

TIPTON MUNICIPAL UTILITIES CROP DAMAGE POLICY

In the construction and maintenance of its infrastructure, Tipton Municipal Utilities attempts to avoid damage to growing crops and/or land in its role of providing reliable utility services to its rate payers. However, it may from time to time be unavoidable to damage growing crops or the land through severe compaction. In the event of damage, the individual damaged shall be compensated using the following procedures.

Growing Crops Damage

Crop Damage – the actual value of the crop shall be calculated using the area damaged times the average County yield as established by the local Farm Service Agency, or as proven by the farmer. The price per bushel shall be established by averaging the closing spot prices paid for the previous month by a local elevator chosen by the farmer, or as agreed to with the Utility Manager. This price per bushel shall be multiplied by the average yield and then by the acreage damaged to arrive at a loss amount.

Compaction Damage – If heavy equipment is used in damaging the crop, TMU will pay an additional loss amount based on the theory of a 3 year potential effect of compaction to the ground from heavy equipment. If this is the case, TMU will pay 75% of the above established “Crop Damage” loss for year 1, 50% for year 2, and 25% for year 3.

Land Only Damage

In the event no crops are growing and heavy equipment is used on the land, compaction damage may occur. In this case, TMU will either pay the farmer for deep tilling the soil to remove the compaction at two times the custom rates provided by Purdue University, or may pay a payment based on the “Compaction Damage” calculation above.

Summary

It is the intent of Tipton Municipal Utilities to fairly compensate for all losses we might create and it is left to the discretion of the Utility Management to arrive at a fair agreement with the damaged party. In the event, an agreement cannot be reached, the issue will be reviewed and resolved by the Tipton Utility Service Board.