OPERATING RULES, RATES AND PROCEDURES

for

TALKEETNA SEWER AND WATER SERVICE AREA 36

PUBLIC WATER & SEWER



Matanuska-Susitna Borough Public Works Department 350 E. Dahlia Avenue Palmer, Alaska 99645

TABLE OF CONTENTS

1	SCOPE OF RULES AND REGULATIONS	,			
2	NATURE AND TYPES OF SERVICES OFFERED				
3	LIABILITY OF UTILITY				
4	GENERAL SERVICE CONDITION 6				
5	USE OF PUBLIC SEWERS11				
6	SERVICE CONNECTIONS AND EXTENSIONS14	•			
7	DEPOSITS, BILLINGS, AND REPAYMENTS 16				
8	WATER & SEWER RATES 18				
9	FEES AND SPECIAL CHARGES 19	1			
10	DEFINITIONS				
EXI	EXHIBIT A				
EXI	EXHIBIT B				

1 SCOPE OF RULES AND REGULATIONS

1.1 Applicability

- 1.1.1 These Operating Rules, Rates and Procedures apply to all services rendered and facilities constructed or installed by the Matanuska-Susitna Borough within the Talkeetna Sewer and Water Service Area 36, which will be referred to as 'the Utility', for the remainder of this document.
- 1.2 Compliance with Applicable Law
 - 1.2.1 The Utility water treatment & distribution facilities and wastewater collections & treatment facilities will be operated in accordance with applicable Federal, State, and Municipal laws and in compliance with these Operating Rules, Rates and Procedures.

1.3 Adoption

1.3.1 These Operating Rules, Rates and Procedures are adopted by the Matanuska-Susitna Borough for use in connection with the maintenance and operation of the Utility effective November 1, 1989. The Utility has obtained from the Alaska Public Utilities Commission a Certificate of Public Convenience and Necessity Certificate Number 434, granted November 28, 1990. Copies of these Operating Rules, Rates and Procedures, together with schedules of rate changes and pertinent business and contract forms, are available at the Matanuska-Susitna Borough, 1420 S Industrial Way, Palmer, Alaska 99645 or www.matsugov.us/tsw.

2 NATURE AND TYPES OF SERVICES OFFERED

- 2.1 Water Service
 - 2.1.1 The Utility provides water on a permanent basis for domestic, commercial, and fire protection uses at an average minimum system pressure of 30 pounds per square inch. The water provided is intended to meet the safe drinking water standards established by the State of Alaska.
- 2.2 Sewer Service
 - 2.2.1 The Utility provides sewage collection and treatment on a permanent basis for domestic and commercial uses.
- 2.3 Interrupted Service
 - 2.3.1 To accommodate seasonal needs, the Utility will provide water service to facilities to be turned on and off at a time specified by the Customer during Normal Business Hours, unless otherwise requested by the Customer. The Customer shall be charged a Seasonal Turn On/Turn Off Service Request fee and a monthly Interrupted Service fee. Sewer only facilities will not be placed on Interrupted Service.
 - 2.3.2 Interrupted Service also applies to properties that have services extended from the service connection into the property but otherwise do not receive service. This may be referred to as Availability of Service.
- 2.4 Easements and/or Rights-of-Way Required
 - 2.4.1 The Utility may construct, own, operate, and maintain water & sewer facilities and other facilities necessary to the operation of the system in the right-of-way of public streets, roads, or highways which it has a legal right to occupy; or on public or private property across which easements or rights-of-way satisfactory to the Utility may be obtained by grant or purchase under the terms that the Utility determines to be economically feasible. As a condition of service, the Utility may require the execution of an easement or easements providing suitable right-of-way for the construction and maintenance of the water & sewer systems determined by the Utility to be necessary to service the Customer's premises.
- 2.5 Temporary On-site Service
 - 2.5.1 The Utility will provide temporary construction water to a building site for use by a building contractor or developer for on-site construction. Temporary construction water will be provided only

from an approved service connection to the lot to be served. This type of service requires an application for service with billing for the actual period of service or for a minimum of thirty days, whichever is greater. The Customer may not make water service available to another lot or location. Violators will be subject to an Unauthorized Connection penalty.

