

**RURAL WATER DISTRICT NO. 9,
MAYES COUNTY, OKLAHOMA
BY-LAWS**

**ARTICLE 1
NAME AND PLACE OF BUSINESS**

SECTION 1. The name of this Corporation shall be Rural Water District No. 9. Mayes County Oklahoma.

SECTION 2. The principal office of this District shall be located in Salina, Mayes County, Oklahoma.

**ARTICLE 2
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 3
PURPOSE AND OBJECTIVE**

SECTION 1. The purpose of this District are as follows:

- (a) To acquire water and water rights and to build and acquire pipelines and other facilities, and to operate the same for the purpose of furnishing water to serve the needs of 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 the loans by mortgaging or pledging all of the physical assets and revenue and income of the District, including easements and rights-of-way.

- (c) Any loan made or insured by the Farmer's Home Administration or any other governmental agency will be authorized by a majority vote of all the members present at a special meeting or at an annual meeting of the members.
- (d) 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.
- (e) To establish rates and impose charges for water furnished to participating members and others.
- (f) To enter into contracts for the purpose of accomplishing the purposes of the District with any person or governmental agency.
- (g) To cooperate with any person or with any governmental agency in any undertaking designed to further the purposes of the District.
- (h) To do and perform any and all acts necessary or desirable for the accomplishment of the purposed of the District which may lawfully be done by such District under the laws of the State of Oklahoma.

ARTICLE 4

WATER USERS

SECTION 1. Water shall be supplied only to rural residents of land located within the District. Provided, however, that the Board may make water available to the public for purchase at such distribution points as it may establish.

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

become water subscribers: Provided, that the owner, or someone on behalf of the owner, has subscribed and paid for one or more Benefit Units in favor of the land or premises occupied by the tenant.

ARTICLE 5 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 may have subscribed: Provided all owners of land located within the District shall be eligible to vote at meetings of land-owners until ninety (90) days after a declaration of availability of Benefit Units and unit fees have been entered by the Board in its minutes. 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:

- (a) Owners of land located within the District who have subscribed to one or more Benefit Units: Provided, payments of charges are current on as least one of the Benefit Units.

ARTICLE 6 BENEFIT UNITS

SECTION 1. The Board shall at the proper time cause a declaration of availability of Benefit Units for subscription to be entered in its minutes and shall establish a unit price for said subscriptions. The meter deposits of existing users in incorporated towns who desire to continue to be users shall be credited toward the price of a Benefit Unit. Each

Benefit Unit shall carry with it the obligation of paying a minimum monthly meter charge from the time service is available. The Board in its discretion may from time to time, if the capacity of the District's facilities permit, make additional Benefit Units available. Subscriptions for Benefit Units shall be given preference and priority in 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 judgement 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 place an undue burden on the District. Any landowner who feels himself aggrieved by such denial, or imposition of special conditions, may appeal from the action of the Board to a vote of the members at the next regular meeting of the members, or special meeting of the members called for such purpose: Provided, the decision of the Board shall stand, unless $\frac{3}{4}$ of all participating members (or landowners at meetings where only qualification to vote is ownership of land within the District), vote in favor of a motion to overrule the decision of the Board.

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 of said tract where he intends to utilize said Benefit Units and no major change in location shall be made without the approval of the Board. Benefit Unit Certificates shall be issued by the Board, signed by the Chairman and

Secretary, showing name of owner, and tract of land to which the Benefit Unit is assigned, numbered consecutively in the order in which issued.

SECTION 3. The consideration paid for Benefit Units shall be considered donations to the District and shall in no event and under no circumstances be refunded to the subscriber.

SECTION 4. Benefit Units shall follow the title of the land unless the owner of the land designates otherwise. Owners may transfer Benefit Units from one tract of land to another tract owned by them within the District, subject, however, to the approval of the Board. No transfer in ownership of Benefit Units shall be permitted without the approval of the Board. No transfer will be approved unless all charges against the Benefit unit are paid. All transfers when approved shall be recorded in the books of the District.

SECTION 5. Each Benefit Unit shall entitle the owner to, not to exceed one, residence or business establishment together with the necessary and usual out-buildings.

