

CLAY RURAL WATER SYSTEM, INC.

WAKONDA, SOUTH DAKOTA

POLICY NO. 114

PRIVACY AND CONFIDENTIALITY

I. OBJECTIVE

To establish fair information principles for the Clay Rural Water System in carrying out its responsibility to respect the privacy and confidentiality of its members information.

II. POLICY

A. Notice

1. Clay Rural Water discloses to its member-consumers its policies and practices for the collection, maintenance, use, and disclosure of personally identifiable information about its member-consumers.
2. Clay Rural Water collects and maintains appropriate information about its members and for the benefit of its members as a routine part of its operations.
3. Occasionally, Clay Rural Water may survey a sample of its members to collect information to identify needs or improve service.
4. Other activities by Clay Rural Water or its affiliates may result in the collection of additional information about a member's property, appliances, and activities. This information will be collected and maintained only when and to the extent appropriate to provide services.
5. This notice describes generally Clay Rural Water's privacy and confidentiality practices. The policy is not a formal limitation on the ability of Clay Rural Water to use, manage, and disclose its records as Clay Rural Water determines to be necessary, appropriate, or as required by law. It is subject to change without notice.

B. General Practices

1. Clay Rural Water maintains information about members for purposes that are suitable to its operations and management. Information is collected only through lawful and fair means, and for appropriate purposes. Clay Rural Water is committed to maintaining accurate, complete, timely, relevant, and appropriate information about members as necessary for the purpose for which the information is to be used.

C. Access and Correction

1. Clay Rural Water generally permits its members to access and seek correction of records about themselves that are used by Clay Rural Water to provide service

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and for billing. Any person who wants to identify personal records maintained by Clay Rural Water, access the records, or correct the records should contact the System Manager.

D. Security

1. Clay Rural Water maintains member information with technical, administrative, and physical safeguards to protect against loss, unauthorized access, destruction, misuse, modification, and improper disclosure. No records of a computer system can ever be fully protected against every possible hazard. Clay Rural Water provides reasonable and appropriate security to protect against foreseeable hazards.
2. Clay Rural Water may employ an automatic meter reading system whereby members' water meter readings are collected electronically. Data transmitted electronically from the member's water meter to the water system office is benign and is not associated with any member's account information. Data collected is used for billing purposes only. In addition, readings may be analyzed for potential abnormalities. In this instance, members will be notified of such abnormalities. Water system personnel shall apply the same privacy protection standards to all data collected via the automatic meter reading system.
3. Clay Rural Water requires its employees and, when practicable, its affiliates and contractors who have access to identifiable members information to sign a statement acknowledging that they have read this privacy and confidentiality policy and agree to comply with it. Any employee or contractor who fails to comply with these rules may be subject to disciplinary action up to and including dismissal.

E. Use and Disclosure

1. Clay Rural Water uses and discloses identifiable information about members in defined and responsible ways in order to carry out its operation.

Records may be disclosed to affiliates or contractors hired by Clay Rural Water to assist in carrying out operational activities, such as service, billing, and management functions including legal, audit, and collection services.
2. Member information may be disclosed to and shared with commercial and consumer credit reporting agencies for credit-related activities (e.g., the reporting of bad debts).
3. Records may be disclosed to government regulators and other government agencies when authorized or required by law.
4. Records may also be compiled in aggregate form for Clay Rural Water management activities.
5. Records may be disclosed when required by law, such as in response to a search warrant, subpoena, or court order. Clay Rural Water may use and disclose records for investigations into employee misconduct or for law

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enforcement investigation related to our business. Disclosures may also be made when appropriate to protect Clay Rural Water's legal rights or during emergencies if physical safety is believed to be at risk. These events are unlikely, but they are possible. Clay Rural Water will take reasonable steps to limit the scope and consequences of any of these disclosures.

6. Records may be shared with other utilities under shared service agreements or to meet operational requirements.
 7. Records about a member may be disclosed at the request of or with the permission of the member.
 8. Clay Rural Water does not sell, rent, loan, exchange, or otherwise release mailing lists or telephone lists of members. Clay Rural Water does not disclose any information about a member to nonaffiliated third parties without the consent of the member.
 9. The members of the Corporation have the right to vote to authorize other uses and disclosures of information.
- F. Questions and Disputes
1. This policy is maintained and supervised by Clay Rural Water. Questions about the policy may be directed to the System office. Any disputes over access, correction, or other matters may also be directed to the System office. Clay Rural Water will do its best to resolve any questions or problems that arise regarding the use of member information.

Adopted: 1/24/08

Amended/Revised: 6/23/15