

**BULLER RURAL WATER DISTRICT #5
MISSION STATEMENT:**

Deliver quality water and service within the District's boundaries at reasonable rates that allow the District to meet current and anticipated needs.

- *Provide water meeting or exceeding the federal Safe Drinking Water Act's standards to all District customers.*
- *District representatives will meet customer service needs in a timely, professional, and courteous manner while providing a reliable water supply to all customers.*
- *District will charge equitable rates for delivered water and services that recover operating costs and system maintenance, and permit such system enhancements as are necessary to deliver quality water and meet customer requirements.*
- *Continually upgrade District's water system to better serve existing customers and incorporate system enhancements to meet anticipated customer needs, District growth, regulatory requirements, and to achieve greater operating efficiencies.*
- *District will provide a safe workplace with policies that nurture employees' professional development. District is an equal opportunity employer.*
- *District will operate in an environmentally responsible manner while meeting customer and community needs.*

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**BUTLER RURAL WATER DISTRICT NO. 5
BUTLER COUNTY, KANSAS**

BY-LAWS

Article 1

Name and Place of Business

Section 1. The name of this corporation shall be Rural Water District No. 5, Butler County, Kansas.

Section 2. The principal office of this District shall be located in Benton, Butler County, Kansas.

Article 2

Corporate Powers

Section 1. The corporate powers of this District shall be vested in the Board of Directors, hereinafter referred to as the Board.

Article 3

Purpose and Objectives

Section 1. The purposes and objectives of this District are as follows:

- (a) To acquire water and water rights and to build and acquire pipe lines and others facilities, and to operate the same for the purpose of furnishing water for domestic, garden, livestock and other purposes to owners and occupants of land located within the District, and others as authorized by these By-laws.
- (b) To borrow money and accept grant funds for the purposes aforesaid and in connection therewith to execute evidence of indebtedness, security instruments and appropriate covenants and agreements.
- (c) To hold such real and personal property as may come into its possession by will, gift, purchase, or otherwise, as authorized by law, and to acquire and dispose of such real and personal property, including rights-of-way and easements, wherever

located, and as may be necessary and convenient for the proper conduct and operation of the business of the District.

- (d) To establish rates and impose charges for water furnished to participating members and others.
- (e) To enter into contracts for the purpose of accomplishing the purposes of the District with any person or governmental agency.
- (f) To cooperate with any person or with any governmental agency in any undertaking designed to further the purposes of the District.
- (g) To do and perform any and all acts necessary or desirable for the accomplishment of the purposes of the District which may lawfully be done by such District under the laws of the State of Kansas.

Article 4 **Water Users**

Section 1. Water shall be supplied only to land located within the District: Provided, however, that the Board may make water available to the public for purchase at such distribution points as it may establish.

Section 2. No owner of land located within the District shall be eligible to become a water subscriber unless he or she has first subscribed and paid for one or more Benefit Units. Tenants occupying and located within the District may become water subscribers: Provided, that the owner, or someone on behalf of the owner, has subscribed and paid for one or more Benefit Units in favor of the land the tenant is occupying.

Article 5 **Right to Vote**

Section 1. Only participating members shall have the right to vote, and each participating member shall be entitled to a single vote, regardless of the number of Benefit Units to which he or she may have subscribed: Provided, all owners of land located within the District shall be eligible to vote at meetings of landowners, ninety (90) days after the

declaration of availability of Benefit Units and unit fees have been entered by the Board in its minutes. There shall be no proxy voting, and no dual ownership of Benefit Units for voting purposes. A participating member may be an individual, firm, partnership, association or corporation.

Participating members shall be:

- (a) Owners of land located within the District who have subscribed to one or more Benefit Units: Provided, payments of charges are current on at least one of the Benefit Units.

