COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter Of:

APPLICATION OF NORTHERN KENTUCKY WATER DISTRICT FOR (A) FOR AN ADJUSTMENT OF RATES (B) A CERTIFICATE OF CONVENIENCE AND NECESSITY FOR IMPROVEMENTS TO WATER FACILITIES IF NECESSARY AND (C) ISSUANCE OF BONDS JUN 27 2007

PUBLIC SERVICE COMMISSION

CASE NO. 2005-00148

PREFILED TESTIMONY OF RICHARD HARRISON, P.E.

- Q 1 Please state your name and business address.
- A. Richard Harrison, 2835 Crescent Spring Road, Erlanger, Kentucky 41018-0640.
- Q 2 Where are you employed?
- A I am vice president of engineering/distribution for the Northern Kentucky Water District.
- Q 3 State your professional education and background.

A I have a Bachelor of Science degree in Civil Engineering from the University of Kentucky and have been responsible for the operation of the Engineering and Distribution Department for the Kenton County Water District from 1997 to the present. Q 4 Are you a registered engineer in Kentucky?

- A. Yes. My state board of registration for professional engineers and land surveyors registration number is 16,203.
- Q 5 Generally, what are your duties with the District?
- A. I provide general supervision for all construction and design for distribution systems and treatment and hydraulic matters for the District. I am responsible for the construction, maintenance, repairs, replacement and planning for the District as far as the distribution systems of the District.
- Q 6. The Commission's final order in this case states on pages 21 22: Northern District further proposes to revise Item 3 of Section X to address meters located inside of buildings. By this revision, Northern District appears to disclaim any responsibility for any piping that connects its outside lines to the meter within the building. In support of this provision, Northern District stated that it "should not be held responsible for piping between the customer's point of service and the inside meter coupling because...it cannot control the type of piping that the customer uses." This position is contrary to Administrative Regulation 807 KAR 5:066 Section 12(1)(a), which places upon the water utility responsibility for all facilities to the point of delivery at the meter. Accordingly, we find that this position is unlawful and unreasonable and should be stricken from the proposed tariff.
- Q 7. Why is the District concerned about this provision in the order?
- A. The District has a number of customers whose meter is located

inside the residence or business. Most of these types of service were acquired through the District's acquisition of municipal systems. The District has treated these customers as it has its other customers as far as the maintenance of the service line. Consequently, the customer is responsible for maintenance and replacement of the service line, which is considered to be the line from the curb stop at the property line to the meter.

- Q 8 What are the water systems acquired by the District that have had customer meters located inside the customer's residence or business?
- A. Those systems are:
 - 1. The City of Covington
 - 2. The City of Highland Heights
 - 3. The City of Silver Grove
 - 4. The City of Dayton
 - 5. The City of Bellevue
 - 6. The City of Fort Thomas
 - 7. The City of Newport
- Q 9 How many customers are included in these systems?
- A. Approximately 12,500 customers have meters inside the place of consumption within these systems.

- Q 10 Explain a typical residential service meter installation.
- A. For a new customer, the District taps its main in the street and extends a copper pipe to the customer's property line, usually located near the street or side walk. The District also installs a meter riser, shut off valve and meter at the property line with a meter crock that houses the assembly. The customer is responsible for installing the service line from the meter to the residence in compliance with the District's tariffed construction standards.
- Q 11 Does the District allow meters to be installed inside a building?
- A. Yes, NKWD currently installs meters in a customer's building. These meters are predominately installed during replacement during routine meter testing for change outs. However, in rare instances, where there is no available installation space between the sidewalk and the customer's building for large meter installations that would require a meter pit, such as in more urban locations, the District will allow the meter to be located in buildings. There are probably less than 5 of these installations annually.
- Q 12 Does the Commission's rejection of the District's proposed tariff language create a disparity of treatment among customers?
- A. Yes. The District is requesting an interpretation of the regulation to

the effect that the District is not responsible for the maintenance and replacement of the service line from the main through the customer's property and into the building, simply because the meter is installed inside the building being served. An interpretation to the contrary would inappropriately separate the normal relationship between ownership and maintenance responsibility, since the customers or property owners, and not the District, installed such lines.

The District is simply seeking consistency for all customers. In those situations where the meter is located inside the building, the District should be responsible only for that portion of service line from the tap to the normal point of service as currently defined in the regulation, i.e. that point near the right of way or property line. The customer would, then, be responsible for the portion of the line from the property line to the meter, just as all other customers, whose meters are not located inside the building. The Commission's Order singles out a group of customers for special treatment that no other customer is afforded – free maintenance and replacement of the service lines, based only on the fact that Northern purchased the predecessor utility's distribution system. KRS 278.170 would seem to prohibit the advantage given to this group of customers.

- Q 13 Is there any other preference that these customers could receive?
- A. Yes. Changes in water quality standards could necessitate an

accelerated replacement of customer lead service lines. Although the District is currently in compliance with all applicable regulations, stricter controls may force remedial action. All such remediation would be at the expense of the District, not the individuals that installed the service lines, if the Commission's Order stands. The only means of recovering that cost is through general rates. Thus, customers acquired by the District would, therefore, benefit from free replacement of service lines at all other customers' expense.

Q 14 What is it that the District is seeking from this rehearing?

A. The District is requesting an interpretation of the regulation to the effect that the District is not responsible for the maintenance and replacement of the service line from the main through the customer's property and into the building, simply because the meter is installed inside the building being served. If the regulation does require such responsibility on the part of a utility, Northern requests a deviation pursuant to 807 KAR 5:066, section 18. The District is simply seeking to make the definitions of these terms consistent for all customers. The interpretation that the District believes should apply would be that the service line extends from the point of service as defined in 807 KAR 5:066(12)(6)(b) to the point of consumption. This would make the responsibility for all customers the same as far as the ownership and maintenance of the service line.

807:KAR 5:066 (12)(2) says that the customer shall keep in good repair the service line from "the point of service to the place of consumption." Obviously, the regulation contemplates that the customer not the utility maintains the service line. 807 KAR 5:066(12)(1)(b) says "point of service shall be located as near the customer's property line as possible" Because both of these sections contain the mandatory "shall", it is apparent that the intent of the regulation is for the customer to install, own, repair or replace the service line from the property line to the meter. Conversely, the regulation intends that the utility not have that responsibility.

Northern is seeking clarification of the regulation to the effect that the customer, in fact, owns, and therefore has maintenance responsibility for, the portion of the line defined as the "service line." If the interpretation contained in the Order is applied, there is no "service line", as such, because the connection from the main to the meter would be part of the tap and meter set required of 807 KAR 5:066(12)(1).

- Q 15 Describe Northern's long term policy regarding its responsibilities to customers with meters inside a building prior to the filing of the proposed tariff.
- A. The customer had the responsibility for the service line from the right-of-way to and through its premise.

- Q 16 Have you attempted to determine the status of the ownership of service lines by the municipal utilities prior to Northern's acquisition?
- A. Yes. I contacted two of the largest cities including Newport and Covington about the city's ownership of those types of service.
 As the attached letter confirms, the city did not own, repair or replace service lines that extend from the main to the meter inside the building.
- Q17 Did the city install the service line initially?
- A No, the customer installed the water line.
- Q 18 Would Northern have acquired ownership of those service lines if the city did not own them?
- A I do not know the legal status of the lines, but it seems logical that if the city did not own the lines to begin with, the District could not have acquired something the city did not own and the Kentucky Public Service Commission would not appear to have the authority to transfer ownership and maintenance responsibility for those service lines to the District.
- Q 19 If the District did not acquire ownership of these lines, did it acquire an easement on the property to maintain the lines?

