

BY-LAWS
RULES AND REGULATIONS
Rural Water District #1
Ellsworth County, Kansas
A/K/A Post Rock Rural Water District

Last amended February 12, 2013

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POST ROCK RURAL WATER DISTRICT

BY-LAWS

ARTICLE 1 NAME AND PLACE OF BUSINESS

Section 1. The name of this corporation shall be Rural Water District No. 1, Ellsworth County, Kansas, also known as Post Rock Rural Water District.

Section 2. The principal office of this District shall be located within the District boundaries or in such a place as designated by the Board of Directors. (Adopted February 25, 1995)

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 other 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 proposes 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 has first subscribed and paid for one or more Benefit Units. Tenants occupying land 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 may have subscribed: Provided, all owners of land located within the District shall be eligible to vote at meetings of landowners until ninety (90) days after a 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 from the time service is available. The Board at its discretion may from time to time, if the capacity of the District's facilities permit, make the 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 himself 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 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 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. (Revised February 1, 1986)

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 Districts.

Section 5. Each Benefit Unit shall entitle the owner to not to exceed one line from the District's water system. Each line shall serve not to exceed one residence or business establishment together with the necessary and usual outbuildings.

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 months after such failure all back charges are paid in full, plus 10 percent interest and reasonable labor charges necessary to effect such reconnection: provided, further, that the Board may permit such reinstatement within six months after such failure upon payment of all back charges, plus 10 percent interest and reasonable labor charges necessary to effect such reconnection. (Revised February 1, 1986)

Section 7. Water service may be terminated for failure to make payments by the 16th of each month or for willful violations of the rules and regulations of the district. (Revised February 25, 2012)

Before terminating water service, the District shall notify the water subscriber and the Benefit Unit holder, if different from the subscriber, of the determination of the District that there has been a failure to pay for water service or willful violations of the rules and regulations of the district, and that water service shall be terminated and the benefit unit shall be forfeited. Such notice shall:

- (1.) Be sent by first class mail to the last known address of the subscriber and the benefit unit holder; (revised February 24, 2001)
- (2.) Contain a statement of the determination of the District and the specific reasons therefore;
- (3.) Contain a statement substantially as follows:

If you make a request within 10 days of the date of this letter, you will be notified of the time and place of a hearing before the Board at which hearing you may present evidence as to why such water service should not be terminated and present objections to water bills said to be unpaid, or to any determinations given as reasons for termination of water service.

Upon receiving such request, the District shall notify the interested parties of the time and place of hearing. At such hearing, the water subscriber and landowner may appear in person and may be represented by counsel. The Board shall provide for a written summary of the proceedings at such hearing. Written notice of the Board's determination shall be served upon all parties by certified mail within 10 days after such hearing. (Revised February 1, 1986)

ARTICLE 7 ELECTION OF OFFICERS Adopted February 23, 1991

Section 1. The Board of this District shall consist of nine (9) 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 the 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 of each area as described below shall elect for a term of three years the number of Directors whose terms of office have expired from their area. The Director receiving the most votes from the area shall be the one who shall win the election. Participating members in each area shall vote for the Directors nominated from their area. The areas are described as follows, to wit: Area One shall include all participating members in Ellsworth County, Barton County and Saline County. Area Two shall include all participating members in Lincoln County and Ottawa County. Area Three shall include all participating members in Russell County, Osborne County and Ellis County.

Section 2. Immediately following the annual meeting of the participating member, 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 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, a Director from the area from which the vacancy occurred. 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 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 area of the District, from which he originated, at any annual meeting or special meeting called for that purpose. The Director shall be informed in writing of the charges preferred against him 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 six (6) 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 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 the 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 of the 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 or electronic funds transfers, and the person by whom the same shall be signed or made on behalf of the Chairman, with the power to change such bank or person signing such checks or making such transfers and the form thereof at will. (Revised February 28, 2009)
- (g) 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, 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. He 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 possession; maintain his records and accounts in such a manner that the true and correct condition of the business may be ascertained therefrom

at any time; furnish the Board a current statement of the business and 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 successor all books, records, documents, and correspondence pertaining to the business of the District which may come into his possession; and to perform such other duties as may be prescribed by the Board.