- 2.5.2 Water to be used for testing of on-site plumbing in a building will be made a part of the service provided in the provision for temporary on-site service.
- 2.5.3 Sewer service will not be provided.
- 2.6 Temporary Off-Site Service
 - 2.6.1 Water for use in road construction or similar projects will be made available by the Utility from existing hydrants or other points designated by the Utility only during the period between May 15 and September 15 of each year. Water will not be provided from a hydrant or other points of delivery if the Utility determines that the system demand for water is at a level where the temporary service would produce significant pressure losses to permanent Customers.
 - 2.6.2 The Utility will provide bulk sales of water through a designated hydrant or other points of delivery subject to the following conditions:
 - 2.6.2.1 A permit application must be submitted specifying timeframe and total volume being requested. One permit will be issued for each project that will be taking water.
 - 2.6.2.2 All water will be metered from the Utility's source of supply to the vehicle used for transporting water. The Utility will furnish a hydrant meter and hydrant wrench as part of the permit fee. The Permittee will be charged a refundable deposit for use of the hydrant meter and hydrant wrench.
 - 2.6.2.3 Permits issued by the Utility for temporary off-site service is revocable at will by the Utility. The Permittee will discontinue use immediately.
 - 2.6.3 Sewer service will not be provided.

3 LIABILITY OF UTILITY

- 3.1 Irregularity or Failure of Service
 - 3.1.1 The Utility will exercise reasonable diligence to furnish and deliver continuous water & sewer services to the Customer but will not be liable for damages caused by interruptions, shortages, irregularities, or failures due to accidents, interference by third parties, or conditions beyond the control of the Utility.
- 3.2 Interruptions for Repairs or Modifications
 - 3.2.1 The Utility reserves the right to temporarily suspend the delivery of water & sewer services when necessary for the purpose of making repairs, modifications, or improvements to the system. Except in emergency conditions, the Utility will make a reasonable effort to provide Customers notice of suspension of service, either through the use of public media or by direct Customer contact. Repair work will be completed expeditiously and at a time of least inconvenience to the Customer.
- 3.3 Customer Facilities
 - 3.3.1 The Customer's plumbing facilities shall conform to and be installed in compliance with the Uniform Plumbing Code, State of Alaska statutes and regulations, Municipal ordinances, and these Operating Rules, Rates and Procedures. If inconsistencies exist between standards established by any of the above referenced statutes, regulations, or ordinances, the most stringent standards shall be applied.

4 GENERAL SERVICE CONDITION

- 4.1 Application for Service
 - 4.1.1 Application for Service shall be made by the property owner on the Utility's standard form. Applications are required to be submitted at time of property transfer or establishment of new services.

4.2 Terms of Service

- 4.2.1 Unless specifically provided in a written contract for service, the minimum term of service is thirty days, which will be billed the minimum monthly charge specified under the applicable rate schedule plus the metered charges from the previous month. Monthly charges may be prorated for property transfers occurring during the minimum term of service based on property sale dates.
- 4.2.2 A Customer will be charged for services furnished to the premises until the Utility is provided a successor Customer.
- 4.3 Maintenance Responsibility
 - 4.3.1 The Utility will maintain and repair all water & sewer mainlines that have been accepted for maintenance and operation by the Utility. The Utility will be responsible for thawing frozen water & sewer mainlines. The Customer will be responsible for thawing and repair of water service extensions from the key box to the premises and sewer service connections from the premises to the mainline unless the freezing or damage of the extension or connection was caused by an act of the Utility not in conformance with these Operating Rules, Rates and Procedures.
- 4.4 Access to Premises and Facilities
 - 4.4.1 A properly identified employee of the Matanuska-Susitna Borough shall have access to the premises of a Customer at all reasonable times for the purpose of turning the service on or off; reading meters; testing or inspecting the Customer's facilities or equipment; or installing, repairing, thawing, removing, or exchanging facilities or equipment of the Utility.
 - 4.4.2 The Utility desires to accommodate the occupants of the premises who are unavailable to permit access to the structure because of employment or other circumstances. Pursuant to this objective, the Utility will attempt to telephone, email, or mail Customers when access is denied.

