

Carefree Water Company
Administrative Rules, Regulations, and Policies
May 2015

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Definitions

In this Article, unless the context otherwise requires the following definitions shall apply:

1. "Applicant" A person requesting that the Utility supply water service.
2. "Application Form" A contract provided by the Utility to an applicant that provides information about the applicant that is required by the Utility to establish service.
3. "Application" A formal request to the Utility for water service as distinguished from an inquiry as to the availability or charges for such service.
4. "Board of Directors" Are the elected members of the Town Council with the President and Vice President of the Board also being the Mayor and Vice Mayor respectively. Board is the policy making body for the Utility Company.
5. "Billing month" The period between any two regular readings of the water meters at approximately 30 day intervals
6. "Billing period" The time interval between two consecutive meter readings, which are taken for billing purposes.
7. "Commodity charge" The unit of cost per billed usage as set forth in the Utility's rates.
8. "Capital Contributions" Funds or improvements provided to the Utility by the applicant for water main extensions or other capital improvements required to provide service to the applicant. Funds are non-refundable and capital improvements are deeded to the Utility upon their acceptance by the Utility to be used in providing service to the applicant.
9. "Customer" The person or entity in whose name service is rendered, as evidenced by the signature on the application or contract for that service, or by the receipt and/or payment of bills.
10. "Customer charge" The amount the customers must pay the Utility for the availability of water service, excluding any water used, as specified in the Utility's rates.
11. "Day" Calendar day
12. "Distribution main" A Utility Company water pipe from which service connections may be extended to customers.
13. "Interruptible water service" Water service that is subject to interruption or curtailment.
14. "Main extension" The water mains and/or ancillary equipment necessary to extend the existing water distribution system in order to provide service to additional customers.
15. "Master meter" An instrument for measuring or recording the flow of water at a single location that provides water to more than one unit for their individual consumption.
16. "Meter" An instrument that measures, indicates or records the volume of water that has passed through it.
17. "Meter tampering" A situation where a meter or meter service has been illegally altered. Common examples are meter bypassing, use of magnets to slow the meter recording, damages to the meter, and broken meter seals.
18. "Minimum charge" The amount the customer must pay for the availability of water service as specified in the Utility's rates.
19. "Minimum delivery pressure" The minimum pounds per square inch (PSIG) delivered by the Utility at the meter or point of delivery 20 pounds per square inch as measured by an appropriate pressure gauge used to measure water pressure is the minimum amount required.

20. "Permanent customer" A customer who is a tenant or owner of a service location who applies for and receives water service.
21. "Permanent service" A service, which in the opinion of the Utility is of a permanent and The use of water may be continuous, intermittent, or seasonal in nature.
22. "Person" Any individual, partnership, corporation, governmental agency, or other organization operating as a single entity.
23. "Point of delivery. " The point where facilities owned, leased, or under license by a customer connects to the Utility's pipes or at the outlet side of the meter.
24. "Premises" All of the real property and appurtenances employed in a single enterprise on an integral parcel of land undivided by public streets, alleys or railways.
25. "Residential subdivision development" Any tract of land which has been divided into four or more contiguous lots for use for the construction of residential buildings or permanent mobile homes for either single or multiple occupancy.
26. "Residential use" Service to customers using water for domestic purposes such as personal consumption, water heating, cooking, and other residential uses and includes apartment buildings, mobile home parks, and other multi-unit residential buildings.
27. "Rules" The regulations set forth in the rates and regulations which apply to the provision of water service.
28. "Service area" The territory in which the Utility provides water services.
29. "Service establishment charge" The charge as specified the Utility's rates which covers the cost of establishing a new account.
30. "Service line" A water line that transports water from the water source (normally a distribution main) of supply to the customer's point of delivery.
31. "Service reconnect charge" The charge as specified in the Utility's rates which must be paid by the customer prior to re-establishment of water service each time the water is disconnected for non-payment or whenever service is disconnected for failure otherwise to comply with the Utility's rules and/or regulations.
32. "Service re-establishment charge" A charge as specified in the Utility's rates for service at the same location where the same customer had ordered a service disconnection within the preceding 12 month period.
33. "Single family dwelling" A house, an apartment, a mobile home permanently affixed to a lot, or any other permanent residential unit which is used as a permanent home.
34. "Rates" The charges approved by the Board of Directors that the Utility will charge its customers for services or products provided to customers.
35. "Temporary service" Service to premises or enterprises which are temporary in character, or where it is known in advance that the service will be of limited duration. Service which, in the opinion of the Utility, is for operations of a speculative nature is also considered a temporary service.
36. "Utility" The public service corporation providing water service to the public compliance with state law.

