

**Southwest Harbor Water and Sewer District**  
**Terms & Conditions**

**Effective June 15, 2017**

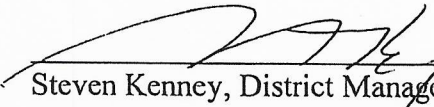
**Table of Contents**

<b>Section</b>	<b>Section Title</b>	<b>Page</b>
	Definitions	2
1.	Application for Service	2
2.	Seasonal Customers	2
3.	Billing Procedures	2
4.	Credit and Collection Procedures	3
5.	Terms of Payment	3
6.	Disconnection of Single Meter, Multi-Unit Dwellings	3
7.	Disconnection Process for Overdue Combined Water & Sewer Balances	4
8.	Charge for Establishment of Service	5
9.	Charge for Non-Seasonal Restoration of Service	5
10.	Seasonal Restoration and/or Disconnection of Service	5
11.	Collection Trip Fee	6
12.	Charge for Returned Checks	6
13.	Unauthorized Use of Water	6
14.	Maintenance of Plumbing	6
15.	No Tampering with Utility Property	6
16.	Access to Premises	6
17.	Liability	6
18.	Service Interruption	6
19.	Stop Valve	7
20.	Backflow Device Testing	7
21.	Utility Jobbing	7
22.	Winter Construction	7
23.	Call Out Services / Discovered Leaks	7
24.	Metering Policies	7
25.	Cross Connections	8
26.	Fluctuation of Pressures by Customer's Apparatus	9
27.	Safeguarding Direct Pressure Water Devices and Systems Supplied by Automatic Feed Valves	9
28.	Joint Use of Service Pipe Trench	9
29.	Use of Hose and Lawn Sprinkler	9
30.	Fire Hydrants	9
31.	Private Fire Protection	9

Proposed Effective Date: June 15, 2017

Effective Date: June 15, 2017

Docket Number: 2017-00053

 5/15/17  
Steven Kenney, District Manager

The following Terms and Conditions made by the Southwest Harbor Water and Sewer District and filed with the Maine Public Utilities Commission constitutes a contract between the Customer and the Utility. The Customer agrees to adhere to these Terms and Conditions and to take water only for purposes stated in the application and at the established rates.

### **DEFINITIONS**

The word "Commission" refers to the Maine Public Utilities Commission.

The word "Utility" refers to the Southwest Harbor Water and Sewer District.

The word "Customer" means any person, firm, corporation or governmental division who has applied for and is granted service or who is responsible for payment of the service.

The word "Main" means a water pipe, owned, operated and maintained by the Utility, which is used to transmit or distribute water but is not a water Service Pipe.

The words "Service Pipe" means the pipe running from the Main to the premises of the Customer. The Utility shall install, own and maintain the portion of the Service Pipe from the Main to the curb stop. The balance of the Service Pipe shall be installed, owned and maintained by the Customer.

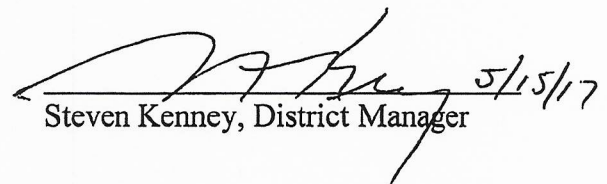
1. **APPLICATION FOR SERVICE.** Pursuant to Chapter 620 of the Commission's Rules and Regulations, the owner or the owner's agent, or the occupant of the establishment to be served may apply for service on forms provided by the Utility. If seasonal rental property, only the property owner may be an applicant for service. Any tenant may become a Customer if the tenant assumes responsibility for future service under the conditions set forth in Title 35-A M.R.S.A. § 706(2), Chapter 660, §. 10(1)(2) of the Commission's Rules and Regulations, and Section 6 below. If a new service connection or other work on the establishment is required, the owner must authorize the Utility to enter the premises to do the necessary work.

2. **SEASONAL CUSTOMERS.** A seasonal Customer regularly takes service for only a portion of the year from either a summer or year-round Main. A seasonal Customer will be subject to the rules and charges of seasonal rates in effect. A Customer regularly vacating the premises for three months or less may elect in writing to be classified as an annual Customer subject to annual charges.

