



## ***North Lauderdale Water Association***

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### **POLICY: WATER DELIVERY**

**Ref: (a) NLWA By-laws as amended 4 June 2020**

- 1. Purpose.** This policy governs the relationship between Members and the Association for the efficient delivery of, proper use of, and prompt payment for drinking water. It covers delivery, metering, billing, leaks, lock-offs, and tampering.
- 2. Director Responsibilities.** Among other things, reference (a) makes the North Lauderdale Water Association (NLWA) Board of Directors responsible for the following:
  - a. Establishing and publishing policies governing the operation of the Association.
  - b. Annually reviewing fees and rates and adjusting them as necessary to collect sufficient funds to maintain the serviceability of the physical plant and the financial solvency of the Association.
  - c. Ensuring that all water customers are treated equitably in accordance with external regulations and Association by-laws and policies:
    - All customers are properly billed according to their actual consumption and the current Schedule of Charges
    - No customer receives free or unmetered water
    - No customer resells or otherwise profits from redistribution of Association water.
- 3. Employee Responsibilities.** NLWA Operations Manager, Senior Waterworks Operator, and their staff are responsible for the following:
  - a. Delivering drinking water meeting state and federal health standards to each customer meter at a minimum of 25 psi and maximum of 125 psi with rare service interruptions.
  - b. Installing and maintaining properly functioning water meters in the water service easement of each Member's property.
  - c. Accurately reading customers' meters each month.
  - d. Properly preparing bills and receiving payments for water consumption.
  - e. Maintaining records of all Memberships, deposits, and billing for all historical and current accounts.

- 4. Member Responsibilities.** An Association Member is a person who owns one or more parcels with NLWA water service. Per USDA requirements and NLWA by-laws, those eligible for Association membership are the owners of real property within our service boundaries who desire water service. NLWA determines land ownership referencing property tax rolls, deeds, and other legal documents filed with Lauderdale County. The Association must deal with the owner of a parcel for all decisions affecting its water service and billing. All meters and dwellings on a single parcel fall under a single Association Membership. A member may choose to rent out their property or dwellings, but their tenants cannot be members and the owner/landlord remains responsible to NLWA for all charges and damages related to water service. NLWA Members are responsible for the following:
- a. Providing easement access to the Association for installation and maintenance of distribution lines and meters.
  - b. Providing NLWA personnel access to all NLWA lines and meters on their property, to any interconnecting lines and valves between points of use on the property, and to exterior water taps of served structures as needed for inspection, maintenance, water testing, and meter validation purposes.
  - c. Ensuring each dwelling on their property (each structure having sleeping and kitchen facilities) has its own water meter, or is covered under a collective billing rate negotiated with the Association.
  - d. Insuring all bills for all water meters on their property are paid in full by the due date every month. Not receiving a bill in the mail or choosing to have the bill sent to a tenant does not excuse a Member of this responsibility. Members may always call the office to find out any charges currently owed.
  - e. Maintaining valid Member and tenant phone, mail, and email contact information with the Association for routine and urgent communications.
- 5. Member Prohibitions.** The Association is bound by its by-laws, articles of incorporation, and federal and state statutes to maintain strict control of the distribution system from wells to meters. In order to provide safe, high-quality, reliable, and affordable water service, Members must agree to abide by the following prohibitions:
- a. Reselling Association water to third parties. The Association is a not-for-profit enterprise, and as such, no Member may profit from the reselling or redistribution of Association water or other resources per Reference (a), state laws for non-profit corporations, and IRS rules for tax-exempt 501(c)(12) organizations. This restriction does not prevent Member landlords from either
    - (1) Having NLWA meter and bill individual tenants directly; or
    - (2) Negotiating a collective rate for a single NLWA meter on a multi-dwelling property, paying that bill themselves, and then passing through actual costs of tenant water use to each tenant as an itemized part of their rent. That cost share can be lawfully determined by individual sub-metering (i.e., landlord-installed meters for each dwelling), or by an equitable division of the total tenant water use cost among all

renters with substantially equivalent service. The landlord can divide up the actual cost, but cannot collect more than the actual cost from the tenants for the portion of the bill covering their water consumption, as this would be reselling Association water for a profit.

