

**RURAL WATER DISTRICT NO. 1  
LANCASTER COUNTY, NEBRASKA  
BY-LAWS & RULES & REGULATIONS**

**BY-LAWS**

**ARTICLE I**

**Name and Place of Business**

Section 1. The name of this corporation shall be Rural Water District No. 1, Lancaster County, Nebraska.

Section 2. The principal office of this District shall be located in Bennet, Lancaster County, Nebraska.

**ARTICLE II**

**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 III**

**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, livestock, garden 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 from any Federal or State Agency, or from any other source, and to secure loans by mortgaging or pledging all of the physical assets and revenues and income of the District, including easements and rights-of-ways.

(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 government agency.

(F) To cooperate with any person or with any governmental agency in any undertaking designed to further the purposes 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 and under the laws of the State of Nebraska.

**ARTICLE IV**

**Water Users**

Section 1. Water may be supplied only to land located within or adjacent to the District. Provided, however, that the Board may sell water to persons engaged in hauling water and to any political subdivision

organized under the laws of the State of Nebraska.

Section 2. No owner of land located within the District shall be eligible to become a water subscriber unless he or she has first subscribed and paid for one or more Benefit Units.

#### **ARTICLE V 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 or she may have subscribed. 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 owners of land located within adjacent to the District who have subscribed to one or more Benefit Units, provided payments of all charges are current.

#### **ARTICLE VI Benefit Units**

Section 1. The Board shall establish a unit price for Benefit Units. Each Benefit Unit shall carry with it the obligation of paying a minimum monthly meter charge from the time service is approved. The Board in its discretion may from time to time, if the capacity of the District's facilities permit or in the case of an emergency or hardship make additional Benefit Units available. Subscriptions for Benefit Units shall be given preference and priority in the 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/or place an undue burden on the District.

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 or she intends to utilize said Benefit Units and no change in location shall be made with-out the approval of the Board.

Section 3. Benefit Units shall follow the title of the land. No transfer will be permitted unless all charges against the Benefit Unit are paid. All transfers when complete shall be recorded in the books of the District.

Section 4. Each Benefit Unit shall entitle the owner to one line from the District's water system. Each line shall serve one residence or business establishment together with the necessary and usual out-buildings.

Section 5. Failure to pay the minimum monthly

meter charge or failure to pay for water used through a meter or failure to pay for any labor, materials or other value provided by the District to a Benefit Unit owner or participating member shall constitute a suspension of the Benefit Unit on behalf of which such failure occurs. Provided, that such Benefit Unit shall be reinstated if within three months after nonpayment, all book charges are paid in full plus the maximum amount of interest allowed under the usury laws of the State of Nebraska and reasonable labor charges necessary to effect such reconnection. The Board may permit such reinstatement within six months after original nonpayment of all book charges, provided all outstanding charges due and owing to the District are paid in full including labor, materials, interest and all other charges, as provided herein. Six months after original nonpayment of all charges, the Benefit Unit shall be forfeited. Provided further, that if the defaulting water user is a tenant, the time set out above shall not commence to run until the Secretary of the District has mailed or caused to be mailed, by registered or certified mail (return receipt requested) written notice of such default of the tenant to the landlord at his or her last known address as shown on the books or records of the District.

## **ARTICLE VII Election of Directors**

Section 1. The Board shall consist of seven members, all of whom shall be participating members of 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 landowners, and until their successors are elected and have qualified. At each annual meeting of the participating members, the participating members shall elect for a term of three years the number of Directors whose terms of office have expired.

Section 2. Immediately following the annual meeting of the participating members, 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 or her 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 on the Board, other than from the expiration of a term of office, shall be filled by appointment by the remaining members of the Board. The disqualification of a Director as a participating member of the District shall operate to disqualify him or her 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 a majority of the participating members of the District at any annual

meeting or special meeting called for that purpose. Any Director of the District may be removed from office for cause by vote of at least 5 members of the Board at any special meeting of the Board called for that purpose. The Director shall be informed in writing of the charges preferred against him or her 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 I answer thereto.

**ARTICLE VIII**  
**Powers and Duties of Directors**

Section 1. The Board, subject to the restrictions of law, and these By-Laws, shall exercise all 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 authorization 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 or 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 other negotiable and transferable instruments, mortgages, deeds of trust and trust agreements, and to do everything necessary to effectuate the same.

(C) To prescribe, adopt and amend, from time to time, such 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 or her, the time of payment, and the manner of collection, and to establish rates for all members according to the amount of services furnished.

(E) To require any officers, agents and employees having custody of any funds of the District to give adequate bond, the cost thereof to be paid by the District.

