

Revised and Adopted January 19, 2016

RURAL WATER DISTRICT NO. 1
FRANKLIN COUNTY, KANSAS

RULES AND REGULATIONS

These Rules are issued in compliance with K.S.A. §82a-618 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 conflict with the provision of the rate schedule, the provision of the rate schedule will prevail. If any portion of these Rules shall be declared invalid by competent authority, such avoidance shall not affect the validity of the remaining portions.

Definitions: The following expressions when used herein will have the meaning 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.

Board: The Board of directors of Rural Water District No. 1, Franklin 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 consumer of water adequate to meet the consumer's requirements. Service shall be considered as available when the District capability of delivering a water supply at normal pressure is in readiness for the consumer's use, regardless of whether or not the consumer makes use of it.

Application for Water Service and Water Users' Agreement: The agreement or 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 one 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.

GENERAL RULES

1. The supplying and taking of water will be in conformance with these Rules and the applicable rate schedule attached hereto and 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 determine that the total amount derived from the collection of water charges is insufficient for the payment of operating costs or emergency repairs, the Board shall increase the minimum water rate for the first month thereafter in an amount sufficient to pay such operating costs or emergency repairs.

2. Applicants for service shall make application to the Secretary of the District. 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 Users Agreement for an indefinite period.

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, not to share, resell, or sub-meter water to another 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.

Agreements with Government 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 a consumer's premises to test control valves, inspect piping, assure no cross connections are in place, 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. Violation of the provision shall constitute cause for disconnection of a consumer's service.

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, extensions, and other necessary work. Efforts will be made, if possible, to notify consumers who may be affected by such interruptions, but the District will not accept responsibility for losses which might occur due to such necessary interruptions.

The District does not accept responsibility for losses which might occur due to interruptions to service caused by storms, strikes, flood, or other causes beyond its control.

CONTROL EQUIPMENT

Meters will be furnished, installed, owned, inspected, and kept in proper operating condition by the District, without cost to the Consumer.

Meter Accuracy:

Meters will be checked for accuracy at the request of the consumer. Excessive requests from the same consumer may result in a charge to the consumer if the meter is found to be within

two percent (2%) accuracy. 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.

Meter Locations:

Meters will be set in meter wells at or near the user's 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. Meters will be installed on the owner's property within ten (10) feet of the main line extension, or as near thereto as is practicable as determined by District personnel.

BILLING

Bills:

Water users having meters will receive a water bill around the first of each month for the prior month's usage. Payment must be remitted to the District office no later than the 15th day of the billing month. Bills not paid by the 15th shall be subject to a late charge. Delinquent accounts will be mailed a "Past Due Notice" documenting a discontinuance of service date if payment is not received. Failure to make payment by said date will result in discontinuance of service and possible termination.

Surcharges:

The District may, prior to discontinuance, read the customer's meter, for which a surcharge shall be assessed, and the customer notified of the total bill owed on the meter, including the surcharge. The surcharge will be set by the Board and reviewed from time to time.

Reconnection Charges:

The charge for restoration of service, if restoration is authorized and approved under the provisions of the Bylaws of the District, after each suspension of service because of delinquent payment or for other infraction of these Rules, shall be the unpaid amount charged to date against the consumer's benefit unit, plus assessed fees, the meter reading surcharge and a sum to cover the reasonable cost of labor necessary to make such reconnection. This restoration of services charge shall be in an amount to be determined by the Board and revised from time to time.

Personnel authorized by the Board of Directors may abate, delete or otherwise revise the time limits, penalties and surcharges on a case-by-case basis.

Returned Check Policy:

A service charge shall be added to the customer's account for checks returned due to insufficiency of funds. The customer will be advised of the reason for the returned check and the amount due, including the service charge.

The amount of the service charge will be determined by the Board and will be reviewed and revised from time to time.

Abusive Conduct:

Physical and verbal abuse, or threats thereof made against District personnel will not be tolerated. District staff shall not be required to accept late payments or restore service to customers who have been abusive to District personnel, except in accordance with the following procedure. In such event, the manager shall give written notice to the abusive customer of the time and place of the next meeting of the Board of directors of the District, at which time and place the customer shall be requested to appear and show cause why service should be permitted to be restored to the customer. The Board may impose conditions upon the customer as necessary to insure the safe conduct of the District's business by District personnel.

