SUBJECT: AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AMENDING MSB 5.25.060(C), SERVICE AREA NO. 36: TALKEETNA SEWER AND WATER SERVICE AREA, AND AMENDING THE OPERATING RULES, RATES, AND PROCEDURES.

AGENDA OF: December 3, 2024

ASSEMBLY ACTION:

Adopted without objection. 12/17/24 - EMW

AGENDA ACTION REQUESTED: Present to the assembly for consideration.

Route To	Signatures	
Originator	X Denise Michalske	1 1 / 2 2 / 2 0 2 4
Department Director	X Michael Brown	1 1 / 2 2 / 2 0 2 4
Finance Director	X Cheyenne Heindel	1 1 / 2 2 / 2 0 2 4
Borough Attorney	X Denise Michalske	1 1 / 2 2 / 2 0 2 4
Borough Manager	X Michael Brown	1 1 / 2 2 / 2 0 2 4
Borough Clerk	X Brenda J. Henry for	1 1 / 2 5 / 2 0 2 4

ATTACHMENT(S): Ordinance Serial No. 24-117 (2 pp)

Fiscal Note: Yes

Current Operating Rule, Rates and Procedures for

Talkeetna Water Service (35 pp)

Current Operating Rules, Rates and Procedures for

Talkeetna Sewer Service (23 pp)

Proposed Operating Rules, Rates and Procedures for Talkeetna Sewer and Water Service Area 36 -Combined (26 pp)

Resolution in Support from Talkeetna Sewer and Water Service Area Board (1 pp)

Talkeetna Sewer Assessment Study - Report 4 (1 pp)

IM No. 24-226 Page 1 of 2

SUMMARY STATEMENT: The administration with the support of the Talkeetna Sewer and Water Service Area No. 36 Board of Supervisors are requesting regulation and fee changes in order to sustain the current level of services provided to the residents in service area, more accurately distribute the costs, and assist in achieving full compliance with the intent of the original ordinance (Ord. 84-79).

In order to reduce significant overlap and streamline information for new and existing customers, the Operating Rules, Rates and Procedures for Sewer and for Water are being merged into a single comprehensive document.

While most of the changes are in wording in order to combine the two documents there are a few more significant changes as follows:

- 1. A grease trap requirement for commercial businesses. This is an official recommendation following a clean and inspection conducted this summer. A copy of the report recommendation is included with this packet.
- 2. Definitions were added to define properties with multiple connections as residential or commercial based on their intended use rather than having more than one building connected.
- 3. A fair and equitable rate structure that bills all customers based on their metered consumption and eliminates flat rate billing. This structure is based upon a rate study a copy of the summary is included in this packet.

RECOMMENDATION OF ADMINISTRATION: Adopt with an effective date of July 1, 2025.

Page 2 of 2 IM No. 24-226

MATANUSKA-SUSITNA BOROUGH FISCAL NOTE

Agenda Date:	
Aguilla Dale.	

SUBJECT: AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AMENDING MSB 5.25.060(C), SERVICE AREA NO. 36: TALKEETNA SEWER AND WATER SERVICE AREA, AND AMENDING THE OPERATING RULES, RATES, AND PROCEDURES.

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				FISCAL IMPACT YES NO			
AMOUNT REQUESTED *				FUNDING SOURCE TSW Fees			
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TO ACCOUNT: 293.000.000 3xx.xxx			PROJECT #				
VERIFIED BY:							
X Liesel Weiland			_				
Signed by: Liesel Weiland							
EXPENDITURES/REVE	NUES:		(T	housands of Dollars)			
OPERATI	NG	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Personnel Services							
Travel							
Contractual							
Supplies							
Equipment							
Land/Structures							
Grants, Claims							
Miscellaneous							
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General Fund							
State/Federal Funds							
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OSITIONS:							
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APPROVED BY:				1 1 / 2 2 / 2 0 2 4			
	X	Cheyenne	e Heindel				

Resolution No. TWSB-03

A Resolution of the Talkeetna Sewer and Water Board of the Mat-Su Borough Adopting a Rate Adjustment Structure for Fiscal Year 2025

WHEREAS, the Talkeetna Water and Sewer Board (the "Board") is committed to delivering high-quality water and sewer services to its community members in a fiscally responsible manner; and

WHEREAS, the Board recognizes the importance of establishing a rate structure that covers essential budgetary requirements without creating undue financial burden on ratepayers; and

WHEREAS, the Board seeks to implement a differentiated rate structure for residential and commercial accounts to better align with usage patterns and budgetary requirements; and

WHEREAS, the Board is committed to fiscal conservatism, minimizing unnecessary expenses, and avoiding irrational spending, ensuring that the rate structure does not create a surplus; and

WHEREAS, the Board recognizes the need to amend current regulations to implement the new rate and fee structure to ensure clarity, equity, and alignment with fiscal policy; and

WHEREAS, the Board also desires to mitigate operational issues caused by food establishment waste by requiring all food service establishments to install and maintain grease traps to prevent clogging and contamination in the sewer system: and

WHEREAS, the Board intends to limit annual rate increases to no more than 2.5% or, alternatively, adjust rates in accordance with inflation, whichever is lower, to maintain affordability for ratepayers; NOW, THEREFORE, BE IT RESOLVED by the Talkeetna Sewer and Water Board of the Mat-Su Borough:

1. Residential and Commercial Base Rates:

- Residential: A base rate of \$60 per month for water services and \$60 per month for sewer services shall be implemented for all residential water and sewer service users beginning Fiscal Year 2025.
- Commercial: A base rate of \$90 per month for water services and \$100 per month for sewer services shall be implemented for all commercial water and sewer service users beginning Fiscal Year 2025.
 - Interrupted Service Rate Change (for both Commercial and Residential): To be set at \$35 per month.

2. Water Usage Tiers:

Residential Usage Tiers:

- The first 0-7,500 gallons per month are included in the base rate for all residential
 users.
- Usage between 7,501 and 12,000 gallons per month shall be charged at \$0.005 per gallon.
- Usage over 12,000 gallons per month shall be charged at \$0.02 per gallon.

Commercial Usage Tiers:

- The first 0-3,000 gallons per month are included in the base rate for all commercial users.
- Usage between 3,001 and 7,500 gallons per month shall be charged at \$0.01 per gallon.
- Usage between 7,501 and 12,000 gallons per month shall be charged at \$0.02 per gallon.
- Usage over 12,000 gallons per month shall be charged at \$0.03 per gallon.

3. Fiscal Responsibility:

The Borough shall adhere to principles of fiscal conservatism, avoiding excessive expenses and irrational spending, and shall not set rates to create surpluses beyond essential operational needs and generating historical revenues.

4. Regulation Amendments:

The Borough shall amend existing regulations as necessary to implement the new rate structure, including adjustments to the fee structure, ensuring compliance and clarity.

5. Grease Trap Requirement:

All food service establishments connected to the Talkeetna sewer system are required to install and maintain appropriate grease traps to reduce sewer line contamination.

6. Annual Rate Adjustments:

Any potential future annual rate increases shall be capped at 2.5% annually or adjusted according to inflation or meet historic rate revenues, whichever is lower, to ensure affordability while maintaiging financial sustainability.

Andrew Haag - TSWAB Chair

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

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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
		\$60.00per month &
8.1a Residential Water Service	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
		\$90.00 per month &
	2.1	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 &
		Tier 1: 3,001-7,500g - \$0.01/gallon
8.5 Temporary Off-Site Service		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.

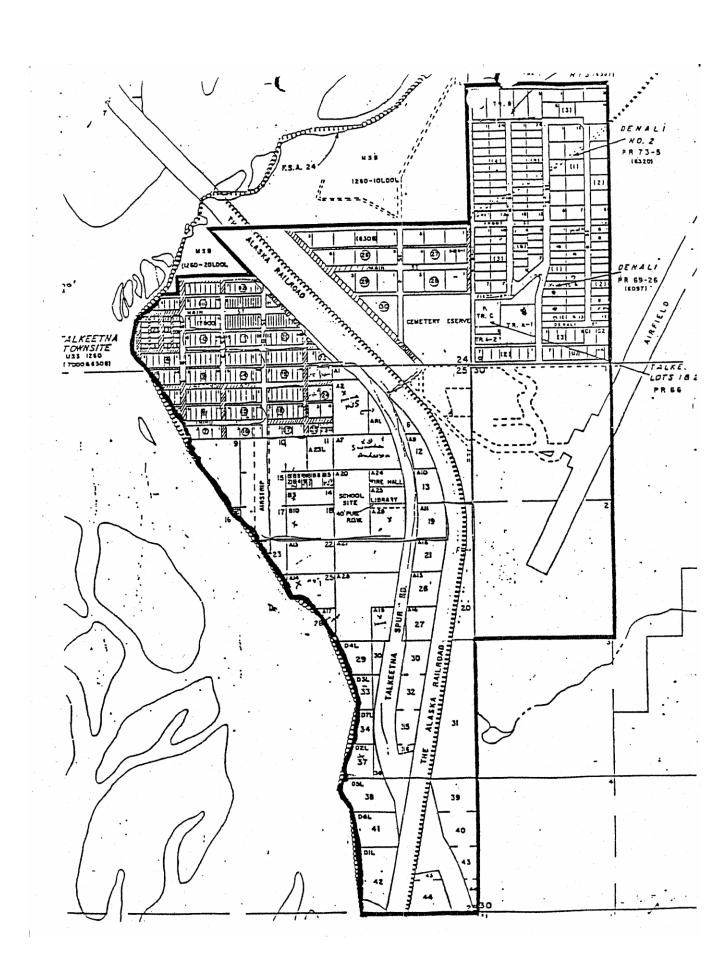
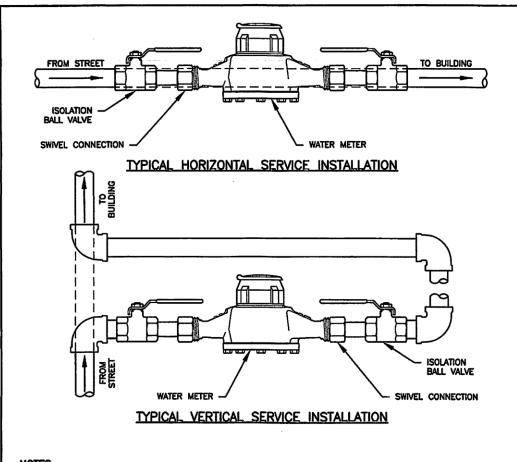


EXHIBIT B



NOTES:

- 1. INSTALL SERVICE LINE, VALVES, CONNECTIONS AND METER WATER TIGHT.
- 2. PROVIDE AN UPSTREAM ISOLATION BALL VALVE OF HIGH QUALITY AND WITH LOW PRESSURE DROP.
- 3. INSTALL THE METER HORIZONTALLY, WITH THE REGISTRATION UPRIGHT.
- 4. INSTALL THE METER IN AN EASILY ACCESSIBLE AREA FOR SERVICE, INSPECTION AND EASE OF READING.
- ENSURE THE SERVICE AND METER ARE NOT AN OBSTACLE OR HAZARD TO THE LANDOWNER OR INTERFERE WITH PUBLIC SAFETY.
- 6. PROVIDE PIPE SUPPORT AS REQUIRED BY STATE AND LOCAL CODES.

