

**WATER USER REGULATIONS OF THE
MEANSVILLE-RILEY ROAD WATER COMPANY, INC.**

Adopted by Resolution – February 11, 2020, As Amended on February 8, 2022

I. General.

A. General Applicability. These Water User Regulations (the “*Regulations*”) govern the sale of water service to the members (the “*Members*”) of the potable water system (the “*System*”) operated by the Meansville-Riley Road Water Company, Inc. (“*MRWC*”). The Regulations are authorized by the provisions of the Bylaws of MRWC (the “*Bylaws*”). To the extent of any inconsistency between the provisions of the Regulations and the Bylaws, the provisions of the Bylaws shall control; however, it is anticipated that the Bylaws shall be read in conformity with the Regulations and the Water User Agreement signed by each Member (the “*Water Agreement*”) as a condition of receiving service from the System.

B. Applicability to All Members, Rates and Contracts. These Regulations apply to all Members. They are incorporated by reference in each application for service and/or each Water Agreement and they shall govern and affect service to all Members. The Regulations shall also be read and interpreted with the provisions of the rate schedule and any other regulation or covenants applicable to MRWC. Rates, charges and fees herein shall be interpreted in conformity with the most current rate schedule approved by the Board of Directors, as the governing body of MRWC (the “*Board*”). To the extent of any inconsistency between the Regulations and MRWC’s rate schedule, the most recent version of the Regulations or the rate schedule, as approved by the Board, shall apply.

C. Disclaimer of Warranties. MRWC DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR OTHERWISE RELATED TO THE ADEQUACY OF WATER PRESSURES AND VOLUMES FOR DRINKING, IRRIGATION, FIRE SERVICE OR ANY OTHER INTENDED USES.

D. Status; Approval. These Regulations are a matter of public record and are expressly authorized by the Bylaws and the Board as essential operating requirements of MRWC.

E. Receiving Service Constitutes Acceptance. Taking or receiving service from the System will constitute conclusive evidence that the Member has accepted and intends to be bound by the Bylaws, MRWC’s articles of incorporation, the Regulations, and any other rules, regulations, rate classification or rate schedules, all as may be amended from time to time.

F. Statement by Agents. No representative of MRWC has authority to modify any provision of these Regulations, or the provisions of rate schedules, or to bind MRWC by any promise or representation contrary thereto, without express written authorization from the Board, acting as a uniform body or the General Manager of MRWC (the “*General Manager*”).

G. Relationship to Member service Policies and the Supplemental Water Regulations. These Regulations are supplemental to the Water Agreement. In case of conflict between the documents, these Regulations shall control.

II. Applications.

A. Applications Generally.

1. No service will be installed or continued without the execution and delivery of a Water Agreement, in form and substance acceptable to MRWC. Further, each Member shall be required to pay the initial membership fee, as established by the Board consistent with the terms of the Bylaws.

2. All Water Agreements must be signed by the Member, who in all cases must be more than eighteen (18) years of age and otherwise legally capable of entering a mutually binding contract. Moreover, each Member shall conform to the membership requirements in the Bylaws prior to being considered a Member and being authorized to execute and deliver a Water Agreement.

3. Members must supply two forms of identification, including one picture identification and proof of ownership or residency, as applicable, at the service location in question.

4. MRWC will not furnish water service to any former-Member who, at the time of renewal, is indebted to MRWC for service previously furnished to such applicant or applicant's business.

5. MRWC will not furnish its water services to any Premises (as defined herein) where at the time an application is submitted any resident in the Member's household is indebted to MRWC for service previously furnished to such Member or Member's business.

6. MRWC will not furnish its water service to any Member who at the time an application is submitted is the owner of the Premises that is indebted to MRWC for services previously furnished to the Member.

7. If MRWC discovers that a Member is unwilling or unable to satisfy or abide by the Bylaws, the Regulations or any other rule, policy or rate schedule of MRWC, water services shall be discontinued.

B. Multiple Accounts.

1. Members having more than one service location, or who desire more service connections, must make a separate application for each service location.

2. Members requesting multiple water service connections at one location, must make a separate application for each such service connection.

