

Mercersburg

Water Authority

Rules and Regulations

July 17, 2025

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SECTION I

DEFINITIONS

1.01. The terms defined in this Section, shall for all purposes of these Rules and Regulations, and all amendments subsequent hereto which do not specifically repeal these Rules and Regulations, have the meanings herein specified, unless the context clearly indicates otherwise:

- 1) **The Act** shall mean the Act of Assembly of the Commonwealth of Pennsylvania; known as the “Municipality Authorities Act of 1945”, approved May 2, 1945 P.L. 382, Amended by Act 203 of 1990, repealed by Act 22 of 2001 creating chapter 56 in Title 53 (53 Pa. C.S. Ch. 56- Municipality Authorities Act) together with all supplements and amendments.
- 2) **Applicant** shall mean any person making Application for Service.
- 3) **Application for Service** shall mean a written application to the Authority, on a form provided by the Authority for permission to connect to the Water System.
- 4) **Authority** shall mean and refer to the Mercersburg Water Authority (MWA) a municipal authority duly organized pursuant to the laws of the Commonwealth of Pennsylvania, or any designated agent, representative, or employee acting on behalf of the Mercersburg Water Authority.
- 5) **Base Consumer Fee** shall mean the quarterly fee that is charged to each Consumer Unit as defined in Section 1.01.11 and 9.07 hereof.
- 6) **Borough** shall mean the Borough of Mercersburg, Franklin County, Pennsylvania, acting through its properly authorized officers, agents or employees, each acting within the scope of the particular duties to which they are assigned.
- 7) **Bill** shall mean the amount charged to a Consumer for quarterly water service. In the event of discontinuance of service during a quarter, the Consumer shall be required to pay a proportionate part of the charge for said quarter’s service.
- 8) **Commercial Establishment** shall mean any Improved Property which shall be used, in whole or in part, for sale or distribution of any product, commodity or article or for the performance or rendition of any service. . The determination by the Authority as to what constitutes a Commercial Establishment shall be final.
- 9) **Construction Specifications** shall mean the latest edition of the Authority’s *General Specifications for Water System Construction*, adopted by the Authority on April 8, 2008, as amended. In the event a discrepancy occurs between the Construction Specifications and these Policies and Procedures, the more stringent, as determined by the Authority, shall apply.

10) **Consumer** shall mean any Person, firm, group or corporation contracting for a water service to a particular property owned by the Person, firm, group or corporation. Consumer shall not include anyone who is not an Owner of record of the property being supplied water service by the Authority.

11) **Consumer Unit** shall mean:

- a) A building under one roof owned by one party and used for one business or dwelling unit; or
- b) A combination of buildings owned by one party in one common enclosure and used for one business or dwelling unit; or
- c) The one side of a double house, having a solid vertical partition wall and used as one dwelling unit; or
- d) A building owned by one party having a number of apartments or offices and using in common one hall and one or more means of entrance; or
- e) An industrial, commercial or manufacturing establishment; or
- f) Each dwelling unit, in addition to the first dwelling unit, in a building under one roof, owned by one party, shall be treated and regarded as a separate consumer unit, and shall be subject to the rate schedule applicable thereby.

The Authority reserves the right to make a final determination as to what constitutes a Consumer Unit, which determination shall be binding and conclusive on all Applicants, Customers, and Consumers.

12) **Council** shall mean the Mercersburg Borough Council, a group of elected officials acting as the governing body of the Borough.

13) **Cross Connection** is any pipe, valve or any other physical connection, arrangement or device connecting the pipelines of the Authority or the Water System, directly or indirectly connected therewith, to and with pipes or fixtures by which any contamination might be admitted or drawn from lines other than the Authority's into the main distribution system or into lines connected therewith.

14) **Customer** shall mean either a Consumer or Tenant when both are being referred to simultaneously, and said customer shall be the party using water service at a Consumer Unit.

- 15) **Developer** Shall mean any person(s) developing property for which the person(s) is requesting the provision of water service from the Authority.
- 16) **Dwelling Unit** shall mean any room, group of rooms, house trailer or other enclosure occupied or intended for occupancy as separate living quarters by one family or other group of Persons living together or by a Person living alone, on an Improved Property.
- 17) **Fire Hydrant** shall mean a water outlet used for public fire protection.
- 18) **Final Bill** shall mean the Bill that is issued by the Authority upon notification that the Customer residing in a Consumer Unit has vacated or will vacate that Consumer Unit, and thus wishes to terminate their Service Contract. The Final Bill shall include all charges due to that account, from said Customer, and shall only be issued at the request of the Consumer.
- 19) **Improved Property** shall mean any property upon which there is erected a structure or structures intended for continuous or periodic habitation, occupancy or use by human beings or animals and to which structure or structures water service shall be or may be provided.
- 20) **Industrial Establishment** shall mean any Improved Property which shall be used, in whole or in part, for manufacturing, processing, cleaning, laundering or assembling any product, commodity or article.
- 21) **Lateral** shall mean and refer to that part of the Water System extending from a public main or water line to the property line or right-of-way line. Where the public main or water line is located outside of a public right-of-way, the word Lateral shall mean and refer to the corporation stop and tap on the water main.
- 22) **May** shall mean permissive, and as distinct from **Shall** which means mandatory, subject to approval by the Authority's Board.
- 23) **Metering** shall mean the mechanical or other means and/or devices for measuring and recording the volumetric quantity of flow of water.
- 24) **Meter Rate** shall mean the rate charged by the Authority per thousand gallons of water registered by the Water Meter installed on the Consumer's premises.
- 25) **Meter Rate Consumer** shall mean a Consumer who has a separate Water Meter installed on their premises.
- 26) **Occupied Building** shall mean any structure erected and intended for continuous or periodic habitation, occupancy or use by human beings or animals and to which structure water service is or may be required.

