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**BY-LAWS
AND
RULES & REGULATION POLICIES**

**REVISED
2012**

**RURAL WATER DISTRICT NO.7
Rogers County, Oklahoma**

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**RURAL WATER DISTRICT No. 7
Rogers County, Oklahoma**

BY-LAWS

Article 1
NAME AND PLACE OF BUSINESS

Section 1. The name of the district is Rural Water District No.7 Rogers County, Oklahoma in accord with Oklahoma statute Title 82, Section 1324.6.

Section 2. The principal office of this District shall be located in Rogers 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 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 pipe lines 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 both within and without the District boundaries as established by the County Commissioners of Rogers county, 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 said loans by mortgaging or pledging all of the physical assets and revenues 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 rules, regulations, rates and impose charges for water furnished to participating members and others.
- (e) To enter into contracts for the purpose of accomplishing the purposes of the District with any person or governmental agency.
- (f) To cooperate with any person or with any governmental agency in any undertaking designed to further the purposes 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 the laws of the State of Oklahoma.

Article 4
WATER USERS

Section 1. Water shall be supplied to customers located within and without the boundaries of the District subject to approval by the Board. Customers situated outside of the District's political boundary as established by the County Commissioners of Rogers County are not eligible to (1) purchase a Benefit Unit (as that term is defined by Oklahoma law), participate in the affairs of the District, or (2) serve on the Board.

Section 2. No owner of land located within the District shall be eligible to become a water purchaser unless the owner has first subscribed and paid for one or more Benefit Units. Tenants occupying land located within the District may become water purchasers provided, the owner, or an agent of the owner, has subscribed and paid for one or more Benefit Units in favor of the land or premises occupied by the tenant. The land owner, in addition to the tenant of said landowner which purchases water service from the District, shall have the contractual obligation to pay for water service provide to a tenant of the landowner.

Article 5
RIGHT TO VOTE

Section 1. Only Benefit Unit owners shall have the right to vote in District elections, and each Benefit Unit owner shall be entitled to/limited to a single vote, regardless of the number of Benefit Units to which the Benefit Unit owner may have subscribed/purchased. There shall be no proxy voting, and no dual ownership of (benefit units for voting purposes). Benefit Units may be purchased by an individual, firm, partnership, association, or corporation or other business entity recognized by the laws of the state of Oklahoma. If a Benefit Unit is owned by an entity and not an individual, the entity shall specify an individual who shall be entitled to vote for the entity.

Section 2. The words “Participating members” and “Benefit Unit owner” (singular or plural) as may be used in these by-laws shall mean the same thing, namely, referring to the owner of a Benefit Unit as that term is defined by Oklahoma statutes. A Benefit Unit owner shall be the owners of land located within the District who have subscribed to and paid for one or more Benefit Units. However, if the Benefit Unit owner has failed to make payments for water service in accord with the rules and regulations of the District as adopted by the Board, for all Benefit Units owned by said Benefit Unit owner, then in that event, the Benefit Unit owner shall (1) not be permitted to participate in in affairs of the District (2) shall not be entitled to vote in any elections held by the District and (3) shall not be eligible to server on the Board. Individuals, trusts, firms, partnerships, associations, corporations and any other entity authorized by the State of Oklahoma that are owners of land located within the District who have subscribed to one or more Benefit Units shall be entitled to one vote, regardless of the number of Benefit Units owned, provided, payment of charges for all water service associated with all Benefit Units owned by said owner, have been fully paid in compliance with the rules and regulations of the District as adopted by the Board of Directors.

Article 6
BENEFIT UNITS

Section 1. Each Benefit Unit shall carry with it the obligation of paying a monthly Membership Charge and complying with all rules and regulations adopted by the Board. The Board in its discretion may from time to time, if the capacity of the District’s facilities permit makes Benefit Units available for purchase. 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 judgment 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 entire Benefit Unit owners at the next regular annual meeting of the benefit Unit Owners, or special meeting of the Benefit Unit owners called for such purpose. The decision of the Board shall stand, unless three/fourths (¾) of all Benefits Unit Owners(three/fourths (3/4) of the total Benefit Unit owners of the District shall vote is vote in favor of a motion to overrule the decision of the Board.

Section 2. Upon the purchase of Benefit Units, the Benefit Unit owner shall designate the tract of land to which the Benefit Units shall be assigned, and the Benefit Units shall not be transferred from one tract of land to another within the District without the prior 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 on said tract where the land owner intends to utilize said Benefit Units (i.e. Receive water service) and no major change in location shall be made without the prior

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 a donation to the District and will not be refunded to the purchaser, without the prior approval of the Board.

