RURAL WATER DISTRICT NO. __, ___________ COUNTY, KANSAS

RULES AND REGULATIONS

These Rules are issued in compliance with Section 82A, 612 et. seq., Kansas Statutes Annotated, as amended, and the Bylaws of the District and are designed to govern the supplying and taking of water service in a uniform manner for the benefit of the District and its members. They are subject to change from time to time. If a provision of The Rules conflicts with a provision of the rate schedule, the provisions of the rate schedule will prevail. If any portion of these Rules shall be declared invalid by competent authority, such action shall not affect the validity of the remaining portions.

Definitions: The following expressions when used herein will have the meanings as stated below:

Applicant: Any individual, firm, partnership, corporation or other agency owning land or purchasing land on contract located within the District, applying for water service.

Benefit Unit: A right entitling the holder to one water service.

Water Supply Unit: The holder of a benefit unit on a constant flow line may purchase such additional water supply units as the Board of Directors may approve.

Board: The Board of Directors of Rural Water District No. 3, Nemaha County, Kansas.

Consumer: Any individual, firm, partnership, corporation or other agency receiving water from the District's facilities and owning or occupying land located within the District in favor of which one or more benefit units have been subscribed and paid for.

Point of Delivery: The point of delivery shall be at the meter, unless otherwise specified in the Application for Water Service and Water Users' Agreement.

Service: The term service when used in connection with the supplying of water shall mean the availability for use by the consumers of water adequate to meet the consumers' requirements. Service shall be considered as available when the District maintains the water supply at normal pressure at the point of delivery, in readiness for the consumer's use, regardless of whether or not the consumer makes use of it.

Application for Water Service and Water User's Agreement: The contract between the consumer and the District, pursuant to which water service is supplied and accepted.

Water Service: A water service shall consist of facilities for supplying water to one residence or business establishment located on land within the District. A landowner must purchase a benefit unit and accept a water service for each residence or business establishment served.

Cross Connection: Any physical connection or arrangement between two (2) otherwise separate piping systems; one of which contains potable water of the public water supply system, and the second water of unknown or questionable safety, or steam, gases, chemicals, or substances whereby the backflow from the second system to the public water supply system.
GENERAL RULES

1. The supplying and taking of water will be in conformance with these Rules and the applicable rate schedule approved by the Board of Directors that is filed with the Secretary of the District. Provided, however that such rate schedule is subject to change by action of the Board. Provided, further, that if at any time the Board of Directors determines that the total amount derived from the collection of charges is insufficient for the payment of operating costs, emergency repairs, debt service, and a reasonable reserve, the Board shall increase the minimum water rate for the first month thereafter in an amount sufficient to pay such operating costs, emergency repairs, debt service, and to accumulate reasonable reserves.

2. Applicants for service shall make application to the Secretary of the District office. If the application for service is approved by the Board of Directors, the applicant will purchase a Benefit Unit for each water service desired, and sign the standard Application for Water Service and Water User's Agreement for an indefinite period.

3. Before installing a service extension and providing water available for use, the Board may require the applicant to pipe his home in readiness to accept service.

Service is for Sole Use of the Consumer:
A standard water service connection is for the sole use of the applicant or the consumer, and does not permit the extension of pipes to transfer water from one property to another, nor to share, resell, or sub-meter water to any other consumer. If an emergency or specific situation should make such an arrangement advisable, it shall be done only on specific written permission of the Board of Directors for the duration of the emergency. Exception: The policy of the board of directors does allow the extension of water to a trailer house on a temporary foundation. This exception is intended for the use of family business operations. Under no circumstances is this exception to be used for establishing trailer rental units.

Agreements with Governmental and Public Bodies:
The District through its Board of Directors may make specific water service contracts with the Federal Government, the State of Kansas, or agencies thereof, school districts, and municipal corporations, differing from stipulations set out in the rate schedule and Rules.

Right of Access:
Representatives of the District shall have the right at all reasonable hours to enter upon consumer's premises to test control valves, inspect piping, and to perform other duties for the proper maintenance and operation of service, or to remove its service equipment and shut off water upon discontinuance of service to consumers.