- 27) **Owner** shall mean any Person with vested ownership, legal or equitable, sole or partial, of any Improved Property.
- 28) **Person** shall include individuals or natural persons, artificial persons existing only in contemplation of law, and shall be construed to include associations, partnerships, co-partnerships, firm, company, trust, estate, governmental entity, or any other legal entity or their legal representatives, agents or assigns, limited partnerships, joint stock companies and corporations. The masculine gender shall include the feminine, the singular shall include the plural where indicated by context.
- 29) **Property Accessible to the Water System** shall mean and refer to real estate which adjoins, abuts, or is adjacent to the Water System. All property located within the corporate limits of the Borough of Mercersburg shall be considered to be property accessible to the Water System.
- 30) **Service Charge** See Work Costs
- 31) **Service Connection** shall mean the connection of the Water System to the property being provided water service between the Lateral and the Occupied Building. The Service Connection shall include all portions of piping between the Lateral and Occupied Building, except the curb box and curb stop, and shall remain the property and responsibility of the property Owner. The curb box and curb stop, shall be the property of the Authority. All other sections of service lines shall be the property or responsibility of the property Owner.
- 32) **Service Contract** shall mean the contract entered into between the Authority and the Consumer for water service.
- 33) **Sewer Authority** shall mean and shall refer to the Mercersburg Sewer Authority (MSA), a Municipal Authority organized pursuant to the laws of the Commonwealth of Pennsylvania, or any designated agent, representative or employee acting on behalf of the Mercersburg Sewer Authority.
- 34) **Shall** means mandatory as distinct from **May** which means permissive, subject to approval by the Authority's Board.
- 35) **Tap-in** shall mean the connection of a building's plumbing to the Authority's Water System. The term "connection" is synonymous with Tap-in.
- 36) **Tenant** shall mean a Person, or persons other than the Owner. Tenant shall not be considered a Consumer/ Owner and the Owner shall be ultimately responsible for Bills at all times.
- 37) **Use of Service** shall mean the use of water service by a Consumer in accordance with the class, scope and type of use, and the purpose stated in his Application for Service and Service Contract.

- 38) **Water Meter** shall mean an instrument which measures, in gallons, the amount of water consumed which shall at all times remain the property of the Authority.
- 39) **Water System** shall mean all facilities acquired, constructed, owned and operated by the Authority for distributing, pumping, transporting, treating, or disposing of public water.
- 40) **Work Costs** shall mean the charges for any work the Authority or Borough provides for a Consumer. This includes the cost of all materials, the hourly wages of any Authority or Borough employee involved including payroll costs, the hourly rate for any vehicle or equipment as established by the Authority, the rental rate of any vehicle or equipment not owned by the Authority and all other expenses, including costs for independent contractors, incurred by the Authority or Borough in performing the work.

SECTION II

APPLICATION FOR AND TERMINATION OF SERVICE

2.01. No Person shall connect any improved property with any part of the Water System without first making Application for Service and securing a permit, in writing, from the Authority. Any property connected without first making Application for Service shall be in violation of these Rules and Regulations and shall be subject to the penalties contained herein.

2.02. All Occupied Buildings within the Borough are required to be connected to the Water System in accordance by Ordinance No. 3-11 of the Borough of Mercersburg.

2.03. A Service Connection may be made and Water Service may be furnished, only upon written approval of the Application for Service by the Authority. Written Application for Service by the Applicant, shall be made on the application form provided by the Authority and shall clearly outline the Use of Service. The Application for Service must be signed by the property owner(s). The Authority reserves the right to require the Applicant to submit any other information, as deemed necessary by the Authority, to be necessary to evaluate the permit application.

2.04. The Application for Service, as well as the use of water from the Water System constitutes a Service Contract between the Consumer and the Authority, and the Consumer agrees to be bound by these Rules and Regulations, as well as any applicable Federal, State, and Local statutes, ordinances, rules or regulations.

