

**POLICY HANDBOOK**

GENERAL POLICY NO. 101

SUBJECT: DISTRICT POLICIES AND PROCEDURES

I. PURPOSE

Section 1. General Powers. The business and affairs of the District shall be managed by a board of five directors and two appointed bulk users, who shall exercise all of the power of the District except such as are by law or these bylaws of the McLean-Sheridan Rural Water District conferred upon or reserved to the members. Under provisions of this section, it becomes incumbent upon the board of directors to make and adopt board statements of policy and to provide the management of the District with guidelines for the day-to-day conduct of business of the District as deemed necessary.

The purpose of this policy is to establish the basis by which the various policies, rules, and regulations for the operation of the District shall be proposed, adopted, and enforced to the resulting consistency of operation, and so the members, directors, management, and employees can be assured of equitable and fair treatment in their relationships with the District.

In the context of the policy, a policy shall be understood to be an official action of the Board of Directors to meet the need for specific management decisions in relation to recurring situations affecting the operations of the business and affairs of the District. Policy statements are not prepared to accommodate District actions concerning situations that occur only once or very occasionally in the life of the District.

The general policies of the District are not considered as creating terms and or conditions of an employment contract either expressed or implied. These policies are subject to unilateral change by the District without notice.

II. POLICY

It shall be the policy of the Board of Directors of the district to adopt, from time to time as deemed necessary for the management of the business and affairs of the district, statements of policy that shall provide guides for the General Manager and personnel to use in making decisions for recurring situations.

III. RESPONSIBILITY

- A. Board of Directors. The Board of Directors shall have the responsibility of considering and adopting general policy statements as prepared by the members of the Board or by the General Manager, and the responsibility of a periodic review of all board policy statements to assure that the policies are adequate.
- B. General Manager. The General Manager shall have the responsibility for the initiation, development, and the recommendation for policy statements for consideration of the Board of Directors and for the implementation of enforcement of policy provisions when they have been adopted.

Under the provisions of this policy, the General Manager shall be authorized to develop and establish such administrative policies, rules and regulations, or procedures in relation to a general policy as the manager deems necessary to assure conformity with policy statements and intents of the Board of Directors.

#### IV. PROVISIONS

The following procedures shall prevail in relation to the provisions of this policy:

- A. Types of Policies The types of official statements that shall provide guidance to District personnel shall include:
  - 1. General Policies shall include broad statements of policy adopted by the Board of Directors to cover recurring situations.
  - 2. Administrative Policies shall include more specific statements prepared by the General Manager detailing specific conditions pertaining to the implementation of general policy, including any provisions that may be needed to detail processes for implementing or enforcing general and/or administrative policies.
- B. Policy Manual shall be a specific document collected and maintained as Policy Manuals, copies of which shall be made available at the office of the District for review by its members.
- C. Policy Format shall include and conform to the following:
  - 1. A statement of the purpose of the objectives for establishment of a particular policy.
  - 2. A concise statement of the general policy as the Board of Directors has determined it should be made or the administrative policy as the General Manager has determined it should be made.
  - 3. A detailing of the responsibility for the enforcement of the provisions of the policy.
  - 4. A summary of any provisions, conditions, or procedures that the Board of Directors determines should apply to the provision of the general policy, or the General Manager determines should apply to administrative policy.

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Adopted by the Board of Directors

Date approved:

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President

GENERAL POLICY NO. 102

SUBJECT: ORGANIZATIONAL PLAN

I. PURPOSE

The efficient operation of any large organization is dependent upon the use of effective management practices that detail the duties and responsibilities of each person within the organization and outline the channels of communications through which action is taken and information passed. The basic element in achieving these results is an organization policy that establishes the principles that are needed to determine the proper structure for its operational organization and the prevailing relationships with that organization.

II. POLICY

It shall be the policy of the Board of Directors to establish the basic organizational principles of the District that will foster effective leadership and working relationships that achieve the purpose for which the District was organized.

In conformity with these principles, the General Manager will be expected to maintain an organizational structure in keeping with sound management practices and to submit periodic reports on the effectiveness of this organization to the Board of Directors.

III. RESPONSIBILITY

It shall be the responsibility of the Board of Directors and the General Manager to create, adopt, maintain, implement and enforce all policies, general or administrative.

IV. PROVISIONS

The following principles shall be followed in developing and maintaining the organizational plan for the McLean-Sheridan Rural Water District:

- A. The organization plan will be developed from the point of view of the activities required to achieve the ideals and objectives of the district.
- B. The organizational plan shall be flexible sensitive to changing conditions and personnel growth by periodic review.
- C. The activities and responsibilities of positions will be arranged according to their natural commonalities.
- D. Delegations of authority and the freedom to act shall be clearly and appropriately defined and be adequate for the responsibilities assigned.
- E. Each employee's responsibilities, authorities, and relationships shall be:

1. Fully expressed in a written position description.
  2. Clearly understood by the individual.
  3. Completely accepted, not only by the employee, but also by all persons affected by that position.
- F. Titles for positions shall be descriptive of the responsibilities of the position and consistent within the level of the organization.

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Adopted by the Board of Directors

Date approved:

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President

GENERAL POLICY NO. 201

SUBJECT: FUNCTIONS OF THE BOARD OF DIRECTORS

I. PURPOSE

- A. To establish, clarify, and interpret the responsibilities and authorities of the Board of Directors as set forth by law, the bylaws of the McLean-Sheridan Rural Water District, and accepted business principles.
- B. To provide guidance to individual directors in the performance of their duties and responsibilities.
- C. To provide guidance to the member-users in the selection of directors.

II. POLICY

The Board of Directors derives its authority from and is directly accountable to the member-users of the District. The Board is empowered by them and required by law to institute such precedent actions as are necessary to achieve the objectives of the District, including the protection of its rights, interests, and assets, except those actions which by law or the Bylaws of the McLean-Sheridan Rural Water District are conferred upon the member-users of the District.

Therefore, it shall be the policy of the Board of Directors of McLean-Sheridan Rural Water District to use the following outline of relationships and responsibilities as guidelines for action as individual and collective members of the Board of Directors in fulfilling its responsibilities and obligations to the member-users of the District.

A. Relationships

1. Reports:

- a. The Board of Directors reports to the member-users through the elected officer and others.
- b. The individuals of the Board of Directors report to the president, or chief presiding officer, or if absent, the vice-president.

2. Directs: The Chair of the Board of Directors directs all committees of the Board of Directors.

B. Responsibility to be fulfilled by the Board of Directors

1. To maintain the legal entity of the District by:

- a. Compliance with the provisions of the bylaws of the McLean-Sheridan Rural Water District and regulatory requirements and contractual agreements placed upon the District by, but not limited to, federal, state and local commissions and agencies.
- b. Recommending to the membership revision of the District bylaws of the McLean-Sheridan Rural Water District as necessary or required.

