

**RESOLUTION NO. 26-03
OKEECHOBEE UTILITY AUTHORITY
GENERAL POLICY and PROCEDURES**

A RESOLUTION OF THE OKEECHOBEE UTILITY AUTHORITY AMENDING OUA RESOLUTION ~~22-05~~ 24-02, ESTABLISHING UTILITY SERVICE RULES AND REGULATIONS; SETTING FORTH CERTAIN FINDINGS; ESTABLISHING INTENT; PROVIDING FOR DEFINITIONS; AUTHORIZING CERTAIN ACTIONS BY THE EXECUTIVE DIRECTOR; PROVIDING FOR RESPONSIBILITY FOR PAYMENT OF UTILITY BILLS; ESTABLISHING BILLING PROCEDURES; ESTABLISHING LATE PENALTY AND DELINQUENCY INTEREST; PROVIDING FOR THE DISCONTINUANCE OF UTILITY SERVICES FOR DELINQUENCY IN PAYMENTS AND ENFORCEMENT OF LIENS THEREFOR; PROVIDING FOR APPLICATIONS FOR UTILITY SERVICES; PROVIDING FOR PENALTIES FOR FALSIFYING INFORMATION; PROVIDING FOR INCORPORATION OF RULES INTO UTILITY AGREEMENT; ESTABLISHING CHARGES FOR RETURNED PAYMENTS; PROVIDING FOR UTILITY DEPOSITS AS PREREQUISITE TO SERVICE; REQUIRING CONNECTION; PROVIDING FOR CHANGE OF LOCATION OF SERVICE; PROVIDING FOR EXCLUSIVE USE OF AUTHORITY'S UTILITY SERVICES; PROVIDING FOR DISCLAIMER OF OUA LIABILITY; GRANTING ACCESS, EASEMENTS, PERMITS, AND PRIVILEGES; PROVIDING PENALTIES FOR DAMAGING OR TAMPERING WITH OUA PROPERTY; DETERMINING EQUIVALENT RESIDENTIAL CONNECTION FOR WATER AND WASTEWATER SERVICE; PROVIDING FOR THE ESTABLISHMENT OF WATER AND WASTEWATER RATES BY RESOLUTION; PROVIDING FOR A MONTHLY BASE FACILITY CHARGE; PROHIBITING FREE SERVICE; PROVIDING FOR NO ALLOWANCE FOR WAIVER OF MONTHLY BASE CHARGE; PROVIDING FOR SEPARATE CONNECTIONS AND EXCEPTIONS FOR MASTER METERS; REQUIRING BACKFLOW PREVENTION DEVICES AND PROHIBITING CROSS CONNECTIONS; PROVIDING FOR DISCONTINUING UTILITY SERVICE FOR VIOLATIONS; PROVIDING FOR EXTENSIONS OF OUA UTILITY SYSTEM; PROVIDING FOR CONNECTIONS TO FIRE HYDRANT FOR PURPOSES OTHER THAN FIGHTING FIRES; PROVIDING FOR SOLE PROPRIETOR FIRE PROTECTION SYSTEMS; PROVIDING FOR INSTALLATION OF NEW FIRE HYDRANTS; PROVIDING PROCEDURES FOR TESTING METERS; PROVIDING WATER SHORTAGE POLICIES; PROVIDING FOR ESTABLISHING CAPITAL CONNECTION CHARGES; PROVIDING FOR ALLOCATION OF WATER AND WASTEWATER SERVICE CAPACITY; REQUIRING THE USE OF PUBLIC SEWERS WHERE AVAILABLE; PROVIDING RULES CONCERNING PRIVATE SEWAGE DISPOSAL; PROVIDING REGULATIONS CONCERNING BUILDING SEWERS AND CONNECTIONS; REGULATING DISCHARGES INTO PUBLIC SEWERS; PROHIBITING DAMAGE TO PUBLIC SEWERS; ESTABLISHING POWERS AND AUTHORITY OF UTILITY INSPECTORS; PROVIDING FINANCIAL FUND POLICIES FOR: A WATER SYSTEM RENEWAL, REPLACEMENT AND IMPROVEMENT FUND, AN OPERATING RESERVE FUND, AN EMERGENCY RESERVE FUND, A HYDRANT FUND, A RATE STABILIZATION FUND, DEBT SERVICE RESERVE FUND, GUARANTEED REVENUE CHARGE (GRC), PROVIDING PROCEDURES FOR CUSTOMERS WITHOUT WATER METER SERVICE; PROHIBITING UNAUTHORIZED USE OF THE OUA SYSTEM; PROVIDING FOR WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS; PROVIDING FOR ALLOWABLE BILLING ADJUSTMENTS; PROVIDING FOR A POLICIES AND PROCEDURES MANUAL; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

**OKEECHOBEE UTILITY AUTHORITY
RESOLUTION 24-02 26-03**

TABLE OF CONTENTS

	Page No.
<u>SECTION 1</u>	
INTENT OF OKEECHOBEE UTILITY AUTHORITY	6
<u>SECTION 2</u>	
DEFINITIONS	7
<u>SECTION 3</u>	
AUTHORIZED ACTIONS BY EXECUTIVE DIRECTOR	13
<u>SECTION 4</u>	
RESPONSIBILITY FOR PAYMENT	13
<u>SECTION 5</u>	
BILLING PROCEDURES	14
<u>SECTION 6</u>	
LATE PENALTY AND DELINQUENCY INTEREST.....	15
<u>SECTION 7</u>	
DISCONTINUING SERVICE FOR DELINQUENCY AND ENFORCEMENT OF LIENS THEREFOR	16
<u>SECTION 8</u>	
APPLICATIONS FOR UTILITY SERVICES AND PAYMENT PLANS.....	18
<u>SECTION 9</u>	
FALSIFYING INFORMATION	19
<u>SECTION 10</u>	
INCORPORATION OF RULES INTO UTILITY AGREEMENT	20
<u>SECTION 11</u>	
CHARGE FOR RETURNED PAYMENTS	20
<u>SECTION 12</u>	
UTILITY DEPOSITS PRE-REQUISITE TO SERVICE	20
<u>SECTION 13</u>	
CONNECTIONS REQUIRED	22

<u>SECTION 14</u>	
CHANGE LOCATION OF SERVICE	23
<u>SECTION 15</u>	
EXCLUSIVE USE OF OUA UTILITY SERVICES	23
<u>SECTION 16</u>	
DISCLAIMER OF OUA LIABILITY	24
<u>SECTION 17</u>	
GRANTING OF ACCESS, EASEMENTS, PERMITS AND PRIVILEGES	24
<u>SECTION 18</u>	
DAMAGING, TAMPERING WITH OUA PROPERTY	24
<u>SECTION 19</u>	
EQUIVALENT RESIDENTIAL CONNECTIONS (ERCs)	25
<u>SECTION 20</u>	
ESTABLISHMENT OF WATER AND WASTEWATER RATE SCHEDULE	28
<u>SECTION 21</u>	
MONTHLY BASE FACILITY CHARGE	28
<u>SECTION 22</u>	
FREE SERVICE PROHIBITED	28
<u>SECTION 23</u>	
NO ALLOWANCE FOR WAIVER OF MONTHLY BASE CHARGE	28
<u>SECTION 24</u>	
SEPARATE METERS REQUIRED; EXCEPTIONS FOR MASTER METERS	28
<u>SECTION 25</u>	
BACKFLOW PREVENTION DEVICES REQUIRED; ALL CROSS-CONNECTIONS PROHIBITED	29
<u>SECTION 26</u>	
DISCONTINUING SERVICE FOR VIOLATIONS	29
<u>SECTION 27</u>	
EXTENSION OF THE UTILITY SYSTEM	30

<u>SECTION 28</u>	
CONNECTIONS TO FIRE HYDRANTS FOR PURPOSES OTHER THAN FIGHTING FIRES	30
<u>SECTION 29</u>	
SOLE PROPRIETOR FIRE PROTECTION SYSTEM	31
<u>SECTION 30</u>	
INSTALLATION OF NEW FIRE HYDRANTS	31
<u>SECTION 31</u>	
TESTING OF METERS	31
<u>SECTION 32</u>	
WATER SHORTAGE POLICIES	32
<u>SECTION 33</u>	
CAPITAL CONNECTION CHARGES.....	32
<u>SECTION 34</u>	
ALLOCATION OF WATER WASTEWATER SERVICE CAPACITY	33
<u>SECTION 35</u>	
USE OF PUBLIC SEWERS REQUIRED (F.S. 381.0065 & 381.00655)	35
<u>SECTION 36</u>	
PRIVATE SEWAGE DISPOSAL	36
<u>SECTION 37</u>	
BUILDING SEWERS AND CONNECTIONS	37
<u>SECTION 38</u>	
DISCHARGES TO PUBLIC SEWERS REGULATED	38
<u>SECTION 39</u>	
PROTECTION FROM DAMAGE	43
<u>SECTION 40</u>	
POWERS AND AUTHORITY OF INSPECTORS	43
<u>SECTION 41</u>	
FINANCIAL FUND POLICIES.....	44

<u>SECTION 42</u>	
CUSTOMERS WITHOUT WATER METER SERVICE	47
<u>SECTION 43</u>	
UNAUTHORIZED USE OF THE OUA SYSTEM	47
<u>SECTION 44</u>	
WRITE-OFF UNCOLLECTIBLE ACCOUNTS.....	48
<u>SECTION 45</u>	
ALLOWABLE BILLING ADJUSTMENTS.....	48
<u>SECTION 46</u>	
POLICIES AND PROCEDURES MANUAL	50
<u>SECTION 47</u>	
SEVERABILITY	50
<u>SECTION 48</u>	
EFFECTIVE DATE	50
Signatures	50

WHEREAS, the Okeechobee Utility Authority deems it necessary to establish rules and regulations so that water and wastewater service may be made available and extended to new customers on a fair and equitable basis throughout the Authority's service area;

WHEREAS, the construction of water and wastewater system improvements and extensions thereto are essential utility services; and

WHEREAS, the Okeechobee Utility Authority has full and exclusive authority over the management, operation, and control of all public water and wastewater utilities throughout the Authority's service area, and has been granted the authority to prescribe rules and regulations governing all public water and wastewater utilities throughout the Authority's service area, and to make such changes to said rules and regulations as it deems necessary from time to time; and

WHEREAS, the Okeechobee Utility Authority has provided all necessary public notice and hearings required to adopt this Resolution.