2.05. A new Application for Service must be made to, and approved by, the Authority upon any change in the identity of the contracting Consumer, or Tenant at a property, or any change in the use of service as described in the Application for Service. The Authority may, upon ten (10) days written notice and posting of said notice at the main entrance of the property terminate the service until such new Application for Service has been submitted and approved. Where the Consumer elects to have the Tenant receive the quarterly Bill the Consumer will be responsible for jointly filing with the Tenant a new Application for service with the Authority.

2.06. Each Application for Service shall be made in conformity with the stating of the basis of rates applicable to Consumers under the Tariff provisions.

2.07. If a Consumer wishes that service be discontinued due to change in occupancy, the Consumer must give at least three (3) days written notice prior to the date of requested discontinuance.

2.08. Departure: If a Customer requests that service be discontinued due to change in occupant(s) or vacancy of an improved structure, the Customer shall be responsible for all Water Service charges up to the time that the service is discontinued as requested or a new customer assumes liability for the service charges. Customers shall be responsible for the pro-rated Base Consumer Fee.

2.09. The Authority reserves the right to terminate Water Service and to collect all Work Costs incurred in such termination for neglect or refusal to comply with the Rules and Regulations of the Authority and/or for the reasons listed below:

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|---|---|
| (1) For misrepresentation in the Application for Service as to property or improvements to be serviced by the Water System. | (2) Use of Service for any improved property or purpose other than that described in the Application for Service. |
| (3) Discharging water through improper or imperfect pipes, fixtures, or otherwise. | |
| (4) Vacancy of the premises. | |
| (5) Violation of any of the Rules and Regulations of the Authority. | |

Service shall not be restored until such time as all applicable provisions of these Rules and Regulations are complied with and any applicable Work Costs or other fees, penalties, or fines owed to the Authority are remitted in full thereto. Termination of Service shall be in accordance with the Termination of Service provisions of these Rules and Regulations.

2.10. The Authority reserves the right to discontinue Water Service without notice due to breaks, emergencies, or any other circumstance which presents or may present an imminent or substantial endangerment to the health, safety, or welfare of persons, the environment, or the water system, or other causes beyond the control of the Authority or Customers until such time as the circumstances which triggered the discontinuance are rectified to the satisfaction of the Authority. The Authority reserves the right to temporarily suspend service in order to perform upgrades, install connections, or perform maintenance on the Water System. If time permits the Authority will use all reasonable and practicable measures to notify the Customer, in advance, of such discontinuance of service if the Authority has advance notice of the temporary suspension of service. If service is discontinued the Authority shall not be liable for any damage or inconvenience suffered by the Consumer, Consumer Unit, or Tenant.

SECTION III

SERVICE CONNECTIONS

3.01. The Service Connection shall be kept in good condition at all times by the Consumer under penalty of discontinuance of service by the Authority.

3.02. When two or more Consumers are supplied through a single Service Connection any violation of the Rules and Regulations of the Authority by either or any of the Consumers shall be deemed a violation as to all, and the Authority may take such action as could be taken against a single Consumer, except that such action shall not be taken until the innocent Consumer who is not in violation of the Authority's rules has been given a reasonable opportunity to install an individual Service Connection.

3.03. Hereinafter, under no circumstance shall Consumer Units under different ownership be served from the same service line. For any new construction or new application for water service for which a new lateral will be required a separate and independent service connection/lateral shall be provided for every building; except where it is not possible, as determined by the Authority, to provide for each building on a property a separate and independent service connection/lateral, in which case the Authority may permit, in its sole discretion, modification of the requirements of this section. However, the Authority does not and shall not assume any obligation or responsibility for damage caused by or resulting from any such single connection aforementioned.

3.04. Where one Service Connection or Lateral has been used for two or more properties held in one ownership, and there be a division of such ownership, whether by sale or otherwise, each property shall thereafter have its own Service Connection and Lateral, installed at the expense of the Consumer within sixty (60) days of such division.

3.05. Hereinafter, there shall be placed in the Service Connection by the Consumer, within the walls of the building supplied, and so located as to drain all the pipes in the building as well as the Water Meter, a brass lever handle stop and waste cock, easily accessible to the occupants, for their protection in enabling them to turn off the water in the case of leaks and to drain the pipes to prevent freezing. The said stop and waste cock located within the Consumers building shall be the property of the Consumer and all maintenance and operation shall be the responsibility of the Consumer.

3.06. Under no circumstances shall any Person operate any valve owned by the Authority, unless prior approval is granted by the Authority to operate said valve.

3.07. Any and all leaks in Service Connections shall be promptly repaired at the full expense of the Consumer. Failure to make such repairs with reasonable dispatch may be cause for the Authority to discontinue the water service until all Work Costs incurred by the Authority in making such repairs are paid in full or until all leaks are repaired by the Consumer and the repair is inspected and approved by the Authority.