C. Designation or Change of Class of Service or Rate. At the time of application, the Member must designate the rate and class of service for which the Member believes it qualifies. The Member's designation will be subject to review and acceptance by MRWC. In the event that the Member becomes ineligible for its current class of service or rate, or determines that it was not eligible for such service class at the time of the initial application, the Member will report that fact to MRWC. With or without such a report, MRWC may change the Member's class of service to correct any mistake in designation and may bill the Member for the difference in cost for past service for up to three years if the new rate or classification is higher than the rate or classification under which the Member was initially billed. If the change would result in a lower cost to the Member, it is the Member's responsibility to re-apply for the new rate or class of service. In such case, MRWC will not be required to provide refunds to the Member past the date of the filing of a valid application for a lower rate.

D. Grant of Right of Way. In requesting or accepting water service, the Member grants MRWC, without charge, necessary rights-of-way and trimming and clearing privileges for its facilities along, across and under property controlled by the Member to the extent that such rights-of-way and clearing are required or necessary to enable MRWC to supply service to the Member or to operate, repair, maintain or replace facilities providing service to the Member. The Member also grants MRWC all right-of-way required to continue or extend MRWC facilities on, across, or under the Member's property to serve other Members from those facilities.

E. Assignment and Transfer of Service. A Member who wishes to cease taking service at any location must notify MRWC of that fact in writing, giving the name and address of the new resident, if known. No contracts or agreements or service rights may be transferred from or between users without a new membership application being filed.

F. Obligations When Service is Carried Over. If a new user fails to make application to MRWC, such new user's use of MRWC's service constitute acceptance by such new user of all the contract obligations of the preceding user. If the new user does not formally apply for service within 3 business days of notification, MRWC may, in its discretion, terminate such service; failure to timely terminate service does not constitute a waiver of MRWC's right to terminate service at any time in the future.

G. Obligations of Departing Member. In the event any departing Member fails to notify MRWC of the change in ownership or occupancy of the Premises, such Member shall continue to be liable to MRWC for all rates and charges, accrued and accruing for

such service until notice is given by that Member in writing to MRWC and MRWC has terminated service or transferred service to another Member.

H. Returning Members. Any person leaving the System as a Member may renew and reactivate such membership upon returning and will be required to comply with the provisions of the Bylaws regarding such renewal and reactivation, specifically including making payment of any outstanding indebtedness (and accrued interest thereon).

I. Member Application Fee. Member application fees shall be as set forth in MRWC's rate schedule.

III. Definitions. Except where the context otherwise indicates another or different meaning or intent, the following terms are intended and used, and will be construed to have meanings as follows:

"Premises" means any home, apartment, dwelling unit, shop, factory, business location (including signs and water pumps), church, or other building or structure which shelters the Member for his individual or collective occupancy where all service may be taken from a single connection.

"Service Point" means the point at which MRWC's and Member's utility facilities are connected and through which service may be provided.

"Cross-connection" means any actual or potential connection or structural arrangement between MRWC's water supply and any other source or system through which it is possible to introduce into any part of the potable system any used-water, unapproved auxiliary water supply, water of questionable quality, industrial fluid, natural gas or any other substance other than the intended potable water with which the system is supplied. By-pass arrangements, jumper connections, removable sections, swivel or change-over devices and other temporary or permanent devices through which, or because of which, backflow can or may occur are considered to be Cross-connections.

IV. Extension of Service.

A. General. Before proceeding with plans for construction, development or any other project that would result in any new or additional water requirements, the Member will consult with MRWC and furnish to MRWC such information as MRWC may require to determine whether MRWC's facilities are capable of providing service as requested.

B. Extensions of Service.

1. Evaluation of Requests for Extensions. All extensions or expansions of water to serve new Members or to serve increased demands from existing Members will be made at the discretion of MRWC. MRWC may make extensions or

expansions of service contingent upon the following conditions and other considerations as determined by MRWC:

- a) MRWC's determination that the proposed extension or expansion of service will be technically feasible under MRWC's engineering criteria;
- b) MRWC's determination that the proposed extension or expansion of service will not jeopardize or unacceptably degrade service to other Members or place undue costs or operating limitations on MRWC;
- c) MRWC's determination that sufficient water capacity will be available to meet the extension or expansion's associated demands and other needs of the System at reasonable costs to MRWC;
- d) MRWC's determination that the proposed extension or expansion will conform to MRWC's overall long-range system development plans;
- e) MRWC's determination that rights of way or permits necessary for the extension or expansion are available; and
- f) MRWC's determination that provisions for paying the capital and other costs of the extension or expansion have been made and are acceptable to MRWC in its sole discretion.

C. Payment of Cost. In addition to paying the cost of the extension as required by MRWC, the individual(s) requesting the extension may be required to pay all applicable service application fees, tap fees, capacity fees and deposits in advance of service being provided.