Article 6 **Benefit Units**

Section 1. The Board shall at the proper time cause a declaration of availability of Benefit Units for subscription to be entered in its minutes and shall establish a unit price for said subscriptions. Each Benefit Unit shall carry with it the obligation of paying a minimum monthly meter charge beginning thirty days after Board approval or meter is set, whichever comes first. The Board at its discretion may from time to time, if the capacity of the District's facilities permit, make additional Benefit Units available. Subscriptions for Benefit Units shall be given preference and priority in order in which received. The Board may refuse the subscription for a Benefit Unit in favor of a particular tract of land located within the District, or impose special conditions on granting the same if in the judgment of the Board, the granting of said subscription and the furnishing of water pursuant thereto, would impair the service to other water users in that locality or be uneconomical, unfeasible and place an undue burden on the District. Any landowner who feels aggrieved by such denial, or imposition of special conditions, may appeal from the action of the Board to a vote of the members at the next regular meeting of the members, or special meeting of the members called for such purpose: Provided, the decision of the Board shall stand, unless 3/4ths of all participating members (or landowners at meetings where only qualification to vote is ownership of land within the District), vote in favor of a motion to overrule the decision of the Board.

Section 2. Upon the purchase of Benefit Units, the owners of land shall designate the tract of land to which the Benefit Units shall be assigned, and the Benefit Unit shall not be transferred from one tract of land to another within the District, without the approval of the Board. The owner of lands subscribing for more than one Benefit Unit to be assigned to one tract of land shall at the time of said subscription

designate as nearly as practical the location on said tract where he or she intends to utilize said Benefit Units and no major change in location shall be made without the approval of the Board. Benefit Unit Certificates shall be issued by the Board, signed by the Chairman and Secretary, showing name of owner, and tract of land to which the Benefit Unit is assigned, numbered consecutively in the order in which issued.

Section 3. The consideration paid for Benefit Units shall be considered donations to the District and shall not be refunded to subscribers, provided that the Board may authorize the refund of all or a part of each consideration, if through no fault of the subscriber the District is unable to supply water to the unit.

Section 4. Benefit Units shall follow the title of the land unless the owner of the land designates otherwise. Owners may transfer Benefit Units from one tract of land to another tract owned by them within the District, subject however to the approval of the Board. No transfer in ownership of Benefit Units shall be permitted without the approval of the Board. No transfer will be approved unless all charges against the benefit Unit are paid. All transfers when approved shall be recorded in the books of the District.

Section 5. Each Benefit Unit shall entitle the owner to only one line from the District's water system. Each Benefit Unit shall serve no more than one residence or business establishment together with the necessary and usual non-business outbuildings. One Benefit Unit may not serve multi-family dwellings. In the case of multi-family dwellings, the landowner of record will be required to purchase separate Benefit Units to serve each family unit within the dwelling. One Benefit Unit may not serve multiple businesses within a business establishment. In the case of a business establishment which houses multiple businesses in one building, the landowner of record will be required to purchase separate Benefit Units to serve each of these businesses.

Section 6. Failure to pay the minimum monthly meter charge, or failure to pay for water used through a meter, shall constitute a forfeiture of the benefit unit on behalf of which failure occurs: provided, that such benefit unit shall be reinstated if within three (3) months after such failure all back charges are paid in full, plus 15% interest and reasonable labor charges necessary to effect such reconnection; provided, further, that the Board may permit such reinstatement within six (6) months after such failure upon payment of all back charges, plus 15% interest, and

reasonable labor charges necessary to effect such reconnection.

Section 7. Discontinuance of water service shall be made only in accordance with Rules and Regulations as prescribed by the Board of Directors of the District.

Article 7 **Election of Directors**

Section 1. The Board of this District shall consist of 6 members, all of whom shall be participating members of the District: Provided, however, that the original Board shall consist of owners of land located in the District. The Directors elected at the time of the incorporation of District shall be elected for staggered terms of one, two and three years, and shall serve until the expiration of the term for which they were elected as shown by the minutes of the original meeting of the landowners, and until their successors are elected and have qualified. At each annual meeting of the participating members, the participating members shall elect for a term of three years the number of Directors whose terms of office have expired.

Section 2. Immediately following the annual meeting of the participating members, the Board shall meet and shall elect a Chairman, Vice-Chairman, Secretary and Treasurer, from among themselves, each of whom shall hold office until the next annual meeting and until the election and qualification of his or her successor unless sooner removed by death, resignation or for cause. The office of the Secretary and Treasurer may be held by one person.

