P.S.C. KY. NO. 1

CANCELLING P.S.C. KY. NO.

BLACK MOUNTAIN UTILITY DISTRICT

OF

609 FOUR MILE ROAD

BAXTER, KENTUCKY, 40806

RATES & CHARGES

AND

RULES & REGULATIONS

FOR FURNISHING

WATER SERVICE

IN

HARLAN COUNTY

KENTUCKY

FILED WITH THE

PUBLIC SERVICE COMMISSION

OF

KENTUCKY

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE May 1, 2014
Month / Date / Year

ISSUED BY Steve Sergent
(Signature of Officer)

TITLE Chairman

FOR Communities Listed Below
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 1

BLACK MOUNTAIN UTILITY DISTRICT
(Name of Utility)

CANCELLING P.S.C. KY. NO.

SHEET NO.

A. Monthly Water Rates

WATER RATE A

For the following systems served under PWS# 0480265, PWS# 0480277, PWS# 0480461, PWS# 0480650, and PWS# 0480572
(Coxton/Kitts, Dayhoit, Sukey Ridge, Wallins, Coldiron, Putney, and Rosspoint Area)

First 2,000 gallons	$21.38	Minimum Bill
Over 2,000 gallons	7.69	Per 1,000 Gallons
Wholesale Rate	$4.37	Per 1,000 Gallons
Leak Adjustment Rate	$4.37	Per 1,000 Gallons

DATE OF ISSUE
Month / Date / Year

DATE EFFECTIVE December 1, 2013
Month / Date / Year

ISSUED BY Steve Sturgeot
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2013-00439 DATED January 7, 2014

FOR Communities Listed Below
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 1.1

BLACK MOUNTAIN UTILITY DISTRICT
(Name of Utility)

CANCELLING P.S.C. KY. NO.

SHEET NO.

A. Monthly Water Rates (cont.)

WATER RATE D

For the following systems served under PWS# 0480498 and PWS# 0480603
(Ages, Closplint-Louellen, and Kenvir Area)

First 2,000 gallons	$18.13	Minimum Bill
Over 2,000 gallons	6.07	Per 1,000 Gallons
Leak Adjustment Rate	$4.37	Per 1,000 Gallons

DATE OF ISSUE
Month / Date / Year

DATE EFFECTIVE May 1, 2014
Month / Date / Year

ISSUED BY Steve Seiget
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2008-00321 DATED September 17, 2008

FOR Bledsoe, Harlan County, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 1.2

BLACK MOUNTAIN UTILITY DISTRICT
(Name of Utility)

CANCELLING P.S.C. KY. NO.

SHEET NO.

A. Monthly Water Rates (cont.)

Former Green Hills Water District Customers

First 2,000 gallons	$23.90	Minimum Bill
Next 6,000 gallons	9.21	Per 1,000 Gallons
Over 8,000 gallons	7.65	Per 1,000 Gallons
Wholesale Rate	$3.71	Per 1,000 Gallons
Leak Adjustment Rate	$3.71	Per 1,000 Gallons

DATE OF ISSUE
Month / Date / Year

DATE EFFECTIVE December 1, 2013
Month / Date / Year

ISSUED BY Steve Seiger
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2013-00439 DATED January 7, 2014

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 2

BLACK MOUNTAIN UTILITY DISTRICT
(Name of Utility)

CANCELLING P.S.C. KY. NO.

SHEET NO.

B. Non-Recurring Charges

Tap-On Fee	$400.00
Reconnection Charge	25.00
Reconnection Charge (After Hours)	50.00
Late Payment Charge	10%
Meter Cover Replacement Charge	25.00
Meter Re-Read Charge	15.00
Broken Meter Lock	25.00
Meter Base Relocation Charge	Actual Cost
Returned Check Charge	32.00
Meter Test Charge	25.00
Customer Deposit	75.00

DATE OF ISSUE
Month / Date / Year

DATE EFFECTIVE May 1, 2014
Month / Date / Year

ISSUED BY Steve Lewis
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. DATED

The provisions of this tariff are in addition to and subject to Commonwealth of Kentucky statutes and Public Service Commission regulations.