3.08. The Authority shall in no event be responsible for maintenance of, or for damages done by water escaping from the Service Connection or any other pipe or fixture on the property of the Consumer and the Consumer shall, at all times, comply with Federal, State, and local statutes, ordinances, and regulations pertaining to the discharge of water and shall take any corrective action required thereunder.

3.09. Determination of Responsibility for Leaks: In the case of leaks of which the location is not readily apparent, the Authority may, upon request of the Consumer, expose the lateral for the purpose of determining whether the lateral is the source of the leak. The Authority shall assume the costs of work incidental thereto if it is found that the lateral is leaking; provided, however, if the lateral is not the source of the leak the customer shall reimburse the Authority for the actual costs of the work engaged in to determine responsibility for the leak.

3.10. Private fire protection facilities: Private fire protection facilities (sprinkler systems and related facilities) may only be installed where the water main that serves the Consumer Unit is of sufficient size, which determination shall be made by the Authority. Where water mains must be extended or water facilities must be increased in size to accommodate private fire protection facilities, the Consumer must enter into an Agreement with the Authority for the provision of the same.

SECTION IV

USE OF WATER

4.01. The Use of Service by a Customer shall be in accordance with the class, scope, type of use, and purpose stated in their Application for Service and Service Contract. No customer supplied with water by the Authority shall be permitted to supply other persons or other premises with water except by written permit from the Authority. Consumers who violate this Section may have their water service terminated as provided in these Rules and Regulations.

4.02. The various classes of service and applicable rates shall be in accordance with the most recent Schedule of Rates and Fees adopted by the Authority.

4.03. Water Conservation: If the Authority determines that it is experiencing a shortage of water in the Authority's Water System the Authority may request general conservation of water uses and may impose mandatory conservation measures to reduce or eliminate nonessential uses of water. The conservation measure may include prohibiting the use of water for irrigation, garden sprinkling, motor power purposes or washing structures or vehicles.

SECTION V

WATER METERS

5.01. Each Meter Rate Consumer's service shall have a separate Water Meter to register the amount of water consumed, except as provided elsewhere in these Policies and Procedures.

5.02. Water service shall be rendered to all new Consumers/Customers through the use of Water Meters.

5.03. All Water Meters shall be furnished by, and shall remain the property of the Authority, and shall at all reasonable times be accessible to the Authority and subject to the Authority's control. The Consumer shall be required to remit to the Authority a water meter fee in accordance with the Authority's schedule of fees. The meter shall be conveniently located within the building being

supplied with water service at a location approved by the Authority, that measures the supply of water being provided to the premises. The Authority reserves the right to determine when and where meters and remote readers shall be installed.

5.04. In any case where it is not convenient to place the Water Meter within the building, as provided in Section 5.03, the Authority may place the meter outside the building in a concrete or brick vault or pre-cast meter pit which has a suitable cover and lock and key. The vault or pit shall be built within the bounds of the Consumer's property and the expense of the vault or pit and the installation thereof shall be the borne by the Consumer.

5.05. The Authority shall determine the size of the meter to be installed based on the service requested and the Authority may change the size of meter for a service which has already been installed.

5.06. All areas around the Authority's meters, remote readers, and/or meter vaults or pits shall be kept free of any and all obstructions.

5.07. In all cases where steam or hot water pressure is used, a swing check valve must be placed, at the expense of the Consumer, directly ahead of the Water Meter and before any outlets are taken off from the Service Connection, to prevent injury to the Water Meter.

5.08. Meters to measure water supplied shall be maintained by the Authority as far as ordinary wear and tear is concerned but the Consumer shall be responsible for any damage to, or loss of, any meter. The Consumer shall not permit anyone who is not an agent of the Authority, or otherwise lawfully authorized, to remove, inspect or tamper with the Authority's meter, or any property of the Authority on his premises.

5.09. Meter Broken: If it is determined that a meter failed to register correctly, or if the meter is stopped for any cause, or if the meter seal is broken and/or needs to be replaced, the Customer shall pay a billing rate estimated on the average of the last four (4) billing periods.

Furthermore, if a meter seal is broken the Authority reserves the right to remove the meter for testing and the cost of the meter testing and the labor involved with the removal and reinstallation of the meter shall be charged to the Consumer. The authority also reserves the right to prosecute whomever brakes a meter seal, defaces the meter, or damages the meter in accordance with 18 P.S. §3926, as amended.

If the Consumer, or the Consumer's Tenant, has not been metered for two years, it shall mean the two billing periods immediately prior to the disputed period.

5.10. In case of a disputed account involving the accuracy of a Water Meter, such meter shall be tested, upon request of the Consumer. In the event that the Water Meter so tested is found to have an error in registration greater than that listed below, at a flow rate equal to that listed below, the Bills will be increased or decreased accordingly as provided by the aforesaid rules.