Establishment of Service

- A. Information that may be required from new applicants.
1. Utility may obtain the following minimum information from each new application for service.
 - a. Name or names of applicants.
 - b. Service address or location and telephone number.
 - c. Billing address and emergency telephone number if different from service address number.
 - d. Date applicant will be ready for service.
 - e. Information whether applicant is an owner or renter.
 - f. Information as to the method of payment that is to be used by applicant.
 - g. May require applicant to appear in person at the Utility Company office.
 - h. Applicant must sign application as understanding all the provision of service as outlined on application contract.
 - i. When the application is signed by two or more individuals the Utility will have the right to collect the full amount owed to the Utility from any one of the applicants.
 2. Any Customer's application information required by the Water Company shall be maintained as confidential information between the applicant and the Company and will be used only for consideration of providing service to the applicant. See "Confidentiality" section of the Rules and Regulations and Policies.
- B. Deposits
1. The Utility may require a deposit from any new applicant for service.
 2. The Utility shall issue a non-negotiable receipt to the applicant for the deposit. The inability of the customer to produce such a receipt shall no way impair his right to receive a refund of the deposit as long as the deposit is reflected on the Utility's records.
 3. The deposit will be non-interest bearing
 4. Residential deposits shall be refunded within 30 days after:
 - a. 12 consecutive months of service without being delinquent in the payment of Utility bills provided the Utility may re-establish the deposit if the customer becomes delinquent in the payment of Utility bills two or more times within a 12 month period.
 - b. Upon discontinuance of service when the customer has paid all outstanding amounts owed to the Utility.
 5. A separate deposit may be required for each meter installed.
 6. The amount of a deposit required by the Utility shall be determined according to the following terms:
 - a. Residential customer deposits shall be \$200.00. After 12 months of on-time payments the \$200.00 will credit back to the account as payment(s).
 - b. Nonresidential customer deposits shall not exceed three times that customer's estimated maximum monthly bill.
 - c. The Utility may review the customer's usage after service has been connected and adjust the deposit amount based upon the customer's actual usage.
 7. Upon discontinuance of service, the deposit will be applied by the Utility toward settlement of the customer's bill.

- C. Grounds for refusal of service. A Utility may refuse to establish service if any of the following conditions exist:
 - 1. The applicant has an outstanding amount due for the same class of Utility service with the Utility and the applicant is unwilling to make arrangements with the Utility for payment.
 - 2. A condition exists which in the Utility's judgment is unsafe or hazardous to the applicant, the general population, or the Utility's personnel, customers or facilities
 - 3. Refusal by the applicant to provide the Utility with a deposit.
 - 4. Customer is known to be in violation of the Utility's rates or rules and regulations.
 - 5. Failure of the customer to furnish such funds, service, equipment, and/or rights-of-way necessary to serve the customer and which have been specified by the Utility as a condition for providing service.
 - 6. Applicant falsifies his or her identity for the purpose of obtaining service.

- D. Service establishment, re-establishments or reconnection charges.
 - 1. The Utility may make a charge for the establishment, re-establishment or reconnection of Utility services.
 - 2. Should service be established during a period other than regular working hours at the customer's request, the customer may be required to pay an after-hour charge for the service connection or re-connection. Where the Utility scheduling will not permit service establishment on the same day requested, the customer can elect to pay the after-hour charge for establishment that day.
 - 3. For the purpose of this rule, service establishments are when the customer's facilities are ready and acceptable to the Utility and the Utility needs only to install a meter, read a meter, or turn the service on.
 - 4. Application for a new service must be applied for when submitting for a building permit with the Town.

