

**WATER AND SEWER REGULATIONS OF THE LOWCOUNTRY REGIONAL
WATER SYSTEM, SOUTH CAROLINA**

Adopted by Resolution - May 28th, 2013

I. General.

A. General Applicability. These Water and Sewer Regulations govern the sale of water and wastewater service to the retail customers (the “*Customers*”) of the potable water system and/or wastewater collection system (the “*System*”) operated by the Lowcountry Regional Water System, South Carolina (“*LRWS*”).

B. Applicability to All Customers, Rates and Contracts. These Water and Sewer Regulations apply to all Customers of the System. They are incorporated by reference in each application for a contract or agreement for Service and govern Service to all Customers of the System and under all rates and classes of retail service (whether or not such Service is authorized), except as expressly and directly modified by the particular rate schedule or contract under which Service is granted.

**AS TO WATER SERVICE, LRWS DISCLAIMS ALL WARRANTIES OF
MERCHANTABILITY OR OTHERWISE RELATED TO THE ADEQUACY
OF PRESSURES AND VOLUMES FOR FIRE SERVICE OR OTHER
INTENDED USES**

C. Status as Resolution of the Commission. These Water and Sewer Regulations are a matter of public record, and as authorized by S.C. Code Ann. § 6-25-100, 1976, as amended, constitute regulations of LRWS duly adopted by resolution of the Lowcountry Regional Water System Commission, the governing body of LRWS (the “*Commission*”).

D. Receiving Service Constitutes Acceptance. Taking or receiving Service from the System will constitute conclusive evidence that the Customer has accepted and intends to be bound by these Water and Sewer Regulations as they may be amended from time to time.

E. Statement by Agents. No representative of LRWS has authority to modify any provision of these Water and Sewer Regulations, or the provisions of Rate Schedules, or to bind LRWS by any promise or representation contrary thereto, without express written authorization from the LRWS General Manager (the “*General Manager*”).

F. Relationship to Customer Service Policies and the Supplemental Sewer Regulations. These Water and Sewer Regulations are supplemental to the Lowcountry Regional Water System Customer Service Policies, and are supplemented by the Supplemental Sewer Regulations, all of which are incorporated herein by reference. In case of conflict between the documents, these Water and Sewer Regulations shall control.

G. Industrial Pre-Treatment Regulations. LRWS's Industrial Pretreatment Program Regulations apply to sewer customers whose discharges require pretreatment under applicable regulatory requirements. Those regulations are incorporated herein.

II. Applications.

A. Applications Generally.

1. No Service will be installed or continued without Customer's application for a contract or agreement for Service in a form acceptable to LRWS.
2. All applications must be signed by the Customer or its representative who in all cases must be more than eighteen (18) years of age and otherwise legally capable of entering a mutually binding contract.
3. Applicants for service must supply two forms of identification including one picture identification and proof of ownership or residency, as applicable, at the location in question.
4. LRWS will not furnish its Services to any applicant who at the time an application is submitted is indebted to LRWS for Service previously furnished to such applicant or applicant's business.
5. LRWS will not furnish its services to any applicant where at the time an application is submitted any member of the applicant's household is indebted to LRWS for Service previously furnished to such member or member's business.
6. LRWS will not furnish its Service to any applicant who at the time an application is submitted is the owner of the premise that is indebted to LRWS for Services previously furnished to the owner.

B. Multiple Accounts. Customers having more than one residence or place of business, or who desire more than one type of available Service at any one physical location, must make a separate application for each location or type of Service.

C. Designation or Change of Class of Service or Rate. At the time of application, the Customer must designate the rate and class of Service (including in-town or out-of-

town rates if applicable) for which the Customer believes it qualifies. The Customer's designation will be subject to review and acceptance by LRWS. In the event that the Customer becomes ineligible for its current class of Service or rate, or determines that it was not eligible for such service class at the time of the initial application, the Customer will report that fact to LRWS. With or without such a report, LRWS may change the Customer's class of Service to correct any mistake in designation and may bill the Customer for the difference in cost for past Service for up to three years if the new rate or classification is higher than the rate or classification under which the Customer was initially billed. If the change would result in a lower cost to the Customer, it is the Customer's responsibility to re-apply for the new rate or class of Service. In such case, LRWS will not be required to provide refunds to the Customer past the date of the filing of a valid application for a lower rate.

D. Grant of Right of Way. In requesting or accepting Service, the Customer grants LRWS, without charge, necessary rights-of-way and trimming and clearing privileges for its facilities along, across and under property controlled by the Customer to the extent that such rights-of-way and clearing are required or necessary to enable LRWS to supply Service to the Customer or to operate, repair, maintain or replace facilities providing Service to the Customer. The Customer also grants LRWS all right-of-way required to continue or extend LRWS's facilities on, across, or under the Customer's property to serve other customers from those facilities.

E. Assignment and Transfer of Service. A Customer who wishes to cease taking service at any location must notify LRWS of that fact in writing, giving the name and address of the new customer if known. The new customer shall file a new application for Service with LRWS. No contracts or agreements or Service rights may be transferred from or between Customers without the written consent of LRWS.

