

OKLAHOMA
RURAL WATER DISTRICTS
AND NON-PROFIT
CORPORATIONS

*By-Laws, Rules, Regulations,
Water Contracts, and
Resolutions*

By: Steven M. Harris
and
S. Max Harris

Oklahoma Rural Water Association
Fall Conference
September 26, 2024

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Note: This book is published to inform clients and friends of Doyle Harris Davis and Haughey and should not be construed as providing legal advice on any specific matter. Consult with experienced legal counsel before using any forms in this book as Oklahoma laws may have changed since this book was prepared.

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BIOGRAPHY

Steven M. Harris and Max Harris, Oklahoma lawyers, are based in Tulsa. Steve Harris and Max Harris have a combined 50+ years of experience devoted to representing water districts in Oklahoma and surrounding states.



AREAS OF EXPERTISE:

Enforcement Actions involving 7 U.S.C. § 1926(b)
Commercial Contract/Business Torts Litigation
Business Interference Litigation
Patent Litigation (emphasis in software patents)
Copyright Litigation
Insurance Coverage Litigation
General Civil Trial and Appellate Practice

STEVE HARRIS WAS THE PRESENTER AT RURAL WATER CONFERENCES/CONVENTIONS:

Kansas Rural Water Association Annual Conference, 2007
National Rural Water Association Annual Conference, 2008, 2012 & 2013
Arkansas Rural Water Association Annual Conference, 2008, 2012 & 2013
New Mexico Water Association Annual Conference, 2009
Colorado Rural Water Association Annual Conference, 2009
Oklahoma Rural Water Association Annual Conference, 2009, 2011, 2012 & 2013
Missouri Rural Water Association Annual Conference, 2011 & 2012
Texas Rural Water Association Annual Convention, 2012 and 2013
CoBank Rural Water Forum, 2019

ARTICLES ON 7 U.S.C. § 1926(b)

- *Protecting Your Service Area From Municipal Competition/Encroachment*, 2002
 - Chapter 1 - The Four Elements of 7 U.S.C. § 1926(b)
 - Chapter 2 - Making Service Available. How Much Is Enough?
- *7 U.S.C. § 1926(b) Dramatic Developments*, 2003
- *Clandestine Arrangements*, 2005

STEVE OR MAX HAVE BEEN ADMITTED TO PRACTICE PRO HAC VICE IN THE FOLLOWING COURTS:

1995 Seventh Judicial District of Idaho
1996 Western District of Texas
1998 Northern District of Texas
1998 Eastern District of Michigan
1998 Bay County Circuit Court, Michigan
1999 Northern District of California
2000 Western District of Washington
2000 Eastern District of Arkansas
2001 Southern District of Texas
2002 Southern District of California
2002 Northern District of Georgia
2002 District of New Mexico
2002 Eastern District of Louisiana
2003 Central District of California
2003 Western District of Missouri
2004 District of Minnesota
2004 Circuit Court of Clay County, State of Missouri,
2007 District of Kansas
2008 Circuit Court of Laclede County, State of Missouri
2019 District of Iowa
2020 District of North Dakota
2021 District of North Carolina

CLIENTS

WATER DISTRICTS/ASSOCIATIONS WHICH HAVE RETAINED OR CONSULTED THE FIRM (1990-2024)