- E. Temporary service:
 - 1. Application for temporary service may be required to pay the estimated cost of installing and or removing the facilities necessary for furnishing the desired services.
 - 2. Where the duration of service is to be less than one month the applicant may also be required to advance a sum equal to the estimated bill for the service.
 - 3. Where the duration of service is to exceed one month the applicant may also be required to meet the deposit requirements of the Utility.
 - 4. If at any time during the term of the agreement for service the character of a temporary customer's operations changes so that in the opinion of the Utility the customer is classified as permanent they will then be required to abide by all the terms of a permanent customer.

Minimum Customer Information Requirements

- A. Information for residential customers:
 - 1. Utility shall make available upon customer request not later than 5 days from the date of the request a concise summary of the rate schedule. The summary shall include the following:
 - a. Monthly minimum customer charge.
 - b. Rate Blocks and their appropriate commodity charges.
 - c. Taxes and potential other charges.

2. The Utility shall, to the extent practical, identify for the customer the most advantageous tiered rate and the amount of usage in the tier prior to service commencement.
3. In addition, Utility shall make available upon customer request not later than 5 days from the date of request a copy of the Utility's rules and regulations relating to:
 - a. Deposits.
 - b. Terminations of service.
 - c. Billing and collections.
 - d. Handling of complaints.
4. Utility shall transmit an account history to the customer upon the customer's request which will show a concise statement of actual consumption, billings, and payments, adjustments to the account and the balance of the account for a period not to exceed twelve (12) months unless such data is not reasonably available.
5. Utility shall inform all new customers of their rights to obtain their account history as described above.

B. Information required due to a change in rates.

1. Utility shall transmit to affected customers by the most economical means a concise summary of any change in the Utility's rates.
2. This information shall be transmitted to the affected customer within 10 days of the effective date of the change.

Service Connections and Establishments

A. Priority and timing of service establishments:

1. After an applicant has complied with the Utility's application and deposit requirements and has been accepted for service by the Utility. The Utility shall schedule that customer's connection or establishment.
2. Service establishments shall be scheduled for completion within five working days of the date the customer has been accepted for service, except in those instances when the customer requests service to be established beyond the five working day limitation.
3. When the Utility has made arrangements to meet with a customer for service establishment purposes and the Utility or the customer cannot make the appointment during the prearranged time, the Utility shall reschedule the service establishment to the satisfaction of both parties.
4. Utility shall schedule service establishment appointments within a maximum range of four hours during normal working hours, unless another time frame is mutually acceptable to the Utility and the customer.
5. Service establishments shall be made only by qualified Utility Service Personnel.
6. For the purposes of this rule, service establishments are where the customer's facilities are ready and acceptable to the Utility and the Utility needs only to install or read a meter or turn the service on.

B. Service lines:

1. An applicant for service shall be responsible for the cost of installing all of the customer's piping up to the meter.
2. An applicant for service shall pay to the Utility the fee as set forth in the Utility's rates for each size service and meter.

3. Where service is being provided for the first time the Utility shall install a customer owned and maintained private cut-off valve, check valve and pressure regulator on the customer's side of the meter (normally within 18 inches of the meter). Customer agrees to not remove these devices from the customer's service line. The Utility shall install a turn off valve on the Utility's side of such meter.
4. The Company shall install its meter at the property line or, at the Company's option on the customer's property at a location mutually agreed upon.
5. When the meter or service line location is changed at the request of the customer, the customer shall pay all associated costs of the Utility to relocate the meter. The customer will also be responsible to provide and have installed at his expense all piping necessary for relocating the customer's water service line to make the connection to the meter.
6. The customer's lines or piping must be installed in such a manner as to prevent cross-contamination or backflow.