Continuity of Service:
The District will make all reasonable efforts to supply continuous, uninterrupted service. However, it shall have the right to interrupt service for the purpose of making repairs, connections, extension, or for
other necessary work. Efforts will be made to notify consumers who may be affected by such
interruptions, but the District will not accept responsibility for losses that might occur due to such
necessary interruptions. The District does not accept responsibility for losses that might occur due to
interruptions to service caused by storms, strikes, floods, or other causes beyond its control.

CONTROL EQUIPMENT

Meters or flow control valves will be furnished, installed, owned, inspected, tested and kept in proper
operating condition by the District, without cost to the consumer. A complete record of tests and
histories of meters will be kept. The District will make meter tests according to methods of the American
Waterworks Association, as often as deemed necessary by its Board of Directors.

Meters or Flow Control Accuracy:
Meters and flow control valves will be checked periodically at the direction of the Board of Directors.
Service Meters whose errors do not exceed two percent (2%) fast or slow, shall be considered as being
within the allowable limits of accuracy for billing purposes. The percentage of error will be considered as
that arrived at by taking the average of the error at full load and that at ten percent (10%) load, unless a
consumer’s rate of usage is known to be practically constant in which case the error at such constant will
be used.

Meter or Flow Control Valve Locations:
Meter will be set in meter wells at or near the users property line. Meters shall be set in an accessible
place outside of buildings except where otherwise directed by the District. All meters shall be set
horizontally and never connected into a vertical pipe. Meters set outside of a building shall be placed in
a meter box furnished and installed by the District.

Bills:
1. MONTHLY BILLING: Water users having meters will read the meter on the first day of each month and
   pay the amount due for water used by the 15th of the month.

2. DELINQUENT ACCOUNTS: A penalty of 5% on the balance due will be added if payment is not
   received by the 15th of the month. All accounts with a balance of $2.00 or more overdue after the 15th
   will sent a past due (delinquent) notice.

3. NOTICE OF TERMINATION: If, after 30 days from the past due date, payment has not been received,
   the district will read the customer's meter calculate an amount due and send a request for payment
   along with a notice of intent to terminate water service. The notice of intent to terminate service is to
   be within the provisions of the Bylaws of the District. The date of termination is to be 26 days from the
date notice is mailed, or nearest working day thereafter. The notice is to be sent to owner, and renter if
applicable, by certified mail with return receipt requested and a copy sent by 1st class mail. The amount
due will include a $10.00 charge for reading the meter and a mileage charge of $.25 per mile one way
from the district's office. The account will also be charged for the mailing of the certified letters.

4. RESTORATION OF SERVICE: Once water service is terminated, all water used along with accumulated
   monthly minimums, penalties, taxes, etc. plus a $25.00 reconnection charge must be paid in full before
   service can be restored. Restoration of service is also subject to the guidelines set out in the Bylaws.
Balance due date of the 15th of the month is considered the date of failure to pay as noted in Article six (6) Section six (6) of the Bylaws.

5. RETURN CHECK POLICY: A $10.00 service charge will be added to the customer's account for all checks returned. A notice of the returned check is to be sent to the customer containing the reason for the return and the amount due, including the $10.00 service charge. If the check is to cover charges after an intent to terminate service notice has been sent, the notice of return check is to be sent certified mail with return receipt request and patron given five working days or the original date of shutoff, whichever is later, to pay in cash or money order to avoid termination of service. No checks will be accepted at this point.

**Requested Meter or Control Valve Tests:**

Meter tests requested by consumers will be performed without cost to the consumer if the meter is found to be in excess of two percent (2%) fast. Otherwise the consumer for whom the requested test was made will be charged for the cost of making the test.

**Consumer's Responsibility:**

The consumer shall be responsible for any damage to service equipment installed by the District for his service, on account of any cause other than normal wear and tear.