HATTENBURG DILLEY & LINNELL
Engineering Consultants

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• SURVEYING
• PRANKING
• PROJECT MANAGEMENT
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(907) 740-4230 - PALMER

WWW.HDLALASKA.COM

TALKEETNA PUBLIC WATER SYSTEM METERING TYPICAL METER INSTALLATION MATANUSKA-SUSTINA BOROUGH TALKEETNA, ALASKA

 DATE:
 March, 2012
 DRAWN BY:
 TLC
 SHEET:
 Figure 2

 SCALE:
 None
 CHECKED BY:
 DWL
 JOB NO.:
 11-015

OPERATING RULES, RATES AND PROCEDURES

for

TALKEETNA SEWER AND WATER SERVICE AREA

PUBLIC SEWER SERVICE



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

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1 DEFINITIONS

- 1.1 The definitions in this section are applicable to the terms as used anywhere in these Operating Rules, Rates and Procedures.
 - 1.1.1 "Accessible" means capable of being reached quickly for operation, removal or inspection without requiring those desiring access to climb ladders, to climb over or remove obstacles or to unlock doors.
 - 1.1.2 "Commercial or industrial service" means the type of service rendered to a premise utilized primarily or substantially for business purposes or other than as living accommodation for occupants.
 - 1.1.3 "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 he accepts the extension for operation and maintenance.
 - 1.1.4 "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.
 - 1.1.5 "Delinquent" refers to an account more than twenty-five (25) days past due.
 - 1.1.6 "Domestic wastewater" refers to waterborne sewage or gray water derived mainly from dwellings, commercial buildings, institutions, or similar structures.
 - 1.1.7 "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.
 - 1.1.8 "Garbage" means solid wastes from the domestic and commercial preparation, cooking, and dispensing of food, and from the handling, storage, and sale of produce.
 - 1.1.9 "Locate" means to discover and mark the horizontal course of a sewer facility on the overlying surface.
 - 1.1.10 "Manager" means the Matanuska-Susitna Borough Manager or the authorized designee.
 - 1.1.11 "Normal business hours" means the hours between 8:00 a.m. and 5:00 p.m. on Monday through Friday, excluding recognized holidays.

- 1.1.12 "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.
- 1.1.13 "Service extension" means that portion of the sewer service extending from the main to the customer's premises.
- 1.1.14 "Sewer connection" means that part of the sewer collection system connecting the sewer main with the fronting lot line of the property abutting the sewer main.
- 1.1.15 "Tariff" means the rate schedules, operating rules, rates and procedures and other documents filed as a tariff with the Alaska Public Utilities Commission.
- 1.1.16 "Type of service" means either "residential service" or "commercial or industrial service" as those terms are defined in this section.
- 1.1.17 "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.
- 1.1.18 "Utility" means the Matanuska-Susitna Borough Talkeetna Sewer and Water Service Area.
- 1.1.19 "Facility" means a dwelling unit.

2 SCOPE OF RULES AND REGULATIONS

2.1 Adoption

2.1.1 These Operating Rules, Rates and Procedures were adopted for use by the Matanuska-Susitna Borough in connection with the operation of the Utility to be effective November 1, 1989. The Utility has obtained from the Alaska Public Utilities Commission a Certificate of Public Convenience and Necessity, Certificate Number 435, 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, 350 E. Dahlia Avenue, Palmer, Alaska 99645.

2.2 Amendments

- 2.2.1 These Operating Rules, Rates and Procedures were amended effective March 17, 1992 by Assembly Memorandum 92-063.
- 2.2.2 These Operating Rules, Rates and Procedures were amended effective May 1, 1995 by Ordinance Serial Number 95-038.
- 2.2.3 These Operating Rules, Rates and Procedures were amended effective August 15, 1995 by approval of the Talkeetna Sewer and Water Service Area #36 Board of Supervisors.
- 2.2.4 These Operating Rules, Rates and Procedures were amended January 1996 and approved by Borough Assembly Ordinance Number 96-012.
- 2.2.5 These Operating Rules, Rates and Procedures were amended effective June 7, 2005 by Borough Assembly Ordinance Serial No. 05-077 (AM).
- 2.2.6 These Operating Rules, Rates and Procedures were amended effective October 16, 2012 by Borough Assembly Ordinance Serial No. 12-130.

2.3 Applicability

2.3.1 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.

2.4 Compliance with Applicable Law

2.4.1 The Utility collection and treatment facilities will be operated in accordance with applicable Federal, State and Municipal laws and in compliance with these Operating Rules, Rates and Procedures.

3 NATURE AND TYPES OF SERVICES OFFERED

- 3.1 Sewer Service
 - 3.1.1 The Utility provides sewage collection and treatment on a permanent basis for domestic and commercial uses.
- 3.2 Permanent/Seasonal Service
 - 3.2.1 To accommodate seasonal needs, the Utility will provide seasonal sewer service to facilities which request such service. This service will coincide with water service and be discontinued when the facilities are not in use as designated by the customer. Rates to be charged for this service shall be in accordance with Section 11, Sewer Rate Schedule. Any residence which is occupied will not be allowed to discontinue sewer service even if water service is discontinued.
- 3.3 Temporary Construction Service
 - 3.3.1 The Utility will not provide temporary sewer service.

4 EXTENSION OF SERVICE

- 4.1 Main Extension by Agreement
 - 4.1.1 Sewer mains may be extended within the Utility pursuant to a main line extension agreement. The developer will be responsible, under the agreement, to pay the costs of the system required to serve the area.

4.2 Transmission Main Extensions

- 4.2.1 If the Utility requires sizing of a sewer main extension in excess of that required to furnish adequate service to the properties being developed, the developer may receive reimbursement for oversizing from the Utility. Such oversizing cost reimbursement will be based upon the following criteria:
 - 4.2.1.1 The oversizing costs shall be computed on the differential purchase price on pipe, manholes, and lift stations.
 - 4.2.1.2 Current .prices will be obtained from suppliers for the various pipe sizes and fittings from which to base oversizing reimbursement.
 - 4.2.1.3 The difference in unit prices shall then be applied to the total footage of pipe installed and the number of manholes and lift stations installed based upon final pay quantities.
 - 4.2.1.4 The Utility will not participate in additional costs involved in design, installation, or overhead.

5 LIABILITY OF UTILITY

- 5.1 Irregularity or Failure of Service
 - 5.1.1 The Utility will exercise reasonable diligence to furnish and deliver a continuous service to the customer but will not be liable for damages caused by interruptions, irregularities, or failures due to accidents, interference by third parties, or conditions beyond the control of the Utility.
- 5.2 Interruptions for Repairs or Modifications
 - 5.2.1 The Utility reserves the right to temporarily suspend the delivery of sewer service when necessary for the purpose of making repairs, modifications, or improvements to the system. Except in an emergency condition, the Utility will make a reasonable effort to provide customer notice of a suspension of service, either through the use of public media or by direct customer contact. Repair work will be completed expeditiously, and as far as possible, the work will be completed at a time of least inconvenience to the customer.

5.3 Customer Facilities

5.3.1 The customer's plumbing facilities shall conform to and be installed in compliance with the uniform plumbing code, state 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.

6 GENERAL SERVICE CONDITIONS

- 6.1 Application for Service
 - 6.1.1 Applications for service shall be made by the property owner on the Utility's standard forms at the Matanuska-Susitna Borough Office location or by calling the Matanuska-Susitna Borough.
- 6.2 Terms of Service
 - 6.2.1 Unless specifically provided in a written contract for service, the minimum term of service is thirty days. A customer taking service for less than this minimum term will be billed monthly, in advance, for the minimum monthly charge specified under the applicable rate schedule.
- 6.3 Easements and/or Rights-of Way Required
 - 6.3.1 The Utility may construct, own, operate, and maintain sewer and other facilities necessary for 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 Matanuska-Susitna Borough may be obtained by grant or purchase under the terms that the Matanuska-Susitna Borough 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 sewer system determined by the Utility to be necessary to service the customer's premises.
- 6.4 Maintenance Responsibility
 - 6.4.1 The Utility will maintain and repair all sewers that have been accepted for maintenance and operation by the Matanuska-Susitna Borough. The Utility will not be responsible for damages produced or costs incurred prior to acceptance of the system for operation. The customer is responsible for maintaining and repairing the sewer extension. The Utility will be responsible for thawing frozen sewers. The customer shall be responsible for thawing frozen sewer connections and sewer extensions from the main to the premises unless the freezing of the extension or connection was caused by an act of the Utility not in conformance with these Operating Rules, Rates and Procedures.
- 6.5 Access to Premises and Facilities
 - 6.5.1 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 testing or inspecting the customer's facilities or equipment; or installing, repairing, thawing, removing, or exchanging facilities or equipment of the Matanuska-Susitna Borough Talkeetna Sewer & Water Service Area.

6.5.2 The Utility desires to accommodate the occupants of 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 customers when access is denied or communicate with neighbors or others who may be informed that access to the premises is needed.