D. Service Commitments in Writing and Cancellation of Commitments in Case of Delay. Any commitment by MRWC to provide service or capacity for any future development, construction or other project shall be binding only if made in writing after approval of the Board and may be withdrawn or cancelled, or the capacity commitment reduced, if the construction or development plan or any phase thereof is delayed for more than thirty months beyond the later of (i) the date that the capacity commitment was issued, or (ii) the date if any that is referenced in the capacity commitment documents as the date that construction is anticipated to begin for any project, development or phase thereof.

V. General Terms of Service.

A. Use of Service. The service provided by MRWC will not be used in any manner other than those provided for in MRWC's applicable rate schedule, service agreement or contract and such service will not be used for resale of service to any other user.

B. Standards of Service and Disclaimer of Liability.

1. MRWC will endeavor to provide water service at a minimum pressure of twenty-five (25) pounds per square inch (“PSI”) under normal operating conditions and twenty (20) PSI during unusually heavy demand periods. *However, MRWC does not guarantee or warrant such pressure and does not warrant or guarantee that the pressure or quantity of water will be sufficient for fire service or other intended uses.* MRWC will not be liable to the Member or any other parties for loss or damages resulting from insufficiency of pressures or volumes or for insufficiency of service for firefighting or fire protection service or other uses.

2. MRWC does not warrant or guarantee continuous or uninterrupted service. MRWC will use reasonable diligence to restore interrupted service, but will not in any event be liable for any loss or damage from any failure, interruption, reduction or suspension of service or the failure of water supplies to meet potability standards.

3. MRWC reserves the right to curtail or temporarily interrupt, without notice, the Member’s service when necessary for repairs, replacements or changes to be made in MRWC’s facilities and equipment, either on or off the Member’s Premises.

4. MRWC may impose reasonable restrictions on the use of service during periods of limited supply or excessive demand or other circumstances that may jeopardize the supply of service to any group of Members.

C. Access to Member’s Premises. The Member agrees that employees of MRWC, and its agents, will have the right to enter the Premises for the purpose of making all necessary installations, inspections, repairs, readings and for any other reason for administering services and that the Member will not permit unsafe conditions that might hinder such access.

D. Facilities, Equipment and Special Equipment.

1. The Member will pay the cost of any special equipment necessary to meet the Member’s unique service requirements, to eliminate pressure variations on the System resulting from Member’s use, or otherwise to eliminate the detrimental effects on the System or on service of other Members. MRWC may make a reasonable charge for the additional equipment. Unless otherwise agreed in writing, all such equipment will become the property of MRWC.

2. The Member will not remove, replace, move, disconnect, deface, damage or destroy any facilities or equipment installed by MRWC on Member’s Premises but will take reasonable steps to protect such property from loss or damage. MRWC

facilities or equipment may only be removed or replaced by MRWC, its agents, or contractors.

3. Where equipment and facilities installed by MRWC are located on Member's property that is not otherwise accessible to the public, the Member will not permit access to such equipment and facilities except by duly authorized representatives of MRWC.

4. All equipment supplied or paid for by MRWC, or which becomes the property of MRWC under these Regulations, will remain MRWC's exclusive property and MRWC will have the right to remove such property from the Premises of Member at any time after termination of service.

VI. Taps and Connections.

A. Tap Fees.

1. Standard tap fees for water service shall be as set forth in the most recent rate schedule approved by the Board.

2. For non-standard, fire protection, sprinkler and irrigation taps, the Member will pay MRWC's actual costs to include direct labor, direct material, the necessity of increased capacity and other direct charges associated with the separate tap.

3. To receive water service, each Premises must be set up by a Member and no water taps will be made for the purpose of providing water for new construction unless the Member provides MRWC with valid building permits.

4. Each Member shall connect his service line to the System and shall commence to use water from the System on the date water is made available to the Member.

5. Each Member shall cause all Premises receiving water service to be connected to the System in a timely manner and each connection shall be made in accordance with the specifications of MRWC, these Regulations, the South Carolina Department of Health and Environmental Control ("*DHEC*") and any other applicable, State, federal or local requirements or regulations.

6. MRWC shall purchase and install a cutoff valve and water meter in each service. MRWC shall have exclusive right to use such cutoff valve and water meter. The Member shall install a cutoff valve on his side of meter for his personal use; however, MRWC, in its sole discretion, may install a personal use cutoff valve at the request of and upon payment in full by the Member.