- c. Execution of necessary legal contracts.
2. To act as trustee for member-users by:
  - a. Protecting the assets and interests of the District.
  - b. Complying fully with the provisions of the Bylaws of the McLean-Sheridan Rural Water District and policies.
  - c. Assisting new board members to become oriented to their responsibilities.
  - d. Maintaining full and accurate minutes of official board and membership meetings.
  - e. Informing the members of the objectives, plans, and programs of the District.
  - f. Participating in activities that will enhance the integrity of the District and will help to fulfill its corporate obligation to the area it serves.
3. To provide organizational and operational direction by:
  - a. Formulating, approving and periodically reviewing general policies for the operation of the District.
  - b. Selecting a General Manager and delegating to that individual the responsibility and authority for the operation of the District within the limits of the general policies established by the Board of Directors.
4. To consider and adopt or approve in consultation with the general manager:
  - a. User rates and classifications.
  - b. Terms and conditions governing the provisions of water service to members.
  - c. Plans for meetings of members.
  - d. Basic organization structure and wage and salary plan.
  - e. Employee benefit programs.
  - f. Selection of legal, accounting, engineering, management and other consultants.
  - g. Long and short range financial and engineering plans as required and necessary for the maintenance of the economic feasibility of the District.
  - h. Annual work plans and operating budgets.

5. To provide continuing operating and capital requirements of the District by:
  - a. Considering the results of studies and recommendations prepared by the General Manager.
  - b. Adopting rate changes and financial practices necessary to provide for operations of the District.
  - c. Initiating loan applications.
6. To establish and periodically review measures and controls as recommended by the General Manager to:
  - a. Prevent unauthorized action.
  - b. Determine progress in major areas.
  - c. Predict trends.
  - d. Determine changes in operations to be made.
  - e. Measure performance in relation to goals, plans, and budgets.
  - f. Measure the Board's achievement of the stated objectives of the District.

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date approved:

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President



GENERAL POLICY NO. 202

SUBJECT: COMMITTEES OF THE BOARD OF DIRECTORS

I. PURPOSE of the Board of Directors to assign committee responsibilities when necessary.

II. POLICY

It shall be the policy of the Board of Directors of the McLean-Sheridan Rural Water District to utilize committees of board members whenever it is advisable to perform a specific duty or represent the District at a specific meeting.

The committees are to present reports to the Board of Directors on all matters discussed by them and a recommendation for action. A committee cannot take official action unless specified by the Board of Directors.

III. RESPONSIBILITY of the Board of Directors and its elected officers:

1. Representation at meetings

Members of the board may be appointed by the president or elected by the Board of Directors to serve as a representative at meetings and may accept committee assignments or serve as directors or trustees if elected or appointed by said organizations.

2. Other Committees

The president may appoint or the Board of Directors may elect positions on other committees when the need arises. The term of the committee assignments shall be the time required to perform the assignment or a time designated by the president of the Board of Directors when the need arises. The committee chair shall be the first person named on the committee.

This policy shall supersede any policy that may be in conflict with provisions of this policy

Approved by the Board of Directors

Date approved:

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President

GENERAL POLICY NO. 203

SUBJECT: DIRECTORS' FEES AND EXPENSES

I. PURPOSE

- A. To assure fair and equitable reimbursement for time spent and expenses incurred by directors when attending regular meetings, special meetings or committee meetings.
- B. To encourage adequate representation of the District by directors at statewide, regional, and national meetings and training programs to be the benefit of the District.

II. POLICY

In compliance with the bylaws of the McLean-Sheridan Rural Water District, it shall be the policy of McLean-Sheridan Rural Water District to reimburse directors for time and travel expense as established in the provisions of this policy.

III. RESPONSIBILITY of the Board of Directors and the General Manager.

IV. PROVISIONS applying to this policy:

A. Attendance Fees

Members of the Board of Directors shall be paid a fee of \$175.00 for each day of attendance at regular or special meetings of the Board of Directors.

B. Transportation Expenses

Members of the Board of Directors shall be paid, in addition to the fee of \$175.00 for attending regular or special meetings of the board, a mileage fee set by the board. This mileage will be calculated from the residence of the board member to the meeting place and the member's return home, regardless of the member's point of origination. Directors shall be reimbursed for transportation expenses for any other meetings as approved by the Board.

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date approved:

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President

SUBJECT: BOARD OF DIRECTORS AND GENERAL MANAGER RELATIONSHIPS

I. PURPOSE

- A. To establish the basic relationships between the Board of Directors and the General Manager, assuring accepted management principles and practices are observed.
- B. To define the delegations from the Board of Directors to the General Manager, ensuring the manager may operate the business of the District as expeditiously as possible.
- C. To clarify the responsibilities and authorities of the General Manager, board members and employees, ensuring all may understand the proper procedures for the operation of the business.

II. POLICY

The bylaws of the McLean-Sheridan Rural Water District stipulate that the Board of Directors “may appoint a manager” who “shall exercise such authority as the Board of Directors may from time to time vest in him [or her].”

In accordance with this provision, it shall be the policy of the Board of Directors of McLean-Sheridan Rural Water District to use the following outline of relationships, delegations and responsibilities for the management of the District:

A. Relationships

- 1. The Board recognizes its responsibility for the employment of a General Manager whose management skill and judgment will ensure the continued, successful operation of the District.
- 2. The Board further recognizes that the nature of its being makes it necessary for the responsibility of day-to-day operations should be delegated to the General Manager with the Board’s management role being reserved for broad policy decisions, the review of operational activities for conformity to policy, and for the consideration of future concerns.
- 3. In accordance with General Policy No. 101, all policies and other action of the Board of Directors shall be promulgated at regular or special meetings of the Board by an affirmative vote of a majority of the Board. It shall be considered to be a breach of etiquette for any director to make a commitment in the name of the District unless that right has been previously approved by the Board.
- 4. It shall be understood that the chain of authority and communication shall pass from the employed personnel to the general manager, who then communicates with the Board of Directors. Accordingly, members of the Board of Directors shall individually refrain from discussing management issues or concerns with personnel other than the General Manager. However, the Board may collectively confer with personnel at any regular or special meeting.

5. The Board of Directors believes that the efficient management of the District can exist only through mutual understanding and complete cooperation between the Board and the General Manager. The General Manager is expected to act in the best interest of the District and to provide the Board with an accounting of his stewardship.

## B. Delegations

The General Manager is empowered and required to institute such actions as are necessary to manage the overall operations of the District in the most effective manner possible. He or she may not engage in those actions which are by state or federal law, the bylaws of the McLean-Sheridan Rural Water District, or specific general policy conferred upon or reserved to the member-users or the Board of Directors.

1. Decisions pertaining to the day-to-day operation of the business activities of the District.
2. The development of long and short range plans, work programs, and budgets for consideration and approval by the Board of Directors.
3. The determination of organizational personnel needs and the recommendation to the Board of changes in the structure of the organization necessary to meet conditions as they arise.
4. The administration of the wage and salary plan for District personnel that has been adopted by the Board of Directors.
5. The administration of the various personnel functions of the District, including the recruitment, selection, employment, training and development, promotion, demotion, and termination of employees.
6. The development of benefit programs for District employees and the recommendation to the Board of Directors for changes to be considered in these programs.
7. The development of control techniques by which management and the Board of Directors can better analyze the operation of the District, influencing effective planning and decision-making.
8. The periodic review of insurance and bonding requirements of the District and the recommendation of the Board of changes to be made.
9. The purchase of equipment, materials, and supplies within the limitations of the budget, board policies, and accepted business practices.
10. The preparation of loan applications and other documents requiring the Board of directors' approval.