- 4.4.3 The Customer shall keep the key box lid and thaw wire exposed and accessible at all times. If access to the key box is obstructed, the Customer will bear all costs incurred by the Utility in obtaining access to begin or terminate service.
- 4.5 Protection of Facilities
 - 4.5.1 Meters, remote reading devices, or other equipment provided at the expense of the Utility for water & sewer services are the property of the Utility. However, the Customer is responsible for the safekeeping of the property of the Utility on its premises and should take all reasonable precautions against unlawful interference with the equipment. The Customer may not interfere with or cause disruption in the proper operation of the meters.
- 4.6 Disconnection for Tampering with or Failure to Protect Property
 - 4.6.1 If equipment or facilities owned by the Utility are damaged, tampered with, seals broken, or otherwise damaged, the Utility will discontinue water service to the Customer until such time as satisfactory assurance has been provided that the facilities will be free from future interference. The Customer shall reimburse the Utility for any damage to the equipment or facilities, for the estimated loss of revenue, all applicable penalties, and bring the account balance to zero prior to reconnection.
- 4.7 Main Shut-offs for Discontinuance of Service
 - 4.7.1 If a Customer intentionally prevents the Utility from discontinuing water service by preventing access to the key box, the Utility may, after 10 days written notice to the Customer, excavate and turn the water off at the main by closing the Utility's valve at the main. To restore service, the Utility must be paid all outstanding billings as well as the cost incurred to close and re-open the Utility's valve.

4.8 Metering

- 4.8.1 Metering is required for all properties receiving water services from the Utility. At least one meter and remote reader is to be installed for each connection. The meter and reader shall remain the property of the Utility upon installation.
- 4.8.2 All required meters and remote readers will be provided by the Utility however, the Utility will only pay for the cost of one meter and remote reader; the Customer will be responsible for paying for additional metering equipment. The Utility will provide installation instructions to be used by a qualified contractor for the plumbing

modification required for installation of the meter. Meter installation shall be performed by the Utility at the expense of the Customer.

- 4.8.3 The Utility will arrange for the maintenance and repair of meters and reading devices as required, at the Utility's expense, but will not maintain or repair any part of the plumbing apparatus connected to the meter. The Customer shall provide a location for the meter that is protected from freezing. Any damage to a meter caused by Customer neglect, misuse, abuse or freezing from Customer neglect or a power outage will be repaired by the Utility at the Customer's expense.
- 4.8.4 All water meter installations shall be installed with the inlet and outlet positioned in the horizontal plane with the dial face vertically upward and protected from freezing.
- 4.8.5 Upon notification, the Utility shall retain the right to inspect the installation and remove the meter at any time for testing. The Utility will arrange a test on a water meter upon the request of a Customer who questions the accuracy of the meter. If the test results demonstrate that the meter varies from the standard tolerance, the Utility will repair or replace the meter and the cost of the test will be the responsibility of the Utility. If the meter does not vary from the standard tolerance, the Customer requesting the test will be charged a Service Request fee.
- 4.8.6 Water meters installed will conform to the specifications and tolerances established by the American Water Works Association for meters. Meters shall meet the following requirements for accuracy with water at a temperature of less than 80°F (27°C). At any rate of flow within the normal test flow limits specified in Table 1 of AWWA Specifications C700, the meter shall register not less than 98.5 percent and not more than 101.5 percent of the water that actually passes through it.
- 4.8.7 A meter bypass shall be installed with all meters 3 inches in diameter or larger. A meter bypass shall be sealed in the closed position at the time the meter is installed. The bypass may be used only during periods when the meter has been removed for repair. The Utility must authorize use of the bypass. If a seal is removed and a bypass valve is opened without authorization from the Utility, the Customer shall be billed at the average monthly rate for the preceding year plus 25 percent for the period which the bypass was operative. In addition, the Utility may discontinue service until such time as adequate assurances are provided that unauthorized use of the bypass valve will not occur in the future.
- 4.9 Failure to Install Meter

- 4.9.1 If a Customer fails or refuses to install a required meter the Utility may, after 30 days written notice to the Customer, discontinue service until a meter has been properly installed. The Customer will be charged a Disconnect penalty. The Utility will not make billing adjustments for a Customer who fails to install a meter.
- 4.10 Connections to Other Systems
 - 4.10.1 The Utility will deny service to or disconnect its service from any premises or facility that is connected to another water system, including a private well or other on-property facility, or another sewer system, including a private septic or other on-property facility. Service from another water or sewer system must be abandoned in accordance with Alaska Department of Environmental Conservation rules and regulations.
- 4.11 Required Facilities and Inspection
 - 4.11.1 Water service will not be provided to any premises that is not equipped with an inside shut-off valve. The Utility will inspect all service connections and extensions to ascertain the type of pipe and fittings utilized in the line, the position of the water service to the sewer service, and other aspects of the service installation necessary to ensure delivery of the proper volume of uncontaminated water under sufficient pressure.
- 4.12 Resale or Redistribution of Water
 - 4.12.1 Water service from the Utility is provided only for the benefit of the connected property and is not to be resold or furnished with or without charge to another individual or property.
- 4.13 Waste of Water
 - 4.13.1 Customer facilities and equipment shall be maintained and utilized in a manner that will avoid unnecessary waste of water. If substantial quantities of water are being wasted due to disrepair of Customer facilities, the Utility may discontinue service to the premises and charge applicable fees or penalties. Service will be restored upon inspection and approval of the repair by the Utility.
- 4.14 Unauthorized Connection
 - 4.14.1 No person shall uncover, make any connections with or opening into, use, alter, or disturb water or sewer connections or appurtenances thereof without first obtaining a written permit. Violators will be subject to Unauthorized Connection and Unauthorized Turn On/Off penalties.

