

**Rural Water District No. 2
Cass County, Nebraska**

Rules and Regulations

These Rules are issued in compliance with Section 46-1001 to 46-1020 R.R.S., Nebraska 1943 as revised, 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 Participating 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 any portion of these Rules shall be declared invalid by competent authority, such violence 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.

Application for Water Service: The "Application for Water Service and Water Users' Agreement" is the agreement or contract between the Consumer and the District, pursuant to which Water Service is supplied and accepted.

Benefit Unit: A right entitling the holder to one Water Service.

Board: The Board of Directors of Rural Water District No. 2, Cass County, Nebraska.

Participating Member: Participating Members shall be owners of land located within the District who have subscribed to one or more Benefit Units and are currently a Participating Member may be an individual, firm, partnership, association, or corporation which may enter into a legally binding contract or agreement.

Point of Delivery: The Point of Delivery shall be at the meter, and/or the curbstop, 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 Consumers of water adequate to meet the Consumer's requirements. Service shall be considered as at the point of delivery, in readiness for the Consumer's use, regardless of whether or not the Consumer make use of it.

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 water service for each residence or business establishment served.

General Rules

1. Supplying and Taking of Water

The supplying and taking of water will be in conformance with these rules and the applicable rate schedule, filed with the Nebraska Department of Health, and the Division of Water Resources. However that such rate schedule is subject to change by action of the Board. Further, If at any time the Board Of Directors determines that the total amount derived from collection charges is insufficient for the payment of operation cost, 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. Applications For Water Service

Applicants for Water Service shall make application to the District on forms provided by the District. If the Application for Water Service is approved by the Board of Directors, the Applicant will purchase a Benefit Unit for each Water Service that is desired, and sign a standard Application for Water Service and Water Users' Agreement for an indefinite period. The cost for purchasing a Benefit Unit for each Water Service desired shall be \$300.00 per unit on all applications made prior to March 1, 1978, and an amount to be determined by the Board per unit on all applications made subsequent to March 1, 1978.

3. Easement

Before any Applicant shall be entitled to Water Service the applicant shall sign an easement for water lines of the District over and across any real estate owned by the Applicant within the District, and the Applicants spouse shall likewise sign said easement to be on terms and conditions established by the board.

4. Water Service Connection is for the 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 a specific situation should make such an arrangement advisable, it shall be done only on the specific written permission of the Board. If done in case of emergency, it shall be done only for the duration of the emergency.

5. Agreements with Governmental and Public Bodies

The District, through its Board, may make specific Water Service contracts with the Federal Government, the State of Nebraska, or agencies thereof, school districts, and municipal corporations, which differ from the stipulations set out in the rate schedule and Rules.

6. Right of Access

Representatives of the District shall have the right, at all reasonable hours, to enter upon Consumers premises to test control valve and meters, inspect piping and to perform other duties for the proper maintenance and operation of the service, or to remove its service equipment and shut off water upon discontinuance by Consumers.

7. Continuity of Water Service

The District will make all reasonable efforts to supply continuous, uninterrupted Water Service. However, it shall have the right to interrupt Water Service for the purpose of making repairs, connections, extensions, 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 necessary interruptions.

The District will not accept responsibility for losses which might occur due to interruptions to Water Service caused by storms, strike, floods, or other causes beyond its control.

8. Control Equipment

Meters or Flow control, electronic monitoring equipment, and pressure control valves will be furnished, installed, owned, inspected, tested, and kept in proper operating condition by the District, without cost to the Consumer. A complete record of the 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.

9. Meters or Pressure Control Valve Locations

Meters, electronic monitoring equipment, and pressure control valves will be checked periodically at the direction of the Board; pressure control valves will be checked by means of a pressure gauge to assure reasonable accuracy. Water 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 Consumers rate of usage is known to be practically constant in which case the error at such constant use will be used.

10. Meter or Pressure Control Valve Locations

Meter or pressure control valves will be set in meter pits and or near the Consumer's 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. Electronic monitoring equipment will be set above ground level at the location of the meter, or at the owners' expense in the lid of the meter pit.

