

# Governing Rules and Regulations For Members and Consumers of South Lincoln Rural Water System, Inc.

*These Rules and Regulations are adopted by the Board of Directors of South Lincoln Rural Water System, Inc. pursuant to the authority granted in the Corporation's Articles of Incorporation and By-Laws. These Rules govern the provision of water service to members and consumers of the Corporation and may be amended by the Board from time to time.*

## Location

South Lincoln Rural Water System, Inc.  
28647 472<sup>nd</sup> Avenue  
Beresford, SD 57004

## Business Hours

Monday – Friday: 8:00 AM – 4:00 PM  
Phone: (605) 777 – 9905

## Mission

Provide our members with the highest quality water possible at a reasonable cost. Promptly respond to members' needs, with disregard to the time of day. Embrace and display a level of professionalism that will inspire confidence in our members and the services we provide.

## Objective

The following Governing Rules and Regulations were written to provide guidance to all Members and consumers alike and create an environment that allows the Corporation to conduct business and protect the rights of each.

## Notes

1. The Board of Directors may amend these Rules and Regulations from time to time. Notice of material changes affecting rates, service conditions, or member obligations shall be provided to members through billing notice, written notice, or publication by the Corporation

## Application for Membership and Services

1. Definitions
  - a. Member – The owner of a valid membership issued by the Corporation.
  - b. Account Holder – The person responsible for payment of water service charges.
  - c. Consumer – The person or entity using water service at a service location.
  - d. Service Connection – The point at which the Corporation's distribution system connects to a meter serving a property.
2. Any person(s) or other consumers may apply for services by completing the Application for Service form available on SLRW's website or in person at the offices of the Corporation and paying by non-refundable deposit the current application fee.

3. At this time, or at a designated time in the future, the Corporation will determine whether the location for which application is made, has satisfactory water supply and availability. If both are found sufficient, the following actions will be taken:
  - a. The applicant will be provided a written estimate of costs associated with providing services to his/her location.
    - i. Estimates are good for thirty (30) days from the date provided.
    - ii. Estimates are provided for planning purposes only and may be adjusted based upon actual construction conditions, material costs, labor, and required easements.
    - iii. Estimates include costs for work to install service to subject property and include the following SLRW-owned infrastructure:
      1. Connection to mainline
      2. Service line valve
      3. Meter pit
      4. Meter and related equipment
    - iv. Estimates do not include costs for final connection to homes or other private infrastructure.
  - b. If the applicant agrees to the terms and conditions for services, he/she will pay a membership fee, sign the cost for services estimate and be given a copy. The original estimate will be filed in applicant's personal file at the office of the Corporation.
  - c. Construction for service infrastructure will then be scheduled between SLRW staff and a contractor of SLRW's choosing. Members are not permitted to perform work on SLRW owned infrastructure nor hire a contractor to do the same.
4. The Corporation has the right to reject an application if it cannot obtain all necessary easements to supply services to the applicant's location.
5. If the Corporation has begun construction to provide services and the applicant decides not to receive services, the applicant will forfeit the deposit paid for membership and will be charged for any expenditure the Corporation has accumulated.
6. Members having multiple services with the Corporation are required to have a membership for each service.
7. Multiple consumers are not allowed on a single membership and meter. Each consumer shall have its own membership and meter.

8. The Corporation owns and maintains all infrastructure up to and including the meter and meter pit. All piping, valves, fixtures, and equipment downstream of the meter are the responsibility of the member or property owner.

#### Tenant Policies

1. A non-negotiable meter deposit shall be required of all tenants. The deposit can be redeemed only at the Corporation's office provided all amounts due the Corporation are paid in full. Non-payment of the meter deposit is cause for disconnection of service.
2. The individual in whose name the deposit is made shall be responsible for payment of all bills incurred in connection with the service furnished. The property owner remains ultimately responsible for unpaid charges associated with the property.

#### Service Classes

The Corporation does not guarantee water volume, pressure, or future system capacity beyond what is available within the system.