C. Easements and right-of-ways:

1. The customer shall grant adequate easement and right-of-way satisfactory to the Utility to ensure customer's proper service connection. Failure on the part of the customer to grant adequate easement and right-of-way shall be grounds for the Utility to refuse service.
2. When the Utility discovers that a customer or his agent is performing work or has constructed facilities adjacent to, on, or within an easement or right-of-way and such work, construction or facility poses a hazard or is in violation of local, state, or federal laws, ordinances, statutes, rules or regulations, or interferes with the Utility's access to its equipment, the Utility shall notify the customer or his agent to resolve the situation and/or shall take whatever actions necessary to eliminate the hazard, obstruction or violation at the customer's expense. This includes driveways and/or landscaping or other improvements. In an emergency situation the customer will be informed if possible and the Utility will proceed to access its facilities to address the emergency. The customer will remain responsible for the expenses encountered by the Utility to access its facilities under the emergency condition.

D. Capital Contributions

1. A developer of a property will pay for a flow and pressure study by a certified engineer, that is approved by the Utility, for any required off site or on site water improvements necessary to provide potable water and fire protection services to the developers property.
2. A developer of a property will obtain a 100 year assured water supply for the planned development issued by the Arizona Department of Water Resources or be included in the Utility's current schedule of water provided properties.
3. A developer of a property if required will participate in the Central Arizona Groundwater Replenishment District.
4. All facilities constructed by the developer to provide water services to a development will be approved by the Utility and will be deeded to the Utility upon Utility's acceptance of those facilities.

Provision of Service

- A. Utility will be responsible for providing potable water to the customer's point of delivery.
- B. Customer Responsibility:
 - 1. Each customer shall be responsible for maintaining all facilities on the customer's side of the point of delivery in a safe and efficient manner and in accordance with the rules of the State Department of Health.
 - 2. Each customer shall be responsible for safeguarding all Utility property installed in or on the customer's premises for the purpose of supplying water to that customer.
 - 3. Each customer shall exercise all reasonable care to prevent loss or damage to Utility property, excluding ordinary wear and tear. The customer shall be responsible for loss or damage to Utility property on the customer's premises arising from neglect, carelessness or misuse and shall reimburse the Utility the cost of necessary repairs or replacements.
 - 4. Each customer shall be responsible for payment of any equipment or damage resulting from unauthorized breaking of seals, interfering, tampering with, turning on or off, or bypassing the Utility meter.
 - 5. Each customer shall be responsible to notify the Utility of any leaks or failure identified in the Utility's facilities.
 - 6. Water furnished by the Utility shall be used only on the customer's premises and shall not be resold to any other person. During critical water conditions, as recommended by the General Manager and determined by the Board of Directors, the customer shall use water only for those purposes specified by the Board of Directors or State or County regulators. Disregard for this rule shall be sufficient cause in refusal or discontinuance of service.
- C. Continuity of service. Utility shall make reasonable efforts to supply a satisfactory and continuous level of service. However, no Utility shall be responsible for any damage or claim of damage attributable to any interruption or discontinuation of service resulting from:
 - 1. Any cause which the Utility could not have reasonably foreseen or made provision for; i.e.; force, majeure.
 - 2. Intentional service interruptions to make repairs or perform routine maintenance.
 - 3. Curtailment.
- D. Service Interruptions:
 - 1. Utility shall make reasonable efforts to re-establish service within the shortest possible time when service interruptions occur.
 - 2. Utility shall make reasonable provisions to meet emergencies resulting from failure of service, and each Utility shall issue instructions to its employees covering procedures to be followed in the event of emergencies in order to prevent or mitigate interruptions or impairment of service.
 - 3. In the event of a National or State emergency or local disaster resulting in disruption of normal service, the Utility may, in the public interest, interrupt service on a temporary basis, to any of its customers to provide necessary service to civil defense or other emergency service agencies or personnel until normal service can be restored. Interruption of service will be determined on an immediate basis by the General Manager and approved by the Board of Directors on a longer term basis.

