

LOWER BIG BLUE NATURAL RESOURCES DISTRICT

RULES AND REGULATIONS

WYMORE-HOLMESVILLE PUBLIC WATER PROJECT

APPROVED
By Lower Big Blue
Natural Resources Dist
Manager
Date 12-15-2023

These Rules and Regulations are issued in compliance with Sections 2-3210 to 2-3262 R.R.S., Nebraska 1943, as amended, and authorized by the Lower Big Blue Natural Resources District and are designed to govern the supplying and taking of Water Service in a uniform manner for the benefit of the Project and its members. They are subject to change from time to time. However, all such changes must be approved by bondholders, or the U.S.D.A. Rural Development, until such time as the Lower Big Blue Natural Resources District has completely retired all loans or bonds. If a provision of the Rules conflicts with a provision of the rate schedule, a copy of which is attached hereto and incorporated herein by reference, 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 definitions shall apply to these Rules and Regulations:

ADVISORY BOARD: A Board appointed by the Natural Resources District for the purpose of making recommendations to the District on all phases of operation of the Wymore-Holmesville Public Water Project. The term of office shall be three (3) years with no limit to the number of terms.

APPLICANT: Any individual, firm, partnership, corporation, or other entity owning land located within the Project Area served by the Public Water Project which requests consideration for Water Service.

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.

BENEFIT UNIT: A right entitling the holder to Water Service.

BENEFIT UNIT CERTIFICATE: A certificate showing ownership of a Benefit Unit.

CONSUMER: Any individual, firm, partnership, corporation, or any other entity holding a Benefit Unit and receiving water from the District's facilities.

DISTRICT: Lower Big Blue Natural Resources District

MINIMUM MONTHLY CHARGE: The minimum amount charged monthly to a Consumer for Water Service from the time Water Service is made available by the District.

FARM UNIT: A Farm Unit shall mean a farm operation which may be served by a single Water Service. The farm operation must be under the same ownership and may be on the same tract or an adjacent land tract. Farm Unit shall not include more than one residence. Each residence will require a separate Water Service meter.

POINT OF DELIVERY: The point of delivery shall be at the meter, unless otherwise specified by the Board.

PROJECT: Wymore-Holmesville Public Water Project

PROJECT AREA: The designated land area agreed upon by the District in which Water Service can be provided to customers.

SERVICE: The term Service when used in connection with the supplying of water shall mean the availability of an adequate supply of water at the point of delivery to meet the Consumer's requirements, and in readiness for use regardless of whether or not the Consumer makes use of it.

WATER LINE INSTALLATION AGREEMENT: An agreement proving conditions for the extension of the Project within the Project Area to provide Service to a Consumer.

WATER SERVICE: Water Service shall consist of facilities for supplying water to one residence or business establishment located on land within the Project Area.

WATER USE FEE: The amount charged for supplied metered gallons of Project water pursuant to the water rate schedule.

RULES AND REGULATIONS

1. GENERAL RULES:

(A) The supplying and taking of water will be in conformance with these Rules and the adopted rate schedule, provided, however, that such rate schedule is subject to change by action of the District. If at any time the District determines that the total amount derived from the collection of charges is insufficient for the payment of operating cost, emergency repairs, debt service, and a reasonable reserve, the District shall adjust the rate schedule in an amount sufficient to pay such operating costs, emergency repairs, debt service, and to accumulate reasonable reserves.

(B) Applicants for service shall make application to the District office on forms provided by the District. If the Application for Water Service is approved by the District, the Applicant will purchase a Benefit Unit for each Water Service that is desired, and sign the standard Application for Water Service and Water User Agreement for an indefinite period.

(C) Before any Applicant shall be entitled to Water Service, all title owners shall grant an easement for the mains and Water Service facilities of the District over and across any real estate owned by them within the Project Area. Said easement shall be on terms and conditions prescribed by the District.

(1) The Board reserves the right to assess an additional fee for any landowner who refuses to grant an easement during project construction causing the Project additional expenses due to the forced alternate route and then at a later date requests Water Service from the Project.

(D) Applicant shall pay any costs associated with a feasibility assessment of the proposed Water Service should the District, for any reason, question that an adequate supply and sufficient facilities exist to provide for the proposed Water Service. The District is not obligated to approve an application for Water Service if an adequate water supply is not available. Applicants who are found to have inadequate supply may be allowed to upgrade District facilities at their cost to provide adequate supply for said Water Service. Any such construction or extension shall be done in accordance with specifications provided by the District and are subject to the conditions provided in a Water Line Installation Agreement between the District and Consumer. Construction oversight will be provided by the District. Any such extension of facilities shall become part of the Project at the time of competition and are wholly owned by the District.