ARTICLE 10
DUTIES OF OFFICERS
Adopted February 28, 2009

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 may be authorized or directed to sign by the Board, provided the Board may authorize any person to sign checks or make electronic funds transfers on behalf of the District, provided that: a) all checks must be countersigned by the Treasurer or his designee; b) all electronic funds transfers must be approved by the Treasurer or his designee; and c) any designee of the Treasurer must be a person other than a person designated by the Chairman to sign checks and/or approve electronic funds transfers. 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 the District. He shall serve, or cause to be served, all notices required to be served by law or the By-Laws of the District; and in case of his absence, inability, refusal or neglect to do so, then such notices may be served by any member of the Board directed by the Chairman.

Section 4. Treasurer. The Treasurer, who shall be a member of the Board, shall be responsible for receiving and accounting for all funds of the District, shall deposit or oversee the depositing of 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, or electronic funds transfers authorized by the Chairman or someone authorized to make such transfers on the Chairman's behalf. All checks must be countersigned by the Treasurer or his or her designee. All electronic funds transfers shall be authorized by the Treasurer or the Treasurer's designee in addition to the Chairman or the Chairman's designee. Provided, however, that any designee of the Treasurer must be a person other than a person designated by the Chairman to sign checks and/or approve electronic funds transfers. At each annual meeting of the District, he shall submit for the information of the participating members a complete statement of his account for the past year and he shall discharge such other duties pertaining to his 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 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 at some suitable location within the District designated by the Board on the last Saturday in February.

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 is specified in the notice.

Section 3. Notice of meetings of participating members of the District shall be given by 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 regular 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
Revised February 1, 1986

Section 1. The Board shall meet annually on the last Saturday in February, immediately following the meeting of the participating members, and may meet at such or 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 a 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 of 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 aforesaid had been given.

ARTICLE 14
MANNER OF ELECTION AND VOTINGS

Section 1. At all meetings of the District, each participating member, qualified as stated in these By-Laws, shall be entitled to vote upon all propositions coming before said District. No cumulative District shall have but 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. 1, Ellsworth County, Kansas, a/k/a Post Rock Rural Water District", which shall be in the custody of the secretary.

ARTICLE 16
FISCAL YEAR

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

ARTICLE 17
AMENDMENTS

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 BENEFIT 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 line or lines, 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 the 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 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.

ARTICLE 21
INDEMNITY OF BOARD MEMBERS, OFFICERS AND EMPLOYEES
Adopted July 14, 1987

Section 1. Indemnity. The District shall indemnify any person who was or is a party, or is threatened to be made a party, or against whom a claim is made which may result in that person becoming a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a board member, officer or employee of the district, or is or was serving at the request of the District as a board member, director, trustee or officer of another cooperative, corporation, partnership, joint venture, trust or other enterprise, against expense, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such claim, action, suit or proceeding, including attorneys' fees, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interest of the District and if he or she did not act with gross negligence and was not guilty of willful misconduct; and with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonable believed to be in or not opposed to the best interests of the District, nor that the person acted with gross negligence or was guilty of willful misconduct, nor, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his or her conduct was unlawful.

Section 2. Authorization of Indemnity. Any indemnification under Section 1 shall be made by the District only as authorized in the specific case upon a determination that indemnification of the board member, officer or employee is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 1. Such determination shall be made (1) by the board by a majority vote of a quorum consisting of board members who were not parties to such action, suit or proceeding, nor against whom such claim was made, or (2) if such a quorum is not obtainable, or even if obtainable and a quorum of disinterested board members so directs, by legal counsel who is independent of the board member or officer in a written opinion given at the expense of the District, or (3) by the members.