Any inconsistencies herein shall be interpreted in favor of the appropriate body of law.

This tariff will uniformly apply to all customers of the district, and no employee or commissioner of the district is permitted to make any exception to any portion of this tariff without PSC acceptance and/or approval.

A. General Information

1. All customers must grant, convey, or cause to be granted or conveyed to the district a perpetual easement and right-of-way across any property owned or controlled by the customer wherever necessary for the district's facilities in order to provide service.

2. Each prospective customer desiring water service must sign the district's Water Service Contract before service is supplied by the district.

3. All taps and connections to the district's water mains shall be made by and/or under the direction and supervision of district personnel.

4. All meters shall be installed, renewed, and maintained at the expense of the district, and the district reserves the right to determine the size and type of meter used.

5. No customer may resell water except under the terms of a special contract executed by the district and accepted or approved by the PSC.

6. A customer shall notify the district immediately if there is a problem with the service or if an accident occurs that affects the water system.

B. Billing

1. Bills and notices from the district will be mailed to the customer at the address listed on the user's agreement unless a change of address has been filed in writing with the district. The district shall not otherwise be responsible for delivery of any bill or notice nor will the customer be excused from the payment of any bill or any performance required in said notice.

2. Bills for water and sewer services are due and payable at the office of the district, or to any designated agent, on the date of issue. The past due date will be the 15th day of the month after date of issue. Bills will be dated and mailed between the 25th and 30th of each month.

3. All bills not paid on or before the past due date shall be deemed delinquent. When a bill is deemed delinquent a 10% late payment charge will be added to the amount due. When a bill has been delinquent for a period of twenty (20) days, the district shall mail the customer, by United States Postal Service, a written final notice of said delinquency, and of the intent of the district to discontinue service ten (10) days after the date of such notice unless such bill is paid prior to the expiration of such ten (10) days. If a delinquent bill is not paid within ten (10) days after the date of such final notice (thirty (30) days from the past due date), the water supply to the customer may be discontinued without further notice; provided, however, if, prior to the discontinuance of service, there is delivered to the district, or its employees empowered to discontinue service, a written certificate signed by a physician, a registered nurse, or a public health officer, that in the opinion of the certifier, discontinuance of service will aggravate an existing illness or infirmity on the affected premises, service shall not be discontinued for thirty (30) days beyond the termination date. The utility will not grant consecutive extensions for medical certificates past the original thirty (30) days unless the certificate is accompanied by an agreed partial payment plan in accordance with Public Service Commission rules and regulations.

4. Where the water supply to the customer has been discontinued for non-payment of delinquent bills, a reconnection charge will be assessed, but reconnection will not be made until all delinquent bills and other charges, if any, owed by the customer to the district have been paid.

5. With respect to any billing dispute, customer accounts shall be considered to be current while the dispute is pending as long as the customer continues to make undisputed payments and stays current on subsequent bills.

6. Where a meter has ceased to register, or a meter reading could not be obtained, the quantity of water consumed will be based upon an average of the prior six months consumption and the conditions of water service prevailing during the period in which the meter failed to register.

C. Multiple Users on One Meter

Where two or more tenants or occupants (of different rental units) of property, including duplexes, apartment houses, mobile home parks, trailer parks, or other multi-unit premises, are served by a single water meter, the rates and charges shall be computed by dividing the number of gallons of water registered by such single meter by the number of units being served by such meter and then applying the result thus obtained to the water rate schedule to arrive at the monthly bill. The owner or operator of the property has to pay the total monthly water bill for such property. In no event shall the monthly bill applicable to each unit be less than the minimum water rate set out in the applicable water rate schedule.

D. Special Non-Recurring Charges – Billing Related

1. Returned Check Charge. A returned check charge will be assessed when a customer's check is returned, either due to insufficient funds or other reason due to customer fault.

2. Late Payment Charge. A late payment charge will be assessed if a customer fails to pay a bill for rendered services by the due date shown on the customer's bill. The charge may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional late payment charges shall not be assessed on unpaid late payment charges.