11. The development of programs that will:

- a. stimulate the use of District and its various services to the member-owners.
- b. inform the member-users of the plans, programs, and activities of the District.
- c. promote a favorable image of the District.

The General Manager may delegate to other District personnel portions of the above assigned responsibilities as the manager deems necessary so that the District may benefit from the most effective utilization of skills, knowledge, and experience of its personnel.

C. Responsibility and Authority

To conform to accepted management practice, the Board of Directors recognizes that the above delegations place great responsibility on the General Manager. It also recognizes that this responsibility cannot be fulfilled unless sufficient authority is granted to make it possible for the General Manager to make decisions necessary to operate the business of the District properly. Accordingly, the Board of Directors grants to the manager all of the authority necessary to operate the business of the District properly and in accordance with its decisions, dictates, and policies.

However, the Board of Directors does hold the General Manager accountable to it for all actions taken on its behalf by the General Manager or employed personnel. The Board requires the General Manager to provide periodic reports detailing the activities of the District and its personnel and the affairs of the District.

III. RESPONSIBILITY for the implementation and enforcement of this policy rests with the Board of Directors and the general manager.

This policy supersedes any existing policy that may be in conflict with the provisions of this policy.

Approved by the Board of Directors

Date approved:

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President

I. PURPOSE

It is recognized that effective management is the most important factor contributing to the success of a business enterprise. It is also recognized that frequently management needs to call upon outside technical specialists for advice and assistance that can lead to well-informed decisions affecting the plans, policies, programs, operations, and future of that enterprise. In order to ensure the success of the McLean-Sheridan Rural Water District and the continuation of effective, specialized consultation, it is desirable to establish the conditions governing the selection, retention, and use of consultants; likewise, it is desirable to define the relationships that should exist between the consultant and the Board of Directors and the General Manager.

II. POLICY

It shall be the policy of the Board of Directors of McLean-Sheridan Rural Water District to encourage management's use of specialized consultants for advice and assistance when confronting problems or concerns pertaining to the continued successful operation of the district and to direct management to include in the Annual Budget a sum sufficient to cover the expenses for such specialized consultation.

III. RESPONSIBILITY for overseeing this policy is that of Board of Directors and the General Manager.

IV. PROVISIONS applying to this policy are as follows:

A. Retention and Use of Consultants

Consultants will be regularly retained and used in the following areas of management and activity:

1. Accounting

Certified public accountants shall be hired for the annual financial audit of the accounting records and related practices to meet the requirements of Rural Development and State of North Dakota requirements, as well as those of the Board of Directors of the McLean-Sheridan Rural Water District. The accountants may also be consulted on a fee basis to provide advice and assistance concerning accounting problems, user rate studies and similar projects.

2. Engineering

A certified engineer of engineering firm shall be retained for specific projects or on a continuing service contract for the preparation of long range engineering plans, the inspection of completed work orders, or the performance of other continuing responsibilities.

### 3. Legal

An attorney or legal firm of attorneys may be retained on a monthly fee basis for stipulated recurring functions and for such additional services to be rendered as may be required and for which additional fees may be charged. In addition, service of outside counsel may be used in situations where specialized knowledge may be of value to the District.

### 4. Management

Management consultants may be retained to study, analyze, and recommend improvements in management practices, policy formation, organizational planning, and the administration of District's policies and programs.

### 5. Other

Other consultants may be retained when their specialized technical knowledge can contribute to the solution of a specialized, non-recurring problem.

## B. Selection of Consultants

1. Consultants will be appointed by the Board of Directors when their services are essential for financial audits of records and accounts, for legal opinions on the Board and District actions, to make major engineering studies, or for conduction of surveys and making analyses of management practices. However, the General Manager will be responsible for screening possible consultants and recommending to the Board the best-qualified persons or firms.
2. Authority is delegated by the Board of Directors to the general manager to appoint consultants when their services are needed to supplement the work of the management staff or to serve as advisors regarding specific issues or operational problems.

## C. Relationships of Consultants

### 1. Accountant

The certified public accountant or accounting firm will have a direct reporting relationship to the Board of Directors when employed by the Board to perform audits or records and accounts. The General Manager shall be informed and will provide all possible assistance in making records and accounts available. When rendering accounting advice and assistance in connection with day-to-day operations, this reporting relationship will be directed to the General Manager and from the General Manager to the staff.

## 2. Engineer

The consulting engineer or engineering firm will have a direct reporting relationship to the Board of Directors when the area of employment, such as long range engineering studies, has been specifically determined by the Board. The engineer will be responsible to the General Manager in gathering the data and information needed for such studies. When used to supplement the regular, permanent staff or to serve as advisor to the General Manager in areas of operating or managing specific engineering problems, the direct reporting relationship will be to the General Manager.

## 3. Attorney

- a. The attorney will have a reporting relationship to the Board of Directors in all those areas relative to the basic legal entity of the District. In all areas concerned specifically with operating management, the attorney will recognize a reporting relationship with the General Manager.
- b. The attorney selected to represent the District will be available as requested by the Board and/or the General Manager at regular and special meetings of the Board of Directors and at annual or special membership meetings to review and render opinions on current and potential legal issues which may be inherent in present or proposed bylaws of the McLean-Sheridan Rural Water District policies and actions.
- c. The attorney will be responsible for providing legal services regarding specific issues when requested and for representing the District before courts and commissions when such representation is deemed necessary by the Board of Directors and/or the General Manager. A bill will be submitted for such services and approved by the General Manager.
- d. Opinions relative to legal services furnished in connection with specific operating issues will be submitted to the General Manager.

## 4. Management Consultant

The management consultant will render technical advice and assistance on administration of approved policies, plans and programs. In the carrying out of these responsibilities, the consultant will report directly to the General Manager, and General Manager will report to the staff. In reporting recommendations resulting from a management audit or appraisal or to make recommendations or revisions to Board-approved policies or plans, the consultant's reporting relationship is directly to the Board with the full knowledge and understanding of the General Manager.



5. Responsibility and Reports

The General Manager shall furnish advice and counsel to the Board concerning the retention, selection, and use of consultants. The General Manager shall include consultancy fees and retainers in the annual operating budget. The General Manager shall arrange for consultants to appear before the Board of Directors when appropriate.

This policy supersedes any existing policy that may be in conflict with the provisions of this policy.

Approved by the Board of Directors

Date Approved

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President

SUBJECT: ACTIVITIES AND CONDUCT OF INDIVIDUAL BOARD MEMBERS

I. PURPOSE

All of the powers of the system are conferred upon and may be exercised by the Board of Directors, except as reserved to or conferred upon the members by law or the bylaws of the McLean-Sheridan Rural Water District. It is the purpose of this policy to establish certain standards whereby such power will be exercised in the best interests of the District and to establish the procedures to guide Directors in performing their functions.

