

POLICY G-1

HIGH VOLUME WATER USE POLICY FOR RESIDENTIAL SERVICE

The Board of Directors of River South Rural Water District of Franklin County, Arkansas hereby finds it is necessary to protect the health, safety and welfare of each existing and future water customer by adopting the following policy:

INITIAL APPLICATION

1. Each applicant for water service in excess of residential usage (amounts) of 35,000 gallons per month per household shall declare the reason for his usage in the application.
2. Each applicant declaring intended usage amounts in excess of 35,000 gallons per month shall provide information to the business office of River South stating his desired pressures and flow rates, such information to include peak usage patterns in every month of the year requested.
3. If, in the sole opinion of the Board of River South, an engineering report should be required from the applicant in order to adequately service the applicant, the applicant shall be required to provide such report from an Arkansas licensed engineer for submission to River South for approval and to its engineers for comment and recommendation.
4. If it be determined that the amount of water service requested by the applicant is in excess of the District's ability to adequately serve the applicant's needs, then the applicant shall be required to bear the costs of any improvements needed to provide the requested service. (See Policy D regarding Extensions.)

ACTUAL USAGE

1. Each applicant for water service who actually uses or consumes greater than 35,000 gallons per month per household for residential usage and for three consecutive months shall be deemed a High Volume Water User.
2. Upon the Board of River South determining that an applicant is a High Volume Water User, the provisions of paragraph 1 through 4 above shall apply and shall be complied with.

THIS POLICY ESTABLISHED BY UNANIMOUS VOTE OF THE BOARD OF RIVER
SOUTH RURAL WATER DISTRICT ON THE 22nd DAY OF August, 2016.

Marc Dietz, Chairman of the Board

Kevin Crumpacker, Secretary

POLICY G-2

HIGH VOLUME WATER USE POLICY FOR COMMERCIAL OR AGRICULTURAL SERVICE

The Board of Directors of River South Rural Water District of Franklin County, Arkansas hereby finds it is necessary to protect the health, safety and welfare of each existing and future water customer by adopting the following policy:

1. "High Volume Users" for purposes of this Policy shall be defined as:
 - a. Any commercial, industrial, and agricultural applicant, user, potential user, customer to whom or to which water service is supplied or is requested to be supplied for the benefit of the customer's commercial, industrial, or agricultural business or operation; or
 - b. Any person or entity requesting, using, reasonably needing, or supplied a water tap or service line of greater than three-quarters inch diameter.
2. The Board of the RiverSouth Rural Water District of Franklin County, Arkansas may consider providing water service to new High Volume Users, customers, or taps, but only in the areas designated in the plat adopted herewith and attached hereto.
3. The Board of the River South Rural Water District of Franklin County, Arkansas reserves in its absolute discretion the right to accept or deny water service or any new or additional tap to any potential High Volume User or customer and to limit the flow rate, volume, and tap size to such potential High Volume User. In exercising this absolute discretion, the Board will give weight and consideration to factors including, but not limited to, the following:
 - a. Water volume availability;
 - b. Flow rates or availability;
 - c. Water hydraulics;
 - d. Line sizes;
 - e. Storage capacity;
 - f. Potential for residential growth in an area, in a region, or system-wide;
 - g. Water demand to include average demand and peak demand for any area, region, or total system area;
 - h. Requested volume by potential new High Volume User or customer;

- i. Potential peak demand by the new High Volume User or customer;
 - j. Fire protection demands;
 - k. System modifications necessary or prudent to meet additional demands or other factors resulting from the servicing of the new High Volume User or customer.
 - l. Current existence of operation of potential high volume user or customer.
4. If in any certain pressure plane or area, only a limited number of new High Volume Users or customers may be accommodated, then the Board of RiverSouth Rural Water District of Franklin County, Arkansas reserves the right to supply or grant a tap or service as a High Volume User or customer on a first come, first serve basis.

THIS POLICY ESTABLISHED BY UNANIMOUS VOTE OF THE BOARD OF RIVER SOUTH RURAL WATER DISTRICT ON THE 22nd DAY OF August, 2016.

Marc Dietz, Chairman of the Board

Kevin Crumpacker, Secretary

POLICY J

ESTABLISHMENT OF RATES FOR THE TWO-TIERED WATER RATE SYSTEM

The RiverSouth Rural Water District, by its Board of Directors, finding it necessary to increase water rates to its customers as a result of increased wholesale water rates charged to the District and due to increased cost of maintenance of existing lines and pumps, and in order to provide partial funding for upgrades and improvements, hereby adopt the following policy.

The two-tiered rate system previously established by the Board of Directors of RiverSouth Rural Water District shall continue. However, a third tier is hereby added. The customers subject to the "Rate One" tier of the rating system are those customers who were existing customers of RiverSouth Rural Water District on or before January 1, 2001. The customers subject to the rates set forth for the "Rate Two" tier are those customers who became customers after January 1, 2001. The customers subject to the rates set forth for the "Rate Three" tier are those high volume user customers who became high volume users or customers after October 1, 2016. The rates for the three tiers are as follows:

RATE ONE

\$19.33 water availability charge/flat fee monthly

\$5.48 per thousand gal.

RATE TWO

\$23.08 water availability charge/flat fee monthly

\$5.98 per thousand gal.

RATE THREE

\$125.00 water availability charge/flat fee monthly

\$5.98 per thousand gal.

It is further the policy of RiverSouth that customers who were existing customers of RiverSouth Rural Water District on or before January 1, 2001 and moved their residence to another location within the service area of this system which was served before January 1, 2001 shall remain on Rate One, so long as there are no interruptions in service. An interruption in service will be deemed to have occurred if a customer who changes his residence within the service area and allows an interruption in service of more than thirty (30) days to occur before connecting to the new location.

Customers of RiverSouth should be aware that rates of payment for water usage may increase from time to time as interest on bonds, inflation, contract requirements, cost-of-living and

demand from customers increases. However, every attempt will be made to minimize water rate increases for all customers.

Date: 8-26-16

Marc Dietz, Chairman of Board

Kevin Crumpacker, Secretary

RIVERSOUTH RURAL WATER DISTRICT

A RESOLUTION SETTING WATER TAP FEES

BE IT RESOLVED BY THE RIVERSOUTH RURAL WATER DISTRICT BOARD,
THAT:

A water tap fee has been historically charged by the RiverSouth Rural Water District when a tap and new service location is requested by a customer. If a Residential customer desires a new tap to an existing line, the customer shall pay \$700.00 as a tap fee. If a high volume user or customer as defined in policy J of the RiverSouth Rural Water District desires a new tap to an existing line and the tap is of one inch diameter, then the tap fee shall be \$1,100.00. This fee shall not include or satisfy any charges such as the meter deposit and the typical service fee charged by the District. Further, this tap fee charge shall not include any costs associated with a line extension should the Board authorize a line extension.

PASSED AND APPROVED this 22nd day of August, 2016.

APPROVED:

Mark Dietz, Chairman of the Board

ATTEST:

Kevin Crumpacker, Secretary

JPV:ndp