F. Obligations of Customer Carrying Over. If a new Customer fails to make application to LRWS, such new Customer's use of LRWS's service constitute acceptance by such new Customer of all the contract obligations of the preceding Customer. If the new Customer does not formally apply for service within 3 business days of notification, LRWS may terminate such service.

G. Obligations of Departing Customer. In the event any departing Customer fails to notify LRWS of the change in ownership or occupancy of the premises, such Customer shall continue to be liable to LRWS for all rates and charges, accrued and accruing for such service until notice is given by that Customer in writing to LRWS and LRWS has terminated service or transferred service to another Customer.

H. Returning Customers. Any person leaving the system as a Customer will be considered a new Customer upon returning and will be required to pay a new Customer application fee in addition to any unpaid balance from previous service.

I. Residential Application Fee. Residential application fees shall be \$100 per application.

J. Commercial and Industrial Application Fees. New commercial and industrial Customers' application fees will be determined by the staff on a case by case basis.

III. Definitions. Except where the context otherwise indicates another or different meaning or intent, the following terms are intended and used, and will be construed to have meanings as follows:

"Premises" will mean home, apartment, dwelling unit, shop, factory, business location (including signs and water and sewage pumps), church, or other building or structure which shelters the Customer for his individual or collective occupancy where all Service may be taken from a single connection.

"Service Point" or *"Point of Interconnection"* will mean the point at which LRWS's and Customer's utility facilities are connected and through which Service may be provided.

"Cross-connection" will mean any actual or potential connection or structural arrangement between a public water supply and any other source or system through which it is possible to introduce into any part of the potable system any used water, unapproved auxiliary water supply, water of questionable quality, industrial fluid, natural gas or any other substance other than the intended potable water with which the system is supplied. By-pass arrangements, jumper connections, removable sections, swivel or change-over devices and other temporary or permanent devices through which, or because of which, backflow can or may occur are considered to be Cross-connections.

“Unit” will mean a single dwelling unit (i.e. an apartment, a condominium, or a mobile home), a single shop or business establishment, or an industrial establishment. Each guestroom of a hotel, motel, hospital, or nursing home, and each bedroom of a dormitory will be considered ½ unit.

“Residential Equivalent Unit (REU)” will mean water usage equal to 400 gallons per day, 25 fixture units as defined in the Southern Building Code Congress Plumbing Code or 18 gallons per minute maximum instantaneous demand, whichever is the greater.

“Service” will mean water Service, for any purpose, provided by LRWS to the Customer.

“Temporary Installation” will mean utility services which are impermanent, short term or seasonal in nature. LRWS will define “short term” on a case-by-case basis.

IV. Extension of Service.

A. General. Before proceeding with plans for construction, development or any other project that would result in any new or additional water or sewer requirements, the Customer will consult with LRWS and furnish to LRWS such information as LRWS may require to determine whether LRWS’s facilities are capable of providing Service as requested.

B. Extensions of Service.

1. Evaluation of Requests for Extensions. All extensions or expansions of the water or sewer facilities to serve new Customers or to serve increased demands from existing Customers will be made at the discretion of LRWS. LRWS may make extensions or expansions contingent upon the following conditions and other considerations as determined by LRWS:

- a)** LRWS’s determination that the proposed extension or expansion of Service will be technically feasible under LRWS’s engineering criteria;
- b)** LRWS’s determination that the proposed extension or expansion of Service will not jeopardize or unacceptably degrade Service to other Customers or place undue costs or operating limitations on LRWS;
- c)** LRWS’s determination that sufficient bulk water supplies or treatment and discharge capacity will be available to meet the extension or expansion’s associated demands and other needs of the System at reasonable costs to LRWS;
- d)** LRWS’s determination that the proposed extension or expansion will conform to LRWS’s overall long-range system development plans;
- e)** LRWS’s determination that rights of way or permits necessary for the extension or expansion are available;

f) LRWS's determination that provisions for paying the capital and other costs of the extension or expansion have been made and are acceptable to LRWS in its sole discretion.

C. Payment of Cost. In addition to paying the cost of the extension as required by LRWS, the individual(s) requesting the extension may be required to pay all applicable service application fees, tap fees, capacity fees and deposits in advance of service being provided.

D. Service Commitments in Writing and Cancellation of Commitments in Case of Delay. Any commitment by LRWS to provide Service or capacity for any future development, construction or other project shall be binding only if made in writing after approval of the Commission and may be withdrawn or cancelled, or the capacity commitment reduced, if the construction or development plan or any phase thereof is delayed for more than three years beyond the later of a) the date that the capacity commitment was issued, or b) the date if any that is referenced in the capacity commitment documents as the date that construction is anticipated to begin for any project, development or phase thereof.

V. General Terms of Service.

A. Use of Service. The Service provided by LRWS will not be used in any manner other than those provided for in LRWS's applicable rate schedule, service agreement or contract and such Service will not be used for resale of Service to any other customer.

B. Standards of Service and Disclaimer of Liability.

1. LRWS will endeavor to provide water Service at a minimum pressure of twenty-five (25) pounds per square inch ("PSI") under normal operating conditions and twenty (20) PSI during unusually heavy demand periods. ***However, LRWS does not guarantee or warrant such pressure and does not warrant or guarantee that the pressure or quantity of water will be sufficient for fire service or other intended uses.*** LRWS will not be liable to the Customer or any other parties for loss or damages resulting from insufficiency of pressures or volumes or for insufficiency of service for firefighting or fire protection service or other uses.