1. Class 1: Individual User
  - a. Typical residential, farm, and/or commercial user. Service is for single property.
2. Class 2: Annual User
  - a. Alternately referred to as "Pasture Taps."
    - i. No livable dwelling on property.
  - b. Note: Annual users are no longer added to the system. Any individual seeking an annual membership can become a Class 1 member. All existing Annual Users are grandfathered until service is terminated.
3. Class 3: Bulk User
  - a. Municipalities and large commercial or industrial users.

#### Water Rates

1. Rates shall be established by the Board of Directors as necessary to maintain financial stability, system maintenance, regulatory compliance, and debt service obligation.
2. Rate adjustments are adopted by the Board of Directors and communicated to Members of all classes.
3. Usage shall be measured monthly according to the following definitions
  - a. Block 1: Water metered up to and including 40,000 gallons.
  - b. Block 2: Water metered exceeding 40,000 gallons

#### 4. Rate Structure

- a. Class 1 Members: Monthly payment shall be the sum of the following
  - i. Monthly Meter Charge
  - ii. Payment for water metered according to Block 1 rate.
  - iii. Payment for water metered according to Block 2 rate.
  
- b. Class 2 Members: Annual payment shall be the sum of the following:
  - i. Annual meter charge for current calendar year.
  - ii. Water metered during previous calendar year. Payment shall be according to Block 1 rate.
  
- c. Class 3 Members
  - i. Subject to individual written and executed Water Purchase Agreement(s) (WPA)

#### Billing and Collecting

1. Water bills are paid monthly in accordance with the Corporation's established rate schedule.
  - a. Monthly bills include both monthly minimum and volumetric charges.
  - b. Payment is due to the Corporation by the 15th of each month.
  - c. Failure to make payment by the 15th of each month carries a late fee according to the Corporation's established fee schedule.
  
2. Water measured by the meter is presumed correct and is the responsibility of the member. Bill adjustments for leaks may be granted at the discretion of the Manager according to policies adopted by the Board.
  
3. Monthly minimum payments are due from each user even if no water is used. This includes payments from members whose service has been temporarily disconnected for reasons such as seasonal absence.
  
4. Members may dispute billing by contacting the Corporation prior to the termination date. The Corporation shall review the account and determine whether adjustment is warranted.

#### Change of Ownership

1. Notice of change in ownership shall be provided to the Corporation prior to property transfer whenever possible.
  
2. The outgoing party shall be responsible for the monthly minimum and all water used until the time of departure or the time of specified departure, whichever is longer.
  
3. A membership transfer fee shall be paid by the incoming party according to the Corporation's fee schedule.

### Service Termination

1. Permanent service termination
  - a. An existing service may be terminated with written notice from a system member.
  - b. Termination relinquishes the allocation of water to said service and terminates membership with the Corporation.
  - c. Reactivation of a terminated service is considered a new user and is subject to application and membership fees. Construction costs may or may not be necessary depending on the condition of the existing service infrastructure at the terminated service.
2. Temporary service termination
  - a. Termination of service for non-payment or violation of system rules shall be conducted in accordance with the Corporation's Utility Temporary Service Termination Policy (Appendix A) as adopted by the Board.

### Fee Schedule

Fees may be adopted by the Board of Directors as necessary

1. The corporation charges the following fees, as set by the Board of Directors, in the ordinary course of its business:
  - a. Application Fee: \$250.00
  - b. Membership Fee: \$500.00
  - c. Membership Transfer Fee: \$50.00
  - d. Late/Missing Payment Fee: \$25 or 20%, whichever is greater.
    - i. Refer to the Temporary Service Termination Policy for late/missing payment procedures
  - e. Membership Account Reactivation Fee: \$500.00
  - f. Disconnection/Reconnection Fee: \$150.00
  - g. Renter Deposit: \$200.00

### Denial for Membership and Service

1. The Corporation reserves the right to deny any and all applications for membership and services. The list below is not a complete list, but a sampling of reasons for rejection.
  - a. Any person(s) or entity that has denied the Corporation an easement for services to other applicants or Members.
  - b. Any current Member asking for additional service that is past due or delinquent.
  - c. Any applicant who was previously a member of SLRW and whose service was terminated for cause, or who has demonstrated a history of conduct that, in the judgement of the Board of Directors, presents unreasonable risk to the water system, its members, employees, facilities, or operations

- d. Any previous Member that was the sent to collections for non-payment of services.
- e. Any person(s) or entity stealing unmetered water from the Corporation.
- f. Any person(s) or entity diverting water to another person(s) or entity through the Member's meter to avoid membership.
- g. The Corporation may deny service when system capacity, water availability, or infrastructure limitations prevent safe or reliable service.