(E) All actions taken by an Advisory Board, pursuant to these rules, must have the affirmative approval of the Lower Big Blue Natural Resources District before such actions become effective.

2. COST OF BENEFIT UNIT: The Benefit Unit cost shall be \$3,000.00 for each Water Service, plus the actual cost of construction. Payment of the Benefit Unit fee shall be made as follows: Three Thousand Dollars (\$3,000.00) plus the estimated construction cost, payable at the time of submitting application. The balance, if any, will be due or refunded at completion of construction.

3. SERVICES: The District will receive bids, install, and pay for all Water Service pipes from its mains to the meter. The size of service lines for meters shall be established by the District's consulting engineer. The District will install and pay for the meter, meter box, and meter setting. The Applicant shall be responsible for installation and all costs associated with service connections, including future maintenance, from the meter to the point of usage.

4. 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 tract to another (unless they qualify as a Farm Unit), from one residence to another, from one business to another, nor to share, resell, or submeter 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 Advisory Board and only for the duration of the emergency or to meet the needs of the specific situation.

(A) Water Service shall supply one home or business with potable water for domestic uses and human and animal consumption. Water Service as described shall not be relied upon for fire protection, manufacturing or industrial purposes, or large livestock facilities. Any application for such use will require a feasibility study at the sole expense of the Applicant. If the feasibility study shows that sufficient water supply exists, the Applicant may appear before the Advisory Board who will take action to approve or deny the requested use.

5. INSUFFICIENT WATER SUPPLY: In the event the total water supply shall not be sufficient to meet all of the needs of the Consumers or in the event there is a shortage of water, the Advisory Board has the discretion to pro-rate the available water supply on such a basis as it deems equitable.

6. APPLICANTS HAVING EXCESSIVE REQUIREMENTS: In the event an Applicant's water requirements are found to exceed the District's supply from the existing plant, adversely affecting service to other Consumers to an unreasonable extent, the District will not be obligated to render such a service, unless and until suitable self-liquidating financing is arranged to cover necessary investment in additional plant.

7. AGREEMENTS WITH GOVERNMENTAL AND PUBLIC BODIES: The Advisory Board with the consent of the District may make specific Water Service contracts with the Federal Government, the State of Nebraska, or agencies thereof, school districts, and municipal corporations, differing from stipulations set out in the rate schedule and Rules.

8. RIGHT OF ACCESS: Representatives of the District shall have the right at all reasonable hours to enter upon Consumer's premises to operate and test control valves and meters, spot check meters, 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 by Consumers.

9. METER LOCATION: Meters will be set in meter boxes along the distribution main directly in front of the point of use along the road right-of-way. Where service is on the opposite side of the right-of-way from where the distribution main is located, the service line will be extended across the road right-of-way and the meter service installed on the subscriber's property directly in front of his point of use; however, the District reserves the right to select a different location for the meter box if the above stipulated point of delivery would not be practical or economical to the District. As a normal practice, they will be located approximately five (5) feet inside the user's property line along the District's distribution main and directly in front of the point of intended use.

10. NOTICE OF WATER SERVICE AVAILABILITY: The District shall provide to the Applicant a written notice when Water Service is available at the address indicated in the Application for Water Service. The Applicant's first remittance for Water Service furnished shall be on the 1st day of the first whole calendar month following the date of mailing of the notice.

11. BILLS

(A) SELF REPORTED: Water users will read their own meters on the first day of each month, or on the earliest date thereafter, and determine their Water Use Fee from the then current water rate schedule provided by the District. Payment of the month's Minimum Monthly Charge and Water Use Fee is due by the 5th day of the month. Minimum Monthly Charge and Water Use Fee not paid on or before the 15th of the month shall be subject to a ten percent (10%) charge. There will be an additional \$50.00 charge for a Consumer's failure to read their own meter. This charge is made to defray the cost of necessitating a reading by the District.

(B) AUTOMATIC METER READING: If the District should elect to install Automatic Meter Reading Technology (AMR,) Consumers will be billed by the District by the 5th of the month. Minimum Monthly Charge and Water Use Fee is due by the 20th day of the month. Minimum Monthly Charge and Water Use Fee not paid on or before the 20th of the month shall be subject to a ten percent (10%) charge.