4. When a Utility plans to interrupt service for more than four hours to perform necessary repairs on maintenance, the Utility shall attempt to inform affected customers at least 24 hours in advance of the scheduled date and estimated duration of the service interruption. Such repairs shall be completed as quickly as feasible in order to minimize the inconvenience to customers of the Utility.
- E. "Minimum delivery pressure" Utility shall maintain a minimum standard delivery pressure of 20 pounds per square inch gauge (PSIG) at the customer's point of delivery.
- F. "Construction standards" Utility shall construct all facilities in accordance with the guidelines established by the state Department of Health Services.

Meter Reading

- A. Frequency.
 1. Each meter shall be read monthly as close to the same day as the previous months read as practical. Meter readings shall be scheduled for periods of not less than 25 days or more than 35 days.
- B. Measuring of service:
 1. All water delivered by the Utility shall be billed upon the basis of metered volume sales except that the Utility may, at its option, provide a fixed charge schedule for the following:
 - a. Temporary service when the water used can be readily estimated.
 - b. Public and private fire protection services.
 - c. Water used for roadway sprinkling and sewer flushing, when agreed upon by the user and the Utility.
 - d. Water used by water haulers, bulk construction or irrigation uses using the Utility's standpipe.
 - e. Bulk water sales to other Utilities.
 2. Where there is more than one meter at a location, the metering equipment shall be tagged to plainly indicate the facilities being metered.
- C. Customer requested rereads:
 1. Utility shall at the request of a customer reread the customer's meter within 5 working days after such request.
 2. Any rereads found to corroborate the correctness of the initial reading the Utility may charge the customer according to the approved rates.
 3. When a reread is found to substantiate an error in the initial reading, the reread shall be at no cost to the customer.
- D. Access to customer premises:
 1. Utility shall have the right of safe ingress to and egress from the customer's premises at all reasonable hours for any purpose reasonably connected with the Utility's property used in furnishing service to the customer.

E. Meter replacement program Utility shall establish a program of replacing or maintaining meters taking into account the following factors:

1. Size of meter.
2. Age of meter.
3. Consumption showing on meter.
4. Characteristics of the water.

F. Customer requested meter tests.

1. Utility shall test a meter upon a customer's request.
2. Utility will charge customer its cost to remove, transport, have tested and reinstall the customer's meter. However if the meter is found to be in error more than 3% in the favor of the Utility no charges will be assessed to the customer.
3. A temporary meter will be installed during the meter testing period.

Billing and Collections

A. Frequency and estimated bills:

1. Utility shall bill monthly for services rendered.
2. If the Utility is unable to read the meter, the Utility will estimate the consumption for the billing period giving consideration to the following factors where applicable:
 - a. The customer's usage during the same month of the previous year.
 - b. The customer's usage during the preceding month.
3. After the second consecutive month of estimating the customer's bill the Utility will attempt to secure an accurate actual reading of the customer's meter.
4. Failure on the part of the customer to comply with a reasonable request by the Utility for access to its meter may lead to the discontinuance of service.
5. Estimated bills will be issued only under the following conditions:
 - a. Circumstances that make it dangerous or impossible to read the meter; i.e. locked gates, blocked meters, vicious dogs or other dangerous animals, unwilling customers.
6. Each bill based on estimated usage will be so indicated on the bill.

B. Combining meters, minimum bill information:

1. Each meter at a customer's premises will be considered separately for billing purposes, and the readings of two or more will not be combined.
2. Each bill for residential service will contain the following:
 - a. The beginning date of the meter reading period.
 - b. The ending date of the meter reading period.
 - c. Usage and usage broken down by tiered structure.
 - d. Tiered structure rates and calculated charges per tier.
 - e. The Customer's name, service address and account number.
 - f. The amount due and due date for payment.
 - g. Amount of taxes charged.
 - h. Past due amount (where appropriate).
 - i. Any adjustments (where applicable).
 - j. Other information.