A Again, I cannot comment on the legal definition of an easement, but it seems that if the city did not own the service line, it would not have had the need for an easement to get access to the service line. By virtue of 807 KAR 5:006, Section 19, the District does have "access" to a customer's premises for the purpose of installing, reading, replacing or maintaining property owned by the District, but, if the District does not own the service line located on a customer's premises, this appears to be inapplicable.

In most cases where meters were installed inside a building or home, the service line was installed by the customer and is owned by the customer. Consequently, 807 KAR 5:006, Section 19 does not give the District any authority to maintain or replace such service lines. Even the Public Service Commission's Order of April 28, 2006 does not say that the District owns such service lines; it simply states that the District has "responsibility" for them.

- Q20 Can you give some examples of potential problems due to the Commission's directive that Northern maintain these service lines?
- A Yes, there are problems that Northern would have to deal with if the Commission's interpretation of KAR 5:006 stands. The majority of these problems relate to the unusual locations encountered that customers have installed meters and the difficulty that the District would face if it were required to maintain

the service lines located between the customer's point of service near the right-of-way and the customer's meter.

District meter readers have observed; meters that have been concreted over in the middle of floors, meters located in crawl spaces, meters located under steps, meters located inside bathroom vanities, meters located behind drywall and paneling, meters installed vertically in closets, meters located in clusters (multiple meters) in the middle of buildings with no reasonable way to determine which service line serves a particular meter without removing the customer's floor, meters located in the ceiling, meters located in the rear of houses with the service line running under the basement floor and meters located in coal bins to name a few problem locations encountered. The service line that connects to meters in these types of locations becomes very problematic to maintain.

Last winter, one of these problem locations had a service line that froze somewhere between the front of the house and the meter that was located under a sink at the back of one unit of a duplex apartment. The structure did not have a crawl space to help gain access to the service line. District staff was informed by the tenant that the service line was likely located in a few inch opening under the family room or living room floor. District staff was placed in the unreasonable position of trying to determine how to cut the customer's floor including the carpet to try to locate the service line so the District could hire a plumber to thaw the service line. The timing of this freeze-up made the situation even more difficult because it was late in the evening and the District was dealing with a record number water main breaks caused by the very cold weather this past January and February. Ultimately, even though the Commission's ruling regarding maintenance of service lines placed this responsibility on the District, the District had no practical alternative other than to tell the customer that if they cut their own floor, the District would hire a plumber to make the repair. The tenant decided to move out of their apartment temporarily since they had no water but if they had pressed the issue further, the District would have been in a very tough position.

Should the Commission not reconsider its interpretation of the regulation, the District will need very clear direction on how to handle these types of situations. What will be the District's responsibility regarding making repair to floors, carpeting, sinks, ceilings, walls including paneling and other potential damaged areas? What will be the District's responsibility for water damage to these same areas, furniture and other items owned by the What will be the District's responsibility for any occupant? environmental issues that develop such as increased moisture, mold or other challenges that arise due to a customer service line leak in the building but before the meter? Given the fact that the only possible claim the customer has that the District must maintain their service line is the Commission's interpretation of its regulation, these matters will likely need to be resolved by the Commission.

- Q 21 Would these problems be solved if Northern merely moved the meters to the curb?
- A No, because it would cost approximately \$7 million to \$10 million to move all of the meters. Even moving a meter as a problem arises creates a problem of cost, timing, etc. But it also creates a customer relation problem. If a customers calls about a leak, based on the Commission's ruling we must repair it. Customers are becoming more aware of this decision and are developing an expectation that we must make the repair as evidenced by the over \$8,000 in plumbers bills the District has paid since the Commission's order.

If we merely move the meter to the curb and then tell the customer he must fix the leak, it looks like we are playing games with the customer and just shifting the responsibility of the repair onto the customer. It also creates a dual class of customers, one that gets repairs at the District's expense and one that repairs at its expense.

- Q 22 Does the District ever move a meter to the curb?
- A The District will normally move a customer's meter outside into a new setting when the curb stop or shutoff valve at the customer's point of service near the right-of-way needs to be replaced or repaired. A significant portion of the expense to move a meter outside involves the labor necessary to excavate for the new setting. The District tries to take advantage of this savings when

moving meters outside. Additionally, the District moves meters outside during main replacement projects and main rehabilitation projects that involve service line replacement or establishing temporary service during the project. Meters are also moved outside when access for change-outs is difficult or safety hazards exist inside the customer's premise. Customers may also request meters to be moved outside.

- Q 23 Who is responsible for the cost related to relocating the water meter when NKWD relocates it to the customer's property line or curb.
- A Typically, NKWD bears the cost for relocating the water meter from the customer's premise to an outside location because it is beneficial for the District to have the meter moved outside. The District does have the ability to charge the customer for meter relocations in Section X (1.) of its Tariff if the customer requests that the meter be relocated/moved outside. However, due to the benefit to the District for moving meters outside, the customer has typically not been billed.

AFFIDAVIT

COMMONWEALTH OF KENTUCKY COUNTY OF KENTON

Affiant, Richard Harrison, after being first sworn, deposes and says that he is the Vice President – Engineering and Distribution, that he is authorized to submit this testimony on behalf of Northern Kentucky Water District, and that the information contained in the testimony is true and accurate to the best of his knowledge, information and belief, after a reasonable inquiry, and as to those matters that are based on information provided to him, he believes to be true and correct.

Richard Harrison

This instrument was produced, signed, acknowledged and declared by Richard Harrison to be his act and deed the 26^{μ} day of \overline{J}_{260} , 2007.

Connie & Pangerorn Notary Public

My Commission expires: May 26, 2009



OFFICE OF THE CITY MANAGER

638 Madison Avenue Covington, Kentucky 41011

JOHN JAY FOSSETT City Manager jfossett@covingtonky.gov Telephone (859) 292-2160 Fax (859) 292-2137 www.covingtonky.gov

June 21, 2007

Richard Harrison Vice President Engineering Northern Kentucky Water District 2835 Crescent Spring Road Erlanger, KY 41018

Re: Cut-off point for City's water system

Dear Mr. Harrison:

I wanted to send this letter to in response to your recent inquiry to me. Based on my knowledge of the city's water operations from conversations with others who are more familiar with it than I am, it is my understanding that the City of Covington only owned the water service line up to the point of the cut-off at the street.

Based upon my investigation, it does not appear that the city installed the water service line from the street to the house where the meter was placed, even if the meter was inside the house, which you asked about. It is my belief that the customers were required to repair their own service line. Accordingly, I do not believe the city's personnel went onto the customer's property for any repairs or replacement of the water service line.

It is my belief that the water service lines located on the customer's property were not treated as part of the City of Covington's capital assets, and therefore, they could not have been transferred to the Northern Kentucky Water District when it took over the operations of the City of Covington's water system.

I have worked for the city for the City since 2001, many years after the water system was transferred to the Northern Kentucky Water District, so the opinions expressed in this letter are based upon discussions with our current City Engineer and his communications with the former City Engineer, who was with the city when the Water District assumed operation of the water system. I would be happy to provide any other information you need on this matter.