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 transferred to the new consumer as prescribed in the Bylaws. Until the benefit unit is formally transferred, the current 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.

NEW SERVICE

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 become the property of the District and will be considered a donation to the District.

Services:

The District will install and pay for all water service pipes (except for private fire protection) from its mains to the meter on pressure lines with the exception as follows: If road crossings are required to serve a specific meter, the District shall charge the applicant for the cost of such road crossing. The District will also install and pay for the District meter, and meter settings. The meter is to be installed by and remain the property of the District. All cost of installation is to be covered by new benefit unit owner. All District owned water line is to be installed by District personnel and the contractor doing the installation must be hired by the District.

Cost of Benefit Units:

The cost of benefit units shall be the established rate at time of application. This amount shall be reviewed at least once a year by the Board of Directors.

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 services to other consumers to an unreasonable extent, the District will not be obligated to render such service.

OIL FIELD FLOOD AND INDUSTRIAL USERS

Provisions Relative to Oil Field Flood Operations:

- 1) Members using water for oil field flood operations shall comply with all applicable requirements of the Kansas Department of Health and Environment, including but not limited to a reverse flow prevention valve, to prevent any possible cross contamination of the District's water supply.

Provisions Relative to All Industrial Users:

- 1) The Board of Directors may deny applicants for water service for primarily industrial use, or condition the approval of such applications, as deemed necessary by the Board of Directors in order to assure continued availability of a reliable supply of potable water to existing users, and to assure such users with essential supplies of water for bathing, drinking, cooking and sanitary purposes.
- 2) The Board of Directors of the District shall restrict all users, the primary purpose for which use is industrial. Such restriction may include the installation or modification of pressure reducing valves, flow restrictors, or otherwise. "Industrial uses" shall be defined to mean any use of water that is not for domestic household, agricultural, irrigation, livestock watering, business or office use. By way of example, but not by limitation, "industrial use" shall be deemed to include manufacturing, power production, and oil and gas well drilling, development and/or oil and gas production. Water consumption in excess of 25,000 gallons or (5) times the monthly average customer usage in the District may be deemed by the Board of Directors of the District to constitute industrial use. The current monthly average customer water usage in the District is 5,000 gallons.
- 3) There is hereby established an "industrial water rate" for water use that is industrial or deemed to be primarily for industrial use. Such industrial rate is \$7.54 per 1,000 gallons of water usage. Such rate shall be subject to change by the Board of Directors of the District.

TAMPERING WITH FACILITIES/EQUIPMENT

Acts of tampering with the District owned equipment or facilities by person or persons unauthorized to do so may be referred to the authorities for pursuit of legal action and/or restitution.

WATER LEAKAGE POLICY

It will be the policy of the District to recalculate our customers' (Benefit Units) billing as follows for reported leaks to customer owned water lines or equipment, if the leak meets the following requirements:

Determination of Leak:

- 1) The leak must be outside the customer's house or other structures.
- 2) The leak must be reported to the District within 60 days of high water billing.
- 3) The leak must be repaired within 30 days of first reporting.
- 4) The leak must be repaired by a contractor with plumbing capability and a letter written by the contractor to the District certifying the repairs have been completed using an approved method that does not compromise the integrity of the District water supply system

OR

The leak can be exposed by the customer and verification made by the District operator during normal business hours, with repairs made by Benefit Unit owner using approved methods, and verified by District operator during normal business hours.

Recalculation of Bill:

If the above conditions are met and approved by the Board Chairman, then the customer's bill for the affected time of the leakage will be recalculated as follows:

- A) The highest monthly water usage for the 12 months preceding the billing for the high water bill will be determined.
- B) The customer's billing will be recalculated as follows:
Highest single month's usage for previous 12 months calculated using current rates and billing procedure, to which will be added the remaining water used over that amount for the affected period, billed at the average cost of water to the District plus five percent (5%).
- C) The recalculated billing procedure for reported water leaks may be used not more than one time in each 12 month period for each Customer. However, if the leak was unnoticed and went over two billing periods, the recalculation may be made for up to two months, if each of those months exceed the highest water usage in the previous 12 months preceding the first report of leakage.