B. Fire Service Taps.

1. Fire Service Taps.

a) All fire service taps will require the installation of a full flow fire service meter. The Member will be required to purchase a fire service tap of suitable size to meet applicable fire protection requirements. A separate tap and meter is required for any fire service connection.

b) The cost of a fire service tap will be calculated by MRWC in each individual case. The cost will include all materials and labor including the meter and vault.

c) All fire service taps will require an approved double check backflow preventer in accordance with the requirements of DHEC, supplied by the Member at his expense.

d) Members with fire service taps will grant to MRWC an easement at a location designated by MRWC for installation of a meter vault and associated equipment. The meter and vault will be the property of MRWC and will be under its sole control. The backflow preventer will be the property of the Member. Member will maintain such device to MRWC's satisfaction and in accordance with the rules and regulations of DHEC and MRWC.

e) The monthly fire service availability fee will be as set forth in the applicable rate schedule or as otherwise determined by MRWC.

2. Other services.

a) Fire Hydrant Flow Tests. A Member may request that MRWC perform a fire hydrant flow test, and MRWC will charge an amount set out in its rate schedule to perform such test. In the event that a current fire hydrant flow test record is on file with MRWC and can be utilized no charge will be applied.

b) Fire Use Water. Water used by duly chartered firefighting organization for firefighting or training of public firefighters will not be billed but volumes must be accounted for and provided to MRWC within 10 days of use.

VII. Member Installations.

A. All water meters will be installed in the public rights-of-way or in utility easements designated by MRWC.

B. All water service lines will be stubbed-out to the property line or, as applicable, to a point designated by MRWC. The stub-out will be done at the Member's expense by the Member or a contractor licensed to perform such work, with the necessary permit(s) as required by MRWC. MRWC will connect to the Member's stub-out provided the Member has paid all fees and charges necessary to establish service.

C. All plumbing for such stub-outs must be installed in accordance with the International Plumbing Code and must be inspected by MRWC.

D. MRWC strongly recommends that Members install a pressure regulator at the beginning of their service line to protect the Premises and to regulate pressure coming into the Premises.

VIII. Cross Connection Control/Backflow Prevention.

A. Where installations require backflow prevention devices pursuant to South Carolina's Safe Drinking Water Act (codified at §§ 44-55-10 through 44-55-120 of the Code of Laws of South Carolina 1976, as amended), MRWC will require the Member to install, at the Member's expense, Cross-connection control devices in the category required by State law and the policies of MRWC.

B. Members who have Cross-connection control/backflow prevention devices on their water services may be required to pay an annual inspection fee for such Cross-connection as may be established by MRWC and set forth in the rate schedule adopted by the Board.

C. Any Cross-connection control device found to be defective will be repaired or replaced to MRWC's satisfaction at the Member's expense. Failure to perform inspection, testing and maintenance of backflow prevention devices as required will result in MRWC classifying the service as an unprotected Cross-connection. In the event it is determined that an unprotected Cross-connection exists, the service may be disconnected immediately and without notice until corrective measures have been taken and such measures are deemed satisfactory by MRWC.

IX. Service Terms.

A. Deposit. In addition to the membership fee and other required fees, certain Members shall be required to pay a water deposit. The amount of any water deposit and the basis therefor shall be set forth in MRWC's rate schedule and is subject to change.

1. Additionally, the amount of the deposit is not required to be uniform, but may be set at different levels based upon customer classifications to be established by the Board.

2. In the event service to the Member is terminated, either voluntarily by the Member or by MRWC for cause (under the Bylaws, these Regulations or any other applicable regulations), the deposit shall be applied to any unpaid balance the owing on the Member's account.

3. If any balance of the deposit remains after being applied to the Member's account, the remainder deposit shall be refunded to the Member or his assigns within a reasonable time thereafter.