II. RESPONSIBILITY for the conduct of these standards and policies is with the Board of Directors, except where provided for the General Manager or the Rural Water District's attorney.

III. PROVISIONS

A. General Conduct of Directors

Directors should conduct themselves personally, professionally, as well as in their representative capacity for the system in accordance with the highest moral and ethical standards to avoid the appearance of any conduct inconsistent with such standards.

B. Conduct with Respect to Fellow Directors

Regardless of the personal relationships and differences among Directors, each should respect the others:

1. Each director should allow ample opportunity for every other director to be heard on any matter being considered by the Board. Each director should listen carefully to the judgment and views as well as the factual content of the other directors.
2. Unless he or she feels compelled by overriding legal considerations in the best interest of the District, no director should reveal differences of position among directors on matters considered and acted upon by the whole Board. If compelled to share these differences concerning the legality of a director's position, that information should only be shared with the General Manager or the District's attorney. This standard should apply to formal and informal communications. This standard does not preclude, however, fair and accurate publication of such differences to the system's members in relation to contests for director elections or other matters to be voted on by the member-users.

C. Director Access to District Data and Information

Any director is entitled to have access to any data or information in the system at reasonable times during business hours and for a proper purpose that is germane to his or her standing as a member or director. This principle is subject to and will be honored in accordance with the following:

1. All requests for such information or data shall be made to and through the General Manager. If the ethical or legal conduct of the General Manager is in question, the director's request for information should be directed to the attorney representing the District for advice on the best manner to proceed.
2. The General Manager is required to report any instances of a director's seeking information not generally or ordinarily made available to the Board of Directors at the next meeting of the Board.
3. Information or data received by a director pursuant to this policy shall not be revealed by him or her to any other persons, not including other directors, the General Manager, or the attorney of the District , unless he or she is convinced that he or she is compelled to do so for legal reasons. However, this standard does not preclude fair and accurate publication of such differences to the system's members in relation to contests for director elections or other matters to be voted on by the member-users; nor does the standard prohibit communication of such information or data to public authorities if criminal activity is exposed by the data or information.
4. In no case should a director reveal to others information and data he or she receives because of his or her position within the District if the actual or potential affect of such revelation is to damage the District, including its image, or to enable himself or herself or others to personally profit from divulging such information.

This policy supersedes any existing policy that may be in conflict with the provisions of this policy.

Approved by the Board of Directors

Date Approved:

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President

GENERAL POLICY NO. 301

SUBJECT: FINANCIAL PRACTICES

I. PURPOSE

The McLean-Sheridan Rural Water District is a water district organized under the laws of the State of North Dakota. In addition to these legal requirements, the District is guided in its operation by the various regulations and operational practices prescribed by Rural Development. Beyond these legal and official requirements, the McLean-Sheridan Rural Water District maintains a trusteeship with its member-users. This trusteeship obliges the District to follow standard and accepted business practices to protect its members' interests.

II. POLICY

It shall be the policy of the McLean-Sheridan Rural Water to expect and require the management of the district to follow financial practices that conform to the statutes of the State of North Dakota, the regulations of Rural Development and the by laws of the District itself, as well as business practices that promote the sound operation of McLean-Sheridan Rural Water District. It is the responsibility of the General Manager to make periodic reports to the Board of Directors concerning the financial operation and status of the District.

III. RESPONSIBILITY for the financial operation and reporting is that of the General Manager.

IV. PROVISIONS

Particular areas of concern within this policy include those for specific practices established as follows:

A. Cash Management

At the end of each monthly accounting period or more often if circumstances warrant, the General and Operating Accounts of the district shall be adjusted to provide the necessary cash requirements for the following month and for established reserves. The amount of the funds to be retained in the General Funds for general and operating requirements shall be determined by needs as specified by the Operating Budget for the next accounting period.

B. Investment of Surplus Funds

Whenever the District has surplus funds in excess of current and or anticipated needs, the General Manager and Office Manager shall be authorized to invest these funds in guaranteed, interest-bearing investments. Any such investments should take into account the future needs of such surplus funds and provisions made to ensure the availability of operating funds as needed. When in the opinion of the General Manager it appears to be in the best interest of the District to make advance purchases of materials to gain a price advantage, such purchases shall be permitted in lieu of investment of surplus funds as herein provided.

C. Annual Operating and Capital Equipment Budgets

Each year the General Manager shall present to the Board of Directors an Annual Operating Budget and a Capital Equipment Budget for the Board's approval. These budgets shall be prepared to provide for the work plans for the year as determined by the Board of Directors and the General Manager. These budgets shall be submitted to the Board of Directors for its consideration and approval.

D. Accounting Practices

1. Disbursements

All disbursements of the District funds shall be by check or electronic payment to conform with operating procedures established by the General Manager and the Office Manager.

2. Annual Audit

The District books, records, and accounts shall be audited annually by a Certified Public Accountant of accounting firm in accordance with the official declarations of Rural Development. Reports of the audit shall be presented to the Board of Directors and forwarded to Rural Development and other entities as required.

3. Authority of Signature and Implementation

The General Manager is authorized to sign all financial and statistical reports of McLean-Sheridan Rural Water District. The Office Manager shall be responsible for the development, implementation, and supervision of the operating procedures stated in this policy.

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date approved:

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President

GENERAL POLICY NO. 302

SUBJECT: APPROVED DEPOSITORIES FOR DISTRICT FUNDS

I. PURPOSE

In order to provide for orderly and safe management of District funds, it is necessary to establish official depositories for the funds of the McLean-Sheridan Rural Water District.

II. POLICY

To conform with the bylaws of the McLean-Sheridan Rural Water District, it shall be the policy of the District to deposit all funds of the District, with the exception of petty cash, in the banks designated in this policy.

III. RESPONSIBILITY for the depositing of the District funds is that of the General Manager.

IV. PROVICIONS that apply to this policy and procedure include:

A. Approved Depositories

Any federally or state chartered financial institution that is insured by the depository of General and Operating funds.

B. Deposits

Deposits shall be prepared by the Office Manager or designated employee, in accordance with the regulations of the bank or banks being used and in accordance with accepted sound business practices.

C. General and Operating Funds' Reserve

The provisions included in the Loan Reserve Requirements based on loan status will determine the reserve balance.

D. Use of Reserve Funds

Reserve funds shall not be used without the prior approval of the McLean-Sheridan Rural Water District's Board of Directors and the appropriate loan authority.

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date approved:

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President

GENERAL POLICY NO. 303

SUBJECT: AUTHORIZED CHECK SIGNATURES

I. PURPOSE

In order to provide for the proper accounting and protection of McLean-Sheridan Rural Water District funds, it is necessary to designate specific persons authorized to make withdrawals of funds from specified bank accounts of the District.