2. LRWS does not warrant or guarantee continuous or uninterrupted Service. LRWS will use reasonable diligence to restore interrupted Service, but will not in any event be liable for any loss or damage from any failure, interruption, reduction or suspension of Service or the failure of water supplies to meet potability standards.

3. LRWS reserves the right to curtail or temporarily interrupt, without notice, the Customer's Service when it will become necessary in order that repairs,

replacements or changes may be made in LRWS's facilities and equipment, either on or off the Customer's premises.

4. LRWS may impose reasonable restrictions on the use of Service during periods of limited supply or excessive demand or other circumstances that may jeopardize the supply of Service to any group of Customers.

C. Access to Customer's Premises. The Customer agrees that employees of LRWS, and its agents, will have the right to enter the Customer's premises for the purpose of making all necessary installations, inspections, repairs, readings and for any other reason for administering services and that the Customer will not permit unsafe conditions that might hinder such access.

D. Facilities, Equipment and Special Equipment.

1. The Customer will pay the cost of any special equipment necessary to meet the Customer's unique service requirements, to eliminate pressure variations on the System resulting from Customer's use, or otherwise to eliminate the detrimental effects on the System or on Service of other Customers. LRWS may make a reasonable charge for the additional equipment. All such equipment will become the property of LRWS.

2. The Customer will not remove, replace, move, disconnect, deface, damage or destroy any facilities or equipment installed by LRWS on Customer's premises but will take reasonable steps to protect such property from loss or damage. LRWS facilities or equipment may only be removed or replaced by LRWS, its agents, or contractors.

3. Where equipment and facilities installed by LRWS are located on Customer's property that is not otherwise accessible to the public, the Customer will not permit access to such equipment and facilities except by duly authorized representatives of LRWS.

4. All equipment supplied or paid for by LRWS, or which becomes the property of LRWS under these Water and Sewer Regulations, will remain LRWS's exclusive property and LRWS will have the right to remove such property from the premises of Customer at any time after termination of Service.

VI. Taps and Connections.

A. Tap Fees.

1. Standard Residential tap fees for water and sewer service shall be \$1000 each.

2. For non-residential and non-standard taps, fire service taps and non-standard installations, the Customer will pay LRWS's actual costs, both direct and indirect, of the connection and associated equipment.
3. The cost of a fire service tap will be calculated by LRWS in each individual case. The cost will include all materials and labor including the meter and vault.
4. Any tap requested and paid for by the Customer must be constructed within twelve (12) months after that date on which the Customer paid the tap fees. Should a Customer fail to have the tap constructed within twelve (12) months of the tap fee payment, the tap fee will be reimbursed to the Customer and the tap fee removed from LRWS's records.
5. No water taps will be made for the purpose of providing water for new construction unless the Customer provides LRWS with valid building permits.

B. Fire Service Taps.

1. Fire Service Taps.

- a) All fire service taps will require the installation of a full flow fire service meter. The Customer will be required to purchase a fire service tap of suitable size to meet applicable fire protection requirements. This tap may be used for both fire protection and domestic service at the discretion of LRWS. Water used by duly chartered firefighting organization to actually fight fires will not be billed to the Customer.
- b) All fire service taps will require an approved double check backflow preventer in accordance with the requirements of the South Carolina Department of Health and Environmental Control ("*DHEC*"), supplied by the Customer at his expense.
- c) Customers with fire service taps will grant to LRWS an easement at a location designated by LRWS for installation of a meter vault and associated equipment. The meter and vault will be the property of LRWS and will be under its sole control. The backflow preventer will be the property of the Customer. Customer will maintain such device to LRWS's satisfaction and in accordance with the rules and regulations of DHEC and LRWS.
- d) The monthly fire service availability fee will be as set forth in the applicable rate schedule or Customer Service Schedule or as otherwise determined by LRWS.

2. Other Services.

- a)** Fire Hydrant Flow Tests. A Customer may request that LRWS perform a Fire Hydrant Flow Test, and LRWS will charge \$90.00 to perform such test. In the event that a current fire hydrant flow test record is on file with LRWS and can be utilized no charge will be applied.
- b)** Fire Use Water. Water used by duly chartered firefighting organization for firefighting or training of public firefighters will not be billed but volumes must be accounted for and provided to LRWS within 10 days of use.

VII. Customer Installations Water.

- A.** All water meters will be installed in the public rights-of-way or in utility easements designated by LRWS.
- B.** All water service lines will be stubbed-out to the property line, to a point designated by LRWS. The stub-out will be done at the Customer's expense by the Customer or a contractor licensed to perform such work, with the necessary permit as required by LRWS. LRWS will connect to the Customer's stub-out provided the Customer has paid the fees and charges to establish Service.
- C.** All plumbing for such stub-outs must be installed in accordance with the International Plumbing Code and must be inspected by LRWS.