NOW, THEREFORE, be it resolved by the Okeechobee Utility Authority Board as follows:

SECTION 1. INTENT OF OKEECHOBEE UTILITY AUTHORITY

The Okeechobee Utility Authority (OUA) declares its intention to provide water and wastewater service to the incorporated and the unincorporated areas of Okeechobee County, plus certain designated areas within Glades County, on a uniform and nondiscriminatory basis dependent on service capacity and cost effectiveness. It is a basic policy of the OUA to operate and maintain its water and wastewater facilities in a professional and cost-effective manner.

The OUA will develop short and long-term plans addressing capital projects and equipment needs to be considered in annual budgets. A long-term Master Plan will be developed and updated, as deemed necessary during periods of significant development.

The OUA hereby intends to set forth uniform requirements for direct and indirect contributors into the wastewater collection and treatment system for the OUA and surroundings and enables the area covered to comply with all applicable state and federal

laws required by the Clean Water Act of 1977 and the general pretreatment regulations (40 Code of Federal Regulations, Part 403). Further, it is the intent of OUA:

- (a) To prevent the introduction of Pollutants into the area wide wastewater system which will interfere with the operation of the system or contaminate the resulting sludge,
- (b) To prevent the introduction of Pollutants into the area wide wastewater system which will pass through the system, inadequately treated, into receiving waters or the atmosphere or otherwise be incompatible with the system,
- (c) To improve the opportunity to recycle and reclaim wastewater and sludge from the system and
- (d) To provide for equitable distribution of the cost of the area wide wastewater system.

SECTION 2. DEFINITIONS

Unless specifically defined below, words or phrases used in this Resolution shall be interpreted so as to be consistent with the Interlocal Agreement establishing OUA, the Master Transfer Agreement, and the OUA Rate Resolution then in effect, and to give the rules and regulations set forth herein the most reasonable application, consistent with applicable state and federal law. Further, unless the context specifically indicates otherwise, the meaning of terms used in this Resolution shall be as follows:

Applicant shall mean the owner of real property or the person or legal entity who has the legal right to utilize real property by means of any form of ownership, which real property the Applicant desires to be served by water service and/or wastewater service. The terms "Applicant", "Developer", and "Owner" may be used interchangeably herein.

Application shall mean a written request from an Applicant requesting that, pursuant to a Utility Agreement, specific water service and/or wastewater service be provided to and for certain real property.

BOD (denoting biochemical oxygen demand) shall mean the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at twenty (20) degrees centigrade, expressed in milligrams per liter.

Building Drains shall mean that part of the lowest horizontal piping of a drainage system which receives the discharge from waste and other sanitary drainage pipes inside the walls of the building and conveys it to the building sewer beginning ten (10) feet outside the building wall.

Building Sewer shall mean the extension from the building drain to the public sewer or other place of disposal.

Business Day is Monday through Thursday, excluding OUA Holidays.

Backflow Prevention Device shall mean a device installed in the potable water line to prevent Cross Connections or pollution to the OUA's water system.

C.O.D. or "chemical oxygen demand" shall mean the quantity of oxygen utilized in the chemical oxidation of organic matter under standard laboratory procedure.

Consolidated Bill shall mean the monthly billing sent to customers of the OUA for services and charges.

Cross Connection shall mean any physical arrangement whereby a public water supply is connected directly or indirectly with any other water supply system, sewer, drain, conduit, pool, storage, reservoir, plumbing fixture or any other device, facility or system which contains or may contain contaminated water, sewage, waste material or other material or substance of unknown or potentially unsafe quality which may be capable of imparting contamination to the public water supply as a result of backflow.

Customer shall mean any person at least 18 years old, firm or corporation who has entered into a Utility Agreement to receive water and/or wastewater from the OUA and who is liable for the payment of that water and/or wastewater service.

Delinquent Account an account whose meter has been shut off for non-payment.

Deposit shall mean funds paid to secure water and/or wastewater service with the OUA's utility system which shall constitute a guarantee to the OUA that all sums of money due by virtue of the furnishing of any and all OUA services to the Person making such deposit are fully paid.

Dwelling Unit shall mean a house, apartment, mobile home, recreational vehicle (RV), group of rooms or a single room occupied or intended for occupancy as separate living quarters.

Easement shall mean an acquired legal right for a specific use of land owned by others.

Equivalent Residential Connection (ERC) or Equivalent Residential Unit (ERU) is a means to convert the anticipated average daily flow (ADF) of various connections (residential, non-residential or master meter) to a common factor. This factor is applied to both water and wastewater demands. As defined herein, an ERC is equal to 250 gallons per day (gpd).

Executive Director shall mean the Executive Director appointed by the OUA Board, or authorized representative, or the Interim Administrator, if no Executive Director has yet been appointed by the OUA Board.

Fire Hydrant shall mean a hydrant that is connected to OUA's water system furnishing water for fire protection to properties near the location of the Fire Hydrant.

Force Main shall mean the pipe connected to the lift station to transfer the wastewater pumped from the lift station toward the wastewater treatment plant.

Garbage shall mean every waste accumulation of animal or vegetable matter which attends the preparation, use, cooking, processing, handling or storage of meats, fish, fowl, fruits, vegetables or other matter which is subject to decomposition, decay, putrefaction or the generation of noxious or offensive gases or odors, or which, during or after decay, may serve as breeding ground or feeding material for flies, insects or animals.

High Bill shall mean a monthly utility bill where the total amount due is at least two (2) times higher than the average of the previous twelve-monthly utility bills.

Industrial Wastes shall mean the liquid wastes resulting from the process employed in industrial, trade or business establishments.

Lift Station shall mean a device that pumps the wastewater collected in the system toward the wastewater treatment plant.

MTAR – "Meter Treated as Removed" is a classification applied to a delinquent. The account has been finalized and there is not a service agreement in effect. The meter is off and padlocked or completely removed from the meter box.

Mains shall mean a pipe, conduit or other facility installed to convey water service to individual service lines or to other Mains, or in the case of sewer lines, to convey wastewater service from individual service lines to other Mains.

Master Meter shall mean a single meter serving multiple residential or non-residential units. This term includes, but is not limited to, a meter serving condominiums, apartments, mobile home parks, hotels, motels, travel trailer parks, R/V parks, shopping centers, and office buildings. Master meter accounts can be for water and/or wastewater service provided by the OUA.

Multiple Dwellings shall mean structures occupied or intended for use as living quarters, containing more than one Dwelling Unit, not to include hotels, motels, or similar living quarters which do not contain Dwelling Units as defined herein.

Natural Outlet shall mean any outlet to a watercourse, pond, ditch, lake or other body of surface water or groundwater.

Non-Residential Connection shall mean a water and/or wastewater utility connection to a structure utilized for other than residential use, such as commercial/retail business which includes, but is not necessarily limited to, retail and wholesale sales operations, office buildings, shopping centers, warehouses, vending operations, laundries, restaurants, hospitals, schools, and churches.

Operating Expenses shall mean the cash expenses of operation, maintenance and ordinary repairs of the System, administrative expenses and such other reasonable expenses relating to the system, excluding noncash depreciation and amortization, in accordance with generally accepted accounting principles.

Pads shall mean spaces, hook-ups or facilities intended for use or used as locations for individual mobile homes, travel trailers or R/Vs, which are occupied or intended for use as living quarters.

Person shall mean any individual, firm, company, association, society, group or corporation or the directors of a dissolved corporation.

pH shall mean the logarithm of the reciprocal of the weight of hydrogen ions in grams per liter of solution.

Point of Delivery shall mean the designated point at which the customer's property is connected to the OUA's water facilities or wastewater facilities.

Pollutant shall mean any dredged spoil, solid waste, incinerator residue, sewage, garbage, sewage sludge, chemical wastes, biological materials, radioactive materials, heat, wrecked or discharged equipment, rock, sand, and industrial, municipal, and agricultural waste discharged into water.

Private Sewage Disposal System shall mean a watertight receptacle which receives the discharge of a drainage system or part thereof, and is designed and constructed so as to separate solids from the liquid, digest organic matter through a period of detention, and allows the liquid to discharge into the soil outside of the tank through a system of open joint or perforated piping, or disposal pit.

Public Sewer shall mean a common sewer directly controlled by a public authority.

Rates or "Rates" shall mean the OUA's applicable schedule of rates, fees and charges for water and wastewater services, including, by way of illustration and not limitation, Capital Connection Charges, Meter Installation Fees, and any and all other fees or charges which may be in effect from time to time as adopted by Resolution by the OUA Board.

Residential Connection shall be single unit or dwelling which provides complete and independent living facilities such as cooking, bathing and resting facilities in a typical household environment. The unit or dwelling shall be on real property connected to the OUA water and/or wastewater system

Sanitary Sewage shall mean any combination of water carried wastes from residences, business buildings, institutions and industrial establishments containing animal or vegetable matter or chemicals in suspension or solution, together with such ground water, surface and storm waters as may be unintentionally present.

Sanitary Sewer shall mean a sewer which carries Sewage and to which storm water, surface water, and groundwater are not intentionally admitted.

Service Lines shall mean the pipes of the OUA which are connected from the Mains to the "Point of Delivery."

Sewage, also termed "Wastewater" shall mean a combination of any type of the wastes from residences, businesses, institutional or industrial establishments, but shall not mean or include hazardous or toxic wastes.

Sewer shall mean a pipe or conduit for carrying Sewage.

Sole Proprietor Fire Protection System shall mean a water service that furnishes water to a fire sprinkler system, hose cabinet, stand pipe or other device used exclusively for fire protection.

Suspended Solids shall mean solids that either float on the surface of, or are in suspension in, water, Sewage or other liquids and which are removable by laboratory filtering.

Still Off and Locked: For a delinquent account, 7 to 14 calendar days after the shut-off date a "Still Off & Locked" list is generated for accounts which have not yet paid to restore services. Once identified, one of the following actions take place:

Tenant: The account is finalized and the owner's account is re-activated for base-billing. A letter is sent to the owner advising that the tenant's account has been closed.

Owner: The owner is sent a 10-day letter of termination to make. If payment is not received within the allotted time, the account is finalized, and the account is classified as MTAR. For the MTAR accounts that have an unpaid balance of more than \$100.00, a lien will be filed with the Okeechobee County Clerk of Court or Glades County Clerk of Court.

Tampering shall mean any unauthorized change to a water meter, box, flush line, main line, or any other property owned by OUA. It includes, but is not limited to removing, adjusting or repairing the water meter, turning the water meter on or off, cutting or removing any locking device, or any other action taken by non-OUA personnel without written permission from the OUA.