3. **BILLING PROCEDURES.** Minimum meter charges for annual metered service and water used in excess of the minimum shall be billed quarterly in arrears at the end of the billing period. The Utility reserves the right to bill in advance for annual metered service.

Seasonal minimum meter charges will be billed immediately after the meter is set for the season.

Proposed Effective Date: June 15, 2017  
Effective Date: June 15, 2017  
Docket Number: 2017-00053

  
Steven Kenney, District Manager



Bills for water used in excess of the minimum amount will be billed immediately after the final reading for the season. The Utility reserves the right to render bills quarterly for excess water used by seasonal Customers.

Public and private fire protection charges shall be due and payable each year, on a quarterly basis.

All bills shall be payable at the office of the Utility or at any designated collection station. Failure of the Customer to receive his/her bill does not relieve him/her of the obligation of its payment nor for the consequences of non-payment.

4. **CREDIT AND COLLECTION PROCEDURES.** All credit and collection procedures for both residential and non-residential customers will be based upon Chapters 660 and 870 of the Commission's Rules and Regulations. The Utility may demand a deposit from any residential Customer as allowed by Chapter 660. The amount of a deposit shall not exceed the amount of the largest quarterly bill for that location within the previous 12 months. The Utility may demand a deposit from any non-residential customer as a precondition of granting service. The interest rate on Customer deposits shall be the rate set from time to time by the Commission.

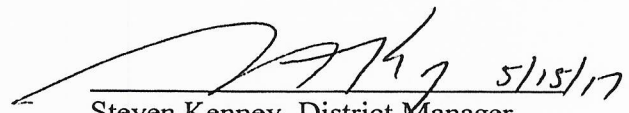
5. **TERMS OF PAYMENT.** Customers are legally obligated to pay for the services they receive. Bills are payable upon being issued. Failure of the Customer to receive his/her bill does not relieve him/her of the obligation of payment for services received nor for the consequences of non-payment. The due date for payment, in order to avoid the incurrence of late fees or the initiation of collection action, will be 30 days after the bill is mailed or hand delivered. The late payment charge for overdue bills will be no more than the maximum amount allowed under Chapter 870 of the Commission's Rules and Regulations, to be determined annually.

6. **DISCONNECTION OF SINGLE METER, MULTI-UNIT DWELLINGS.** Before disconnection of a single-meter, multi-unit dwelling, the Utility shall comply with the notice requirements contained in Chapter 660 of the Commission's Rules and Regulations. The Utility will also apply any existing deposit to the current account balance.

In the event of disconnection of a single-meter, multi-unit dwelling, the Utility will charge the landlord a fee for collection of the unpaid account balance, in addition to the applicable fee for restoration of service, as detailed in Section 8 of these Terms and Conditions. This fee will consist of a flat charge of \$100.00, plus fees, certified mail costs, and the costs of receiving, recording, and indexing the lien as specified in Title 35-A M.R.S.A. §6111-A.

In addition, at its discretion, the Utility may separately meter or cause to be separately metered, at the landlord's expense, each dwelling unit within the property.

Proposed Effective Date: June 15, 2017  
Effective Date: June 15, 2017  
Docket Number: 2017-00053

  
Steven Kenney, District Manager



**7. DISCONNECTION PROCESS FOR OVERDUE COMBINED WATER & SEWER BALANCES.** Pursuant to Title 35-A M.R.S.A. § 6111-C and Chapter 660 of the Commission's Rules and Regulations, the Utility may disconnect water service to Customers receiving sewer service for non-payment of an undisputed balance, if the total overdue balance is greater than \$100.00 or more than ninety (90) days past due.

**7.1 DEFINITIONS.**

**Total Account Balance** means the total water and sewer amount owed by a Customer that has been properly billed. It does not include disputed amounts, non-payment of fees, or charges for estimated sewer service usage.