VIII. Cross Connection Control/Backflow Prevention.

- A.** Where installations require backflow prevention devices pursuant to South Carolina's Safe Drinking Water Act (codified at §§ 44-55-10 through 44-55-120 of the Code of Laws of South Carolina, 1976, as amended), LRWS will require the Customer to install, at the Customer's expense, cross connection control devices in the category required by State law.
- B.** Customers who have cross connection control/backflow prevention devices on their water services must pay an annual Cross Connection Control Program Administration Fee for each device as set forth in schedule of rates.
- C.** Where any cross connection protection device is required, the Customer must perform, or cause to be performed, inspections and operational tests on a schedule to be determined by LRWS in accordance with State requirements. These tests must be performed by the Customer or his agent at the Customer's expense. These tests and inspections must be performed by a person duly certified in the appropriate category by DHEC to perform such tests.

D. LRWS will notify the Customer in writing that within thirty (30) days he must provide proof, in an approved format, that the inspection and testing has been accomplished. The Customer is required to notify LRWS at least three (3) working days in advance of where and when the inspection and testing is to be performed. LRWS may elect to witness the test.

E. Any cross connection control device found to be defective will be repaired or replaced to LRWS's satisfaction at the Customer's expense. Failure to perform inspection, testing and maintenance of backflow prevention devices as required will result in LRWS classifying the service as an unprotected cross connection.

F. In the event it is determined that an unprotected cross connection exists, the service may be disconnected immediately and without notice until corrective measures have been taken.

IX. Service Terms.

A. Denial or Discontinuance of Service. LRWS may disconnect the Customer's Service immediately and without prior notice to the Customer in cases where hazardous or dangerous conditions exist, where unauthorized or fraudulent use is made of Service, where use restrictions have not been followed, or in other cases where the public interest requires immediate disconnection. Otherwise, except in cases of disconnection for non-payment, LRWS will endeavor to give 24-hours written notice of an upcoming disconnection to the Customer by email, mail or the posting of a notice on Customer's premises where doing so is practical and will not jeopardize safety or Service to others. In no case shall notice be required where there are hazardous or dangerous conditions, unauthorized use or tampering, interference with service to others, failure to protect against backflow or cross flow, or failure to comply with use restrictions. LRWS may refuse or discontinue Service and remove the equipment or facilities of LRWS serving the Customer for any of the following reasons:

- 1.** The Customer's Service is used in such a manner as to adversely affect LRWS's Service to others, or to create conditions that are hazardous, dangerous or prevent accurate metering;
- 2.** The Customer makes or allows unauthorized or fraudulent use of LRWS's Services;
- 3.** The Customer sells LRWS water or sewer service to others.
- 4.** The Customer makes or allows unauthorized adjustments to LRWS's equipment or allows tampering with such equipment;

5. The Customer fails to comply with these Water and Sewer Regulations or fails to fulfill its contractual obligations to LRWS;
6. The Customer fails to provide LRWS with safe and reasonable access to its equipment;
7. The Customer fails to pay bills for Service rendered in a timely fashion;
8. The Customer fails to provide LRWS with a deposit as deemed necessary by LRWS;
9. The Customer fails to furnish permits, certificates, and rights-of-way, as necessary for providing Service to others or as otherwise specified in these Water and Sewer Regulations, or in the event such permissions are withdrawn or terminated;
10. The Customer fails to comply with reasonable restrictions on the use of Service;
11. The Customer's use of the Service conflicts with, or violates orders, ordinances or laws of the State of South Carolina or any subdivision thereof;
12. The Customer fails to provide LRWS a signed contract or service agreement on request;
13. The Customer's contract expires; or
14. The Customer, owner, tenant or occupant of premises served fails to comply with these Water and Sewer Regulations, as they may be amended.

B. Reconnection Charge. Where LRWS has discontinued Service for any valid reason, the Customer is subject to a reconnection charge of \$30.00 per reconnection visit in addition to any other charges or penalties due and payable to LRWS. If, through no error of LRWS, multiple trips are required to the Customer's premise to reconnect, a charge of \$30.00 per trip will apply.

C. Disconnection for Non-Payment.

1. LRWS will give written notice prior to discontinuing Service for non-payment that informs the Customer of the necessary procedures the Customer must follow to avoid interruption of Service. LRWS may provide such notice by mail to the Customer's last available billing address or by email to the email address last provided to LRWS. If the necessary procedures are not followed within fourteen (14) days of email date or postmark of the notice, Service may be discontinued. If discontinued, such Service will not be reactivated until the amount of the delinquent

account, plus a fee of \$5.00 for processing and mailing the notice, is paid. The Customer may be required to make a deposit as deemed necessary by LRWS to have Service reactivated.

2. If a Customer is unable to pay delinquent charges, the Service will not be terminated provided the Customer has requested an extension for payment and the extension has been agreed to by LRWS. When long-term agreements regarding extensions or payment plans are authorized, LRWS will mail the Customer a letter stating the dates when payments will be due and amounts to be paid. If the Customer fails to make payments according to the extension agreement or payment plan, Service may be terminated without further notice. All outstanding charges due at that time must be paid before Service is restored.

D. Connection/Reconnection/Disconnection of Services.

1. When Service has been discontinued for non-payment, all charges for services and penalties due at that time will become immediately due and payable and Service will not be reinstated until payment of such charges and penalties has been made, including any additional deposit as may be deemed necessary by LRWS.