Utility Service Agreement shall mean the contract entered into between the OUA and the Customer concerning the provision of water and/or wastewater services.

Utility Facilities or "Facilities" or "Installation" shall mean, by way of illustration and not limitation, all equipment, fixtures, pumps, lines, mains, manholes, lift stations, pumping

stations, laterals, service connections, and all appurtenances thereto, together with all real property, easements and rights-of-way necessary to provide water and/or, wastewater service to the property, whether located onsite or offsite.

Wastewater Capital Connection Charge shall mean the charge paid to the OUA by an Applicant for the purpose of helping to defray costs of capital wastewater expenditures.

Water Capital Connection Charge shall mean the charge paid to the OUA by an Applicant for the purpose of helping to defray costs of capital water expenditures.

Water Shortage Plan shall mean the plan adopted by the OUA to conserve available water resources during a declared water shortage and water shortage emergency.

Write-off is an accounting term referring to an action whereby the book value of an asset is reduced because it appears to be worthless and is declared to be zero. The debt is not forgiven and is still owed. A write-off supports the objective of accounting accuracy.

SECTION 3. AUTHORIZED ACTIONS BY EXECUTIVE DIRECTOR

The OUA Board authorizes the Executive Director to perform the normal functions required to properly and prudently conduct routine business matters with governmental agencies, individuals and business entities, including but not limited to such transactions as purchase requests, vehicle and communications requests, execution of work orders in accordance with previously approved contracts and payments therefore, and individual water and wastewater applications. Such transactions shall be carried out in accordance with all resolutions or then existing policies of the OUA. The OUA Board reserves unto itself all nonstandard or non-routine functions in all matters related to policy decisions.

SECTION 4. RESPONSIBILITY FOR PAYMENT

The owner, tenant or other person occupying the property served by the OUA, and to whom services are provided and billed, shall be responsible for the payment of the consolidated bill whether the services are used or not.

If the property is leased and occupied by one or more tenants, the OUA may not refuse services or discontinue water or wastewater services for non-payment of a consolidated bill by a former occupant of the rental unit. Further, any such unpaid consolidated bill incurred by a former occupant will not be the basis for any lien against the rental property or legal action against the present tenant or owner, unless the present tenant or owner has benefited directly from the service provided to the former occupant. This provision applies only if the former occupant of the rental unit contracted for such services with the OUA, or if the OUA provided services with knowledge of the former occupant's name and the period the occupant was provided the services. (Florida Statutes, Chapters 125.485 & 180.135)

In the event of transfer of service(s) from one owner (previous), to another owner (new), any unpaid bill will become the responsibility of the new owner if not paid in accordance with established OUA payment guidelines. OUA will attempt to collect any monies owed from the previous owner by methods chosen by OUA; however, if the balance remains unpaid, the outstanding balance will be transferred to the account of the new owner and OUA payment obligations will apply to new property owner.

In the case of rental property, a new tenant account will not be opened until all unpaid owner balances are satisfied.

SECTION 5. BILLING PROCEDURES

The consolidated bill for service provided by the OUA shall be billed monthly and may contain charges for services provided by others, and the full amount thereof shall be due and payable upon receipt of the bill with a payment period ending a minimum of twenty-one (21) days after the billing date and shall be paid at the location noted on the bill or at such other place as the OUA may direct.

All payments will be posted on the business day payments are received by OUA.

- All **mail** will be posted on the same business day it is delivered to the OUA. All other mail delivered on a non-business day will be posted on the next business day.
- **Credit Card/E-Check** credit card and ACH payments received after 11:45 PM, will be posted on the next business day.

- Payments placed in drop-box after 6:00 PM will be posted on the next business day.

Post-dated checks will not be accepted.

An example of the typical billing cycle is as follows:

Billing Date: The actual day bill is printed and mailed or emailed.

Payment Period: The number of days between billing date and payment due date (minimum of 21 calendar days.)

Payment Due Date: Last day to pay to avoid a late charge.

Late Charge Date & Warning Date:

The day late charges are applied & warning door tags are hung along with warning phone calls. (Minimum 22 calendar days from the billing date.)

Shut-off Date: Day water is turned off for non-payment of the consolidated monthly bill. (Minimum of 23 calendar days after the billing date.)

To avoid being shut-off all prior past-due balances must be paid and the total current bill must be \$50.00 or less.

SECTION 6. LATE PENALTIES AND DELINQUENCY INTEREST

Late Penalty:

If any consolidated bill is not paid by the payment due date posted on such bill, a late Penalty shall be assessed against such bill in an amount as set forth in the current Rate Resolution adopted by the OUA Board.

Delinquency Interest, Property Owners

In the event that a property owner's utility services are shut off for non-payment, the account is closed and a closing balance established, the account shall be assessed delinquency interest of 1.5% each month thereafter for up to an additional twelve (12) months. Such delinquency interest shall be assessed on the total closing balance established by OUA. After a total of twelve (12) months of consecutive interest charges, the account will no longer be assessed additional interest.

SECTION 7. DISCONTINUING (SHUT OFF) SERVICE FOR DELINQUENCY, FORECLOSURE, ENFORCEMENT OF LIENS THEREFORE AND RESTORATION (TURN ON) OF SERVICE

If any portion of a consolidated bill for services is not paid by the shut-off date as set forth in Section 5 billing procedures, all services provided by such billing may be shut off until all amounts due the OUA are paid in full or an approved payment arrangement is established between the customer and the OUA. In the event services are shut off, a turn-off fee will be charged to the account. A shut-off warning notice will be delivered to the service address as set forth in Section 5 billing procedures before service is shut off. The criteria for notification prior to shut-off shall be as set forth in Section 5 billing procedures.

In the event that any portion of the consolidated bill is not paid by owner as and when due, all amounts due the OUA shall be a lien on the property affected thereby, unless otherwise prohibited under Florida law. Such lien shall be superior and paramount to the interest on such property of any owner, lessee, tenant, mortgagee or other person except the lien of county taxes. All amounts due the OUA together with reasonable attorney's fees and costs, may be recovered by the OUA in a civil action. Any such lien and accrued interest may be foreclosed or otherwise enforced by the OUA by action or suit in equity as for the foreclosure of a mortgage on real property under Florida law. (Florida Statutes, Chapters 153.67 & 180.135)

No civil action or foreclosure proceeding shall be commenced without prior authorization by the OUA Board.

In the event a customer should have more than one service address, the right of the OUA to shut off service for non-payment or other violation of this Resolution, or to collect past-due accounts, fees or charges allowed by this Resolution, or to impose a lien on real property, shall apply and may be enforced or applied to or against any account for real property in the name of that customer at any time.

If the service is shut off or the meter is removed, then the service can be restored when all amounts due the OUA are paid, as well as all guaranteed revenue charges from the date of shut off or removal from service. It shall be presumed that all capital connection charges were paid when service was initially established and there shall be no capital

connection charges required to be paid. If the total of the GRC costs exceeds the fees for a new service connection (including meter and CCC), the re-install pricing will be as if it is a new service connection according to current OUA Rate Schedule. The service required and associated fees will be for water and/or wastewater plus all applicable fees, fines or monies (including any unpaid balance) due the OUA. If a deposit or new service agreement is required, these fees must be paid and all forms completed in advance of service being restored.

In the case previously mentioned, prior to restoration of service, the OUA will inspect the water and wastewater service connections for compliance with the current OUA Standards. The costs associated with this inspection will be billed at the prevailing inspection rate listed in the OUA Rate Schedule. If any corrections are required, such corrections will be billed at time and materials plus an administrative fee of fifteen percent (15%). Cost of required corrections will not exceed the costs of a new service of similar size as reflected in current OUA Rate Schedule.

There shall be additional service charges as set forth in the Rate Schedule for each of the following events: (a) service discontinued at the request of the customer or when the customer closes the account; (b) reconnecting service after such service has been disconnected at the customer's request or the set-up of a new account; (c) reconnecting service after such service has been discontinued for delinquency in payment of a bill or for failure to pay an increased deposit as required; and (d) any additional expenses incurred in providing notices of delinquent account.

In cases where a customer requests service to be discontinued due to vacant land, the OUA will turn the water off, read the meter and process a final billing. The deposit on file will be applied to the final bill and the remainder of the deposit, if any, will be sent to the customer as a refund. Should the amount of the deposit not be sufficient to cover the final bill, the OUA will make attempts to collect the final bill from the customer in a manner chosen by the OUA. If the final bill remains unpaid the balance will remain with the property as a past-due amount, in accordance with Florida Statutes 153.67, and the meter will then be classified in a "treated-as-removed" status.

SECTION 8. APPLICATIONS FOR UTILITY SERVICES AND PAYMENT PLANS

Applications for water and/or wastewater must be made to OUA on appropriate forms furnished for that purpose and same must be signed by the owner(s) of the property, together with a copy of deed or tax bill verifying ownership, and include payment of all applicable fees. Applicants shall produce a valid driver's license or other acceptable form of identification. Applicants that are not individuals (corporations, LLC, partnership and other legal entities) shall provide a copy of the deed, Federal Tax ID# and documentation (i.e., Sunbiz.org) as to who is authorized to conduct business. In the case of a rental property, a copy of the lease will be required. The authorization must be signed by the property owner(s) and state to who the property owner(s) is granting the right to open a utility account for the subject property. The Okeechobee Utility Authority will only open an account for the person(s) named on the lease.

A. PAYMENT PLANS FOR NEW SERVICE:

Term of Payment Plan	5 Yrs.	10 Yrs.
Interest Rate Charged	1.0%	1.0%

Minimum down payment needed 10%.

Minimum monthly payment added to monthly utility bill \$25.00

Payment plans for new services will be offered to all property owners regardless if residential or commercial.

All balances will be due on sale or transfer of property (Applicable to all plans)

B. PAYMENT PLANS FOR HIGH BILL & REINSTATING SERVICE.

Term of Payment Plan	Varies
Applicable Interest Rate Charged	1.0%
Minimum down payment needed	25%

Minimum monthly payment added to monthly utility bill \$40.00

Payment plans for high bills will be offered to all property owners, tenants, regardless if residential or commercial.

Payment plans for reinstating service will be offered to all property owners regardless if residential or commercial.

C. CONSTRUCTION COST REPAYMENT PLAN:

Construction Cost Repayment Plan may be used when the OUA advertises bids, receives & reviews bids for construction on a customer's property, i.e., water/sewer line install & septic abandonment.

