+Rural Water District Number 6 Hughes County, Oklahoma

<u>BYLAWS</u> (Amended December 1998)

ARTICLE I

NAME AND PLACE OF BUSINESS

- SECTION 1. The name of this entity shall be Rural Water District Number 6, Hughes County, Oklahoma (hereinafter referred to as the "District")
- SECTION 2. The principal office of this District shall be located in Hughes County, Oklahoma.

ARTICLE II

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 III

PURPOSES AND OBJECTIVES

SECTION 1. The purposes and objectives 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 the Bylaws.
- (b) To borrow money from any Federal or State agency, or from any other source, and to secure said loans by mortgaging or pledging all of the physical assets and revenue and income of the District, including easements and rights-of-way.
- (c) 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.
- (d) To establish rate and impose charges for water service furnished to participating members and others.
- (e) To enter into contracts for the purposes of accomplishing the purposes of the District with any person or governmental agency.
- (f) To cooperate with any person or with any government agency in any undertaking designed to further the purpose of the District.
- (g) To do and perform any and all acts necessary or desirable for the accomplishment of the purposes of the District, which may lawfully be done by such District under laws of the State of Oklahoma

ARTICLE IV

USERS

- SECTION 1. Water service 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 or Tenant located within the District shall be eligible to become a user of the facility unless he has first subscribed and paid for one or more Benefit Units. Tenants occupying land located within the District may become owners of Benefit Units upon approval of the Board and by the Tenant providing the Board with an easement and letter of permission from the landowner.

ARTICLE V

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. 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 or Tenants within the District who have subscribed to one or more Benefit Units; Provided payments of charges are current on at least one of the Benefit Units.

ARTICLE VI

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 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 judgment of the Board, the granting of said subscription and the furnishing of water service pursuant thereto, would impair the service to other 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 three-fourths of all participating members 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 to which the Benefit unit is assigned, numbered consecutively in 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 units are paid. All transfers when approved shall be recorded in the Books of the District.
- SECTION 5. Each Benefit Unit shall entitle the owner not to exceed one line from the District's water system for one residence or business. Each line shall serve not to exceed one residence or business establishment together with the necessary and usual outbuildings.
- 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 User on behalf of which such failure occurs: Provided, that such Benefit Unit shall be reinstated if within three (3) months after such failure all back charges are paid in full, plus ten (10) percent interest and reasonable labor charges necessary to effect such reconnection. Provided, further, that the Board may permit such reinstatement within six (6) months after such failure upon payment of all back charges, plus ten (10) percent interest, and reasonable labor charges necessary to effect such reconnection: Provided, further, that if the defaulting 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 notice of such default of the tenant to the landowner at his last known address as shown on the books of the District.

ARTICLE VII

ELECTION OF DIRECTORS

- SECTION 1. The Board of this District shall consist of five (5) 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 time 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 participating members, the participating members shall elect for a term of three (3) years the number of Directors whose terms of office have expired.
- 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 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 disqualification 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 action of the Board, shall operate to disqualify him as a Director and to create a vacancy in the office of 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 three-fourths (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 two-

thirds (2/3) 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.

ARTICLE VIII

POWERS AND DUTIES OF DIRECTORS

- SECTION 1. The Board, subject to the restrictions of law, and these Bylaws, shall exercise all of 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 at will, prescribe such duties and designate such powers as may not be inconsistent with these bylaws, and fix their compensation and pay for faithful services.
- (b) To borrow from any source, money, goods, or services and make and issue notices, and other negotiable and transferable 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 users 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, 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 rates, if necessary, to produce sufficient revenue required by such budget, cause an annual audit of the District records and accounts to be made by a licensed municipal public accountant or qualified independent accountant, and make a report on said matters at each annual meeting of participating members.
- (h) To require qualification for Director in the following ways:
 - (1) A written pledge that upon election to the Board of Directors, a board member will attend six (6) hours of workshop training organized by the Oklahoma Water Resources Board in cooperation with the Oklahoma Rural Water Association with the purpose of study and instruction in areas of district financing, law, and the ethics, duties and responsibilities of district board members. The District shall reimburse all reasonable expenses incurred by any board member for attending such training workshop.
 - (2) In order that each director keep informed of the affairs of the District in accordance with the responsibility, each Director shall attend at least seventy-five percent (75%) of all board meetings within each calendar year. Failure to meet this attendance requirement shall be grounds for removal of a Director.