2. Service may be reinstated after normal business hours, with the approval of management, before payment is made of any charges and penalties due at that time, at the request of the Customer on a temporary basis for a special charge of \$50.00.

3. Normal and Accelerated Schedule for Reconnection.

a) When a Customer desires to establish or re-establish existing Services at an existing Service Point, and the Customer has notified LRWS by 2:00 P.M. on the date that Service is requested, every effort will be made to provide Service on that date. Where the application is received after 2:00 P.M., every effort will be made to provide Service on the workday following the date the application was submitted, except that Customers may elect to have Service provided on the date the application is submitted by paying a service charge of \$30.00.

b) The Customer may submit an application for Service outside of LRWS's normal business hours and have Service provided on that date by paying a service charge of \$100.00.

c) The Customer may request expedited service to establish or re-establish Service at an existing Service Point within one (1) hour for routine connections and connections during LRWS's normal business hours. If

LRWS is able to provide such expedited service, an additional charge of \$30.00 will be added to any other applicable charges.

4. The Customer must notify LRWS, verbally or in writing, to have Service terminated. LRWS will be allowed a reasonable period of time after the receipt of such a notice to take a final reading of the meter and to discontinue Service. There will be no additional charge for terminating of an account under these conditions.

5. There will be no charge where LRWS has discontinued or reconnected Service on a temporary basis at the request of the Customer, in order that the Customer can make repairs or changes to his equipment due to water leaks, meter problems, or change of service size.

6. For any other request for Service to be discontinued the Customer must pay a service charge during normal business hours of \$30.00 to terminate the Service and \$30.00 to reconnect the Service and, outside of normal LRWS business hours, \$50.00 to reconnect the Service. LRWS will not discontinue Service at a Customer's request after normal business hours.

X. Billing and Payment Terms.

A. General.

1. LRWS will issue bills for Service monthly, unless otherwise agreed to by LRWS and the Customer. LRWS will make every reasonable effort to see that each Customer receives his bill, but LRWS assumes no responsibility for non-delivery when bills are mailed at a United States Post Office to the last known billing address of the Customer or emailed to an email address provided for that purpose by the Customer..

2. In the event the Customer has a spouse, adult child, or other family member, roommate, subtenant, co-tenant, or other individual who is not listed on the application for Service as a co-applicant but who resides in the premises served by LRWS and assumes or accepts Service to such premises (an "*Unlisted Co-Applicant*"), the Unlisted Co-Applicant, the Customer, and any or all listed co-applicants will be jointly and severally liable for any and all payments due on the Customer's account during any time period when the Unlisted Co-Applicant resides, or resided, in said premises. The Unlisted Co-Applicant will be made liable in all other respects the same as if the Unlisted Co-Applicant were a Customer.

3. In the event the Customer vacates a premise served by LRWS without notice to LRWS and another person or legal entity continues to receive Service at the premises and continues to submit payment for the Service which is in the name of the Customer, then such person or entity will become liable for the Service and will be jointly responsible with the Customer for any and all charges on the account as if he is an authorized Customer.

4. Bills sent to Customers will generally include charges for Service for a period of approximately one (1) month prior to the billing date, except that any Service connected prior to the usual meter reading date will be billed on the appropriate schedule for Service actually rendered; but in no case less than the scheduled monthly service charge and/or minimum charge. LRWS at its sole discretion will determine the appropriate rate schedule by which a Customer will be billed.

5. Charges for Service are due when bills are rendered and are payable at the office of LRWS during normal LRWS business hours, on or before the due date stated on the bill. The due date is the 15th day after the issuance of the bill including the date of the bill.

6. If a payment is not received by the due date stated on the bill, a penalty of 10% of the then due balance on the Customer's account will be applied to the charges and penalties due on that date and on each monthly due date thereafter until paid. Where a Customer has paid any and all bills and charges by the due date stated on the bill for an uninterrupted period of twenty-four (24) months (a "Good Credit Customer"), late penalties provided for in this paragraph may be excused upon the request of the Customer.

7. Customers will not be charged for the initial required inspections to initiate Service. Customers may be charged \$30.00 per trip for additional trips for inspections to initiate Service.

8. Where the Customer believes that LRWS has misread a meter, the Customer may request that LRWS read or re-read a meter for a charge of \$30.00. Where the original reading of the meter is found to have been inaccurate by greater than 2%, the Customer will not incur such charge.

9. In the event that a water meter fails to reflect the actual water usage at a Service Point, the amount of the bill will be arrived at by taking an average of the three (3) most recent months adjusted for seasonal usage.

10. When at the request of the Customer, or otherwise, water meters have been tested by LRWS, or any other party approved by LRWS, and have been found to

be more than 2% fast, previous bills reflecting such inaccuracy will be adjusted accordingly, but in no case will the adjustment exceed six (6) months prior billing. If a meter is tested at the Customer's request, the Customer will pay a service charge of \$40.00 for such service. In the event the meter is found to be more than 2% inaccurate no such service charge will be applied.

B. Returned Checks. Where the Customer's check or electronic fund transfer is returned to LRWS by a bank is validly dishonored for any reason, the Customer will be charged a service charge of \$25.00 for each such check. LRWS, at its option for good cause, may refuse to accept an electronic fund transfer or check tendered as payment on such a Customer's account in the future.