Term of Payment Plan	Not to exceed 60 months
Applicable Interest Rate Charged	3.5%
Minimum Down Payment	10%
Minimum monthly payment added to monthly utility bill	\$40.00
Loan Processing Fee	\$75.00

The above provisions allow for a payment plan for all applicable fees related to new or reinstated service connections excluding the utility deposit as required by Section 12.

No Payment Plans shall be offered for new construction.

All Payment plans established in A, B & C above shall provide, that if the applicant/customer misses a payment, a ten percent (10%) late charge will be applied to the balance of account and the remaining unpaid amount in the payment plan will be transferred to the applicant/customer's monthly bill and shall become due and payable in accordance with current OUA payment guidelines.

SECTION 9. FALSIFYING INFORMATION

Any Person who knowingly makes any false statements, representation or certification in any application, record, report, plan or other document filed or required to be maintained pursuant to this Resolution or who falsifies, tampers with or knowingly renders inaccurate any monitoring device or method required under this Resolution shall be subject to termination of service by the OUA.

SECTION 10. INCORPORATION OF RULES INTO UTILITY AGREEMENT

All applicable rules and regulations as set forth herein are hereby made a part of the Utility Agreement between the OUA and every Customer or Applicant for water and/or wastewater service from the OUA, and the Customer or Applicant shall be presumed to have knowledge of all rules and regulations, and shall be bound thereby.

SECTION 11. CHARGE FOR RETURNED PAYMENTS

For purposes of this section, checks, direct debits, credit/debit cards and EFTs will be referred to as "payment items" and the return of a check, direct debit, credit /debit cards and EFTs will be referred to as a "returned item"

It is the policy of the OUA to process all payment items on the same day they are received and deposit those payment items on the same or the next business/banking day.

In the event any payment item received in payment for OUA services, or for a required deposit for any OUA service, shall be returned by the bank or depository upon which said payment item was drawn for reasons including but not limited to, insufficient funds (NSF), closed account, post-dated check, no account found or stop payment, a service charge shall be imposed for the handling of such returned item and services will be discontinued immediately. Such charge shall be as set forth in the Rate Resolution adopted by the OUA Board, or as provided under Florida Statutes, whichever amount is greater. (Florida Statutes, Chapter 832.07) Furthermore, when a customer account has three (3) returned items, the OUA will require that future payments for the next twelve (12) months be paid in cash, money order or credit/debit.

SECTION 12. UTILITY DEPOSITS PRE-REQUISITE TO SERVICE

The OUA shall collect a deposit from all Customers (excluding Federal, State or Local Governmental Agencies) securing water and/or wastewater service. Required deposits may be reduced by one half if the customer elects to pay the monthly bill through the direct debit payment method. Minimum deposit amounts are set forth in the Rate Schedule. For any deposit in excess of \$1,000.00, in lieu of cash, the Customer may

submit a letter of credit in the amount of the required deposit issued by any bank having an office in Okeechobee County, Florida, in a form satisfactory to OUA counsel.

The deposit shall be and will constitute a guarantee to the OUA that all sums of money due by virtue of the furnishing of any and all OUA services to the Person making such deposit guarantee are fully paid.

Should any customer's account become past due three (3) or more times within the most recent twelve (12) month period, or if customer is shut-off for non-payment, or three or more returned items, said user shall be required to increase their existing deposit within thirty (30) days to the extent necessary to bring the deposit up to the established minimum required deposit for the account, or the sum of three times the average bill, as deemed by the Office Manager. The average bill will be established by using the last twelve (12) month period for the account which is to include charges for water and/or wastewater, plus late charges and penalties, whichever is greater.

The deposit of any customer where the service is provided will be refunded after 12 consecutive months of exceptional account history at the service location for which the deposit is made. Exceptional account history is determined and defined as follows:

1. No delinquencies on the account within the preceding 12-month billing cycles (bills are due when rendered and if not paid as set forth in Section 5 billing procedures and thereafter become delinquent); and
2. No payment items returned to the OUA from the customer's financial institution for insufficient funds or any other reason.

Once a deposit has been refunded, the customer shall be considered credit established. If said customer leaves the system in good standing and returns to establish service in their name within 12 months, their credit established status will be retained, (no new deposit will be required). If said customer returns to establish service after a period longer than 12 months, a new deposit will be required as if a new customer. If said customer's account should have a late charge applied three (3) or more times within the most recent twelve-month period after the deposit has been refunded, said customer shall be required to pay a deposit in accordance with the type of service provided and, in the amount, listed according to OUA's current Rate Schedule.

Any customer with an exceptional account history for a residential, a non-residential account may open one other residential, a non-residential or commercial account in their name or business name without placing a deposit for the new residential, non-residential or commercial account. If said customer's account should have a late charge applied three (3) or more times within the most recent twelve-month period, said customer shall be required to pay a utility service deposit as set forth in OUA's current Rate Schedule for the account on which three (3) or more late charges have been applied.

At the termination of services for an account, if amounts are due to the OUA by the Customer being provided service, for the account being closed or any other account associated with the Customer, the deposit being held by the OUA shall first be applied as payment for such items. Any amount remaining after application of the deposit monies towards these items shall be refunded to the Customer, without interest.

SECTION 13. CONNECTIONS REQUIRED

Where deemed available by the Executive Director or designee, the owner of every lot or parcel of land within the area served by the OUA's existing water and/or wastewater system, shall have the plumbing of any building or buildings thereon connected with the OUA's water and/or wastewater system and use the services of such water and/or wastewater system within the following time frame: water service connection and billing must be within thirty (30) days of application or the time such system is deemed available by the Executive Director or designee. All connections with the water mains located within the street right-of-way or alley shall be made as directed by the OUA. All such connections shall be made in accordance with the rules and regulations which shall be adopted by the OUA Board, and upon payment of the Meter Installation Fee, Capital Connection Charge and other related costs provided for in this Resolution. All Meter Installation Fees, Capital Connection Charges, and other related charges shall be paid in full before such connection shall be made unless provisions for payments have been made as per Section 8.

All water meters and backflows shall be furnished and installed by the OUA and shall be used on Service Lines with exception of fire services lines. All meters furnished &

installed by OUA shall belong to the OUA and the right is reserved to the OUA to remove any meter at any time from any premises when it is deemed necessary by giving due notice in writing a minimum of twenty-four (24) hours previous to the removal of such meter unless the removal is due to delinquency or tampering, as defined in Section 18.

When the OUA extends a public wastewater collection system into the area where wastewater service is provided by On-Site Sewage Treatment and Disposal System (OSTDS) which are permitted through the County Health Department or other such wastewater treatment systems regulated by others, connection to the OUA wastewater system is mandatory. The provisions for connection to the OUA system are stipulated in Florida Statutes, Chapter 381.0065-381.0067 and/or as further defined herein.

Those OSTDS in good working condition are required to connect to the OUA wastewater system within the time frame specified in Florida Statutes, Chapter 381. Failure to connect will result in the monthly billing of the wastewater base facility charge in the amount authorized by the Rate Schedule for connected units of similar service (e.g., residential, non-residential or master meter) and based upon the potable water meter size.

SECTION 14. CHANGE LOCATION OF SERVICE

Relocations of the Customer's water and/or wastewater service installation will be made when deemed necessary by the OUA. If requested by the Customer or if a Customer's water and/or wastewater service lines need to be moved due to the Customer's construction, said change will be at Customer's expense.

SECTION 15. EXCLUSIVE USE OF OUA UTILITY SERVICES

Utility Service purchased from the OUA shall be used by the Customer only, and the Customer shall not sell or otherwise dispose of such service supplied by the OUA unless Customer has an approved Utility Agreement with the OUA. In no case shall a Customer extend lines across a street, alley, lane, court, property, avenue or other way, in order to furnish utilities service for adjacent property, even though such adjacent property is owned by the Customer, without obtaining the prior written consent of OUA.

SECTION 16. DISCLAIMER OF OUA LIABILITY

The OUA will at all times use reasonable diligence to provide continuous service and, having used reasonable diligence, shall not be liable to the Customer for failure or interruption of continuous water and/or wastewater service. The OUA shall not be liable for any act or omission caused directly or indirectly by strikes, labor troubles, repairs or adjustments, acts of sabotage, enemies of the United States, wars, Federal, State, municipal or other governmental interference, acts of God or causes beyond its control.

SECTION 17. GRANTING OF ACCESS, EASEMENTS, PERMITS AND PRIVILEGES

By applying for OUA services or utilities, the Customer shall grant access across Customer's property to the OUA at all reasonable hours as may be necessary for the installation maintenance, repairing, removal or inspection of OUA's Utility Facilities, reading meters, or other purposes incident to the operation of OUA's water and wastewater utility systems. The Customer and/or property owner shall grant or cause to be granted to the OUA and without cost to the OUA all rights, Easements, permits and privileges which are necessary for the rendering of service including operation and maintenance and repair of the OUA Utility Facilities. Where Easements or rights of way are required, such documents, prepared by the owner or developer, shall be executed by the landowner, with payment to the OUA of all recording and filing fees by the Customer and/or landowner, prior to the commencement of service.

SECTION 18. DAMAGING, TAMPERING WITH OUA PROPERTY

It shall be unlawful for any Person to damage, destroy, deface, tamper with or interfere with the operation of any pipe, machinery, valve, structure or other property of the OUA, constituting a part of the OUA's water and/or wastewater system or used in conjunction therewith. The following four (4) categories will be used to define "tampering":

- TAMPERING 1 Tag stretched or broken with 0 – 50 gallons used
- TAMPERING 2 Tag stretched or broken/cut with 51 – 1,500 gallons used
- TAMPERING 3 Tag stretched or broken or lock cut - >1,500 gallons used

(Any cut **lock** will constitute a TAMPERING 3 violation.)

TAMPERING 4 Shall include, but will not be limited to, unauthorized use of water by means of by-passing meter, replacing existing meter with non-OUA meter, connecting to fire line or hydrant, removing meter from property, removing meter from property other than customer's property, etc.

Tampering fees are charged based on the current Rate Schedule of the OUA.

Violation shall constitute cause for immediate removal of the meter and shall be punishable as provided in Florida Statutes, Chapters 806.13 (1) (b) 3 & 812.14, as amended from time to time.