SECTION 6. Failure to pay the minimum monthly meter charge, or failure to pay for water used through a meter shall constitute a forfeiture of the Benefit Unit on behalf of which such failure occurs: Provided, that such Benefit Unit shall be reinstated if within three months after such failure all charges are paid in full, plus interest at 1% per month and reasonable labor charges necessary to effect such reconnections. Provided, further, that the Board may permit such reinstatement within six months after such failure upon payment of all back charges, plus interest at

1% per month, and reasonable labor charges necessary to effect such reconnection: Provided, further, that if the defaulting water subscriber 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 or cause to be mailed, by registered or certified mail notice of such default of the tenant to the landowner at his last known address as shown on the books of the District.

ARTICLE 7

ELECTION OF DIRECTORS

SECTION 1. The Board of this District shall consist of five members, all of whom shall be participating members of the District: Provided, however, that the original Board shall consist of owners of land located in 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 the 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. When a city or town is part of a Rural Water District, the Board of Directors must be composed of residents of the City or Town in direct proportion to the numbers of users in the City or Town: Provided further that when a Rural Water District is total within the municipal city limits of a city or town, the Board of Directors of the Rural Water District shall be the Governing Body of the Town.

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 of the participating members and until the election and qualification of his 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 in 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 disqualifications of a Director as a participating member of the District or failure of any original Director to become a participating member within thirty (30) days after subscription to Benefit Units are made available through the action of the Board, shall operate to disqualify him 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 not less than $\frac{3}{4}$ of the participating members of the District at any annual or special meeting called for that purpose. The Director shall be informed in writing of the charges preferred against him at least ten (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 in answer thereto. Officers of the Board may be removed for cause by vote of $\frac{3}{5}$ of the members of the Board, and employees and agents discharged or removed from office or employment at any time by action of the Board. When the Board of Directors is the governing body of the city or town, they may not be removed except by due process of city government.

ARTICLE 8

POWERS AND DUTIES OF DIRECTORS

SECTION 1. The Board, subject to the restrictions of the law, and these By-Laws shall exercise all the 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 authority, 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 and 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 transferrable instruments, mortgages, deeds of trust and trust agreements, and to do every act and thing necessary to effectuate the same.
- (c) To prescribe, adopt and amend, from time to time, such equitable and uniform 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, the time of payment, and manner of collection, and to establish equal rates for farm members and non-farm members according to the amount of services furnished.
- (e) To require all officers, agents, and employees, charged with the responsibility for the custody of any funds of the District to give adequate bond, and cost thereof to be paid by the District, and it shall be mandatory upon the Directors to so require.

- (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, and the person by whom the same shall be signed on behalf of the Chairman, with the power to change such bank or person signing such checks and the form 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 and annual audit of the District records and accounts to be made by a licensed municipal public accountant or a certified public accountant, and make a report on said matters at each annual meeting of participating members.

ARTICLE 9

POWERS AND DUTIES OF MANAGER

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

ARTICLE 10

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 of 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, sign all Benefit Unit Certificates, checks, and such other papers of the

District as he may be authorized or directed to sign by the Board. The Board may authorize any person to sign checks, on behalf of the District, provided that all checks must be countersigned by the Treasurer. 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 duties of the Secretary, who shall be a member of the Board, to keep a record of the proceedings of the meetings of the Board and of the District. He shall serve, or cause to be served, all notices required to be served by law or the By-Laws of the District; and, in case of his absence, inability, refusal to do so, then such notices may be served by any member of the Board at the direction of the Chairman.

SECTION 4. TREASURER. The Treasurer, who shall be a member of the Board, shall receive and account for all funds of the District; shall deposit the same in some bank designated by the Board as a depository, and pay the amounts, or cause them to be paid out of the depository only on the checks of the Chairman, or someone authorized to sign on the Chairman's behalf, countersigned by the Treasurer. At each annual meeting of the District, he shall submit for the information of the participating members a complete statement of his account for the past year and he shall discharge such other duties pertaining to his office as shall be prescribed by the Board. He shall give a good and sufficient bond in such amount as may be fixed by the Board.

ARTICLE 11

BOOKS AND RECORDS

SECTION 1. The books and records of the District, and such papers as may be placed on file by vote of the District or directors, shall during all reasonable business hours, be subject to inspection of any landowner or participating member of the District.

ARTICLE 12

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, at 7:30 P.M., the third Tuesday in April.

SECTION 2. Special meetings of participating members may be called at any time by the Chairman or upon resolution of 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 record directed to the address shown upon the books of the District at least ten (10) days prior to the meeting. Such notice shall state the nature, time, place and purpose of the meeting, but no failure or irregularity of a notice of any annual meeting, regularly held, shall affect any proceeding taken thereat.

