

**RULES, RATES AND REGULATIONS
FOR THE OPERATION OF THE
SCOTT-MORGAN-GREENE WATER COOPERATIVE
EFFECTIVE AS OF MARCH 1, 2025**

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE SCOTT-MORGAN-GREENE WATER COOPERATIVE, AS FOLLOWS:

SECTION 1. Application for Service:

Water services shall be furnished only to Cooperative members who execute and submit an application and water user's agreement to the Secretary of the Cooperative upon a form supplied by the Cooperative.

SECTION 2. Initial and Minimum Charges Whether Water Used or Not:

The rates as shown in the rate schedule in Section 8 shall be paid by each customer who has signed a User's Contract, beginning at the time the Cooperative makes the service available to the customer.

The minimum rate will be paid by those customers not using the service even though they may not be connected to the system, provided the service is available from the Cooperative.

There shall be a \$200.00 tap-on fee for service to each property in which an application and water user's agreement is submitted prior to the earlier of (i) the cutoff date established by the Cooperative, or (ii) the date that the Cooperative's water transmission line is installed across or adjacent to that user's property.

After installation of the water main or the cut-off date established by the Cooperative, the connection fee shall be (1) \$1,500.00 if the customer connection can be established without boring under the road, or (2) the greater of \$2,500 or the actual cost incurred by the Cooperative if a road bore is required for the customer connection. The tap-on fee for meters larger than 1 inch will be increased by the additional cost of installing the larger meter and appurtenances.

In addition to the above charges, a deposit shall be paid by each user to the cooperative before service is initiated to guarantee payment of water bills. The deposit shall be \$50 for each user who owns a residence at the service location and shall be \$200.00 for each user who leases or rents a residence at the service location. The deposit shall be returned to the user without interest upon termination of water service and all accounts of that user being paid.

SECTION 3. Cooperative's Responsibility, and Liability:

A. Ownership, Installation and Maintenance. The Cooperative shall install, own and maintain the complete water system, water mains, and service lines to the property lines or the meter pit, whichever is closer to the water main, or a mutually agreed

upon point subject to the Board of Directors determination that a particular service is economically feasible to install. The Cooperative shall furnish, install, and maintain a meter and appurtenances including a shutoff valve. The shutoff valve shall be installed in the meter pit or near the user's property line or such other point determined by a duly authorized representative of the Cooperative. The meter may be located near the shutoff valve or within the user's premises as determined by the Cooperative's representative. The meter and shutoff valve must be located at a point where it is readily accessible to the Cooperative.

B. Refusal of Service. The Cooperative may at any time refuse additional service(s) to any applicant if in the judgment of the Board of Directors the capacity of the system will not permit such use or in the judgment of the Board of Directors it is not feasible for the Cooperative to provide the service.

C. Liability. All water service supplied by the Cooperative shall be upon the express condition that the Cooperative shall not be liable nor shall any claim be made against it for damages or injury caused by reason of shutting off of water for repair, relocation, or expansion of any part of the system, or failure of any part of the system or for concentration of water for such purposes as fire-fighting or restricted use of water.

D. Use of Water on User's Premises. The Cooperative reserves the right to use the water from the user's facilities at any time deemed necessary. No charge shall be made by the user for the use of his facilities and no charge shall be made by the Cooperative for the water used by the Cooperative.

SECTION 4. User Responsibility For:

A. Installing and Maintaining Service Lines. The user shall be responsible for installation and maintenance of service lines between the customer's meter pit and the residence or business. Such service lines must be at least 1 inch in diameter, and must be installed at a minimum depth of 4 feet. Service lines must have a minimum working pressure rating of 160 psi at 73.4 F and must be constructed of one of the following types of materials: copper (type K), polyvinyl chloride (PVC), polyethylene, or polybutylene. Service lines must not be covered until they are inspected and approved by a duly authorized Cooperative representative. The user is prohibited from connecting any service line or any plumbing connected with the service line to any other water source. The service line must meet all requirements of the State of Illinois, Environmental Protection Agency and any applicable local governmental unit.

B. Provisions for Location of Meter. The user shall permit the meter to be located upon his property, and shall permit access by the Cooperative to inspect, repair, and replace the meter, meter pit, and associated apparatus.

C. Thermal Expansion Relief Device. The user shall be responsible for the installation and maintenance of a thermal expansion relief device. The device must be one that is recognized in the plumbing trade for this type of application, such as a pressure

relief valve, surge tank, combination toilet tank ball cockfill valve/anti-siphon backflow preventer/thermal expansion relief valve, etc. The installing of the device shall be in accordance with the Illinois Plumbing Code, latest edition.