6.6 Unauthorized Connection

6.6.1 No person shall uncover, make any connections with or opening into, use, alter, or disturb any public sewer or appurtenance thereof without first obtaining a written permit. A violator will be charged for each unauthorized connection in accordance with the rate schedule, plus a 25 percent penalty, which is a part of these Operating Rules, Rates and Procedures, from the date the unauthorized connection was made. If that date cannot be established, the customer will incur a penalty equal to the applicable monthly rate for the entire proceeding year plus 25 percent, or \$750 whichever is greater.

6.7 Connections to Other Systems

6.7.1 The Utility will deny service to or disconnect its service from any premise or facility that is connected to another sewer system, including a private septic or other on-property facility. Service from an on-property system must be abandoned in accordance with Alaska Department of Environmental Conservation rules and regulations. The Utility will inspect and record each connection and disconnection. Charges for inspection of connection and disconnection will be charged in accordance with the rate schedule which is a part of these Operating Rules, Rates and Procedures.

6.8 Required Facilities and Inspection

6.8.1 The Utility will inspect all on-property service lines to ascertain the type of pipe and fittings utilized in the line, the position of the service line to the water service, and other aspects of the service installation necessary to ensure delivery of the proper sewer service.

6.9 Owner Costs

6.9.1 All costs and expense incidental to the installation and connection of the building sewer service shall be borne by the owner. The owner shall defend and indemnify the Utility from any loss or damage that

may directly or indirectly be occasioned by the installation of the building sewer service.

6.10 Separate Systems

6.10.1 A separate sewer service shall be provided for each building served on the property unless the property owner has accepted responsibility for payment of billings for sewer service to all premises on the property and has a statement to that effect on file with the Utility. If more than one structure is connected to a single sewer service connection, the service will be considered a commercial account and charged accordingly.

6.11 Existing Sewers

6.11.1 Old building sewer services may be used in connection with new buildings only when they are found, on examination and test by the Borough Manager or designee, to meet all requirements of this ordinance.

6.12 Proper Building Connection

6.12.1 Whenever possible, the building sewer shall be brought to the building at an elevation below the basement 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.

6.13 Improper Building Connection

6.13.1 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 in turn is connected directly or indirectly to a public sanitary sewer.

7 USE OF PUBLIC SEWERS

7.1 Proper Discharge

7.1.1 The discharge to this system is limited to domestic and commercial wastewater.

7.2 Prohibited Discharge

- 7.2.1 No person shall discharge or cause to be discharged any of the following described waters or wastes into the public sewer system:
 - 7.2.1.1 Any gasoline, benzene, naptha, fuel oil, or other flammable or explosive liquid, solid, or gas.
 - 7.2.1.2 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 discharged to the public sewer.
 - 7.2.1.3 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.
 - 7.2.1.4 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.
 - 7.2.1.5 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.

7.3 Prohibited Materials

7.3.1 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. In forming his opinion as to the acceptability of these wastes, the Borough Manager or authorized designee, will give consideration to flows and velocities in the sewers, materials of construction of the sewers, nature of the sewage treatment process, and other pertinent factors. The substances prohibited are:

- 7.3.1.1 Any liquid or vapor having a temperature higher than one hundred fifty degrees (150° F) (65° C).
- 7.3.1.2 Any water or waste containing fats, gas, grease or oils, whether emulsified or not, in excess of one hundred (100) mg/1 or containing substances which may solidify or become viscous at temperatures between thirty-two degrees (32° F) and one hundred fifty degrees (150° F) (0° and 65° C).
- 7.3.1.3 Any garbage that has not been properly shredded. The installation and operation of any garbage grinder equipped with a motor of three-fourths (3/4) horsepower (0.76 hp metric) or greater shall be subject to the review and approval of the Manager.
- 7.3.1.4 Any waters or wastes containing strong acid, iron pickling wastes, or concentrated plating solutions whether neutralized or not.
- 7.3.1.5 Any waters or wastes containing iron, chromium, copper, zinc, and similar objectionable or toxic substances; or wastes exerting an excessive chlorine requirement.
- 7.3.1.6 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.
- 7.3.1.7 Any radioactive wastes or isotopes of such half-life or concentration as may exceed limits established, by applicable State or Federal regulations.
- 7.3.1.8 Materials which exert or cause:
 - 7.3.1.8.1. Unusual concentration of inert suspended solids (such as, but not limited to, Fullers earth, lime slurries, and lime residues) or of

- dissolved solids (such as, but not limited to, sodium chloride and sodium sulfate).
- 7.3.1.8.2. Excessive discoloration (such as, but not limited to, dye wastes and vegetable tanning solutions).
- 7.3.1.8.3. Unusual BOD, chemical oxygen demand, or chlorine requirements in such quantities as to constitute a significant load on the sewage treatment system.
- 7.3.1.8.4. Unusual volume of flow or concentration of wastes constituting "slugs".
- 7.3.1.9 Waters or wastes containing substances which are not amenable to treatment or reduction by the sewage treatment processes 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.

7.4 Improper Discharge

7.4.1 Any person who violates Sections 7.2 or 7.3 of these Operating Rules, Rates and Procedures is 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 to the Utility associated with the discharge of such prohibited discharge or materials shall be borne by the party responsible for such prohibited acts.

8 SERVICE CONNECTIONS AND EXTENSIONS

- 8.1 Required Sewer Connections
 - 8.1.1 Mandatory connection to the Talkeetna Sewer and Water Service Area system is **required** for all new facilities constructed after (date of adoption of these amendments) and for all existing systems that fail if the sewer connection is within 150 feet of the lot commencing after (date of adoption of these amendments). 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 to sewer within the specified timeframe allowed shall result in a penalty, whether commercial or residential, as set forth in Section 12, Fees and Special Charges -Non-Recurring, Failure to Connect, until such time as connection is made. An owner of existing property that is required to hook up, and has been notified in writing that he or she must hook up to the system and has not connected to the system within 12 months of notification, will also incur a penalty, whether commercial or residential, as set forth in Section 12, Fees and Special Charges -Non-Recurring, Failure to Connect.
 - 8.1.2 One service connection shall be constructed and installed from the sewer to each building served on the property unless the property owner has accepted responsibility for payment of billings for sewer service to all premises on the property and has a statement to that effect on file with the Utility. A multi-resident facility shall be charged one monthly residential sewer fee per unit of residence. If more than one structure, recreation vehicle (RV), or mobile home is connected to a single sewer service connection, the service shall be considered a commercial account and charged accordingly.
 - 8.1.3 Property owners with more than one structure, RV, or mobile home connected to a single water source who wish to discontinue service to one or more of the structures may be billed for only the remaining structure(s), commercial or residential, provided they comply with all of the following terms:
 - a) Submit all as-built drawings and grant utility easements to service branches and meters if installed;
 - b) Pay for a tamperproof key box cap that becomes the property of the Utility; and
 - c) Complete the service work order form and pay the turn on and turn off charge for the job to be performed by the Utility Operator.

8.1.4 All costs associated with sewer connection will be borne by permittee as described in 8.2.1.

8.2 Connection Permits

8.2.1 The developer, property owner, or authorized agent shall acquire a connection permit from the Matanuska-Susitna Borough for service within the Talkeetna Sewer and Water Service Area for each sewer connection and 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 set forth in the "schedule of fees and charges". No sewer connection will be made without the required permit.

8.3 Compliance with Standard Specifications

- 8.3.1 Sewer connections shall be constructed and installed in compliance with the Standard Construction Specifications of the Matanuska-Susitna Borough. Fees for this service shall be in accordance with the "Sewer Rate Schedule".
- 8.3.2 The Utility will require the Contractor/Owner to deposit \$500 for each stub-out connection or to deposit \$750 for each mainline connection. This deposit is not the permit fee. After the connection is inspected and photographed by the Utility Operator and all drawings and required papers are on file with the Utility, the deposits, which are not interest bearing, will be refunded to the Contractor/Owner.

8.4 Governmental Permits

8.4.1 The developer, owner, or contractor shall acquire all permits and pay all fees established by any governmental agencies as a condition for the installation or construction of a sewer 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 Matanuska-Susitna Borough for all costs incurred to obtain the permit and provide all required guarantee secured by a bond to the Matanuska-Susitna Borough sufficient to cover possible damages or liabilities.

8.5 Permits for Roadway Crossings

8.5.1 The applicant for a permit to install a sewer connection within a borough road right-of-way or easement shall employ a licensed, bonded and insured contractor to perform the installation.

9 DEPOSITS, BILLING, AND REPAYMENT

9.1 Establishment of Credit

9.1.1 To insure the payment .of all charges due for sewer service, an applicant or customer shall make a cash deposit with the Utility in an amount equal to two months of minimum monthly charges as set by the Utility. If the amount of the required deposit exceeds \$500, the person requesting service may furnish a surety bond for the amount in lieu of a cash deposit.

9.2 Refund of a Deposit

9.2.1 The Utility will refund the deposit after two years of service upon request providing that, in the interim period, the Utility has not been forced to disconnect that customer's service for reasons of delinquency in payment of charges or that the customer has not been delinquent in payment more than once in any 12 consecutive months, or is not delinquent at the end of the two year period. When service is discontinued and the account balance is zero, the deposit is to be returned to the customer upon request within 25 days of discontinuance of service. The deposit is not interest bearing and cannot be assigned.

9.3 Deposit Not to Affect Regular Collection Practices

9.3.1 A cash deposit remitted in compliance with the requirements of these Operating Rules, Rates and Procedures does not relieve an applicant or customer from the obligation to pay bills promptly on presentation. The Utility may discontinue service to any customer failing to pay current bills without regard to the fact that the customer has made a deposit with the Utility to secure payment of those bills or has furnished a guarantee in writing for the bills.

9.4 Rates Applicable

9.4.1 Sewer service will be provided only at rates established in this manual of Operating Rules, Rates and Procedures unless another rate is established by special contract approved by the Matanuska-Susitna Borough Manager.

9.5 Billing

9.5.1 Customers will be billed by the Utility at intervals approximating 30 days. Special contract customers will be billed in accordance with the contract provisions. Billings for services of less than 30 days shall be prorated on the basis of a 30 day month from the day of connection.