<u>Meter Size</u>	<u>Flow Rate</u>	<u>Registration Error</u>
5/8"	¼ GPM	5%
	>¼ GPM	4%
3/4"	½ GPM	5%
	>½ GPM	4%
1"	¾ GPM	5%
	>¾ GPM	4%

5.11. If the Water Meter tested shall be found to have an error in registration less than that listed in Section 5.10, at a flow rate equal to that listed in Section 5.10, then the Consumer shall pay the Work Costs of the test, which shall be an amount in accordance with the most current Schedule of Rates and Fees. If the error in registration is more than that listed in Section 5.10, at a flow rate equal to that listed in Section 5.10, then the Consumer shall not be responsible for the Work Costs or other fees associated with the test.

5.12. The Consumer shall at once notify the Authority of any injury to or of any cessation in registration of, the Water Meter as soon as it comes to his knowledge. The Authority shall not be responsible for refunds or adjustments for a period in excess of two calendar quarters immediately preceding the time when a claim is made.

5.13. Where any property is found to have more than one Consumer Unit, the Consumer shall have the right to have a separate Water Meter installed for each such Consumer Unit, provided that the cost of all necessary plumbing to permit such installation shall be borne by the Consumer and provided further that such Consumer pay the established Work Costs, which shall be an amount in accordance with the most current Schedule of Rates and Fees, to the Authority for each Water Meter so installed, which fee shall accompany the request for installation.

5.14. If a Consumer does not have an outside water meter and the meter reader is unable to gain access to read the meter, he shall leave a post card on the premises for the Consumer to report the meter reading. Any Consumer who fails to complete this card and return it to Borough Hall within five (5) days shall pay a \$5.00 Service Charge for the increased expense incurred by the Authority for issuance of an estimated Bill.

SECTION VI

BILLS – TIME AND METHOD OF PAYMENT – COMPLAINTS - ADJUSTMENTS

6.01. Bills for service shall be rendered by the Authority on a quarterly basis, by the tenth day of January, April, July and October, respectively, in each year, or as soon after the tenth day of said months as possible, for service for the quarters ending with the last day of December, March, June and September, respectively. Any Consumer beginning or discontinuing service during a quarter shall be required to pay the proper prorated portion of such quarter's Bill.

6.02. All Bills for service and other charges shall be payable upon the date thereof and the appropriate amount, computed in accordance with Rates and Fees as set by Resolution, shall constitute the net Bill. The net Bill shall be due sixty (60) days from the date of billing. If the net

Bill is not paid in full at the end of the sixty (60) day time period the bill shall bear interest in the sum of one-and one-half per cent (1.5%) per month. Any outstanding balance due plus such additional sum shall constitute the gross Bill. At the end of the sixty (60) day period from the date of billing any gross Bill balance due shall be considered delinquent.

If service is terminated due to delinquency of the Bill or any other payment due to the Authority under these Rules and Regulations, service shall not be restored until;

- 1) such delinquent Bill is paid in full, and;
- 2) a reconnection fee which shall be an amount in accordance with the most current Schedule of Rates and Fees has been remitted to the Authority.

Termination of Service shall be in accordance with the Termination of Service provisions of these Rules and Regulations.

Payment made or postmarked on or before the last day of the applicable calendar day period shall constitute payment within such period. If the end of such calendar day period shall fall on a legal holiday or a Sunday, payment which shall be made on or mailed and postmarked on the next succeeding week-day which is not a legal holiday shall constitute payment within such period.

In the event rates for service and other charges imposed under the provisions of Rules and Regulations shall become applicable to any Improved Property during a billing period, as set forth in Section 6.01, or in the event service to any Improved Property shall begin after the first day or shall terminate before the last day of any billing period, as set forth in Section 6.01, service rates and other charges for such billing period not based upon volume of water usage shall be prorated, as appropriate, for the applicable portion of the billing period.

6.03. Final Bills issued to a Customer vacating a Consumer Unit shall be due, in full, thirty (30) days from the date of billing. Only the Consumer may request issuance of a Final Bill. Should the Final Bill not be paid in full within thirty (30) days, or if the Tenant has not made payment arrangements satisfactory to the Authority, the Final Bill will be deemed delinquent and the Authority will first seek compensation for the entire amount from the Consumer, however, the Authority reserves the right to seek compensation from any other person who may be liable for said final bill.

6.04. Every Customer shall provide the Authority with and thereafter shall keep the Authority apprised of their current and correct address. Failure of any Customer to receive appropriate Bills for service rates and other charges shall not be considered an excuse for nonpayment nor shall such failure result in an extension of the period of time during which the net Bill shall be payable.

6.05. In the event of non-payment by a Tenant, a copy of the delinquent Bill and/or notice shall be mailed to the Consumer within thirty (30) days of the bill becoming delinquent. If a Bill remains delinquent for thirty (30) days, the Authority shall notify the Consumer of its intent to file a municipal lien against the Consumer's property, and if payment is not received within thirty (30) days thereafter, the Authority shall file and enforce a municipal lien. In accordance with applicable

law and as set forth in the most current Schedule of Attorney Fees, as adopted by the Authority, the Consumer shall be responsible for all filing fees and other costs associated with filing and/or enforcing the municipal lien.