D. Easements. The user shall give to the Cooperative such easements and rights-of-way as are necessary, and allow access, for the purposes of construction, repair, maintenance, meter reading, relocation or expansion of the water system. The necessity shall be determined by the Board of Directors.

E. Damage to Cooperative Property. No user shall tamper, adjust, damage, or in any manner interfere with the components or operation of the water system owned by the Cooperative. The shutoff valve shall be opened only by a duly authorized representative of the Cooperative. Penalty for tampering, damaging, adjusting, or in any manner interfering with the components or operation of the system shall be up to \$500.00, payable to the Cooperative. If the penalty is not paid within 30 days after the amount is determined, the Cooperative shall discontinue the water service. The amount of penalty shall be determined by the Board of Directors.

In addition to the penalty, the user responsible shall reimburse the Cooperative for the actual cost of repairing any damage arising from the user's act. Users shall report any known evidence of tampering, adjusting, damaging, or interference with the operation of the system owned by the Cooperative to the President of the Board of Directors. Any malicious act or damage to the system that is not appropriately punishable by the foregoing shall be prosecuted through a court of law.

F. Specified Uses of Water. Water purchased from the Cooperative may be used for ordinary domestic, commercial, or farm use upon the premises of the user provided:

1. No user shall resell or permit the resale of water purchased from the Cooperative.

2. Each dwelling, apartment, business, or farm located outside and separate from the single family living unit is a separate unit. The user must make application for service for each unit, and each unit shall have a separate cutoff valve, meter and service line, and the user shall pay the minimum monthly rate and other rates and fees herein established for each unit.

3. Users may not use water purchased from the Cooperative for field irrigation purposes.

4. For purposes of this section the following definitions apply:

Dwelling: Single family living unit.

Apartment: Single family living unit that may be an individual living unit or part of a multiple family living complex.

Business: Business outside and separate from a single-family living unit.

Farm: consists of one single family dwelling and all related farm enterprises served by that meter and service line.

G. Cross-Connections.

1. Definitions. For the purposes of this subsection the following definitions shall apply:

(a) "Backflow" shall mean water of questionable quality, wastes or other contaminants entering a public water supply system due to a reversal of flow.

(b) "Cross-Connection" shall mean a connection or arrangement of piping or appurtenances through which a backflow could occur.

(c) "Safe Air Gap" shall mean the minimum distance of a water inlet or opening above the maximum high water level or overflow rim in a fixture, device or container to which public water is furnished which shall be at least two times the inside diameter of the water inlet pipe; but shall not be less than 1 inch and need not be more than 12 inches.

(d) "Secondary Water Supply" shall mean a water supply system maintained in addition to a public water supply, including but not limited to water systems from ground or surface sources not meeting the requirements of Act Number 98 of the Public Acts of 1913, as amended, being Sections 325.201 to 325.214 of the Compiled Laws of 1948, or water from a public water supply which in any way has been treated, processed or exposed to any possible contaminant or stored in other than an approved storage facility.

(e) "Submerged Inlet" shall mean a water pipe or extension thereto from a public water supply terminating in a tank, vessel, fixture or appliance which may contain water or questionable quality, waste or other contaminant and which is unprotected against backflow.

(f) "Water Utility" shall mean the Cooperative.

2. Cross-Connections Prohibited. Cross-connections of public water supply systems and any other water supply system or source including, but not limited to the following, are prohibited:

(a) Between a public water supply system and a secondary water supply.

- (b) By submerged inlet.
- (c) Between a lawn sprinkling system and the public water supply system.
- (d) Between a public water supply system and piping which contain sanitary waste or a chemical contaminant.
- (e) Between a public water supply system and piping immersed in a tank or vessel, which may contain a contaminant.
- (f) Cross-Connection Control Program. The Cooperative shall develop a comprehensive control program for the elimination and prevention of all cross-connections and removal of all existing cross-connections and prevention of all future cross-connections.

3. **Corrections and Protection Devices.** Any user of the Cooperative water shall obtain written approval from the Cooperative of any proposed corrective action or protective device before using or installing it. The total time allowed for completion of the necessary corrections shall be contingent upon the degree of hazard involved and include the time required to obtain and install equipment. If the cross-connection has not been removed within the time as hereinafter specified, the Cooperative shall physically separate the water system from the on-site piping system in such manner that the two systems cannot be connected by any unauthorized person.