E. Special Non-Recurring Charges – Meter Related

1. Tap-On Fee. A tap-on fee will be assessed to hook up a new meter tap-on.

2. Meter Cover Replacement Charge. A meter cover replacement charge will be assessed when a district customer damages or breaks the meter cover due to misuse or vandalism.

3. Meter Re-read Charge. A meter re-read charge will be assessed when a customer requests the district to re-read the customer's meter and the re-read proves that the original meter reading was correct.

4. Broken Meter Lock Charge. A broken meter lock charge will be assessed when a district tampers with a lock or locking device.

5. Meter Base Relocation Charge. A meter base relocation charge will be assessed when a customer or other authorized person requests that a meter base be relocated, changed, or modified. Those requesting a change must reimburse the district for the actual costs incurred, including but not limited to appropriate legal, administrative, engineering, overhead, or other related costs.

6. Meter Test Charge. A meter test charge will be assessed when a customer requests the district perform a test on the customer's meter to check for accuracy and the test shows the customer's meter is not more than two percent (2%) fast. The district will perform such test on any meter upon written request of any customer if the request is not made more than once every twelve (12) months.

F. Special Non-Recurring Charges – Service Related

1. Service Reconnection Charge. A service reconnection charge will be assessed to reconnect service that has been terminated for non-payment of delinquent bills or for violation of district or Public Service Commission rules and regulations, and will include the cost of the service trip for both the disconnection and reconnection.

G. Deposits

1. The district requires a cash deposit from all customers to secure payment of bills.

2. The deposit amount is set out in Sections B and B.1 of the Rates and Charges portion of this tariff.

3. Service will be refused or discontinued if payment of deposit is not made.

4. Interest will accrue on all deposits at the rate prescribed by law beginning on the date of the deposit. Interest accrued will be refunded to the customer or credited to the customer's bill on an annual basis. If interest is paid or credited to the customer's bill prior to twelve (12) months from the date of deposit or the last interest payment date, the payment or credit shall be on a prorated basis.

5. Deposits, plus any accrued interest, will be refunded to customers upon termination of service.

H. Leak Adjustment Policy

While a district is not required to have a leak adjustment policy to adjust bills due to a water leak, this district chooses to offer a leak adjustment under the following conditions:

1. The customer must request a leak adjustment in writing to the district.

2. The customer must provide a plumber's statement or other proof showing the leak has been repaired.

3. The customer's bill will be based on two components. The first step will be to calculate the customer's average monthly usage over a three-month period. The second step will be to deduct the customer's average monthly usage (as calculated above) from the total amount of water that passed through the meter. The usage calculated in step one will be billed at the district's regular rates, while the remaining usage will be charged at the per thousand gallon leak adjustment rate. All water passing through the meter must be accounted and paid for by the customer. Therefore, the customer will owe the amount of his/her average bill plus the per thousand gallon leak adjustment rate for the remainder of the water that passed through the meter.

4. If meter readings are not available for an entire three-month period, the average usage of similar customer loads shall be used for comparison purposes for the calculation.

5. Only one (1) leak adjustment will be made for a specific service location during any given twelve-month period.

6. Wholesale customers are not eligible for this Leak Adjustment Policy.

I. Meter Testing

1. It shall be the policy of the district to test each water meter at least once every ten (10) years. In addition, upon written request of any customer, the meter serving such customer shall be tested by the district. Such test will be made without charge to the customer if the meter has not been tested within twelve (12) months preceding the requested test; otherwise, a meter test charge will assessed only if the test indicates meter accuracy within the limits of 2%.

2. If a meter is inaccurate in excess of 2%, whether upon periodic testing or upon requested testing, additional tests shall be made at once to determine the average error of the meter, and the adjustments shall be made in the customer's water bills as follows:

   a. If the result of such tests shows an average error greater than 2% fast, the customer's bill for the period during which the meter error is known to have existed, shall be recomputed and the account adjusted on the basis of the test. If the period during which the meter error existed cannot be determined, then the customer's bill shall be recomputed for one-half (1/2) of the elapsed time since the last previous test, but in no event to exceed twelve (12) months; provided, however, that if time for the periodic test has overrun to the extent that one-half (1/2) of the time elapsed since the last previous test exceeds twelve (12) months, the refund shall be for the twelve (12) months specified above, plus those months exceeding the periodic test period; provided, further, that such refund may be limited to the twelve (12) month period if failure to make the periodic test was due to causes beyond the control of the district.

