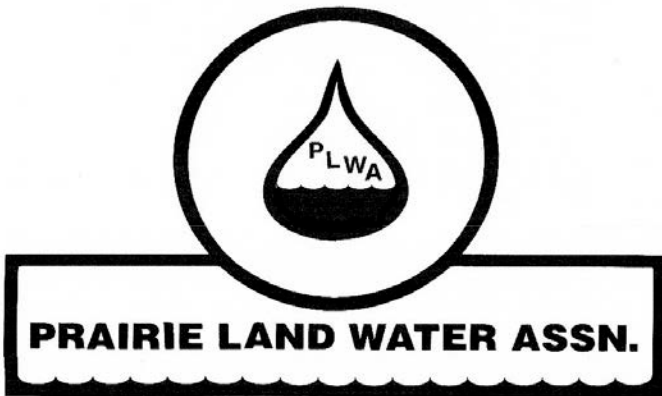


SCHEDULE OF RULES AND REGULATIONS

REVISIONS AND AMENDMENTS



PRAIRIE LAND WATER ASSOCIATION, INC.
150 ARTESIA ROAD
COLUMBUS, MS 39701-8721

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I.

MEMBERSHIP

A. QUALIFICATIONS AND OBLIGATIONS:

Any person, firm, corporation or body politic may become a Member of the Association by:

1. Signing an "Application for Membership and Water Service" (herein "Application") and providing their social security / drivers license number, and
2. Paying the applicable fees hereinafter specified, and
3. Agreeing to purchase from the Association water service hereinafter specified, and
4. Agreeing to comply with and be bound by the Certificate of Incorporation of the Association, the Bylaws, any amendments thereto and these Rules and Regulation that may from time to time be amended by the Board of Directors.

B. WATER SERVICE OPTIONS:

Any applicant may purchase water service from the Association in one of the following methods:

1. "New meter connection to existing system." A user who (1) pays a non-refundable Twenty-Five dollar (\$ 25.00) Membership fee, an applicable Deposit, and any applicable Connection fees and Service fees as part of the new meter service. Deposit may be applied to final bill.
2. "Existing meter service." A user who (1) pays a non-refundable Twenty-Five dollar (\$ 25.00) Membership fee, an applicable Deposit. Deposit may be applied to final bill.

C. WATER AVAILIBLTY:

No person otherwise eligible shall be permitted to subscribe for or acquire a membership in the Association if the capacity of the Association's water system is exhausted by the needs of the existing members.

Notice: If, within 90 days after a meter is set with water service available continuously thereafter and Member does not pay the minimum monthly bill or use the water at the metered rate, the Association can remove the meter. Should water service from the Association ever be desired at a later date, the Association will collect for meter installation and service hook-up, and any other required charges, pursuant to current Rules and Regulations.

II.

SERVICE RULES AND REGULATIONS & FEES

A. AVAILABILITY:

Water service from the Association is available to all applicants in the certificated service area subject to Membership fees, Deposits and any Connection fees including any Service Fees and any applicable Mississippi State Sales Tax. Members are also subject to the Rules and Regulation of the Association and any applicable State and Federal Regulations.

B. MEMBERSHIP FEES:

A non-refundable twenty-five dollar (\$25.00) Membership fee is paid by the member to the Association for each account they have. It is used for accounting and administrative purposes.

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C. DEPOSITS:

Residential Security Deposit.....	\$ 50.00
Renters Security Deposit.....	\$ 100.00
Commercial Security Deposit.....	\$ 200.00
Industrial Security Deposit.....	\$ 500.00

Notice: All Deposits are refundable and can be applied to final bill. The Association will not pay any interest on Deposits. Deposits may not be transferred to a different member without written consent from the member who originally paid the Deposit.

D. CONNECTION FEES:

¾ inch Water Meter.....	\$ 800.00
1 inch Water Meter.....	\$ 1050.00
2 inch Water Meter.....	\$ 2,700.00
Irrigation Water Meter.....	¾"- \$600.00 / 1"- \$800.00
Larger Water Meter or Special Cases (Board Approval)....	Cost to Association

Notice: All Connection Fees, Service Fees, as well as applicable Deposits and Membership Fee, will be collected in advance before any work or service can be provided.