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

SECTION 5. The order of business at the regular 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 last meeting;
- (d) Report of officers and committees;
- (e) Election of Directors;
- (f) Unfinished business;
- (g) New business;
- (h) Adjournment.

ARTICLE 13

BOARD MEETINGS

SECTION 1. The Board shall meet annually on the third Tuesday in April of each year and will also meet annually to elect officers immediately following the time for election of any new director. The Board shall meet at such and 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, other than the annual meeting to be held on the third Tuesday in April, shall be by mailing a notice to the last known business or residence address of each Director, at least two (2) days before the holding of such meeting: Provided, however, that when all of the Directors are present at any meeting, however called, or consent in writing that such meeting may be held, the proceedings thereat shall be as valid as though the previous written notice aforesaid had been given.

ARTICLE 14

MANNER OF ELECTION AND VOTINGS

SECTION 1. At all meetings of the District, each participating member, qualified as 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.

ARTICLE 15

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. 9, Mayes County Oklahoma," which shall be in the custody of the Secretary.

ARTICLE 16

FISCAL YEAR

SECTION 1. The fiscal year of the District shall begin the first day of January of each year.

ARTICLE 17

AMENDMENT

SECTION 1. These By-Laws may be repealed or amended by a vote of three-fourths of the participating members present at any regular meeting of the District or any special meeting of the District called for that purpose, except that so long as any indebtedness is held by or guaranteed by the Farmers Home Administration 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 Oklahoma, 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, or to deprive any participating member, or landowner of rights and privileges then existing, or to so amend the By-Laws as to effect a fundamental change in the policies of the District without prior approval of the Farmers Home Administration State Director in writing. Notice of any amendment to be made at any regular or special meeting of the participating members must be given at least ten (10) days before such meeting and must set forth the amendments to be considered.

ARTICLE 18

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 19

BENEFITS AND DUTIES OF MEMBERS

SECTION 1. The District shall install, maintain and operate, a main distribution pipeline or lines from the source of water supply, and lines from the main distribution pipeline 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 made 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 these 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 for garden purposes, and require adherence thereto, or prohibit the use of water for washing motor vehicles and equipment, and for garden purposes if at any time, the total water supply shall be insufficient to meet all the needs of all of the participating members for domestic, livestock, and garden 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 all the participating members for domestic and livestock purposes before supplying water for gardens and other purposes.

ARTICLE 20

PRINTING

SECTION 1. After adoption, these By-Laws shall be prepared in booklet form, and a copy thereof shall be delivered to each participating member.

STATE OF OKLAHOMA)

) ss. AFFIDAVIT

COUNTY OF MAYES)

Kenneth Williams, being first duly sworn, deposes and states, that he is a Director of Rural Water District No. 9, Mayes County, Oklahoma, and that the foregoing By-Laws were adopted at a meeting of the landowners of said District, duly held on the 18th day of February, 1984, at 7:30 o'clock P.M. There were fifty-nine landowners present in person and the vote for the adoption of the By-Laws was unanimous.

S/B KENNETH WILLIAMS

Subscribed and sworn to before me this 18th day of February, 1984.

Lou Ann Hendrex, Notary Public

My Commission Expires:

November 19, 1987

(SEAL)

RURAL WATER DISTRICT NO. 9
MAYES COUNTY, OKLAHOMA

RULES AND REGULATIONS

These rules are designed to govern the supplying and taking of water and waste disposal service in a uniform manner for the benefit of the District and its members. They are subject to change from time to time. However, all such changes must be approved by the state Director of the Farmers Home Administration, until such time, as the District is no longer indebted to the United States of America, or until such time as the District has completely retired on loans by or insured, by United States of America. 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, authority, or other agency living or owning land located within the service area applying for water and waste disposal service who applies for membership.

MEMBERSHIP CERTIFICATE: A right entitling the holder to one water and waste disposal service connection.

BOARD: The Governing Body.

CONSUMER: Any individual, firm, partnership, corporation, authority, or other agency receiving water and/or waste disposal service from the District's facilities.

POINT OF DELIVERY: In rural areas water transmission lines will be installed parallel to section lines and highways and on private property, where possible. Service lines to the meter will not extend across private property unless necessary to serve users whose property does not join the section lines or road.