B. Denial or Discontinuance of Service. MRWC may disconnect the Member's service immediately and without prior notice to the Member in cases where hazardous or dangerous conditions exist, where unauthorized or fraudulent use is made of service, where use restrictions, covenants or regulations have not been followed, or in other cases where the public interest requires immediate disconnection. Otherwise, except in cases of disconnection for non-payment, MRWC will endeavor to give 24-hours written notice of an upcoming disconnection to the Member by email, mail or the posting of a notice on Member's Premises where doing so is practical and will not jeopardize safety or service to others. In no case shall notice be required where there are hazardous or dangerous conditions, unauthorized use or tampering, interference with service to others, failure to protect against backflow or cross flow, or failure to comply with use restrictions. MRWC may refuse or discontinue service and remove the equipment or facilities of MRWC serving the Member for any of the following reasons:

1. The Member's service is used in such a manner as to adversely affect MRWC's service to others, or to create conditions that are hazardous, dangerous or prevent accurate metering, an act which may be unlawful under S.C. Code § 16-13-385;

2. The Member makes or allows unauthorized or fraudulent use of MRWC's services;

3. The Member sells MRWC water service to others;

4. The Member makes or allows unauthorized adjustments to MRWC's equipment or allows tampering with such equipment;

5. The Member fails to comply with these Regulations or fails to fulfill its contractual obligations to MRWC;

6. The Member fails to provide MRWC with safe and reasonable access to its equipment;
7. The Member fails to pay bills for service rendered in a timely fashion or the Member is indebted to MRWC in any amount;
8. The Member fails to provide MRWC with a deposit as deemed necessary by MRWC;
9. The Member fails to furnish permits, certificates, and rights-of-way, as necessary for providing service to others or as otherwise specified in these Regulations, or in the event such permissions are withdrawn or terminated;
10. The Member fails to comply with reasonable restrictions on the use of service;
11. The Member's use of the service conflicts with, or violates orders, ordinances or laws of the State or any subdivision thereof;
12. The Member fails to provide MRWC a signed contract or service agreement on request;
13. Transfer of service from a Member to a user has not be authorized by MRWC and the new user fails to submit necessary documentation to establish his membership;
14. The Member's member is suspended or the Member is expelled, resigns or dies; or
15. The Member, owner, tenant or (including any agents thereof) of the Premises served fails to comply with these Regulations, as they may be amended.

C. Suspension. Upon any denial or discontinuance of service for any of the reasons set forth in Section IX(B) above, the Member shall be deemed suspended under the terms of the Bylaws.

D. Non-Payment Fee. As described in Section E(2) below, Members will be charged a Non-Payment Fee (as defined herein) in lieu of a reconnection fee.

E. Disconnection for Non-Payment.

1. Bills for water service are due by the due date stated in each invoice, typically the 10th day of each month. If the bill is not paid by the due date, a penalty of 10%, or such other amount as may be forth in the then-current rate schedule of MRWC, will be added to the bill (the “Billing Penalty”). If the water bill, plus any accrued penalties, is not paid within 30 days after its original due date, water service will be discontinued. Service will be terminated without further notice.

2. Regardless of whether water service is disconnected, on the earlier of (i) the 35th day following the incurrence of any Billing Penalty, or (ii) the 15th day of next occurring month after the Billing Penalty is incurred, a non-payment fee of \$25, or such other amount as may be forth in the then-current rate schedule of MRWC, will be added to the delinquent bill. Thereafter, water service will not be continued or reactivated, as applicable, until the amount of the delinquent account, plus all Billing Penalties, non-payment fees and processing fees are due and paid; all such penalties, charges and processing fees shall be set forth as set forth herein, but may additionally be adjusted or amended under the terms of a rate schedule approved by the Board. Further, the Member may be required to make an additional deposit (over and above any initial deposit) as provided in the rate schedule to have service continued or reactivated, as applicable.

3. Prior to disconnection, a Member may request an extension for payment and any extensions shall be approved in writing by MRWC. When long-term agreements regarding extensions or payment plans are authorized, MRWC will mail the Member a letter stating the dates when payments will be due and amounts to be paid. If the Member fails to make payments according to the extension agreement or payment plan, service may be terminated without further notice. All outstanding charges due at that time must be paid before service is restored.

4. Upon continued non-payment for 60 days after the original due date, MRWC may remove the meter and Member shall forfeit all fees, charges and other credits accruing to the Member (except for the membership fee) from MRWC.

F. Connection/Reconnection/Disconnection of services.

1. When service has been discontinued for non-payment, all charges for services and penalties due at that time will become immediately due and payable and service will not be reinstated until payment of such charges and penalties has been made, including any additional deposit as may be deemed necessary by MRWC.