Lity Manager



AN AFFIRMATIVE ACTION -EQUAL OPPORTUNITY EMPLOYER

TDD 859-292-2333 (Hearing - Speech Impaired)



City of Newport

Office of the City Manager Thomas J. Fromme, City Manager

998 Monmouth Street Newport, Kentucky 41071-2115 Phone: (859) 292-3666 Fax: (859) 292-3669 TDD: (859) 292-3622

June 26, 2007

Richard Harrison Vice President Engineering Northern Kentucky Water District 2835 Crescent Spring Road Erlanger, KY 41018

Dear Mr. Harrison:

I have reviewed the Rules and Regulations of the Newport Waterworks Department. The rule states, "The service line from the point of connection with the curb stop at the property line to the meter setting within the owner's premises shall be installed and maintained by the owner at the owner's expense." Therefore, the water service lines located on the customer's property were not part of the City of Newport's assets and could not be transferred to the Northern Kentucky Water District when it took over the operations of our water system.

I would be happy to provide any other information you need on this matter.

www.newportky.gov Sincerely Thomas J. Fromme

City Manager

TJF/rga

Attachment

CITY OF NEWPORT, KENTUCKY

WATER WORKS DEPARTMENT

RULES AND REGULATIONS

ADOPTED BY COMMISSIONERS ORDER 0-2000-40

PASSED 3/27/2000

DEPARTMENT FACILITIES

Ohio River Pumping Station 616 Mary Inglis Highway (KY Route #8) Fort Thomas, Kentucky 41075

Elevated Storage Tank 219 Grandview Avenue Newport, Kentucky 41071

OFFICE LOCATION

City of Newport Department of Finance and Administration 998 Monmouth Street, 2nd Floor Newport, KY 41071 (606)292-3660 (606)292-3663 Filtration Plant 2055 Memorial Parkway Fort Thomas, Kentucky 41075 (606)441-0763, 292-3618

Booster Pumping Station 2 Sixteenth Street Newport, Kentucky 41071

MAILING ADDRESS

BILLING: City of Newport Department of Finance and Administration P.O. Box 1090 Newport, Kentucky 41071

CORRESPONDENCE: City of Newport Department of Finance and Administration 998 Monmouth Street Newport, Kentucky 41071

DEPARTMENT OFFICIALS

Director

Assistant Director

Frank Peluso

James Johnson

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DEFINITIONS

"Corporation Stop" or "Tap" means the device used by the Department to connect the service pipe to the water distribution main.

"Curb Stop" means the valve located on the service line between the water distribution main and the owner's or customer's place of use located in the vicinity of the curb and the public right-of-way line.

"Customer" means the party contracting for water service to or for a premise. May also be called "Owner", "Applicant", "Authorized Agent" or "Consumer".

"Department" shall mean the City of Newport, Kentucky, Water Works Department. May also be called "Utility", "Water Works Department" or "Water Works".

"Director" shall mean the Director of the City of Newport, Kentucky, Water Works Department.

"Fire Hydrant" means a device, connected to the water distribution system and provided with the necessary valves and outlets, to which a fire hose(s) may be connected for the purpose of extinguishing fires.

"Main" means a water pipe, owned, operated and maintained by the Department, which is used for the purpose of transmission or distribution of water, but is not a service line.

"Meter" means any device for measuring the quantity of water used as a basis for determining charges for water service to a customer.

"Premise" refers to but is not limited to the following:

- a. A building or combination of buildings in one common enclosure under common ownership, occupied by one family, one company or one educational or institutional entity.
- b. Each unit of a multi-use building under common ownership where such unit is equipped with its own separate water service line.
- c. A single building under common ownership.
- d. A single plot of land in one common enclosure used as a park or recreational area.

"Service Line" means the pipe that runs between the water distribution main and the customer's place of use and includes fire lines. May also be called "Service Branch".

GENERAL CONDITIONS

1. APPLICABILITY OF RULES AND REGULATIONS. The following Rules and Regulations and all subsequent changes in same, or amendments and additions thereto, constitute a part of the contract with every person, firm, corporation or property owner supplied with water service by the City of Newport, Kentucky, Water Works Department, and every such person, firm, corporation or property owner using such supply shall be considered as having expressed consent to be bound thereby. The meaning and application of these Rules and Regulations shall be determined and interpreted by the Department.

2. WATER QUALITY AND SUPPLY; GENERALLY. The supply of water to any consumer for any purpose is without guarantee to such consumer to be of a fixed quantity, quality, purity, temperature or pressure, such items being subject to the variable conditions which may arise in the operation and maintenance of the water works system. As necessity may arise in case of break, emergency, or for other unavoidable cause, the Water Works Department shall have the right to temporarily cut off the water supply, in order to make necessary repairs, connections, or alterations to the system. The Water Works Department shall use all reasonable and practical measures to notify the consumer of such discontinuance of service. In such case, the Water Works Department shall not be liable for any damage or inconvenience suffered by the consumer, or for any claim against it at any time for interruption of service, lessening of the supply, inadequate pressure, poor quality water, or for any causes reasonably beyond it's control. Consumers who require a constant and steady supply of water should have a tank or other storage facility large enough to hold an ample supply of water for emergency purposes.

3. SERVICE LEAKS; REPAIR. Water service pipe between the curb stop and the meter must be maintained at the expense of the property owner. Accordingly, the property owner will be held responsible for any leakage which may occur in such service lines and the Water Works Department reserves the right to turn off the water, without notice, in cases where such leakage exists, until such time as satisfactory repair may be made by the property owner.

4. UNLAWFUL TAKING OF WATER. No person, firm, corporation or political subdivision shall take water from any connection to the water supply system of the Water Works Department unless a proper water service connection is installed according to law and water bills are paid.

5. SEPARATION OF WATER AND SEWER LINES. Water and sewer service lines shall be laid in separate trenches at least ten (10) feet apart.

6. CONNECTIONS. No person not properly authorized by the Water Works Department shall use any property or make attachments to any water pipes belonging to the Water Works Department.

7. RESERVE FOR EMERGENCY. The Water Works Department shall have the right to reserve a sufficient supply of water at all times in its' storage facilities to provide for fires and other emergencies, or may restrict or regulate the quantity of water used by customers in case of scarcity or whenever the public welfare may require it.

8. PRESSURE. In cases where the property owner desires a water pressure other than that pressure provided by the Water Works Department mains in the surrounding area, it shall be the responsibility of the property owner to install the necessary devices to provide the desired pressure.

9. OWNERS LIABILITY. All risks attending to the introduction of water supplies into buildings or premises where pipes or conduits have been installed by or are under the control of the owner or user of such water supply shall be assumed by such owner or user thereof.

10. COMMITTING NUISANCE ON WATER WORKS PROPERTY. No person shall swim in any reservoir or throw objects into or recover objects from any reservoir, or deposit filth, or trespass, or commit a nuisance of any kind in such reservoirs or upon any property owned or set apart for the use of the Department.

11. ACCESS TO PROPERTY WHERE SERVICE RENDERED. The Water Works reserves the right to enter the premises where service is rendered at all reasonable times to read, repair, inspect, test, install or remove meters, inspect all plumbing connections, fixtures and mains, collecting water samples for testing or for any other purpose which it may deem necessary in properly protecting the interests of the Water Works Department and the consumer. When such entry is refused, the water service may be immediately disconnected and not be reconnected until the request of the Water Works Department has been complied with and an "Off and On Charge", as provided for herein, has been paid.

