

SULLIVAN-VIGO RURAL WATER CORPORATION

RULES & REGULATIONS

1. Definitions

- a) "Member" shall mean any person, household, firm, corporation, municipality, or other government agency that has paid the \$50 membership and filled out the appropriate application to become a member of the Sullivan-Vigo Rural Water Corporation. A member shall have the rights and privileges of all other members of the corporation, including the right to vote on matters prescribed in the bylaws of this corporation and any other rights or privileges set forth in said bylaws. However, there shall only be one vote per membership (household, firm, corporation, municipality or other government agency) allowed. No more than one member may be serviced by any water meter of the corporation. If one household, firm, corporation, municipality, or other government agency purchases more than one membership, they shall still be entitled to only one vote.
- b) "Corporation" shall mean the Sullivan-Vigo Rural Water Corporation, a not-for-profit corporation organized under the laws of Indiana.

2. Memberships/Service

- a) Membership Certificate: The membership certificate shall be prepared for each member of the Corporation. The person or entity in whose name the certificate appears shall be responsible for payment of all bills incurred in connection with the services rendered by the Corporation. If one household, firm, corporation, municipality, or other government agency obtains more than one membership, they shall still only receive one certificate.
- b) Water User's Agreement: Any member of the corporation who wishes to receive water service shall be required to sign a Water User's Agreement in the form prescribed by the Board of Directors. The corporation reserves the right to terminate service of any member who violates the terms of said Water User's Agreement.
- c) Hook-On Fee: No member shall be entitled to receive water service until such time as they have paid the full hook-on fee for a meter in the amount prescribed by the Board of Directors.

3. Responsibilities for the Installation and Maintenance of the Water System

- a) Corporation's Responsibility: The Corporation will install, maintain and operate a main distribution pipeline or line from the source of water supply to the property line of each member of the corporation. Thereafter, the corporation shall establish and install a water meter which shall be owned and maintained by the corporation. The corporation shall also purchase and install a cutoff valve in each service line from its main distribution line or lines and said cutoff valve shall be owned and maintained by the corporation. The corporation shall have the sole and exclusive right to use such cutoff line.

b) Member's Responsibility: The Member shall be responsible for providing a distribution line from the meter to the Member's use location. The Member shall be responsible for the maintenance on this line. Should there become any leaks in the line installed and maintained by the Member, the Member shall still be liable for the cost of said water.

4. Meter

a) Meter Testing: The Corporation shall test, inspect and adjust water meters prior to installation. However, a Member shall be entitled to make a written request for retesting of the meter within the first year after its installation without charge to the Member. Thereafter, any requests for meter testing shall be at the Member's expense if the meter is determined to be accurate after inspection. The cost of inspection shall be set forth in the schedule of rates and fees.

b) Ownership: The meters are owned, installed and maintained by the Corporation. A Member has a duty to act reasonably in protecting the meter from damage. If a meter, or any of its fixtures which are owned by the Corporation, is damaged as a result of the violation of the Member's duty, the Member shall pay for the repair or replacement of said meter. A Member must do nothing to impede the accessibility to said meter for reading and inspection.

c) Meter Reading: The Corporation shall be responsible for having the meters read and bills rendered monthly. However, the Corporation reserves the right to vary the dates or length of period included in a monthly bill.

d) Household Service: Only one household may be serviced by one meter.

e) Member Change: Once a meter is established for a Member, the Corporation may elect to leave that meter in place if service is terminated. If any person, household, firm, corporation, municipality or other government agency wishes to begin receiving service at the same location due to the purchase of the real estate, or because they are a new renter of the premises, the membership shall be transferred to the subsequent purchaser or new renter. However, if it is a new "renter" and more than one year has passed since service was provided at that meter, the new renter shall be assessed a new membership fee.

5. Billing

a) Water Rates & Charges: Rates for water and related services will be determined in accordance with the rate schedule which is established pursuant to Indiana law. These rate schedules and charges are available upon request.

b) Minimum Monthly Fee: The Corporation shall establish a minimum monthly fee for customers who use water less than the flat rate established under said water rates and schedule.

c) Bills for Water Services: Bills which are rendered for water service to Members as described above shall be required to include the following information:

- i. The dates and meter reading of the previous reading, and a reading for which the bill is rendered as well as the billing date;
- ii. The number and description of units of service supplied;
- iii. The billing rate code, if any;
- iv. The previous balance, if any;
- v. The amount of the bill;
- vi. The sum of the amount of the bill and late payment charge, if any;
- vii. The date on which the bill becomes delinquent and on which date a late payment charge will be added to the bill;
- viii. If an estimated bill, a clear and conspicuous coding or other identification identifying the bill as an estimated bill;
- ix. Printed statements and/or actual figures on either side of the bill showing the customer the 21 day non-penalty period;
- x. An explanation of all codes and/or symbols shall be shown on the bill.

