

**RULES AND REGULATIONS
OF
NOWATA COUNTY RURAL WATER AND SEWER DISTRICT NO. 1**

These rules are issued in compliance with the provisions of the Articles of Incorporation and the Bylaws of the District and are designed to govern the supplying and taking of water and sewer services 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 all loans made by or insured by the United States of America. If a provision of the rules conflicts 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 or other agency living or owning land located with the service area applying for water or sewer service who applies for membership.

Membership Certificate: A right entitling the holder to one water and sewer connection.

Board: The Board of Directors of Nowata County Rural Water and Sewer District No. 1.

Consumer: Any individual, firm, partnership, corporation, or other agency receiving water and/or sewer service from the District's facilities.

Point of Delivery: The point of delivery shall be at the meter, unless otherwise specified in the Application for Water and Sewer Service. The point of sewer connection will be at the District's collection line adjacent to the property.

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 sewage collection and treatment facilities. 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 sewage and treatment facilities.

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

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

Water and Sewer Service: Water and Sewer service shall consist of facilities for supplying water and sewer to one residence or business establishment.

GENERAL RULES

1. The supplying and taking of water and use of sewer service will be in conformance with these rules and the applicable rate schedule attached hereto, and filed with the Secretary of the District; provided, that such rate schedule is subject to change by action of the Board with the approval of the State Director. Provided further, that if at any time the Board of Directors determines the total amount derived from the collection of water and sewer charges is insufficient for the payment of operating costs, emergency repairs, or debt services, the Board shall increase the minimum water and sewer 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 Board of Directors, the applicant pays the required costs and signs the standard application for water and sewer service, he shall receive service. New sewer taps on existing town lots shall be charged the actual cost of connection and extension to the owners property and such construction must be performed by the District's Contract Management Firm, and shall be paid by the new applicant in addition to the \$1,000.00 Benefit Unit which includes the water tap, box, setter, and meter.

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.

Service is for Sole Use of the Consumer: A standard water and sewer 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 to 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 Board for the duration of the emergency.

Multiple Users: 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 Board 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.

Agreements with Governmental and Public Bodies: The District through its Board may make specific water and sewer service contracts with the Federal Government, 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.

Right to Access: Representatives of the District 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 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 the methods of the American Water Works Association by the District, as often as deemed necessary by its Board.

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.

Meter Location: Meters shall be set in an accessible place adjacent to the property line of the member except where otherwise directed by the District. All meters shall be set horizontally and never connected into a vertical pipe. Meters set outside of a building shall be placed in a meter box furnished by the District.

Bills: Bills will be rendered for services by the 1st 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 20th of the month shall be subject to a ten percent (10%) late charge. Failure of the District to submit a service bill shall not excuse the consumer from his obligation to pay for the water used when the bill is submitted. Failure to pay a bill by the first day of the month following the month in which the bill is rendered, shall result in the disconnection of the service. Prior to disconnection, Delinquent Notices will be sent to Owners, Renters & Landlords.

Reconnection Charge: *The reconnection charge for restoration of service, if reconnection is authorized and approved under the provisions of the Bylaws of the District, after each suspension of service because of the 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.*

Changes 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 Bylaws. Until the certificate is formally transferred, the original holder shall be responsible for payment for service. All charges levied against a member must be paid, before the membership certificate can be transferred, or service resumed where there has been a suspension.*

Main Extensions:

In extending a water or sewer main to serve an applicant, the Board 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 Board 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 Board 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 a Benefit Unit. If and as additional customers 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 deposit.

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 Board 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.

D. However, the Board 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 manner.

Services: *The District will install and pay for all water service pipes (except for private fire protection) from its main to the meters. The service pipe shall not be less than one inch in size. The District will also install 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.*

Applicant's 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 services, 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 all new structures constructed within the District shall, prior to the 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 inspections and enforcement of this provision.

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

Unanimously adopted at a meeting of the Board of Directors, held March 24, 1971, at Wann, Oklahoma, with all members of the Board of Directors present.

Tenants:

Rights:

If a Tenant on land located within the District becomes an owner of a Benefit Unit, they will be entitled to the same rights as Benefit Unit owners owning property...all rates and fees will be the same to Tenant Benefit Unit owners as Benefit Unit owners owning property with exception of a Security Deposit.

Security Deposit:

Required for Tenant Benefit Unit owners only.

If a Tenant on land located within the District requests to purchase or request to acquire a Benefit Unit by Transfer, they will be required to pay the same fees as a land-owning Benefit Unit owner plus put up a Security Deposit as follows:

- a. Security Deposits will be \$150.00 for each Benefit Unit owned by a Tenant.*
- b. Interest will be paid by the District a 4% per anum on the Security Deposit. Interest will be calculated and paid annually in the Month of April (this interest payment will be shown as a credit to the Benefit Unit's account).*
- c. Security Deposits will be held by the District as long as the Tenant owns the Benefit Unit.*
- d. District will show Security Deposits on a Liability Account on the Balance Sheet of the District.*

/S/ Leon Gaskill, Chairman

Attest:

/S/ Don Meeker, Secretary

Revised August 11, 1981
Revised August 12, 1986
Revised June 29, 1994
Revised November 11, 1997