C. Deposit. Any person desiring Service from LRWS may be required to pay a security deposit in an amount set by LRWS. LRWS will retain the security deposit until such time as Service at the location is discontinued, at which time any charges or penalties due to LRWS will be deducted from the amount of the security deposit. If a balance remains, it will be refunded to the Customer. If a balance remains due to LRWS, the Customer will be billed for it.

D. Billing/Payment Disputes.

1. Customers are encouraged to discuss questions concerning the amount or accuracy of any bill with a customer service representative.

2. In the event of a disputed meter reading, bill, bill amount, payment or other matter, the customer may request a review in writing within 45 days of receipt of the bill. The General Manager will select a panel of three LRWS staff persons or other individuals who have not been directly involved in the matter to conduct an investigation. The panel will hear from the customer in person or in writing and will make such further investigation into the matter as its members deem necessary. The panel will provide the customer and the General Manager with a detailed written response communicating their conclusions. If the customer disagrees with the conclusions of the panel, the customer may request in writing that the General Manager review those conclusions. The General Manager will review the letter from the panel and communicate his decision in writing to the customer. The General Manager's decision at the end of that review will be the final decision in the matter by LRWS. The customer must pay disputed bills subject to refund by LRWS pending review.

3. Payment agreements, deposits, delinquent accounts and other accommodations for Customers will be considered subject to the approval of the General Manager.

E. Billing Errors

1. Customer Overcharged Due to Human or Machine Error. If LRWS has overcharged any Customer as a result of a misapplied schedule, an error in reading a meter, a skipped meter reading, or any other human or machine error, except as provided in Section X.A, Paragraph 10, LRWS will refund the excess amount paid by that Customer as provided by the following:

- a)** If the interval during which the Customer was overcharged can be determined, then LRWS will refund the excess amount charged during that entire interval up to a maximum of thirty-six (36) months.
- b)** If the interval during which the Customer was overcharged cannot be determined then LRWS will refund the excess amount charged during the twelve (12) month period preceding the date when the billing error was discovered.
- c)** If the exact usage and/or demand incurred by the Customer during the billing periods subject to adjustment cannot be determined, then the refund will be based on an appropriate estimated usage and/or demand.

2. Customer Undercharged Due to Human or Machine Error. If LRWS has undercharged any Customer as a result of a misapplied schedule, an error in reading the meter, a skipped meter reading, or any human or machine error, except as provided in Section X.A, Paragraph 10, then LRWS will recover the deficient amount as provided as follows:

- a)** If the interval during which the Customer occupying a single-family dwelling or an individual dwelling unit in apartment or other multi-family residential structure served through a separate meter was undercharged can be determined, then LRWS may collect the deficient amount incurred during that entire interval up to a maximum period of six (6) months. For all other customers LRWS may collect the deficient amount incurred during the entire interval up to a maximum of twelve (12) months.
- b)** If the full interval during which the Customer occupying single-family dwelling or an individual dwelling unit in an apartment or other multi-family residential structure served through a separate meter or wastewater service was undercharged cannot be determined, then LRWS may collect only the deficient amount of that portion of the interval that can be determined up to a maximum period of six (6) months. For all other customers LRWS may collect the deficient amount of that portion of the interval that can be determined up to a maximum of twelve (12) months.

c) The Customer will be allowed to pay the deficient amount, in equal installments added to the regular monthly bills, over the same number of billing periods which occurred during the interval the Customer was subject to pay the deficient amount.

d) If the usage incurred by that Customer during the billing periods subject to adjustment cannot be determined, then the adjustment will be based on an appropriate estimated usage or demand.

3. If LRWS has undercharged any Customer as a result of a fraudulent or willfully misleading action of that Customer, or any such action by any person (other than the employees or agents of LRWS), such as tampering with, or by-passing the meter when it is evident that such tampering or by-passing occurred during the residency of that Customer, or if it is evident that a Customer has knowledge of being undercharged without notifying LRWS as such, then LRWS will recover the deficient amount provided as follows:

a) If the interval during which the Customer was undercharged can be determined, then LRWS will collect the deficient amount incurred during that entire interval, provided that the applicable statute of limitations is not exceeded.

b) If the interval during which the Customer was undercharged cannot be determined, then LRWS will collect the deficient amount incurred during the twelve (12) month period preceding the date when the billing error was discovered by LRWS.

c) If the usage and/or demand incurred by that Customer during the billing periods subject to adjustment cannot be determined, then the adjustment will be based on an appropriate estimated usage and/or demand.

d) If the metering equipment has been removed or damaged, then LRWS will collect the estimated cost of repairing and/or replacing such equipment.

F. Tampering Charges.

1. No unauthorized person will turn on the water to any premise, tamper with or disturb any water meter or meter box or other appurtenance of the water system, tap any sewer line, tamper with or disturb any sewer system appurtenance, or introduce any substance into the sewer system except with written authority from LRWS and in conformity with these regulations.