4. **Piping Identification.** When a secondary water source is used in addition to the water supply, exposed Cooperative water and secondary water piping shall be identified by distinguishing colors or tags and so maintained that each pipe may be traced readily in its entirety, it will be necessary to protect the Cooperative water supply at the service connection in a manner acceptable to the Cooperative.

5. **Private Water Storage Tanks.** A private water storage tank supplied from the Cooperative water supply system shall be deemed a secondary water supply unless it is designed and approved for portable water usage.

6. **Inspection.** The Cooperative or any representative thereof shall have the authority to have any premises inspected at any reasonable time to determine the presence of any existing cross-connection and to order the elimination of such cross-connection.

7. **Discontinuance of Water Service.** The Cooperative shall discontinue water service after a reasonable notice to any person owning any property where a cross-connection in violation of this Code exists or where the user refuses to allow an inspection to determine the presence of a cross-connection. The Cooperative may take such other precautionary measures as necessary to eliminate any danger of the contamination of

the Cooperative water supply system. Water service to such property shall not be restored until such cross-connection has been eliminated.

H. All plumbing installed within a system that is connected to the system maintained by the SMG Water Cooperative shall be installed in accordance with the Illinois Plumbing Code. That, if in accordance with the Illinois Plumbing Code or in the judgment of the Board of Directors, an approved back flow prevention device is necessary for the safety of the public water supply system, the SMG Water Cooperative will give notice to the consumer to install such an approved device immediately. The consumer shall, at his/her own expense, install such an approved device at a location and in such a manner in accordance with the Illinois Plumbing Code, Illinois Environmental Protection Agency regulations and all local regulations, and shall have inspections and tests made of such approved devices upon installation and at least annually thereafter, as required by the Illinois Plumbing Code, Illinois Environmental Protection Agency and local regulations.

I. The customer responsible for any back siphoned or back pressured substance, or any contamination through backflow, if contamination of the potable water supply system occurs through an illegal cross-connection or an improperly installed, maintained or repaired backflow prevention device assembly, or a device assembly that has been bypassed, must bear the cost of clean-up of the potable water supply system, as well as any damage directly attributable to said illegal, or improperly installed, maintained or repaired device, or bypassed cross-connection.

SECTION 5. Extension of Mains:

A. Determination of Who Pays Expense of Extension. The Board of Directors shall first determine if an extension of water main is economically feasible based on the estimated cost of the extension and the number of existing and potential users that will use water along the extension. If the extension is economically feasible then the Cooperative may install and pay the cost of the extension at the discretion of the Board of Directors. If the Cooperative elects not to pay the cost of extending the water main, then the person or persons desiring water service may install the extension at their own personal expense upon written consent from the Board of Directors. The Cooperative shall not pay for any extensions to an undeveloped area such as a subdivision being developed unless there are sufficient existing residents or businesses to make the extension economically feasible.

B. Requirements if Extension is Installed by Someone Other than the Cooperative.

1. The Cooperative must approve all plans and specifications for any extensions.

2. Before any extensions are installed, the plans and specifications must be reviewed and approved by the State of Illinois, Environmental Protection Agency and any other local or state governmental units with jurisdiction.

3. Ownership, rights-of-way and title must be conveyed to the Cooperative for all extensions installed by anyone other than the Cooperative. The person(s) installing the extension shall be responsible for maintenance of the main for one year after installation. The Cooperative will maintain the mains thereafter.

4. No extension will be permitted if in the opinion of the board of Directors the system does not have the necessary capacity to serve the proposed extension.

SECTION 6. Change in Occupancy:

A. Notice to Cooperative. Any user requesting a termination of service shall give written notice to the Cooperative 10 days prior to the time such termination of service is desired. The meter shall be read by the Cooperative and the user will be billed.

B. Responsibility for Payment of Services Already Consumed. Responsibility for payment for water consumed prior to the date of termination shall be with the property owners as well as the user.

C. Charges for Change. There shall be no charge for transferring the water service to the subsequent user.

SECTION 7. Payment of Bills:

A. Date Due and Meter Reading. For customers with visual-read meters, the meters will be read by the user on, or before the 10th day of the month. There will be a \$20 penalty added to each bill if the customer fails to supply the meter reading for two successive months. For customers with cellular-read meters, the meters will be read electronically by the Cooperative. If weather conditions or other circumstances beyond the control of the Cooperative or the user prevent the reading of meters, then the water bill for that billing period will be estimated by the Cooperative. Bills will be mailed by the Cooperative to each customer and will be delinquent if not paid by the 10th day of the following month. Bills will be paid to the Treasurer of the Cooperative or the Treasurer's designated representative.