6.06. Bills shall only be rendered to the Consumer who has contracted for water service, or to his Tenant if the Consumer so directs. Should the Consumer elect to have the Tenant receive the quarterly Bill, the Consumer will also be responsible for filing an application in accordance with Section II of these Rules and Regulations.

6.07. Should an Owner elect to have a Tenant billed directly, the Tenant may be required to make a security deposit to the Authority in accordance with the latest Schedule of Rates and Fees, before water service is provided. The Authority may require a security deposit if:

- 1) The Tenant has been a Customer of the Authority within the preceding twenty-four months and the Tenant has an unpaid balance from prior service or the Tenant was ever delinquent in the payment for service or other charges.
- 2) The Tenant provides information that demonstrates that the Tenant is a credit risk. The Authority may request that the tenant provide credit information including but not limited to: the name of the employer of the applicant, place and length of employment, residences during the previous 5 years, letters of reference, credit cards and any significant source of income other than from employment. The Authority shall not require a security deposit solely based on the fact that the Tenant has no prior credit history.

The security deposit shall be retained for a period of one (1) year and shall be refunded thereafter without interest, provided that;

- 1) The applicant has not been in violation of these Rules and Regulations during the one year time period, or
- 2) The applicant has not been delinquent during the one year time period.

If the security deposit is not returned to the Tenant for the reasons set forth above the Authority shall retain the security deposit until such time as the Applicant completes a one year period without violating the reasons for non-return above, or until the Tenant vacates the premises and has paid in full all outstanding charges. If the Tenant vacates the consumer unit and there are unpaid charges, those charges shall be debit from the security deposit, and the remaining amount, if any, shall be returned to the Tenant.

6.08 Security Deposits for Existing Customers: The Authority may require a security deposit from existing customer if:

- 1) A Customer has been delinquent in payment for two consecutive bills or delinquent in payment for two bills within a calendar year; or
- 2) Service has been terminated in accordance with these Rules and Regulations; or
- 3) The Customer has failed to comply with a settlement or payment agreement.

Security Deposits that are required as a result of termination must be paid prior to the restoration of service. Security Deposits that are required as a result of delinquency or failure to comply with

a settlement or payment agreement shall be due within ten (10) days of the issuance of the notice that a security deposit will be required. If the security deposit is not remitted with ten (10) days service may be terminated in accordance with the Termination of Service Provisions of these Rules and Regulations.

Customers who are delinquent in payment shall be notified in the notice of delinquency that two consecutive delinquencies or two delinquencies within a calendar year may result in the imposition of a security deposit.

6.09. Whenever a Tenant desires to have his Service Contract terminated the Consumer shall notify the Authority to that effect in writing. Customers shall be responsible for the payment of all services rendered by the Authority until such written notice is received and the service is discontinued. For Customers with Meter Rate service, the Authority shall have a reasonable time from the receipt of the notice to take the final reading of the Water Meter or meters before actually discontinuing service.

6.10. Immediately following the final reading of a meter, due to written notification that a Tenant will be terminating their Service Contract, a new account will be created in the name of the Consumer, and the Consumer shall be liable for charges based on water consumed, and/or a pro-rated Base Consumer Fee, between the final reading and the next initial reading upon written notification that a new Tenant will be occupying the Consumer Unit.

6.11. Billing Disputes: If a Customer believes a Bill to be in error and wishes to dispute the bill, the Customer shall present the claim in writing by mail or in person at the Mercersburg Borough office at 113 South Main Street, Mercersburg, PA 17236 within ten (10) business days of the issuance of the bill. The Authority shall render a decision as to whether the bill is correct or whether an adjustment is necessary.

6.12. Complaints and requests for Bill adjustments must be filed in writing with the Authority. Requests for adjustments can not be made until the billing quarter immediately following the quarter from which the request is referencing has concluded.

6.13. Special Meter Reading: If a Customer requests that the Authority conduct a special Water Meter reading, the Customer will be allowed one such special reading per calendar year. For any additional meter readings, the Customer will be billed in accordance with the latest Schedule of Rates and Fees unless the reading reveals that the previous Water Meter reading was in error.

6.14. Water Meter Testing: If a Customer requests that the Authority test the water meter, the Customer shall pay a fee in accordance with the most current Schedule of Rates and Fees for the cost of the test and shall reimburse the Authority for any expenses incurred as a result of said test, unless the test reveals that the meter has been registering in error in accordance with the criteria forth in Section 5.10.

6.15. An application for water service may be denied if there is an unpaid delinquent amount associated with the Consumer Unit. Service shall not be provided until such time as any delinquent charges for the Consumer Unit are paid in full.