2. No unauthorized person will install or operate any device to bypass a water meter.
3. No property owner or other person will interfere with the efforts of a duly authorized LRWS employee to discontinue Service to any premises.
4. Where LRWS has determined that the any person has tampered with or bypassed LRWS's equipment, that person will be subject to all applicable service charges, penalties and reconnection charges in addition to a penalty charge of \$500.00. That person shall also be responsible to LRWS for all costs including legal fees incurred by LRWS in investigating, repairing, documenting and reporting the tampering, by-passing or interference and in pursuing remedies against the guilty party.

G. Unauthorized Use of Water from Hydrants. Only individuals acting in their official capacity on behalf of a duly chartered firefighting organization may use water from any LRWS fire hydrant. Other individuals, including contractors, may use water from LRWS fire hydrants only with the express written permission of LRWS. If such use is permitted, the individual requesting permission must pay all associated costs. The penalty for a violation of this section will be \$100.00 per occurrence.

H. Unprotected Cross-Connections Not Permitted. In accordance with the requirements of the State Safe Drinking Water Act and the Primary Drinking Water Regulations (Regulations 61-58 through 61-58.15 of the Code of Regulations of South Carolina, 1976, as amended) promulgated and enforced by DHEC, unprotected cross-connections will not be permitted. The appropriate back-flow prevention device, installed at the owner's expense following LRWS's approval, will protect all actual and potential cross-connections to LRWS's system. The owner will subsequently be responsible for paying an annual inspection and testing fee for the device and for maintaining it in proper working order.

I. Fire Protection Systems.

1. All fire protection systems equal to or less than 2" in diameter connected with LRWS's system will be separated from system by an approved double-check valve assembly as a minimum requirement. All fire protection systems using additives or booster pumps will be separated from the LRWS system by an approved reduced pressure principle detector assembly at the main service connection.
2. All fire protection systems of greater than 2" in diameter connected with the LRWS system will be separated from the LRWS system with an approved double-check detector assembly as a minimum requirement.

3. All existing backflow prevention assemblies 2-1/2" and larger installed on fire protection systems that were initially approved by LRWS will be allowed to remain on the premises, as long as they are properly maintained, tested and repaired as required by DHEC regulations. However, if the existing assembly can no longer be repaired but must be replaced, or in the event of proven water theft through an unmetered source, the Customer will be required to install an approved double-check detector assembly or reduced pressure principle detector assembly as required by DHEC regulations.

XI. Inspection and Notification.

A. Authority of LRWS Inspectors.

1. LRWS or its duly authorized representatives bearing proper credentials will be permitted reasonable access to the Customer's premises for the purposes of inspection, observation, measurement, sampling and testing in accordance with provisions contained herein.
2. While performing necessary work on private property referred to in subsection 1 above, LRWS or its duly authorized representatives will take reasonable steps to observe specific safety rules applicable to the premises, established by the Customer and properly communicated in writing to LRWS.
3. LRWS or its duly authorized representative will be permitted reasonable access to enter the Customer's premises through which LRWS holds an easement for the purposes of, but not limited to, inspection, observation, measurement, sampling, repair and maintenance of any portion of the System lying within the easement. All entry and subsequent work, if any, will be done in full compliance with the terms of the applicable easement.
4. Customers will not allow unsafe conditions to arise in areas where LRWS assets are located or which LRWS personnel must access to reach those assets.

B. Notification Protocol.

1. Except where immediate corrective action is required in accordance with the Water and Sewer Regulations of this and other applicable regulations, the Customer or person in charge of any installation found not to be in compliance with the provisions of these regulations will be notified in writing with regard to the corrective action to be taken.
2. Such notice must explain the infraction and give the time period within which the infraction must be corrected. The time period set to correct an infraction will not exceed thirty (30) days after the date notice is received unless a written

variance request is approved by the General Manager or his appointee. If the infraction has been determined by LRWS to be an imminent hazard, the Customer will be required to correct the infraction immediately.

XII. Civil Penalties for Violations

A. Authorization for Civil Penalties. As authorized by § 6-11-285, of the Code of Laws of South Carolina, 1976, as amended, and in accordance with the requirements of Regulation 61-72 of Code of Regulations of South Carolina, 1976, as amended, any person who causes or allows a violation of these Water and Sewer Regulations, the Supplemental Sewer Regulations or the Industrial Pretreatment Regulations incorporated herein (an “*Offending Party*”), is subject to a civil penalty not to exceed two thousand dollars (\$2,000.00) for each day of violation. Each day on which a violation continues will be deemed a separate and distinct violation. Civil penalties imposed pursuant to this section shall be in addition to any other charges, fees and penalties due under any other provision of these Water and Sewer Regulations, Supplemental Sewer Regulations or Industrial Pretreatment Regulations and shall be in addition to any actual costs incurred by LRWS in the commencement and conduct of a proceeding provided for herein.

B. Commission May Commence Legal Action. No remedy provided for in these Water and Sewer Regulations, Supplemental Sewer Regulations or the Industrial Pretreatment Regulations shall be interpreted to preclude or supersede the right of the Commission from commencing an action against an Offending Party, at its discretion, for appropriate legal and/or equitable relief in the appropriate court.