ARTICLE IX

POWERS AND DUTIES OF A MANAGER

SECTION 1. The Board may employ for the District a manager, who shall have charge of business of the District 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 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 to perform such other duties as may be prescribed by the Board.

ARTICLE X

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 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 shall sign all Benefit Unit Certificates and such other papers of the District as he may be authorized or directed to sign by the

Board, provided the Board may authorize 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, or cause to be kept, 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 bylaws of the District; and in case of his absence, inability, refusal or neglect to do so, then such notices may be served by any member of the board directed by 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 in checks of the Chairman, or designated officers of the Board, and if authorized, the District's Manager to the extent of managing the normal operations of the District provided all checks are countersigned by the Board's 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 be prescribed by the Board, and shall give a good and sufficient bond in such amount as may be fixed by the Board.

ARTICLE XI

BOOKS AND RECORDS

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

ARTICLE XII

ANNUAL MEETING OF PARTICIPATING MEMBERS

- SECTION 1. The annual meeting of the participating members of the District shall be held at some suitable location with the District designated by the Board.
- SECTION 2. Special meetings of participating members may be called any time by the Chairman or upon resolution of the Board, or upon written petition to the Chairman of the Board, signed by 51 percent (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 meeting of the 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 the transacting of 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 XIII

BOARD MEETINGS

SECTION 1. The Board shall meet each year to adopt a budget for the following year, and will also meet annually to elect officers immediately following the time for election of any new director. The Board shall meet as such and other times as may be determined by the Board, or upon call by the Chairman or any two (2) members of the Board. Notice of all meetings of the Board shall be by mailing a notice to the last know 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 valid as though the previous written notice aforesaid had been given.

ARTICLE XIV

MANNER OF ELECTION AND VOTING

SECTION 1. At all meetings of the District, each participating member, qualified as stated in these bylaws, 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 XV

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. 6, Hughes County, Oklahoma", which shall be in the custody of the Secretary.

ARTICLE XVI

FISCAL YEAR

SECTION 1. The fiscal year of the District shall begin September 1 of each year.

ARTICLE XVII

AMENDMENT

SECTION 1. These bylaws may be repealed or amended by a vote of three-fourths (3/4) 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 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 requirements 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 bylaws as to affect a fundamental change in policies of the District. 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 XVIII

BASIS OF OPERATION

SECITON 1. The District shall at all times be operated on a non-profit basis for the mutual benefit of its participating members.

ARTICLE XIX

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 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 may from time to time be provided and required by the District and the Board, such water service for domestic and other such purposes as a participating member may desire, subject, however, to the provision of these bylaws 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 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 garden purposes if at any time the total water supply shall be insufficient to meet all of the needs of all of the participating members for domestic, livestock, 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 garden and other purposes.

ARTICLE XX

PRINTING

SECTION 1. After adoption, these bylaws shall be prepared in booklet form and made available to each participating member.