E. SERVICE FEES:

County Road Bore Fee.....	\$25 per foot (non-refundable charge if water main is on opposite side of road)
Collection Fee.....	\$ 50.00
Reconnection Fee.....	\$ 100.00
Non Sufficient Funds(NSF) Fee.....	\$ 40.00

F. IMPACT FEE:

Impact Fee.....	\$ 300.00/per lot or unit
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Notice: Non-refundable Fee for adding Five (5) or more Lots or Units to the Association's certificated area. This will be used to make the necessary beef-ups to the water system or facilities to accommodate the additional load. Developer or Contractor will be responsible for all "tie-ins" to existing water system.

III. GENERAL RULES AND REGULATIONS

A. POINT OF DELIVERY:

1. The point of delivery is the point so designated by the Association, on the Member's property where water service is to be delivered to a dwelling or any

other structures on the premises. The Member shall maintain all installations beyond this point of delivery.

Notice: The Association installs meter yokes with check valves for cross-connection control. The will create a closed system which will require the Member to insure there is a proper relief valve on hot water tanks.

2. Water meters shall only be set on the property owned by the Member. Perpetual easements are not considered owner's property.
3. New meter services will be installed just off the public, access road, or right-of-way where there is an adequate water main. Where fences are involved, the meter will be located on the outside of the fence to allow easy access.
4. The Association highly recommends that the Member install a cut-off valve on the Member's side of the meter box. Should a Member or plumber open the meter box to secure the water service, check the leak detector, check the reading or for any other reason, they are responsible for replacing the lid back on the meter box when the task is completed. The Association will not be responsible for any injuries caused by an open meter box.
5. The Association shall designate the location and will require the meter to be located as close to the dwelling as possible to coordinate meter to dwelling.

B. BILLING:

Customers of the Association should receive a current monthly statement detailing current and any past due charges on or before the 5th of each month. The full balance shown on the statements are due and payable upon receipt and should be paid before the 20th of the month to avoid a late fee of 10% of the total bill. On occasion the Association may need to estimate your bill and the software that is used keeps a detailed history of all usage and has the capabilities to generate a statement. When this is done the monthly statement will be clearly marked.

C. PAYMENTS:

If a Member does not receive a monthly statement, it is the Member's responsibility to contact the Association for any account balances. Failure for a Member to receive a water statement does not waive the Member's responsibility to pay all charges included in the statement, nor is this grounds for not charging late fees, service fees or terminating service. Should the "past due date" on the monthly statement fall on a weekend or holiday, the next business date following the date will be used.

D. METHODS OF PAYMENT DELIVERY:

1. Mail payment to: 150 Artesia Road, Columbus, MS 39701
2. A payment drop-box is located at our business office on Artesia Road. Payments can be made after normal business hours, holidays and weekends. However, any Member using the payment box does so at their own risk and agrees to accept the Association's accounting of the amount received. It is the Member's responsibility to clearly mark the payment with a name and account number. It is also not recommended to deposit cash into the payment drop-box. Visa, Discover and Master Card credit cards are accepted at office and by phone.

3. Bank Draft service is available and members wanting to use this service should contact the Association for the necessary form. Monthly statement will show the charges and the date on which the payment will be drafted from their bank. The Association reserves the right to cancel payments made by bank drafts to any member who abuses the system with non-sufficient funds. Bank Draft Authorization forms is also available on the PLWA web-site.

E. PROOF OF PAYMENT:

It is the responsibility of the Member to notify the Association of any discrepancy including credited or missing payment. If a customer has a dispute regarding the proper credit of a payment, it is the Member's responsibility to provide an acceptable proof of payment. Proof of Payment may consist of a canceled bank check, an Association payment receipt or Statement and Photocopy of a canceled Money Order from the company issuing the money order.

F. NSF COLLECTION POLICY:

All NSF, ACCOUNT CLOSED and returned BANK DRAFTS will be charged a NSF fee as described on section "E", page 4 and will need to be paid within a seven (7) day period of notification to prevent interruption of water service.

Notice: A money order receipt is not proof of that payment. This receipt is only proof you purchased the money order. It should always be retained in the event that the member needs to request a trace from the company issuing the money order.

G. CUT-OFF POLICY:

A Disconnection Notice will be mailed to each Member with any past due charges still owed on the account after the 20th day of each month.

Failure of a Member to remit full payment of all current and past due charges posted on the Disconnection Notice being mailed will result in the Members service being disconnected. Please refer to paragraph "K". Disconnection of Service" below for further explanation. Payments must be made in full, partial payments will still result in Disconnection of Service.

