

RULE IV**CONTRACTS FOR SERVICE AND SECURITY DEPOSITS****1. ORAL AND WRITTEN CONTRACTS:**

Withdrawal of water from any part of the District's distribution system shall constitute an acceptance of the District's Rules and Regulations. All withdrawal of water shall be pursuant to contract with the District regardless of whether an account has been previously established. Contracts may be oral or written. Use or withdrawal of water not furnished under an existing oral or written contract subjects the person or entity withdrawing or using such water to an unwritten agreement to pay for the same and to otherwise comply with the Rules and Regulations of the District regardless of the absence or delay in acknowledging or formalizing any expressed oral or written contract.

2. CUSTOMER'S AGENT:

Requests to initiate or discontinue water service by any person, corporation, or other entity as an agent for another as the principal party to the implied or express contract with the District shall only be accepted upon condition that such purported agent shall be a guarantor for all indebtedness incurred for the services furnished and in the event there shall be any default in such payment or other violation of these Rules and Regulations with respect to such agency, the purported agent shall indemnify and otherwise hold the District harmless from any loss or damage the District may sustain from non-payment, loss or damage regardless of whether such agency was authorized or the acts of the agent were within the scope of any agency.

3. OTHER CONDITIONS:

Customer contracts shall be for a duration of not less than 1 month. The terms and conditions of every contract for the supply of water to Customers within the District shall be pursuant to the existing Rules and Regulations of the District. The terms and conditions of contracts with Wholesale Customers shall be in writing and as determined and approved by the Water District Board. The Wholesale Agreement will be for a term mutually agreed by the Wholesale Customer and the Water District, but shall not be for a period of less than 10 years.

4. CHARGE FOR "TURN-ON":

Normally, there shall be no charge for a "turn-on" for a new Customer. (Also see Rule XIV, Section 4 and Rule XV, Section 7.)

5. LANDLORD RESPONSIBILITY:

If water is to be supplied to several parties in apartments, offices or stores, all located in a single building and supplied through 1 meter, the Water District shall contract only with the landlord as Customer for the supply of water and he shall be responsible to the Water District for the water service and the payment of water bills.

6. CUSTOMER PRESENT FOR "TURN-ON":

Water service will not be "turned-on" unless there is someone on the premises to inspect the plumbing for open faucets and leaks.

A. Under extenuating circumstances, the Customer by written release of any liability of the Water District may have service "turned-on" without entry being made to the premises.

7. METER READING NECESSARY:

A meter reading must always be taken by an employee of the District at the time any "turn-on" or "turn-off" service is performed. In those instances wherein one Customer orders the water

"turned-off" and a new Customer orders the water "turned-on" on approximately the same date at the same location but the Water District employee is unable to gain access to the meter to obtain a meter reading, the Water District may discontinue service until such time as the new Customer makes arrangements for a meter reading to be obtained.

8. RESALE PROHIBITED:

Customers shall not be permitted to sell water to other persons without a written permission from the Water District.

9. SECURITY DEPOSITS:

A. Individual Deposits: As security for the payment of amounts due the District for water service, a deposit as specified in Rule XVIII for Single Family Residential accounts or an amount equal to the charge for an estimated 60 days of water consumption for all other Retail Customer accounts, may be required from:

- (1) Customers who in a 12-month period have had two instances where either: a water bill has not been paid prior to the date of disconnect or a check has been returned by the bank to the District.
- (2) Customers who are determined as undependable credit risks through such investigation as deemed necessary and adequate by the District.

B. Refund of Security Deposit: Security deposits will be refunded in the following manner:

- (1) When the Customer discontinues the water service, the deposit will be credited against all amounts due the District including his final bill for water service to the date of discontinuance. Any amount in excess of all amounts due the District will be refunded to the Customer.
- (2) The District will review quarterly the payment record of Customers who have placed a Security Deposit with the District as required under Subsection A of

Section 10 of this Rule IV. Deposits of Customers who have consistently and fully paid all water service billings on or before the due date for the previous 12-month period shall be refunded.

- C. Unclaimed Security Deposit Refunds: Security deposits or any portion thereof unrefunded to Customers who have moved from the District or who for any reason have not claimed refund at the end of three years, unless otherwise provided by law, shall be subjected to disposition as required by the K.S.A. 12-822 et seq - as Applied to Public Utilities.
- D. Interest on Security Deposits: At the close of each month, the Water District shall pay to the Customer who has placed a security deposit with the District interest at the rate permitted under the applicable Kansas Statutes, and such interest shall be credited on the Customer's account at the end of the next billing period.

10. ACCESS TO PROPERTY:

The Water District shall at all reasonable hours have access to meters, service connections and any other water works property on Customer's premises for purposes of installation, maintenance, operation, inspection, meter reading or to initiate or discontinue water service. Any employee of the Water District whose duties require him to enter the Customer's premises shall wear a distinguishing uniform or other insignia identifying him as an employee of the Water District or carry on his person an identification card which will show him to be an employee of the Water District.

11. REFUSAL TO SERVE:

- A. Conditions: The Water District may refuse to serve an applicant or Customer under the conditions and circumstances prescribed in Rule XV.

12. EXCLUSIVE SOURCE OF TREATED WATER:

Pursuant to Water District law, K.S.A. 19-3501, et seq., the Water District has the exclusive right and duty to serve, supply and service all users of treated water within its boundaries, and therefore no treated water shall be provided through any type of water supply or distribution pipe, conduit or other system, regardless of the point of supply, for use within the Water District's boundaries by any other water utility or other source of supply unless otherwise authorized by these Rules or by contract with the Water District.

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