- b.** Connecting any additional user, dwelling, structure, or service line downstream of an existing meter without approval from the NLWA Operations Manager or Board.
- c.** Cross-connecting any pipes carrying NLWA water with any other public or private water system including wells, cisterns, septic or sewer systems, waste water or storm water systems, industrial process water, etc.
- d.** Otherwise damaging or manipulating NLWA meters, lines, valves, or other equipment.

## **6. Rental and Multi-Dwelling Unit (MDU) Properties**

**a.** Members are free to act as landlords and lease or rent out their properties, but their tenants are not members. The membership remains with the property owners, as does ultimate responsibility for debts owed to the Association for all water use, late payment penalties, tampering, and damage.

**b.** Association policy based on federal and state guidance require that each dwelling unit have its own meter. Specifically, each structure having sleeping and eating areas is considered a dwelling and must have its own meter. The power companies abide by this guidance. As a general rule, if a structure has its own power meter, it requires its own water meter. Meter sharing is prohibited for many reasons:

- i. Contrary to MSDH, MPSC, and USDA guidance for non-commercial properties
- ii. Prevents isolating a single dwelling for water contamination or to find a leak
- iii. Prevents determining the water use of individual units, leading to billing disputes
- iv. Enables retaliatory behavior of customers cutting off water to downstream relatives and residences during family feuds
- v. Prevents cutting-off a single dwelling for non-payment
- vi. Prevents contacting all affected parties in the case of a boil water notice, outage notice, or conservation notice.

A Member acting as the landlord for multiple dwellings on a single property may choose to have the Association use a single meter, but only if each dwelling can be individually isolated, and only after agreeing to a collective rate calculated by the Association that collects the fixed monthly charge for each dwelling. This is often easier for apartment complexes, trailer parks, RV parks, and multiple manufactured homes on a single lot. If the Member has arranged with the Association for dwellings to be individually metered and for bills to be sent to the tenants, then no sales tax is charged. However, if multiple dwellings are billed to a Member under a collective rate, the Mississippi State Department of Revenue requires NLWA to consider that Member to be the landlord of a commercial rental property, and to collect sales tax on that bill.

c. Both the member and the tenant must maintain a deposit for each active meter account that serves a renter. In the case of large MDU memberships such as apartment complexes and trailer parks, the member deposit is capped at \$500. The whole purpose of having these deposits is to protect the Association from unpaid bills, and these deposits are consumed as necessary to pay off unpaid balances when closing accounts, with any unused portion being refunded.

d. For all properties including MDU properties, no new accounts will be opened if any account is 60 days past-due or if all required deposits are not in place.

**7. Tampering Penalty.** Unlocking, reversing, bypassing, cross-connecting, or otherwise tampering with utility meters or water lines is a violation of Association by-laws and state health regulations. If any person tampers with a meter or taps into NLWA lines, or otherwise manipulates or damages Association equipment, all water service to the affected property will be cut off and the Member responsible for that account will be charged for any theft, loss, or damage, and assessed an additional \$300 tampering penalty. If tampering occurs a second time on that property, or another customer is harmed by the incident, the Association will involve law enforcement in addition to the above measures. Water service will only be restored when all charges and fees and penalties and damages are paid in full including an additional \$50 service charge to turn the water back on. NLWA may also terminate Membership and water service and pursue legal action at any time subsequent to a tampering incident. A broken or missing meter seal or lock by itself is sufficient evidence of tampering, regardless of meter reading. A Member in good standing, with careful use of the appropriate tool, may shut off and turn on an unlocked meter serving their property to stop a leak or for a plumbing repair. This is not tampering. If in doubt, call the NLWA office first.

**8. Member Responsibility for Leaks.** Water is a precious resource that needs to be conserved and used wisely. Members have a responsibility to each other to use water efficiently and to promptly repair leaks. If an NLWA employee discovers a leak at a Member's property and cannot immediately contact the Member, he will cut off water at the meter to prevent further water loss and possible property damage. He will also place a door-hanger to alert the customer that their water was turned off. Members have the option of choosing the meter size they want but need to understand that larger meters have greater maximum flow rates, and choosing a larger meter is accepting a greater risk of property damage and high bills due to leaks or a burst pipe. The following worst-case water losses and bills are possible for each meter size flowing at full capacity for an entire month:

| <u>Meter Size</u> | <u>Rated gpm</u> | <u>Month gal</u> | <u>Month bill</u> |
|-------------------|------------------|------------------|-------------------|
| 5/8"              | 20               | 864,000          | \$ 6,000+         |
| 3/4"              | 30               | 1,296,000        | \$ 9,000+         |
| 1"                | 50               | 2,160,000        | \$ 15,000+        |
| 1.5"              | 100              | 4,320,000        | \$ 30,000+        |
| 2"                | 160              | 6,912,000        | \$ 50,000+        |