11. Bills

Consumers will remit the payment of the month's water bill not later than the 5th day of the month following the month for which the bill is due as set forth in the water rate schedule. Bills not paid by the 15th of the month shall be subject to the maximum amount of interest allowed under the usury law of the State of Nebraska. Failure to pay a bill by the 30th day following the due date shall result in discontinuance of the Water Service. If full payment is

not received after 30 days from discontinuance of Water Service, the meter will be physically removed thereby rendering the Benefit Unit inactive.

12. Reconnection Charges

The reconnection charge for restoration of Water Service, if reconnection is authorized and approved under the provisions of the By-Laws of the District, after each suspension of Water Service because of delinquent payments or for other infraction of the Rules, shall be the unpaid amount charged to-date against the Consumer's Benefit Unit, plus lawful interest as provided under Nebraska Law, and a sum to cover reasonable cost of labor necessary to make such disconnection and reconnection.

To activate an inactive Benefit Unit all back charges and fees will have to be paid as well as a reconnection fee determined by the Board.

13. Requested Meter, Electronic Monitoring Equipment or Pressure Valve Tests;

Meter, electronic monitoring equipment or pressure valve tests requested by Consumers will be performed without cost to the Consumer if the meter, electronic monitoring equipment or valve is found to be in excess of 10% slow for valves or in excess of 2% fast. Otherwise the consumer for whom requested test was made will be charged for the cost of making the test.

14. Consumer's Responsibility

The Consumer shall be responsible for any damage to equipment installed by the District for the Consumer's Water Service, on account of any cause other than normal wear and tear.

15. Non-Usage

Non-usage of water from the system, even though the minimum payment is met, constitutes a right for the District to withdraw the Benefit Unit from the Subscriber if other users have need for the additional water or if other Applicants have need for the water which is available through the capacity of the system. In the case of such non-usage, the Benefit Unit will not be withdrawn until after written notification from the Board.

16. Change of Occupancy

It shall be the Consumer's responsibility to anticipate changes of occupancy, and to have the Benefit Unit and additional water supply 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 the services. 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.

17. Main Extensions

In extending a water main to serve an Applicant, the Board may at its discretion exercise on of the following options:

- (a) If the cost of the extension is less than the average cost of the entire system to each Participating Member, and sufficient construction funds are available, the Board may elect to make the extension upon the Applicant's purchase of a Benefit Unit.
- (b) If the cost of the extension is greater than the average cost of the entire system to each Participating Member, but funds are available to the extent of such average cost, the Board may elect to contribute to the extension in the amount of such average cost, and

require the Applicant to deposit in cash the additional cost in addition to the price of a Benefit Unit. If and as additional Consumers are connected to the extension, and as funds become available, all or part of the original Consumer's deposit may be returned to the Consumer. Any portion of the original deposit remaining after the expiration of a five-year period will become the property of the District. In no case will interest be paid on such deposits.

18. Water Services

The District will install and pay for all Water Service pipes from its mains to the meter pit or curbstop on the pressure lines. The size of Water Service lines for meters shall be established by the District's engineer. The District shall install and pay for the meter, and meter setting for pressure lines. Compensation, as determined by the Board, will be provided to landowners for damages done by the District.

19. Insufficient Water Supply

In the event the total water supply shall be insufficient to meet all of the needs of the Participating Members and users, or in the event there is a shortage of water, the District may pro-rate the water available among the various Participating Members and users on such a basis as is deemed equitable by the board. The Board 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, and other purposes. The District must first satisfy all needs of the Participating Members for domestic purposes before supplying any water for livestock purposes, and must satisfy all the needs of all Participating Members for domestic and livestock before supplying water for gardens or other purposes. None of the water supplied by this District shall be used for commercial irrigation and firefighting.

20. Applicants Having Excessive Requirements

In the event an Applicant's water requirements are found to exceed the District's ability to supply it from existing plant without adversely affecting Water Service to other Consumers to an unreasonable extent, the District will not be obligated to render such Water Service, unless and until suitable self-liquidating financing is arranged to cover necessary investment in additional facilities.

21. Connection with Private Water System

There shall be no physical connection between a public water supply system and any of the District's pipes, pumps, hydrants, tanks, steam exchangers, or other water supplies whereby potentially unsafe water or contaminating materials may be discharged or drawn in to the public water system. (as per Nebraska HHSS Title 179 Chapter 2, July 7, 1998, Sec. 888.02) 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.

These rules amended and revised by the Board of Directors at their regular meeting on June 8, 2006.