Section 4. Benefit Units shall follow the title of the land unless the owner of the land designates otherwise subject to the approval of the Board. The Benefit Unit owner must be the owner of the land assigned to said Benefit Unit at the time of the designation. A Benefit Unit owner may transfer Benefit Units from one tract of land to another tract owned the Benefit Unit Owner within the District, subject however, to the approval of the Board. No transfer in ownership of Benefit Units shall be permitted without approval of the Board. No transfer will be approved unless all charges against the Benefit Unit or charges incurred by a tenant of the Benefit Unit owner are paid. All transfers when approved shall be recorded in the books of the District.

Section 5. Each Benefit Unit shall entitle the owner of one residence or business establishment together with the necessary and usual non-residential out-buildings, to water service (not to exceed one line from the District's water system for one residence or business. Dual connections for a single Benefit Unit are prohibited.

Section 6. Failure to pay the monthly membership charge or failure to pay for water supplied/furnished by the District in accordance with rules and regulation adopted by the Board shall result in a forfeiture of the Benefit Unit associated with such failure to pay. Rules and regulations adopted by the Board shall establish the date of default and forfeiture. A forfeited Benefit Unit may be reinstated in the sole discretion of the board or the District Manager if within six (6) months after such forfeiture all outstanding charges and fees due the District including back charges, service fees and applicable interest are paid in full, plus payment of 10% of the total of said amount of said charges/fees/interest plus payment of reasonable labor charges necessary for the District to effect reconnections. The Board may in its sole discretion permit reinstatement of a forfeited Benefit Unit within twelve (12) months after forfeiture provided back charges, service fees, and applicable interest are paid in full, plus payment of (10% of such total amount of said charges/fees/interest, pulse payment of reasonable labor charges necessary to effect reconnections upon payment of all back charges, plus 10% interest, and reasonable labor charges necessary to affect such reconnections. If the defaulting water subscriber/purchaser is a tenant of a Benefit Unit owner, 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 Benefit Unit Owner associated with said tenancy at last known address as shown on the books of the District for the Benefit owner.

Article 7 ELECTION OF DIRECTORS

Section 1. The Board of this District shall consist of nine (9) members, all of whom shall be Benefit Unit owners of the District. The Directors shall be elected for staggered terms and shall serve until the expiration of the term for which they were and until their successors are elected and have qualified. At each annual meeting of the Benefit Unit Owners the Benefit Unit Owners shall elect for a term of three years the number of Directors whose terms of office have expired. A Director shall be eligible to succeed himself. In order for a Benefit Unit owner to qualify to run for the position of director of the District (be a candidate for position of Director), the candidate (which includes an existing Director who seeks to succeed himself or herself for the position of Director) must satisfy the following conditions: (1) the candidate must be in full compliance with all of the rules and regulations of the District including but not limited to the obligation to pay all charges and fees due associated with all Benefit Units owned by said candidate, in accord with the rules and regulations of the District (2) The District must receive from the candidate not less than 30 calendar days prior to the date an election for said position of Director is held, a written notice signed by the candidate, that the Benefit Unit owner/candidate intends to seek and is applying for the position of director of the District. If said written notice is not actually and physically received by the

District within 30-day time limit, the Benefit Unit owner shall not qualify to be a candidate for Director and shall not be nominated for the position of Director at said election, and
(3) the candidate shall not be related by affinity or consanguinity within the third degree to any director of the Board.

Section 2. A further requirement for qualification to serve as a board member the District shall be a written pledge signed by the Board member that upon election such board member shall attend a minimum of six (6) hours of work shop training to be offered periodically on a regional basis within twelve (12) months following election of such board member, and to be 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. All new and existing board members shall be required to obtain continuing education by attending a minimum of six (6) hours of workshop training every three (3) years. The district shall reimburse all reasonable expenses incurred by any board member for attending such training workshop. To avoid members having to interfere with their jobs or employment, such training sessions may be divided into three hour segments, and insofar as possible, be scheduled for evening sessions. Vocational-technical facilities, college facilities or other public facilities may be utilized in all parts of the state for convenience of the members. Such workshops must be offered within seventy-five (75) miles of the member's residences. This requirement shall remain in effect so long as the provision of Title 82, Oklahoma Statutes, Section 1324.16 shall remain in effect. When a city or town is part of District, the Board of Directors must be composed of residents of said city or town who are Benefit Unit Owners in direct proportion to entire number of Benefit Units issued and outstanding of the District. Provided further that if the District is totally within the municipal city limits of one city or one town, the Board of Directors of the District shall be the Governing Body of the said city or town.