(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 cash, and the persons by whom the same shall be signed on behalf of the Board, with the power to change such banks or persons signing such checks and the fees thereof at will.

(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.

(H) Members of the Board of Directors shall be paid for actual attendance at a scheduled and special Board

Meeting.

Additional compensation may be paid to any Board Member for services rendered.

## **ARTICLE IX**

### **Powers and Duties of the District Manager**

Section 1. The Board shall employ for the District a Manager, who shall have charge of the business of the District 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 may fix their compensation. He or she shall also, as far as practical, conduct the business in such a way that all patrons receive equal service and treatment. He or she shall deposit in banks selected by the Board, all money belonging to the District, which comes into his or her possession; maintain his or her records and accounts in such manner that the true and correct condition of the business may be ascertained there from 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 or her successor all books, records, documents and correspondence pertaining to the business of the District which may come into his or her possession; and to perform such other duties as may be prescribed by the Board.

## **ARTICLE X**

### **Duties of Officers**

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 papers of the District as he or she may be authorized or directed to sign by the Board, provided the Board may authorize any person to counter sign checks, on behalf of the District, provided that all checks must be signed by the Treasurer or Secretary. 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 or cause to be kept a record of the proceedings of the meetings of the Board and of the District. He or she shall serve, or cause to be served, all notices required to be served by law or the By-Laws of the District; in case of his or her absence, inability, refusal or neglect 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 receive and account or

cause to be received and accounted for all funds of the District, shall cause to be deposited the same in banks designated by the Board as a depository, and pay the amounts, or cause them to be paid out of the depository only on the signature of the Chairman, or someone authorized to counter sign on the Chairman's behalf, signed by the Treasurer or Secretary. At each annual meeting of the District, he or she shall submit for the information of the participating members a complete statement of his or her account for the past year and he or she shall discharge such other duties pertaining to his or her 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 XI**

### **Books, Records and public Meetings**

Section 1. The books and records of the District, and such papers as may be placed on file by vote of the Directors, shall during all reasonable business hours, be subject to reasonable inspection by any participating member of the District, and there shall be made an annual audit by a Certified Public Accountant.

Section 2. All meetings of the participating members and the Board of Directors of the District shall be held in conformance with the Nebraska Public Meetings Law appearing as Neb.Rev.Stat. § 84-1408 et seq. as amended from time to time.

## **ARTICLE XII**

### **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 second Wednesday in February.

Section 2. Special meetings of participating members may be called at any time by the Chairman or upon resolution by 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 the record directed to the address shown upon the books of the District or, with respect to annual meetings, by publication in a newspaper of general circulation within the District, at least 10 days and not more than 30 days prior to the meeting. Such notice shall state the nature, time, place and purpose of the meeting, but no failure or irregularity of the notice of any annual meeting, regularly held, shall affect any proceeding taken thereat.

Section 4. The participating members present at any annual meeting shall constitute a quorum for the purpose of the transacting of business.

Section 5. The order of business at the annual 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 previous meeting.
- (d) Report of officers and committees
- (e) Election of Directors
- (f) Agenda Items
- (g) Adjournment

**ARTICLE XIII  
Board Meetings**

Section 1. The Board shall meet annually on the second Wednesday 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 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 comment in writing that such meeting, any be held, the proceedings thereat shall be valid as though the previous written notice aforesaid had been given.

**ARTICLE XIV  
Manner of Election,  
Voting and Robert's Rules of Order**

Section 1. At all meetings of the District, each participating member, qualified so stated in these By-Laws, shall be entitled to vote upon all propositions coming before said District. No cumulative voting shall be permitted and each participating member of the District shall have but one vote.

Section 2. Robert's Rules of Order, Latest Edition, shall be recognized as the authority governing all meetings when not in conflict with these By-Laws or the Rules and Regulations of the District.

**ARTICLE XV  
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, Lancaster County, Nebraska" which shall be in the custody of the Secretary.

**ARTICLE XVI  
Fiscal Year**

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

**ARTICLE XVII  
Amendment**

Section 1. These By-Laws may be repealed or amended by a vote of 60% 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 Nebraska, 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 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 that the participating members will vote on any proposed amendment to these By-Laws shall be given in a newspaper of general circulation within the District at least 10 days before such meeting.

**ARTICLE XVIII**  
**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 XIX**  
**Benefits and Duties of Members**

Section 1. The District shall install, maintain and operate a main distribution pipe line or lines from the source of 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 the 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 prorate 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 and require adherence thereto, or prohibit the use of water 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, 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 the participating members of domestic and livestock purposes before supplying water for other purposes.

Section 4. None of the water supplied by this District shall be used for commercial irrigation.

