

**RURAL WATER DISTRICT NO. 2
SEDGWICK COUNTY, KANSAS**

RULES AND REGULATIONS

These Rules are issued in compliance with Chapter 82a, Article 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. If a provision of the Rules conflicts with a provision of the rate schedule, 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. All new applicants will be required to obtain the necessary easements for construction and obtain annexation signatures, when required.

Application: A new application to the District will be processed by verifying the District's ability to supply water to the applicant without affecting the existing users, upon receipt of the application and the required deposit. The Board will make the final decision to add the applicant based upon recommendation by the engineering and legal counsel.

Benefit Unit: A right entitling the holder to one water service. If on constant flow line, a right entitling the holder to one water service and one water supply unit of one pint per minute.

Board: The Board of Directors of Rural Water District No. 2, Sedgwick 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.

Member: An owner of land located within the District who is the holder of one or more benefit units.

Point of Delivery: The point of delivery shall be at the discharge side of the water 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. 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 User's Agreement: The agreement or contract between the member/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. 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 District office. The applicant will deposit the purchase price for a benefit unit for each water service desired, and sign the standard Application for Water Service and Water User's Agreement and such shall be submitted to the Board of Directors, after legal and engineering review, for acceptance. No application for service shall be deemed accepted or create any rights in the applicant until the application is approved by the Board of Directors. The Board may impose conditions and/or limitations as part of the acceptance of an application.

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.

4. Before acceptance of any application or as a condition of the approval of any application, the Board may require an easement, in form and substance satisfactory to it, in recordable form, be granted to the District across the applicant's property for the extension, construction, operation and maintenance of the District's waterlines and appurtenances.

Service is for Sole Use of the Consumer

A standard water service connection is for the sole use of the applicant/member 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 user or consumer. If an emergency or specific situation should make such an arrangement advisable, it shall be done only on specific prior written permission of the Board of Directors for the duration

of the emergency or specific situation and upon such terms and conditions as may be required by the Board of Directors.

Agreements with Governmental and Public Bodies and Special Users

The District, through its Board of Directors, may make specific water service contracts with governmental units or agencies thereof, school districts, municipal corporations, multiple housing facilities including mobile home and trailer courts servicing residential users, and commercial users and other special users as determined by the Board differing from requirements set out in the rate schedule and these Rules and Regulations. For purposes of this section, commercial users will not include farms with family-size operations.

Right of Access

Representatives of the District shall have the right to enter upon consumers' premises to read, test and repair meters, control valves, and other appurtenances, inspect piping, confirm compliance with the By-laws, Rules and Regulations of the District, and all applicable State and Federal laws and regulations 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 or as a result of Board action or as may be required by law or State and Federal regulation.

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, 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 (and shall not be liable) for losses which might occur due to such necessary interruptions.

Violation and Right of Hearing

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

In the event of a probable violation, the Board of Directors shall cause to be mailed to such participating member (and tenant, if any) a notice setting forth the exact nature of the violation and informing the participating member (and tenant, if any) that water service will be disconnected unless (a) the violation is cured within ten (10) days from the date of the notice, or (b) a hearing before the Board of Directors is requested within ten (10) days from the date of the notice. If the violation is not cured and a hearing is not requested within the time allowed, then disconnection of water service shall automatically result. If the violation is not cured, but a hearing is requested by the participating member (and tenant, if any) within the time allowed, the Board of Directors shall fix a date for hearing which shall not be less than five (5) days nor more than thirty

(30) days from the date of the request. At such hearing, the Board of Directors shall hear and examine all evidence relevant to the issues and thereafter reach a decision as to whether a violation does exist and if so, shall allow the participating member (and tenant, if any) a fixed time to cure the violation. If the violation is not cured within the time fixed, then disconnection of water service shall automatically result. If, as a result of the hearing, the Board of Directors finds that a violation does not exist, then the matter shall be terminated in favor of the participating member (and tenant, if any).

Telephone Meetings

Members of the Board, or any Committees designated by such Board, may participate in a meeting of the Board or of such Committee by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear one another, and such participation in a meeting shall constitute presence in person at the meeting.

CONTROL EQUIPMENT

Meters or flow control valves or other required appurtenances will be furnished, installed, owned, inspected, tested and kept in proper operating condition by the District. 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 or Flow Accuracy

Meters or flow control valves will be checked periodically at the direction of the Board of Directors by any means acceptable to the Board of Directors which assures reasonable accuracy. Service Meters whose errors do not exceed two percent (2%) fast or slow shall be considered as being within the allowance limits of accuracy for billing purposes.

Meter or Flow Control Valve Locations

Meter or flow control valves will be set in meter wells at or near the user's property line. Float valves, when used, will be installed at the consumer's storage facility. 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 provided, however, that the cost (a) road bores, road crossings, road crossing permits and (b) other installation costs in excess of the average cost of installation or for specially required appurtenances, shall be an additional charge payable by the applicant/benefit unit holder.

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

Collection and Billing

Water users having meters will be read by the district on or around the 15th day of each month. A billing will be sent from the office of the District during the last week of each month for the prior month's water usage. Payment is due by the 15th day of the month following usage. All payments are to be remitted to a Bank selected by the Board for depositories of the funds of the District. Payments received after the 15th will be subject to the addition of a late charge as specified by the Board. Any payments received after the 15th in the Bank lobby, drive-thru window or night depository will be considered late and the late charge will be applicable. Failure to pay a bill by the first day of the second month following the month in which the bill is rendered shall result in discontinuance of the service, pursuant to the terms and conditions of Article 6, Section 7, of the By-Laws of this District.