- 4.15 Proper Building Connection
 - 4.15.1 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 is connected directly or indirectly to the public sewer system.
- 4.16 Customer Complaints
 - 4.16.1 Customer complaints shall be filed in writing and directed to the attention of the Utilities/Facilities Operational Unit Supervisor for Talkeetna Sewer and Water. If further issue remains after the complaint has been addressed, complaints may be sent to the Operations & Maintenance Division Manager, Public Works Director, and MSB Manager, in that order.
 - 4.16.2 A complaint shall set forth the name, address, and telephone number of the complainant; the nature of the complaint plus any supporting facts, including dates and times, and the remedy requested. The Utility will investigate the complaint and respond in writing within 15 business days.

5 USE OF PUBLIC SEWERS

- 5.1 Proper Discharge
 - 5.1.1 The discharge to this system is limited to domestic and commercial wastewater. Violators will be subject to immediate disconnection from the Utility sewer system. Prior to reconnection of the sewer service, it must be shown that the cause of the discharge of prohibited discharge or materials has been eliminated. Any costs associated with the prohibited discharge or materials, including penalties, shall be borne by the party responsible for such acts.

5.2 Grease Traps

- 5.2.1 Grease traps or similar devices must be installed by commercial Customers to prevent fat, oil, and grease (FOG) from entering the sewer system which may congeal or clog sewer lines and inhibit biological treatment processes effective July 1, 2025. Customers that should install grease traps include commercial kitchens, hotels, hospitals, schools, garages/hangars, and car washes however, this list is not all inclusive. Customers may be inspected at any time and if found to be improperly discharging FOG, will be responsible for all costs associated to remediate a clogged sewer line. Routine maintenance of grease traps is the responsibility of the Customer and should be performed on a routine basis. Maintenance logs may be requested.
- 5.2.2 Failure to install a grease trap will result in a monthly Failure to Install Grease Trap penalty until one is installed. Existing commercial Customers will receive a one-year grace period following the effective date to install a grease trap or similar device before being subject to penalties.
- 5.3 Prohibited Discharge
 - 5.3.1 No person shall discharge or cause to be discharged the following described substances, materials, water, or wastes if it appears likely the sewers, sewage treatment process or equipment, have an adverse effect on the receiving stream, or can otherwise endanger life, limb, public property, or constitute a nuisance. The substances prohibited are:
 - 5.3.1.1 Water or wastes containing substances which are not amenable to treatment or reduction by the sewage treatment process employed or are amenable to treatment only to such degree that the sewage treatment system effluent cannot meet the requirements of other agencies having jurisdiction over discharge to the receiving waters.

- 5.3.1.2 No person shall discharge or cause to be discharged any storm water, surface water (gutter and street run-off), silty water from construction dewatering efforts, or groundwater into the sewer system.
- 5.3.1.3 Any water or waste containing fats, gas, grease, or oils, whether emulsified or not, in excess of 100 mg/L or containing substances which may solidify or become viscous at temperatures between 32°F (0°C) and 150°F (65°C).
- 5.3.1.4 Solid 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 sewage works such as, but not limited to, ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, un-ground garbage, whole blood, paunch manure, hair and fleshings, entrails, and paper dishes, cups, milk containers, etc. either whole or ground by garbage grinders.
- 5.3.1.5 Any gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid, or gas.
- 5.3.1.6 Any waters or wastes containing toxic or poisonous solids, liquids, or gases in sufficient quantity, either singly or by interaction with other wastes to injure or interfere 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 pesticides in the wastes as discharges to the public sewer.
- 5.3.1.7 Any waters or wastes having a pH lower than 6.0 or having a pH in excess of 8.5 or having any other corrosive property capable of causing damage or hazard to structures, equipment, and personnel of the sewage system.
- 5.3.1.8 Any liquid or vapor having a temperature higher than 150°F (65°C).
- 5.3.1.9 Any waters or wastes containing iron, chromium, copper, zinc, and similar objectionable or toxic substances; or wasted exerting an excessive chlorine requirement.
- 5.3.1.10 Any waters or wastes containing phenols or other taste or odor-producing substances, in such concentrations exceeding limits which may be established to meet the

requirements of the State, Federal, or other public agencies of jurisdiction for such discharge to the receiving waters.