### Member Responsibilities

Once your residence or location has been connected, you can start enjoying the services provided by the Corporation. When becoming a member, you accept certain responsibilities that are designed to protect you and the integrity of our entire system.

1. "Common Sense Rule" applies to the term "Responsibility". If you believe there are situations that the Corporation needs to examine or have knowledge of, as a member you are obligated to inform the Corporation. Listed below are examples of responsibilities you have accepted as a member:
  - a. Not to auger, dig or excavate in the Corporation's easement or near the meter pit, service line or distribution mains in advance of calling "811" for locates.
  - b. To notify the Corporation fourteen (14) days in advance of building, razing, rebuilding, replacing or the removal of any structures or foundations that are connected to the system or near the Corporation's easement.
  - c. Immediately notify the Corporation if you should suspect or discover a leak near or around any meter pit, service line, or mainline owned by the Corporation.
  - d. Notify the Corporation if you suspect any person(s) or entities illegally tampering with, discharging, or diverting service from the Corporation's system without the Corporation's knowledge.
  - e. Paying monthly invoice for services on or before the 15<sup>th</sup> of each month.
  - f. Protect all equipment located at the Member's location which the Corporation uses in the delivery of services to Members, i.e. meter pit, meter, meter reading equipment, service line valve marker, and signs.
  - g. Members and all Class 3 users are responsible for all piping, fittings and appliances downstream of the meter pit.

- h. Members are responsible for damages to equipment owned by the Corporation and the labor to repair said equipment due to the carelessness of the Member or their tenants.
  - i. Members shall comply with cross-connection and backflow prevention requirements established by the Corporation.
  - j. Members shall not construct structures, plant trees, or place obstructions within recorded utility easements.
2. If it is unclear if a condition or situation falls under the Member's responsibility or Corporation's responsibilities, contact the Manager of the Corporation and ask for clarity.

#### Corporation's Responsibilities

1. Provide a safe and sanitary environment that delivers a safe quality product for consumption.
2. Protect and maintain wells, pumps, pumping stations, controls, main distribution lines, service lines, generators, towers, storage devices and Member utilities.
3. Employ competent personnel having appropriate credentials to conduct the affairs of the Corporation.
4. Establish and set rates for services as maybe required to maintain a healthy budget and balance sheet.
5. Develop a short- and long-range strategy that permits the system to expand; allowing opportunity for additional consumers and commerce.
6. Collect debts owed for services
7. Manage the financial affairs of the Corporation in a responsible and prudent manner.
8. Enforce and interpret the Rules and Regulations as written, make changes or modifications to this document as necessary.
9. Provide assistance and information, when necessary, to preserve the quality of Member's services.

#### Other Information

1. Members from time to time may experience discoloration in their water. The discoloration comes from mineral suspended in the water. In these times, we recommend that consumers run water through a garden hose from an outside faucet for a period of no less than one hour (1). If after flushing your service line the discoloration persists, the consumer should contact the Corporation and ask to have a Service Personnel address the problem.

2. At times Members may experience low water pressure or no services. Generally, this happens when water is shut off for repairs. Services will in these cases be restored as soon as the repair has been made. The Corporate Office may be able to provide you with an approximate time that services will be restored.
3. The Corporation is the only entity that is authorized to remove, repair, place, add to, divert, tamper with devices, or handle equipment owned by the Corporation. Unless the Corporation has given its consent to other individuals or contractors to do the same. Any person damaging or interfering with Corporation infrastructure shall be responsible for repair costs.
4. The Corporation reserves the right to restrict, interrupt, or discontinue services at any time for repairs, break downs, lack of sufficient supply, acts of God and/or reasons of security. The Corporation shall not be liable for damages caused by service interruption resulting from maintenance, emergencies, acts of God, power failures, or other circumstanced beyond the Corporation's control
5. If the Corporation makes a repair and crops are damaged, the Member or landowner has the right to ask the Corporation to be reimbursed for damages pursuant the Corporation's Crop Damage policy.
6. The Corporation may charge for service calls when the issue is determined to be on the member's side of the meter.