H. DELINQUENT COLLECTIONS:

If a delinquent Member has failed to pay the entire amount by the date shown on the Disconnection Notice, an employee from the Association will arrive at the dwelling to collect the entire balance and the Collection Fee or will disconnect the water service. The Member may offer full payment including the Collection Fee to prevent service from being disconnected. No extensions will be made or partial payment be accepted.

I. DISCONNECTION OF SERVICE:

If a delinquent Member who has had their water service disconnected wishes to have their service reconnected, they may contact the Association to arrange full payment of current, past due, and late charges including the Collection Fee and Reconnection Fee before service can be reestablished. No water

service will be reconnected after business hours if service has been disconnected for non-payment of a delinquent bill. These payments may only be made during regular business hours.

The Prairie Land Water Association, Inc. shall not be held liable for any damages as a result of disconnecting water service for non-payment.

The Disconnection of Service by the Association for any reasons does not release any Members from their obligation to the Association for payment, and payment in full is expected before water service may be rendered at any location throughout the water system. If a delinquent Member who has had their water service disconnected and is receiving water through the meter that has had its locking device tampered with or removed will be charged Twenty-Five (\$ 25.00) dollars for damages and if damage has been done to the meter yoke lock wing there will be a Seventy-Five (\$ 75.00) dollar charge for damages. There will be a One Hundred and Fifty dollar (\$ 150.00) charge for any damages done to the water meter. The Board of Directors will file criminal theft of water charges against the Member. The Board of Directors will also immediately file a civil lawsuit against the Member to seek a judgment to recover all current and past due water charges, late charges, service fees, Attorneys fees and any applicable court costs. The Association may elect to apply any deposit of the delinquent Member to remaining balances on the account and will charge a double-deposit amount to reestablish the service.

M. BAD DEBTS:

If a delinquent Member has not paid their full balance within 60 days after Disconnection of Service, the Association shall write a certified letter to the Member requesting FULL payment within 10 days. The letter shall also state the Association's Rules and Regulations Policy and the intent to file a lawsuit against the Member if payment is not received by the specified deadline.

If the account has not been settled by the specified deadline stated in the certified letter the Association shall apply the Members Deposit to the balance, print a detailed transaction report on the Member's account over the last six (6) months, and any correspondences the Association has had with the Member since their service was disconnected, this information including Members address, phone number and place of employment will be submitted to the Board of Directors of the Association. The Board shall then have the Association's Attorney prepare a lawsuit to recover the unpaid balance as well as any other fees that the Board or Court deems necessary, but not limited to legal fees and court filing fees.

If the Member owing the Bad Debt balance has had their Deposit applied against the outstanding balance, wishes to reestablish water service after the account has been settled, they must complete another Water Users Agreement and post a Deposit twice the amount of applicable user class deposit for residential, rental, commercial, or industrial customers.

N. INTERRUPTION OF SERVICE:

The Association will endeavor to provide uninterrupted water service to its Members. Whenever practical, notice of an impending shutdown of service will be given to its Members, but the Association reserves the right to shutdown any service at any time, in the event of emergencies, or required shutdowns, without notice. The Association shall not be held liable for any damages or problems resulting from a shutdown. The Association reserves

the right to restrict the volume of water during water shortages to maintain water supply to other Members.

O. EMERGENCY INSTRUCTIONS:

Members are required to follow the instructions in the event of:

1. If you lose water pressure, it is recommended to “BOIL YOUR WATER” until microbiological water samples show the water is safe.
2. A state of emergency or terrorism , you are asked to exercise good judgment and “USE AN ALTERNATIVE WATER SOURCE” for consumption until such time as the emergency or threat has passed.

P. NOTICE OF TROUBLE:

Members shall notify the Association as soon as possible should their water service be unsatisfactory for any reason, or any defects, trouble, or accidents affecting the supply of water.

M. THEFT OF WATER:

Theft of Water refers to any violation of *MS. Annotated Code 1972, Title 97, Chapter 25, Paragraph 3* in which it states that anyone who tampers with, including the adjustment or removal of locking devices on a utility meter shall be held in violation and will be subject to the fines and imprisonment contained in the law. The Member who is benefiting from Theft of Water will be held accountable, not necessarily the person that has removed or tampered with the meter lock. The Board of Directors for the Association will seek to prosecute any member that engaged in the Theft of Water.