Water will be delivered at the meter which will be located five feet inside the user's property line. However, if the cost to serve the last user or users on any line segment exceeds the average cost per user of the entire system, the last user or users will be required to pay all costs which exceed the average cost per user of the entire system.

Sewer collection lines will normally be installed in the alley and the user required to connect to the sewer riser at the collection line. When the collection line must be installed on one side of a street, the District will extend the line across the street to the user's property line where the user on the opposite side of the street will connect.

SERVICE: The term service when used in connection with the supplying of water shall mean the availability for use by the consumers of water adequate to meet the consumer's requirements and adequate waste disposal collection and treatment facilities when the collection lines are installed. Service shall be considered as available when the District maintains the water supply at normal pressure at the point of delivery, in readiness for the consumer's use, regardless of whether or not the consumer makes use of it and when the District has available to the member waste disposal collection and treatment facilities.

USERS AGREEMENT: The agreement or contract between the consumer and the District, pursuant to which water service is supplied and accepted.

STATE DIRECTOR: The State Director of the Farmers Home Administration.

WATER AND WASTE DISPOSAL SERVICE: Water and waste disposal service shall consist of facilities for supplying water and waste disposal to one's residence or business establishment.

GENERAL RULES

1. The supplying and taking a water and use of waste disposal service will be in conformance with these Rules, and the applicable rate schedule attached hereto, and filed with the secretary of the District: Provided, however, that such rate schedule is subject to change by action of the governing body with the approval of the State Director. Provided, further, that if at any time the governing body determines that the total amount derived from the collection of water and waste disposal charges is insufficient for the payment of operating costs, emergency repairs, or debt service, the Governing Body shall increase the minimum water and waste disposal rate for the first month thereafter in an amount sufficient to pay such operating costs, emergency repairs, or debt service.
2. Applicants for service shall make application to the Secretary of the District. If the application for service is approved by the Governing Body, the applicant pays the required costs and signs the standard application for water and waste disposal service, he shall receive service.
3. Before installing a service extension and providing water available for use, the Governing Body may require the applicant to pipe his home and be in readiness to accept service.

SERVICE IS FOR SOLE USE OF THE CONSUMER:

A standard water and waste disposal 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, not to share, resell, or sub-meter water to any other consumer. If an emergency or specific situation should make such an arrangement advisable, it shall be done only on specific written permission of the Governing Body for the duration of the emergency. Each residence or business establishment will pay the established waste collection fee for each residence or business establishment served.

MULTIPLE USERS:

- a. **MOBILE HOME PARKS:** The classification, method of service, and minimum charge to be assessed each mobile home resident, whether located in a trailer park or located on an individual lot, will be the same as for any other residential user on the same system. Each mobile home resident is expected to pay the same water charges as other users on the system. Normally, this would be accomplished by installing a water meter at each mobile home. If the residents of mobile homes are not permanent residents, the Governing Body may elect to serve mobile homes located in a trailer park through a master meter, provided the owner of the trailer park agrees in writing that he will be responsible for collecting a minimum water bill each month for each mobile home, plus water used through the master meter in accordance with the rate schedule used for other residential users. Owners of trailer parks serving non-resident users will be expected to contribute an amount equal to the cost of enlarging the District's water system as required to serve the trailers. The trailer park owners must also pay for constructing their own lines within the trailer park. Waste disposal service will be provided on the same basis as water.

b. SUBDIVISIONS AND DEVELOPERS:

Developers are expected to pay for essential utilities to new or developing areas, including subdivisions. Owners of subdivisions or developments will be expected to contribute an amount equal to the cost of enlarging, the District's water, or sewer system to serve the area being developed. The owner must also pay for constructing their own lines within a development or subdivision. If the District's consulting engineer and Board of Directors determines that the owner has installed service and main lines within the subdivision or development in accordance with approved plans and specifications, the District may agree to accept ownership and overall operation and maintenance responsibility of the service lines within the subdivision or development. Also, if the Board of Directors determines adequate water is available, water service may be provided to the development or subdivision through a master meter.

AGREEMENTS WITH GOVERNMENTAL AND PUBLIC BODIES:

The District through its Governing Body may make specific water and Waste disposal service contracts with the Federal Government, the State of Oklahoma, or agencies thereof, school Districts and municipal corporations and nonprofit corporations, differing from stipulations set out in the rate schedule and rules. Such contracts must receive approval by the State Director of the Farmers Home Administration.