9.6 Delivery of Bills

9.6.1 Bills will be mailed at approximately the same time every month and the failure to receive a billing will not relieve the customer of the obligation to pay for the service rendered. A customer who has not received a bill for a period of 60 days shall notify the Utility.

9.7 Payment of Bills

9.7.1 Utility bills for services rendered by the Utility for the Utility are due and payable on the date of the billing.

9.8 Delinquent Bills

9.8.1 Bills will be considered past due and subject to a late charge or finance charge of 10 ½ percent per annum from due date to collection of the account if not paid within 25 days after billing date. Accounts in arrears shall pay, monthly, 20 percent of the amount in arrears plus applicable penalties, in addition to the current month. Any waiver or other payment agreement must be in writing and signed by the customer and by the Borough's authorized representative.

9.9 Discontinuance of Service

9.9.1 The Matanuska-Susitna Borough may discontinue water, and thereby sewer service, if a customer permits a bill to become delinquent past 30 days. The Matanuska-Susitna Borough will notify the customer of a contemplated water, and thereby sewer, disconnect by a door hanger placed at least 48 hours prior to discontinuance of service. There shall be a \$30 charge for delivering a shut-off or delinquency notice for water, and thereby sewer, service. Any account which is over 60 days in arrears will be turned over to a collection agency. A sum equal to 15 percent of the outstanding balance of the account will be added as a service charge, and the account balance, including the service charge, will accrue interest at the rate of 10 ½ percent per annum from the due date to collection of the account.

9.10 Reconnection of Service

9.10.1 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 for utility service, including applicable reconnection charges specified in the sewer rate schedule, have been paid and satisfactory assurance is given to the Utility that future bills will be paid promptly. Such assurance may include a deposit.

9.11 Disputed or Erroneous Bills

9.11.1 A customer who is unable to obtain an adjustment of a billing that he believes to be in excess of filed established rates may file a written complaint with the Matanuska-Susitna Borough Manager as provided in Section 9.1 of these Operating Rules, Rates and Procedures.

9.12 Change of Ownership (Ratepayer)

9.12.1 A customer who is listed on the Utility records as the person or entity responsible for utility consumption at a specific location shall give notice in writing by mail, or in person, of intended change in ownership (ratepayer), specifying the date on which service is to be discontinued. Notice shall be provided at least five days prior to the change of ownership (ratepayer). If the customer fails to provide the required notice, he will be charged for a sewer service furnished to the premises until the Utility provides service to a successor owner.

9.13 Billing for Unauthorized Service

9.13.1 A person who appropriates or accepts sewer service from the Utility without applying for service and otherwise complying with these Operating Rules, Rates and Procedures shall be billed at the residential or commercial rate that would otherwise be applicable from the date of connection or, if that date cannot be established, from the date of construction of the sewer connection. In addition, the customer will be billed for a penalty in an amount set forth in the sewer rate schedule for the unauthorized service.

9.14 Establishment of Rates for Service

9.14.1 The Matanuska-Susitna Borough will advise the applicant for service of the rate to be applied to the service requested.

10 GENERAL PROVISIONS

10.1 Customer Complaints

- 10.1.1 Customer complaints may be filed in writing or orally and directed to the attention of the Manager of the Matanuska-Susitna Borough, or authorized designee. The Manager, or authorized designee, may request that an oral complaint be reduced to writing and signed by the customer or his authorized representative who is directly affected by the subject of the complaint.
- 10.1.2 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 Matanuska-Susitna Borough will investigate the complaint and respond in writing within fifteen (15) days.

11 SEWER RATE SCHEDULE

Note: Section 11 reflects a 25% Rate Increase as of July 1, 2005 and an additional 25% increase starting January 1, 2006. A 2% increase was applied in 2007, 2008 and 2009 as per Ordinance No. 05-077 (AM).

11.1 MONTHLY RATES	FEE OR CHARGE 1/1/2009 - Present
11.1.1 Residential	\$60.00 per month
11.1.2 Commercial	\$114.00 per month
11.1.3 Stand-by unless paying a Water Stand-by (Interrupted Service) Fee	\$41.25 per month

11.2		ND SPECIAL CHARGES – ECURRING	FEE OR CHARGE 1/1/2009 - Present	
	11.2.1	Refundable Deposit	2 months service at applicable monthly rate	
	11.2.2	Call-out During Business Hours	\$72.00 each	
	11.2.3	Returned Check Fee	\$30.00 each	
	11.2.4	Unauthorized Connection	Monthly charges from the date the unauthorized connection was made plus 25%. If no date can be established, charge the full proceeding year or \$750.00 whichever is greater.	
	11.2.5	Failure to Connect Penalty – Residential	\$35.94 per month until connection is made	
	11.2.6	Failure to Connect Penalty – Commercial	\$69.00 per month until connection is made	
	11.2.7	Application Fee	\$100.00 FY06, \$200.00 FY07, \$300.00 FY08 and forward \$385.00 as of 7/1/2015	
	11.2.8	Contractor w/Deposit for As-Built Drawings: Stub-Out Connection	\$500.00 per each	
	11.2.9	Contractor w/Deposit for As-Built Drawings: Mainline Tap Connection	\$750.00 per each	
_	11.2.10	Mainline Sewer Tap Connection Permit Fee	\$282.00 each	
	11.2.11	Stub-Out Connection Permit Fee	\$94.00 each	

EXHIBIT "A"

BOUNDARIES OF THE UTILITY

Legal description:

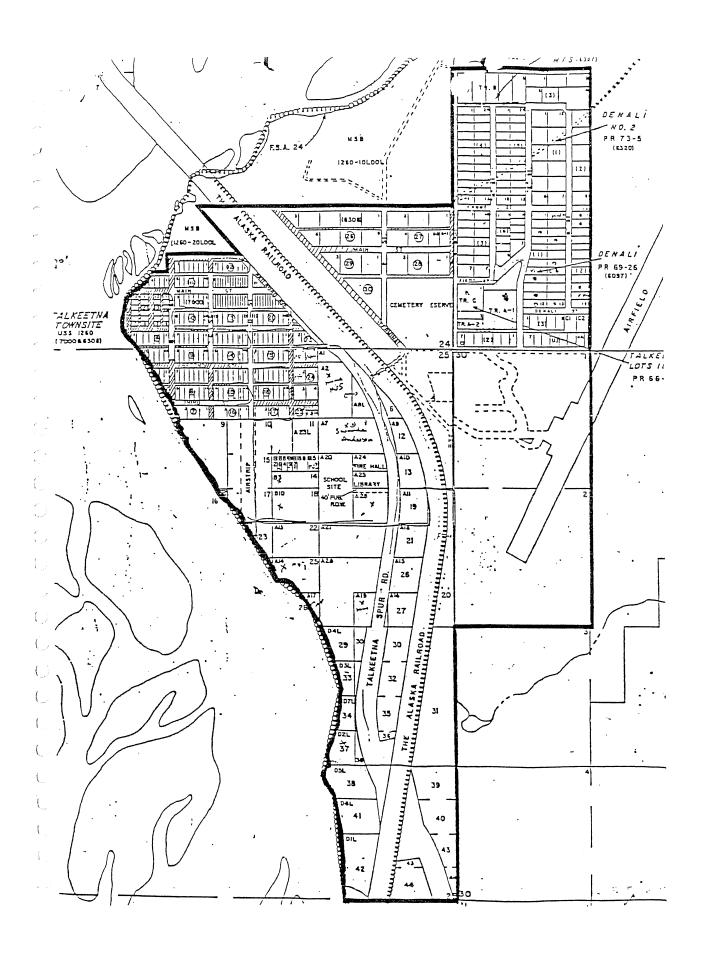
In T26N, R5W

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;

In T26N, R4W

All of 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



OPERATING RULES, RATES AND PROCEDURES

for

TALKEETNA SEWER AND WATER SERVICE AREA

PUBLIC WATER SERVICE



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

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1 DEFINITIONS

- 1.1 The definitions in this section are applicable to the terms as used anywhere in these Operating Rules, Rates and Procedures.
 - 1.1.1 "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.
 - 1.1.2 "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 occupants.
 - 1.1.3 "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.
 - 1.1.4 "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.
 - 1.1.5 "Delinquent" refers to an account more than 25 days past due.
 - 1.1.6 "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.
 - 1.1.7 "Locate" means to discover and mark the horizontal course of a water facility on the overlying surface.
 - 1.1.8 "Manager" means the Matanuska-Susitna Borough Manager or the authorized designee.
 - 1.1.9 "Normal Business Hours" means the hours between 8:00 a.m. and 5:00 p.m. on Monday through Friday, excluding recognized holidays.
 - 1.1.10 "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.
 - 1.1.11 "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.

- 1.1.12 "Service Extension" means that portion of the water service extending from the key box to the customer's premises.
- 1.1.13 "Tariff" means the rate schedules, Operating Rules, Rates and Procedures, and other documents filed as a tariff with the Alaska Public Utilities Commission.
- 1.1.14 "Type of Service" means either "residential service" or "commercial or industrial service" as those terms are defined in this section.
- 1.1.15 "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.
- 1.1.16 "Utility" means the Matanuska-Susitna Borough Talkeetna Sewer and Water Service Area.
- 1.1.17 "Facility" means a dwelling unit.

2 SCOPE OF RULES AND REGULATIONS

2.1 Adoption

2.1.1 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 to be 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, 350 E. Dahlia Avenue, Palmer, Alaska 99645.

2.2 Amendments

- 2.2.1 These Operating Rules, Rates and Procedures were amended effective March 17, 1992 by Assembly Memorandum 92-063.
- 2.2.2 These Operating Rules, Rates and Procedures were amended effective May 1, 1995 by Ordinance Serial #95-038.
- 2.2.3 These Operating Rules, Rates and Procedures were amended effective August 15, 1995 by approval of the Talkeetna Sewer and Water Service Area #36 Board of Supervisors.
- 2.2.4 These Operating Rules, Rates and Procedures were amended effective June 7, 2005 by Borough Assembly Ordinance Serial No. 05-077 (AM).
- 2.2.5 These Operating Rules, Rates and Procedures were amended effective October 16, 2012 by Borough Assembly Ordinance Serial No. 12-130.