Should any pledging board member fail to attend the workshop training as required in Article 7, Section 2, or fail to remain in compliance with Title 82, Oklahoma Statutes, Section 1324.16, he or she shall be deemed ineligible to serve as a board member commencing at the next regularly scheduled meeting of the board following the 12-month or 3-year period. The remaining board members shall select from the Benefit Unit owners, as provided by the District's bylaws, another qualified Benefit Unit owner to fill the vacancy and that person shall pledge to attend the workshop training provided for in Article 7, section 2. The appointed member shall serve until the next regularly scheduled election of board members and an election shall be held to fill the unexpired term of the vacated position.

Section 3. Immediately following the annual meeting of the Benefit Unit owners, 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 Benefit Unit Owners) and until the election and qualification of his successor unless sooner removed by death, resignation or for other cause. The office of the secretary and treasurer may be held by one person.

Section 4. 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. (If the vacancy is created for failure to attend the Workshop Training required by 82 O.S § 1324.16) the appointed Director shall serve until the (next) annual meeting. (at which time an election shall be held by the membership to fill the directorship vacancy for the remainder of the term). The appointed director shall be eligible for election provided all other conditions for candidacy stated in these by-laws have been satisfied (If the vacancy is created for any reason other than failure to attend the Workshop Training required by 82 O.S.§ 1324.16, the appointed director shall serve the remaining term of the vacated position.) The disqualification of a Director as a Benefit Unit owner of the District (i.e. forfeiture of one or more of said owner's Benefit Units, failure to remain in compliance with the rules and regulation of the District, ect.) Shall operate to disqualify him or her as a Director and shall create a vacancy in the office of the Director.

Section 5. A majority of the Board shall constitute a quorum at any meeting of the Board.

Section 6. Any Director of the District may be removed from office for cause by a vote of not less than $\frac{3}{4}$ of all Benefit Unit Owners 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 or her at least 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 $(\frac{3}{4})$ of the members of the Board.

Section 7. Any director of the District, who fails to attend three (3) consecutive regular meetings of the Board without presenting a valid reason for his absence approved by a majority vote of the Board, may be automatically dismissed upon a majority vote of the Board which shall create a vacancy in the office of the Director.

Article 8
POWERS AND DUTIES OF DIRECTORS

Section 1. The Board, subject to the restrictions of 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 with or without 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 sole discretion, may be deemed essential or convenient for the conduct (of the business 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/customers, for services rendered by the District to such users/customers, the time of payment, and the manner of collection, and to establish appropriate rates for customers as permitted by Oklahoma law and adopt and enforce rules and regulations governing charges and collections.
- (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 and membership fees and other fees charged by the District 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 public accountant or a certified public accountant, and make a report on said matters at each annual meeting of the Benefit Unit owners.

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 (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 have the power to employ, supervise and dismiss with or without cause 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 customers receive equal service and

treatment, deposit in a bank selected by the Board, all money belonging to the District, which comes into (his/her) possession; maintain (his/her) records and accounts in such a manner that (all customers receive equal service and treatment and maintain hi/her 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/her) successor all books, records, documents, and correspondence pertaining to the business of the District which may come into his/her possession; and to 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 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/she may be authorized or directed to sign by the Board, provided 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 and such other duties) as may be prescribed by the Board. In the absence or disability of both the Chairman and Vice-Chairman at any regularly scheduled or specially scheduled meeting or the annual meeting of the Benefit Unit owners, the other directors present, provided a quorum is present, shall select a director by majority vote to serve as Chairman for purposes of that meeting

Section 3. Secretary. It shall be the duty 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/she 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 or neglect to do so, then such notices may be served by any member of the Board directed by the Chairman. The Secretary shall also serve as the Clerk of the District for the purpose of receiving service of process, notice of claims or other legal documents intended to serve upon the District.

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 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/she shall submit for the information of the participating members a complete statement of his/her account for the past year and he shall discharge such other duties pertaining to his/her office as 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 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 (in accordance with the Oklahoma Open Records Act).