Section 3. Any vacancy in the Board, other than from the expiration of a term of office, shall be filled by appointment by the remaining members of the Board. The disqualification of a Director as a participating member of the District or failure of any original Director to become a participating member within 30 days after subscription to Benefit Units are made available through action of the Board, shall operate to disqualify him or her as a Director and to create a vacancy in the office of the Director.

Section 4. A majority of the Board shall constitute a quorum at any meeting of the Board.

Section 5. Any Director of the District may be removed from

office for cause by a vote of not less than 3/4ths of the participating members of the District at any annual or special meeting called for that purpose. The Director shall be informed in writing of the charges referred against him or her at least 10 days before such meeting, whether regular or special, and at the meeting shall have an opportunity to present witnesses and be heard in person in answer thereto. Officers of the Board may be removed for cause by vote of 5 of the members of the board, and employees and agents discharged or removed from office or employment at any time by action of the Board.

Article 8 **Powers and Duties of Directors**

Section 1. The Board, subject to the restrictions of law, and by these By-laws, shall exercise all the powers of the District and without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board shall have, and is hereby given, full power and authority in respect to the matters as hereinafter set out:

- (a) To select and appoint all agents and employees of the District or remove such agents and employees of the District for just cause, prescribe such duties and designate such powers as may not be inconsistent with these By-laws, and fix their compensation and pay for faithful services.
- (b) To borrow from any source money, goods, or services and to make and issue notes and revenue bonds, and other negotiable and transferable instruments, and to apply for and expend grant funds obtained from the Federal or State Governments or any agency thereof, mortgages, and to do every act and thing necessary to effectuate the same.
- (c) To prescribe, adopt and amend, from time to time, such equitable and uniform rules and regulations, as in their discretion, may be deemed essential or convenient for the conduct of business and affairs of the District, and the guidance and control of its agents and employees.
- (d) To fix charges to be paid by each water user for services rendered by the District to him, the time of payment, and the manner of collection, and to establish equal rates for farm members and non-farm members according to the amount of

services furnished.

- (e) To require all officers, agents and employees, charged with the responsibility for custody of any funds of the District to give adequate bond, the cost thereof to be paid by the District, and it shall be mandatory upon the Directors to so require.
- (f) To select one or more banks to act as depositories of the funds of the District and to determine the manner of receiving, depositing and disbursing the funds of the District in the form of checks, and the person by whom the same shall be signed on behalf of the Chairman, with the power to change such bank or person signing such checks and the form thereof at will.
- (g) To prepare annually, an estimated budget for the coming year, adjust water rates, if necessary, to produce sufficient revenue required by such budget, cause an annual audit of the District records and accounts to be made by a licensed municipal public accountant or a competent certified public accountant, and make a report on said matters at each annual meeting of participating members.

Article 9 **Powers and Duties of Manager**

Section 1. The Board may employ for the District a Manager, who shall have charge of the business of the Association under the general control, supervision and direction of the Board. No Director shall serve as Manager. Subject to the approval of the Board, the Manager shall employ, supervise and dismiss all agents and employees of the District and fix their compensation. The Manager shall also, so far as is practical, conduct the business in such a way that all patrons receive equal service and treatment, deposit in a bank selected by the Board, all money belonging to the District, which comes into his or her possession; maintain his or her records and accounts in such a manner that the true and correct condition of the business may be ascertained there from at any time; furnish the Board a current statement of the business affairs of the District at each scheduled meeting of the Board and at the end of each fiscal year and at such other times and in such forms as the Board may direct; carefully preserve and turn over to his or her successor all

books, records, documents, and correspondence pertaining to the business of the District which may come into his or her possession; and to perform such other duties as may be prescribed by the Board.

Article 10 Powers and Duties of Officers

Section 1. Chairman. The Chairman, who shall be a member of the Board, shall preside over all meetings of the District and the Board, call special meetings of the District and the Board, perform all acts and duties usually performed by an executive and presiding officer, and shall sign all Benefit Unit Certificates and such other papers of the District as he or she may be authorized or directed to sign by the Board, provided the Board may authorize any person to sign checks, on behalf of the District, provided that all checks must be countersigned by the Treasurer. The Chairman shall perform such other duties as may be prescribed by the Board.