6.16 Service to a new Customer with an existing Bill due may be denied should said bill be in any state other than a current *and* final Bill. Service may be refused until such time as any outstanding charges or fees stemming from that Customer are paid in full.

6.17. Checks made payable to the Authority that are returned due to insufficient funds, will be assessed a returned check fee in accordance with the Schedule of Rates and Fees, which fee, that shall not exceed the charge actually incurred by the Authority, will be added to said Bill.

6.18. Termination of Service: The Authority may terminate service for the reasons set forth in these Rules and Regulations and shall at all times comply with all laws applicable to the termination of service.

Prior to terminating service the Authority shall give notice, in the manner required by law, of its intention to request and direct the termination of water supply to the Improved Property. Any such notice shall be mailed to the Customer and shall be posted at a main entrance to the Improved Property.

Service may be terminated without notice for the reasons set forth in Section 2.10 of these Rules and Regulations.

6.19. Authority staff is authorized to execute payment agreements with Customers when a Customer's bill is substantially in excess of the prior quarter's bill due to usage. "Substantially in excess" shall mean that the bill is at least two times (2x) in excess of the prior quarter's bill. Payment agreements shall set forth payment amounts to be paid by the Customer in equal monthly installments, including penalties, over a time period not to exceed six (6) months. Customers shall be limited to entering into no more than one (1) payment plan per person and per property.

Bill Adjustments. Where a Customer's bill is considered to be substantially in excess of the prior quarter's bill due to a faulty meter or equipment or due to an incorrect meter/equipment reading (based on the submission of a form), Authority staff is authorized to make a bill adjustment by averaging the prior four (4) quarters and using the four (4) quarter average for the bill adjustment amount. Authority staff shall report all bill adjustments to the Board. No bill adjustments shall be authorized beyond one (1) quarter under this provision.

SECTION VII

USE OF FIRE HYDRANTS

7.01. Fire Hydrants and other fire protection systems shall only be used in the case of fire or other emergency, unless prior written authorization is obtained from the Authority. Water from public Fire Hydrants may be used, in a reasonable amount and at such times as the Authority may permit, for the purpose of testing hydrants and fire fighting apparatus of the Mercersburg, Montgomery, Peters and Warren Volunteer Fire Company. Such tests shall be conducted only by properly authorized agents or employees of the Fire Company, the Authority, or the Borough and only in the presence of representatives of the Authority.

SECTION VIII

GENERAL PROVISIONS

8.01. No agent or employee of the Authority shall have the right or authority to bind the Authority by any promise, agreement or representation in any manner which is contrary to the letter or intent of these Rules and Regulations.

8.02. The Authority reserves the right to adopt and promulgate, from time to time, such additional rules and regulations as it shall deem necessary and proper which rules and regulations shall be construed as amendments to these Rules and Regulations.

SECTION IX

TAPPING FEES, WATER RATES, AND OTHER CHARGES

9.01. Tapping fees, Connection fees, and Customer facilities fees required for connection to the Water System shall be determined in accordance with the Municipality Authorities Act, 53 P.S. 5601 et. seq. as amended from time to time.

9.02. The Tap-In Fee, Connection Fee, and Customer Facilities Fee established and imposed pursuant to these Rules and regulations is charged for each Consumer Unit which is connected to the Water System, except as provided in Sections 9.03, 9.04, 9.05, 9.06 and 9.07 herein.

9.03. Tap-In Fee: This fee applies only to new Consumers and is designed to recover costs of existing or planned facilities necessary to serve those Consumers, excluding costs recovered by other means, such as through Meter Rates or other charges. All new Consumers shall pay a Tap-In fee, as set by Resolution and as may be amended from time to time and adopted by the Authority.

9.04. Connection Fee: The Consumer shall be responsible for the entire cost of installation of the Lateral from the water main to the property or right-of-way line. If circumstances require construction of the Lateral by the Authority, the Authority shall calculate the connection fee based upon the actual costs related to said Lateral installation and the Consumer shall be responsible for the entire cost. The costs shall include all materials, labor, inspections, restoration, and administrative costs incurred in the extension of the lateral from the water main to the property line or right-of-way boundary. The Authority shall determine the size and kind of lateral necessary for the supply of water to the premises.

9.05. Installation of Facilities by Consumer: The Authority may, by written agreement with the Consumer or Developer allow the Consumer or Developer or his agent to install water facilities. Said agreement shall not be required for the installation of service connections/laterals. All water facilities installed by the Consumer or Develop in accordance with this section shall be dedicated to the Authority, except for service connections/lateral and any other component which the Authority may exempt from the dedication requirement. In cases where the Authority allows the

Consumer or his agent to install any line or component which will constitute any portion of the Water System all construction must be performed in accordance with the most recent edition of the Authority's Construction Specifications, available at the Borough office. Any such construction shall be subject to inspection by the Authority's Engineer and Consumer or Developer shall be responsible for all associated inspection costs.