Section 3. Advance of Expenses. Expenses incurred in defending such a claim or such a threatened, pending or completed civil or criminal action, suit or proceeding shall be paid by the District in advance of the final disposition of such claim, action, suit or proceeding as authorized in the specific case in the same manner as indemnity is authorized in Section 2 including a preliminary determination that indemnification is likely and upon receipt of an undertaking by or on behalf of the board member, office or employee to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the District as authorized in this article.

Section 4. Nonexclusive Rights. The indemnification provided by this Article shall not be deemed to restrict the power of the District to make any other lawful indemnification nor shall it be deemed exclusive of any other rights to which those seeking indemnification may be entitled by law including, but not limited to, any bylaw, agreement, vote of members or disinterested board members, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a board member, officer or employee and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE 22
PROCEDURAL RULES
Adopted February 23, 1991

Section 1. The District shall at all times follow Robert's Rules of Order in conducting its Board of Directors meeting and its annual meeting and all other types of meetings involving the governing of the District.

AFFIDAVIT

STATE OF KANSAS)
) SS:
COUNTY OF ELLSWORTH)

Larry D. Kilian, Robert L. Siemsen, Robert L. Whitmer, Richard Hoffman, Lee E. Ross, Robert Diers, Melvin Webb, Dwight Sperry, and Adolph J. Vopat, being first duly sworn, depose and state, each for himself, that he is a Director of Rural Water District No. 1, Ellsworth County, Kansas, that the foregoing By-Laws were adopted at a meeting of the landowners of said District, duly held on the 5th day of March, 1979, at 8:00 o'clock, P.M. That there were 62 landowners present in person and that the vote for the adoption of the By-Laws was unanimous.

Larry D. Kilain
Robert L. Siemsen
Robert L. Whitmer
Richard Hoffman

Lee E. Ross
Robert Diers
Melvin Webb
Dwight Sperry

Adolph J. Vopat

Subscribed and sworn to before me this 5th day of March, 1979.

Nora Svaty
Notary Public

My commission expires:
March 24, 1981

Used as a guide in preparing By-Laws for associations organized as Rural Water Districts.

PREPARED BY	: Association's attorney.
NUMBER OF COPIES	: Original and two copies.
SIGNATURES REQUIRED	: Original and one copy of all members of Board of Directors (Signature to be notarized.)
DISTRIBUTION	: Original to association. Signed copy for County Supervisor. Copy for association's attorney.
FILE CLASSIFICATION	: Docket folder for Rural Water District.

POST ROCK RURAL WATER DISTRICT RULES AND REGULATIONS

These rules are issued in compliance with Section 82a, 612 et seq., Kansas Statutes Annotated, as amended, and the Bylaws of the District and are designed to govern the supplying and taking of water service in a uniform manner for the benefit of the District and its members. They are subject to change from time to time. However, all such changes must be approved by the State Director of Rural Development, until such time as the District is no longer indebted to the United States of America, or until such time as the District has completely retired all loans made by or insured by The United States of America. 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.

Board: The Board of Directors of Rural Water District No. 1, Ellsworth County, Kansas a/k/a Post Rock Rural Water District

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 user's 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 make use of it.

Application for Water Service and Water User's Agreement: The agreement of contract between the consumer and the District, pursuant to which water service is supplied and accepted.

State Director: The State Director of Rural Development.

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 with the approval of the State Director: Provided, further, 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 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 User's 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 the 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 cost 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 State Director of Rural Development. (Revised 7-16-73 – PN 265.)

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 by 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

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 and Flow Control Accuracy:

Meters will be checked periodically at the direction of the Board of Directors. Service Meters whose errors do not exceed AWWA standards fast or slow shall be considered as being within the allowable limits of accuracy for billing purposes.

Meters:

Meters shall be set in an accessible place outside of building 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.