Section 2. Vice-Chairman. In the absence or disability of the Chairman, the Vice-Chairman, who shall be a member of the Board, shall perform the duties of the Chairman.

Section 3. Secretary. It shall be the duty of the Secretary, who shall be a member of the Board, to keep a record of the proceedings of the meetings of the Board and of the District. The Secretary shall serve, in case to be served, all notices required to be served by law or by the by-laws of the District; and in case of the Secretary's absence, inability, refusal or neglect to do so, any member of the Board directed by the Chairman, may then serve such notices.

Section 4. Treasurer. The Treasurer, who shall be a member of the Board, shall receive and account for all funds of the District, shall deposit the same in some bank designated by the Board as a depository, and pay the amounts, or cause them to be paid out of the depository only on the checks of the Chairman, or someone authorized to sign on the Chairman's behalf, countersigned by the Treasurer. At each annual meeting of the District, the Treasurer shall submit for the information of the participating members a complete statement of his or her account for the past year and shall discharge such other duties pertaining to his or her office as shall be prescribed by the Board, and shall give a good and sufficient bond in such amount as may be fixed by the Board.

Article 11 Books and Records

Section 1. The books and records of the District, and such papers as may be filed by vote of the District or Directors, shall during all reasonable business hours, be subject to the inspection of any landowner of the District.

Article 12 Annual Meeting of Participating Members

Section 1. The annual meeting of the participating members of the District shall be held the first Monday in March at some suitable location designated by the Board.

Section 2. Special meetings of participating members may be called at any time by the Chairman or upon resolution of the Board, or upon written petition to the Chairman of the Board, signed by 51% of the participating members of the District. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted thereat except such as specified in the notice.

Section 3. Notice of meetings of participating members of the District shall be given in mail to each participating member of record directed to the address shown upon the books of the District at least 10 days prior to the meeting. Such notice shall state the nature, time, place and purpose of the meeting, but no failure or irregularity of a notice of any annual meeting, regularly held, shall affect any proceeding taken thereat.

Section 4. The participating members present at any meeting of participating members shall constitute a quorum for the purpose of transacting business.

Section 5. The order of business at the Annual meeting and so far as possible at all other meetings shall be:

- (a) Call to order;
- (b) Proof of Notice of Meeting;
- (c) Reading and approval of minutes of last meeting;
- (d) Report of officers and committees;
- (e) Election of Directors;
- (f) Unfinished Business;
- (g) New Business;
- (h) Adjournment.

Article 13
Board Meetings

Section 1. The Board shall meet annually immediately following Annual meeting of the participating members. The Board may also meet at such other times as may be determined by the Board, or upon call by the Chairman or any two members of the Board. Notice of all meetings of the Board, other than the annual meeting, shall be by mailing notice to the last known business or residence address of each Director, at least two days before the holding of such meeting. Provided however, that when all the Directors are present at any meeting, however called, or consent in writing that such meeting may be held, the proceedings thereat shall be as valid as though the previous written notice resaid had been given.

Article 14
Manner of Election and Voting

Section 1. At all meetings of the District, each participating member, qualified as stated in these By-laws, shall be entitled to vote on all propositions coming before said District. No cumulative voting shall be permitted and each participating member of the District shall have one vote.

Article 15
Seal

Section 1. The District shall have a corporate seal, consisting of a circle having in its circumference and face the words, "Rural Water District No. 5, Butler County, Kansas," which shall be in the custody of the Manager.

Article 16
Fiscal Year

Section 1. The fiscal year of the District shall begin the first day of January each year.