N. ADJUSTMENTS:

When a previously hidden leak on a Members water system is discovered, either by the Member or the Association, the Association may elect to share equally the loss over and above the Member’s normal consumption. Adjustments for increased charges resulting from hidden leaks may be made only if necessary repairs are promptly made, and the Member furnishes requested information to the Association. The Association reserves the right to refuse adjustments to excessive bills if for the same recurring problem. Extreme losses where adjustments may be justified will be at the discretion of the Board of Directors.

O. WATER FOR SPECIAL USE:

Water for Special use may not be obtained under any circumstances (except fire protection) from fire hydrants, blow-offs or filing valves without the

Water for Special Else Permit from the Association.
Rules for the permit are as follows:

1. To only use those filling points designated by the Association.
2. To use approved backflow prevention.
3. To give notice when getting water.
4. To notify the Association of the number of gallons used and pay the rate.
5. All water sold for special use will be in accordance with the current rate schedule.
6. Violating these policies will result in revoking the permit and privilege obtaining water for special usage.

P. RELOCATION OF SERVICE:

Relocation of water meters for the benefit of a Member shall be at the expense of the Member. The charge for relocation of a water meter will be at the cost to the Association and the Association can only do the work performed. Relocation of a water meter applies only to the lot on which the meter was set and does not mean a transfer to another point of delivery.

Q. FILING AND POSTING:

A copy of the Rules and Regulations, Schedule of Rates, and Association Bylaws shall be kept for inspection at the business office of the Association. The same shall be made available to Members at completion of Water Service Application for Membership or upon request.

V. SCOPE:

These Rules and Regulations shall be incorporated in, and shall become a part of, any and all contracts for water service from the Association and to all services received from the Association, whether the service is based upon contract, signed Application, or otherwise, and acceptance of service by a Member shall constitute agreement to the terms of said Rules and Regulations.

W. DECISION OF THE BOARD OF DIRECTORS:

These Rules and Regulation do not cover every conceivable condition or situation that may arise but only those recurring situations where standardized policies and practices have been established. In all matters involving the exercise of judgment or discretion, the decision of the Board of Directors shall

be final, and determination of the Board of Directors of all disputed questions of fact arising under these policies likewise shall be final.

X. REVISIONS:

These Rules and Regulations may be revised, amended, supplemented or otherwise changed from time to time by a majority vote of the Board of Directors. Such changes shall have the same force as the present Rules and Regulations.

Y. ADOPTION OF REVISIONS AND ADMENDMENTS:

These Rules and Regulations are hereby revised and amended, effective February 21, 2006.

IV. **SERVICE EXTENSION POLICY**

A. APPLICATION OF POLICY:

The Service Extension Policy of the Association shall apply in those instances where the service in question is not readily available from a point on the existing system without an extension.

B. APPLICATION OF SERVICE:

Applicants requesting service within the certificated area of the Association must provide a list of names and utility easements of property owners of who's property will be crossed for the proposed line extension. Any line extension outside the Association's certificated area will be required to make petition with the Mississippi Public Service Commission for a service area extension. Developers and Owners of subdivisions, mobile home parks, apartment complexes, etc must provide all financing of construction, materials, equipment, and labor (with the exception of the original connection to the water main), service extensions and beef-ups (if required), hydraulic analysis, layout of project, engineering and legal fees and applicable Impact Fees. Low-income applicants may qualify for special grants through Federal, State, or County governmental agencies.

Upon receipt of an application for service and/ or membership, the Association will determine if service is or is not readily available from existing facilities. If service is readily available from existing facilities, the applicant's meter installation will be constructed by the Association at the point of delivery requested by the applicant or at another mutually acceptable point of delivery. The point of delivery shall, however, be in accordance with the provisions of the Rules and Regulations set forth hereinbefore. Excess capacity in existing facilities shall be available to new members on a "first come first serve" basis.

C. REQUEST FOR SERVICE IN NEW SUBDIVISIONS/DEVELOPMENTS

Developers requesting water service for new subdivisions/developments in the Association's certificated area shall submit a written request for service. The written request shall include:

1. The number of connections to be served and a general location map indicating the probable service connection location from the new subdivision/development to the Association's water line. A non-refundable cash deposit of \$250.00 will also be required.
2. If a preliminary plat is already prepared by an engineer or surveyor, it shall also be submitted to the Association and shall clearly illustrate the location of the subdivision/development, the type of land use, size of lots and other related information.