2. Reconnections will be made only between the hours of 8:00 a.m. – 3:00 p.m., Monday through Friday during normal business days of MRWC, holidays excluded.
3. When a Member desires to establish or re-establish existing services at an existing Service Point, and the Member has notified MRWC by 12:00 p.m. on the date that service is requested, every effort will be made to provide service on that date. Where the application is received after 12:00 p.m., every effort will be made to provide service on the workday following the date the application was submitted.
4. The Member must notify MRWC, verbally or in writing, to resign his membership and have service terminated. MRWC will be allowed a reasonable period of time after the receipt of such a notice to take a final reading of the meter and to discontinue service. There will be no additional charge for terminating of an account under these conditions. Upon any voluntary resignation, membership fees will be timely returned to the Member in accordance with the provisions of the Bylaws.
5. There will be no charge where MRWC has discontinued or reconnected service on a temporary basis at the request of the Member, in order that the Member can make repairs or changes to his equipment due to water leaks, meter problems, or change of service size.
6. MRWC will not discontinue service at a Member's request after normal business hours.

X. Billing and Payment Terms.

A. General.

1. MRWC will issue bills for service monthly, unless otherwise agreed to by MRWC and the Member. MRWC will make every reasonable effort to see that each Member receives his bill, but MRWC assumes no responsibility for non-delivery when bills are mailed at a United States Post Office to the last known billing address of the Member or emailed to an email address provided for that purpose by the Member.
2. Bills shall be paid in full. Except as approved by the General Manager in writing, partial payments shall not be accepted. Cash, checks, money orders, debit/credit cards (Master Card or VISA only), automatic bank drafts may be used to remit payment.
3. In the event the Member vacates or abandons any Premises served by MRWC without notice to MRWC and another person or legal entity continues to

receive service at the premises and continues to submit payment for the service which is in the name of the Member, then such person or entity will become liable for the service and will be jointly responsible with the Member for any and all charges on the account as if he is an authorized Member (also see Section II(E) herein).

4. Bills sent to Members will generally include charges for service for a period of approximately one (1) month prior to the billing date, except that any service connected prior to the usual meter reading date will be billed on the appropriate schedule for service actually rendered; but in no case less than the scheduled monthly service charge and/or minimum charge. MRWC at its sole discretion will determine the appropriate rate schedule by which a Member will be billed.

5. Charges for service are due when bills are rendered and are payable at the office of MRWC during normal MRWC business hours, on or before the due date stated on the bill. The bill is due on the date stated on the bill.

6. If a payment is not received by the due date stated on the bill, a penalty (as set by the rate schedule) of the then due balance on the Member's account will be applied to the charges and penalties due on that date and on each monthly due date thereafter until paid. Where a Member has paid any and all bills and charges by the due date stated on the bill for an uninterrupted period of twenty-four (24) months, late penalties provided for in this paragraph may be excused upon the request of the Member.

7. Where the Member believes that MRWC has misread a meter, the Member may request that MRWC read or re-read the Member's meter. Charges for meter re-reads shall be established in MRWC's rate schedule. If the meter is found to have been inaccurate by greater than 2%, the Member will not be charged for the re-read and a credit shall be determined by the parties to reimburse the aggrieved party for the misreading; in no event shall any credit be calculated for a period greater than six (6) months.

8. In the event that a water meter fails to reflect the actual water usage at a Service Point or MRWC is unable to read a meter due to inaccessibility, the amount of the bill will be arrived at by taking an average of the three (3) most recent months (as may adjusted for seasonal usage).

9. When at the request of the Member, or otherwise, water meters have been tested by MRWC, or any other party approved by MRWC, and have been found to inaccurate by more than 2%, previous bills reflecting such inaccuracy will be adjusted accordingly, but in no case will the adjustment exceed six (6) months prior billing.

B. Rejected Payment.

1. In the event a Member's check, electronic fund transfer or bank draft is returned to MRWC by a bank or is validly dishonored for any reason, the Member will be charged a service charge for each such check or draft; the service charge shall initially be \$30.00 or such other amount as stated in MRWC's adopted schedule of rates and charges. MRWC, at its option for good cause, may refuse to accept an electronic fund transfer, check or bank draft tendered as payment on such a Member's account in the future.

2. In the event a credit card is declined or rejected for any reason, the Member will be charged a service charge for each payment attempt; the service charge shall initially be \$30.00 or such other amount as stated in MRWC's adopted schedule of rates and charges. MRWC, at its option for good cause, may refuse to accept a credit card tender as payment on such a Member's account in the future.

C. Membership. Any person desiring service from MRWC shall be required to submit a membership application and qualify as a Member under the provisions of the Bylaws, including the payment of any membership fees.