Adopted: March 19, 2026

## APPENDIX A

### SOUTH LINCOLN RURAL WATER SYSTEM, INC. UTILITY SERVICE TERMINATION POLICY

#### PURPOSE

This policy establishes uniform procedures for discontinuation of water service for nonpayment or violation of system rules. The purpose is to ensure fairness, consistency, and compliance with legal due-process expectations for essential utility services.

#### GENERAL PRINCIPLES

1. Water service is an essential service and shall not be terminated without prior notice and opportunity to cure.
2. All members shall be treated uniformly under this policy.
3. Employees and directors shall not make individual exceptions outside this policy.
4. All steps must be documented in the account record.

#### DEFINITIONS

1. **Member** – Owner of the membership and service allocation
2. **Account Holder** – Person responsible for payment of bills
3. **Delinquent Account** – Any account unpaid after the due date shown on the billing statement

#### STEP 1 — DELINQUENCY NOTICE

Sent after payment due date passes on the 15<sup>th</sup> of each month

Notice must include:

1. Amount due
2. Late fee applied
3. Date payment must be received to avoid temporary service termination
4. Contact information to dispute bill or arrange payment plan

Delivery method: mail or approved electronic delivery

#### STEP 2 — PAYMENT ARRANGEMENT OPTION

Upon request, the Corporation may offer a written payment agreement if the account holder:

1. Contacts the office before temporary service termination date
2. Agrees to standard payment terms

Failure to comply voids the agreement and the account returns to termination status.

### **STEP 3 — FINAL SHUTOFF NOTICE**

Issued no fewer than 10 days prior to termination.

Must include:

1. Final date and approximate time of shutoff
2. Total balance due
3. Reconnection requirements
4. Right to request review

Door hanger or personal delivery permitted in addition to mailed notice.

### **STEP 4 — REVIEW REQUEST**

Account holder may request review by Manager prior to termination.

Review may consider:

1. Billing errors
2. Payment posting errors
3. Active payment agreement
4. Medical hardship documentation

Manager decision shall be documented and final unless appealed to Board at next regular meeting.

### **MEDICAL HARDSHIP DELAY**

Termination may be delayed up to 30 days if a licensed medical provider certifies in writing that termination would create a serious health risk. Payment arrangements must still be established.

### **TERMINATION PROCEDURE**

Prior to termination staff must verify:

1. Proper notices sent
2. No active payment agreement
3. No approved medical delay
4. Account still delinquent

Service may then be discontinued.  
Record date, time, and staff initials.

## **RECONNECTION REQUIREMENTS**

Service shall be restored only after:

1. Full past due balance paid OR approved payment agreement signed
2. Reconnection fee paid
3. Any damages corrected

Restoration shall occur during normal business hours unless emergency conditions justify otherwise.

## **WINTER TERMINATION (OPTIONAL – Board Policy Choice)**

The Board may elect to suspend non-emergency residential shutoffs during extreme weather conditions as determined by management.

## **VIOLATION TERMINATION**

Service may be immediately discontinued without prior notice for:

1. Tampering with meter or equipment
2. Unauthorized reconnection
3. Cross-connection contamination risk
4. Dangerous or illegal use of service

Written notice shall follow as soon as practical.

## **DOCUMENTATION REQUIREMENTS**

Account file must contain:

1. Notices
2. Dates and delivery method
3. Staff initials
4. Photos if applicable
5. Communications log

## **POLICY REVIEW**

This policy shall be reviewed periodically by the Board and applied uniformly to all members.

END OF POLICY

Adopted 03/19/2026