Article 12
ANNUAL MEETING OF BENEFIT UNIT OWNERS

Section 1. The annual meeting of the Benefit Unit owners of the District shall be held at some suitable location within the District designated by the Board, at 6:30 P.M. on the third Monday following the first

day of January of each year, according to the Oklahoma Statutes Title 82, Section 1324.16 or such amended or successor statute as shall be in effect at the time.

Section 2. Special meetings of Benefit Unit owners 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 Benefit Unit owners of the District. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted at such meeting, except as is specified in the notice.

Section 3. Notice of meetings of Benefit Unit owners of the District shall be given by public notice as provided for by the Oklahoma Open Meeting Act. Such notice shall state the nature, time, place and purpose of the meeting, but no failure or irregularity of a notice of any annual Benefit Unit Owners' meeting, shall affect any proceeding taken at such meetings.

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 Annual Benefit Unit Owners' meeting and so far, as possible, at all other (special) Benefit Unit Owners meetings shall be (as applicable):

- (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, immediately following the meeting of the participating members, and may meet at such or other times as may be determined by the Board or on 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 Monday following the first day of January, shall be by mailing a notice to the last known business or residence address of each Director, at least two days before the holding 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 has been given. (Notice to the public and conduct of all meetings of the Board shall comply with the Oklahoma Open Meeting Act).

Article 14 MANNER OF ELECTION AND VOTING

Section 1. At Benefit Unit owners (special or annual) meetings of the District, each Benefit Unit Owner, qualified as stated in these By-Laws, shall be entitled to one vote (regardless of the number of Benefit Units owned by said owner) upon all propositions coming before said Benefit Unit Owners. No cumulative and no proxy voting shall be permitted.

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.7, Rogers 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 November of each year.

Article 17
AMENDMENT

Section 1. These By-Laws may be repealed or amended by a vote of $\frac{3}{4}$ of the Benefit Unit Owners physically present at any Annual or Special meeting of the Benefit Unit owners. The Benefit Unit Owners shall not have the power to change the purposes of the District so as to impair the District's 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 Benefit Unit Owners, or to deprive any participating member or landowner of rights and privileges then existing or to so amend the By-Laws as to affect a fundamental change in the policies of the District. Notice of any amendment to be made at any regular or special meeting of the Benefit Unit Owners must be given at least 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 Benefit Unit Owners.

Article 19
BENEFITS AND DUTIES OF BENEFIT UNIT OWNERS

Section 1. The District shall install, maintain and operate a main distribution pipe line or lines from the source of water supply, and lines from the main distribution pipe line or lines, to the property line of each Benefit Unit Owners of the District at which point designated as delivery points. Meters to be purchased by Benefit Unit Owners, but installed, owned and maintained by the District. The District may charge the Benefit Unit Owners a fee for any line extensions, meters or other facility or equipment reasonably needed to provide service to the Benefit Unit Owners, and such fee shall not be unreasonable, excessive and confiscatory.

Section 2. Each Benefit Unit Owners shall be entitled to purchase water from the District, in accord with and subject to the rules and regulations adopted by the Board any lawful purpose. The water delivered to each Benefit Unit Owners (or tenant of a Benefit Unit Owner shall be metered.

Section 3. In the event the total water supply shall be insufficient to meet all the needs of the Benefit Unit Owners and customer, or in the event there is a shortage of water, the District may pro-rate the water available among the Benefit Unit Owners and customers on such basis as is deemed equitable by the Board, and may also prescribe a schedule of hours, covering the use of water for (lawn and/or) garden purposes and require adherence thereto, or prohibit the use of water for (lawn and) 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 Benefit Unit Owners for domestic purposes before supplying any water for livestock purposes and must satisfy all the needs of all the Benefit Unit Owners for domestic and livestock purposes before supplying water for gardens or other purposes.

Article 20
PRINTING

Section 1. After adoption, these By-Laws shall be printed and made available upon request at the District's office.

**RURAL WATER DISTRICT No. 7
Rogers County, Oklahoma**

RULES AND REGULATIONS

These Rules are issued in compliance with the provisions of the Rural Water Districts Act of Oklahoma (82 Okla. St. Ann. Sections 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 Rural Water District No.7, Rogers 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 benefits 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 Users' 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 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 Secretary 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 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 Service and Water Users' 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 CONSUMER: 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 there of, 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. 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 on the outside of buildings except where otherwise directed by the District. All meters shall be set horizontally and never connected into 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 5th day of the month following that in which the service was rendered as set fourth in the rate schedule. Service bills not paid by the 15th of the month shall be subject to a 15 percent (15%) 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 25th of the month, in which the bill is rendered, shall result in disconnection of the service. (Amended 12-3-70.)