Aqua Water Supply Corporation (Bastrop, Texas)
Agassiz Water Users Inc. (North Dakota)
Atoka County Rural Water District #4
Beckham County Rural Water District #3
Berino Mutual Domestic Water Consumers Association (New Mexico)
Bryan County Rural Water District #2
Burnt Cabin Water District
Butterfield Park Mutual Domestic Water Association (New Mexico)
B-Y Water District (Sioux Falls, South Dakota)
Cass Rural Water Users (North Dakota)
Cherry Tree Rural Water District
Cherokee County Rural Water District #1
Cherokee County Rural Water District #11
Choctaw Water SG & SWM District #3
Comanche County Rural Water District #1
Comanche County Rural Water District #2
Comanche County Rural Water District #3
Craig County Rural Water District #2
Creek County Rural Water District #2
Creek County Rural Water District #4
Creek County Rural Water District #5
Curran-Gardner Township Public Water District (Illinois)
Deer Creek Water Corporation
Dobbin Plantersville Water Supply Corporation
Dona Ana Mutual Domestic Water Consumers Association (New Mexico)
Douglas County Rural Water District #3 (Kansas)
Douglas County Rural Water District #4 (Kansas)
Douglas County Rural Water District #5 (Kansas)
Dripping Springs Water District
East Central Regional Water District
Fifty-One East Water, Inc.
Flora Vista Mutual Domestic Water Association (New Mexico)
Grady County Rural Water District #6
Havasu Water Company (California)
Highpoint Special Utility District (Texas)
Hughes County Rural Water District #4
Hughes County Rural Water District #5
Iredell Water Corporation
Iowa Regional Utilities Association
Jefferson Water & Sewer District (Ohio)
Jonah Water Special Utility District (Texas)
Laclede County Public Water & Sewer District #3 (Missouri)
Lincoln County Rural Water District #3
Logan County Rural Water District #1
Love County Rural Water District #2
Marlee Special Utility District (Texas)
Mayes County Rural Water District #2
Mayes County Rural Water District #4
Mayes County Rural Water District #8
Mayes County Rural Water District #9
McCurtain County Rural Water District #1
Mobile County, Water Sewer & Fire Protection Authority (Alabama)
Murray County Rural Water District #1
North Blaine Water Corporation
North Star Water District (New Mexico)
North Valley Water District (North Dakota)
North Vinita Water Cooperative
Okeene Water District
Okmulgee County Rural Water District #1

Okmulgee Rural Water District #2
Okmulgee Rural Water District #7
Okmulgee Rural Water District #20
Organ Water & Sewer Association (New Mexico)
Pawnee Rural Water District #2
Payne County Rural Water District #3
Pecan Valley Water Works Association Lawton, OK
Peggs Water Company, Hulbert, OK
Pittsburg County Rural Water District #5
Pittsburg County Rural Water District #7
Pontotoc County Rural Water District #2
Pontotoc County Rural Water District #7
Public Water Supply District #1, Clay County (Missouri)
Public Water Supply District #8, Clay County (Missouri)
Pulaski County Water & Sewer District #1 (Missouri)
Pushmataha Rural Water District #2
Rocket Special Utility District (Texas)
Rogers County Rural Water District #2
Rogers County Rural Water District #5
Rogers County Rural Water District #6
Rogers County Rural Water District #7
Rogers County Rural Water District #8
Rogers County Rural Water District #12
Rogers County Rural Water District #16
Salem Water Users Association (Arkansas)
Sequoyah County Water Authority
Sequoyah County Rural Water District #3
Sequoyah County Rural Water District #7
Stephens County Rural Water District #3
Summit Ridge Water District (Colorado)
Texas Rural Water Association (Austin, Texas)
Tri-County Rural Water District #2
Tulsa County Rural Water District #1
Tulsa County Rural Water District #2
Wagoner County Rural Water District #2
Wagoner County Rural Water District #5
Wagoner County Rural Water District #6
Wagoner County Rural Water District #7
Wagoner County Rural Water District #8
Wagoner County Rural Water District #9
Washington County Rural Water District #3
Xenia Rural Water District

Admitted to Practice:

Oklahoma Supreme Court
United States Court of Appeals – 10th Circuit
United States District Courts - Northern, Western, and Eastern Districts of Oklahoma
United States Supreme Court
United States Court of Claims, Washington, D.C.
United States Federal Court of Appeals – 9th Circuit
United States Court of Appeals for the Federal Circuit
United States Federal Court of Appeals – 8th Circuit

BY-LAWS

Article 1: Name and Place of Business.

Section 1: The name of the District shall be RURAL WATER, SEWER, GAS, AND SOLID WASTE MANAGEMENT DISTRICT NO. __, of _____ County, Oklahoma. As used in these By-Laws, the phrase "participating member" shall mean "Benefit Unit owner". Use of the word "he" shall mean "he or she".

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 purpose 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 acquire gas and gas rights and to build and acquire pipelines and other facilities, to build, operate and maintain a sewage disposal system and to acquire, operate and maintain a solid waste management system and to operate sewage collection and treatment and solid waste management to serve the needs of owners and occupants of land located within and/or without the boundaries of the District as those boundaries have been established by the County Commissioners of _____ County, and as authorized by the 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 or any of the tangible and/or intangible assets and revenue and income of the District, including easements and rights-of-way.

(C) To hold such real, personal and/or intangible property as may come into the District's possession by will, gift, purchase, or otherwise, as authorized by law, and to acquire and dispose of such real and/or personal property and/or intangible property, including rights-or-way and No Copyright claimed. You may freely copy, modify and use these sample By-Laws.