2.3 Applicability

2.3.1 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.

2.4 Compliance with Applicable Law

2.4.1 The Utility water production, treatment, and distribution facilities will be operated in accordance with applicable Federal, State, and Municipal laws and in compliance with these Operating Rules, Rates and Procedures.

3 NATURE AND TYPES OF SERVICES OFFERED

3.1 Water Service

3.1.1 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.

3.2 Permanent/Seasonal Service

3.2.1 To accommodate seasonal needs, the Utility will provide water service to facilities to be turned on annually at a time specified by the customer each spring and discontinued at a date in the fall or winter designated by the customer. The customer shall be charged a Turn On/Turn Off fee and a monthly Interrupted Service Fee. Rates to be charged for this service shall be in accordance with Section 12 Fees and Special Charges – Non-Recurring and Section 13 Water Rates.

3.3 Temporary Construction Service

3.3.1 The Utility will provide water to a building site for use by the building contractor or developer for on-site construction under the conditions specified in Section 7.1 of these Operating Rules, Rates and Procedures.

3.4 Temporary Off-Site Construction Service

- 3.4.1 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 under the conditions specified in Sections 7.2 and 7.3 of these Operating Rules, Rates and Procedures.
- 3.4.2 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.
- 3.4.3 Water is delivered to some portions of the system at maximum pressures of approximately 60 pounds per square inch. Customers utilizing water for purposes where high pressures could damage equipment or facilities, or otherwise produce injury, shall acquire and install necessary pressure reducing facilities.

4 EXTENSION OF SERVICE

- 4.1 Main Extension by Agreement
 - 4.1.1 Water mains may be extended within the Utility certificated 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.

4.2 Transmission Main Extensions

- 4.2.1 If the Utility requires sizing of a water main extension in excess of that required to furnish adequate flow to the properties being developed, the developer may receive reimbursement for over-sizing from the Utility. Such over-sizing cost reimbursement will be based upon the following criteria:
 - 4.2.1.1 The over-sizing costs shall be computed on the differential purchase price on pipe, tees, crosses, and valves.
 - 4.2.1.2 Current prices will be obtained from suppliers for the various pipe sizes and fittings from which to base over-sizing reimbursement.
 - 4.2.1.3 The difference in unit prices shall then be applied to the total footage of pipe installed and the number of tees, crosses, and valves installed based upon final pay quantities.
 - 4.2.1.4 The Utility will not participate in costs involved in design, installation, or overhead.

5 LIABILITY OF UTILITY

- 5.1 Irregularity or Failure of Service
 - 5.1.1 The Utility will exercise reasonable diligence to furnish and deliver a continuous supply of water to the customer under constant pressure 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.
- 5.2 Interruptions for Repairs or Modifications
 - 5.2.1 The Utility reserves the right to temporarily suspend the delivery of water service 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 customer notice of suspension of service, either through the use of public media or by direct customer contact. Repair work will be completed expeditiously and, as far as possible, the work will be completed at a time of least inconvenience to the customer.

5.3 Customer Facilities

5.3.1 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.

6 GENERAL SERVICE CONDITIONS

- 6.1 Application for Service
 - 6.1.1 Applications for service shall be made by the property owner on the Utility's standard forms at the Utility office or by calling the Matanuska-Susitna Borough.
- 6.2 Terms of Service
 - 6.2.1 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. A customer taking service for less than this minimum term will be billed, in advance, for the minimum monthly charge specified under the applicable rate schedule.
- 6.3 Easements and/or Rights-of-Way Required
 - 6.3.1 The Utility may construct, own, operate, and maintain water 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 system determined by the Utility to be necessary to service the customer's premises.
- 6.4 Maintenance Responsibility
 - 6.4.1 The Utility will maintain and repair all mains that have been accepted for maintenance and operation by the Utility. The Utility will not be responsible for damages produced or costs incurred prior to acceptance of the system for operation. All systems installed will be subject to a one year warranty period prior to acceptance by the Utility. The customer is responsible for maintaining and repairing the water extension. The Utility will be responsible for thawing frozen water mains. The customer shall be responsible for paying for any damage caused by frozen water connections and water extensions from the main to the premises unless the freezing of the extension or connection was caused by an act of the Utility not in conformance with these Operating Rules, Rates and Procedures.
- 6.5 Access to Premises and Facilities

- 6.5.1 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.
- 6.5.2 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 customers when access is denied, or communicate with neighbors or others who may be informed that access to the premises is needed.
- 6.5.3 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.

6.6 Protection of Facilities

- 6.6.1 Meters, remote reading devices, or other facilities provided at the expense of the Utility for services of the Talkeetna Sewer and Water Service Area 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 facilities. The customer may not interfere with, or cause disruption in the proper operation of the meters.
- 6.7 Disconnection for Tampering with or Failure to Protect Property
 - 6.7.1 If equipment or facilities owned by the Utility within the Talkeetna Sewer and Water Service Area 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, and bring the account balance to zero prior to re-connection. Delinquent accounts disconnected due to tampering shall be turned over to a collection agency by the Utility immediately.

6.8 Connections to Other Systems

6.8.1 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. Service from an

on-property well must be abandoned in accordance with Alaska Department of Environmental Conservation rules and regulations.

6.9 Resale or Redistribution of Water

6.9.1 Water service from the Utility is provided only for the benefit of the premises actually connected and billed and is not to be resold or furnished with or without charge to another premises located in an area where a service connection exists and service could be applied for.

6.10 Required Facilities and Inspection

6.10.1 Water service will not be provided to any premises that is not equipped with an inside shut-off valve. The Utility will inspect all on-property service lines to ascertain the type of pipe and fittings utilized in the line, the position of the service line 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.

6.11 Waste of Water

6.11.1 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, upon fourteen days written notice to the customer concerning the required repair, discontinue service to the premises. Service will be restored upon inspection and approval of the repair by the Utility.

6.12 Unauthorized Connection

6.12.1 No person shall uncover, make any connections with or opening into, use, alter, or disturb water connection or appurtenance thereof without first obtaining a written permit. A violator will be charged for each unauthorized connection in accordance with the rate schedule, plus a 25 percent penalty, which is a part of these Operating Rules, Rates, and Procedures, from the date unauthorized connection was made. If that date cannot be established, the customer will incur a penalty equal to the applicable monthly rate for the entire proceeding year plus 25 percent, or \$750 whichever is greater.

7 TEMPORARY CONSTRUCTION SERVICE

- 7.1 Conditions of Temporary Construction Service
 - 7.1.1 Temporary construction water will be provided only from an approved service connection to the lot to be served. This type of service requires submittal of 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.
- 7.2 Conditions of Temporary .Off-Site Construction Service and Bulk Sales
 - 7.2.1 Temporary off-site construction service will normally be provided by permit only during the period between May 15 and September 15 of each year. Service may be made available at other times only if the Matanuska-Susitna Borough Manager determines that a substantial risk of freezing is not probable. Permits for temporary off-site construction service will be issued by the Utility under the following conditions:
 - 7.2.1.1 The permittee must complete an application specifying the type, make and capacity of the tanker truck for which the permit is to be issued. Permittee must indicate the time frame or use of this service. 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 as part of the permit fee. The permittee will be charged a refundable deposit for use of the hydrant meter.
 - 7.2.1.2 One permit will be issued for each tanker truck that will be taking water. The permit must be prominently displayed on the tanker truck during the effective period of the permit.
 - 7.2.1.3 Permits issued by the Utility for temporary off-site construction services are revocable at will by the Utility. The permittee must discontinue use immediately. A permit will not be issued to an applicant who has a delinquent account for a similar service.
- 7.3 Temporary Off-Site Construction Service Bulk Sales
 - 7.3.1 The Utility will provide bulk sales of water through a designated hydrant or other points of delivery subject to the following conditions:
 - 7.3.1.1 Provisions of Section 7.2.1.1, 7.2.1.2, 7.2.1.3 shall apply.

- 7.3.1.2 The permittee must complete an application specifying the type, make and capacity of the tanker truck for which the permit is to be issued. A time frame for this use must be provided at the time the permit is issued.
- 7.3.1.3 The applicant for a permit will be issued a hydrant meter subject to a refundable deposit as set forth in Section 12, Fees and Special Charges Non-Recurring.
- 7.3.1.4 All tanker trucks will be metered.
- 7.3.1.5 Fees and charges for bulk sales shall be in accordance with Section 13, Water Rates.

8 SERVICE CONNECTIONS AND EXTENSIONS

- 8.1 Required Water Connections
 - 8.1.1 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 to water within the specified timeframe allowed shall result in a penalty, whether commercial or residential, as set forth in Section 12, Fees and Special Charges - Non-Recurring, Failure to Connect, until such time as connection is made. An owner of existing property that is required to hook up and has been notified that he or she must hook up to the system and has not connected to the system within 12 months of notification, will also incur a penalty, whether commercial or residential, as set forth in Section 12, Fees and Special Charges -Non-Recurring, Failure to Connect.
 - 8.1.2 A monthly stand-by fee will be charged to a service that requests a temporary shut off as set forth in Section 13, Water Rates.
 - 8.1.3 One service connection shall be constructed and installed from the water main to each building served on the property unless the property owner has accepted responsibility for payment of billings for water service to all premises on the property and has a statement to that effect on file with the Utility. Multiple residential units on one lot shall be charged one monthly residential water fee per unit of residence. If more than one structure, recreation vehicle (RV), or mobile home is connected to a single water service connection, the service must be metered and will be considered a commercial account and charged accordingly.
 - 8.1.4 Property owners with more than one structure, RV, or mobile home connected to a single water source who wish to discontinue service to one or more of the structures may be billed for only the remaining structure(s), commercial or residential, provided they comply with all of the following terms:
 - a) Submit all as-built drawings and grant utility easements to service branches and meters if installed;
 - b) Pay for a borough approved tamperproof key box cap that becomes the property of the Utility; and

- c) Complete the service work order form and pay the turn on and turn off charge for the job to be performed by the Utility Operator.
- 8.1.5 All costs associated with water connection will be borne by permittee as described in 8.2.1.

8.2 Connection Permits

8.2.1 The developer, property owner, or authorized agent shall acquire a connect permit from the Utility for each water connection and water 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 as set forth in the schedule of fees and charges. No water connection will be made without the required permit.