- C. Billing terms:
1. All bills for Utility services are due and payable when received. Any payment not received by the due date as shown on the bill will be charged a late payment fee. After 60 days past due, interest will be charged at the approved rate on the unpaid balance of the account.
 2. For purposes of this rule when the bill has been rendered is evidenced by the following:
 - a. The postmark date.
 - b. The mailing date.
 - c. Certified mail.
 - d. Certificate of mailing pickup.
 3. All delinquent bills shall be subject to the provisions of the Utility's termination procedures.
 4. All payments shall be made at or mailed to the office of the Utility, paid by charge card, or by electronic transfer.
- D. Applicable tariffs, prepayment, failure to receive a bill, commencement date and taxes.
1. Each customer shall be billed under the applicable rate indicated in the customer's application for service.
 2. Utility will allow advance payments on a customer's account.
 3. Failure to receive bills or notices which have been properly placed in the United States mail shall not prevent such bills from becoming delinquent if payments have not been received by the bill's indicated due date, nor does it relieve the customer of his obligations therein.
 4. Charges for service commence when the service is installed and connection is made, whether used or not.
 5. In addition to the collection of regular rates the Utility may collect from its customers a proportionate share of any privilege taxes assessed the Utility.
 6. Utility may pass any increase in sales or use taxes mandated by the Federal, State or local government to the customer without waiting for additional rate considerations.
- E. Meter error corrections. If any meter is found to have more than a 3% error factor, either fast or slow, correction between the true amount and the billed amount shall be adjusted in the following months billing upon the following terms:
1. For a period of only three months immediately preceding the removal and testing of the meter will the account be adjusted as a result of an indication of a meter error, or
 2. From the date the error occurred if the date of the cause can be definitely fixed.
 3. No adjustment shall be made by the Utility except to the customer last served by the tested meter.
- F. Insufficient funds (NSF) checks or closed account:
1. Utility shall charge a fee as described in the rates for each instance where a customer tenders payment for Utility service with an insufficient funds check or a closed account.
 2. When the Utility is notified by the customer's bank that there are insufficient funds to cover the check tendered for Utility service, the Utility may require the customer to make payment in cash, by money order, certified check, or other means which guarantee the customer's payment to the Utility.
 3. Customers who tender an insufficient funds check shall in no way be relieved of the obligation to render payment to the Utility under the original terms of the bill nor defer the Utility's provision for termination of service for non-payment.

G. Deferred payment plan.

1. Utility may, prior to termination of service, offer to qualifying residential customers a deferred payment plan for the customer to retire unpaid bills for Utility service.
2. Each deferred payment agreement entered into by the Utility and the customer due to the customer's inability to pay an outstanding bill in full shall provide that service will not be discontinued if:
 - a. Customer agrees to pay a reasonable amount of the outstanding bill at the time the parties enter into the deferred payment agreement or if the case is a result of a large billing not yet due on or before the due date of the billing.
 - b. Customer agrees to pay all future bills for Utility service in accordance with the billing and collection rates of the Utility.
 - c. Customer agrees to pay a reasonable portion of the remaining outstanding balance in installments over a period not to exceed the allotted period determined by the Utility.
3. For the purposes of determining a qualified customer or a reasonable installment payment schedule under this provision the Utility and customer shall give consideration to the following conditions:
 - a. Size of the delinquent account.
 - b. Customer's ability to pay.
 - c. Customer's payment history.
 - d. Length of time that the debt has been outstanding.
 - e. Circumstances which resulted in the debt being outstanding.
 - f. Any other relevant factors related to the circumstances of the issue.
4. Any customer who desires to enter into a deferred payment agreement shall establish such agreement prior to the Utility's scheduled termination date for nonpayment of bills. Failure to agree to a deferred payment agreement prior to the scheduled termination date shall not prevent the Utility from discontinuing service for nonpayment.
5. Deferred payment agreements may be in writing and may be signed by the customer and authorized by the General Manager, or they may be verbally authorized by the General Manager.
6. A deferred payment agreement may include a finance charge and/or an accounting fee charge as approved by the Board of Directors.
7. If a customer has not met the terms of the deferred payment agreement, the Utility shall have the right to require payment in full of any amounts owed and disconnect service with a ten day advance notice.

H. Change of Occupancy

1. Utility may require three working days advance notice to affect a status change of service. Notice can be given in writing or by telephone.
2. The outgoing customer shall be responsible for all Utility services provided and/or consumed up to the scheduled turn off date.