APPLICATION FOR WATER SERVICE

1. APPLICATION TO BE MADE BY OWNER. Application for water service shall be made by the owner of any real estate premises installing or maintaining water service connections, or by bis authorized agent. The owner or agent, by signing the application for service, shall agree to be bound by all of the rules and regulations of the Water Works Department. The owner or his authorized agent shall make application for water service promptly upon obtaining title to the real estate. Water will be turned on by an authorized employee of the Water Works Department, after the application has been duly filed at the Department office. The Water Works Department shall not be responsible for any inaccuracy in application due to wrongful information given by an owner, agent or unauthorized person or for errors in receiving such information. The person, firm or corporation whose name is carried on the account shall be known as the customer. Application for water service shall supply all information requested in order to accurately complete the application for service.

2. PLACE OF APPLICATION FOR WATER SERVICE. Application for water service shall be made IN PERSON at the Department of Finance and Administration, 998 Monmouth Street, Newport, Kentucky 41071.

3. WATER SERVICE TURN-ON. When requested, water will be turned on at the curb stop or control valve, provided that the owner or an authorized agent is on the premises at turn-on time, that the valve is accessible, and that the service person is able to obtain a meter reading. The Water Works Department is not responsible for any water damage caused by a turn-on. If a confirmation of this, in writing, on the form provided by the City, is signed by the owner or authorized agent when unable to be on the premises at turn-on time, the water will be turned on without the need of the owner or authorized agent to be present. Every effort will be made to turn water on or off when requested, but the Water Works Department assumes no liability for failure to do so. Newport Water will turn on water within 2 working days of application of water.

4. APPLICANT TO BE FREE OF INDEBTEDNESS TO THE CITY OF NEWPORT. No application for water service will be accepted and no water will be supplied to any applicant or consumer, or property location, where it is apparent that the applicant or consumer is indebted to the City of Newport for water supplied, work done, material furnished or penaltics imposed. This section shall apply whether the indebtedness was incurred at the premises for which application is made or at any other premises supplied by the Department.

5. APPLICATION FOR TEMPORARY SERVICE. Any person requiring temporary service for building construction or other use may apply for a temporary service at the address stated above. All use of water from fire hydrants in conjunction with a temporary service permit shall be metered and any person receiving a temporary use permit for a fire hydrant will be responsible for the meter assigned for measurement of the amount of water used. A \$100.00 charge for the temporary service permit, in addition to the amount of water consumed, shall be charged to the applicant. The applicant shall also be responsible for any damage to the meter and will be responsible for the cost of repairs or replacement if the meter is not returned prompty after use in good working condition. Additionally, damage to hydrants or other Water Works Department equipment shall be the responsibility of the applicant. However, this \$100.00 charge shall not apply to home owners requiring the use of a fire hydrant for recreation use at these premises. However a deposit of \$100.00 will be required for this service, and applied to water consumed. Any balance will be refunded or additional amount will be charged.

During the time period from October 15 thru April 1, applicant must notify the Newport Fire Department at 292-3616 that the applicant has completed using the hydrant for the day and that the hydrant must be pumped out to protect it from freezing.

BILLING

1. RESPONSIBILITY FOR BILLS. All charges of the Department shall be billed to the owner of the premises. Also see Section #11, Page #6.

2. DELIVERY OF BILLS. The Water Works will undertake to deliver bills for water by depositing them in the post office for delivery as a convenience to the customer. The failure of a customer to receive a bill shall not relieve them from their obligation to pay said water bill. The Water Works Department shall not be responsible for failure of a customer to receive a bill, delinquent notice, shut-off notice, final notice or other notice.

3. PAYMENT OF BILLS. Water bills are due upon receipt and shall become delinquent on the date indicated on the bill form, which is set at fifteen (15) days after the billing date, at which time a fifteen (15%) percent penalty is added and shown on the bill as the Gross Amount Due. If a bill is due on a day when the offices of the Finance Department are closed to the general public, the due date shall be extended through the next regular business day.

4. DELINQUENT NOTICE. On the twentieth (20th) day after the billing date, delinquent bill notices shall be prepared and mailed to the customer's address as recorded in the records of the Department. The date that the delinquent bill is due shall be set at ten (10) days from the date of the notice, as indicated on the delinquent notice. If the delinquency is not paid by the due date, service shall be discontinued, as provided for herein.

5. UNPAID BILLS. When the water is turned off because of an unpaid bill, it will not be turned on again until the bill, plus penalty, has been paid, together with an "Off and On Charge" as provided for herein.

6. DISCONTINUANCE OF SERVICE. Whenever a water bill becomes delinquent, the supply of water may be shut off from any premises of such owner or consumer, regardless of whether such indebtedness was incurred at the premises where service is discontinued or at any other property of such owner or consumer. A consumer failing to settle their final account for water used and moving to a new location will not be given service until the arrears have been paid in full for both water and repair at their former residence. Whenever two or more parties are supplied with water from the same service line, on the failure of any one of said parties to pay the water charges when due or to comply with these rules and regulations, the water supply of the whole service line may be discontinued.

7. RETURNED CHECKS. If a check or other remittance tendered in payment of any bill, statement or notice, fails to clear through the banks and is returned to the Water Works Department for any reason, the charges shall be considered unpaid. Any receipts issued therefore shall be void and the indebtedness shall be restored to the account. A service charge as provided for in "FEES AND SERVICE CHARGES" shall be assessed for all returned checks. Assessment of this service charge shall not relieve the maker of said returned check from any criminal or civil liability provided by law.

8. LEAKAGES. No reduction in water charges shall be made for leakage in any water pipe, tank or other apparatus or device. The amount of water registered by the water meter serving the property shall be charged and paid for in full, irrespective of whether such water, after having been registered, was lost by leakage, accident or otherwise. No rebate or discount will be allowed because of leaks, open faucets or other causes of water loss.

9. OVERCHARGE/UNDERCHARGE. When a customer has been overcharged as a result of incorrect reading of the meter, incorrect calculation of the bill, incorrect connection of the meter or other similar reasons, the amount of the overcharge shall be adjusted or credited to the customer. When a customer has been undercharged as a result of any of the above reasons, the amount of the undercharge shall be billed to the customer.

10. ESTIMATED BILLS. Whenever a meter in service is found not to register, and or if access to manually read meter cannot be obtained, the Water Works Department shall render an estimated bill based on the average amount registered over a similar period or other reliable information related to the customer's usage patterns.

11. DEPOSITS. Except as hereinafter set forth, any water customer, except for owners of the premises, shall be required to pay a deposit of \$75.00 prior to activation of water service. Any water customer who has failed to pay past due bills may be required, at the discretion of the Director (s) of the Water Works and/or Department of Finance and Administration (s), to place a cash deposit of \$150.00 with the City. Said deposit, less outstanding charges, shall be refunded at time of change of name of the water customer. Said deposit shall not accrue interest.

DISCONTINUANCE OF SERVICE

1. DISCONTINUANCE OF SERVICE. Service under any application, including public fire protection and any other municipal use, may be discontinued for any of the following reasons:

a. For misrepresentation or fraud, in the application, as to property or fixtures to be supplied or the use to be made of the water supply.

- b. For the use of water for any other property or purpose than that described in the application.
- c. For willful waste of water through improper or imperfect pipes, fixtures or otherwise.
- d. For failure to protect and maintain the connections, service lines or fixtures in good working order.

e. For non-payment of any account, bill or invoice for water supplied, parts supplied, water service for fire protection or any scheduled fee or charge as required by these Rules and Regulations.

f. For tampering with, damaging or using without proper authorization any service pipe, meter, curb stop, valve or any other appliance, fixture or equipment of the Water Works Department.