Article 17
Amendment

Section 1. These By-laws may be repealed or amended by a vote of 3/4ths of the participating members present at any regular meeting

of the District, or at any special meeting of the District called for that purpose except that the participating members shall not have the power to change the purposes of the District so as to impair its rights and powers under the laws of the State of Kansas, or to waive any requirement of bond or other provision for the safety and security of the property and funds of the District or its participating members, or to deprive any participating member or landowner of rights and privileges then existing, or to so amend the By-laws as to affect a fundamental change in the policies of the District. Notice of any amendment to be made at any regular or special meeting of the participating members must be given at least 10 days before such meeting and must set forth the amendments to be considered.

Article 18
Basis of Operation

Section 1. The District shall at all times be operated on a non-profit basis for the mutual benefit of its participating members.

Article 19
Benefits and Duties of Members

Section 1. The District shall install, maintain and operate a main distribution pipe line or lines from the source of the water supply, and lines from the main distribution pipe lines or line, to the property line of each participating member of the District, at which point designated as delivery points, meters to be purchased, installed, owned and maintained by the District shall be placed.

Section 2. Each participating member shall be entitled to purchase from the District, pursuant to such agreement as may from time to time be provided and required by the District and the Board, such water for domestic, livestock, garden and other purposes as a participating member may desire subject, however, to the provisions of these By-laws and such rules and regulations as may be prescribed by the Board. The water delivered to each participating member shall be metered.

Section 3. In the event the total water supply shall be insufficient to meet all of the needs of the members and users, or in the event there is a shortage of water, the District may pro-rate the water available among the various members and users on such basis as is deemed equitable by

he Board, and may also prescribe a schedule of hours, covering the use of water for garden purposes and require adherence thereto, or prohibit the use of water for garden purposes if at any time the total water supply shall be insufficient to meet all of the needs of all of the participating members for domestic, livestock, garden and other purposes, and the District must first satisfy all the needs of the participating members for domestic purposes before supplying any water for livestock purposes and must satisfy all the needs of all the participating members for domestic and livestock purposes before supplying water for gardens or other purposes.

Article 20
Printing

Section 1. After adopting, these By-laws shall be prepared in pamphlet form, and a copy thereof shall be delivered to each participating member.

BUTLER RURAL WATER DISTRICT NO. 5
BUTLER COUNTY, KANSAS

RULES AND REGULATIONS

These rules are issued in compliance with the Article 6, Section 82(a)-601 et seq., Kansas Statutes Annotated, as amended, and the By-laws 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 a 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 voidance 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 located within the District, applying for water service.

Benefit Unit: A right entitling the holder to one water service, and one water supply unit of one pint per minute. The holder of a Benefit Unit may purchase additional water supply units as the Board of Directors may approve.

Board: The Board of Directors of Rural Water District No. 5, Butler 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.

Forfeiture: Loss of the right to continued water service combined with removal of the water meter, and any interest in the benefit unit.

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 consumer's requirements. Service shall be considered 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, the monthly minimum meter charge will become due 30 days after board approval or the meter is set, whichever comes first.

Application for Water Service and Water Users' Agreement: The agreement of 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 and within the District. A landowner must purchase a benefit unit and accept a water service for each residence or business establishment served as set forth in Article 6, Section 5 of the District's By-Laws.

GENERAL RULES

1. The supplying and taking of water will be in conformance with these Rules. Provided, however, 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 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 Manager 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.

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

Agreements with Governmental and Public Bodies:

The District, through its Board of Directors, may make specific water service contracts with governmental units, school districts, municipal corporations, multiple housing facilities including mobile home and trailer courts servicing residential users, and other commercial users. These commercial users will not include farms with family-size operations. Such commercial users will pay a hook-up charge, which shall be the cost of an increase in the capacity of a system to serve such users. Such commercial users will pay a special commercial rate for water used. This water rate will be based on the costs of the production of water and may differ from the water rate charged to regular water users. Such contracts must receive the consent of the Board of Directors.

Right of Access:

Representatives of the District shall have the right at all reasonable hours to enter upon consumers' 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 services by consumers.

Continuity of Services:

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 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, floods, or other causes beyond its control.

Violation and Right to Hearing:

Any violation of the By-Laws or Rules and Regulations of the District by a participating member, or a participating member's tenant, shall be sufficient cause for discontinuation of water service; provided, the District shall first comply with the following procedure to determine whether a violation has in fact occurred before water service is physically disconnected.