**Total Amount Overdue** means the total water and sewer amount billed to a Customer that has not been paid by the due date of the bill or by a date otherwise agreed upon by the Utility and the Customer. Disputed amounts and fees and charges for estimated sewer service usage will not be included in the Total Amount Overdue.

**7.2 BILLING.** Bills for the Utility shall be issued in accordance with Chapter 660 of the Commission's Rules and Regulations, and Section 3 of these Terms and Conditions.

? Section 8

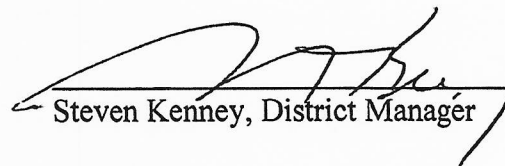
**7.3 DISCONNECTION AND RECONNECTION.** A 14-day disconnection notice shall be issued when a Customer does not pay or make a payment arrangement on an undisputed balance, and the Total Amount Overdue is greater than \$100.00 or more than ninety (90) days past due.

**7.4 LIMITATION FOR MULTI-UNIT RENTAL FACILITIES OF MORE THAN TWO UNITS.** Pursuant to Title 35-A M.R.S.A. § 6111-C, the Utility may not disconnect water service for non-payment of sewer service to a multi-unit rental facility greater than two units, unless the owner of the facility occupies a unit that would be subject to the disconnection, or unless the Utility has a Charter provision enacted prior to August 1, 2010, establishing the authority for such disconnection.

**7.5 COLLECTION ACTION.** Subsequent collection actions, including disconnection and reconnection, shall be in accordance with Chapter 660 of the Commission's Rules and Regulations and these Terms and Conditions.

**7.6 PAYMENT ALLOCATION.** In the event that a payment is received by the Utility that does not clearly indicate whether the payment is for water or sewer, the Utility shall attempt to ascertain the intentions of the Customer. When such intentions cannot be determined, money received shall be applied to the oldest outstanding basic service, unless a disputed bill or payment arrangement requires otherwise.

Proposed Effective Date: June 15, 2017  
Effective Date: June 15, 2017  
Docket Number: 2017-00053

  
Steven Kenney, District Manager 5/15/17

**7.7 PAYMENT ARRANGEMENT.** The Utility shall continue to serve a Customer who cannot pay the Total Account Balance provided satisfactory payment arrangements are made in accordance with Chapter 660 of the Commission's Rules and Regulations and these Terms and Conditions.

**7.8 DISPUTE RESOLUTION.** The Utility shall resolve disputes in accordance with Chapter 660 of the Commission's Rules and Regulations.

**7.9 ANNUAL FILINGS.** The Utility shall annually file a disconnection report with the Commission as specified in Title 35-A M.R.S.A. § 6111-C and in Chapter 660.

**7.10 ASSISTANCE PROGRAMS.** Pursuant to Title 35-A M.R.S.A. § 6111-C and to Chapter 660 of the Commission's Rules and Regulations, the Utility shall provide Customers who receive disconnection notices information regarding financial assistance, including but not limited to 2-1-1 Maine, The Department of Health and Human Services, Community Action Agencies, and Town Government.

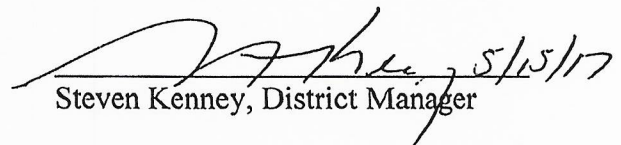
**8. CHARGE FOR ESTABLISHMENT OF SERVICE.** The Utility will charge \$10.00 to establish water service if it is not necessary for the Utility to visit the premises to connect the service. If it is necessary for the Utility to visit the premises to connect the service, the Utility will charge \$50.00, to install the water meter and turn the water on, during the normal business hours of 8 a.m. to 3 p.m., Monday through Friday. During holidays and other than normal business hours, the charge will be \$105.00.