The Association will, upon receipt of the developer's cash deposit, direct its Engineer to prepare separate opinions of probable cost of water improvements necessary to serve the proposed subdivision/development. The opinions of probable costs will include direct construction cost and indirect costs such as legal and administrative expenses, engineering services, land acquisitions, easement, and other related costs associated with extending water service to the proposed subdivision

The Engineer's opinions of probable cost shall be based upon his best judgment regarding improvements that will be required and his best information about current construction costs. However, neither the Engineer nor the Association guarantee or warrant that the proposed improvements required to provide adequate service to the subdivision/development will be acceptable to the state or local regulatory agencies nor that the improvements can be built for the amounts of the Engineer's estimates.

D. CONTRIBUTIONS-IN-AID OF CONSTRUCTION

If water service is not readily available from existing facilities and improvements and/or extensions must be made to the existing water system before service can be provided, the Association's Engineer shall prepare a feasibility study and cost estimate for the required improvements. The engineer's cost estimate shall include the direct cost of building new facilities and the indirect costs (such as engineering design, testing, and inspection; land acquisition, legal and administrative expenses, contingencies, and similar items.) required to undertake construction projects. The applicant for water service shall be advised that a contribution-in-aid-of-construction equal to the amount of the Engineer's preliminary cost estimate will be required before water service can be extended.

V. RULES AND REGULATIONS GOVERNING MULTI-USERS

A. MULTI-USER POLICIES:

1. These Rules and Regulations apply to all multi-user services, which are served through a master meter (s), including residential houses, mobile home parks, apartment complexes and businesses.
2. No Member shall be allowed to tie in an extra user (s) to their meter service without agreeing to relieve the Association from any low water pressure problems that may develop. A definition of an extra user is any

building, house, mobile home, or business, which is required to have a separate electric power meter. The building, house, mobile home, or business must be located on the same property of the meter and the land or lot be owned by the person where meter is set.

3. All mobile home parks shall comply with the Mississippi State Department of Health Regulations governing mobile home parks.

4. The Member shall not connect more users than has been approved by the Association. No more than Three (3) users on a ¾ inch meter service and no more than Five (5) on a 1-inch meter service. All others must have approval from Association after being reviewed by the Association's Engineer.

5. All multi-users Members are subject to the Rules and Regulations of the Association and Member shall notify Association should any changes be made that would affect the meter capacity.

VI. ASSOCIATION MEETINGS

A. MONTHLY MEETINGS:

The Board of Directors of the Association will conduct its regular monthly Board meetings on the 3rd Friday in January, April, July and October at 7:30 a.m. All meetings are open to the public, but anyone wishing to be on the agenda and address the Board of Directors must notify the Association at least (3) three business days prior to the meeting and state the topic of discussion for the agenda.

B. ANNUAL MEETING:

The annual meeting for the Association shall be held at the business office located at 150 Artesia Road at 7:00 p.m. on the 2nd Tuesday in August of each year (if not a legal holiday). If it falls on a legal holiday, the meeting will be changed to the 3rd Tuesday in August. If there is an exception or change to this rule, all Members will be notified.

C. SPECIAL MEETINGS:

Special meetings of the members may be called at any time by the action of the Board of Directors and such meetings must be called whenever a petition requesting such a meeting is signed by at least ten percent of the members, and presented to the Secretary or to the Board of Directors. The purpose of every special meeting shall be stated in the notice thereof and no business shall be transacted except such as is specified in the notice.

VII. GENERAL AUTHORITY

A. GENERAL AUTHORITY:

The Prairie Land Water Association, Inc. Board of Directors has unanimously passed a resolution addressing the herein-stated Schedule of Rules and

Regulations Policy. The Prairie Land Water Association, Inc. Board of Directors has the ultimate authority and responsibility to ensure the financial health and stability of the Association. It is inherent that every Member of the Association is treated in a fair and equitable manner and that each Member pay for the services provided by the Association.

VIII. **ASSOCIATION'S SCHEDULE OF WATER & SEWER RATES**

A. WATER & SEWER RATES:

\$10.00 Water Service Fee and \$7.25 per 1,000 gal
Sewer Rate \$9.06 per 1,000 gal

STATE TAX

Applicable Mississippi State Sales Tax

FIRE SERVICE FEE- \$1.00/month

Voluntary donation to Volunteer Fire Department