D. Billing/Payment Disputes.

1. Members are encouraged to discuss questions concerning the amount or accuracy of any bill with a customer service representative of MRWC.

2. Payment agreements, deposits, delinquent accounts and other accommodations for Members will be considered in the discretion of the General Manager.

3. In the discretion of MRWC, acting through the General Manager, where a Member has a history of payment delinquencies, MRWC may require the establishment of an automatic bank draft arrangement as a condition of continued water service to such Member.

E. Billing Errors

1. **Member Overcharged Due to Human or Machine Error.** If MRWC has overcharged any Member as a result of a misapplied schedule, an error in reading a meter, a skipped meter reading, or any other human or machine error, except as provided in Section X(A)(9), MRWC will refund the excess amount paid by that Member as provided by the following:

a) If the interval during which the Member was overcharged can be determined, then MRWC will refund the excess amount charged during that entire interval up to a maximum of thirty-six (36) months.

b) If the interval during which the Member was overcharged cannot be determined then MRWC will refund the excess amount charged during the twelve (12) month period preceding the date when the billing error was discovered.

c) If the exact usage and/or demand incurred by the Member during the billing periods subject to adjustment cannot be determined, then the refund will be based on an appropriate estimated usage and/or demand.

2. Member Undercharged Due to Human or Machine Error. If MRWC has undercharged any Member as a result of a misapplied schedule, an error in reading the meter, a skipped meter reading, or any human or machine error (except as provided in Section X(A)(9) herein, which shall be a separate remedy), then MRWC will recover the deficient amount as provided as follows:

a) If the interval during which the Member was undercharged can be determined, then MRWC may collect the deficient amount incurred during that entire interval up to a maximum period of six (6) months.

b) If the full interval during which the Member was undercharged cannot be determined, then MRWC may collect only the deficient amount of that portion of the interval that can be determined up to a maximum period of six (6) months.

c) The Member will be allowed to pay the deficient amount, in equal installments added to the regular monthly bills, over the same number of billing periods which occurred during the interval the Member was subject to pay the deficient amount.

d) If the usage incurred by that Member during the billing periods subject to adjustment cannot be determined, then the adjustment will be based on an appropriate estimated usage or demand or otherwise waived in the discretion of the General Manager.

3. If MRWC has undercharged any Member as a result of a fraudulent or willfully misleading action of that Member, or any such action by any person (other than the employees or agents of MRWC), such as tampering with, or by-passing the meter when it is evident that such tampering or by-passing occurred during the residency of that Member, or if it is evident that a Member has knowledge of being undercharged without notifying MRWC as such, then MRWC will recover the deficient amount provided as follows:

- a) If the interval during which the Member was undercharged can be determined, then MRWC will collect the deficient amount incurred during that entire interval, provided that the applicable statute of limitations is not exceeded.
- b) If the interval during which the Member was undercharged cannot be determined, then MRWC will collect the deficient amount incurred during the twelve (12) month period preceding the date when the billing error was discovered by MRWC.
- c) If the usage and/or demand incurred by that Member during the billing periods subject to adjustment cannot be determined, then the adjustment will be based on an appropriate estimated usage and/or demand.
- d) If the metering equipment has been removed or damaged, then MRWC will collect the estimated cost of repairing and/or replacing such equipment.

F. Tampering Charges.

- 1. No unauthorized person will turn on the water to any Premises, tamper with or disturb any water meter or meter box or other appurtenance of the water system, except with written authority from MRWC and in conformity with these regulations. Unauthorized altering, tampering or bypassing is unlawful according to S.C. Code § 16-13-385.
- 2. No unauthorized person will install or operate any device to bypass a water meter.
- 3. No property owner or other person will interfere with the efforts of a duly authorized MRWC employee to discontinue service to any premises.
- 4. Where MRWC has determined that the any person has tampered with or bypassed MRWC's equipment, that person will be subject to all applicable service charges, penalties and reconnection charges in addition to a penalty charge, all as described in MRWC's schedule of rates and charges. Such person shall also be responsible to MRWC for all costs, including legal or engineering fees incurred by MRWC in investigating, repairing, documenting and reporting the tampering, bypassing or interference and in pursuing remedies against the guilty party.

G. Unauthorized Use of Water from Hydrants; Permits. Only individuals acting in their official capacity on behalf of a duly chartered firefighting organization may use water from any MRWC fire hydrant. Other individuals, including contractors, may use water from MRWC fire hydrants upon the issuance of a fire hydrant use permit by

MRWC and the payment of all fees, deposits and costs related thereto. The penalty for unauthorized use of a fire hydrant will be established in MRWC's schedule of rates and charges.