II. POLICY

In conformity with the bylaws of the McLean-Sheridan Rural Water District, it shall be the policy of the District to recognize those persons designated in the procedures outlined in this policy as authorized signatories and counter-signatories of the specified bank accounts of the District and to authorize the banks or banks that have been designated as approved depositories of these accounts to recognize only those authorized signatures in payment of checks drawn on these accounts.

III. RESPONSIBILITY for the authorization of funds is that of the Board of the McLean-Sheridan Rural Water District and the General Manager of the District.

IV. PROVISIONS

A. District accounts and approved signatories shall be as follows:

1. General Operating Funds and Payroll Accounts

Checks and orders for the withdrawal of monies from the General and Operating Funds and the Payroll Funds shall be signed by an authorized signatory.

2. Special Construction Funds Accounts

Checks and orders for the withdrawal of monies from the special construction Funds Account shall be signed by 2 of the authorized signatories of the District.

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date approved:

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President

GENERAL POLICY NO. 304

SUBJECT: USER RATES

I. PURPOSE

In order to provide user-owners with a vital service, to ensure adequate revenue to meet the costs of such service, and to provide adequate revenues to maintain the system of the McLean-Sheridan Rural Water District at acceptable standards, it is necessary to establish a method for determining equitable charges for such service.

II. POLICY

It shall be the policy of the McLean-Sheridan Rural Water District Board of Directors to establish and maintain equitable Rate Schedules and Terms and Conditions of Service addressing the provision of water service for each classification of consumer and to have such Rate Schedules and Terms and Conditions of Service made part of this policy.

III. RESPONSIBILITY

A. The Board of Directors shall have the responsibility of considering and adopting rate schedules for water service as prepared by the Board or the General Manager. The Board shall also have the responsibility of the periodic review of such rate schedules and any revisions necessary to fulfill the purpose of this policy.

B. General Manager shall have the responsibility, with the assistance of staff or special consultants, for initiating, developing, and recommending new or revised Rate Schedules and Terms and Conditions of Service for consideration by the Board of Directors of the District. The General Manager shall also have the responsibility for the Service once adopted by the Board. The General Manager or his delegated representative shall further be responsible for the proper classification of all consumers for the purpose of applying established rate schedules.

IV. PROVISIONS

In order to ensure equitable treatment of all member-users of the McLean-Sheridan Rural Water District, the following provisions shall prevail in relation to this policy:

A. All charges for water service shall be assessed only on the basis of approved and applicable Rate Schedules and Terms and Conditions of Service.

B. In no case shall water service be provided to a consumer who has not fulfilled all the provisions of GENERAL POLICY NO. 305, CONSUMER ACCOUNTING PRACTICES.

This policy shall supersede any policy that may be in conflict withy provision of this policy.

Approved by the Board of Directors

Date approved:

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President



GENERAL POLICY NO. 305

SUBJECT: CONSUMER ACCOUNTING PRACTICES

I. PURPOSE

A basic premise that underlies the operation of a member-user organization is the stake each member holds in fulfilling his or her responsibilities to the organization. In order to fulfill the financial benefits of the member-user organization, it becomes incumbent upon each user to conduct his or her relationship with the District so that no unnecessary expenses are created by an individual user.

The purpose of this policy is to detail those consumer accounting practices that are designed to help provide each member of the District adequate water service at the lowest possible cost. The observance of these practices and procedures will maintain the lowest possible cost for consumer accounting practices.

II. POLICY

It shall be the policy of the McLean-Sheridan Water District to send monthly statements of actual water use to each member-user.

III. RESPONSIBILITY for issuing of said statements is that the General Manager.

IV. PROVISIONS

The following practices, conditions and provisions apply to this policy:

A. Membership Application

Membership application must be made to the District in accordance with the bylaws of McLean-Sheridan Rural Water District. A participating member of the District is recognized once the application for service has been completed and after paying an established fee for each benefit unit for which application has been made.

B. Debt Responsibility

Any water accounts made delinquent by a renter shall be the final responsibility of the owner. If any prior debts to the District are outstanding, service will not be furnished until such indebtedness has been satisfied.

C. Office Billed Accounts

1. Monthly bills for usage of water will be sent to each consumer. These bills will show the last cycle's usage and the amount due the District, including any special charges and past due amounts.
2. Bills will be payable and presumed to have been delivered to the consumer when presented to any United States Post Office for mailing. Bills unpaid at the time of the next billing cycle are subject to a late charge in an amount not to exceed that allowed by ND Century Code 13-01-014. The District may discontinue service and remove the meter any time after five (5) days' written notice to the consumer or personal contact advising that service will be discontinued unless all delinquent charges and fees are paid.
3. The member's meter shall be read remotely each month.
4. Advance payments may be made.
5. If the meter is unable to be read remotely by the District, an estimated bill will be sent to the user requesting payment. If payment is not received after the second notice of payment due, the water service is subject to disconnection.
6. Fees and charges for various services and equipment will be billed at cost.

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date approved:

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President

GENERAL POLICY NO. 306

SUBJECT: RATE ANALYSIS

I. PURPOSE

Accepted management practices make it imperative for the McLean Sheridan Rural Water District to establish future water rates based on past financial activities of the District in order to continue water service to users and to form appropriate plans for the future of the District. The purpose of this policy is to detail the factors contributing to the analysis of rates to be charged member-users of the District.

The rate analysis shall be developed to:

- A. Provide an orderly and usable format to aid in the determination of anticipated revenue, expenses, margins, capital requirements, and accumulated reserve funds.
- B. Provide supportive data for long and short range financial plans and policies.
- C. Comply with any applicable authority's regulations and the 2002 Bulk Users Agreement.

The financial plan shall be derived from the Rate Analysis to help:

- A. Determine use of accumulated general funds.
- B. Develop appropriate reserves and determine investment practices.
- C. Determine capital needs to meet financial requirements.

II. POLICY

It shall be the policy of McLean-Sheridan Rural Water to maintain a rate analysis that conforms to the applicable Rural Development regulations and a financial plan for the most effective utilization of the financial resources of the District.

III. RESPONSIBILITY for the rate analysis shall be that of the General Manager.

IV. PROVISIONS

The following provisions and procedures shall apply to this policy:

- A. The General Manager shall be responsible for the periodic development of the statistical data for the rate analysis and the financial plan to be derived from it. These documents shall be updated annually once the end-of-year data is compiled.
- B. The rate analysis and financial plan shall be based on and include:

1. Previous years' water use prepared for analysis by the District.
  2. Anticipated future water use and engineering studies prepared for analysis by the District.
  3. Past experience derived from applied rate analyses and financial plans.
  4. Other studies that provide data pertinent to the future of the District.
- C. The General Manager shall present completed rate analyses and plans to the Board of Directors for consideration and appropriate action.

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date approved:

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President

GENERAL POLICY NO. 401

SUBJECT: APPLICATION FOR SERVICE

I. POLICY

It shall be the policy of McLean-Sheridan Rural Water District to require member-users to apply for service from the District and to enforce the provisions within this policy.