6. Delinquencies & Disconnection of Service:

- a) **Delinquency:** Payment for services is due when rendered and delinquent after twenty-one (21) days. A delinquent notice shall be mailed to the Member twenty-one (21) days after the regular monthly billing due date. If payment is not made within fourteen (14) days after mailing of the delinquency notice, service will be disconnected.
- b) **Disconnection Procedure:** At the time of the actual disconnection, an employee or representative of the Corporation shall attempt to inform a responsible person at the premises of the reason of the disconnection and to afford an opportunity to provide verification that disconnection is no longer valid. Upon the presentation of satisfactory evidence, service will not be disconnected. However, the Corporation's employee or representative shall not accept payment in order to prevent the service from being disconnected for nonpayment without authorization. If the employee or representative disconnects service, he/she will give a responsible person on the premises, or leave at an entryway on the premises, a notice of disconnection, including the address and telephone number of the Corporation office where further information may be obtained.
- c) **Postponement of Disconnection:** There may be certain circumstances which prohibits the Corporation from disconnecting your service. Specifically, Indiana law allows for the postponement of disconnection of service to a residential consumer for ten (10) days if, prior to the disconnect date specified within the disconnection notice, the customer provides to the Corporation a medical statement from a licensed physician or public health official that such disconnection would be a serious and immediate threat to the health or safety of an identified person in the household of the customer. This disconnection will be postponed for one (1) additional ten (10) day period upon the customer furnishing to the Corporation another medical statement to the same effect, at or before the end of the first ten (10) day period.
- d) **Time of Disconnection:** Disconnections due to nonpayment of bills will be made during the normal business hours of the Corporation's main office.
- e) **Reconnection of Services:** After involuntary disconnection due to nonpayment or violation of Corporation rules, service will be restored when:

- i. All conditions, circumstances or practices which caused the disconnection have been corrected;
- ii. All delinquent amounts owed by the customer have been paid;
- iii. Any requirement of membership has been performed by the customer;
- iv. Customer has been assessed a reconnection fee as set forth in the rate schedule of the Corporation;
- v. An adult resident or designated adult person is present at the premises to see that the water outlets are closed to prevent damage from escaping water.

Service will be restored within one (1) working day after all of these obligations are fulfilled.

If an involuntary disconnection is made due to nonpayment or violation of Corporation rules and reconnection occurs pursuant to these rules, a reconnection fee of \$30 shall be assessed and included in the Member's next billing statement.

- f) **Bad Checks:** If a Member tenders to the Corporation a check which is returned to the Corporation for insufficient funds, the Member shall be responsible for a \$20 bad check fee, in addition to the other provisions contained within these rules and any other legal remedies available to the Corporation under Indiana law.

7. Member Responsibilities

- a) **Water Lines:** Water lines on the Member's property must be installed so that the connections are conveniently located to the company lines, mains and meters.
- b) **Cutoff Valve:** The Member shall furnish, install and maintain a private cutoff valve on the Member's side of the meter.
- c) **Compliance with Sanitary Regulations:** The Member's piping shall be installed and maintained by Member at their expense. It shall operate in a safe and efficient manner and in accordance with the Corporation rules and regulations and in full compliance with the rules and regulations of the State Board of Health and the Indiana Department of Environmental Management (IDEM) and any other applicable statutes and regulations of the State of Indiana.

8. **No Co-Mingling of Water:** A Member's private system of water, whether from subsurface or surface source, may not be physically connected to the plumbing or piping carrying water from the Corporation's system.

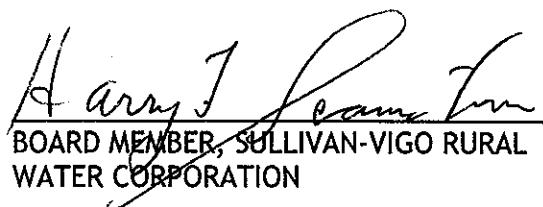
9. **Damage or Loss:** In the event of any loss or damage to the property of the Corporation, or any accident or injury to persons or property, if said loss, damage or injury is caused or results from the negligence or wrongful acts of the Member, his agent or employees, the Member shall be liable for all such damages or losses.