- g. In case of vacancy of premises.
- h. In the event unmetered service or unauthorized metered service is found to be used.
- i. In the event of a condition determined by the Water Works Department to be hazardous.

j. In the event that the furnishing of service would be in contravention or violation of any orders, ordinances, statutes or laws of the United States of America, the Commonwealth of Keutucky, Campbell County or the City where the service is located.

k. Failure of the owner or customer to permit the Water Works Department reasonable access to its' equipment or in the event access is obstructed or hazardous.

1. For violation of any of these Rules and Regulations.

2. MANNER OF DISCONTINUING SERVICE. No water supply or service shall be considered disconnected until it is so disconnected that it cannot be used again, or it is sealed in a manner satisfactory to the Water Works Department in order to guarantee that the service cannot be used or reconnected.

3. DISCONTINUING SERVICE AT REQUEST OF OWNER. When it is the desire of the owner or consumer to discontinue water services to the premises, it shall be the responsibility of that owner or consumer to notify the Department at its' office, by oral or written order, to terminate such service. Failure to so notify the Department will not relieve the owner or consumer of the responsibility for charges for water used through such service.

4. RECONNECTION OF SERVICE. Reconnection of service will only be performed after all bills, delinquent amounts, charges, fees or other amounts have been paid to the Department in full. In the case of discontinuance of service due to causes not related to billing, reconnection of service will only be performed after all conditions leading to the discontinuation have been corrected by the owner or customer and such service inspected and approved by the Department, and will be reconnected during normal hours at no cost, however, a reconnection after hours will be done at a cost of \$40.00 per call.

APPLICATION FOR SERVICE INSTALLATION

1. APPLICATION TO BE MADE BY OWNER. Application for service installation shall be made by the owner of the real estate premises to be served by the water service or by their authorized agent. A plumber licensed in the Commonwealth of Kentucky may apply for the service as the authorized agent of the owner. Applications must be made, and all necessary charges paid, at least five (5) days, excluding weekends and holidays, prior to the desired time of installation. The owner or their agent must make arrangements for the installation of the service connection with the Department at least two (2) days prior to the desired installation date. These arrangements should be completed and confirmed before any excavation work is started. The owner or customer, by signing the application for service installation, shall agree to be bound by all of the rules and regulation of the Water Works Department. The applicant, at the time of application, shall be required to furnish the necessary information so that the size of the tap, service line and meter to be installed may be properly determined. No service shall be installed to serve property which does not abut the street where the service main is located without written approval of the Water Works Department.

2. PLACE OF APPLICATION FOR SERVICE INSTALLATION. All applications for service installation shall be made IN PERSON at the Department of Finance and Administration, located at 998 Monmouth Street, Newport, Kentucky 41071.

3. INDEPENDENT SERVICE FOR EACH PROPERTY. No single service shall serve more than one (1) building unless approved by the Water Works Department in writing.

4. OWNER'S SERVICE LINE. The service line from the point of connection with the curb stop at the property line to the meter setting within the owner's premises shall be installed and maintained by the owner at the owner's expense. The line shall be of ample size, of material meeting Water Works Department standards and maintained in good working order and condition. All such service lines shall be subject to inspection and approval by the Water Works Department and the State Plumbing Inspector before the water supply will be turned on for use. No work shall be covered until approved by the Water Works Department. No service shall be used for water supply purposes without having a water meter installed. There shall be no appurtenances installed on any service line between the curb stop and the meter. Any necessary controls, such as pressure regulators or check valves, must be installed on the outlet or house side of the meter.

5. CONNECTION OF NEW SERVICE TO EXISTING LINE. When the owner desires to replace the service line between the water distribution main and the curb stop, the service line will not be installed and connected until the new service line between the curb stop and the meter setting has been installed by the owner. This condition may be waived only if the owner agrees, in writing, to be responsible for any damage to the existing service line between the curb stop and the meter setting and to repair immediately any leaks that may occur on said line.

6. TAPPING FEE. A fee for installing the service line from the water main to the curb stop shall be levied as set out under "FEES AND SERVICE CHARGES."

7. MINIMUM SERVICE LINE AND METER SIZES. The following are minimum service line and meter requirements for buildings for residential use:

UNITS	LINE SIZE	METER SIZE
1-2	3/4"	5/8"
3-5	1"	1"
6-8	1-1/2"	1-1/2"
9-12	2"	1-1/2"
13-20	2"	2"
21-50	4"	3"
51-100	4*	4"
100-250	6"	6"
251 UP	8"	8"

Where the proposed installation is for commercial or industrial purposes and requires water for more than the necessary sanitary facilities for the occupants, the applicant must submit a complete set of plans, a statement of the industrial or commercial use intended, and the architect's recommendation for the size of service line and meter.

8. INTERCONNECTED SERVICE LINES. When water is supplied to the premises through two (2) or more interconnecting service lines, each line shall be separately metered and each branch shall be equipped with a check valve which is installed to prevent the water from flowing back into the Water Works Department mains. If the interconnected services are for fire protection only, each branch shall be equipped with a separate detector check valve assembly. If a fire protection service is interconnected with a line supplying domestic or commercial water, each service line shall be fully metered and equipped with an approved check valve.

9. NON-USE OF SERVICE. When Water Works Department records show that a service line has not been used for one year or more, and the bills have not been paid, the Water Works Department shall be authorized to disconnect it from the water main and remove the water meter. Additionally, if a service line is abandoned through the demolition, movement or other removal of the building from the premises, a new service line shall be required to be installed as provided for herein.

10. INADEQUACY OF EXISTING SERVICE LINE. When an existing service line ceases to be adequate to meet the owner's water demands because of increased use and a larger service line is requested by the owner, it shall be the responsibility of the owner to provide a new service, of the proper size for the intended use, in accordance with the above rules and regulations.

11. STOP AND WASTE VALVES. Stop and waste valves or cut-off valves must be placed in the pipeline of the customer, to be used in case of break or other necessity, whereby pipes to be repaired can be turned off without the necessity of using the street corporation stop or curb stop. Stop and waste valves shall be installed on the inlet side of the meter setting so that the meter may be removed for repair, replacement or testing without draining all of the pipes in the building. The inlet valve of all meter services shall be equipped with padlock wings. The outlet side of the meter shall be equipped with an approved backflow prevention device, such as a dual check valve.

12. DISCONNECTION OF SERVICE LINE FROM WATER MAIN. Upon application for a Demolition Permit with the Community Development Division, such application may serve as notice to the Water Works Department that the water service to the premises is to be discontinued and the Department shall disconnect the said service line from the water distribution main and remove the meter from the premises. The contractor obtaining the Demolition Permit from the Community Development Division shall notify the Water Works Department at least two (2) working days before commencing demolition on the structure that the building is to be torn down. Failure to notify the Water Works Department will result in responsibility for damages to meters or other system equipment or for unaccounted for water loss to be assessed to the owner or contractor.

In cases of persistent violation and disregard for the Rules and Regulations of the Department, the service line may be withdrawn and disconnected from the water distribution main and the supply and service wholly terminated.

13. MAINTENANCE OF SERVICE LINE; WATER MAIN TO CURB STOP. The Water Works Department shall repair all leaks on the service line between the water main located in the street or right-of-way and the curb stop. When a service line is found to have deteriorated to the extent that permanent repairs cannot be made, a new service will be required to be installed at the expense of the owner of the City of Newport.