**9. CHARGE FOR NON-SEASONAL RESTORATION OF SERVICE.** The Utility will charge a Customer a reconnection fee to restore non-seasonal services at the Customer's premises if service was disconnected for non-payment of bills, violation of these Terms and Conditions, fraudulent use of water, dangerous conditions on the Customer's premises, violation of Commission's Rules and Regulations, or at the Customer's request. The reconnection charge, to install the water meter and turn the water on, is \$50.00 for each restoration of service made during the normal business hours of 8 a.m. to 3 p.m., Monday through Friday. During holidays and other than normal business hours, the charge will be \$105.00.

**10. SEASONAL RESTORATION AND/OR DISCONNECTION OF SERVICE.** Returning Customers requiring seasonal restoration and/or disconnection of service between the beginning of May and the end of October may choose a certified plumber or other Utility approved professional to perform the work. If electing to do so, the Customer will be responsible for all charges.

If a Customer chooses to have the Utility perform a seasonal restoration and/or disconnection of service, the Utility will charge the Customer \$50.00, to install the water meter and turn the water

Proposed Effective Date: June 15, 2017  
Effective Date: June 15, 2017  
Docket Number: 2017-00053

  
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on, during the normal business hours of 8 a.m. to 3 p.m., Monday through Friday. During holidays and other than normal business hours, the charge will be \$105.00 for either a reconnection or a disconnection of service.

11. **COLLECTION TRIP FEE.** If Utility personnel visit the Customer's premises to disconnect service for non-payment and in lieu of actual disconnection the Customer pays or makes a payment arrangement for the entire past due balance, the Utility will charge a collection trip fee of \$20.00, as permitted in Chapter 660 of the Commission's Rules and Regulations.

12. **CHARGE FOR RETURNED CHECKS.** As provided in Chapter 870 of the Commission's Rules and Regulations, the Utility charges \$5.00 per account to which the check is applied or the amount the bank charges the Utility, not to exceed \$15.00 for each check returned for non-payment by a bank. If the Utility charges more than \$5.00, the Utility shall furnish the customer with proof of the bank charge.

13. **UNAUTHORIZED USE OF WATER.** No person shall tamper with or bypass any meter, nor restore service without Utility authorization, nor unreasonably interfere with Utility service. In the event of such unauthorized use of water, the Customer shall be subject to immediate disconnection, pursuant to Chapter 660. In addition, the Utility shall be entitled to bill and recover from the customer the cost of the estimated amount of water consumed, based on the Utility's approved rates, plus interest at an annual rate of 5%, and the Customer may be subject to the criminal and/or civil penalties then in force.

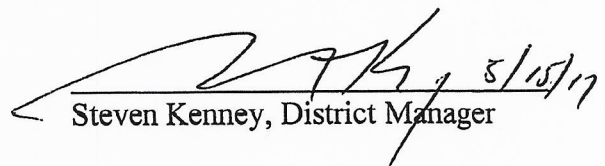
14. **MAINTENANCE OF PLUMBING.** A Customer must maintain the plumbing and fixtures within his/her own premises in good repair and protect them from freezing or from heat damage. If damage does occur, the Customer is liable for any expenses incurred.

15. **NO TAMPERING WITH UTILITY PROPERTY.** No person may tamper with Utility property. No valve, shutoff, hydrant or standpipe that is the property of the Utility will be opened or closed or otherwise operated by other than persons authorized by the Utility.

16. **ACCESS TO PREMISES.** Employees of the Utility having proper identification shall have access to all premises supplied with water, at all reasonable hours to permit the inspection of plumbing and fixtures, to set, remove or read meters, to ascertain the amount of water used and manner of use, and to enforce these Terms and Conditions.

17. **LIABILITY.** The Utility will only be liable for any damages arising from claims to the extent liability is provided in the Maine Tort Claims Act, as set forth in Title 14 M.R.S.A. Chapter 741. The Utility makes no representations or warranties, expressed or implied, about the suitability of the water for any particular purpose.

Proposed Effective Date: June 15, 2017  
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Docket Number: 2017-00053

 5/15/17  
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18. **SERVICE INTERRUPTION.** The Utility will provide notice of any planned shut-off to affected Customers at least twenty-four hours in advance of the interruption of service. The Utility will give notice of any unplanned shut-off when practicable. If a Customer requests, the Utility will make a pro rata reduction in the Customer's minimum bill if service is interrupted for longer than forty-eight hours and the interruption is not the Customer's fault.