II. PROVISIONS

- A. The user will make an application for service at the office of McLean-Sheridan Rural Water District.
- B. McLean-Sheridan Rural Water District may reject any application for service not available under the standard rate or which involves excessive service costs, or which may affect the supply of service to other users, or for other sufficient reasons.
- C. The District may reject any application for service when the applicant is delinquent in payment of bills incurred for service previously supplied at any location, provided that when the premises of the owner has been served water and has not paid for the same, the District shall not be required to render service to anyone at said location where the water was used until said water bill has been paid or until satisfactory arrangements have been made.
- D. Violations of any of the provisions of these rules relating to application for service, the District may at the expiration of ten (10) days after mailing a written notice to the last known address of the user remove the meter and discontinue, the charge for this will include all of the appropriate fees:
  - \$50.00 per hour labor
  - Current federal mileage rate per mile (both ways)
  - \$50.00 Disconnect or shut-off or collection fee
  - \$50.00 Reconnect Charge (only after hours, weekends, or holidays)

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date Approved:

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President

GENERAL POLICY NO. 402

SUBJECT: WATER METERING DEVICES

I. PURPOSE

The purpose of the following policy is to ensure uniform metering of water use and conformity to the water system's engineering specification.

II. RESPONSIBILITY

The responsibility for providing the specified metering devices is that of the McLean-Sheridan Rural Water district. Installation and maintenance of the metering devices of each user is the responsibility of the user.

III. POLICY

It shall be the policy of the McLean-Sheridan Rural Water District to procure metering devices for installation and use within the system. The metering devices shall meet the system's engineered specifications for uniform use and metering.

A. Each water user of MSRW will require a water-metering device, pressure reducing valve, and backflow preventer.

B. A 3/4" x 5/8" meter, a 3/4" backflow preventer, one gauge and tee will be supplied by the District at the expense of the user.

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date Approved:

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President

GENERAL POLICY NO. 403

SUBJECT: USER'S RESPONSIBILITY

I. PURPOSE

The purpose of the following policy and its provisions is to protect the integrity of the McLean-Sheridan Rural Water District's operating and financial systems. The policy enforces the relationship of the District and its member-users as a cooperative one in regulating the system's operations as the District provides water to its member-users and in overseeing the financial obligations to the District of its member-users.

II. RESPONSIBILITY for adherence to this policy rests with the member-users while enforcement of this policy and its provisions is that of the General Manager in compliance with the bylaws of the McLean-Sheridan Rural Water District.

III. POLICY

It is the policy of the McLean-Sheridan Water District that its member-users while enforcement to the following provisions that protect the integrity of the system and its continued operations to provide regular, uniform, and reliable water services to its member-users.

IV. PROVISIONS

- A. Piping on the user's premises must be so arranged that the connections are conveniently located with respect to McLean-Sheridan Rural Water District line or mains. The user shall furnish, install, and maintain a service line from the curb stop to the user's metering point. The District will supply to each user service, the curb stop with extension rod and box, meter, pressure regulator, backflow preventer, gauge, and tee. Installation cost of these items shall be the responsibility of the user, and installed according to the specifications furnished by the District. See water meter installation detail, Appendix B.
- B. If the user's piping on the user's premises is so arranged that the District is called upon to provide additional meters, each place of metering shall be considered as a separate and individual account.
- C. The user shall provide a suitable frost-proof environment for the meter assembly on the consumer's premises. It shall be unobstructed and accessible at all reasonable times for reading.
- D. The user shall furnish and maintain a private shut-off valve on both sides of the meter equipment and at no time should there be a connection prior to the complete meter assembly for the purpose of receiving water at a higher than normal volume or pressure.
- E. The user's piping and apparatus shall be installed and maintained by the user at the user's expense in a safe and efficient manner and in accordance with the MSRWD rules and regulations and in full accordance with the sanitary regulations of the State Board of Health.

- F. The user shall guarantee that MSRWD property be placed on the user's premises and shall permit access to it by authorized representatives of the District.
- G. In the event that any loss or damage to the property of MSRWD or any accident or injury to person or property is caused by or results from the negligence or wrongful act of the user, his agent, or employees, the cost of the necessary repairs or replacement shall be paid by the user to MSRWD and any liability otherwise resulting shall be assumed by the user.
- H. The amount of such loss or damage or the cost of repairs shall be added to the user's bill, and if not paid, services may be discontinued by the District according to its bylaws.
- I. Water furnished by MSRWD shall be used according to the classification of the user. The user shall not sell water to any other person. Water shall not be used for irrigation or other purposes, except that when water is available in sufficient quantity without interfering with the regular classified use in the area served. Disregard for this rule shall be sufficient cause for refusal of continued service.
- J. In regard to watering livestock, spraying, and other high-water usage, the user may be required to provide a constant flow valve or other device, acceptable to the District, so that water will be more uniformly delivered through a twenty-four hour period to prevent undue hardship to other users of MSRWD.
- K. At each seasonal service meter the user shall be required to pay in advance the estimated annual total of monthly minimums. The seasonal year being from April 1<sup>st</sup> to March 31<sup>st</sup>. Users will be billed for gallons used in October. Users on an annual billing will be subject to any and all rate schedule increases or policy changes incurred during the billing period.
- L. The user shall grant or convey to McLean-Sheridan Rural Water District a permanent easement for right-of-way across any property changes incurred during the billing period.
- M. Where connection to McLean-Sheridan's Water System requires a wet-tap to achieve the hookup of a user, the following provisions apply:
  - 1. This shall be accomplished by the use of State Plumbing code approved material, by an MSRWD approved contractor, and only under the supervision of this MSRWD service personnel. All users requiring this procedure shall pay current amount for wet-tap materials needed. All cost of this user's service shall be sole responsibility of the user who will be benefited. After completion of any such new service, the new user shall sign a wet-tap agreement to turn this new line over to MSRWD. The District will then assume maintenance responsibility, according to the wet-tap agreement, up to the curb stop.
  - 2. The user will be responsible for all cost to MSRWD for an approved saddle, ball corporation valve, curb stop, extension rod, curb stop box, meter, pressure reducer, backflow preventer, gauge, and tee.



3. Whoever desires the services of McLean-Sheridan Rural Water District may contact the MSRWD manager, and when location and quantity of service is determined, the manager shall request the applicant to pay a membership fee and sign the necessary agreements. The District shall act on each application while not allowing any hookup that may knowingly create an overload on any segment of the system. Any fee paid by a prospective user will be returned if Board approval is not granted and is subject to cost incurred.
  
- N. Users of the McLean-Sheridan Water Resources Board who are furnished water service or service line repairs shall be responsible for the payment of any and all such charges regardless of who the occupant or tenant may be. On request of the user, the manager of MSRWD may bill the occupant or tenant for such charges but if charges are not paid when due by the occupant or tenant, the user shall be responsible for such charges, and such shall be assessed against the user's account

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date Approved:

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President

GENERAL POLICY NO.404

SUBJECT: BOARD RESPONSIBILITIES REGARDING INSTALLATION

I. PURPOSE

It is the purpose of this policy and its provision to outline the responsibilities of the Board of Directors of the McLean-Sheridan Rural Water District regarding installation and maintenance of piping and apparatus.