AFFIDAVIT

STATE OF OKLAHOMA)	
COUNTY OF HUGHES)	
Phillip Legg, Jerry Montgomery, Donald Huffstutlar, J.D. Robertson and Gene Pearson, being first duly sworn, depose and state each for himself/herself, that he/she is the Director of Rural Water District No. 6, Hughes County, Oklahoma, the foregoing bylaws were amended at a meeting of the landowners of said District, duly held on the 8 th day of December, 1998 at 8:00 PM o'clock. That there were 15 landowners present in person and that the vote for the amendment of the Bylaws was unanimous.	
Subscribed and sworn to before me on this day of	·
	Notary Public
My Commission expires	

RULES AND REGULATIONS

(Amended December 2005)

These Rules are issued in compliance with the provisions of the Rural Water, Sewer, and Solid Waste Management Districts Act of Oklahoma (82 O.S. 1981 SS1324.1 through 1324.26), and the bylaws 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. If a provision of the Rules conflict with 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 entity owning land located within the District, applying for water service

BENEFIT UNIT: A right entitling the holder to one service connection.

BOARD: The Board of Directors of Rural Water District No. 6, Hughes County, Oklahoma.

CONSUMER: Any individual, firm, partnership, corporation, or other agency receiving water service 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: In rural area's water transmission lines will be installed parallel to section lines and highways and on private property where possible. Water will be delivered at the meter, which will be located at 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 on 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.

SERVICE: The term service when used in connection with the supplying of water service 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 USER'S AGREEMENT: The agreement or contract between the consumer and the District pursuant to which water service is supplied and accepted.

WATER SERVICE: 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 water service for each residence or business establishment served.

GENERAL RULES

- 1. The supplying and taking of water service will be in conformance with these Rules and 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 Board with the approval of the State Director. Provided, further, that if at any time the Board of Directors determines that the total amount derived from the collection of 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 Secretary of the District. If the application for service is approved by the Board of Directors, the applicant will purchase a Benefit Unit for each water service desired and sign the standard Application for Water and the Water User's Agreement for an indefinite period.
- 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 CUSTOMER

A standard 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, 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. Any temporary mobile structure such as a mobile home, trailer house, travel trailer, camping trailer, bus, van or RV that is utilizing the District's water thru one of its existing customer's meters and is occupied for 4 months or more in a single year must purchase its own water meter and provide proof to the District that is has a DEQ approved septic system in place. Failure to do so will result in the immediate suspension of the primary customer's water service and possibly that customer's membership.

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 users 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 of Directors 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 of Directors may make specific water 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 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 customers.

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, conditions by the District, without additional 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 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. The percentage of error will be considered as that arrived at by taking the average of the error at full load and that as 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 on the outside of buildings 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 and installed by the District.

BILLS

Bills will be rendered for service 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 10th day 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 20th day of the month of service shall result in the disconnection for 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 District, after each suspension of service because of delinquent payment or other infractions of these Rules, shall be the unpaid amount charged to date against the consumer's Benefit Unit, plus ten percent (10%) interest, and a sum to cover the reasonable cost of labor necessary to make the reconnection.

REQUIRED METER TEST

Meter tests requested by consumers will be performed without costs 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. The consumer also shall be responsible for installing a pressure regulator on his side of the meter. The District will not be held liable for any damage to the customer's plumbing due to high water pressure.

CHANGE OF OCCUPANCY

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 bylaws. 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. There will be a Transfer Fee charge of \$30.00 to the new owner to transfer the Benefit Unit into his name.

MAIN EXTENSIONS

- 1. In extending a water 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 of each member, and sufficient construction funds are available, the Board may elect to make the extension upon the applicant's purchase of a Benefit Unit.
 - (b) 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 to the price of a Benefit Unit, an amount which may equal the entire cost of the extension. In such event, the Board may, if funds become available within a year, 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.

SERVICES

The District will install and pay for all water services pipes (except) for private fire protection from its main to the meters on property abutting the travel way along which the main is installed. The service pipe shall not be less than three-fourths (3/4) inch in size. The District will also install and pay for 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.

COST OF BENEFIT UNITS _____ Dollars.

APPLICANTS HAVING EXCESSIVE REQUIREMENTS

In the event an applicant whose water requirements are found to exceed the District's ability to supply it from the existing source 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 an additional source.

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.