## ARTICLE XX

### Printing

Section 1. After adoption, these By-Laws, Rules and Regulations shall be prepared in pamphlet form, and copies of the By-Laws, Rules and Regulations shall be available free of charge to all Subscribers and Consumers within the District.

## RULES AND REGULATIONS

These Rules and Regulations are issued in compliance with Sections 46-1001 to 46-1020 R.S. 1943, By-Laws of the District and are designed to govern the supply 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 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 or adjacent to the District, applying for water service.

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

**Board:** The Board of Directors of Rural Water District No. 1, Lancaster County, Nebraska.

**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.

**District:** The District shall mean Rural Water District No. 1, Lancaster County, Nebraska.

**Point of Delivery:** The point of delivery shall be at the meter, unless otherwise specified by the Board.

**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 the point of delivery, regardless of whether or not the Consumer makes use of it.

**Subscriber:** The term Subscriber shall mean the owner of a Water Benefit Unit as set forth in the By-Laws and Rules and Regulations of the District.

**Water Benefit Unit:** The term Water Benefit Unit is defined as a right entitling the holder to one water service issued to a Subscriber within the District who has received approval for his/her Application for Water Service and User's Agreement.

**Water Service:** A water service shall consist of facilities for supplying water to one residence, municipality or

business establishment located on land within or adjacent to the District. The 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 the Rules. Any water rate schedule is subject to change by action of the Board. Provided, that if at any time the Board determines that the total amount derived from the collection of water charges is insufficient for the payment of operating costs, emergency repairs, debt service and to accumulate a reasonable reserve, the Board shall increase the water rate in an amount sufficient to pay such operating costs, emergency repairs, debt service, and to accumulate a reasonable reserve.

2. Any person owning real estate within the boundaries of the District may make application for water service by completing an Application for Water Service and User's Agreement and depositing with the District the prescribed hookup fee as established by the Board of Directors. If the Application for Water Service and User's Agreement is approved by the Board of Directors, the Applicant as a Subscriber shall receive a Water Benefit Unit and an Approval Letter.

3. The Board shall, as a preconditioning to approving any Application for Water Service and Water User's Agreement, require the Applicant to obtain the necessary easements between the existing water line and Applicant's property prior to approving any Application for Water Service and Water User's Agreement.

4. A 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 any emergency or specific situation should make such arrangement advisable, it shall be done only on specific written permission of the Board of Directors for the duration of the emergency.

5. In the event the Board of Directors shall deny an Application for Water Service and Water User's Agreement, the Water District shall refund to the Applicant the hookup fee minus any and all out of pocket expenses incurred by the District in connection with evaluating the feasibility of approving the Application for Water Service.

#### **Agreements with Governmental and Public Bodies:**

The District through its Board of Directors may make specific water service contracts with the Federal Government, the State of Nebraska or agencies thereof, school districts and municipal corporations, differing from stipulations set out in the rate schedule and rules.

#### **Rights of Access:**

Representatives of the District shall have the right at all reasonable hours to enter upon a Consumer's premises to read and test meters, inspect piping, and to perform other duties for the proper enforcement of these

Rules and Regulations and for the proper maintenance and operation of service, or to remove its meter and equipment upon discontinuance of service by Consumer or by the District.

**Continuity of Service:**

The District will make all reasonable efforts to supply continuous, uninterrupted 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.

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.

**METERS**

Meters will be furnished, installed, owned, inspected, tested and kept in proper operating condition by the District, without cost to the Consumer. A complete record of test and histories of meters will be kept. Meter tests will be made according to methods of the American Water Works Association by the District, as often as deemed necessary by the Board. No water shall be supplied to a service except through a properly installed meter.

**Meter Accuracy:**

Service Meters whose errors do not exceed 2 percent (2%) fast or slow should be considered as being within the allowable limits of accuracy for billing purposes. The percentage of error will be considered as that arrived at by taking the average of the error at full load and that at ten percent (10%) load, unless a Consumer's rate of usage is known to be practically constant, in which case the error at such constant use will be used.

**Meter Location:**

The meter will be set in a meter pit 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 road right-of-way where the distribution main is located, the service line will be extended across the road and the meter installed on the Subscriber's property directly in front of his or her point of use; however, the Board reserves the right to select a different location for the meter if the above stipulated point of delivery would not be practical or economical to the District. Normally, the above will result in the meter being located just inside the fence line on the Subscriber's property. No meter shall be moved by anyone other than the District. Any Subscriber who desires to have a meter moved must obtain Board approval and pay all expenses for moving the meter and the Board may charge an additional fee for moving the same.