14. SERVICE CONNECTIONS FOR FIRE PROTECTION. Services for fire protection, standpipes and automatic sprinkler systems shall be installed at the expense of the owner. A fee, as provided for under "FEES AND SERVICE CHARGES", shall be assessed to the owner. Owners or applicants desiring such services shall be allowed to install such systems when it is guaranteed, in writing, that the owner or applicant will not use water from any such system for any purpose except for preventing or extinguishing fires. In the event of any unauthorized use, the Department, at its option, may discontinue the service or install meters, at the expense of the owner, to control the entire flow on such services. Water meters are required for this service.

15. CONNECTIONS TO SERVICE LINES. All connections to service lines attached to the Water Works Department system shall be installed according to the provisions of the Kentucky Plumbing Code and inspected, according to that Code, by a Plumbing Inspector certified by the Commonwealth of Kentucky.

16. LEAD SERVICE LINES. Upon application to replace a service line between the main and the curb stop, where the line between the curb stop and the meter setting is made of lead, the new service line between the street and the curb shall not be installed until the owner's lead service line is replaced with a copper service line and all other provisions of these rules and regulations are complied with in their entirety.

METERS

1. METERS REQUIRED. All water service branches shall be metered. The supply of water from the service connection may be measured by one or more meters. Meters in existing premises shall be limited to the number currently installed at the time these regulations become effective. New buildings shall be limited to one (1) meter for each service line installed. Existing buildings shall be reduced to one (1) meter per service line when it is necessary to perform major plumbing replacement, which includes the installation of a new service line from the curb box to the building. When more than one meter is utilized, the meters shall be set in an area not under the control of any tenant, which shall be accessible by employees of the Water Works Department at all times. Meters shall remain the property of the Water Works Department. The Water Works Department the proper size of the service line and meter to be installed at the time of application.

2. SETTING OF METERS. Meters shall be installed only by employees of the Water Works Department. When meters are set they are sealed and no one other than an authorized Water Works employee is to remove a seal or disconnect, open, adjust or otherwise interfere with a meter. Meters shall be installed before water service to the premises is turned on. Meters shall be installed in approved settings with approved valves in accordance with Water Works Department standards. Meters shall be installed inside of the premises in a location accessible to the Water Works Department personnel. Ample clear space shall be provided and always kept available at every water meter for purposes of reading, repair, inspection or maintenance. If the Water Works Department is unable to remove, repair, install or replace a meter due to defective valves or plumbing, the water service will be terminated immediately. When a meter has been lawfully removed by the Water Works Department, it shall be unlawful to use water supplied by the service line to which the meter was attached. Other locations of meters, such as outside pit settings, shall be approved only in special circumstances by written authorization from the Director. Water meters must be installed and protected from freezing, if freezing occurs, the applicant is responsible.

3. ACCESS TO PROPERTY WHERE SERVICE RENDERED. The Water Works reserves the right to enter the premises where service is rendered at all reasonable times to read, repair, inspect, test, install or remove meters, inspect all plumbing connections, fixtures and mains, collecting water samples for testing or for any other purpose which it may deem necessary in properly protecting the interests of the Water Works Department and the consumer. When such entry is refused, the water service may be immediately disconnected and not be reconnected until the request of the Water Works Department has been complied with and an "Off and On Charge", as provided for herein, has been paid.

4. TYPE OF METER. All meters shall be of the positive displacement, compound or turbine type set inside of the premises served with a remote reading receptacle attached to the outside of the building.

5. UNLAWFUL REMOVAL OF METER. No person except an authorized Water Works employee shall remove a water meter without the permission of the Director. Where a meter is found to have been unlawfully removed, the water shall be shut off immediately and proper charges made for the estimated amount of water consumed. The water shall not be turned on again until the meter is reinstalled and an "Off and On Charge" is paid or a payment equal to the cost of the meter, testing and installation is paid to the Water Works Department. If a seal is broken by a plumber in the course of repairing domestic plumbing services, the Water Works Department must be notified immediately so that the seal may be replaced. If a seal is found broken, the Water Works Department shall be authorized to remove and test the meter, and assess charges as provided for under "Meter Testing".

6. METER TESTING. When requested by the owner or his authorized agent, or in the event the meter seal is broken or removed, the Water Works Department will test a meter. If, upon testing, the meter is found to be registering 2% or more above the amount of water that is actually passing through the meter, no charge shall be made. Otherwise, the owner or his authorized agent shall pay a service charge as fixed by the Director, based on current costs for such service. In the case of testing if a meter seal is found broken, all charges for testing shall be assessed to the property owner.

7. BUILDINGS TO HAVE SEPARATE METERS. No person shall serve more than one building from one service or one meter.

8. METER READINGS. Meter readings shall be used for the purpose of calculating water charges, but the Water Works shall be authorized to use other means when it is apparent that a meter has not been operating properly, if the seal has been broken, if it has been removed or if it shows signs of tampering.

9. METER MAINTENANCE. After a meter has been placed in service, it shall be fully maintained in proper condition by the Water Works Department, without charge, except that in the case of damage by freezing, hot water, vandalism, theft of the meter or other neglect on the part of the owner or occupant, the cost of repairs or replacement shall be paid by the property owner. Meter maintenance shall not include maintenance of the setting or other appurtenances of the service line from the curb stop to the meter or maintenance of domestic plumbing systems. In the case of continued damage to meters caused due to neglect of the owner or occupant of the property, water service may be discontinued to the premises.

10. APPLICATION FOR METER SERVICE. When it is necessary to install a meter, or meters, in an existing or new service, the application for meter service must be made by the property owner. Application for meter service shall be made at the same time application is made for the service branch, except when application is made for replacement of an existing service branch. Should it become necessary to increase the size of meter service it shall be done in the same manner as application for new meter service. Should a property owner elect to install additional meters in any premises, such as when it is desirable to determine the consumption of each unit served.

11. LARGE SERVICE METERS; UNINTERRUPTIBLE SERVICE REQUIREMENTS. When meters 1-1/2" and larger are installed, a bypass around the meter with valve, locking device and seal, shall be installed so the meter can be changed, tested, or repaired without shutting off the water supply to the premises. In all cases where water cannot be shut off temporarily, these requirements will prevail and will be at the customer's expense.

12. SPACE FOR METER REQUIRED. In roughing-in a plumbing job, sufficient space shall be provided for the required meter and the proper accessories for remote meter reading, which shall be provided by the Water Works Department. The property owner shall install a stop and waste valve on the inlet side of the meter setting so that the meter may be removed for repair, replacement or testing without using the curb stop or corporation stop. The inlet valve of all meter services shall be equipped with padlock wings. The outlet side of the meter setting shall be equipped with an approved backflow prevention device, such as a dual check valve.

EXTENSION OF DISTRIBUTION SYSTEM

1. CONTRACTS FOR EXTENSION. Contracts for extension of the Water Distribution Mains within the service area of the Water Works Department may be entered into by the Director, for and on behalf of the City and the Department, when it is deemed economically feasible to provide water service to proposed or new consumers, but such agreements or contracts with said consumers shall be substantially consistent with the provisions hereof. Such contracts or agreements may contain such other provisions or stipulations as in the Director's opinion will protect the rights and interests of the City and the Department in a fair and reasonable manner.

2. EXTENSION REQUIRED IN NEW DEVELOPMENTS. A newly developed area in the City must be served by City water. A water main extension to serve such area shall be installed at the developer's expense and in accordance with the Standard Specifications of the Department. The main shall become the property of the Water Works Department upon its acceptance by the Department.