SECTION 19. EQUIVALENT RESIDENTIAL CONNECTION (ERC)

A. When determining equivalent residential connection (ERC) for water and wastewater service and for purposes of calculating and imposing the Water and/or Wastewater Capital Connection Charge provided for in the Rate Resolution approved by the OUA Board, the ERC factor for any new connection or modification to an existing connection shall be calculated and imposed in the manner provided as follows:

(1) For water and/or wastewater service capacity, one ERC is hereby established and determined to be equal to a flow of two hundred fifty gallons per day, (250 GPD) based upon the average daily flow (ADF). The total equivalent residential connection value shall be calculated by dividing the ADF by 250 GPD and then multiplying the result by the number of units to which service is to be provided. In no event shall the ERC value be less than 1.00 for any meter for billing purposes for monthly base facility charges. The following minimum ERC schedule will be followed for residential and/or non-residential connections.

<u>Meter Size</u>	<u>Minimum ERC per meter size</u>	<u>Minimum ERC</u>
5/8" x 3/4"		1.00
1"		2.50
1 1/2"		5.00
2"		8.00
3"		16.00
4"		25.00
6"		50.00

8"

80.00

Actual per Unit ERC calculation

Per Equivalent Residential Connection (ERC):	<u>ERC Equivalency Factor</u>
* < 400 square feet	0.33
* ≥ 400 and < 900 square feet	0.80
≥ 900 square feet	Minimum 1.00

- * Only available to a residential unit or lot not connected to a master meter:
- Compromising a lot size of no more than 5,000 SF; and
 - Located in a planned unit development or similar development;
 - Within a recorded plat; and
 - Subject to a recorded declaration of covenants and restrictions limiting the size of the structure to 899 square feet or less enforceable by an incorporated property owner's association; and
 - In compliance with all applicable governmental rules, regulations, ordinances and declaration of covenants and restrictions.

The Executive Director shall be the sole judge to determine if the residential unit is eligible for the water and wastewater system capital connection charge of less than 1.00 ERC.

Master Meter (Residential)	<u>ERC Equivalency Factor</u>
< 400 square feet	0.33
≥ 400 and < 900 square feet	0.80
> 900 square feet	1.00

Square footage referred to above is that area enclosed (by screen, wall, glass, etc.) and under roof with the only area as an exception being a garage that is not air conditioned. As stated above, the minimum total ERC per meter is 1.00 for invoicing purposes for monthly base facility charges.

Master Meter (Non-Residential)

For the purposes of Non-Residential master meter unit calculations, each unit must have a specific water and/or wastewater demand.

As an example:

(a) A single building that has four units, but the water and/or wastewater demand is generated from a common restroom / breakroom area, then the building is not a master meter, but it is one unit.

(b) A single building has four units, each with their own restroom/breakroom, then it would be designated as four units.

	<u>Minimum ERC</u>
Actual ERC calculation per Unit	1.00

(2) Where service is provided to a single building or group of buildings which contain multiple units, the ERC factor is equal to the greater of (1) the total number of units listed above as if each unit was separately metered, or (2) the number of ERC's designated by the meter size except as limited by the terms of a Utility Agreement.

(3) The required size for meters shall be determined by the Executive Director or designee, pursuant to applicable American Water Works Association (AWWA) Standards.

(4) Any limitation on the ERC factor in a Utility Agreement shall be governed by the unallocated capacity of the treatment plant that serves the property described in the Utility Agreement. Unallocated treatment capacity at a treatment plant shall be the maximum limiting factor for calculating the ERC connection charge for the customer.

B. When making adjustments to capital connection charges resulting from improvements and/or additions:

(1) The OUA shall maintain a record of the number of ERCs, for which connection fees have been paid for each non-residential metered account,

(2) OUA shall review plans for any change to a customer's existing residential or non-residential buildings and Master Meter Units and additional Capital Connection Charges will be required when the proposed addition or modification will cause an increase in the capacity required from the water and or sewer system for the customer.

(3) If a building permit or certificate of occupancy is issued for an existing customer that results in a change of the ERC designation, the total number of ERCs for the old and new parts of the facility will be computed according to the definition of ERCs and Capital Connection Charges shall be assessed on the difference.

(4) OUA shall provide a written notice to the customer disclosing the recalculation of the Capital Connection Charges and the additional amount owed.

Large Users

Large users are defined as customers with a minimum of 250,000 GPD (ADF) for water and/or wastewater.

SECTION 20. ESTABLISHMENT OF WATER AND WASTEWATER SCHEDULE OF RATES, FEES AND CHARGES

The OUA Board shall establish and adopt by Resolution a water and wastewater schedule of rates, fees and charges. The OUA Board may modify the water and wastewater Rate Resolution from time to time by like action.

SECTION 21. MONTHLY BASE FACILITY CHARGE

The charges listed in the Rate Resolution shall apply to all ~~single family, multi-family, hotels, motels, Master Metered and Non-Residential~~ connections whether occupied or not. Such charges shall be due and payable each month. Such charges shall apply to each meter if more than one meter is installed for a Customer.

SECTION 22. FREE SERVICE PROHIBITED

No service shall be furnished free of charge to any customer whatsoever, and any customer connected to the OUA water and/or wastewater systems shall pay at the Rates fixed by resolution, without exception.

SECTION 23. NO ALLOWANCE FOR WAIVER OF MONTHLY BASE CHARGE

No allowance for waiver of monthly base facility charges shall be made for vacant residential, non-residential or master meter accounts.

SECTION 24. SEPARATE METERS REQUIRED; EXCEPTIONS FOR MASTER METERS

Every residential unit or non-residential unit shall be connected and metered separately unless serviced by a master meter as provided herein.

Master meters may be used to serve governmental agencies such housing authorities or industrial authorities. Master meters may also be used to serve individual buildings, or a group of individual buildings, which contain multiple offices or dwellings such as office buildings or apartments provided the property and building(s) are owned

by the same owner. Master meters may serve mobile home developments, RV parks, hotels and motels.

Where a connection has been made to a single building or group of buildings which contain multiple dwellings or multiple units (1), the monthly base facility charges shall be imposed, billed and collected on each meter based upon the number of units (1) receiving water and/or wastewater service on the property. The individual placing the water deposit with the OUA will be responsible for the entire bill even when the bill contains charges for multiple dwellings or multiple units.

(1) As an example:

(a) A single building that has four units, but the water and/or wastewater demand is generated from a common restroom / breakroom area, then the building is not a master meter, but it is one unit.

(b) A single building has four units, each with their own restroom / breakroom, then it would be designated as four units.

SECTION 25. BACKFLOW PREVENTION DEVICES REQUIRED; ALL CROSS CONNECTIONS PROHIBITED

Backflow Prevention Devices shall be required at all premises connected to the OUA water system to eliminate any Cross Connections and possible contamination to the water distribution system, pursuant to the provisions of OUA Resolution No. 95-9 adopted October 10, 1995, or amended by the OUA Board which is incorporated herein by this reference.

SECTION 26. DISCONTINUING SERVICE FOR VIOLATIONS

The OUA shall discontinue services to any premises on which a violation of this Resolution or any rule or regulation relating to the OUA's water or wastewater system has been or is being committed. Such service shall not be reconnected until the violation has been corrected, and until the Customer has paid re-connection charges as appropriate, and those fees or costs pertinent to such violation, as set forth in the Rate Resolution adopted by the OUA Board.

SECTION 27. EXTENSION OF THE UTILITY SYSTEM

Except as provided for herein, all extensions to the system shall be installed with no expense to the OUA, and in accordance with all applicable OUA, City, County, or State specifications. All piping, fittings and appurtenances that are extended must be of sufficient size to provide for wastewater service and potable water and fire protection where required through the installation of hydrants, as approved by city or county fire departments, which size shall also be determined by considering future growth in the area of extension, or other onsite fire protection services or devices. All requirements for fire flow must comply with the current edition of the National Fire Protection Association (NFPA) manuals.

All requests for extensions shall be submitted to the OUA, then reviewed and approved by the Executive Director or designee. The OUA reserves the right to dictate pipe diameters and such other route and connection requirements as may be mandated by applicable Federal, State, local code, comprehensive plan, or master plan, or to address future growth concerns in the area of the extension. The OUA also reserves the right to enter into agreements with the Applicant to partially reimburse extension costs by future Capital Connection Charges in the area of the extension. Any plan and approval furnished by the OUA is subject to the Customer obtaining all necessary permitting and approval from other governmental agencies and the OUA shall not be responsible for plans or specifications required to be altered by such agencies.

Before an extension is approved for construction, the OUA and Owner or Developer must execute an agreement which outlines the type of extension, location, cost and any other pertinent information required to complete the agreement. Fees for plan review are listed in the Rate Resolution adopted by the OUA Board.

SECTION 28. CONNECTIONS TO FIRE HYDRANT FOR PURPOSES OTHER THAN FIGHTING FIRES

All connections to a Fire Hydrant for any purpose other than fighting fire must be approved by the Executive Director or designee prior to the connection to the Fire Hydrant.

Before any connection is made to a Fire Hydrant, Applicant requesting the service through the Fire Hydrant must pay the appropriate fees and the OUA will install a

temporary meter on the Fire Hydrant. The Applicant shall agree that such temporary service may be discontinued by the OUA at any time for emergency usage of the Fire Hydrant without any liability to the OUA whatsoever for such discontinuance of service.

The charges for this temporary water service delivered through a Fire Hydrant are listed in the Rate Resolution adopted by the OUA Board.

SECTION 29. SOLE PROPRIETOR FIRE PROTECTION SYSTEM

The OUA shall bill monthly for a Sole Proprietor Fire Protection System. This service will include service to private sprinkler systems, hoses cabinets, stand pipes or any other device used exclusively for fire protection. The monthly charge for a Sole Proprietor Fire Protection System will be included on the monthly consolidated bill and will become part of the consolidated bill as defined in these regulations. The charges for a Sole Proprietor Fire Protection System are included in the Rate Resolution as adopted by the OUA Board.

SECTION 30. INSTALLATION OF NEW FIRE HYDRANTS

All Fire Hydrants installed by an owner/developer must meet OUA specifications and be approved by the OUA and appropriate fire department. Relocation of such fire hydrants shall be at the Customer's cost. Fees or costs for such hydrants shall be determined by the Executive Director or designee.

SECTION 31. TESTING OF METERS

There shall be a charge for rechecking of a water meter reading, as set forth in the Rate Resolution adopted by the OUA Board. In the event, however, it is determined upon rechecking that the water meter in question is not functioning properly, or that an administrative error has resulted in an overcharge, the charge required in this Section shall be waived.