II. RESPONSIBILITY for adherence to this policy rests with the Board of Directors.

III. POLICY

It shall be the policy of the McLean Sheridan Rural Water District's Board of Directors to clarify the designation of piping and apparatus as it serves each member-user and to inspect the piping and apparatus of the users of the system

IV. PROVISIONS

- A. When two or more meters are installed on the same premises for different consumers, they shall be closely grouped and each shall be clearly designated to which consumer it applies.
- B. The District does not assume the responsibility of inspecting the user's piping or apparatus for adherence to codes and/or specifications and will not be responsible for improper or non-standard installation or maintenance of such; however, all meters will be checked periodically.
- C. The District reserves the right to refuse service unless the user's line and/or piping are installed in such a manner as to prevent cross-connection or backflow. Any unauthorized services from other sources will be disconnected.
- D. The District reserves the right to open trench inspection from the curb stop to the meter manifold connection to insure proper depth and connections. This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date Approved:

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President

GENERAL POLICY NO. 501

SUBJECT: METER READING AND COLLECTIONS

I. PURPOSE

The purpose of the following policy is to establish a uniform method of payment for water usage by the members of the McLean-Sheridan Rural Water District and to set forth the actions to be taken to collect unpaid services and usage.

II. RESPONSIBILITY

- A. Member-users are responsible for submitting payment for usage for the District.
- B. The General Manager and the office staff of the McLean-Sheridan Rural Water District are charged with the responsibilities of ensuring regular payment is being made by the member-users and the collection of past due accounts.

III. POLICY

It shall be the policy of the McLean-Sheridan Rural Water District to receive and perform accounting of payments for water usage by its member-users each month. The payments for monthly usage shall be calculated by the member-user from current rates and meter readings.

IV. PROVISIONS

- A. The billing cycle of the McLean-Sheridan Rural Water District is a calendar month. Each user's meter will be read by the District at the end of each month. A bill will be mailed to the user on the last business day of the month and the user will be responsible for remitting payment due for water used the previous month to the office of the District.
- B. Charges for service commence when the consumer when service is made available to the user whether the water is used or not.
- C. Bills shall be declared delinquent after the fifteenth day of the month. All bills not paid by the fifteenth day of the month are subject to a late penalty on the past amount due. The amount of the late penalty will set at the maximum rate allowed by ND Century Code, a minimum late fee of \$3.50 shall be charged. When the fifteenth day of the month may fall on the weekend or holiday, payment must be received in the board office by 9:00 a.m. the first working day following the fifteenth. All payments received after 9:00 a.m. on such day shall be subject to a late fee charge.
- D. Water service to a location shall be shut off if the meter reading and payment is not received by MSRWD personnel at such time. A shut-off fee will be applicable, according to the bylaws and policy of the McLean-Sheridan Rural Water District.

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date Approved:

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President

SUBJECT: CHANGE OF OCCUPANCY

I. PURPOSE

It is the purpose of the following policy to determine an orderly change of occupancy of a location receiving water service from the McLean-Sheridan Rural Water District.

II. RESPONSIBILITY for the orderly change of occupancy rests with the most recent or current occupant and the staff of the District.

III. POLICY

It shall be the policy of the McLean-Sheridan Rural Water District that records of current occupancy or water user shall be kept and such occupant shall be responsible for payment of water used at the member site.

IV. PROVISIONS

- A. Not less than seven (7) days written notice shall be given by the user to the District office to discontinue service or change of occupancy.
- B. The user is responsible for any unpaid bill left by the previous tenant.
- C. Bills for water will be figured in accordance with MSRWD published rate schedule and will be based on the amount consumed for the period covered by the meter readings except where a user orders turn-off less than one month after turn-on. The minimum bill to such user for such period shall be equal to the minimum charge for one full month's service.

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date Approved:

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President

GENERAL POLICY NO. 503

SUBJECT: NUMBER OF SERVICES PER METER

I. PURPOSE

The purpose of this policy is to establish the guidelines for the installation and use of meters at each point of service.

II. RESPONSIBILITY for the services of each meter is charged to the member-users.

III. POLICY

Every residence and commercial establishment served shall be separately metered except as provided by the provisions of this policy.

IV. PROVISIONS

A. Unless excepted by provision(s) B or C below, each user's service must be separately metered at a single deliver point.

B. Users having their homes on the same premises as their commercial establishments and receiving service through the same meter and service line may include service for both on the same meter, in which case all service shall be billed at the scheduled rate, provided both (all) are occupied by the same user.

C. In the case of person or persons living in a separate dwelling on the premises of the user and the user claims the person or persons as a dependent(s) on his federal income tax return for the current year, service may be included for both on the same meter. In this case, the user shall file evidence of the same with the McLean-Sheridan Water Resource Board. Such user with two separate houses on the one meter shall be billed at the scheduled rate.

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date Approved:

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President

GENERAL POLICY NO. 504

SUBJECT: COMPLAINTS AND ADJUSTMENTS

I. PURPOSE

The purpose of this policy is to establish a means by which member-users can be satisfied should a meter be proven to malfunction.

II. RESPONSIBILITY

It shall be the responsibility of the member-users and the staff of the McLean-Sheridan Rural Water District to assure meters operate properly and to investigate complaints of meter malfunction.

III. POLICY

It is the policy of the McLean-Sheridan Rural Water District to test a meter only at the request of the member who has submitted a written complaint of over-metering to the District. It is also the policy that only employees of the District shall access and test said meter.

IV. PROVISIONS

- A. The user shall be responsible for all cost of metered use. If the user believes the meter reading to be in error, he or she shall present a written claim to the MSRWD office before the bill becomes delinquent, between the first (1<sup>st</sup>) and the (10<sup>th</sup>) day of any month.
- B. Meters will be tested at the request of the user upon payment to MSRWD of the actual Cost of MSRWD of making the test, provided, however that if the meter is found to over-register beyond three percent of the correct volume, no charge will be made for the test.
- C. Without written authorization, the user shall not break the meter seal. McLean-Sheridan Rural Water may test or cause to be tested a meter with a broken seal. The user may be subject to payment of the actual cost to the District of making such test. This policy shall supersede any policy that may be in conflict with provisions of this policy.

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date Approved:

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President

GENERAL POLICY NO. 505

SUBJECT: PAST DUE ACCOUNTS

I. PURPOSE

The purpose of this policy is to determine a uniform practice for collecting delinquent accounts and a guideline under which discontinuation of services may ensue.

II. RESPONSIBILITY for the collection of past due accounts and termination of services is that of the General Manager.

III. POLICY

It is the policy of the McLean-Sheridan Rural Water District that all efforts to collect past due accounts shall be made by the District. Failure to collect delinquent accounts will result in a discontinuation of services from the District; fees, fines, and payment for additional collection services will be incurred by the user whose account is in poor standing with the District.