- 5.3.1.11 Any radioactive wastes or isotopes of such half-life or concentration as may exceed limits established, by applicable State or Federal regulations.
- 5.3.1.12 Materials which exert or cause:
 - 5.3.1.12.1. Unusual concentration of inert suspended solids (such as, but not limited to, Fullers earth, lime slurries, and lime residues) or dissolved solids (such as, but not limited to, sodium chloride and sodium sulfate).
 - 5.3.1.12.2. Excessive discoloration (such as, but not limited to, dye wastes and vegetable tanning solutions).
 - 5.3.1.12.3. Unusual biological oxygen demand, chemical oxygen demand, or chlorine requirements in such quantities as to constitute a significant load on the sewage treatment system.
 - 5.3.1.12.4. Unusual volume of flow or concentration of wastes constituting "slugs".
- 5.3.2 Violators will be subject to an Unauthorized Sewer Discharge penalty.

6 SERVICE CONNECTIONS AND EXTENSIONS

- 6.1 Required Water & Sewer Connections
 - 6.1.1 Mandatory hook-up to the Talkeetna Sewer and Water Service Area system is required for all new facilities constructed after March 17, 1992, and for all existing systems that fail. Mandatory hook-up is not required for structures existing prior to March 17, 1992. All new connections shall be installed by November 1st of the same year the application for permit was obtained, or if application is obtained after November 1st, then the period for compliance shall extend until the November 1st of the following year. Failure to connect within the specified timeframe allowed shall result in a Failure to Connect penalty until such time as connection is made. An owner of existing property that is required to hook up and has been notified that hook up to the system is required and has not connected to the system within 12 months of notification, will also incur a Failure to Connect penalty until such time as connection is made.
 - 6.1.2 In most cases, one water or sewer service connection shall be constructed and installed from the main to provide service to each building on the property. All water will be accounted for either by one primary meter or multiple meters and total consumption will be assigned to one account. In rare cases, multiple service connections may provide service to multiple buildings on one property. Each building will be accounted for with multiple meters and total consumption will be assigned to one account. One service connection will not provide service to multiple parcels.
 - 6.1.3 All costs associated with water & sewer connections will be borne by Permittee as listed in the Fees & Special Charges.
- 6.2 Connection Permits
 - 6.2.1 The developer, property owner, or authorized agent shall acquire a connect permit from the Utility for each water & sewer connection and water & sewer extension prior to its construction. The developer, owner, or authorized agent must complete the permit application, designate the size of connection and pay the permit fee(s) as set forth in the Fees & Special Charges. No connection will be made without written authorization from the Utility.
 - 6.2.2 The developer, owner, or contractor shall acquire all permits and pay all fees established by any governmental agency as a condition for the installation or construction of a water service connection or extension. Any governmental unit which would require the Utility to obtain the permit and accept responsibility, the developer, owner, or contractor shall reimburse and indemnify the Utility for all costs incurred to

obtain the permit and provide any required guarantee secured by a bond to the Utility sufficient to cover possible damages or liabilities.

- 6.2.3 The Utility will require the Contractor/Owner to make a deposit for each Stub-out Connection Permit and each Mainline Connection Permit submitted. This deposit is not the permit fee. After the connection is inspected and photographed by the Utility and all drawings and required papers are on file with the Utility, the deposits, which are not interest bearing, will be returned to the Contractor/Owner.
- 6.2.4 The applicant for a permit to install a water or sewer connection within a Matanuska-Susitna Borough right-of-way or easement shall employ a bonded, licensed, and insured contractor to dig within the right-of-way or easement.
- 6.2.5 Water & sewer connections shall be constructed and installed in compliance with the Standard Construction Specifications of the Utility and other requirements set forth by the Matanuska-Susitna Borough Permit Center.
- 6.3 Transmission Main Extensions
 - 6.3.1 Water & sewer mainlines may be extended within the Utility service area pursuant to an Extension Agreement. The developer will be responsible, under the agreement, to pay the costs of the system required to serve the area.
 - 6.3.2 If the Utility requires sizing of a water main extension more than required to furnish adequate flow to the properties being developed, the developer may receive reimbursement for over-sizing from the Utility.
- 6.4 Relocation of Fire Hydrants
 - 6.4.1 If a property owner requests the Utility to relocate a fire hydrant that was properly placed initially, the property owner shall reimburse the Utility for the actual cost of relocation.

