TO THE DATE OF THE ANNUAL MEETING.

THE PETITION MUST BE SIGNED BY AT LEAST 10 MEMBERS IN GOOD STANDING WHO ALSO RESIDE WITHIN THE DIRECTOR DISTRICT FOR WHICH THE VACANCY EXISTS.

IN THE CASE OF THE DIRECTOR AT LARGE, THE PETITION MUST BE SIGNED BY AT LEAST 10 MEMBERS IN GOOD STANDING WHO ALSO RESIDE WITHIN THE BOUNDARIES OF THE SYSTEM.





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