IV. PROVISIONS

- A. Accounts past thirty (30) days due shall receive a special notice of past due account.
- B. The Manager will extend every effort for successful collection and to achieve proper settlement.
- C. User services and the service agreement with the District shall be terminated at any location where collection of past due accounts have proven futile and a letter stating cause for anticipated action has been delivered to the property owner.
- D. Accounts delinquent thirty (30) days or more in excess of the \$200.00 may be subject to shut off. A notice in writing will be mailed by U.S. Postal Service to address of the user not less than ten (10) days prior to turn off. A collection fee will be applied when MSRW staff must contact the user for collection on past due accounts.

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date Approved:

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President



GENERAL POLICY NO. 506

SUBJECT: COLLECTIONS

I. PURPOSE

It is the duty of the McLean-Sheridan Rural Water District to reliable, equitable service to each of its members by upholding its agreements with those users and by practicing sound business practices. Therefore, the purpose of this policy is to determine the procedure and provisions regarding collection of monies owed for services, fines or additional fees incurred by users.

II. RESPONSIBILITY for the collection of delinquent, past due, and /or any illicit use of the District's services resides with the General Manager.

III. POLICY

It is the policy of the McLean-Sheridan Rural Water District to make all efforts to collect delinquent, past due, and any other monies due it from its member-users.

IV. PROVISIONS

- A. McLean-Sheridan Rural Water District may use whatever means available to them to recover insufficient funds checks received for payment of water bills, materials and supplies, or any other services performed by the district. Any bank charges incurred by the District will be passed along to the customer. Such accounts will be treated as delinquent accounts and charges applicable to such accounts will be made. Additional expenses incurred by the District to collect payment shall be paid by the member-user.
- B. The District may refuse personal checks for payment of amounts due from users who have established an unreliable payment record, or the MSRW may require a security deposit in an amount equal to three months' average bill for services from the District.
- C. Whenever a delinquent account approaches the amount of \$200.00, a letter will be sent to the user stating that the bill must be paid in full within the next ten (10) days or the service will be discontinued and the membership terminated. A District employee may remove metering equipment if so determined by the employee or the General Manager.

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date approved:

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President

GENERAL POLICY NO. 507

SUBJECT: SUSPENSION OF SERVICES

I. PURPOSE

The purpose of this policy is to determine the multiple causes the District may discover that will lead the McLean-Sheridan Rural Water District to suspend water services to a member-user found to be abusing or endangering the District, its service, or its materials.

II. RESPONSIBILITY for the suspension of services is that of the General Manager and the Board of Directors.

III. POLICY

It shall be the policy of the McLean-Sheridan Rural water District to suspend its services to any member-user(s) found to be using those services fraudulently, abusing the services of the District, or endangering the operations of the District according to the provisions of this policy.

IV. PROVISIONS

A. Service disconnected for non-payment of bills will be restored only after all bills and applicable charges are paid in full.

B. The district reserves the right to discontinue its service without notice for the following reason:

1. To prevent fraud or abuse.
2. User's willful disregard of McLean-Sheridan Rural Water District's bylaws, agreements, or policies.
3. Emergency repairs.
4. Insufficient supply of water due to circumstances beyond the District's control.
5. As ordered by legal processes.
6. At the direction of public authorities.
7. Strike, riot, fire, accident, or unavoidable cause.

Or when customers are found to be using the District's service:

8. Without installing the meter assembly furnished by the McLean-Sheridan Rural Water District.
9. By tampering with the meter to interfere with meter performance and accuracy.
10. By breaking the meter seal without notice to association shall be subject to:

A penalty of \$1000.00 or 3 times the amount of the loss, whichever is greater, as per NDCC 49-04.1-02, subsection 3, which is to be paid within 72 hours after notification; service shall be terminated if fine is not paid in full.

A second violation will result in immediate termination of membership and water service.

11. By reconnecting service at the curb stop after services have been discontinued by the District. The user shall be subject to a penalty for turning on a user's curb stop valve after service has been shut off for non-payment of the past due account or termination of water service. This fine must be paid within 72 hours of notification. Service shall be terminated if the fine is not paid in full.
12. By violating the provision stated above a second time. A second violation of General Policy No. 508.11 will result in automatic termination of membership and water service.
13. By services additional households through one meter unless previously agreed with the District. The user shall be subject to a penalty for serving additional household through one meter prior permission from the District. This fine must be paid within 72 hours of notification. Service shall be terminated if the fine is not paid in full.

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date approved:

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President

GENERAL POLICY NO. 601

SUBJECT: RIGHT OF WAY AND EASEMENTS

I. PURPOSE

II. RESONSIBILITY

III. POLICY

IV. PROVISIONS

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date approved:

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President

GENERAL POLICY NO. 602

SUBJECT: CROP DAMAGE

I. PURPOSE

The purpose of this policy is to determine a uniform policy of handling crop damage claims due to construction by the District.

II. RESPONSIBILITY for the calculation of crop damages to be paid is that of the General Manager. With payment being distributed with the Board President and General Manager as signatories.

III. POLICY

It shall be the policy of the McLean-Sheridan Rural Water District to make a one-time lump sum payment to landowners with crop damage complaints after construction is completed including the following:

- A. Total amount disturbed due to initial construction of the pipeline(s) project before and during growing season
- B. A two-year future disturbance payment based on the width of the trench

IV. PROVISIONS

Landowners submitting crop damage claims will be required to provide proof of yield and pricing for the year that the crop was damaged.

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date approved:

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President

GENERAL POLICY NO. 603

SUBJECT: PASTURE LAND DAMAGE

I. PURPOSE

The purpose of this policy is to determine a uniform policy of handling damage to pasture land due to construction by the District.

II. RESPONSIBILITY for the calculation of damages to be paid for pasture land is that of the General Manager. With payment being distributed with the Board President and General Manager as signatories.

III. POLICY

It shall be the policy of the McLean-Sheridan Rural Water District to make a one-time lump sum payment to landowners with damage complaints on pastureland after construction is completed including the following:

- A. Total amount disturbed due to initial construction of the pipeline(s) project before and during growing season using calculations based on crop damage rates on wheat.
- B. A two-year future disturbance payment based on the width of the trench.
- C. These payments are intended to cover any additional expenses associated with spraying, no other compensation will be made.

In addition to the lump sum payment, the area of damaged land will be reseeded according to the contract with the contractor until grassland is reestablished.

IV. PROVISIONS

Damages will be calculated based on an area determined by field collections.

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date approved

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President

GENERAL POLICY NO. 701.2

SUBJECT: CURRENT RATE SCHEDULE –BASE RATE

GENERAL POLICY 701.3

SUBJECT: CURRENT RATE SCHEDULE – BULK USE

GENERAL POLICY NO. 701.3

SUBJECT: CURRENT RATE SCHEDULE –CITY USE

GENEERAL POLICY NO. 701.4

SUBJECT: CURRENT RATE SCHEDULE—PASTURE USE

GENERAL POLICY NO. 701.5

SUBJECT: CURRENT RATE SCHEDULE—COMMERCIAL USE

This policy shall supersede any policy that may be in conflict with provisions of this policy.

Approved by the Board of Directors

Date approved:

\_\_\_\_\_  
President