10. **Prohibition Against Resale:** The Member, his household or employees shall be prohibited from selling water purchased from the Corporation to any other person or entity.

11. Access to Member's Property: Only duly authorized agents, employees or representatives of the Corporation shall have access to the premises of the Member. Said access shall be at reasonable hours for the purpose of installing, maintaining or removing Corporation property, inspecting piping, reading or testing meters, or any other purpose in connection with the Corporation's service and facilities.
12. Voluntary Termination of Service: A Member must give not less than one (1) week's notice, in person or in writing, when requesting that service be discontinued. If the member requests resumption of service at the same meter site, said member shall be subject to a reconnection fee pursuant to the water rates and schedule.
13. Final Billing: A Member who is giving notice of termination of service shall be responsible for all water consumed up to the time of the requested date of disconnection of service provided a minimum of seven (7) days notice has been given.
14. Corporation's Compliance with State Regulations.
 - a) The Corporation shall comply with Regulation 327 IAC 8-1 in regard to water direct additives and indirect additives.
 - b) The Corporation shall comply with Regulation 327 IAC 8-2-8.5 in regard to providing proper filtration and disinfection of the delivered water supply.
 - c) The Corporation shall comply with Regulation 327 IAC 8-3 in regard to obtaining proper public water supply construction permits.
 - d) The Corporation shall comply with Regulation 327 IAC 8-3.4 in regard to the regulation of public water system wells.
 - e) The Corporation shall comply with Regulation 327 IAC 8-4.1 in regard to regulating wellhead protection.
 - f) The Corporation shall comply with Regulation 327 IAC 8-10 in regard to providing cross-connection control within said water system.
 - g) The Corporation shall comply with all statutes, rules and regulations of the State of Indiana concerning public water systems and that apply to the operation of said Corporation.
15. Modification of Rules.
 - a) No employee or representative of the Corporation may make any promise, agreement or representation to a Member, that shall be binding upon the Corporation, except as provided in these rules or upon delivery of a written document signed and approved by the board of the Corporation.
 - b) No modification of rates or of any of the rules and regulations shall be made by any agent or representative of the Corporation.
16. Amendment of Rules. This set of rules of the Sullivan-Vigo Rural Water Corporation may be modified or amended by the Corporation's Board of Directors. Said rules and regulations of the Sullivan-Vigo Rural Water Corporation hereby approved this 20 day of June 2012. Sullivan-Vigo Rural Water Corporation's Board of Directors.



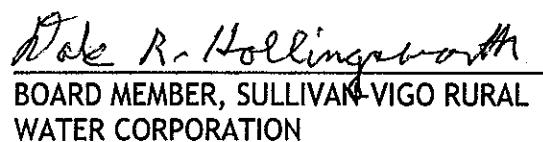
PRESIDENT, SULLIVAN-VIGO RURAL
WATER CORPORATION



Harry J. Peavy Jr.
BOARD MEMBER, SULLIVAN-VIGO RURAL
WATER CORPORATION



Tim Ramey
BOARD MEMBER, SULLIVAN-VIGO RURAL
WATER CORPORATION

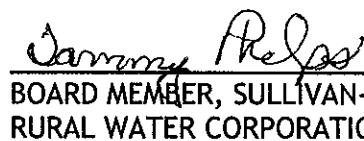


Dale R. Hollingsworth
BOARD MEMBER, SULLIVAN-VIGO RURAL
WATER CORPORATION

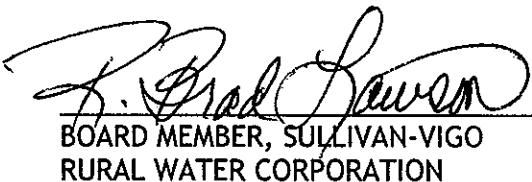
BOARD MEMBER, SULLIVAN-VIGO RURAL
WATER CORPORATION



VICE-PRESIDENT, SULLIVAN-VIGO
RURAL WATER CORPORATION



Tammy Phelps
BOARD MEMBER, SULLIVAN-VIGO
RURAL WATER CORPORATION



R. Brad Lawson
BOARD MEMBER, SULLIVAN-VIGO
RURAL WATER CORPORATION

BOARD MEMBER, SULLIVAN-VIGO
RURAL WATER CORPORATION