All amounts due for Minimum Monthly Charges and Water Use Fees may be paid by mail to Wymore-Holmesville Public Water Project, P.O. Box 826, Beatrice, Nebraska 68310. There shall be a \$30.00 handling charge for all checks returned for insufficient funds. Failure to pay Minimum Monthly Charges and Water Use Fees within 40 days of the due date shall be grounds for disconnection of the Water Service.

Any Consumer who is subject to disconnection for nonpayment may request a payment arrangement, including installment payments, to reduce the balance due. Any agreement shall be in writing between the Consumer and the District. Any Consumer who is subject to a payment arrangement must make regular payments, as doing so shall halt any disconnection or forfeiture efforts. Such written agreement shall be in addition to the provisions in these rules and regulations. If any regular payment provided for in the payment arrangement is missed by the Consumer, the District will immediately proceed with disconnection. Reconnection will only occur as provided by these Rules and Regulations.

12. RECONNECTION CHARGES: Service to the Benefit Unit shall be restored if all charges against the unit are paid in full, plus a \$75.00 reconnection charge, and a sum necessary to reimburse the District for mileage expense incurred in discontinuing and reinstating service.

13. FORFEITURE OF THE BENEFIT UNIT: A Benefit Unit shall be subject to forfeiture at anytime that the Minimum Monthly Charges or Water Use Fees for metered water remains unpaid for six (6) months after becoming first due and payable. Consumer shall have 10 days after receipt of Notice of Forfeiture from the District to request a hearing before the Advisory Board. Forfeiture shall occur only after the Consumer has been given opportunity for a hearing before the Advisory Board, at which time the Consumer may show just cause why the Benefit Unit should not be forfeited. The Advisory Board shall assess the validity of the cause given and shall take action as it deems necessary. Record of any such actions shall be noted in the Board's minutes.

14. LIQUIDATED DAMAGES: In the event that the Applicant for Water Service shall fail or refuse to pay for Water Service as herein provided, including both Minimum Monthly Charges and Water Use Fees, for the period of sixty (60) months after such connection, the Consumer shall pay the District as liquidated damages, and not as penalty, the remainder of Minimum Monthly Charges that have not yet been paid, which shall be in addition to the Benefit Unit cost. Payment of such liquidated damages shall forfeit the Benefit Unit and terminate the responsibility of the Consumer to pay any additional Water Service Fees. Upon such payment and upon forfeiture of the Benefit Unit to the District, Water Service shall be discontinued and all Consumer's rights canceled. Liquidated Benefit Units may be reinstated by filing a new Application for Service and paying the current Benefit Unit cost plus reasonable reconnection fees.

15. METER SPOT CHECKS: The District shall conduct meter spot checks at a minimum of once every two years. The purpose of the spot checks shall be to confirm the actual meter reading with that which has been reported by the Consumer. Accurate reporting is a requirement. Should a discrepancy in readings occur, the following procedures shall be followed:

(A) Over-Reporting: (More water has been reported and paid for than actually shown used.) The water user shall be asked to use the current meter reading with their next payment and proceed with actual meter readings in subsequent months. Payments for over-reporting are non refundable.

(B) Under-Reporting: (Less water has been reported and paid for than actually shown used.) The District shall prorate back the average amount of water used per month for the number of months since the last meter spot check was made. The total amount already paid for water shall then be subtracted from the total prorated monthly charges to determine the amount of payment due. A 10% charge shall be added to the amount due as penalty for late payment.

16. CONTINUITY OF SERVICE: The District will make all reasonable efforts to supply continuous, uninterrupted service. However, the District 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 for losses which might occur due to such necessary interruptions, or for interruptions caused by acts natural or otherwise beyond District's control, and the Applicant expressly waives any right to damages in connection with any interruption of service.

17. CONTROL EQUIPMENT: Meters 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 tests and histories of meters will be kept. No Consumer will be supplied a service except through a properly installed meter.

18. METERS OR PRESSURE ACCURACY: Meters and pressure control valves will be checked periodically at the discretion of the District. Pressure control valves will be checked

by means of a pressure gauge to assure reasonable accuracy. Meter tests will be made by the District, according to methods of the American Waterworks Association as often as deemed necessary. 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. Water bills will be adjusted for the previous six (6) months if found to be outside the allowable limits.

19. REQUESTED METER OR PRESSURE VALVE TESTS: Meter or pressure reducing valve tests requested by Consumers will be performed without cost to the Consumer if the items are found to be in excess of two percent (2%) fast in recording the rate of water flow; or pressure reducing valves found to allow greater than 80 p.s.i. of pressure to be delivered to the Consumer.