**Change of Occupancy:**

It shall be the consumer's responsibility to anticipate changes of occupancy, and to have his benefit unit and additional water supply unit(s) transferred to the new consumers as prescribed in the Bylaws. Until the benefit unit is formally transferred, the original holder shall be responsible for payment for service. All charges levied against a benefit unit must be paid, before the benefit unit can be transferred, or service resumed where there has been a suspension.

**Main Extensions:**

If a main extension is necessary to serve an applicant the cost of extending the line will be paid by the applicant. The district will install such extensions according to district standards. The pipeline will be considered a donation to the district.

**Services:**

The District will install all water services piped from its mains to the meter. The cost of the service line and installation will be paid for by the applicant. The service line for meters shall not be less than 1 inch in size. The District will install, maintain and pay for the connection to its mainline and for the meter, pressure regulator, meter pit and associated valves, connections and covers. The meter pit will be set at a convenient location approved by the district.

**Water loss on connections maintained by district and registered through a users meter:**

The district will be responsible for only 1 month’s water loss due to leaks on connections maintained by the district. It is the users responsibility to read their meter monthly and report leaks promptly.

**Cost of Benefit Units for Demand System:**
A $100.00 deposit is required with each application for water service. This deposit is non-refundable should the board of directors determine that the district is unable to serve the applicant. If the application for water service is approved, a balance of $1250.00 is due prior to the installation of service.

In cases where the application is at a previously forfeited benefit unit site and the existing equipment and setter at it's current location will be used the following will apply; the total balance due prior to installation of service will be $1,000 plus labor to make service available.

**Applicants Having Excessive Requirements:**

In the event an applicant whose water requirements are found to exceed the District's ability to supply it from existing plant without adversely affecting service to other consumers to an unreasonable extent, the District will not be obligated to render such service.

**Water User's Agreement For 3/4 Inch Meter:**

The applicant for a ¾-inch meter must be a current benefit unit holder in (district name). If the meter is made available by said District, applicant agrees to the following conditions:

1. Make the same non-refundable deposit that is required when applying for regular benefit units and make application for a ¾-inch meter.
2. Applicant must show "need" for ¾-inch meter.
3. Application must meet the approval of the districts Engineer and is subject to the approval of the Board of Directors.
4. A balance of 1/3 the cost of a new benefit unit is due upon approval of said meter. The original deposit will apply towards the balance due.
5. Applicant will agree to pay an additional monthly charge equal to the minimum monthly charge.
6. Unless otherwise stated, the user agrees to abide by all the conditions pursuant to the By-Laws and the Rules and Regulations of the District set forth in their original application for water service agreement.
7. The laws of the State of Kansas, the By-Laws of the District, and the Rules and Regulations of the District, as presently existing, and as may be amended from time to time, are made a part of this agreement as though fully set out herein.

**Prohibition of Cross Connections:**

There shall be no physical connection between any private water system and the water system of the District. Representatives of the District shall have the right at all reasonable hours to enter upon consumer’s premises for the purpose of inspection and enforcement of this provision. Violation of the Districts Cross Connection Control Regulation adopted by the Board of Directors on December 4, 1989 and approved by the Kansas Department of Health & Environment along with any amendments or changes shall constitute cause for disconnection of a consumer's service. Water service may be reconnected at such time consumer complies with said Regulation.

**Special Rules for Pasture Meters:**

Pasture Benefit Units (meters) were sold for a period of time in the early stage of organization by this district and were allowed to holders of at least one domestic (residential) unit. As of September 1974, this district voted to "not approve any transfer of a domestic benefit unit to a pasture unit, and to issue
no additional pasture units and to retain the present number of pasture units so long as the benefit unit qualified as a pasture unit.

Under no circumstance will a pasture benefit unit be allowed to supply water service to a residence. This district will transfer pasture benefit units to regular meter status when the original landowner no longer is holder of record by the district. All existing pasture unit holders will retain their "pasture unit status" until such time that they sell or transfer the pasture unit. All other rules and regulations that apply to regular meters also apply to pasture meters.

These amended Rules and Regulations are unanimously adopted by the Board of Directors on ________________ at a meeting duly called and held at the District’s office at __________________ with ___ members of the Board of Directors present.