   b. If the result of such tests shows an average error greater than 2% slow, the customer's bill for the period during which the meter error is known to have existed shall be recomputed and the account adjusted on the basis of the test. If the period during which the meter error existed cannot be determined, then the customer's bill shall be recomputed for one-half (1/2) of the elapsed time since the last previous test, but in no event to exceed twelve (12) months.

c. If the result of such tests necessitates making a refund or back billing a customer, the customer shall be notified in writing of the percentage error, fast or slow, the date(s) of testing, and the amount of charge or credit to be shown on the next bill of the customer.

3. After having first obtained a test from the district, any customer of the district may request a meter test by the Public Service Commission upon written application. Such request shall not be made more frequently on one (1) meter than once every twelve (12) months.

J. District Initiated Refusal of Service and Termination of Service with Advance Notice

The district may refuse or terminate service to a customer if the following conditions exist provided the customer has been given proper written notice pursuant to Public Service Commission laws and regulations along with notice of the customer's right to challenge the termination by filing a complaint with the Public Service Commission. Termination of service is in addition to any legal remedies the district may pursue, and the district is not required to restore service until the customer has complied with the district's tariff and Public Service Commission laws and regulations.

1. For noncompliance with the district's tariff or Public Service Commission laws and regulations, the district may refuse service or terminate service.

2. For dangerous conditions, the district may refuse service until any and all dangerous conditions have been properly corrected.

3. For refusal of access, the district may refuse or terminate service.

4. For outstanding indebtedness, the district may refuse service until the customer has paid the outstanding debt.

5. For noncompliance with state, local, or other codes, the district may refuse or terminate service.

6. For non-payment of bills, the district may terminate service.

K. District Initiated Refusal of Service or Termination of Service Without Advance Notice

The district may refuse or terminate service to a customer if the following conditions exist without advance termination notice. Within 24 hours after termination, the district shall send written notification to the customer stating the reason(s) for termination and providing notice of the customer's right to challenge the termination by filing a complaint with the Public Service Commission. Termination of service is in addition to any legal remedies the district may pursue, and the district is not required to restore service until the customer has complied with the district's tariff and Public Service Commission laws and regulations.

1. For dangerous conditions relating to the district's service.
2. Unauthorized service by illegal use or theft.
3. Extensions or additions to an existing service connection that have not been approved by the district.
4. Misrepresentation in the application or contract as to the property or fixtures to be supplied or additional use to be made of water.
5. Resale of water except under the terms of a special contract executed by the district and approved by the Public Service Commission.
6. Waste or misuse of water due to improper, imperfect, or deteriorated service pipes.
7. Tampering with the meter, meter seal, valves, or other system facilities, or permitting such tampering by others.
8. Connections, cross-connections, or permitting the same, of any separate water supply to premises that receive water from the district.

L. District Initiated Termination of Service – Exceptions.

The district will not terminate service to a customer if the following conditions exist:

1. If payment for services is made. Service will not be terminated to a customer that was sent a termination notice if the customer delivers full payment to the district prior to the actual termination of service.

2. If a partial payment agreement is in effect. Service will not be terminated for nonpayment if the customer and the district have entered into a partial payment plan and the customer is meeting the requirements of the plan.

3. If a medical certificate is presented. Service will not be terminated for thirty (30) days beyond the termination date if a physician, registered nurse or public health officer certifies in writing that termination of service will aggravate a debilitating illness or infirmity on the affected premises. The district may refuse to grant consecutive extensions for medical certificates past the original thirty (30) days unless the certificate is accompanied by an agreed partial payment plan. The district will not require a new deposit from a customer to avoid termination of service for a thirty (30) day period who presents to the district a medical certificate certified in writing by a physician, registered nurse, or public health officer.