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easements, wherever located, and as may be necessary and/or convenient for the proper conduct and operation of the business of the District.

(D) To establish rates and impose charges for water, sewer, gas, and solid waste management services furnished to participating members and others.

(E) To enter into contracts for the purpose of accomplishing the purposes of the District or any purpose specified by the Board of Directors of the District in the Board's collective discretion with any person or governmental agency in any undertaking designed to further any of the purposes of the District or purposes specified by the Board of Directors.

(F) To cooperate with any person or with any governmental agency in any undertaking designed to further the purpose of the District.

(G) To do and perform any and all acts necessary, convenient or desirable for the accomplishment of any of the purposes of the District or purposes specified by the Board of Directors which may lawfully be done by such District under the laws of the State of Oklahoma and/or applicable Federal laws.

Article 4: Users.

Section 1: Water, sewer, gas and/or solid waste management service shall be supplied to customers of the District located within or without the boundaries of the District subject to approval by the Board and subject to rules and regulations adopted by the Board for such purposes.

Section 2: No owner of land located within the district shall be eligible to purchase services from the district unless he has first subscribed and paid for one or more Benefit Units. The purchase of a Benefit Unit shall entitle the owner of said Benefit Unit to participate in the business affairs of the District.

Tenants of a Benefit Unit owner may become customers of the District provided, that the Benefit Unit owner (for the land occupied by the Tenant), has subscribed and paid for one or more Benefit Units in favor of the land or premises occupied by the tenant. The Benefit Unit owner agrees that the Benefit Unit owner is jointly and severally liable for any unpaid services provided by the District to the tenant.

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Article 5: Right to Vote.

Section 1: Only Benefit Unit owners shall have the right to vote provided payment of all sums due the District are current according to the rules and regulations adopted by the Board governing payment terms. Each Benefit Unit owner shall be entitled to a single vote, regardless of the number of Benefit Units to which he may have subscribed/purchased. All Benefit Unit owners shall be eligible to vote at Annual or Special meetings of the Benefit Unit owners. There shall be no proxy voting, and no dual membership of Benefit Units for voting purposes. A participating member may be an individual, firm, partnership, association, corporation or other type of entity recognized by the laws of Oklahoma. All persons voting as the representative of an entity (corporation, LLC, partnership etc.) which is a Benefit Unit owner, said person shall present to the Board written documentation acceptable to the Board, showing the person's authority to act for said entity in order to be entitled to vote on behalf of said entity.

Benefit Unit owners shall be owners of land located within the District who have subscribed to one or more Benefit Units.

Article 6: Benefit Units.

Section 1: The Board shall from time to time, declare the availability of Benefit Units for subscription to be entered in its minutes and shall establish a unit price for said subscriptions. Such price may be adjusted from time to time by the Board. Each Benefit Unit shall carry with it the obligation of paying a minimum monthly meter (or water access) charge and/or waste disposal charge and/or other service charge established by the Board, from the time the applicable service has been made 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 Benefit Units will be given priority in the 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 and/or gas and/or sewer and/or solid waste management services pursuant thereto would impair the service to other users in that locality or be uneconomical or not feasible, 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 Benefit Unit owners at the next regular meeting. No Copyright claimed. You may freely copy, modify and use these sample By-Laws.

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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 of all participating members actually present at said meeting called for such purpose vote in favor of a motion to overrule the decision of the Board.

Section 2: Upon the purchase of a Benefit Unit or Benefit Units, the owner of land shall designate the tract or tracts of land to which the Benefit Unit(s) shall be assigned (a minimum of one Benefit Unit per tract), and each Benefit Unit shall not be transferred from one tract of land to another in 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 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 considered donations to the District and shall in no event and under no circumstances be refunded to the subscriber or successor in interest.

Section 4: Benefit Units shall follow the title of the land unless the owner of the land designates otherwise in writing and such designation is approved by the Board. Such designation and approval by the Board must occur at the time the land owner holds title to the land otherwise said designation shall be deemed invalid and the Benefit Unit shall follow title to the land. 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 all Benefit Units owned by said Benefit Unit owner are paid in full and said Benefit Unit holder is in compliance with all rules and regulations adopted by the Board. 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 connection to the District's water system or one connection to the District's gas system, or one connection to the District's sewage system or one service related to the District's solid waste management system, for one residence or business. A separate Benefit Unit shall be purchased in order to receive a particular connection or service. The Board shall determine the price for each Benefit Unit
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associated with each particular type of service. Each connection and/or disposal service shall serve not to exceed one residence or business establishment together with the necessary and usual non-residential outbuildings.