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 benefit unit, 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 consumer 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 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:

1. In extending a water main to service 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 benefit unit.
 - (b) If the cost of the extension is greater than the average cost of the entire system to each member, 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.

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 travel way along which the main is installed. The service pipe shall not be less than ¾ inch in size. The district will also install and pay for the District clock, 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: Cost of Benefit Units to be established by Board of Directors; subject to change due to economic demands.

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.

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.

POLICIES ADOPTED:

MAY 4, 1968

Require approval of Oklahoma Health Department form #581, before District serves water to new constructions.

APRIL 5, 1969

\$10.00 charge for transfer fee.

AUGUST 5, 1971

Motion to spend District loan money on trunk lines and let each developer or applicant put in their own lines in the tracts or additions to the District's specifications.

NOVEMBER 1, 1973

District will not accept post-dated checks.

APRIL 4, 1975

Loaner meter will be set at applicant's expense.

SEPTEMBER 2, 1975

No Telephone or Electric line in water line ditch.

NOVEMBER 6, 1975

Delinquent accounts: Meter to be pulled first working day after the 25th of each month, without exception, except Saturdays, Sundays and Holidays, and that proper payment of bills are only to be considered if received in District office before 5:00 p.m. on the 25th.

DECEMBER 4, 1975

Individual Dwellings: Two structures permanently joined under one roof with connecting door or passageway may be served with one meter.

JANUARY 2, 1976

Benefit Units should be followed according to the By-Laws and charges against Benefit Units may be paid up and units reinstated at the discretion of the District Clerk up to 90 days. After 90 days District Clerk must consult Board of Directors.

Cost of any tap set other than Regular meter set and/or road crossing shall be billed to person requesting service.

MAY 6, 1976

The District Backhoe operator does the work on District lines. Extensions and subdivisions to meet District specifications and requirements.

All requests for new service must furnish District with Oklahoma Department of Health form #581 (can be obtained at Health Department). When received, District will set temporary tap with the understanding that ODH Form #576 will be sent from Health Department within 30 to 60 days or tap will be removed by District.

Extensions: Statement from consulting engineer that water is available. Size of pipe needed. Proposed contract and bonds. Material proposed and corresponding specifications. Right-of-way. Justification (change orders). Money available. Obtain Oklahoma Sate Health Department approval.

SEPTEMBER 1, 1977

All new lines & extensions are to be put in by District Contractor to meet District's specifications and requirements. If Developer chooses not to use District's Contractor, lines must be inspected by District Engineer's Inspector.

All new trunk lines installed will be no less than 4" (District Policy).

MARCH 5, 1981

Members who have too much water pressure should install a regulator to insure against damage to appliances (hot water tanks, dishwashers, washing machines, etc.).

JULY 2, 1986

Flush Hydrant Policy

1. Hydrant will be set at the expense of the members wanting it.
2. No hydrant will be put on less than a 2" line.
3. Hydrant will have only 2 ½" hose thread. No 4" openings.
4. 2" hydrant on 2" or 3" line. 4" hydrant on 4" or 6" line.
5. Hydrant will be installed and blocked under supervision of the District.
6. Hydrants will not be located closer than 2000 feet apart.
7. Hydrants will have public access, but will be set where they are not exposed to damage. Positioned at the discretion of the District.
8. Each hydrant will be approved by the Directors, as in water taps.
9. Hydrant may be removed at the discretion of the Directors, as a consequence of damage, abuse or neglect.
10. Hydrant will remain the property of the District.

11. Total cost of the hydrant and installation will be paid prior to initiation or installation. Money to be placed in Escrow; to be paid to the installer after inspection and approval of District Manager.

JANUARY 8, 1986

Returned checks: Fee for checks returned marked Insufficient Funds will be raised from \$10.00 to \$15.00, and that returned checks must be picked up and paid for in cash, money order or cashier's check at the District office.

NOVEMBER 5, 1987

Check valve in meter to keep contamination from entering our lines and the benefit owner must provide a relief valve and be responsible.

MAY 5, 1988

Any time Rural Water District #7 is forced to make a road boring for the setting of a water tap, it will be at the customers' expense.

JULY 5, 1990

All water loss which occurs as a result of a leak on the customers' side of the meter will be calculated at the current rate up to the amount charged by the Water District for a Benefit Unit. All water loss exceeding said amount will be calculated at the rate paid by the Water District to its supplier plus pumping cost.