C. Hearing Officer.

1. Prior to the commencement of any proceeding provided for in this Section, the Commission shall appoint a hearing officer (a “*Hearing Officer*”) to preside over the proceedings. The Hearing Officer shall be an attorney admitted to practice in the courts of the State of South Carolina who shall exercise unbiased and independent judgment in the matter.

2. The Hearing Officer shall be paid a reasonable hourly fee for time spent on matters related to the Show Cause Hearing and any preliminary proceedings. Such costs shall be chargeable, as actual costs incurred by the Commission, against an Offending Party who is found to have been in violation of these Water and Sewer Regulations, Supplemental Sewer Regulations or Industrial Pretreatment Regulations.

3. A Hearing Officer duly appointed shall conduct any preliminary proceedings and the Show Cause Hearing, shall determine the appropriate scope of discovery for each proceeding, shall control the order of presentation and cross-examination, make evidentiary rulings, examine witnesses, issue orders and conduct and rule upon all other matters necessary for the prompt conclusion of the proceedings.

D. Commencement of Proceedings and Preliminary Matters.

1. The Commission may commence a proceedings against an Offending Party by ordering, by the issuance of a rule to show cause (a “*Rule to Show Cause*”), any Offending Party appear to show cause in a hearing before the Commission (the “*Show Cause Hearing*”) why an order should not be issued imposing civil penalties on the Offending Party as provided for in this section.
2. Notice of the Show Cause Hearing shall be served personally or by registered or certified mail (return receipt requested) at least thirty (30) days prior to the Show Cause Hearing. Personal service may be made on any agent or officer of a corporation that is an Offending Party. The notice shall include a statement of the time, place and nature of the hearing. The notice shall also include a statement referencing the particular sections of these Water and Sewer Regulations, Supplemental Sewer Regulations and/or the Industrial Pretreatment Regulations that have been violated, a plain statement of the matters asserted, and the total amount of the civil penalties imposed upon the Offending Party.
3. The Hearing Officer may, upon the request of any party or upon his own motion, issue notices of the hearing requesting the attendance and testimony of witnesses and the production of evidence relevant to any matter involved in any such hearing.
4. The Offending Party may be represented at the Show Cause Hearing and any related proceedings by an attorneys admitted to practice in the courts of South Carolina, either permanently or pro hac vice. To the extent permitted by law, the Offending Party may represent himself but shall remain responsible for compliance with the procedural requirements contained herein.
5. Motions may be served at any time after notice has been served. If a Hearing Officer has not yet been appointed, one may be appointed to decide any motions.
6. The Hearing Officer may issue interlocutory orders as may be necessary to decide motions, protect the parties or public, require discovery or establish procedures not otherwise established in this section. LRWS shall abide by the terms of any such orders, unless superseded or enjoined. Failure of any party to abide by such orders may be considered as by the Hearing Officer in making his findings of fact or his determination concerning the amount of any penalty.

7. The Hearing Officer may upon request of any party or upon his own motion conduct prehearing conferences. Such conferences may be held for such purposes as he may direct, including but not limited to: simplifying issues; obtaining admissions of fact and documents which will avoid unnecessary proof; limiting the number of witnesses; determining the scope and time allowed for discovery; resolving discovery disputes; disposing of pending motions; exchanging witness lists; and such other matters as may aid in the disposition of the matter. Conferences may be in person or by telephone conference call when appropriate.

E. Show Cause Hearing.

1. Testimony taken in the Show Cause Hearing must be under oath and recorded and transcribed by a certified court reporter. The transcript or any part thereof, so recorded, will be made available to the Offending Party or to any member of the public upon payment of the costs therefore.

2. The Hearing Officer shall observe the rules of evidence as applied in civil cases in the court of common pleas.

3. The Commission shall bear the burden of proof to establish the matters propounded by a preponderance of the evidence.

F. Hearing Officer's Report. The Hearing Officer's report shall consist of a written report to the Commission and order to include findings of fact, conclusions of law, discussion if appropriate, and a determination of the penalties and costs, if any, to be assessed or imposed upon the Offending Party. It shall be submitted within fourteen (14) days of the date of the conclusion of the Show Cause Hearing, except for good cause shown. Copies shall be served on the Offending Party. It shall constitute a binding determination as to all matters addressed, subject only to appeal or determination by the Commission to abate penalties.

G. Failure to Appear Shall Constitute Default. Upon the failure of an Offending Party to appear at the Show Cause Hearing or to respond to service of notice of a Show Cause Hearing requesting, for good cause shown, a change to the scheduled time for a Show Cause Hearing, and upon the certification by the Hearing Officer of compliance with the procedure as required by this section, the Hearing Officer shall issue a Hearing Officer's report finding the Offending Party in default and assessing or imposing all penalties, costs, and fees against the Offending Party. Notice of default and the resulting penalties, costs, and fees shall be served upon the Offending Party in the same manner provided for herein to serve notice of a Show Cause Hearing.

H. Penalties Held as Debt Against Offending Party. As provided by law, all penalties, costs, charges and fees assessed or imposed upon an Offending Party pursuant to the provisions of this section shall be held as debt and payable to LRWS by the Offending Party and shall constitute a lien against the property of the Offending Party.

I. Appeals. All appeals from the decision of the Hearing Officer under the provisions of this section must be heard in the Court of Common Pleas of Hampton County, South Carolina.