9.06. Customer Facilities Fee: If the Authority installs the service the Consumer shall be responsible for all actual costs incurred by the Authority for installation of said Service Connection to provide water service from the Lateral to the proposed dwelling or building to be served. The service connection shall be constructed in accordance with the Authority's Construction Specifications.

9.07. Each Meter Rate Consumer is subject to a Base Consumer Fee per quarter per Consumer Unit for metered service. This fee shall be billed quarterly regardless of any lack of consumption of water from the water system.

9.08. Where one meter serves more than one Consumer Unit, only one Bill shall be generated with one Base Consumer Fee. Said Bill shall be in the Consumer's name, unless otherwise directed by the Consumer in accordance with Sections 6.06 and 6.07 of these Policies and Procedures.

9.09. Commencement of Charge: All charges for water service commence when a water meter is installed and the connection is made to the Water System, regardless of whether water service is actually used.

9.10. The charges assessed for fire protection service, industrial service, and to the Mercersburg Academy shall be in accordance with the Rates and Fees, as set by Resolution or determined by Agreement.

9.11 Installation of Facilities by the Authority: The Authority shall have the right to defer the installation of any facilities until such time as, in the judgment of the Authority, conditions are suitable for the installation of water facilities.

9.12. Payment Agreements. As set forth in Section 6.19 of these Rules and Regulations, Authority staff is authorized to execute payment agreements with Customers when a Customer's bill is substantially in excess of the prior quarter's bill due to usage. "Substantially in excess" shall mean that the bill is at least two times (2x) in excess of the prior quarter's bill. Payment agreements shall set forth payment amounts to be paid by the Customer in equal monthly installments, including penalties, over a time period not to exceed six (6) months. Customers shall be limited to entering into no more than one (1) payment plan per person and per property.

SECTION X

EXCEPTIONS AND INTERPRETATIONS

10.01. The Manager of the Water System shall have the right to interpret and make exception to the rules and regulations set forth herein but the final authority on the interpretation of these Rules and Regulations shall be the Authority.

SECTION XI

ACCESS

11.01. Authorized agents of the Authority shall have the right of access, at all reasonable hours, to any Improved Property supplied with water service as shall be required for the purpose of reading meters, inspection, measurement, sampling and testing, observing manner of using pipes and fixtures, observing manner of using water or for any other purpose which the Authority deems necessary regarding water services rendered by the Authority. Authorized agents of the Authority will carry with them proper credentials denoting employment or authorization by the Authority or the Borough.

SECTION XII

RESPONSIBILITY OF OWNERS OF IMPROVED PROPERTY

12.01. The Owner of each Improved Property connected to the Water System shall be responsible for all acts of Tenants or other occupants of such Improved Property in so far as such acts shall be governed by the provisions of these Rules and Regulations.

12.02. The Owner of each Occupied Building shall be solely responsible for all plumbing, pipes, fixtures, etc. within each Consumer Unit, in no case shall Authority or Borough personnel inspect, alter, or make any recommendations in reference to, the condition of the plumbing, pipes, fixtures, etc. within an Occupied Building, except in instances where the Authority has reason to believe that said plumbing may be the cause of any violation of these Policies and Procedures.

SECTION XIII

PAYMENT AND DISPOSITION OF WATER RATES AND OTHER CHARGES

13.01. All water rates and other charges shall be payable to the Treasurer of the Authority or to such other officer or representative of the Authority as shall be authorized, from time to time, by resolution of the Authority, to accept payment thereof. The Treasurer or such other duly authorized officer or representative of the Authority shall pay over to a depositary designated by the Authority by resolution, all water rates and other charges received within 7 days of receipt thereof together with a statement showing the total amount collected. Until so paid over, the Treasurer or other duly authorized officer or representative of the Authority shall segregate all such water rates and other charges so collected in an account separate and distinct from all other funds of the Authority and shall hold the same in trust for purposes set forth in aforesaid policy.

SECTION XIV

PENALTIES

14.01 Any Person who shall violate any provision of these Rules and Regulations shall, upon conviction thereof, be sentenced to pay a fine of not more than five hundred dollars (\$500.00)

and/or imprisonment for a term not to exceed thirty (30) days. Every day that a violation of these Rules and Regulations continue shall constitute a separate offense.

SECTION XV

CONSTRUCTION AND SEVERABILITY

15.01. In the event that any provision, section, sentence, clause or part of this policy shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this policy, it being the intent of the Authority that such remainder shall be and shall remain in full force and effect.

SECTION XVI

ADOPTION AND REPEALER

16.01. The rates, rules and regulations of this policy are to become effective upon adoption by resolution of the Mercersburg Water Authority, Borough of Mercersburg, Franklin County, Pennsylvania.

16.02. All policies, resolutions or parts of resolutions inconsistent with this policy shall be and the same expressly are repealed.