**9. Bill Disputes.** Any Member or renter who disputes the accuracy of his bill may call the office at 601-681-6157, or stop by in person to discuss it with the office staff, or request a hearing with the Operations Manager by appointment. The Member who owns the affected property (not a renter) may appeal the Operations Manager's decision to the Board of Directors by appearing at the next regular monthly Board meeting.

**10. Meter Reading Disputes.** If a Member disputes the accuracy of a meter reading, NLWA will conduct one re-read per calendar year at no cost to the Member. If the disputed reading was found to be in error, the bill will be adjusted and the Member will be entitled to request another free meter re-read during that calendar year. If the disputed meter reading was found to be correct, any additional meter re-reading in that calendar will incur a \$50 service charge unless an error was again found, in which case it will be free.

**11. Meter Accuracy Disputes.** If a Member disputes the accuracy of the meter itself, NLWA will offer to perform a 5-gallon bucket test at the Member's property using an external faucet. If the meter is found to be inaccurate and reading high, NLWA will replace the meter and offer a partial refund for current calendar year water use proportional to the meter error. If the meter is found to be reading low, NLWA will install a new meter and the Member's future bills will likely go up. If the meter is accurate by the 5-gallon bucket test, but the Member still disputes it, NLWA will offer to replace it with a new one and have the old meter tested by the factory. If the old meter is tested to be reading accurate or low, the Member will be charged a \$50 service fee. If the meter is found to be reading high, there will be no charge for the meter test and NLWA will offer a partial refund as above.

**12. High Bill Adjustments.** NLWA understands that Members may, on rare occasion, experience a major leak, or have need for a large amount of water for such purpose as filling a pool or new landscaping. As a courtesy that is extended equally to all Members, NLWA will grant one "high bill adjustment" per meter per calendar year at the request of the Member. The office must receive a written request for the adjustment before it can be given so as to maintain records against abuse of this policy. The adjustment will be computed as a credit of 50% of the amount the bill exceeds that meter's average bill for the preceding 12 months.

**13. Late Payment Charge.** Bills not paid in full by the 10<sup>th</sup> calendar day following the due date incur a 10% penalty on the unpaid balance.

**14. Lock-off and Restoration of Service.** If a bill is not paid in full by the 30<sup>th</sup> calendar day after its due date, the meter will be scheduled for lock-off, which cuts off the water to the Member's property. If a property is served by multiple meters under a single Membership, any and all meters under that Membership may be locked-off at NLWA discretion. Once the meter technician has been dispatched with the lock list to lock off the water meter, a \$50 service charge is assessed to the delinquent customer and must be paid to restore or continue service, even if the technician is intercepted before the lock is applied. NLWA linemen and meter readers cannot accept bill payments. Water service will only be restored when NLWA office employees are able to confirm all bills and penalties for all meters under that Membership have been paid to a sufficient balance to return the Member to good standing. The \$50 service charge will also be assessed if employees are denied access to read, service, or cut-off a meter.

**15. Payment Options.** NLWA Members have many options currently available to make paying their bills easy and convenient and even automatic. Our office staff are always available during working hours (7:00 am to 3:30 pm Monday thru Thursday, 7:00 am to 1:00 pm Friday) to receive payments from those who prefer to drive in or want a receipt. We recommend the automatic bank draft option for those who would like their bill paid in full each month straight from their checking account without a worry about it being late. The office staff have a form to fill out for those desiring this service. Other payment options include:

- Selecting "Pay My Bill" on the NLWA website <https://nlwa.ms>
- Using NexBillPay telephone payment services at 888-389-7041
- Dropping a payment in the after-hours box at the office
- Using electronic payment services offered by the Member's own bank
- Using electronic payment services inside financial software such as Quicken.

**16. Applicability.** The above policies are binding upon NLWA Directors, NLWA Employees, and NLWA Members. Changes and exceptions can only be approved by the Board of Directors.



Todd "Ike" Kiefer  
President  
for the Board of Directors