OCTOBER 4, 1990

Any removal of a locking device on a meter will be an automatic fine of \$300.00.

FEBRUARY 4, 2021

The current \$15.00 monthly membership fee will increase to \$20.00 beginning on the July 1st billing.

JULY 6, 2023

The monthly membership fee on a 1" meter will be \$60.00 per month.

FEBRUARY 1, 2024

Open Records Act Policy

JULY 5, 2024

The Rural Water District will add a \$35 trip fee to accounts that a trip is made to lockout, but the customer makes arrangements for payment that day in lieu of lockout.

SEPTEMBER 5, 2024

The cost of the membership for a 1" meter will be \$3000.00.

DECEMBER 5, 2024

Flush Hydrant Policy replacing the July 2,1986 policy.

Hydrants are placed wherever the District determines is necessary or beneficial for the District.

Hydrants must meet the design and installation criteria of District 7 Engineer

Hydrants may be removed as a consequence of damage, neglect, or abuse.

Hydrants are the property of the District

Hydrants are normally closed via isolation valve

FEBRUARY 6, 2025

Transfer fee of \$10.00 will be increased to \$50.00.

**RURAL WATER DISTRICT NO.7
ROGERS COUNTY, OKLAHOMA**

RESOLUTION

WHEREAS, pursuant to the District's Rules and Regulations, meters must be set in accessible places on the outside of buildings except where otherwise directed by the District;

WHEREAS, pursuant to the District's By-Laws, a Benefit Unit may only be issued to landowners, or in favor of the land or premises for which the Benefit Unit shall benefit;

WHEREAS, it is in the best interest of the District to clarify its policy with respect to the setting of water meters ("taps"), the corresponding property ownership requirements, and any and all easement requirements incident to a meter set.

RESOLVED: That the official policy of the Board be, and is hereby declared by the Board to be, as follows:

Except as otherwise determined by the Board, meters shall be deemed as being accessible if said meters are located along a publicly maintained and dedicated roadway, and the District has authority to set its meter on either of the following:

1. Benefit Unit Holder's Property: On property owned by the Benefit Unit holder, or on property in which the Benefit Unit runs "in favor of" pursuant to Article 4, Section 2, of the District By-Laws, either circumstance requiring that the District be granted an easement by the owner of the property to install, set, maintain, operate, repair, replace and read its meter.
2. 10 x 10 Policy: A parcel of land at least ONE HUNDRED (100) square feet in size which the owner owns (the dimensions of which must be approved by the District's engineer), and the District is granted an easement by the owner to install, set, maintain, operate, repair, replace and read its meter.
3. Easement on an Easement Policy: An easement in the form attached hereto as Exhibit "A" is granted in favor of the landowner(s) seeking water service, who in turn conveys an easement in favor of the District of sufficient size and form to allow the District the absolute right to install, set, maintain, operate, repair, replace and read the meter corresponding the Benefit Unit.

Exceptions may be submitted to the Board on a case-by-case basis, and the Board shall hear the evidence and may, in the appropriate circumstances, and for good cause shown, give relief.

AMENDMENT TO RULES AND REGULATIONS

NOT WITHSTANDING the existing rules and regulations of the District which require a customer/landowner to purchase a Benefit Unit for each business or residence to be provided water service, there have been instances in the past where the Board approved and allowed a landowner/customer to obtain water service to more than one business or residence ("Dual Connection") located on a specific property with the purchase of only one Benefit Unit.

The District will continue to allow the existing Dual Connections until such time as there is a change of ownership or circumstances, at which time a Benefit Unit will be required to be purchased for each residence or business. Whether there is a sufficient change in ownership or circumstances to require more than one Benefit Unit is to be determined in the sole discretion of the Board of Directors in a nondiscriminatory manner.

Further more, commencing February 1st 2010, if a Benefit Unit is serving more than one resident or business; the monthly minimum charge will be set based on the number of residence or business served by the Benefit Unit. Example: If the monthly minimum charge is \$15.00 and a Benefit Unit serves two (2)

residences/businesses, the monthly minimum charged to the Benefit Unit owner will be \$30.00 [$\15.00 minimum \times 2 (the number of residences and businesses served throughout that Benefit Unit)]

The District will not allow any further Dual Connections except in exceptional extenuating circumstances, the determination of which will be in the Board of Directors' sole discretion.