**Water Bills and Charges:**

All Rules and Regulations regarding the obligation of Consumers to make payment of monthly water bills shall be governed by the "Procedural Policy" as adopted by the District's Board of Directors pursuant to Article VIII, Section I (C) of the By-Laws of the District, the same

being incorporated herein by reference.

**Reconnection Charge:**

The reconnection charge for restoration of service, if reconnection is authorized and approved under the provisions of the By-Laws of the District, after each suspension of service because of delinquent payment or for other infraction of these rules, shall be the unpaid amount charged to date against the Consumer's benefit unit, plus lawful interest as provided under Nebraska law, and a sum to cover the reasonable cost of labor necessary to make such reconnection, provided, however, that the minimum charge for cost of labor necessary to make reconnection shall not be less than \$100 during regular business hours. After business hours the reconnection fee shall not be less than \$150.

**Requested Meter Tests:**

Meter tests requested by Consumers will be performed without cost to the Consumer if the meter is found to be in excess of two percent (2%) fast or slow. 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 the meter and equipment installed for his or her service, on account of any cause other than normal wear and tear. Freezing is not considered as normal wear and tear.

**Change of Occupancy:**

In the event of a transfer of ownership of the property served by the Benefit Unit either by sale, abandonment, repossession, foreclosure, or similar events together with the failure to pay for water service in accordance with the By-Laws and Rules and Regulations for 40 days, the Board of Directors shall have the right to transfer the Benefit Unit to the new owner upon payment of all back charges and the signing of a New Water User's Agreement and upon the signing of an agreement by the new user of a hold harmless agreement with the District. No application fee shall be required under such circumstances.

**Main Extensions:**

If the cost of the extension is greater than the average cost of the entire system to each member, 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 monies needed to make the extension. This deposit to be in addition to the price of a Benefit Unit. The Board may at its discretion, and as funds become available, return all or part of the original Consumer's deposit. However, any portion not returned within five years from the date of deposit will become the property of the District. In no case will interest be paid on such deposits. The District may as a condition of extending service, require that the applicant deposit in addition to the price of a Benefit Unit, an amount which may equal the entire cost of the extension and may require and collect from the applicant payment for all actually costs in excess of any estimate or deposit.

**Services:**

The District shall maintain and pay for all water

service pipe and equipment needed for a meter setting from its water mains to the outlet side of the Consumer's meter setting. The size of service line shall be established by the District Engineer.

**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 Board has the discretion to pro-rate the available water supply on such basis as it deems equitable. In the event that pro-ration becomes necessary, domestic use will have first priority. As stated in Article 19, Section 3, of the District By-Laws.

None of the water supplied by the District shall be used for commercial irrigation.

Rule: The Board of Directors shall be authorized to declare the existence of any emergency relating to the available water supply of the District and to impose necessary restrictions on the use of water during such an emergency. An emergency shall exist when the Board of Directors determines that the present or future use of water must be restricted in whole or in part in order to maintain or insure reasonable pressure and/or water supply for human, livestock and food purposes.

It shall be a violation of this rule for any member of the Rural Water District to fail to observe such restrictions imposed by the Board of Directors, provided that the Board has mailed or given personal notice of the restrictions made. Notice shall be made in person or by first class mail and shall contain the following:

1. The reason for the water use restriction.
2. A statement that the District will disconnect service without further notice if the member violates the restriction.
3. A statement of the actual cost to discontinue and renew water service, which is the cost of labor and materials in discontinuing and renewing the service, and signing an agreement promising observance of such emergency restrictions as have been made by the Board of Directors and granting the District the right to enter at any time and shut off service without notice in the event of any future violation within one year.

Penalty: The District may immediately turn off the water supplied to the Subscriber who violates any emergency restrictions any time after notice has been either mailed or given personally by phone or otherwise.

**Cost of Benefit Unit:**

The cost of a Benefit Unit shall not be less than the amount established by resolution of the Board of Directors as adopted or modified from time to time, payable pursuant to the "Application for Water Service and Water User's Agreement."

**Applicants having Excessive Requirements:**

In the event an applicant whose water requirements are found to exceed the District's ability to supply from existing facilities 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 facilities.

**Cross Connection:**

Cross connection shall not be permitted, nor shall there be any physical connection between any private water system and the water system of the District.

There shall be no physical connection between any holding tank or reservoir intended for non-potable liquid, unless such connection is protected by a backflow prevention device approved by the State Health Department.

Representatives of the District shall have the right at all reasonable hours to enter upon the Consumer's premises for the purpose of inspection and enforcement of these provisions.

**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 discontinuance of a Consumer's service.

These By-Laws, Rules and Regulations have been unanimously adopted at the meeting of the participating members held on February 11, 2015 in Bennet, Nebraska.

Respectfully,

Board of Directors