3. PAYMENT OF COST BY PROPERTY OWNER. When, in the interest of public health, welfare and community growth, it becomes necessary for an existing water main to be extended to serve additional areas or when private individuals request that water service be extended to the area in question, the City Commission may authorize the extension of a water main. The owner(s) or applicant(s) shall pay to the Department the cost of labor, material and engineering involved in the construction of the main extension. Payment shall be made on the estimated cost of the entire project, in advance of construction, on estimate furnished by the Department, and, upon completion of the work, final payment shall be adjusted to the actual cost to the Department. Assessments shall be based upon the pro-rata share of the cost of the construction calculated on a front footage basis and charged to the property owner. Failure to pay such amounts when assessed shall be cause for denying water service to the premises until all assessments are paid in full.

4. OWNERSHIP AND CONTROL. After the installation of an approved extension, it shall become the sole property, and be under the exclusive control and management, of the Department, and said Department shall have the right to further extend such extension or to make connections thereto for other extensions, for itself, and for other parties who may make proper application for further extensions, all without the consent of the owner or applicant for whom said extension was originally made.

5. INSTALLATION OF SERVICES. Service lines to be installed on the main extension shall be included in the total cost of the main extension and no charge for Application for Service Installation or Tapping Fee shall apply.

6. CONSTRUCTION OF MAINS BY OTHERS. All persons desiring to construct water mains and connect same to the Department's system shall, prior to commencement of such construction, submit three (3) copies of detailed plans of such project to the Department for approval. Such plans must be prepared by a civil engineer registered in Kentucky, conform to the requirements and specifications of the Cabinet for Natural Resources and Environmental Protection, Division of Water, the State and County Health Departments and the Kentucky Inspection Bureau, and not interfere with the operation and plans for expansion of the Department, and shall conform to the location, type and size of mains prescribed by the Department.

The Department shall not agree to provide service or to assume maintenance and repairs of water mains constructed by others unless full and total control and ownership of said mains is conveyed to the Department, and the contractor agrees in writing to assume full responsibility for maintenance and repairs to the extended main for a period of twelve (12) months from the construction completion date. The date that the main is put into service shall be the construction completion date for the purposes of this provision, and accepted by the City of Newport.

The Department reserves the right to require all transmission and distribution mains constructed hereunder to be at least as large in diameter as the main to which it is connected and shall b a minimum of eight (8") inches in diameter where the Department believes the future growth of the area warrants.

Persons desiring to construct water mains and connect same to the Department's system shall, prior to commencement of such construction, pay to the Department a sum equal to five (5%) percent of the estimated cost of such extension to defray the administrative, legal and engineering expenses of the Department in connection with the proposed construction.

Failure to comply with any of these Rules and Regulations regarding main extensions shall be sufficient justification for the Department to discontinue service.

CROSS-CONNECTION CONTROL

AND

WATER QUALITY PROTECTION

1. BACKFLOW PREVENTION. If, in the judgment of the Water Works Department, the integrity of the public water system is, or can be, endangered by backflow from an actual or a potential cross-connection within the plumbing system of a water consumer, the Water Works Department may order the installation of an approved backflow prevention method or device consisting of either an air-gap separator, double sanitary check valve assembly, vacuum breaker, reduced pressure principle backflow preventer or any combination thereof at the water service connection to the premises. The water consumer shall install the designated device or method at his own expense, and failure, refusal or inability to install said device or method has been installed and approved by the Water Works Department. The use of the approved backflow preventer at the water service connection does not in any way affect or eliminate the need for individual fixture devices or air-gaps as required by other applicable codes or regulations.

2. CROSS-CONNECTIONS PROHIBITED. No person shall install or maintain any water service connection whereby water from any system of unknown quality may enter the public water system or consumer's portable water system. No alternate water supply system shall be physically connected to the water supply system of the Water Works Department.

3. SURVEYS AND INVESTIGATIONS. The Water Works Department shall have the right to enter premises served by the public water system at all reasonable times for the purpose of making surveys and investigations of water use practices within the premises. Upon request, the consumer shall furnish the Water Works Department information on water use practices within the consumer's premises.

4. WHERE PROTECTION IS REQUIRED. An approved backflow prevention device shall be installed on each service line to a consumer's water system serving any premises where a real or potential health, pollutional or system hazard to the public water system exists.

5. BACKFLOW PREVENTION DEVICES. Any backflow prevention device required by these or other applicable regulations shall be of a type approved by the Kentucky Natural Resources and Environmental Protection Cabinet, Division of Water or the Kentucky Department of Housing, Buildings and Construction. It shall be the duty and responsibility of the consumer, on which any backflow prevention device is installed, to have thorough inspections and operational tests made of the devices at the intervals and in such manner as may be required by the Water Works Department or the Kentucky Natural Resources and Environmental Protection Cabinet or as recommended by the manufacturer of the installed devices. These devices shall be repaired, overhauled or replaced at the expense of the consumer whenever they are found to be defective. Records of such inspections, tests, repairs and overhauls shall be kept by the consumer and provided to the Water Works Department. The Water Works Department reserves the right to check and test backflow prevention devices at its discretion. Such tests shall be at the expense of the Water Works Department.

6. NEW SERVICE REQUIREMENTS. Approved backflow prevention devices shall be required on all new service installations on the outlet side of the meter setting.

7. PLUMBING SYSTEM IMPROVEMENTS. Whenever the plumbing system within any premises is substantially or totally replaced, including the installation of a new service line between the curb stop and the meter setting, it shall be required that an approved backflow prevention device be installed on the outlet side of the meter setting.

RATES

1. METERED DOMESTIC SERVICE RATES. The following charges are established and applicable to metered service provided by the City of Newport, Department of Water Works effective April 1, 1999 in all districts.

Per Ordinance.

For monthly customers, minimum and additional rates to be calculated on the basis of 1/3 of above amounts. (Monthly Minimum \$5.70)

2. FIRE HYDRANT RATES. The annual charge for supply of water and maintenance of fire hydrants connected to the distribution system outside the City limits of the City of Newport shall be set at one hundred (\$100.00) dollars per hydrant.

3. CONTRACT RATES. Based on the amount of water consumed, the Newport Water Works Department may enter a written contract for the supply of water to any person, association, firm, corporation or water district at a fixed rate as may be approved by the City Commission.

OFFICE LOCATION:

City of Newport Department of Finance and Administration 998 Monmouth Street Newport, Kentucky 41071 Phone: (606) 292-3660 Fax: (606) 292-3663

MAILING ADDRESS:

BILLS: City of Newport Department of Finance and Administration P.O. Box 1090 Newport, Kentucky 41071 CORRESPONDENCE: City of Newport Department of Finance and Administration 998 Monmouth Street Newport, Kentucky 41071

FEES AND SERVICE CHARGES

1. APPLICATION FOR METER SERVICES. The following charges are hereby established for meter services:

Cost + 15%

5/8" METER 3/4" METER 1" METER 1-1/2" METER 2" DISC METER 2" TÜRBINE METER 3" TURBINE METER 4" TURBINE METER 6" COMPOUND METER 8" TURBINE METER

Any meter installation of 1" or larger the installation cost will be paid by applicant + 15%.

Meter couplings or flanges, if needed by the customer, are sold at cost plus 15%.

2. OFF AND ON CHARGE. If it becomes necessary to discontinue service due to unpaid bills, failure to comply with Water Works Department Rules and Regulations or for other reasons, an "Off and On Charge" is hereby set at thirty-five (\$35.00) dollars and is due and payable before service is restored.