19. **STOP VALVE.** Every service must be provided with an operable stop valve located inside the building near the service entrance, easily accessible, and protected from freezing. All plumbing must be installed to prevent back-syphonage and to permit draining whenever necessary.

20. **BACKFLOW DEVICE TESTING.** Customers are required to have all backflow devices tested by a certified professional on an annual basis. The Customer is responsible for all associated charges.

21. **UTILITY JOBBING.** A Customer must complete a written application before a Utility will provide unregulated Utility service. The Customer must pay a deposit equal to the Utility's written estimate. Unless the work is done on a flat rate basis, the Utility will return any excess deposit upon completion. If the final cost exceeds the deposit, the Customer must pay the additional amount upon completion.

22. **WINTER CONSTRUCTION.** No new service or extension of Mains will be installed for the convenience of a Customer during winter conditions that increases the cost of the work for the Utility.

23. **CALL OUT SERVICES / DISCOVERED LEAKS.** Any repair of meters, curb stops or service lines, if failure is due to improper care by the owner, will be billed at \$35.00 per man hour during the normal business hours of 8 a.m. to 3 p.m., Monday through Friday and \$105.00 during holidays and other than normal business hours, for the first three hours. Each additional hour will be billed at \$35.00 per man hour. The owner will also be responsible for the cost of any replacement parts and/or equipment required to complete the job.

24. **METERING POLICIES**

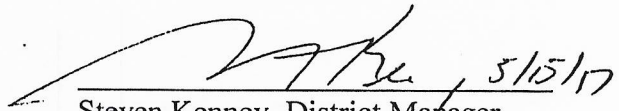
A. **Metering of Single-Unit Buildings.** No Customer shall supply water to another, nor use it for purposes not mentioned in his/her application without prior written Utility approval. The Utility reserves the right to require separate piping and a separate meter and shutoff for each building as a condition of service.

B. **Metering of Multi-Unit Buildings.** Except as provided in Chapter 660 of the Commission's Rules and Regulations, where there is more than one occupant of a building supplied with water, the Utility may require the owner to arrange the plumbing to permit separate connections with shutoffs and meters in locations acceptable to the

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Utility for each place of business or abode.

C. **Sub-metering.** Additional or auxiliary meters for showing subdivision of water use must be furnished, installed, read and maintained at the Customer's own expense.

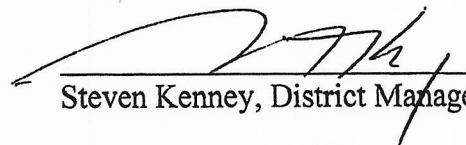
D. **Meter Pits.** All trailer parks and mobile homes are required to have meter pits. The Customer will be responsible for contracting the installation and for all associated expenses. Prior to the work being performed, the Utility must approve the location. In addition, the Utility must perform the hookup. These Utility services will be available during the normal business hours of 8 a.m. to 3 p.m., Monday through Friday at a charge of \$35.00 per man hour.

E. **Charges for Repair or Replacement of Damaged Water Meters.** The charges to Customers for costs incurred for the repair or replacement of meter(s), or other Utility Equipment damaged due to improper care by Customers are as follows: \$35.00 per hour, with a minimum charge of one hour, during the normal business hours of 8 a.m. to 3 p.m., Monday through Friday, plus the cost of the necessary replacement parts. During holidays and other than normal business hours, there will be a minimum charge of \$105.00 plus the cost of the necessary replacement parts, with each additional hour above three hours billed at \$35.00 per man hour.

F. **Meter Testing.** The Utility will test its water meters according to the schedule and standards in Chapter 620 of the Commission's Rules and Regulations. Upon Customer request, the Utility will test the Customer's water meter at no charge in the presence of the Customer or representative, unless the Customer requests more than one test in an 18-month period. If the Customer requests a test more frequently, the Utility may require the Customer to pay a deposit to cover the cost of the test. If a meter tested at the Customer's request does not conform to standards, the Customer's deposit will be refunded and the Utility will adjust the Customer's bill according to the provisions of Chapter 620. If the meter conforms to standards, the Utility may keep the Customer's deposit and continue to use the meter at the Customer's premises.