There shall also be a charge for verification, on a per meter basis, as to a determination as to which water meter services a particular Dwelling Unit or Non-Residential connection. The charge is included in the Rate Resolution adopted by the OUA Board.

All meters shall be carefully tested before installation. After installation, if any Customer questions the accuracy of the meter through which the Customer is served, the Customer may file a written request to have the meter tested to the Executive Director, together with payment of the applicable fee. The meter in question will be removed and tested by OUA, with a copy of the test report furnished to the Customer. If the test shows that the meter has been over registering more than 1-1/2% at normal flow limits, the applicable fee shall be returned to the Customer, and the bill rendered based on the last reading of such meter shall be corrected accordingly including, if applicable, any adjustment for sewer volumetric charges. All meter flow tests shall follow AWWA Standard C700-77 or current revision. The fee for such testing is set forth in the Rate Resolution adopted by the OUA Board.

SECTION 32. WATER SHORTAGE POLICIES

The privilege of using the OUA water supply for non-essential purposes on lawns, streets, gardens, washing of houses and cars and for purposes other than drinking water, may be restricted or curtailed during a water shortage emergency. It is the desire of the OUA Board to provide the South Florida Water Management District with all possible assistance in the enforcement of the provisions of a Water Shortage Plan during a water shortage emergency, as described in Florida Statutes Chapter 373. The OUA Board may adjust water Rates during a water shortage emergency.

SECTION 33. CAPITAL CONNECTION CHARGES

The OUA has established a Water Capital Connection Charge for new Customers or additional units added to an existing customer's connection to the OUA's water system. The purpose of the charge is to establish a fund to replace the water capacity utilized by new Customers by expansion and enlargement of the water system and capital improvements. Therefore, such charges are to be deposited into the Water Capital Connection Fund and used only for the purpose of expansion for new connections referenced above or for new and replacements of the equipment and/or capital items of the water treatment and distribution system and as set forth in the applicable Bond Resolution. These funds may be invested as are other funds of the OUA and may be commingled in

order to obtain the maximum amount of interest; provided, however, that separate books of account shall be established to precisely identify the funds in this account. The interest accruing from the investment of these funds shall accrue to this Fund and shall be used only for purposes authorized in the applicable Bond Resolution.

The OUA has established a Wastewater Capital Connection Charge for new Customers or additional units added to an existing customer's connection to the OUA's wastewater system. The purpose of the charge is to establish a fund to replace the wastewater capacity utilized by new Customers by expansion and/or enlargement of the wastewater system and capital improvements. Therefore, such charges are to be deposited into the Wastewater Capital Connection Fund and used only for the purpose of expansion for new connections or for new and/or replacement of equipment and/or capital items of the wastewater treatment and collection and pumping system and as set forth in the applicable Bond Resolution(s). These funds may be invested as are other funds of the OUA and may be commingled in order to obtain the maximum amount of interest; provided, however, that separate books of account shall be established to precisely identify the funds in this account. The interest accruing from the investment of these funds shall accrue to this Fund and shall be used only for purposes authorized in the applicable Bond Resolution.

SECTION 34. ALLOCATION OF WATER AND WASTEWATER SERVICE CAPACITY

Upon a determination by the Executive Director that water and/or wastewater service capacity is available and unallocated in the OUA water or wastewater system, the OUA Board may allocate by resolution any and all such available, unallocated water and/or wastewater service capacity in the following manner:

(a) The OUA may allocate any available and unallocated water and wastewater service capacity to those qualified Applicants, as determined by OUA, in the order of time and date the Developers Agreement is approved by the OUA, but only after payment of all applicable charges provided therefor under the Rate Resolution adopted by the OUA Board.

(b) In the event any such water and/or wastewater service capacity remains unallocated and un-purchased after OUA has made available such water and/or wastewater service capacity to each such Applicant, OUA may allocate the remaining water and wastewater service capacity to other future Customers.

(c) In no event shall any Applicant receive more water and/or wastewater service capacity than that for which the Applicant has applied.

(d) OUA shall determine, from time to time, if any additional available and unallocated water and/or wastewater service capacity exists in the OUA's water and wastewater systems. Upon such determination, OUA may allocate said capacity in accordance with this Section.

(e) No assignment, sale or conveyance of an Applicant's allocated water or wastewater service capacity to any other party for use on any other property not identified in said Developers Agreement shall be permitted. The service capacity allocated hereunder shall only inure to the benefit of the current and future owners of the property described in the Developers Agreement, unless otherwise specifically authorized by the OUA Board. The OUA Board may approve an assignment of such water and/or wastewater service capacity, in its sole discretion, and may attach such reasonable conditions to said collateral assignment as deemed necessary and prudent by the OUA Board.

(f) Allocation of water and/or wastewater service capacity, pursuant to this Section, shall be deemed valid for a period of twenty-four (24) months from the date of allocation. Said allocation may be extended for additional successive periods by the OUA Board, in its sole discretion, subject to conditions and payment of applicable fees therefor. If the Developers Agreement for water and/or wastewater service has expired, the right to any water and/or wastewater service capacity for the use of which a building permit has not been issued, or if issued has expired, shall be deemed to have terminated.

(g) The OUA Board may revoke any Developers Agreement for water and/or wastewater service capacity for violations of the provisions of this Resolution, or noncompliance with the conditions attached to said Developers Agreement.

SECTION 35. USE OF PUBLIC SEWERS REQUIRED (FLORIDA STATUTES, CHAPTERS 381.0065 & 381.00655)

(a) It shall be unlawful for any Person to place, deposit or permit to be deposited in any unsanitary manner on public or private property within the OUA service area any human or animal excrement, Garbage or other waste.

(b) It shall be unlawful to discharge to any Natural Outlet within the OUA service area any Sewage except where suitable treatment has been provided in accordance with the provisions of this Resolution.

(c) Except as hereinafter provided, it shall be unlawful to construct or maintain any privy, privy vault, septic tank, cesspool or other facility intended or used for the disposal of Sewage. All private means of Sewage disposal shall be removed at the expense of the owner.

(d) Flush toilets shall be required within OUA's service area in all houses, buildings or structures used for human occupancy, employment, recreation or other purposes. Such flush toilets shall be connected, at the owner's expense, to the public Sanitary Sewer in accordance with requirements set forth in Resolution 09-07, Mandatory Connection to the Okeechobee Utility Authority Utility System, as amended from time to time. Exceptions to this requirement shall include: Where said house, building or structure is not situated on property abutting a street, alley or road right-of-way wherein there is located a public Sanitary Sewer; or if said property is not within one hundred (100) feet of said public Sanitary Sewer; and, further, if the connection of said house, building or structure requires unusual and costly plumbing such as a Lift Station, Force Main or similar plumbing Facilities or as deemed by the Executive Director, then no connection shall be required.

(e) Except as provided for herein, all extensions of the Sewer system shall be installed at no expense to the OUA and in accordance with all applicable OUA, City, County, or State specifications. All requests for extensions shall be submitted to the OUA and approved by the Executive Director or designee. The OUA retains the right to dictate pipe diameter, depth of pipe, depth and capacity of Lift Stations if required, and such other route and connection requirements as may be mandated by applicable Federal, State, local codes, comprehensive plan, master plan or to meet future growth for the OUA service

area. Any plan and approval furnished by the OUA is subject to the Customer obtaining all necessary permitting and approval from governmental agencies.

(f) Before an extension is approved for construction, the OUA and Owner or Developer, may sign a written Developers Agreement outlining all aspects of the construction, including allocation of expenses and such agreement be presented to, and approved by, the OUA Board. The OUA reserves the right to enter into agreements with the Owner or Developer to partially reimburse extension costs by Future Capital Connections in the area of the extension. The agreement must also include and outline the type of extension, cost, type of Easement or access for maintenance of the extension if necessary, and any other pertinent information required to complete the agreement. Fees for this plan review and agreement are set forth in the Rate Resolution adopted by the OUA Board.

SECTION 36. PRIVATE SEWAGE DISPOSAL

(a) Where a public Sanitary Sewer is deemed not available under the provisions of this Resolution, the Building Sewer shall be connected to a Private Sewage Disposal System complying with the provisions of applicable County Building Department and Health Department regulations, and other applicable laws of the State of Florida.

(b) Before commencement of construction of a Private Sewage Disposal System, the owner shall first obtain a written permit signed by the appropriate building official and/or Health Department. The application for such permit shall be made on a form furnished by the applicable County Health Department, which the Applicant shall supplement by any plans, specifications and other information as are deemed necessary by the health official.

(c) The type, capacities, location and layout of a Private Sewage Disposal System shall comply with all recommendations of the Department of Public Health of the State of Florida.

(d) The owner shall operate and maintain the Private Sewage Disposal System in a sanitary manner at all times at no expense to the OUA.

(e) No statement contained in this section shall be construed to interfere with any additional requirements that may be imposed by the applicable health official.

SECTION 37. BUILDING SEWERS AND CONNECTIONS

(a) All connections shall be performed by authorized Persons only. No unauthorized Person shall uncover, make any connections with or openings into, use, alter or disturb any Public Sewer or appurtenances thereof. All connections to the Public Sewer shall be performed by the OUA.

(b) All costs and expenses for connections are the responsibility of, and incident to the Customer. The Customer shall indemnify and hold harmless the OUA from any loss or damage that may directly or indirectly be occasioned by the installation of the Building Sewer.

(c) A separate and independent Sewer shall be provided for every building except where one building has multiple offices or dwellings or where there exists a group of buildings or town houses that are grouped in such a way that one separate and independent Sewer could more effectively serve the structures; however, all fees and monthly charges shall be billed and collected pursuant to the applicable sections of this Resolution and the Rate Resolution approved by the OUA Board.

(d) Old Building Sewers may be used in connection with new buildings only when they are found, on examination and test by the building official, to meet all requirements of this Resolution.

(e) The size, slope, alignment, materials of construction of a Building Sewer and the methods to be used in excavating, placing the pipe, jointing, testing and backfilling the trench shall all conform to the requirements of the building and plumbing code or other applicable rules and regulations of the applicable county.

(f) Whenever possible, the Building Sewer shall be brought to the building at an elevation below any floor. In all buildings in which any Building Drain is too low to permit gravity flow to the Public Sewer, Sanitary Sewage carried by such Building Drain shall be lifted by an approved means and discharged to the Building Sewer at no cost to the OUA.