M. Customer Requested Termination of Service

Any customer desiring service terminated or changed from one address to another shall give the district three (3) working days' notice in person, in writing, or by telephone, provided such notice does not violate contractual obligations. The customer will not be responsible for charges for service beyond the three (3) day notice period if the customer provides proper notification and reasonable access to the meter during the notice period. If such notice is not given, the customer shall remain liable for all water used and service rendered to such premises by the district until such notice is received by the district.

N. Access to Property

1. The district shall at all reasonable hours have access to meters, service connections, and other property owned by it and located on the customer's premises for purposes of installation, maintenance, meter reading, operation, replacement or removal of its property at the time service is terminated. Any employee of the district whose duties require him/her to enter the customer's premises will wear a distinguishing uniform or other insignia identifying him/her as an employee of the district, and show a badge or other identification which will identify him/her as an employee.

2. Obtaining easements and rights-of-way necessary to extend service will be the responsibility of the district.

3. All customers must grant, convey, or cause to be granted or conveyed to the district a perpetual easement and right-of-way across any property owned or controlled by the customer wherever necessary for the district's facilities in order to provide service.

4. The district cannot require a prospective customer to obtain easements or rights-of-way on property not owned by the prospective customer as a condition for providing service. However, the cost of obtaining easements or rights-of-way will be included in the total per foot cost of an extension, and will be apportioned among the district and customer in accordance with the applicable extension administrative regulation.

5. Piping and sewers on the premises of a customer must be installed so that connections are conveniently located with respect to the district lines and mains. The customer shall provide a place for water metering which is unobstructed and accessible at all times.

O. Interruption of Service

1. The district shall make all reasonable efforts to eliminate interruption of service and when such interruptions occur will endeavor to reestablish service with the shortest possible delay. When the service is interrupted all consumers affected by such interruption will be notified in advance whenever it is possible to do so.

2. Customers having boilers and/or pressure vessels receiving a supply of water from the district must have a check valve on the water supply line and a vacuum valve on the steam line to prevent collapse in case the water supply from the district is discontinued or interrupted for any reason, with or without notice.

P. Water Main Extensions

1. An extension of fifty (50) feet or less to the district's water distribution main shall be made without charge (other than the prescribed standard connection charge) for a prospective customer who shall apply for and contract to use service for one (1) year or more and who provides a guarantee for such service.

2. For each extension to the district's water distribution main in excess of fifty (50) feet, the district shall require the customer to whose premises such extension is made to deposit with the district the total cost of the excessive footage over fifty (50) feet, based on the average estimated cost per foot of the total extension.

3. For a period of five (5) years after construction of the extension, each additional customer whose service line is directly connected to the extension installed, and not to extensions or laterals therefrom, will be required to contribute to the cost of the extension based on a recomputation of both the district's portion of the total cost and the amount contributed by the customers. The district will refund to those customers that have previously contributed to the cost of the extension that amount necessary to reduce their contribution to the currently calculated amount for each customer connected to the extension. All customers directly connected to the extension for a five (5) year period after it is placed in service must contribute equally to the cost of construction of the extension. In addition, each customer must pay the approved tap-on fee applicable at the time of his/her application for the meter connection. The tap-on fee will not be considered part of the refundable cost of the extension and may be changed during the refund period. After the five (5) year refund period expires, any additional customer will be connected to the extension for the amount of the approved tap-on fee only. After the five (5) year refund period expires, the district will be required to make refunds for an additional five (5) year period in accordance with subparagraph 1 of 807 KAR 5:066, Section 11(2)(b).

4. The district may make extensions under different arrangements if such arrangements have received prior approval of the PSC.

Q. Extension Procedures for Developers and/or New Subdivisions

1. An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year, for a refund period of not less than ten (10) years, the district shall refund to the applicant who paid for the extension a sum equal to the cost of fifty (50) feet of the extension installed for each new customer connected during the year whose service line is directly connected to the extension installed by the developer, and not to extensions or laterals therefrom. Total amount refunded shall not exceed the amount paid to the district. No refund shall be made after the refund period ends.