H. Unprotected Cross-Connections Not Permitted. In accordance with the requirements of the State Safe Drinking Water Act and the Primary Drinking Water Regulations (Regulations 61-58 through 61-58.15 of the Code of Regulations of South Carolina, 1976, as amended) promulgated and enforced by DHEC, unprotected Cross-connections will not be permitted. An appropriate back-flow prevention device, installed at the Member's expense following MRWC's approval, will protect all actual and potential Cross-connections to MRWC's system. The Member will subsequently be responsible for paying an annual inspection and testing fee for the device and for maintaining it in proper working order.

I. Leak Adjustments.

1. In the event of a leak, broken water line or other event resulting in 25% increase of the Member's average monthly water consumption, the Member may be eligible for a leak adjustment. The amount of any adjustment shall be limited to the lesser of 50% of the total bill or an amount equal to MRWC's actual costs of purchased water. Further, for purposes of determining a Member's average monthly water consumption, MRWC shall utilize the (i) the average monthly water consumption by the Member over the most recent 12 month period, or (ii) average water consumption by the Member since the inception of service in the event the Member has been a Member for less than 12 months.

2. Any leak must be promptly repaired and any requested adjustments, in any format determined by MRWC, must be submitted within 30 days after the end of the billing cycle in which the leak was repaired.

3. As requested by the member and in the discretion of MRWC and as approved by the Board, any balance due on the Member's account attributable a leak adjustment event may be amortized and paid in equal installments representing the balance due over a period not to exceed six months.

4. Only one leak adjustment shall be permitted during any consecutive 12-month period.

XI. Fire Protection and Sprinkler Systems and Irrigation Systems.

A. All fire protection and sprinkler systems and irrigation systems equal to or less than 2" in diameter connected with MRWC's system will be separated from system by an approved double-check valve assembly as a minimum requirement. All fire protection

systems using additives or booster pumps will be separated from the MRWC system by an approved reduced pressure principle detector assembly at the main service connection.

B. All fire protection and sprinkler systems and irrigation systems of greater than 2” in diameter connected with the MRWC system will be separated from the MRWC system with an approved double-check detector assembly as a minimum requirement.

C. All existing backflow prevention assemblies (2-1/2” and larger) installed on fire protection systems that were initially approved by MRWC will be allowed to remain on the Premises, as long as they are properly maintained, tested and repaired as required by DHEC regulations. However, if the existing assembly can no longer be repaired but must be replaced, or in the event of proven water theft through an unmetered source, the Member will be required to install an approved double-check detector assembly or reduced pressure principle detector assembly as required by DHEC regulations.

D. Members with separate taps dedicated to fire protection and sprinkler systems and irrigation systems may dedicated fire line charge, as provided for in MRWC’s schedule of rates and charges.

E. A separate or dedicated fire line must be a separate line; any compound metering arrangement is not sufficient to constitute a separate fire line.

XII. Inspection and Notification.

A. Authority of MRWC.

1. MRWC or its duly authorized representatives (bearing proper credentials) will be permitted reasonable access to the Premises for the purposes of inspection, observation, measurement, sampling and testing in accordance with provisions contained herein.

2. While performing necessary work on private property referred to in Section (A)1 above, MRWC or its duly authorized representatives will take reasonable steps to observe specific safety rules applicable to the premises, established by the Member and properly communicated in writing to MRWC.

3. MRWC or its duly authorized representative will be permitted reasonable access to enter the Member’s premises through which MRWC holds an easement for the purposes of, but not limited to, inspection, observation, measurement, sampling, repair and maintenance of any portion of the System lying within the easement. All entry and subsequent work, if any, will be done in full compliance with the terms of the applicable easement.

4. Members will not allow unsafe conditions to arise in areas where MRWC assets are located or which MRWC personnel must access to reach those assets.

B. Notification Protocol.

1. Except where immediate corrective action is required, the Member or person in charge of any installation found not to be in compliance with the provisions of these regulations will be notified in writing with regard to the corrective action to be taken.

2. Such notice must explain the infraction and give the time period within which the infraction must be corrected. The time period set to correct an infraction will not exceed thirty (30) days after the date notice is received unless a written variance request is approved by the General Manager or his appointee. If the infraction has been determined by MRWC to be an imminent hazard, the Member will be required to correct the infraction immediately.