(g) No Person shall make connection of roof downspouts, exterior foundation drains, areaway drains or other sources of surface runoff or groundwater to a Building Sewer or Building Drain which in turn is connected directly or indirectly to a public Sanitary Sewer.

(h) The connection of the Building Sewer into Public Sewer shall conform to the requirements of the OUA and building and plumbing code or other applicable rules and regulations of the applicable county. All such connections at property line shall include a clean out per OUA standards and shall be made gas tight and water tight. Any deviation from the prescribed procedures and materials must be approved by OUA and the building official before installation.

(i) The Applicant for the Sewer permit shall notify the OUA and the building official when the Building Sewer is ready for inspection and connection to the Sanitary Sewer. The connection at the property line shall be made under the inspection and approval of the OUA and the building official or his representative.

(j) All excavations for Building Sewer installation shall be adequately guarded with barricades and lights at the expense of the Customer so as to protect the public from hazard. Streets, sidewalks, parkways and other public property in the course of the work shall be restored in a manner satisfactory to the OUA or applicable local government.

SECTION 38. DISCHARGES TO PUBLIC SEWERS REGULATED

(a) No Person shall discharge or cause to be discharged any storm water, surface water, groundwater, roof runoff, sub-surface drainage or unpolluted cooling water to any Sanitary Sewer and shall be subject to the penalties and costs for violation of any subsection hereunder.

(b) No Person shall discharge or cause to be discharged any of the following described waters or wastes to any Public Sewers:

(1) Any gasoline, benzene naphtha, fuel oil or other flammable or explosive liquid, solid or gas.

(2) Any water or waste containing toxic or poisonous solids, liquids or gases in sufficient quantity, either singly or in the interaction with other wastes, to injure or interface with any Sewage treatment process, constitute a hazard to humans or animals, create a public nuisance or create any hazard in the receiving waters of the Sewage treatment plant, including, but not limited to, cyanides in excess of 0.00 milligrams per liter as CN in the wastes as discharged into the Public Sewer.

(3) Any waters or wastes having a pH lower than 6.0 or higher than 8.5 and having other corrosive property capable of causing damage or hazard to structures, equipment and personnel of the sewerage works.

(4) Solids or viscous substances in quantities or of such size capable of causing obstruction to the flow in Sewers or other interference with the proper operation of the sewerage works, such as, but not limited to, ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, earth, tar, plastics, wood, underground Garbage, whole blood, paunch manure, hair and fleshings, entrails, paper dishes, cups, and milk containers.

(c) No Person shall discharge or cause to be discharged to any Public Sewer the following described substances, materials, waters, or wastes if it appears likely in the opinion of the Executive Director or designee that such wastes can harm either the Sewers, Sewage treatment process or equipment, have an adverse effect on the receiving waters or can otherwise endanger life, limb, public property or constitute a nuisance. In forming an opinion as to the acceptability of these wastes, the Executive Director or designee will give consideration to such factors as the quantities of subject wastes in relation to flows and velocities in the Sewers, materials of construction of the Sewers, nature of the Sewage treatment process, capacity of the Sewage treatment plant, degree of treatability of wastes in the Sewage treatment plant, and other pertinent factors. The substances prohibited are:

(1) Any liquid or vapor having a temperature higher than one hundred fifty (150) degrees Fahrenheit [sixty-five (65) degrees centigrade] or a flash point lower than one hundred eighty (180) degrees Fahrenheit (ASTM Open Cup).

(2) Any waters or waste containing fats, wax, grease or oil, whether emulsified or not, or containing substances which may solidify or become viscous at temperatures between thirty-two (32) and one hundred fifty (150) degrees Fahrenheit [zero (0) degrees and sixty-five (65) degrees centigrade].

(3) The installation and operation of any Garbage grinder equipped with a motor of three-fourths horsepower or greater shall be subject to the review and approval of the building official.

(4) Any water or wastes containing strong acid, iron pickling wastes, or concentrated plating solutions whether neutralized or not.

(5) Any waters or waste containing iron, chromium, copper, zinc and similar objectionable or toxic substances, or wastes exerting an excessive chlorine requirement, to such degree that any such material received in the composite Sewage at the treatment plant exceeds the limits established by the federal, state or other public agency for such materials.

(6) Any waters or wastes containing phenols or other odor producing substances in such concentrations exceeding limits which may be established by the Executive Director, as necessary, after treatment of the composite Sewage, to meet the requirements of the State, Federal or other public agencies having jurisdiction for such discharge to the receiving waters.

(7) Any radioactive wastes or isotopes of such half-life or concentration as may exceed limits established by the Executive Director in compliance with applicable state or federal regulations.

(8) Materials which exert or cause:

a. Unusual concentrations of inert Suspended Solids (such as but not limited to, fuller's earth, lime slurries and lime residues) or of dissolved solids (such as, but not limited to, sodium chloride and sodium sulfate).

b. Excessive discoloration (such as, but not limited to, dye wastes and vegetable tanning solution).

c. Unusual BOD [in excess of three hundred (300) parts per million], Suspended Solids [in excess of three hundred (300) parts per million], COD

or chlorine requirements in such quantities as to constitute a significant load on the Sewage treatment works.

d. Unusual volume of flow or concentration of wastes constituting as defined herein.

(9) Waters or waste containing substances which are not amenable to treatment or reduction by the Sewage treatment only to such degree that the Sewage treatment plant effluent cannot meet the requirements of other agencies having jurisdiction over discharge to the receiving waters.

(d) If any waters or wastes are discharged, or are proposed to be discharged, to the Public Sewers, which waters contain the substances or possess the characteristics enumerated in this code which in the judgment of the Executive Director may have a deleterious effect upon the sewerage works, processes, equipment or receiving waters or which otherwise create a hazard to a life or constitute a public nuisance, the Executive Director may:

(1) Reject the wastes;

(2) Require pretreatment to an acceptable condition for discharge to the Public Sewers.

If the Executive Director permits the pretreatment, the design and installation of the plans and equipment shall be subject to the review and approval of the Executive Director or designee and subject to the requirements of all applicable codes, ordinances, resolutions, and laws and at no cost to the OUA.

(e) Mineral oil and sand interceptors shall be provided when, in the opinion of the Executive Director or designee, they are necessary for the proper handling of Sanitary Sewage containing mineral oils in excessive amounts, or any flammable wastes, sand or other harmful ingredients; except that such interceptor shall not be required for private living quarters or Dwelling Units. All interceptors shall be of a type and capacity approved by the applicable building and health officials and Executive Director and shall be located so as to be readily and easily accessible, including manholes at entrance and discharge points, for cleaning and inspection. Where preliminary treatment is provided for any wastes, it shall be maintained continuously in satisfactory and effective operation by the owner at his expense.

(f) The owner of any property serviced by a Building Sewer carrying Industrial Wastes shall build a suitable control manhole together with such necessary meters and other appurtenances in the Building Sewer to facilitate observation, sampling and measurement of the wastes. Such manhole shall be accessible and safely located and shall be constructed in accordance with plans approved by the Executive Director or designee. The manhole shall be installed by the owner at his expenses and shall be maintained by him so as to be safe and accessible at all times. The owner shall install such manhole within thirty (30) days from the date the lateral connection is made to the Sewer or, if no manhole was required at the time the Building Sewer was installed, the owner shall install such manhole. If such manhole is not installed within the time provided, the OUA shall have the right to enter into a contract for the installation of said manhole at the owner's expense, and the cost of installing said manhole, together with the administrative cost to the OUA necessary to process the installation of said manhole, shall be chargeable to the owner, and if not paid within thirty (30) days from the date such installation is completed, the unpaid costs together with the lawful interest thereon shall be a lien upon the property wherein the user is situated. The OUA shall be entitled to institute foreclosure proceedings for the collection of said unpaid costs and interest thereon, such proceedings to be in accordance with law, and the OUA shall be entitled to collect reasonable attorney's fees from the owner for services rendered by the OUA's attorneys in the institution and prosecution of such foreclosure proceedings. Liens created under this section shall, upon the request of the user and/or owner of the property affected, and upon payment of all installation and administrative costs and lawful interest thereon, be released by a Release of Lien signed by the Executive Director of the OUA. The issuance of such Release of Lien shall constitute prima facie evidence of existence or nonexistence of any such unpaid costs, and shall, in the absence of fraud perpetrated by the party requesting same, be binding upon the OUA as to the existence and nonexistence of any lien created hereunder.

(g) All measurements, tests, and analysis of the characteristics of waters and wastes to which reference is made in this chapter shall be determined in accordance with the latest edition of *"Standard Methods for the Examination of Water and Wastewater,"*

published by the American Public Health Association, from suitable samples taken at said control manhole. Sampling shall be carried out by customarily accepted methods to reflect the effect of constituents upon the sewerage works and to determine the existence of hazards to life, limb and property. The particular analysis involved will determine whether a twenty-four (24) hour composite of all outfalls of a premises is appropriate or whether a grab sample or other multiple samples should be taken.

SECTION 39. PROTECTION FROM DAMAGE

No person shall maliciously, willfully or negligently break, damage, destroy, uncover, deface or tamper with any structure, appurtenance or equipment which is a part of the OUA utility system. Any person violating this provision shall be subject to immediate arrest for a misdemeanor punishable as provided herein or in Florida Statutes, Chapters 806.13 or 812.14.

SECTION 40. POWERS AND AUTHORITY OF INSPECTORS

(a) The Executive Director and other duly authorized employees of the OUA, bearing proper credentials and identification, shall be permitted to enter all properties for the purposes of inspection, observation, measurement, sampling, and testing in accordance with the provisions of this Resolution. The Executive Director and duly authorized OUA employees shall have no authority to inquire into any processes, including metallurgical, chemical, oil refining, ceramic, paper or other industries beyond that point having a direct bearing on the kind and source of discharge to the sewers or waterways or facilities for waste treatment.

(b) While performing the necessary work on private properties referred to in Subsection (a) above, the Executive Director or duly authorized employees of the OUA shall observe all safety rules applicable to the premises established by the Owner. The Owner shall provide reasonable and safe access to the premises, as well as direction and or supervision as to the areas or systems being inspected.

SECTION 41. FINANCIAL FUND POLICIES

A. Investment of Funds

Permitted Investments are certificates of deposit and money market accounts from Qualified Public Depositories; other certificate of deposits that are FDIC insured; U.S. Treasury Securities; securities issued or guaranteed by U.S. Federal Agencies; repurchase agreements; and commercial paper with an investment grade rating of AAA from S&P or Fitch or AAA from Moody's.