Termination of Service

- A. Non-permissible reasons to disconnect service. A Utility may not disconnect service for any of the reasons stated below:
1. Failure to pay for a bill to correct a previous under billing due to an inaccurate meter reading or meter failure if the customer agrees to pay over a reasonable period of time.

- B. Termination of service without notice.
 - 1. Utility service may be disconnected without advance written notice under the following conditions:
 - a. The existence of an obvious hazard to the safety or health of the consumer or general population.
 - b. The Utility has evidence of meter tampering or fraud.
 - c. Unauthorized resale or use of Utility services.
 - d. Failure of a customer to comply with the approved curtailment procedures imposed by the Utility during supply shortages.
 - 2. Utility shall not be required to restore service until the conditions which resulted in the termination have been resolved to the satisfaction of the Utility.
 - 3. Utility shall maintain records of all terminations of service 'without notice' for one year.
- C. Termination of service with notice. A Utility may disconnect service to any customer for any reason stated below provided the Utility has met the notice requirements established herein:
 - 1. Customer violation of any of the Utility's rates or Rules and Regulations that been approved by the Board of Directors.
 - 2. Failure of the customer to pay a delinquent bill for Utility service.
 - 3. Failure to meet or maintain the Utility's credit and deposit requirements.
 - 4. Failure of the customer to provide the Utility reasonable access to its equipment and property.
 - 5. Customer breach of a written contract for service between the Utility and customer.
 - 6. When necessary for the Utility to comply with an order of any governmental agency having such jurisdiction.
 - 7. Each Utility shall maintain a record of all terminations of service with notice for one year.
- D. Termination notice requirements:
 - 1. Utility shall not terminate service to any of its customers without providing advance written notice to the customer of the Utility's intent to disconnect service, except under those conditions specified where advance written notice is not required.
 - 2. Such advance written notice shall contain, at a minimum the following information:
 - a. The name of the person whose service is to be terminated and the address where service is being rendered.
 - b. An explanation for the termination of service, the amount of the account or bill which the customer has failed to pay in accordance with the payment policy of the utility, if applicable.
 - c. The date on or after which service may be terminated.
 - d. A statement advising the customer that they may contact the Utility at a specific address or phone number for information regarding payment, or deferred payment or other procedures which the Utility may offer or to work out some other mutually agreeable solution to avoid termination of the customer's service.
- E. Timing of terminations with notice:
 - 1. Utility shall be required to give at least 10 days advance written notice prior to the termination date.
 - 2. Such notice shall be considered to be given to the customer when a copy thereof is left with the customer or posted first class in the United States mail, addressed to the customer's last known address.

3. If after the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor prior arrangements made with the Utility for the payment thereof or in the case of a violation of the Utility's Rules and Regulations the customer has not satisfied the Utility that such violation has ceased. The Utility may then terminate service on or after the day specified in the notice without giving further notice.
 4. Service may only be disconnected in conjunction with a personal visit to the premises by an authorized representative of the Utility.
 5. The Utility shall have the right (but not the obligation) to remove any or all of its property installed on the customer's property upon the termination of service.
- F. Landlord/tenant rule: In situations where service is rendered at an address different from the mailing address of the bill or where the Utility knows that a landlord/tenant relationship exists and that the landlord is the registered customer of the Utility, and where the landlord as a customer would otherwise be subject to disconnection of service, the Utility may not disconnect service until the following actions have been taken:
1. Where it is feasible to so provide service, the Utility, after providing notice as required in these Rules and Regulations, shall offer the occupant the opportunity to subscribe for service in his or her own name. If the occupant then declines to so subscribe, the Utility may disconnect service pursuant to the Rules and Regulations.
 2. Utility shall not attempt to recover unpaid balances due from the landlord from a tenant as a condition of service.
 3. Utility may collect a deposit from a tenant if the account is being applied for in the tenant's name.