7 DEPOSITS, BILLINGS, AND REPAYMENTS

- 7.1 Rates Applicable
 - 7.1.1 Water & sewer services will be sold only at rates established in the Operating Rules, Rates and Procedures.

7.2 Billing

- 7.2.1 Customers will be billed by the Utility for water & sewer service at intervals approximating 30 days. Each meter will be read on the first of each month and bills will be prepared, utilizing a cycle billing, based on the meter reading. Special contract Customers will be billed in accordance with the contract provisions. Billings for service of less than thirty days, excluding February, shall be pro-rated based on the number of days that month services were provided.
- 7.2.2 Bills will be mailed or emailed to Customers each month to the address or email address specified by the Customer. Bills will be mailed at approximately the same time every month. Failure to receive a billing will not relieve the Customer of the obligation to pay for the service rendered.
- 7.2.3 Utility bills for services rendered by the Utility for water & sewer services are due and payable on the date of the billing.
- 7.2.4 Bills will be considered past due and subject to a late charge effective at 8:00 a.m. the morning after the billing due date. Active accounts in arrears shall pay applicable Late Penalties each month the balance is past due. Any waiver or other payment agreement must be in writing and signed by the Customer and the Utility's authorized representative.
- 7.3 Discontinuance of Service
 - 7.3.1 The Utility may discontinue water or sewer services if a Customer permits a bill to become delinquent 60 days or more. The Utility will notify the Customer of imminent discontinuance of service by a door hanger placed at least forty-eight hours prior to discontinuance of service. The Utility will not discontinue service for a billing delinquency during the period 12:00 p.m. on Friday and 8:00 a.m. Monday. A Disconnect Notice penalty will be charged for every notice delivered to the premises. A Disconnect penalty will be charged if service is physically terminated by either shutting the Customer key box or plugging the Customer sewer cleanout. Any account over 90 days in arrears may be turned over to a collection agency by the Utility.

- 7.4 Reconnection of Service
 - 7.4.1 If a Customer has had service discontinued for cause, the Utility may refuse to furnish a new service to the Customer at the same or any other location until all charges due to the Utility, including applicable re-connection charges have been paid and satisfactory assurance is given to the Utility that future bills will be paid promptly. Such assurance may include a deposit.
- 7.5 Billing Adjustments and Disputes
 - 7.5.1 If the Utility is unable to read a meter at the usual or scheduled time due to locked premises, weather conditions, road conditions, presence of dangerous animals, or other circumstances, the Utility will bill the Customer the minimum rates and adjustments to the account will occur after the next meter reading,
 - 7.5.2 If a meter test conducted by the Utility reveals that a meter is deviating by more than two percent from the standard tolerances, the Utility will submit adjusted billings for the period the meter was in use, not exceeding three months, to reflect actual consumption based on adjusted meter readings. If the cause for the meter error can be attributed to an act or event for which the date can be fixed, adjusted billings will be prepared back to, but not beyond, that date.
 - 7.5.3 The Utility will not adjust any billing to reduce the charge for water circulated through a system to prevent freezing or for any other intentional or negligent consumption of water by the Customer, unless requested by the Utility.
 - 7.5.4 A Customer who is unable to obtain an adjustment of a billing that is believed to be in excess of the established rates may file a written complaint with the Utilities/Facilities Operational Unit Supervisor for Talkeetna Sewer and Water.
- 7.6 Billing for Unauthorized Service
 - 7.6.1 A person who appropriates or accepts water & sewer service from the Utility without applying for service or otherwise complying with these Operating Rules, Rates and Procedures shall be billed at the rate that would otherwise be applicable from the date of the access or, if that date cannot be established, from the date of construction of the service connection. In addition, the violator will be charged Unauthorized Connection & Unauthorized Turn On/Off penalties.