3. APPLICATION FOR SERVICE INSTALLATION/TAPPING FEE. The fees for service installation are hereby set as follows:

3/4", 1", 1-1/2" and 2" SERVICES ACTUAL COST + 15%

All services over two (2") inches shall be at actual cost plus fifteen (15%) percent.

Calls for water service after hours other than emergency shut offs will be billed at a minimum of \$40.00 per call.

4. LABORATORY TESTS. The fees for laboratory tests performed on water samples are hereby set as follows:

Tests performed by the Water Works Department Laboratory on samples taken within the Water Works Department system area or collected in order to investigate a water quality complaint shall be completed at no charge.

5. METER TESTS. A charge of Cost + 15% shall be charged for all meter tests, except as provided for herein, if City requires test there will be no charge to applicant.

6. RETURNED CHECKS CHARGE. A charge of twenty-five (\$25.00) dollars shall be charged for all returned checks. In the case of returned checks, any subsequent payment shall be by cash, certified or cashier's check or money order.

PENALTIES

1. PENALTIES. Any person violating any of the provisions herein shall, in addition to any other penalties provided by law, be prosecuted under the provisions of the Kentucky Revised Statutes regarding theft of service or other applicable laws, statutes, regulations or ordinances.

2. CIVIL LIABILITY. Punishment under this section shall not relieve an offender of civil liability or of responsibility for reimbursement for any damages caused by his unlawful acts.

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APPENDIX

INFORMATION FOR WATER CONSUMERS

The Water Works Department of the City of Newport, Kentucky, is a water utility owned by the City of Newport, Kentucky, a Kentucky Municipal Corporation of the second (2^{ad}) class, and operated for the benefit of the customers thereof. The system contains approximately fifty (50) miles of distribution mains ranging in size from two (2") inches to twenty (20") inches in diameter. The system serves approximately 6,700 service connections in the Cities of Newport, Southgate and Woodlawn and serves a small number of connections in Fort Thomas and Wilder. The Department also sells water at a wholesale rate to the Northern Kentucky Water Service District.

The Department is a separate entity from any other operation or department of the City in that all revenues are derived from the sale of water for consumption. The Water Works Department does not receive any funds from the general operating fund of the City or from its tax base.

The Newport Water Works began construction of its original facilities in May, 1871 and began water supply operations on October 9, 1873. The current Filtration Plant was constructed between 1961 and 1963 and was modernized in 1986-87.

The Department pumps and treats approximately 2,900,000,000 gallons of water annually.

When water is to be used in premises which have not been occupied for some time, all plumbing fixtures should be opened and the water allowed to run for some time to flush out the pipes and remove all standing water.

The water may occasionally be discolored by rust deposits which accumulate in the system. In such cases, the water is safe to use and flushing the pipe by opening the faucet for a few minutes will give relief. Should this fail to clarify the water, call the Department and a Service Person will be dispatched to flush the mains in the area of the problem.

During cold weather, all plumbing and meters exposed or installed in unheated locations should be carefully protected to prevent freezing and consequent damage. Electric heat tape should be used only with extreme caution.

It should be noted that it is almost a mechanical impossibility for a water meter to overregister the amount of water passing through it, and it is impossible for a meter to register unless water passes through it. Every new or repaired meter is tested thoroughly to determine proper operating condition before it is placed into service.

Consumers can discover leaks in their plumbing by making sure all fixtures are shut off and observing the red diamond leak detector on the face of the meter register for movement. Consumers are advised to observe all fixtures in their premises frequently to reduce lost water due to faulty fixtures. Toilets should receive special attention as these fixtures are the source of most plumbing leaks. The meter will register all leaks, no matter how small, which will increase charges to the consumer.

Anyone who notices a leaking hydrant or the escape of water from a street main should report such leaks to the Department as soon as possible. Reduction of unaccounted-for water in the system will reduce the need for increases in rates.

Anyone who discovers meter tampering, unauthorized use of services or vandalism to Water Works equipment and/or property should immediately notify the Department of such condition.

In order to prevent injury to Department employees and avoid possible liability on the part of the property owner, owners of victous dogs are requested to secure or properly confine such animals.

The officers and employees of the Department strive at all times to render the best, most courteous service to the general public. Any discourtesy, carelessness or inaccuracy in the performance of duty shown by any employee should be promptly reported, in writing, to the Director of the Water Works. All grievances and complaints should be submitted in writing and such complaints shall be promptly investigated and properly adjusted.

The offices of the Department are open Monday thru Friday from 8:00 AM to 4:30 PM and are closed on legal holidays.

WHAT WE DO

Everyday a staff of 19 individuals operate various aspects of the Newport Water System, beginning with the Newport Pump Station which was built in 1872 and has been placed on the historic register and also declared an American Water Landmark. This facility, located in Ft. Thomas, Kentucky on Route 8, houses three modern turbine pumps and motors with the capabilities of pumping in excess of 15 million gallons of water per day.

The raw water is pumped to our filtration facility which is located on Memorial Parkway in Ft. Thomas. That facility, built in 1962, underwent a major modernization program in the early 1980's. Again, a modernization program is taking place at your filtration facility which will include technology for the millennium.

After the purification process, our potable water is delivered through our distribution grid which consists of an excess of 60 miles of water mains and services throughout the utility area.

WHO ARE WE

The City of Newport Water Department provides potable water to all residents, businesses and other concerns located within the City of Newport. We also provide water to other parts of the Northern Kentucky Area, either directly or through the Northern Kentucky Water Service District.

SERVICE TO YOU

The City of Newport Water Department is here to serve you. The following facts and information are provided to you so that you have a better understanding of your Water Works System:

1. The City of Newport is there for you 24 hours a day, 7 days per week, including holidays. To contact the Newport Water Works for water emergencies, or disruption of service please contact 292-3618. After normal working hours, you may also contact 292-3618. The City of Newport will provide, at no cost to the consumer, emergency shut-off service, however, there is a nominal charge for reconnection of water service after the normal working hours. This reconnection is only for repairs of your existing water system.

2. The City of Newport is responsible for water mains and water services beginning at the water main and ending at the shut-off valve, which is normally located outside of your residence or place of business. The customer is responsible for all repairs from the curb stop into either the residence or the place of business.

BILLING SERVICES

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The City of Newport billing services are located at 998 Monmouth Street, Newport, Kentucky. Our phone number is 292-3660. All questions dealing with billing, placing water in your name, shut-off's and things of that nature are handled through our billing services.

CONSUMER CONFIDENCE REPORT

We are providing for your current data concerning the various testing that takes place at your water filtration facility. We encourage individuals to please stop by and visit with us. Please contact us concerning any questions, concerns or suggestions you have for your water system. We, as a team, need you to assist us to improve our system.

WHAT'S NEW AT NEWPORT WATER WORKS

SLUDGE HANDLING FACILITY

As mandated by the State Environmental Protection Agency, Newport Water is required to eliminate any potential health hazards to our streams and waterways. With the implementation of the new sludge treatment facility, the City of Newport is now in a position to reduce the potential health hazards to our various streams and waterways through the treatment facility.

The sludge treatment facility will become fully activated during the later months of 1998.

ACTI-FLOW

This revolutionary process adds sand to the water treatment as a coagulation process. This sand settles the dirt suspended particles and bacteria. This, and the use of higher mixing systems, combine to allow a greater amount of water to be treated in a shorter amount of time. This process also uses a fraction of the needed space for the conventional water treatment process.

It is our expectation that with the new acti-flow system, the water quality will improve significantly for our customers as well as expanding our capabilities to 20 million gallons of water per day.