2. The district may also, upon Public Service Commission approval, contract privately with owners or developers of subdivisions for the installation of water service for the subject subdivision. The owners/developers, pursuant to these contracts, extend mains and install water service at their expense. The district would not accept nor receive any contribution, cost reimbursement, or deposit from any customer (lot owner) in this circumstance and as contemplated by 807 KAR 5:066, Section 11(2)(a), and therefore, 807 KAR 5:066, Section 11(2)(b)(1) or (2) or (3) would not apply to the district with regard to newly-developed subdivisions.

3. The district or its designated representative shall approve such an extension before construction begins.

4. Nothing contained herein shall be construed to prohibit the district from contracting to make extensions under different arrangements if such arrangements have received the prior approval of the PSC.

R. Monitoring of Customer Usage

1. The district will monitor a customer's usage at least annually in such a way to draw the district's attention to unusual deviations in a customer's usage. If a customer's usage is unduly high and the deviation is not otherwise explained, the district will test the customer's meter to determine whether the meter shows an average error greater than two (2) percent fast or slow.

2. If the district's procedure for monitoring usage indicates that an investigation of a customer's usage is necessary, the district will notify the customer in writing either during or immediately after the investigation of the reasons for the investigation and the findings of the investigation. If a serious situation requires more expeditious notice, the customer shall be notified by the most expedient means available.

S. Customer Complaints

1. Upon complaint to the district by a customer at the district's office, by phone or in writing, the district shall make a prompt and complete investigation and advise the complainant of its findings.

2. The district shall keep a record of all written complaints concerning its service. This record shall show the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition of the complaint. Records shall be maintained for two (2) years from the date of resolution of the complaint.

3. If a written complaint or a complaint made in person at the district's office is not resolved, the district shall provide written notice to the complainant of his/her right to file a complaint with the Public Service Commission, and shall provide him/her with the address and telephone number of the commission.

4. If a telephonic complaint is not resolved, the district shall provide at least on oral notice to the complainant of his/her right to file a complaint with the Public Service Commission, and shall provide him/her with the address and telephone number of the commission.

T. Fire Departments

1. Any city, county, urban-county, charter county, fire protection district, or volunteer fire protection district ("User") may withdraw water from the district's water distribution system for the purpose of fighting fires or training firefighters at no charge on the condition that it maintains estimates of the amount of water used for fire protection and training during the calendar month and reports the amount of this water usage to the district no later than the 15th day of the following calendar month.

2. Any city, county, urban-county, charter county, fire protection district, or volunteer fire protection district that withdraws water from the district's water distribution system for fire protection or training purposes and fails to submit the required report on water usage in a timely manner shall be assessed the cost of this water.

3. A non-reporting user's usage shall be presumed to be 0.3 percent of the district's total water sales for the calendar month. A non-reporting user may present evidence of its actual usage to rebut the presumed usage. The district shall consider this evidence and may adjust the presumed usage amount accordingly.

4. The non-reporting user shall be billed for this usage at the lowest usage block rate regardless of customer classification that the district charges.

5. A non-reporting user shall also be assessed a penalty of $ 1.00 for each failure to submit a report in a timely manner.

U. Legal Disclaimer

1. The district shall in no event be held responsible for any claims made against it for reasons of system failure or interruption of service. No person shall be entitled to damages or for any portion of a payment refunded for any system failure or interruption of service which is deemed necessary.

2. No person shall maliciously, willfully, or negligently break, damage, destroy, uncover, deface, or tamper with any structure, appurtenance or equipment which is a part of the district's water system. Any person violating this provision will be subject to discontinuance of water service and shall be assessed the cost of repairing or replacing the district's facilities.

3. If any loss or damage to the property of the district or any accident or other injury to persons or property is caused by or results from the negligence or wrongful action of a customer, members of his/her household, his/her agent or employee, as determined by a court of law having jurisdiction over the parties, then the cost of necessary repairs or replacements shall be paid by the customer of the district and any liability otherwise resulting shall be that of the customer.

4. For purposes of fire protection, including any customer's fire protection system, the district cannot guarantee a water supply at any particular flow rate or pressure. The fire flow may vary depending upon other water demands on the system, various water facility limitations, or other circumstances. The customer will indemnify and hold harmless the district and its employees from and against all claims, damages, losses, and expenses incurred as a result of insufficient water supply or deficient system facilities.