20. CONSUMER'S RESPONSIBILITY: The District is responsible for general operation and maintenance of all Project facilities. The Consumer shall be responsible for any damage to service equipment installed by the District for the Consumer's service, on account of the Consumer's negligence or any cause other than normal wear and tear, defect in workmanship or material, or the District's installation thereof. If dirt work is to be conducted by the Consumer or the Consumer's agent which might impact buried facilities, it shall be the Consumer's responsibility to contact the Wymore-Holmesville Public Water Project Superintendent to locate facilities prior to commencing work. The Consumer shall not construct or permit to be constructed any physical structure or obstruction on or over the water line or appurtenance which may cause interference to construction, inspection, operation, maintenance repair, or replacement of such facilities.

21. CHANGE OF OCCUPANCY: It shall be the Consumer's responsibility to anticipate changes of occupancy and to have the subject Benefit Unit transferred to the new Consumer as prescribed in the Rules. Until the Benefit Unit is formally transferred, the original holder shall be responsible for payment for 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.

22. LEAD FREE CONSTRUCTION: After connection to the District's water system, all new construction or repairs made to customer's Water Service or plumbing, including pipes, pipe fittings, solder or flux, used in the installation or repair of the Consumer's lines must be lead free. (Lead free when used with respect to solders and flux means they contain not more than two-tenths percent lead. When used with respect to pipe and pipe fittings, it shall contain no more than eight percent lead.) Any violation of this regulation shall cause the removal of such facilities at Consumer's expense, plus an additional verification cost of \$100.00 and a sum to reimburse the District for mileage expense incurred for inspecting and approving materials used.

23. CROSS CONNECTIONS: There shall be no physical cross connections between any private water system, holding tank, reservoir, sewer, drain, conduit, tank, pump, plumbing fixture, heat exchanger, or other mechanical equipment or device which waste, liquid or gas of unknown or unsafe quality which may be capable of imparting contamination or pollution to the potable water supply as a result of back flow (due to either back pressure or back siphonage), and the water system of the District unless such connection is protected by a back-flow prevention device deemed appropriate by the District under the Rules and Regulations of the State Health Department and installed at the Consumer's expense. The District's licensed operator shall conduct an on-going cross-connection control program consisting of cross

connection detection by means of Consumer surveys, assessment of apparent hazards presented by cross connections detected through surveys, and the requirement of back flow prevention devices to be installed and maintained by Consumers where necessary, in the District's judgment, in order to protect the public against potential hazards to the water supply. The program may also include containment through the use of back flow prevention devices installed at appropriate locations throughout the water system where feasible and desirable, within budget constraints, in the judgment of the District. Compliance with the program shall be enforced by requiring, as a condition of continued Water Service, the prompt return of Consumer surveys as often as deemed necessary, but no less often than every five years, the correct installation and maintenance of any back flow prevention devices required by the District, and annual written certification of testing by a state-licensed back flow prevention device tester of required devices having test ports. Failure or refusal to comply with program requirements may be treated by the District in the same manner as unpaid water accounts, with disconnection as a penalty. Representatives of the District shall have the right at all reasonable hours to enter the Consumer's premises for the purpose of inspection and enforcement of these provisions.

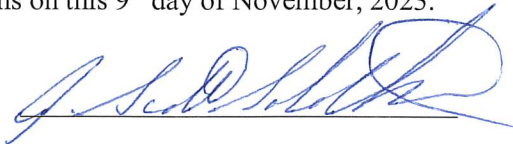
24. TAMPERING WITH DISTRICT LINES: In the event that any person should tamper with the water lines of the District, for the purpose of obtaining unmetered water, such actions shall be treated as theft, and legal action shall be initiated by the District as deemed necessary.

25. VIOLATIONS: Violations of any of the provisions of the Rules and Regulations as set forth above or as may be amended from time to time by the Board shall constitute cause for disconnection of a Consumer's service pending compliance therewith; and, repeated violations, after notice and opportunity for hearing by the Board, shall constitute grounds for forfeiture of the Benefit Unit.

A copy of these regulations will be kept permanently on file in the office of the Lower Big Blue Natural Resources District, Beatrice, Nebraska.

The Directors of the Lower Big Blue Natural Resources District approved these Rules and Regulations on this 9th day of November, 2023.

ATTEST:



CHAIRPERSON:

