

RURAL WATER DISTRICT NO. 7, JOHNSON COUNTY, KANSAS

RULES AND REGULATIONS

Amended September 8, 2009

These Rules are issued in compliance with Chapter 82a, 612 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 conflicts with a provision of the rate schedule, the provision of the rate schedule will prevail. If a provision of the Rules conflicts with a provision of the District's By-Laws, the provisions in the By-Laws shall control. 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.

Board:

The Board of Directors of Rural Water District No. 7, Johnson 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 consumer's 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 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 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 Chief Engineer of the Division of Water Resources and the Secretary of the District: Provided, however, that such rate schedule is subject to change by action of the Board 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. 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 the 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 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.

Easements:

The District will obtain easements for installing pipelines and appurtenances upon private property. Any landowner not granting an easement may be refused water service by the District.

Right of Access:

Representatives of the District shall have the right of 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 service by 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 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.

CONTROL EQUIPMENT

Meters 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. Meter tests will be made according to methods of the American Waterworks Association by the District, as often as deemed necessary by its Board of Directors.

Meters of Flow Control Accuracy:

Meters will be checked occasionally 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 use will be used.

Meter Locations:

Meter 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 verticle pipe. Meters set outside of a building shall be placed in a meter box furnished and installed by the District.

BILLS

Meters will be read monthly by the District, with bills submitted by the third of each month to the consumer. Bills not paid on the 16th of the month shall be subject to a ten percent (10%) late charge. Pursuant to Section 6, Article 6 of the District's By-Laws, water service may be terminated in the event of a failure to timely pay any charges and fees payable to the District or in the event of a violation of any provision of the District's By-Laws or Rules and Regulations. In accordance with that Section of the By-Laws, failure to pay a bill by the 25th day of the month in which the bill is rendered, or other violations of the District's By-Laws will result in termination of service: 1) if a timely hearing is not requested as set forth below; or 2) if, after a hearing has been requested and completed, the Board or its designated representative determines that water service will be terminated in accordance with the provisions of the

District's By-Laws and Rules and Regulations. Before terminating water service, the Board shall notify the water customer and the benefit unit holder, if different from the customer, of the determination of the Board that there has been a failure to pay any charges or fees payable or that there has been a willful violation of the District's By-Laws or Rules or Regulations and that water service shall be terminated.

Such notice shall:

- a. be sent by regular mail to the last known address of the customer and the benefit unit holder.
- b. contain a statement of the determination of the Board and the specific reasons therefore.
- c. contain a statement substantially as follows: "If, within 10 days of the date of this notice, you request a hearing, you will be notified of the time and place of a hearing before the Board or such other person designated by the Board. At such hearing, you may present evidence as to why such water service should not be terminated, and you may present objections to water bills or other bills said to be unpaid or to any determinations of the Board given as reasons for termination of such water service. If you do not timely request a hearing as discussed above, your water service will be terminated."

Upon receiving a request for hearing as described in Subsection c, above, the Board shall notify the interested parties of the time and place of the hearing. At such hearing, the water customer and benefit unit holder may appear in person and may be represented by counsel if they so choose. The Board or its designated representative shall provide for a written summary of the proceedings at such hearing. Written notice of the Board's or its designated representative's determination shall be served upon all parties by regular mail within ten (10) days after such hearing.

Failure of the District to submit a service bill shall not excuse a consumer from the obligation to pay within the required time period for water used, in accordance with the terms of the prevailing rate schedule adopted by the District. Meters may be estimated periodically by the District for billing purposes due to inclement weather or any condition that prohibits the reading of a meter for that particular month.

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, plus six percent (6%) interest, and a sum to cover the reasonable cost of labor necessary to make such reconnection.

Requested Meter 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, on any cause other than normal wear and tear. This includes service pipe, meter well, meter, meter setting and check valve.

The consumer shall also be responsible for the knowledge of any amendments or revisions made to these Rules and Regulations.

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 in 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.

In the case of renting or leasing of the premises using the water service, the original holder of the benefit unit shall be responsible for payment of services charged to the renter or lessee.

Main Extensions:

In extending a water main to serve an applicant, the applicant must follow the terms of the "Line Extension Policy" as adopted by the Board of Directors and also on file in the District offices.

Services:

The District will install and pay for all water services pipes (except for private fire protection) from its mains to the meter on pressure lines. The service line for meters shall not be less than 3/4 inch in size. The District will also install and pay for the meter well, meter, meter setting and check valve. The meter will be set in front of the premises to be served or at the closest point on the consumer's premises designated by the District.

The District does not accept responsibility for the water pressure at the consumer's point of delivery. It shall be the consumer's responsibility to install and maintain on their service line an acceptable pressure regulating device to control the water pressure for their use.

Cost of Benefit Units:

The cost of future benefit units will be set by the Board of Directors of Rural Water District No. 7, Johnson County, Kansas.

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, unless and until suitable self-liquidating financing is arranged to cover necessary investment in additional plant.

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.