B. Penalties for Late Payment. There will be a 10 percent penalty added to each bill that is unpaid after the due date. If any bills remain unpaid 30 days after mailing, a \$20.00 penalty will be added to the account, and the water supply to the property affected will be shut off by the Cooperative. If the customer requests reconnection, a \$100.00 service fee will be added to cover the cost of restoring service. The service will not be restored until the past due amount, penalty, deposit, and reconnection fee are paid in full. Bills remaining unpaid 30 days after the due date shall constitute a lien upon the

real estate to which the service has been rendered. The President is hereby authorized to file a notice of such lien in the office of the County Clerk of the county in which the real estate lies, and to pursue such legal action as is reasonably necessary to collect the delinquent charges.

SECTION 8. Rate Schedule:

A. The following shall be the rates for water supplied by the Cooperative:

The monthly bill for all Cooperative customers with 5/8", 3/4", or 1" water meters will be computed on the following rate schedule:

First 1000 gallons per month (minimum) - \$38.00

All usage over 1000 gallons per month, but less than 50,000 gallons per month - \$9.50 per 1000 gallons.

All usage over 50,000 gallons per month - \$8.50 per 1000 gallons.

For all customers who have a 5/8", 3/4", or 1" meter, the minimum monthly bill will be \$38.00 per month, regardless of use.

B. The adequacy of the water service charge shall be reviewed, not less often than annually, by the Board of Directors of the Cooperative. The water service charges shall be revised periodically to reflect a change in local capital costs or O, M & R costs.

SECTION 9. Revenues.

All revenues and monies derived from the operation of the water system shall be deposited in the Cooperative's general account not more than 10 days after receipt of the same, or at such more frequent intervals as may from time to time be directed by the President and Board of Directors. All such revenues and monies shall be held by the Cooperative's Treasurer separate and apart from the Treasurer's private funds and separate and apart from all other funds of the Cooperative. The Cooperative Treasurer shall receive all such revenues from the water system and all other funds and monies incident to the operation of such system as the same may be delivered to the Treasurer and deposit the same in the account designated as the "General Account of the Scott-Morgan-Greene Water Cooperative." The Cooperative's Treasurer shall administer this fund in every respect in the manner provided by statute.

SECTION 10. Accounts.

The Cooperative's Treasurer shall establish a proper system of accounts and shall keep proper books, records, and account in which complete and correct entries shall be made of all transactions relative to the water system, and at regular annual intervals the

Treasurer shall cause to be made an audit by an independent auditor of the books to show the receipts and disbursements of the water system.

In addition to the customary operating statements, the annual audit report shall also reflect the revenues and operating expenses of the water facilities, including a replacement cost. The financial information to be shown in the audit report shall include the following:

1. Flow data showing total gallons received at the water plant for the current fiscal year.
2. Billing data to show total number of gallons billed per fiscal year.
3. Debt service for the next succeeding fiscal year.
4. Number of users connected to the system.
5. Number of non-metered users.

Section 11. Access to Records.

The Illinois Environmental Protection Agency or its authorized representative shall have access to any books, documents, papers, and records of the Cooperative which are applicable to the Cooperative's system of user charges for the purpose of making audit, examination, excerpts, and transcriptions thereof to insure compliance with the terms of any Loan agreement between SMG and the IEPA.

The U.S. Department of Agriculture or its authorized representative shall have access to any books, documents, papers, and records of the Cooperative which are applicable to the Cooperative's system of user charges for the purpose of making audit, examination, excerpts, and transcriptions thereof to insure compliance with the terms of any Loan agreement between SMG and the USDA.

Section 12. Appeals.

The method for computation of rates and service charges established for user charges in Section 8 shall be made available to a user within 10 business days of receipt of a written request for such. Any disagreement over the method used, or in the computation thereof, shall be remedied by the Cooperative Treasurer within 30 days after notification of a formal written appeal outlining the discrepancies.

Secretary's Certification

I, James D. Wilson, hereby certify that the foregoing is a true and complete copy of the Rules, Rates, and Regulations adopted by the Scott-Morgan-Greene Water Cooperative, last amended February 17, 2025.

James D. Wilson

James D. Wilson, Secretary
Scott-Morgan-Greene Water Cooperative