In the event of a probable violation, the Board of Directors shall cause to be mailed to such participating member (and tenant, if any) a notice setting forth the exact nature of the violation and informing the participating member (and tenant, if any) that water service will be disconnected unless (a) the violation is cured within ten (10) days from the date of the notice, or (b) a hearing before the Board of Directors is requested in writing within ten (10) days from the date of the notice. If the violation is not cured and a hearing is not requested within the time allowed, then disconnection of water service shall automatically result. If the violation is not cured, but a hearing is requested by the participating member (and tenant, if any) within the time allowed, the Board of Directors shall fix a date for hearing which shall not be less than five (5) days nor more than thirty (30) days from the date of the request. At such hearing the Board of Directors shall hear and examine all evidence relevant to the issues and thereafter reach a decision as to whether a violation does exist and if so shall allow the participating member (and tenant, if any) a fixed time to cure the violation. If the violation is not cured within the time fixed, then disconnection of water service shall automatically result. If, as a result of the hearing, the Board of Directors finds that a violation does not exist, then the matter shall be terminated in favor of the participating member (and tenant, if any).

Meters:

Meters or flow control and float 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 test according to methods of the American Waterworks Association, as often

as deemed necessary by its Board of Directors.

Meter Accuracy:

Meters will be checked periodically, by District personnel, at the direction and discretion of the Board of Directors, by means of a measuring cup and a stopwatch to assure reasonable accuracy. Service Meters whose errors do not exceed two per cent (2%) fast or slow shall be considered as being within the allowable limits of accuracy for billing purposes.

Meter Locations:

The meter will be set in meter box furnished and installed by the District near the user's property line, accessible to the Meter Reader. All meters shall be set horizontally and never connected into a vertical pipe. The meter will be installed at the grade which exists at the time of installation. Should the customer cause the grade to be altered in the future, they will be responsible for the cost of all necessary adjustments to the elevation of the meter.

The customer shall not landscape property in such a way as to interfere with the District's ability to read meters and/or repair and maintain meters, lines or mains. If such landscaping interference exists, the landscaping will be removed at the landowner's expense. Under no circumstances will the District be responsible for the cost of repairing or replacing said landscaping.

Bills:

A District representative shall read meters the last two weeks of each month. The District will render bills to the members the last working day of each month.

All service bills are to be paid by the 20th day of the month in which the bill is rendered or be subject to a late charge of five per cent (5%). Accounts not paid by the 21st will be delinquent.

Policy for Discontinuance of Service for Non-Payment of Fees and Charges:

Delinquent accounts shall be subject to discontinuance of service,

in accordance with the following procedure:

- (a) An account delinquency and service discontinuance notice shall be issued in writing on the 10th day of the month with respect to any delinquent and unpaid water service bill. Notice shall be sent by U.S. Mail, First Class, to the benefit unit owner (and a copy also set by U.S. Mail, First Class, to the water user if the water user is not the benefit unit owner) at the last known address of such persons as shown on the records of the district.
- (b) The notice of account delinquency and service discontinuance shall contain the following information.
 - 1. Name of benefit unit owner and address where service is being provided.
 - 2. Benefit unit number.
 - 3. Amount past due, including the late charge.
 - 4. Notice that water service shall be terminated upon failure to pay the delinquent billing and any current charges due and payable, within ten days of the date of the mailing of the notice or the day following the hearing, whichever last occurs.
 - 5. Notice that the water user has a right to request a hearing and to appear and be heard at hearing to be held in accordance with section (c), below.
- (c) Any water user receiving a notice of account delinquency and service discontinuance shall have the right to a hearing prior to disconnection. The request for hearing must be made by the customer and/or benefit unit owner within ten days of the date of such notice, or hearing will be deemed irrevocably waived. The District's Manager or such other person as appointed by the Board of Directors of the District shall conduct such hearing. The hearing shall be held within 10 days of the customer's request for hearing. At such hearing, the customer and the District shall each have the right to present such evidence as is pertinent to the issue, may be

represented by counsel, and may examine and cross-examine witnesses. Formal rules of evidence shall not apply. The hearing officer shall promptly make his or her findings and shall enter his or her order accordingly. Unless otherwise ordered by the hearing officer, water service shall be discontinued the day after the date that the order of discontinuance is issued by the hearing officer. The hearing officer may grant an extension of the date of discontinuance in order to enable the water user to make arrangements for reasonable installment payments or for other good cause shown. The hearing officer's order shall be filed in the District's records, and a copy thereof shall be provided to the water user in the same manner as set forth in section (a), above.