8 WATER & SEWER RATES

SERVICE	SECTION REFERENCE	FEE OR CHARGE 1/1/2009 - Present
8.1a Residential Water Service		\$60.00per month &
	2.1	Tier 1: 3,001-7,500g - \$0.00/gallon
		Tier 2: 7,501-12,000g - \$0.005/gallon
		Tier 3: 12,001g+ - \$0.02/gallon
	2.1	\$90.00 per month &
		Tier 1: 3,001-7,500g - \$0.01/gallon
8.1b Commercial Water Service		Tier 2: 7,501-12,000g - \$0.02/gallon
		Tier 3: 12,001g+ - \$0.03/gallon
8.2a Residential Sewer Service	2.2	\$60.00 per month
8.2b Commercial Sewer Service	2.2	\$100.00 per month
8.3 Interrupted Service	2.3	\$35.00
8.4 Late Charge	7.2	\$12.50
	2.6	\$90.00 per month &
8.5 Temporary Off-Site Service		Tier 1: 3,001-7,500g - \$0.01/gallon
		Tier 2: 7,501-12,000g - \$0.02/gallon
		Tier 3: 12,001g+ - \$0.03/gallon

9 FEES AND SPECIAL CHARGES

SERVICE	SECTION REFERENCE	FEE OR CHARGE 1/1/2009 - Present
9.1 Seasonal Turn On/Off Service Request: Business Hours Only	2.3	\$50.00 per each
9.2 Summer Service Request (May 1- Oct 31): During Business Hours	10.1	\$75.00 per each
9.3 Summer Service Request (May 1 – Oct 31): During Non-Business Hours	10.1	\$150.00 per each
9.4 Winter Service Request (Nov 1 – Apr 30): During Business Hours	10.1	\$150.00 per each
9.5 Winter Service Request (Nov 1 – Apr 30): During Non-Business Hours	10.1	\$300.00 per each
9.6 Hydrant Use: Wrench and Meter Deposit	2.6	\$250.00 per each
9.7 Unauthorized Turn-On or Turn-Off Penalty	4.14, 7.6	\$250.00 per each
9.8 Return Check Penalty		\$30.00 per each
9.9 Disconnect Notice Penalty	7.3	\$30.00 per each
9.10 Disconnect Penalty	4.6, 4.9, 5.1, 7.3	\$50.00
9.11 Unauthorized Connection Penalty	2.5, 4.14, 7.6	Monthly charges from the date the unauthorized connection was made plus \$750.00 If no date can be established, charge the full proceeding year plus \$750.00.
9.12 Unauthorized Sewer Discharge Penalty	5.3	\$500.00
9.13 Failure to Connect Penalty	6.1	\$45.00 per month until connection is made
9.14 Failure to Install Grease Trap Penalty	5.2	\$300.00 per month until grease trap is installed
9.15 Temporary Off-Site Service Permit Fee	2.6	\$100.00
9.16 As-Built Drawings Deposit	6.2	\$500.00 per each

9.17 Mainline Connection Permit Fee	6.2	\$250.00
9.18 Stub-out Connection Permit Fee	6.2	\$150.00

10 DEFINITIONS

- 10.1 The definitions in this section are applicable to the terms as used anywhere in these Operating Rules, Rates and Procedures.
 - 10.1.1 "Accessible" means capable of being reached quickly for operating, removal, or inspection without requiring those desiring access to climb ladders, to climb over or remove obstacles, or to unlock doors.
 - 10.1.2 "Commercial or Industrial Service" means the type of service rendered to premises utilized primarily or substantially for business purposes, or other than as living accommodations for long-term occupants.
 - 10.1.3 "Completion of Construction" means the date upon which the Matanuska-Susitna Borough Manager or the authorized designee determines, based on inspection reports, that the extension is complete and fully operable, and the Matanuska-Susitna Borough Manager or the authorized designee, accepts the extension for operation and maintenance.
 - 10.1.4 "Cost of Construction" means the total cost of constructing the facility involved, including the cost for property acquisition, design and engineering, legal fees, permit fees, administrative overhead, and the total cost of the final contract for construction.
 - 10.1.5 "Delinquent" refers to an account more than 25 days past due.
 - 10.1.6 "Dwelling Unit" means one or more rooms and kitchen facilities in a building, or portion of a building, designed as a unit for occupancy by not more than one family for living and sleeping purposes.
 - 10.1.7 "Facility" means a dwelling unit.
 - 10.1.8 "Locate" means to discover and mark the horizontal course of a water or sewer facility on the overlying surface.
 - 10.1.9 "Manager" means the Matanuska-Susitna Borough Manager or the authorized designee.
 - 10.1.10 "Normal Business Hours" means the hours between 8:00 a.m. and 5:00 p.m. on Monday through Friday, excluding recognized holidays.
 - 10.1.11 "Permittee" means the person or business accepting responsibility for the requested service or activity.

