

EVERGREEN RURAL WATER DISTRICT NO. 18

OSAGE COUNTY, OKLAHOMA

RULES AND REGULATIONS

September 2, 1999

These Rules are issued in compliance with the provisions of the Rural Water Districts Act of Oklahoma (82 Okl. St. Ann. ss 1301-1321), and the By-Laws of the District and are designed to govern the supplying and taking of water service in a uniform manner for the benefit of the District and its members. They are subject to change from time to time.

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

Applicant: Any individual, firm, partnership, corporation or other agency owning land located within the District, applying for water service.

Benefit Unit: A right entitling the holder to one water service connection.

Board: The Board of Directors of Evergreen Rural Water District No. 18, Osage County, Oklahoma.

Consumer: Any individual, firm, partnership, corporation or other agency receiving water from the District's facilities and owning or occupying land located within the District in favor of which one or more benefit units have been subscribed and paid for.

Point of Delivery: The point of delivery shall be at the meter, unless otherwise specified in the Application for water service and water user's agreement.

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. 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.

Application for water Service and Water Users' Agreement: The agreement or contract between the consumer and the District, pursuant to which water service is supplied and accepted.

Water Service: A water service shall consist of facilities for supplying water to one residence or business establishment located on land within the District. A landowner must purchase a benefit unit and accept a water service for each residence or business establishment served.

GENERAL RULES

1. The supplying and taking of water will be in conformance with these Rules and the applicable rate schedule attached hereto, and filed with the Manager of the District: Provided, however, that such rate schedule is subject to change by action of the Board. Provided, further, that if at any time the Board of Directors determines that the total amount derived from the collection of water charges is insufficient for the payment of operating costs, emergency repairs, or debt service, the Board shall increase the minimum water 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 Manager of the District. If the application for service is approved by the Board of Directors, the applicant will receive a benefit unit for each water service desired.

3. Before installing a service extension and providing water available for use, the Board may require the applicant to pipe his home and be in readiness to accept service.

Applications:

Each application shall be signed by an owner of record and represent the signer has authority to commit all owners. Each application, upon approval thereof, shall constitute a perpetual easement and covenant authorizing the District to enter upon and cross any land of the applicant owners without additional consent or compensation, for any purpose of or associated with installation, maintenance, servicing, replacement or removal of main or lateral service lines. But it is intended that all water lines shall normally be located approximately five feet inside the fence line.

Service is for Sole Use of the Consumers:

A standard water 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. If an emergency or specific situation should make such an arrangement advisable, it shall be done only on specific written permission of the Board of Directors for the duration of the emergency.

Agreements with Governmental and Public Bodies:

The District through its Board of Directors may make specific water service contracts with the Federal Government, the State of Oklahoma, or agencies thereof, school districts and municipal corporations, differing from stipulations set out in the rate schedule and Rules.

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. A complete record of tests and histories of meters will be kept. Meter tests will be made according to methods of the American Waterworks Association by the District, as often as deemed necessary by its Board of Directors.

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.

Meter Location:

Meters shall be set in an accessible place on the outside of buildings except where otherwise directed by the District. All meters shall be placed in a meter box furnished and installed by the District.

Bills:

Meters will be read on a regular monthly basis. Water bills will be sent on or about the 1st of the month and are due on the 20th of each month. Bills not paid by the 20th shall have a 10% late charge added to the bill. Failure of the District to submit a service bill shall not excuse the consumer from his obligation to pay for the minimum and the water used. Failure to pay a bill by the 1st day of the month following the month in which the bill is due, shall result in the disconnection of the service.

Reconnection Charge:

There will be a charge for reconnection when a consumers meter is locked or pulled for non-payment of a bill. There will also be a trip charge if it is necessary to collect a delinquent bill at the door. The rate of these charges is determined by the management contract negotiated each year.

If the benefit unit has remained delinquent for a period of six (6) months the Board of Directors will vote to declare the unit null and void and will cost the consumer the then going rate for a new benefit unit.

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 and meter installation for his use, other than normal wear and tear.

It shall be the consumer`s responsibility to anticipate changes of occupancy, and to have his benefit unit transferred to the new consumer as prescribed in the By-Laws. Until the benefit unit is formally transferred, the original holder shall be responsible for payment for service. All charges levied against a benefit unit must be paid, before the benefit unit can be transferred, or service resumed where there has been a suspension.

Main Extensions:

The Board will require a consumer or group of consumers or developer to pay the cost of extending the main, all health department permits, engineering fees plus the cost of each benefit unit. The Board will allow 35% of the cost of each benefit unit to be used to pay for the extension. In addition a contribution to the cost of adding a tank or pump station may be required.

Services:

The District will install and pay for all water services pipes (except for private fire protection) from its mains to the meters on property abutting the travelway along which the main is installed. The service pipe shall not be less than 3/4th inch in size. The District will also install and pay for the District cock, meter and meter setting, and meter box. 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.

Cost of Benefit Unit:

The cost of Benefit Unit shall be \$750 plus cost of installation.

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 an unreasonable 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.

Fire Protection:

Water hydrants will be installed on the main lines (2" or more) when the Water Hydrant Application is completed and \$1,500.00 has been paid by the consumer(s) desiring such hydrant. The District assumes no liability whatsoever in the failure of such hydrant to perform at any given time. If there is excessive usage from any such hydrant the hydrant will be sealed and rendered useless.

Connection With Private Water System:

There shall be no physical connection between any private water system and the water system of the District. Representatives of the District 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 Board of Directors, held 3 December, 1998, with five members of the Board of Directors present.