- (d) Any party aggrieved by the decision of the hearing officer, may appeal the same by filing a written notice of appeal with the District. Notwithstanding the order of discontinuance, service shall not be discontinued if the notice of appeal has been received prior to termination. Any such appeal shall be set for hearing before the Board of Directors at its next regularly scheduled meeting or special meeting. The determination of the Board shall be final. The determination of the Board of Directors shall be recorded in the minutes of its official proceedings, and notice thereof shall be provided to the customer in the same manner described in section (a), above.

Reconnection Charges:

The reconnection charge for restoration of service, if reconnection is authorized and approved under the provisions of the By-Laws 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 and a sum to cover the reasonable cost of labor necessary to make such reconnection. To restore service, if the benefit unit has been permanently forfeited and the meter removed, the landowner must pay all outstanding charges against the forfeited unit, and subject to the availability of service at that time, must make application for new service and pay in full, the cost of a new unit at the time of application.

Requested Meter Tests:

Meter tests requested by consumers will be performed with cost to the consumer if the meter is found to be in excess of two per cent (2%) fast or slow. Otherwise the consumer for whom the requested test is made will be charged for the cost of testing.

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 use 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(s) transferred to the new consumer as prescribed by the By-Laws. 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:

1. In extending a water main to serve an applicant, the applicant shall be responsible for the costs of the line extension. The Board of Directors may elect to upgrade the size of the main and pay for the difference if it is of substantial benefit to the District.

Services:

The District's Operator will install and the applicant will pay for all water service pipes from the District's mains to the meter(s) on property abutting the travel way along which the main is installed. The District's Operator will install and the applicant will pay for the District check, meter, or required materials and the labor cost for installation of the aforesaid items in an amount to be set from time to time by the Board of Directors. The service pipe from the District main line to the meter shall not be less than 3/4 inch in size. The meter shall be set in front of the premises to be served at the closest point on the consumer's premises to the District's main line, as designated by the District. The installation and

cost of installation of the service line from the meter to the applicant's premises will be the responsibility of the applicant. In the case of major distribution line extensions or replacements, project bids will be let at the direction of the District's Engineer.

Cost of Benefit Units:

The cost of a Benefit Unit, which will be determined by the Board of Directors, includes a construction cost limit of \$700.00. The customer is responsible for paying the Benefit Unit cost plus any construction costs in excess of the \$700.00.

Fire Protection:

The District will not be responsible for the flow rate necessary to operate fire suppressant systems for use in business establishments, residences, or necessary and usual non-business outbuildings. Fire hydrants will not be installed in the District. The system was not designed nor constructed to meet specifications required for fire protection.

Applicants Having Excessive Requirements:

In the event any applicant's water requirements are found to exceed the District's ability to supply water without adversely affecting service to other consumers, the District will not be obligated to render such service, unless and until the applicant has arranged to cover the cost necessary to meet the additional requirements.

Connection with Private Water System:

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 this provision shall constitute cause for disconnection of a consumer's service.

(NOTE: This District's original Rules and Regulations were unanimously adopted at a meeting of the Board of Directors, held August 22, 1977, at Benton, Kansas, with six (6) members of the Board of Directors present. These Rules & Regulations have been amended and new ones adopted from time to time since August 22, 1977, by action of the Board of Directors. The Rules and Regulations as contained in this booklet reflect said changes as of February 12, 2002. The By-Laws as contained in this booklet reflect said changes as adopted by the participating membership at the Annual Meeting held March 4, 2002.)

**Board of Directors
Rural Water District #5
Butler County, Kansas**