Bills:

The District Board, at its discretion, may (1) require members to read their own meters or (2) have the meters read by a District representative. In either case, meters shall be read on the first day of each month or the earliest date thereafter. When bills are rendered to the members by the District, they shall be rendered by the 5th day of each month. (Revised 10-8-75 – SPECIAL PN.)

Adopted November 10, 1987. Due to the rising cost to the District, Post Rock Rural Water District finds it is necessary to pass on these costs to those customers causing the increases, including the following but not limited to:

- (1.) Reimbursement for labor and mileage expense incurred to read meters for customers who fail to provide the District with a current meter reading. The charges will be at the District's current rates with a minimum 1 hour charge for labor.

Adopted October 11, 2011. All service bills are to be paid within ten (10) days of issuance or be subject to a late charge of five percent (5%). If balance is not paid within 30 days after being delinquent then an extra 1.5% per month or 18% A.P.R. will be added to the account on the unpaid balance.

Adopted March 13, 2012. Water bill payments are due on the first day of each month representing the current month's minimum and the previous month's water usage. Water service may be terminated for failure to make payment by the 16th of each month and be subject to a late charge of five percent (5%).

Time line is as follows: Payment and Meter Reading Due on the 1st, Payment is late on 17th and shut off letter mailed next business day. The earliest 10th day after the date of the letter to request a hearing is the 27th. The earliest possible date to terminate water service is the 28th.

Subject to Article VI, Section 6 and 7.

Adopted February 12, 2013. Any customer of the District who pays a bill with a check that is returned for insufficient funds, will be charged a fee of \$20 by the District. Any customer of the District who pays a bill with a credit card will be charged a fee that represents any additional amount that the District is required to pay in transaction or other fees as a result of the customer paying with a credit card. At the time of the passing of this amendment to the Rules and Regulations, such amount is approximately 3.0%.

Reconnection Charges:

Adopted March 13, 2012. The reconnection charge for restoration of service, if reconnection is authorized and approved under the provisions of the By-Laws or the District, after each suspension of service because of delinquent payment or for other infraction of these Rules, shall be subject to the following charges. The unpaid amount with late fees charged to date against the consumer's benefit unit, and a sum of one hundred fifty dollars (\$150.00) during regular business hours or two hundred fifty dollars (\$250.00) after regular business hours to make such reconnection.

Requested Meter or Control Valve Tests:

Meter tests requested by consumers will be performed without cost to the consumer if the meter is found to be in excess of AWWA standards slow or 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 District equipment on account of any cause other than normal wear and tear. The consumer is responsible for installation and maintenance from 4 feet past the meter.

Change of Occupancy:

It shall be the consumer's responsibility to anticipate changes of occupancy, and to have his 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 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 Extension:

1. In extending a water main to serve an applicant, the Board may at its discretion exercise the following option:
 - (a) The Board may elect to contribute to the extension in the amount required to upsize the line so as to have capacity for potential additional consumers as may make application at a later date. The District may then charge those consumers for all or a portion of the cost of upsizing or modifying a line.
 - (b) The District may require as a condition of extending service, that the applicant deposit in addition to the price of a benefit unit, an amount which may equal the entire cost of the extension. In such an event, the Board may, require future consumers that benefit from that line to share in the cost based on a prorated schedule, returning to the original applicant a portion of the construction cost. No interest will be paid on such deposits.

Services:

The Consumer will pay for all water services piped from the District's mains to the meter. The service line for meters shall not be less than $\frac{3}{4}$ inch in size. 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.

Cost of Benefit Units:

Eight Hundred Dollars (\$800.00)

Applicants Having Excessive Requirements:

The District will not be obligated to render water service to any applicant whose service needs exceed the District's delivery capability, unless financing is arranged to cover the cost of increasing the District's capacity.

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 services, 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.

Unanimously adopted at meeting of Board of Directors, held March 5, 1978 at Wilson, Kansas, with nine (9) members of the Board of Directors present.

Randall Hlad
Secretary

Last amended unanimously by the Board of Directors at their, 2004 meeting.