8.3 Compliance with Standard Specifications

- 8.3.1 Water connections shall be constructed and installed in compliance with the Standard Construction Specifications of the Utility. A fee is charged for each connection prior to water being turned on. Fees for this service shall be in accordance with Section 12, Fees and Special Charges Non-Recurring.
- 8.3.2 The Utility will require the Contractor/Owner to deposit \$500 for each stub-out connection or to deposit \$750 for each mainline connection. This deposit is not the permit fee. After the connection is inspected and photographed by the Utility Operator 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.

8.4 Governmental Permits

8.4.1 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.

8.5 Permits for Roadway Crossings

8.5.1 The applicant for a permit to install a water connection within a Borough right-of-way or easement shall employ a bonded, licensed,

and insured contractor to dig within the borough right-of-way or easement.

9 DEPOSITS, BILLINGS, AND REPAYMENTS

9.1 Establishment of Credit

9.1.1 To ensure the payment of all charges due for water service, an applicant or customer shall make a cash deposit with the Utility per account in an amount equal to two months of monthly charges as set by the Utility. If the amount of the required deposit exceeds five hundred dollars (\$500), the person requesting service may furnish a surety bond for the amount in lieu of a cash deposit.

9.2 Refund of a Deposit

9.2.1 The Utility will refund the deposit after two years of service upon request providing that, in the interim period, the Utility has not been forced to disconnect that customer's service for reasons of delinquency in payment of charges or that the customer has not been delinquent in payment more than once in any 12 consecutive months, or is not delinquent at the end of the two year period. When service is discontinued and the account balance is zero, the deposit is to be returned, upon customer request, within 25 days. The deposit is not interest bearing and cannot be assigned.

9.3 Deposit Not to Affect Regular Collection Practices

9.3.1 A cash deposit remitted in compliance with the requirements of these Operating Rules, Rates and Procedures does not relieve an applicant or customer from the obligation to pay bills promptly on presentation. The Utility may discontinue service to any customer failing to pay current bills without regard to the fact that the customer has made a deposit with the Utility to secure payment of those bills or has furnished a guarantee in writing for the bills.

9.4 Rates Applicable

9.4.1 Water will be sold only at rates established in this manual of Operating Rules, Rates and Procedures unless another rate is established by special contract approved by the Matanuska-Susitna Borough Manager.

9.5 Billing

9.5.1 Customers will be billed by the Utility for the Talkeetna Sewer and Water Service at intervals approximating 30 days. Normally, each meter will be read on or about the same date 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 shall

be pro-rated on the basis of a thirty day month from the day of connection (turn on).

9.6 Delivery of Bills

9.6.1 Bills will be mailed to each customer each month at the premise supplied with water or to another address specified by the customer. Bills will be mailed at approximately the same time every month and the failure to receive a billing will not relieve the customer of the obligation to pay for the service rendered. A customer who has not received a bill for a period of sixty days shall notify the Utility.

9.7 Payment of Bills

9.7.1 Utility bills for services rendered by the Utility for Talkeetna Sewer and Water Service are due and payable on the date of the billing.

9.8 Delinquent Bills

9.8.1 Bills will be considered past due and subject to a late charge or finance charge of 10½ percent per annum from due date to collection of the account if not paid within twenty-five days after billing date. Active accounts in arrears shall pay, monthly, 20 percent of the amount in arrears in addition to the current month, plus applicable penalties. Any waiver or other payment agreement must be in writing and signed by the customer and the Borough's authorized representative.

9.9 Discontinuance of Service

9.9.1 The Utility may discontinue water services if a customer permits a bill to become delinquent. Five calendar days after delinquency 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. There shall be a \$30 charge for delivering a shut-off or delinquency notice. Any account which is over 60 days in arrears will be turned over to a collection agency by the Matanuska-Susitna Borough Talkeetna Sewer and Water Service Area and service shall be disconnected. A sum equal to fifteen percent of the outstanding balance of the account will be added as a service charge; and the account balance, including service charge, will accrue interest at the rate of 10 ½ percent per annum from the due date to collection of the account.

9.10 Reconnection of Service

9.10.1 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 specified in the schedule of fees and 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.

9.11 Estimated Billing

9.11.1 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 water rates and adjustments to the account will occur after the next meter reading,

9.12 Adjustment of Bills for Meter Error

9.12.1 If a meter test conducted by the Utility for the Talkeetna Sewer and Water Service reveals that a meter is deviating by more than 2 percent from the standard tolerances provided by Section 10.7 of these Operating Rules, Rates and Procedures, the Utility will submit adjusted billings for the period the meter was in use, not exceeding 3 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.

9.13 Disputed or Erroneous Bills

9.13.1 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 Matanuska-Susitna Borough Manager as provided in Section 11.1 of these Operating Rules, Rates and Procedures.

9.14 Change of Ownership (Ratepayer)

9.14.1 A customer who is listed on the Utility records as the person or entity responsible for water consumption at a specific location shall give notice in writing by mail, or in person, of an intended change in ownership (ratepayer), specifying the date on which service is to be discontinued. Notice shall be provided at least five days prior to the change of ownership (ratepayer). If the customer fails to provide the required notice, the customer will be charged for water service furnished to the premises until the Utility provides service to a successor owner.

9.15 Adjustments for Water Metered but Not Utilized

9.15.1 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.

9.16 Billing for Unauthorized Service

9.16.1 A person who appropriates or accepts water service from the Utility without applying for service and otherwise complying with these Operating Rules, Rates and Procedures shall be billed at the residential, commercial, or industrial rate that would otherwise be applicable from the date of the turn-on or, if that date cannot be established, from the date of construction of the water connection. In addition, the customer will be billed for a penalty in an amount set forth in the schedule of fees and charges for the unauthorized turn-on or turn-off.

9.17 Establishment of Rates for Service

9.17.1 The Utility will advise the applicant for service of the rate to be applied, to the service requested.

10 METERING

10.1 General

10.1.1 Metering is **required** for all commercial, industrial and residential customer classes receiving water service from the Utility. At least one meter and reader is to be installed for each connection. The meter and reader shall remain the property of the Utility upon installation.

10.2 Meter Installations

- 10.2.1 All meters and readers required by these Operating Rules, Rates and Procedures will be provided by the Utility. Installation for current customers as of September 15, 2012 will be provided by the Utility. Any meters installed after September 15, 2012 shall be at the expense of the customer. The Utility will provide installation instructions to be used by a qualified contractor for the installation of the meter. The Utility will provide a remote reader for each meter installed. Installation of the remote reader unit shall be by a qualified contractor at the cost of the customer.
- 10.2.2 Upon notification, the Utility shall retain the right to inspect the installation and remove the meter at any time for testing.

10.3 Meter Standards and Testing

- 10.3.1 Water meters installed will conform to the specifications and tolerances established by the American Water Works Association for meters.
- 10.3.2 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 borne by the Utility. If the meter does not vary from the standard tolerance, a charge will be made to the customer requesting the test in accordance with the schedule of fees and charges.
- 10.3.3 The meter test will be conducted during normal business hours in the presence of the customer or other representatives appointed by the customer, if requested by the customer. Meters larger than 2 inches will be tested on the premises.

10.4 Meter Bypass

10.4.1 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.

10.5 Responsibility for Meter

10.5.1 The Utility will arrange for the maintenance and repair of meters and reading devices as required, at its 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.

10.6 Failure to Install Meter

- 10.6.1 If a customer fails or refuses to install a meter required by these Operating Rules, Rates and Procedures, the Utility may, after 20 days written notice to the customer, enter upon the premise and install, or contract with a qualified plumber, the required meter. The customer shall be billed for the actual cost of the installation, less the cost of the meter or remote reader. If the Utility determines that the installation costs of the meter will be higher than normal, or that the condition of the plumbing on the premises creates a likelihood that extensive repairs may be necessitated by the installation, or if access to the location for the logical installation of the meter is in any way restricted, the Utility may elect to discontinue service to the customer until the meter is installed as required by these Operating Rules, Rates and Procedures. The customer shall be provided with 30 days written notice of the intent of the Utility to discontinue service as provided in this section.
- 10.6.2 The Utility will not make billing adjustments for a customer who fails to install a meter pursuant to these Operating Rules, Rates and Procedures, or within such extended period as is specified by the Utility due to inability to obtain a meter.

10.7 Standard Tolerances of Meters

10.7.1 Meters shall meet the following requirements for accuracy with water at a temperature of less than 80°F (27°C).

10.7.2 At any rate of flow within the normal test flow limits specified in Table 1 of AWWA Specifications C700-27, 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.

10.8 Water Meter Installation

10.8.1 All water meter installations shall be with the inlet and outlet positioned in the horizontal plane with the dial face vertically upward and protected from freezing.

11 GENERAL PROVISIONS

11.1 Customer Complaints

- 11.1.1 Customer complaints may be filed in writing, or orally, and directed to the attention of the Matanuska-Susitna Borough Manager, or the designee. The Manager may request that an oral complaint be made in writing and signed by the customer, or the customer's authorized representative who is directly affected by the subject of the complaint.
- 11.1.2 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 days.

11.2 Testing of On-Site Plumbing

11.2.1 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 construction service.

11.3 Main Shut-offs for Discontinuance of Service

11.3.1 Should a customer intentionally prevent 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 service area'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 service area's valve.

11.4 Relocation of Fire Hydrants

11.4.1 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.

11.5 Service Turn-on and Turn-off

11.5.1 The Utility will not discontinue service for a billing delinquency during the period 12:00 noon on Friday and 8:00 a.m. Monday. If the customer requests service turn-on or turn-off during this period, the customer must be present.

12 FEES AND SPECIAL CHARGES - NON-RECURRING

Note: Section 12 reflects a 25% Rate Increase as of July 1, 2005 and an additional 25% increase on January 1, 2006. A 2% increase was applied in 2007, 2008 and 2009 as per Ordinance No. 05-077 (AM).