B. Renewal, Replacement and Improvement Fund

The OUA has established a Renewal, Replacement and Improvement Fund (RR&I Fund). As required by the existing Bond documents, moneys are deposited into the Renewal, Replacement and Improvement Fund in an amount equal to five percent (5%) of the Gross Revenues of the System for the preceding Fiscal Year. The purpose of the fund is to renew, replace and/ or improve the System. The moneys in the Renewal, Replacement and Improvement Fund shall be used for the purpose of paying the costs of extensions, improvements or additions to, or the replacement or renewal of capital assets of the System, or extraordinary repairs of the System. These funds may be commingled in order to obtain the maximum amount of interest; provided, however, that separate books of account shall be established to precisely identify the funds of this account. The interest accruing from the investment of these funds shall accrue to this Fund and shall be used only for purposes authorized in the applicable Bond Resolution.

As stated in the current Official Statements for the 1999 and 2002 Official Bonds the Authority may also establish an additional annual funding target in excess of the five percent (5%) requirement based on the Authority's renewal and replacement expenditure needs as set forth in the five-year capital improvements program (CIP) as approved by the Board of Directors. Therefore, the Authority shall strive to maintain a minimum balance in the renewal and replacement fund of five percent (5%) of prior year's gross revenues.

C. Operating Reserve Fund

The Authority shall strive to maintain an unrestricted Operating Reserve Fund balance equal to sixty (60) calendar days of the Authority's annual operating and maintenance expenses as established during its annual budget. Funds in the operating Reserve may be utilized following Board approval of the Executive Director's or Authorized Officer's request, which shall also include a plan, of restoring these funds back to the minimum levels within a reasonable period of time as established by the Board of Directors.

D. Emergency Reserve Fund

In addition to the 60-day Operating Reserve, an Emergency Reserve Fund will be established and maintained to help offset unforeseen Capital or other major operating expenditures due to unexpected emergencies (i.e., hurricanes, pump failures, electrical failures, etc.) that cannot be met with other funds. The Authority shall strive to maintain an unrestricted Emergency Reserve Fund thirty (30) calendar days of total annual operating and maintenance expenses for the preceding fiscal year, or any amount, that the Authority determines is needed to be reserved in said Emergency Reserve Fund.

The moneys in the Emergency Reserve Fund shall be used for the purpose of paying the costs of emergency repairs as approved by the Board, with a plan approved by the Board detailing the restoration of these funds back to the minimum levels within a reasonable period of time as established by the Board of Directors. These funds and may be commingled in order to obtain the maximum amount of interest; provided, however, that separate books of account shall be established to precisely identify the funds of this account.

E. Hydrant Fund

The OUA has established a Hydrant Fund to be used for the acquisition and installation of fire hydrants, periodic maintenance, repair and replacement of fire hydrants and all costs related thereto, including the installation of necessary water mains in support of fire protection. Revenue for the Hydrant Fund is generated by a fire hydrant fee which is

included on the consolidated bill for each water customer in accordance with the prevailing schedule of rates, fees and charges. These funds may be commingled in order to obtain the maximum amount of interest; provided, however, that separate books of account shall be established to precisely identify the funds of this account.

F. Rate Stabilization Fund

When the Authority has exceeded minimum targeted annual senior debt service coverage of 1.20 (1.10 is required by the Bond Resolution), and coverage of junior lien debt by 1.15, and has excess revenues above expenditure needs, such excess revenues may be deposited into a Rate Stabilization Fund. The Rate Stabilization Fund can may be funded up to an amount not to exceed of three million dollars (\$3,000,000.00). Any additional excess revenues above funding of the Rate Stabilization Fund may then be used to supplement Net Operating Revenues or the Capital Improvement Program as necessary.

G. Debt Service Reserve Fund(s)

In connection with existing and future loan and/or bond obligations the OUA has will be required to set aside certain funds to be used for the future payment of debt service. ~~These funds are required to be physically segregated in separate bank accounts.~~ To that end, the OUA will establish and maintain various a debt service payment accounts and Restricted Debt Service Reserve Accounts as may be required and/or stipulate to by the loan and bond covenants.

H. Guaranteed Revenue Charge (GRC)

In order to reflect the cost of reserving capacity a Guaranteed Revenue Charge (GRC) will be assessed to new water and/or wastewater connections as reserved by a Developer Agreement. This charge will be assessed on a monthly basis until the service has been connected to the OUA system. The basis for the charge will be the number of equivalent residential connection(s) (ERC) reserved by the Developer

Agreement multiplied by the monthly residential meter base facility charge.

I. Annual Price Deflator Index

As a minimum, the Authority shall adjust water and sewer rates annually based on an inflationary index to help ensure that the Authority's revenues keep up with inflationary operating cost increases. The Authority may use the GDP Implicit Price Deflator Index as published annually by the Florida Public Service Commission or other such Board approved inflationary index to determine the annual rate adjustment. In addition to applying the annual index adjustment the Authority shall also conduct periodic rate reviews (e.g., every two to three years) to verify that OUA revenues match revenue requirements including both operating and capital costs.

SECTION 42. CUSTOMERS WITHOUT WATER METER SERVICE

To be connected to the OUA wastewater system, the customer shall be connected to the OUA water system when available. Those current customers which are wastewater customers only, shall be given a twenty-four (24) month period from the date of this Resolution to connect to the OUA water system.

SECTION 43. UNAUTHORIZED USE OF THE OUA SYSTEM

No person shall be authorized to tap, cut or in any way use any line, branch or part of the OUA utility system without obtaining a Service Agreement, and paying all applicable fees, rates and charges established under the Rate Resolution adopted by the OUA Board.

If any person or entity discharges Sewage, Industrial Wastes or other wastes into the OUA's wastewater disposal system contrary to the provisions of this article, Federal or State pretreatment requirements or any order of the OUA, the OUA attorney may commence an action for appropriate legal and/or equitable relief in a court of competent jurisdiction. At a minimum, as provided in the OUA Rate Resolution, tampering or unauthorized use charges will be applied.

Any person or entity which connects to the OUA water system in any manner without prior consent or knowledge of the OUA will be in violation of OUA policies and procedures. Therefore, as provided in the OUA Rate Resolution, tampering or unauthorized use charges will be applied.

SECTION 44. WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS

OUA is committed to performing due diligence in attempting to collect all amounts owed to OUA. There are times, however, that accounts are deemed uncollectible and should be written off from financial statements. All accounts receivables are recorded in a manner to permit an analysis of the aging of such receivables. Based upon time and cost involved, further collection efforts after one (1) year will not be pursued for any outstanding balance of \$50.00 or less. The review and determination of doubtful accounts shall be performed regularly and must be done at least once annually at the end of each fiscal year. Before any account is deemed uncollectible and immaterial for collection, a list reflecting customers' names, outstanding balances along with documentation of efforts made to collect the debt will be provided to the Board of Directors for review and approval.

Collection efforts for any account that has a balance due greater than the threshold of \$50.00 will be performed in accordance with OUA policies and procedures regarding bad debt accounts in accordance with state statutes (Florida Statutes, Chapter 95.11) and for a period equivalent to the statute of limitations or sooner, if the debt has been discharged in bankruptcy for an account.

SECTION 45. ALLOWABLE BILLING ADJUSTMENTS

At the request of a customer, and upon the occurrence of the following events a customers' bill may be adjusted for the following reasons:

A. An adjustment to a customer's bill for the sewer volumetric charge for water used in filling a swimming pool. The credit will be based on the following calculation:

1. The customer shall be responsible for providing documentation as to the pools' physical dimensions in order to establish the amount of water used to

fill the pool. The adjustment to a customer's bill will be based off this calculation plus up to 5%.

2. Water consumption for the pool volume must be in excess of the average consumption as established by the customer's three (3) previous month's billings.

3. Pool adjustments to volumes will only be allowed once in a twelve (12) month period. A customer may receive up to two credits with required documents proving it was necessary to refill the pool due to a repair.

B. An adjustment to a customer's bill for the sewer volumetric charge for water discharged as a result of a service line break on the customer's property. The credit will be based on water consumption which is in excess of the average consumption during the last twelve (12) months.

C. An adjustment to a customer's bill for the sewer volumetric charge for water used to irrigate new plantings/sod on the customer's property. The customer shall be responsible for providing documentation in the form of receipts, invoicing for purchases and/or installation of the new plantings/sod or the requirements of a governmental authority such as a building department, land development regulations, etc. New plantings/sod shall be a minimum of the following.

New Plantings: 10 - 1-gallon containers; and/or
 5 - 3-gallon containers; and/or
 1 - tree with a trunk circumference of greater
 than 3 inches at chest height

Sod: 500 square feet

In either case mentioned above, credit for volumetric sewer billing based upon water used for irrigation purposes will only be allowed for up to two months. The volume credited shall not exceed the water amount specified for new plantings as described in IFAS, County Extension Bulletins, SFWMD booklets, etc...

Additionally, this allowance will only be granted once in any twelve (12) month period. The customer base water consumption will be based upon the average of the three highest months within the previous twelve months prior to the watering. A claim for this volumetric sewer credit must be made within two months of the irrigation usage.

D. An adjustment to a customer's account for documented damage to a customer's water meter by others. Documentation of the damage shall be provided by the customer or OUA employee and clearly indicate that the damage was done by others through no fault of the customer. The final judgment as to the cause of the damage and adjustment due, if any, shall be made by the Executive Director.

SECTION 46. POLICIES AND PROCEDURES MANUAL

Enforcement of this Resolution shall be implemented by the OUA Policies and Procedures Manual adopted by the OUA Board of Directors and amended as needed.

SECTION 47. SEVERABILITY

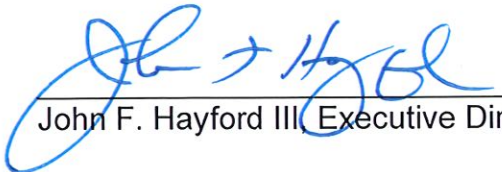
If any section, subsection, sentence, clause, phrase or a portion of this Resolution is for any reason held invalid or unconstitutional by any court or competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

SECTION 48. EFFECTIVE DATE

This Resolution shall take effect immediately upon its adoption pursuant to law.

DONE AND ADOPTED in regular session by the Okeechobee Utility Authority this 21st day of July 2026.

ATTEST:



John F. Hayford III, Executive Director

OKEECHOBEE UTILITY AUTHORITY



John Gilliland, Chairman