

RURAL WATER, SEWER, GAS AND SOLID WASTE
MANAGEMENT DISTRICT NO. 14
PITTSBURG COUNTY, OKLAHOMA

RULES AND REGULATIONS

Definitions: The following expressions when used herein will have the meaning stated below.

Application: 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 Association's and/or Organization'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 collections 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 the street, the Association and/or Organization 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 Association and/or Organization maintains the water supply at normal pressure at the

point of delivery, in readiness for the consumer's use, Association and /or Organization has available to the member waste disposal collection and treatment facilities.

Users Agreement: The agreement or contract between the consumer and the Association and/or Organization, pursuant to which water and waste disposal services 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 of water and use of waste disposal service will be in conformance with these rules and the applicable rate schedule attached hereto, provided, 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 the total amount derived from the collection of water costs, emergency repairs, or debt service, the Governing body shall increase the minimum water and waste disposal rate for the first month thereafter in the amount sufficient to pay such operating cost, emergency repairs, or debt service.

2. Applicants for service shall make application to the Secretary of the Association and/or Organization. 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 water disposal service, he/she 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/her 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, nor to share, resell, or sub-meter water to any other consumer or allow another user to connect to the applicant's sewer line. 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 establishment 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

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/she will be responsible for collection 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 Association's and/or Organization'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 Association's and/or Organization's water or sewer system to serve the area being developed. The owner must also pay for construction their own lines within the development or subdivision. If the Association's or Organization's consulting engineer and Board of Directors determines that the owner has installed service an main lines within the subdivision or development in accordance with the approved plans and specifications, the Association or Organization 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 determine adequate water is available, water service may be provided to the development or subdivision through a master meter.

Agreement with Governmental and Public Bodies: The Association and Organization through its Governing body may make specific water and waste disposal service contracts with the Federal Governmental, the State of Oklahoma, or agencies thereof, school districts, 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 Association and/or Organization shall have the right at all reasonable hours to enter upon consumer's 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 meter and equipment upon discontinuance of service by consumers.

Continuity of Service: The Association and/or Organization will make all reasonable efforts to supply continues, 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 Association and/or Organization will not accept responsibility for losses which might occur due to such necessary interruptions.

The Association and/or Organization does not accept responsibility for losses which 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 Association and/or Organization, without cost to the consumer. A complete record of tests and histories of meters will be kept. Meter test will be made according to methods of the American Waterworks Association by the Association and/or Organization as often as deemed necessary by its governing body.

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 taken 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-percent (10%) late charge. Failure of the Association and/or Organization to submit a service bill shall not excuse the consumer of his/her 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 Bylaws of the Association and/or Organization, 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/her 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/her membership certificate transferred to the new consumer as prescribed in the Bylaws. Until the certificate is formally transferred, the original holder may refuse to transfer a membership until all back bills have been paid.

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 for 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, and require the applicant to deposit in cash the additional cost in addition to the price of 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/her. Any portion of the original deposit remaining after the expiration of a five-year period will become the property for the Association and/or Organization. In no case will interest be paid on such deposits.

C. In the event that the association and/or Organization 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/her 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 thereunder, or mortgage or encumber the system in any manner.

Services: The Association and/or Organizations will install all water service pipes (except for private fire protection) from its main to the meters. The service pipe shall not be less than three-fourths inch in size. The Association and/or Organization will also install the Association and /or Organization 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 Association and /or Organization. The Association and /or Organization 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 costs of extending.

Applicants Having Excessive Requirements: In the event an applicant whose water requirements are bound to exceed the Association's and/or Organization's ability to supply it from existing plant without adversely affecting service to other consumers to a reasonable extent, the Association and/or Organization 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 systems for the Association and/or Organization or any other system (private or otherwise) and that all new structures constructed within the Association and/or Organization shall, prior to service connection, 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 Bulletins No. 600, 0587 and 0575.

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

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

Unanimously adopted at a meeting of the Governing Body, held _____, 19____ at _____, Oklahoma, with _____ members of the Governing Body present.

RURAL WATER, SEWER, GAS AND
SOLID WASTE MANAGEMENT
DISTRICT NO. 14, PITTSBURG
COUNTY, OKLAHOMA

CHAIRMAN

ATTEST:

SECRETARY

(CORPORATE SEAL)