Section 6: Failure to pay the minimum monthly water meter or water access charge and/or sewer and solid waste management charge, or gas charge or failure to pay for water or gas purchased from the District, within the time period specified by the District's rules, regulations or contract with the Benefit Unit owner, shall constitute an automatic forfeiture of the Benefit Unit(s) on behalf of which such failure occurs. The Board shall adopt rules and regulations associated with the termination or suspension of service when a default has occurred. A Benefit Unit shall be reinstated if within three months after such failure to pay within the time allowed, all charges are paid in full, plus payment of 10 percent interest (APR) of said amount, plus payment of all reasonable labor, material and equipment charges necessary to effect such reconnections. The Board may in its sole discretion, permit reinstatement within six months after such failure provided payment of all charges, plus payment of 10 percent interest (APR), plus payment of all reasonable labor, material and equipment charges necessary to effect such reconnections. Provided further, that if the defaulting subscriber is a tenant, the time set out above shall not commence to run until any officer of the District has mailed by registered or certified mail notice of such default by the tenant to the Benefit Unit owner who owns the land associated with the tenancy, at the Benefit Unit owner's last known address as shown on the books of the District.

Article 7: Election of Directors.

Section 1: The Board of this District shall consist of ___ members, all of whom shall be Benefit Unit owners of the District.

At each Annual Meeting of the participating members, the Benefit Unit owners shall elect for a term of three years the number of Directors whose terms of office have expired. Notwithstanding the above, the number of Directors eligible at any election shall be adjusted in order to maintain staggered terms among the Board members.

Section 2: Immediately following the Annual Meeting of the participating members, the Board shall meet and shall elect a Chairman or President, 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

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removed by death, resignation, by operation of law, 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 office, shall be filled by appointment by the remaining members of the Board within a reasonable period of time, in accordance with provisions of Title 82, Oklahoma Statutes.

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 of the Benefit Unit owners physically present 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 an Annual or Special Meeting of the Benefit Unit owners 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 a vote of three (3) of the directors of the Board. Employees and agents of the District may be discharged or removed from office or employment with or without cause by action of the Board or by action of a duly authorized representative of the Board having been formally granted such powers by the Board.

Section 6: Just cause for the removal of Board members shall include, but is not limited to the following:

A. Absent from three (3) consecutive regularly scheduled Board meetings without permission granted by the Board.

Section 7: Qualifications for a Board Member.

A. Be bondable to a fixed amount set by the Board.

B. Must be an individual (a person and not a business entity) Benefit Unit owner.

Section 8: Election of Board Members.

A. The Board may adopt rules and regulations regarding the procedure by which a person may qualify for nomination to serve on the Board and announce their candidacy.

For the election of a Director whose term has expired, a list of persons desiring to be on the Board will be submitted in compliance with the rules and regulations adopted by the Board, to the Benefit Unit owners at the Annual or Special meeting called for that purpose. In the event a person receives over 50% of the votes cast, then that person shall be elected to the Board. If no candidate received over 50% of the votes cast in the first round of voting, then two candidates (or top candidate plus tying candidates) who received the next greatest number of votes will participate in a runoff. This process will continue until there is a final vote for only two candidates. From the runoff, the one with the most number of votes will be elected onto the Board of Directors. This process will continue, with election for each position considered separately. This process for election of each Board Member position will be completed at the Annual Meeting, or Special Meeting of the Benefit Unit owners called for that purpose and not extended, except with the consent of the majority of the Benefit Unit owners present at the Annual or Special Meeting.

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/or the laws of Oklahoma, 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 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, necessary 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, sewer, gas, and/or solid waste management service rendered by the District to him, the time of payment, and the manner of payment and collection, and to establish reasonable rates for customers of the District as permitted by Oklahoma Law. The Board may establish different classes of rates including but not limited to a commercial rate, a residential rate, a rate premised on the type or nature of the service rendered, a rate premised on the volume of service or other reasonable criteria.

(E) To require all or particular 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 or by electronic transfer, and the person by whom the same shall be signed or issued with the power to change such bank or person signing checks or issuing electronic transfers and the form thereof.