SERVICE	SECTION REFERENCE	FEE OR CHARGE 1/1/2009 - Present		
12.1 Water Turn-On or Turn-Off: During Business Hours	3.2	\$68.75 per each		
12.2 Water Turn-On or Turn-Off: During Non-Business Hours	3.2	\$137.50 per each		
12.3 Hydrant Use: Wrench Deposit		\$24.88 per each		
12.4 Hydrant Use: Meter Deposit	7.3	\$207.26 per each		
12.5 Unauthorized Turn-On or Turn-Off		\$99.50 per each		
12.6 Meter Test: ¾" through 2" Meter		\$68.75 per each		
12.7 Return Check		\$30.00 per each		
12.8 Call-Out: During Business Hours		\$68.75 per each		
12.9 Call-Out: During Non-Business Hours		\$137.50 per each		
12.10 Key Box Locate: During Business Hours		\$68.75 per each		
12.11 Key Box Locate: During Non- Business Hours		\$137.50 per each		
12.12 Shut-Off/Delinquency Notice & Delivery Fee	9.8.1	\$30.00 per each		
12.13 Unauthorized Connection	6.12	Monthly charges from the date the unauthorized connection was made plus 25%. If no date can be established, charge the full proceeding year or \$750.00 whichever is greater.		
12.14 Failure to Connect Penalty – Residential	8.1.1	\$35.94 per month until connection is made		
12.15 Failure to Connect Penalty – Commercial	8.1.1	\$40.25 per month until connection is made		
12.16 Refundable Deposit	9.1	Two months water service at applicable monthly rate		

12.17 Application Fee		\$100.00 FY06, \$200.00 FY07, \$300.00 FY08 and forward \$385.00 as of 7/1/2015
12.18 Contractor w/Deposit for As-Built Drawings: Stub-Out Connection	8.3.2	\$500.00 per each
12.19 Contractor w/Deposit for As-Built Drawings: Mainline Connection	8.3.2	\$750.00 per each
12.20 Water Main Connection Permit Fee	8.2.1	\$282.00 per each
12.21 Stub-out Connection Permit Fee	8.2.1	\$94.00 per each

13 WATER RATES

Note: Section 13 reflects a 25% Rate Increase as of July 1, 2005 and an additional 25% increase on January 1, 2006. A 2% increase was applied in 2007, 2008 and 2009 as each of per Ordinance No. 05-077 (AM).

SERVICE	SECTION REFERENCE	FEE OR CHARGE 1/1/2009 - Present		
13.1 Residential	6.2/9.4/9.5	\$62.50 per month		
13.2 Commercial: Metered	6.2/9.4/9.5/	\$8.75 per 1,000 gallons (\$70.00 per month minimum)		
13.3 Commercial: Non-Metered		n/a all have meters		
13.4 Late Charge	9.7	\$12.50		
13.5 Interest Charge		10.5%		
13.6 Service Charge	9.8	10.5% of outstanding balance		
13.7 Temporary Off Site Construction Service -Bulk Sales: Hydrant Meter Deposit	7.3	\$161.81 per each		
13.8 Temporary Off-Site Construction Service -Bulk Sales: Service from Fire Hydrant	7.3	\$7.00 per 1,000 gallons		
13.9 Temporary Construction Service: 3/4"	3.3/7.1	\$59.86 per month		
13.10 Temporary Construction Service: 1"		\$105.78 per month		
13.11 Temporary Construction Service: 1 ½"		\$235.29 per month		
13.12 Temporary Construction Service: 2"		\$419.26 per month		
13.13 Temporary Construction Service: Larger than 2"		By Special Agreement		
13.14 Bulk Sales	7.3	\$7.00 per 1,000 gallons		
13.15 Interrupted Service Fee (Stand-by Fee)	3.2/8.1.2	\$41.25 per month		

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.

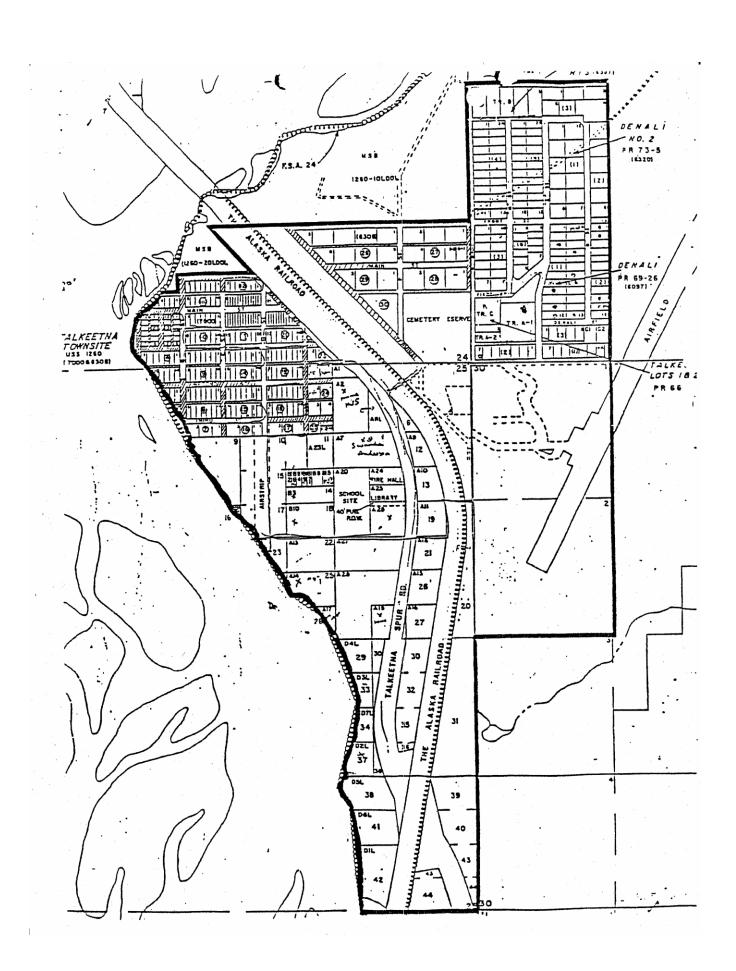
Legal Description: In T26N, R5W:

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.



Introduced by: Borough Manager

MATANUSKA-SUSITNA BOROUGH ORDINANCE SERIAL NO. 95- |4|

AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY APPROVING THE AMENDMENTS TO THE TALKEETNA SEWER AND WATER SERVICE AREA OPERATING RULES, RATES, AND PROCEDURES.

WHEREAS, the Matanuska-Susitna Borough received a certificate of public convenience and necessity on November 28, 1990 authorizing it to operate a public utility as defined by Alaska Statutes 42.05.990(4)(C) for the purpose of furnishing water and sewer services in Talkeetna; and

WHEREAS, the Matanuska-Susitna Borough is a political subdivision of the state not competing with any other entities in Talkeetna for water and sewer utility service and is therefore exempt from regulation under Alaska Statutes 42.05.711(b); and

WHEREAS, the Talkeetna Sewer and Water Service Area Number 36 Board of Supervisors approved a number of changes to the operating rules, rates, and procedures of the sewer and water system in Talkeetna; and

WHEREAS, the assembly approved, by Ordinance Serial #95-038, an increase in the commercial water and sewer rates; and

WHEREAS, by state statute the assembly must approve any changes to operating rules and procedures that include fees or penalties.

BE IT ENACTED:

Section 1. <u>Classification.</u> Sections 1, 3, and 4 are non-code ordinances. Section 2 is a code ordinance.

Section 2. <u>Amendment of sub-section.</u> MSB 5.25.060(C) is hereby amended to read as follows:

The borough adopts by reference the "Operating Rules, Rates and Procedures for the Use and Supply of Public Sewer and Water Systems in Talkeetna, Alaska" for the Talkeetna Sewer and Water Service Area, as amended August 1995. The Talkeetna Sewer and Water Service Area regulations may be amended by the manager as required for the operation

Page 1 of 2 PW/BW/AMS/951004-1 Number: ORD 95-141 AM 95-321 of the sewer and water system.

Section 3. Operating rules, rates, and procedures. The attached public water service and public sewer system operating rules, rates, and procedures as amended August 1995 is hereby incorporated by reference.

Section 4. <u>Effective date.</u> Ordinance Serial No. 95-141 shall take effect upon adoption by the Matanuska-Susitna Borough Assembly.

INTRODUCTION: 10/17/95 PUBLIC HEARING: 11/7/95

ADOPTED by the Matanuska-Susitna Borough Assembly this $\frac{7}{2}$ day of

BARBARA LACHER, Borough Mayor

ATTEST:

SANDRA A. DILLON, Borough Clerk

(SEAL)

Page 2 of 2

Number: ORD 95-141 AM 95-321 approved as present of with OR 95-141

BOROUGH ASSEMBLY DOCUMENT CONTROL AND AM/IM FORM

MA I'ANUSKA-SUSITNA BOROUGH
350 EAST DAHLIA AVENUE
PALMER, ALASKA 99645-6488

For Agenda of: October 17, 1995

No. AM 95-321

SUBJECT: Ordinance approving the amendments to the Talkeetna Sewer and Water Service Area Operating Rules, Rates, and Procedures

ATTACHMENT(S): FISCAL NOTE X_YES_NO; Ordinance Serial #95-1/1/1; Rules, Rates, and Procedures for Talkeetna Sewer and Water Service Area Public Water Service; Rules, Rates, and Procedures for Talkeetna Sewer and Water Service Area Public Sewer System

Route to:	Department/Committee/Individual	Initials	Remarks
	Originator - Bev Winkler	1 few	Originator - PW Dept
	Planning Director		
	Assessor		
1	Public Works Director	48	
2	Finance Director	to the	to at
3	Attorney	13	Jour
4	Assistant to the Manager		<i>f</i>
5	Mayor	· ·	
	Clerk	She	

SUMMARY STATEMENT: The Board of Supervisors of the Talkeetna Sewer and Water Service Area #36 met and approved a number of changes to the operating rules, rates, and procedures of the water and sewer system in the service area. The major rate increase was to the commercial water and sewer charges and this increase has been approved by Ordinance Serial #95-038. The attached rules, rates, and procedures have been modified to incorporate previously approved changes and make non-substantive clarifications.

RECOMMENDED ACTION: Introduce Ordinance Serial #95-141 at the October 17, 1995 assembly

meeting and advance to public hearing.