RIGHT OF ACCESS:

Representatives of the District shall have the right at all reasonable hours to enter upon consumers' premises to read and test meters, inspect piping, and to perform other duties for the proper maintenance and operation of service, or to remove its meters and equipment upon discontinuance of service by consumers.

CONTINUITY OF SERVICE:

The District will make all reasonable efforts to supply continuous, uninterrupted service. However, it shall have the right to interrupt 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.

METER ACCURACY:

Service Meters whose errors do not exceed two percent (2%) fast or slow shall 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.

BILLS:

Bills will be rendered for service by the 5th day of the month following that in which the service was rendered as set forth in the rate schedule. Service bills not paid by the 16th of the month shall be subject to a ten (10) percent late charge. Failure of the District to submit a service bill shall not excuse the consumer from his obligation to pay for the water or waste disposal services used when the bill is submitted. Failure to pay a bill within 30 days from the due date shall result in the disconnection of the service.

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 membership plus ten percent (10%) interest, and a sum to

cover the reasonable cost of labor necessary to make such reconnection.

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. 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 installed for his service, on account of any cause other than normal wear and tear.

CHANGE OF OCCUPANCY:

It shall be the consumer's responsibility to anticipate changes of occupancy, and to have his membership certificate transferred to the new consumer as prescribed in the By-Laws. Until the certificate is formally transferred, the original holder shall be responsible for payment for service. The Governing Body may refuse to transfer a membership until all back bills have been paid. However, this would not preclude a new owner from purchasing a new membership in the District.

MAIN EXTENSIONS:

1. In extending a water or sewer main to serve an applicant, the Governing Body may at its discretion exercise one of the following options:
 - a. If the cost of the extension is less than the average cost of the entire system to each member, and sufficient construction funds are available, the Governing Body may elect to make the extension upon the applicant's purchase of a membership or payment of the required fee.
 - b. If the cost of the extension is greater than the average cost of the entire system to each member, but funds are available to the extent of such average cost, the Governing Body may elect to contribute to the extension in the amount of such average cost in addition to the price of a membership. If, and as additional consumers are connected to the extension, and as funds become available, all or part of the original consumer's deposit may be returned to him. Any portion of the original deposit remaining after the expiration of a five year period will become the property of the District. In no case will interest be paid on such deposits.
 - c. In the event that the District does not have funds available to pay for construction in the amount of the average cost per member of the entire system, it may require as a condition of extending service, that the applicant deposit in addition to the price of a membership, an amount which may equal the entire cost of the extension. In such event, the Governing Body may, as funds become available return to the consumer that portion of his deposit equal to the average cost of the system per member. No interest will be paid on such deposits.
2. However, the Governing Body shall not issue any bonds, notes, indentures, obligations, or other form of indebtedness in connection with the extension of lines hereunder, or mortgage or encumber the system in any matter.

SERVICES:

The District will install and pay for all water service pipes (except for private fire protection) from its mains to the meters. The service pipe shall not be less than $\frac{3}{4}$ inch in size. The District will also install the District cock, meter, and meter setting. The meter will be set in front of the premises to be served or at the closest point on the consumer's premises as designated by the District. The District will install the sewer collection lines which normally will be located in the alley. The user will be responsible for all piping from the dwelling to the collection lines and at the discretion of the Governing Body pay for all cost of extending.

**APPLICANTS HAVING EXCESSIVE
REQUIREMENTS**

In the event an applicant whose water requirements are found to exceed the District's ability to supply it from existing plant without adversely affecting service to other consumers to a reasonable 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 plant.

CROSS CONNECTIONS

There shall be no cross-connections made or maintained between the water system of the District or any other system (private or otherwise) and that all new structures constructed within the District shall, prior to service connections, comply with the plumbing standards of the State of Oklahoma. In addition, all sewage disposal systems shall comply with the standards contained in Oklahoma Department of Health Engineering Bulletin Nos. 600, 0587, and 0575.

Representatives of the District, the state and local Health Departments shall have the right at all reasonable hours to enter upon consumer's premises for the purpose of inspection and enforcement of this provision.

Violation of this provision shall constitute cause for disconnection of a consumer's service.

Unanimously adopted at meeting of the Governing Body, held February 18, 1984 at Salina, Oklahoma, with all five members of the Governing Body present.

/S/ Kenneth Williams

CHARIMAN

(SEAL)

/s/c. Darwin Collins

ATTEST:

SECRETARY