- 10.1.12 "Residential Service" means the type of service made available to single or multiple family dwelling units, such as duplexes or triplexes, not available for transient occupancy.
- 10.1.13 "Service Connection" means that portion of the water service extending from the main in the street or easement to the key box at the property line or the portion of the sewer service extending from the main in the street or easement to Customer's premises, also referred to as availability of service for sewer.
- 10.1.14 "Service Extension" means that portion of the water service extending from the key box to the Customer's premises, also referred to as availability of service for water.
- 10.1.15 "Service Request" means the charge applied for Utility operators to respond to routine or emergency issues including but not limited to locating water key boxes or thaw wires, repairing meters, inspecting sewer services, etc.
- 10.1.16 "Tariff" means the rate schedules, Operating Rules, Rates and Procedures, and other documents filed as a tariff with the Alaska Public Utilities Commission.
- 10.1.17 "Type of Service" means either "residential service" or "commercial or industrial service" as those terms are defined in this section.
- 10.1.18 "Unified Billing" means the method of billing whereby the charges for two or more utility services are itemized and totaled on a single bill submitted to the Customer.
- 10.1.19 "Utility" means the Matanuska-Susitna Borough Talkeetna Sewer and Water Service Area.

EXHIBIT A

BOUNDARIES OF MATANUSKA-SUSITNA BOROUGH TALKEETNA SEWER AND WATER SERVICE AREA NUMBER 36

Reference Matanuska-Susitna Borough Code Section 5.25.060, Service Area Number 36, Talkeetna Sewer and Water Service, which established the service area and boundaries as described in Matanuska-Susitna Borough 84-79 and 88-89, and as shown on the official service area map.

Legal Description:

In T26N, R5W:

Those portions of the S1/2 S1/2 of Section 24 contained within the Talkeetna Townsite, U.S.S. 1260, and easterly of the west boundary of the Alaska Railroad right-of way; and that portion of Section 25 easterly of the east high-water mark of the Susitna River; and

In T26N, R4W:

All of the Talkeetna Heights Subdivision, Denali Subdivision, and Denali No. 2 Subdivision in Section 19; and W1/2 NW1/4 of Section 30;

Seward Meridian, Talkeetna Recording District, Alaska.

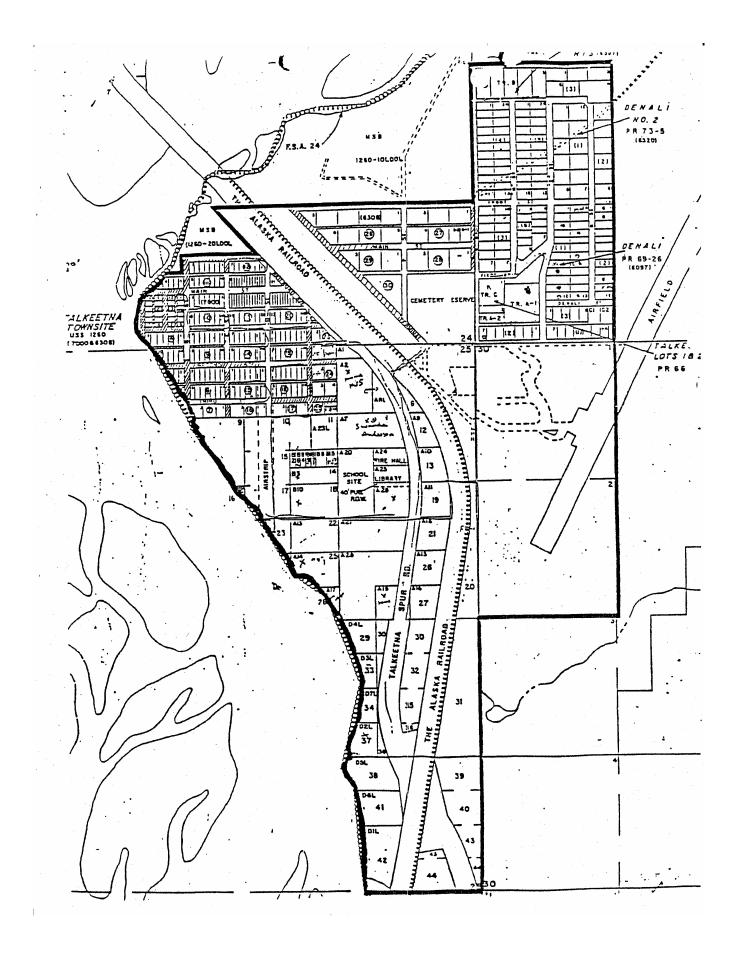


EXHIBIT B