APPROVED BY:

DONALD L. MOORE, Boyough Manager

Page 1 of 2 PW/BW/AMS/951004-2

Number: AM 95-32/ ORD 95-141 Re-cap of Changes to Talkeetna Sewer & Water Operating Rules, Rates, and Procedures

- 1. Added a definition for Utility and used Utility to refer to the Matanuska-Susitna Borough Talkeetna Sewer and Water Service Area.
- 2. Added an Interrupted Service Fee of \$15 per month.
- 3. Incorporated the commercial rates adopted by the assembly under Ordinance #95-038 of \$3.50 per 1,000 gallons of water or \$28.00/month minimum, and \$48.00/month for sewer.
- 4. Changed system maximum water pressure from 70 to 60 PSI.
- 5. Incorporated all changes approved by the assembly on March 17, 1992 by Assembly Memorandum #92-063.
- 6. Added a clause to require a water meter be installed if more than one building is connected to a single water service connection.
- 7. Changed charges which were charged by hour to charges per each event.
- 8. Deleted on property and off property inspection charges and added Connection Permit fees.
- 9. Changed return check fees from \$10 to \$25.
- 10. Changed paragraph 6.10.1 to state that if more than one building is connected to a single sewer service it will be classified as a commercial sewer account.
- 11. Added a paragraph on improper discharges.
- 12. Miscellaneous non-substantive clarifications/corrections.

Page 2 of 2

Number: AM 95-321 ORD 95-141

MATANUSKA-SUSITNA BOL JGH FISCAL NOTE

Agenda Date: 10/5/95							
REQUEST: Approving amer SUBJECT: Ordinance appr Operating Rules, Rates	roving the	amendments	ewer & Wa to the Ta	ter Service Ik-etna Sew	Area Proced er & Water S	lures A	
ORIGINATOR: Public Wor							
FISCAL ACTION (TO BE COMPLETED BY FINANCE) FISCAL IMPACT: (YES) NO							
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Page 1 of 1		•			ORD ARES	∞ #95− <u>]41</u>	



Division of Community and Regional Affairs Rural Utility Business Advisor Program

550 W 7th AVE, STE 1650 Anchorage, AK 99501-3510 Main: 907.269.4501 Toll free: 877.769.4539 Fax: 907.269.4563

Introduction: The Talkeetna Sewer and Water (TSW) Utility provides clean water and wastewater treatment services to a diverse customer base. To ensure the continued delivery of sufficient clean water in the coming years, the Water Utility should consider implementing a multiyear financial plan. This plan should address the impacts of inflation on operating costs, rising equipment expenses, workforce retention and payroll needs, materials and capital investments, current debt obligations, and anticipated future debt requirements.

The Utility has effectively maintained its facilities by applying sales tax revenue to offset customer fee increases. The Utility has also taken a proactive approach by pursuing loans and grants to improve its operations. These efforts have resulted in significant upgrades, including the construction of an arsenic treatment plant, the installation of meters on all accounts, and the adoption of ZCorr leak detection technology to identify and repair major leaks in the city's aging water infrastructure.

Summary: The Community of Talkeetna's Sewer and Water (TSW) Supervisor, Amanda Fleming, requested assistance from the Rural Utilities Business Advisor (RUBA) program within the State of Alaska Division of Community and Regional Affairs in researching and developing an updated rate structure that meets the following objectives:

- Evenly distribute the financial burden for sewer and water services between residential and commercial customers.
- Generate sufficient revenue to maintain and improve the Utility.
- Minimize long-term structural and environmental impacts caused by improper use and waste disposal.

To support this effort, TSW provided RUBA staff with the following resources:

- FY19-24 budgets and chart of accounts.
- Projected revenues and expenses for FY25–29 based on the current rate structure.
- Data on water production (in gallons), customer usage, and billing.
- A financial capacity assessment completed by the State Revolving Fund Program Alaska Drinking Water Fund in July 2024.
- A sewer condition assessment conducted by Stephl Engineering in August 2024.
- A copy of the last rate study performed by CRW Engineering Group, LLC in August of 2014

Background: The Community of Talkeetna owns, manages, and operates the Water Utility. As of this rate study, TSW provides sewer and water services to 221 accounts including 102 residential accounts—3 of which are sewer-only and 5 water-only—and 119 commercial accounts, with 18 classified as tax-exempt entities, 3 sewer-only, and 4 water-only. Talkeetna has experienced a steady increase in customer accounts over the years, averaging approximately 2% annual growth. All customer accounts are metered.

The Utility is funded entirely by revenue generated from user fees and charges, a 3% sales tax, and grants or loans it secures. Although TSW is located within the Mat-Su Borough, it does not receive subsidized funding from the Borough.

The City Water Utility performs all activities related to water supply, storage, production and distribution, as well as all administrative activities related to billing, accounting, collection, meter readings, meter maintenance, repair and replacement and capital costs related to Utility improvements.

Rate Study Process: This rate study utilizes interrelated analysis recommended by the American Water Works Association (AWWA) for small water utilities. The three-interrelated analysis are the revenue requirement, cost of service, and rate design analysis. This study focuses mostly on the first analysis, the revenue requirement analysis and provides observations and recommendations on the cost of service and the rate design. The process used in this study is endorsed by AWWA, the leading water utility rate-making organization in the country. See *Developing Rate for Small Systems*, AWWA Manual M54, First Edition.

Revenue Requirement

- Using historical budgets, determine and project the future revenue earning potential for FY25-29
- •Compare revenue earning potential to projected expenses
- Calculate percentage increase in expenses considering upcoming loan payments

Cost of Service

- •Allocate utiltiy cost by function; Fixed, Variable, Misc.
- Using historical reports, determine the cost to produce and treat a gallon of water
- Determine the financial burden on residential versus commercial accounts based on historical reports

Rate Design

- Assign tiered rate limits according to historic usage totals and national average
- Apply base fee structure to residential and commercial accounts that meets the Fixed expense total
- Apply usage fee structure that meets the Variable and Misc. totals

This study considered the following data and assumptions:

- FY19-24 Utility Budgets
- FY24 Utility maintained data set including the following multilayer records:
 - Total number of customer accounts
 - Usage my month for each account
 - Monthly billed total for each accounts
 - Identifiers that indicate residential and commercial, and well as the type of service received (water-only, sewer-only, interrupted service)
 - The annual customer growth rate for The Utility is 2%
 - The average inflation rate for sales tax is 2%
- TSW Advisory Board Resolution TWSB-02 for rate adjustment proposal

The table below shows the future revenue and expense potential under the *current rates*.

	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
Tax Revenue	\$1,034,675	\$928,250	\$1055,472	\$1,076,582	\$1,098,113	\$1,120,076	\$1,142,477	\$1,165,327
Fee & Usage	\$396,649	\$448,877	\$453,258	\$426,884	\$435,421	\$444,130	\$453,012	\$462,073
Fixed Expense	\$603,605	\$874,333	\$811,219	\$1,189,240	\$886,648.68	\$889,886.07	\$893,151.73	\$896,443
Variable Exp	\$129,089	\$142,546	\$122,696	\$215,945	\$169,990	\$179,807	\$189,875	\$200,201
Misc. Expense	\$19,169	\$14,597	\$11,619	\$23,651	\$18,730	\$19,921	\$21,143	\$22,396
Total	\$679,460	\$345,650	\$563,196	\$74,628	\$458,165	\$474,591	\$491,320	\$508,359

The table below shows the future revenue and expense potential under the TSW Advisory Board's Resolution TWSB-03

	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
Tax Revenue	\$1,034,675	\$928,250	\$1055,472	\$1,076,582	\$1,098,113	\$1,120,076	\$1,142,477	\$1,165,327
Fee & Usage	\$396,649	\$448,877	\$453,258	\$496,371	\$503,817	<i>\$511,374</i>	\$519,045	\$526,830
Fixed Expense	\$603,605	\$874,333	\$811,219	\$1,189,240	\$886,648.68	\$889,886.07	\$893,151.73	\$896,443
Variable Exp	\$129,089	\$142,546	\$122,696	\$215,945	\$169,990	\$179,807	\$189,875	\$200,201
Misc. Expense	\$19,169	\$14,597	\$11,619	\$23,651	\$18,730	\$19,921	\$21,143	\$22,396
Total	\$679,460	\$345,650	\$563,196	\$144,116	\$526,560	\$541,835	\$557,352	\$624,348

Executive Summary

The purpose of this study is to evaluate where Infiltration and Inflow (I&I) is taking place within the City of Talkeetna's sewer system for the Matanuska Susitna Borough. To determine this, a sewer condition assessment was performed on the City of Talkeetna's sanitary sewer system. The city contains approximately 25,000 linear feet (LF) of ductile iron gravity sewer main. The majority of the pipes are 8-inch in diameter. The age of the pipe is varied.

A Closed-Circuit Television (CCTV) inspection was completed on the gravity sewer mains by Frawner Corporation in early June 2024. Stephl Engineering LLC (Stephl) performed sewer structure inspections on sewer structures including manholes, cleanouts, and sewer lift stations.

The sewer system is overall in good condition. The sewer mainlines showed very little defects and sewer structures appear to be in structurally sound condition. Manholes inspected appear to be the highest contributor to I&I within the Talkeetna sewer system.

High levels of fats, oil and grease (FOG) buildup were observed in the downtown area during inspection of the sewer system. It is recommended that the Matanuska Susitna Borough ensure all restaurants have operational grease traps to minimize FOG buildup within the sewer system.

The repairs recommended were split into two separate projects. It is recommended that Phase I be completed and the city evaluate the effectiveness of Phase I within their system prior to performing Phase II work. It may be determined that Phase II is not necessary.

Nine methods of construction were evaluated for upgrading the pipes and manholes within the project area:

- Chemical Grouting (MH Rehab)
- Manhole Replacements
- Sewer Structures Internal Joint Seal (MH Rehab)
- Sewer Structures Lid Gaskets (MH Rehab)
- Sewer Structure Replacement
- Trenchless Point Repairs
- Cured in Place Pipe (CIPP) (Mainline and Lateral Lining)
- Open Cut
- Open Cut Point Repairs