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

Delinquent accounts shall be subject to discontinuance of service, in accordance with the following procedure:

A. An account delinquency and service discontinuance notice shall be issued in writing on the 1st working day of the month with respect to any delinquent and unpaid water service bill. Notice shall be sent by U.S. Mail, First Class, to the benefit unit owner (and a copy also sent by U.S. Mail, First Class, to the water user if the water user is not the benefit unit owner) at the last know address of such persons as shown on the records of the District.

B. The notice of account delinquency and service discontinuance shall contain the following information.

1. Name of benefit unit owner and address where service is being provided.
2. Benefit unit number.
3. Amount past due, including the late charge.
4. Notice that water service shall be terminated upon failure to pay the delinquent billing and any current charges due and payable, within ten days of the date of the mailing of the notice or the day following the hearing, whichever last occurs.
5. Notice that the water user has a right to request a hearing and to appear and be heard at hearing to be held in accordance with section C, below.

C. Any water user receiving a notice of account delinquency and service discontinuance shall have the right to a hearing prior to disconnection. The request for hearing must be made by the customer and/or benefit unit owner within ten days of the

date of such notice, or hearing will be deemed irrevocably waived. The District's Manager or such other person as appointed by the Board of Directors of the District shall conduct such hearing. The hearing shall be held within 10 days of the customer's request for hearing. At such hearing, the customer and the District shall each have the right to present such evidence as is pertinent to the issue, may be represented by counsel, and may examine and cross-examine witnesses. Formal rules of evidence shall not apply. The hearing officer shall promptly make his or her findings and shall enter his or her findings and shall enter his or her order accordingly. Unless otherwise ordered by the hearing officer, water service shall be discontinued the day after the date that the order of discontinuance is issued by the hearing officer. The hearing officer may grant an extension of the date of discontinuance in order to enable the water user to make arrangements for reasonable installment payments or for other good cause shown. The hearing officer's order shall be filed in the District's records, and a copy thereof shall be provided to the water user in the same manner as set forth in section A.

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

Reconnection Charges

The reconnection charge for restoration of service, if reconnection is authorized and approved under the provisions of the By-Laws of the District, after each suspension of service because of delinquent payment or for other infraction of these Rules, shall be the unpaid amount charged to date against the consumer's benefit unit and a sum to cover the reasonable cost of labor necessary to make such reconnection. To restore service, if the benefit unit has been permanently forfeited and the meter removed, the landowner must pay all outstanding charges against the forfeited unit, and subject to the availability of service at that time, must make application for new service and pay in full, the cost of a new unit at the time of application.

Requested Meter or Control Valve Tests

Meter or control valve tests requested by consumers will be performed without cost to the consumer if the meter or valve is found to be in excess of ten percent (10%) slow for valves or 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 and replacing the meter or valve.

Water leaks

The cost of inspection, testing and/or correction of all water leaks will be charged to and paid for by the benefit unit holder requesting the inspection unless the leak is found to be on the District's side of the meter.

Consumer's Responsibility

The consumer shall be responsible for any damage to service equipment installed by the District for his service when the damage is caused by anything other than normal wear and tear.

It is each user's responsibility to winterize their meter to keep from freezing. Should the meter, setter, regulator, etc, freeze and break due to non-insulation or from leaving the meter lid off, the consumer will be charged for the costs of repairs that are incurred by the District.

Change of Occupancy

It shall be the member's responsibility to anticipate changes of occupancy and to have his benefit unit and additional water supply unit or units transferred to the new member as prescribed in the By-Laws. Until the benefit unit is formally transferred on the books of the District, the original holder shall be responsible for payment for service. All charges levied against a benefit unit must be paid before the unit can be transferred or service resumed where there has been a suspension or forfeiture rescinded. Failure to keep the District advised as to changes of address, occupancy, sales, escrow sales or sales on contract, or transfers may result in the forfeiture and loss of the Benefit Unit.

Main Extensions

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

Cost of Benefit Units

The cost of each benefit unit shall be determined by the Board of Directors.

Transfer and Application Processing Fees

The Board of Directors of the District shall from time to time establish reasonable charges to cover the legal and engineering costs incurred in processing for acceptance transfers and applications. Such charges shall be in addition to all other charges and in addition to the cost of the benefit unit. No transfer shall be approved and no application accepted until such charges are paid to the District. The Board of Directors of the District shall from time to time establish reasonable charges to cover the direct and indirect costs incurred for special services performed for members or required by the delinquency or failure to comply with the By-Laws and Rules of the District or to enforce the By-Laws and Rules of the District.

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 and forfeiture of his benefit unit.

Fire Protection

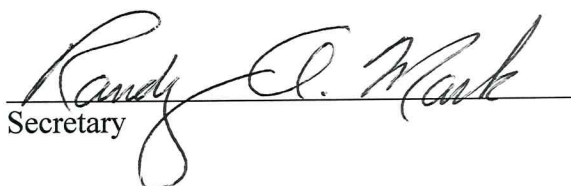
The District will not be responsible for the flow rate necessary to operate fire suppressant systems for use in business establishments, residences, or necessary and usual non-business outbuildings. Fire hydrants will not be installed in the District. The system was not designed nor constructed to meet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

District Board may modify this position on a case by case basis.

Policies and Procedures

The Board of Directors may from time to time adopt operating policies and procedures of uniform application in further explanation of or in addition to the existing Rules and Regulations. The Board may also amend the Rules and Regulations from time to time as necessary. Copies of the Rules and Regulations, as revised and amended and copies of current policies and operating procedures are available for review during regular business hours at the office of the Rural Water District.

These revised Rules and Regulations were unanimously adopted at a meeting of the Board of Directors held November 7, 2023 at the office of Rural Water District No. 2, Sedgwick County, Kansas, at Valley Center, Kansas, with nine of the Board of Directors present.


Secretary