Customer Complaints

- A. Customer complaints may be received in written or verbal form:
1. Utility shall make a full and prompt investigation of all service complaints made by its customers.
 2. Utility shall respond to the complainant or his representative within five working days as to the status of the Utility's investigation of the complaint.
 3. Utility shall notify the complainant of the Utility's disposition of each complaint. Upon request of the complainant or his representative, the Utility shall report the findings of its investigation in writing.
 4. If the complainant does not agree with the disposition of the Utility they may appeal the disposition of the Utility to the Problem Resolution Committee. The Resolution Committee will receive information from the complainant and the Utility, study both positions and render a recommendation to the Board of Directors of the Utility for final disposition of the complaint.
 5. Each Utility shall keep a record of all written service complaints received which shall contain at a minimum the following data:
 - a. Name and address of the complainant.
 - b. Date and nature of the complaint.
 - c. Disposition of the complaint.
 - d. A copy of any correspondence between the Utility, the Customer, the Problem Resolution Committee and the Board of Directors shall be maintained for one year.

Customer Requested Turn Off

1. A customer may request at any time to have his water permanently turned off or disconnected and a final bill will be rendered.
2. A customer may request at any time to have his water turned off on a temporary basis. However if the water is turned back on prior to an elapsed time of nine (9) months the customer will be billed the monthly base fee plus tax for the number of months the water was temporarily off.

Water Leak Policy

- A. A customer that has had a water leak in their service line that results in a large usage may be able to use the following policy to receive an adjustment in his bill if the following circumstances exist:
1. The line break or leak must have occurred between the meter and house turn off valve or between the meter and the inlet valve to the irrigation system.
 2. The Utility was advised of the break or leak and was able to verify the break or leak in the service line.
 3. Determination as to the applicability of this policy will be at the sole discretion of the Utility Company.
 4. The billing policy will be outlined as follows:
 - a. An average usage will be determined using the prior years' average for the respective month, prior month and succeeding month. That prior years' average will then be billed as normal usage. Any excess usage over the three month average will then be charged at the total cost/1,000 gallons of purchasing treated CAP water from the City of Scottsdale plus any charges from the CAP plus applicable taxes. An administrative charge of \$50.00 will be added to the total amount due.
 5. The calculations and charges will be provided to the customer as part of the monthly billing.

Accounting and Records

Utility shall keep general and auxiliary accounting records reflecting the cost of its properties, operating income and expenses, assets and liabilities and all other accounting and statistical data necessary to provide accurate and authentic information as to its operations and property.

Water Conservation

Carefree Water Company shall be actively involved in the education of its customers in the conservation of water. This utility provides for free water use analysis, expert landscape advice thru outside services, homeowners leak detection and high water use advisories and to provide on-line any printed materials relating to native, low water use plants, water saving tips and proper irrigation techniques. The Water Company currently is mandated to use a limited amount of groundwater, and to supplement the total water supplied by using treated CAP. The percentage of CAP water used each year shall be scheduled to protect the aquifer and to gradually increase CAP water use.

Carefree Water Company is required by State regulatory agencies to establish conservation best management practices and to report their success annually. Efforts that shall continue to address these conservation issues shall include, replacement of water meters, leak detection surveys on the pumping, distribution and storage facilities, customer leak detection program, continual education of our customers as to the value of our limited water resources and how best to use those resources.

Confidentiality

The Company shall maintain all customer information, water use history, water charges, credit information, and any other customer communications confidential. Except as noted below, no information will be released to anyone without the consent of the customer and/or by court order.

The Company shall comply with the Federal Trade Commission "Red Flag" regulations relating to Utility Companies and uses of credit in payment of accounts and shall require the banking and credit institutions used by the Company to also be in compliance with government required protections.

Release of Data to Black Mountain Sewer (Liberty Utilities) Corp.

On May 14, 2015, the Board of Directors of the Water Company agreed to release water usage and associated data (historical and current) to Black Mountain Sewer (Liberty Utilities) Corp. for non-residential and non-irrigation (commercial) water users for the purposes of sewer rate setting and sewer billing. Data provided to Liberty Utilities is covered under an "Agreement to Share Information Regarding Water Consumption" which requires Liberty to treat this data as confidential. Account payment and credit information will not be released to Liberty as part of this Agreement.