25. **CROSS CONNECTIONS.** No cross connection between the public water supply system and any other supply will be allowed unless properly protected, based on the Maine Cross Connection Control Rules and the Maine Internal Plumbing Code. No new cross connection may be installed without the approval of the Utility. In addition, no connection capable of causing back flow between the public water supply system and any plumbing fixture, device or appliance, or between any waste outlet or pipe having direct connection to waste drains will be permitted. If the owner of such a connection fails or refuses to break or properly protect the connection within a time limit specified by the Utility, the Utility may disconnect the service according to Chapter 660 of the Commission's Rules and Regulations. The Utility's Cross Connection Control Program is on file at the Utility office.

Proposed Effective Date: June 15, 2017  
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26. **FLUCTUATION OF PRESSURES BY CUSTOMER'S APPARATUS.** A Customer may not install or use any device that will affect the Utility's pressure or water quality without prior written Utility permission.

27. **SAFEGUARDING DIRECT PRESSURE WATER DEVICES AND SYSTEMS SUPPLIED BY AUTOMATIC FEED VALVES.** Customers must install vacuum, temperature and pressure relief valves or cutouts to prevent damage to a direct pressure water device or secondary system supplied by an automatic feed valve.

28. **JOINT USE OF SERVICE PIPE TRENCH.** Normally, water Service Pipes will not be placed in the same trench with other Utility facilities. Where possible, a horizontal separation of ten feet will be provided. Where extenuating, unusual or special circumstances are encountered, a lesser separation of joint use of trench may be allowed if all parties agree, provided that the installation complies with all applicable laws, rules and regulations.

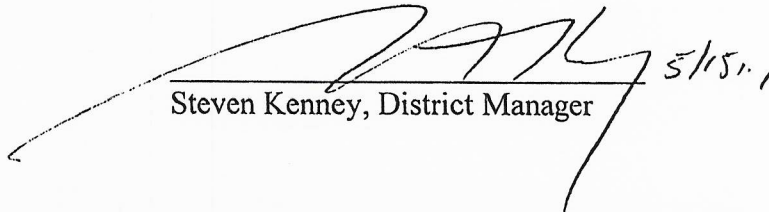
29. **USE OF HOSE AND LAWN SPRINKLER.** All hoses, sprinklers, irrigation systems and any other method of outside water use must be installed so that all water runs through the Utility meter for billing purposes. For properties also on the public Sewer System a separate meter to measure only outside watering may be installed and maintained, at the Customer's expense. The amount of this sub-metering of water usage may be called into the Utility Office quarterly to allow for a reduction of the property's Sewer Service Charges. All water usage, as calculated by the Utility water meter, will continue to be billed at the approved rates. It is the responsibility of the Customer to read this outside watering meter and to provide that information to the Utility. Utility personnel will verify these readings annually.

When necessary to conserve the water supply, the Utility may restrict or prohibit the use of hoses and sprinklers for all Customers.

30. **FIRE HYDRANTS.** Fire hydrants may not be used for any purpose other than to extinguish fires unless prior permission is given by the Utility. Fire hydrants must not be opened by any person other than an agent of the Utility or a duly authorized representative of the municipality or the owner.

31. **PRIVATE FIRE PROTECTION.** Customers requiring private fire protection must contact the Utility to determine the availability of fire service at their location. Fire service, if available, will be installed at the Customer's expense within the bounds of the public way or right of way. The fire service line, after installation, will be owned and maintained in the public way or right of way by the Utility, as specified in Chapter 640 of the Commission's Rules and Regulations. Private fire protection charges are billed quarterly. The Utility does not guarantee any quantity of water or pressure available through a fire protection service. The owner of the service shall determine, from time to time, the adequacy of supply through the fire service by conducting tests of his/her private system. Timely notice must be given to the Utility so a representative of the Utility can be present to observe the test.

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