(G) Prepare annually an estimated budget for the coming year, adjust rates, if necessary, (to produce sufficient revenue as required by the laws of Oklahoma or as is deemed appropriate by the Board), and cause an annual audit of the District records and accounts to be made by a licensed certified public accountant or a qualified independent accountant as permitted by law, and make a report on said matters at each annual meeting of the Benefit Unit owners.

Article 9: Powers and Duties of the 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 other than the Chairman of the Board shall serve as Manager. Subject to the express written approval of the Board granting such powers, the Manager shall employ, supervise and dismiss all agents and employees of the District with or without cause, and fix their compensation. He shall also, so far as practical, conduct the business of the District 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 District records and accounts in such a manner that the true and correct condition of the business of the District may be ascertained, 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

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times and in such form as the Board may direct, carefully preserve and turn over to his successor all the business records of the District which may come into his possession; and to perform such other duties as may be prescribed by the Board.

Article 10: Duties of Officers.

Section 1: Chairman. The Chairman (or President), who shall be a member of the Board, shall preside over all meetings of the District and the Board (or in his absence, any officer of the Board may do so), call Special meetings of the District and the Board (or in his absence, any officer of the Board may do so), 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 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 and/or permitted by Oklahoma law. The Chairman is entitled to vote in the same manner as all other directors, at any Board meeting on matters brought before 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 a record of the proceedings of the meetings of the Board and of the District in compliance with Oklahoma law. He 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.

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 a bank designated by the Board as Depository, and pay the amounts, or cause them to be paid out of the depository only on checks signed by the Chairman, or someone authorized to sign on the Chairman's behalf as directed or specified by the Board, countersigned by the Secretary or 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 discharge such other duties pertaining to his office and sufficient bond in such amount as may be fixed by the Board.

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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 of any landowner or participating member of the District in accord with the Open Meeting Act of Oklahoma and subject to the rules and regulations as adopted by the Board.

Article 12: Annual Meeting of Participating Members.

Section 1: The Annual Meeting of the participating members of the District shall be held at some suitable location within the District, at a date and time designated by the Board.

Section 2: Special Meetings of participating members 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 percent of the Benefit Unit owners of the District. The purpose of every Special Meeting shall be stated in the notice/agenda thereof, and no business shall be transacted thereat except such as is specified in the notice/agenda.

Section 3: Notice of meetings of 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 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 thereat.

Section 4: The participating members present at any meeting of participating members shall constitute a quorum for the purpose of transacting business.

Section 5: The order of business at the Annual Benefit Unit owner's meeting or Special Meeting of the Benefit Unit owners, shall be in substantial compliance with the following:

- (A) Call to order;
- (B) Proof of Notice of Meeting;
- (C) Reading (which may be waived by a majority vote of the Benefit Unit owners present) and approval of minutes of last meeting;
- (D) Report of Officers and Committees;

- (E) Election of Directors (if applicable);
- (F) Unfinished business;
- (G) New Business;
- (H) Adjournment.

Any matter not placed on the Agenda for such meeting shall not be considered or acted upon at such meeting.

Article 13: 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 at such other times as may be determined by the Board or upon call by the Chairman, or any two members of the Board. Notice of all meetings of the Board shall be by mailing a notice to the last known business or residence address of each Director, or by fax to a fax number provided to the Board by the applicable director, or by email at an email address provided to the Board by the applicable director, at least two days before the holding of such meeting.

Article 14: Manner of Election and Voting.

Section 1: At all meetings of the Benefit Unit owners, each participating member, qualified as stated in these By-Laws, 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 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, Sewer, Gas and Solid Waste Management District No. __, _____ County, Oklahoma," which shall be in custody of the Secretary. Said seal may be an electronic image file as specified by the Board.

Article 16: Fiscal Year.

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Caution: These are "sample" By-Laws and require careful review and editing in order to be appropriate for use by an Oklahoma Rural Water, Sewer, Gas and Solid Waste Management District. It is recommended that you seek the assistance of legal counsel for the District in making/finalizing any changes. Amendments to By-Laws are generally subject to a District's existing By-Laws. Provisions within existing By-Laws regarding procedures on amending the By-Laws should be studied closely before amending the District's By-Laws.

Section 1: The fiscal year of the District shall begin the first day of _____, of each year, if the Board has adopted a fiscal year rather than a calendar year for accounting purposes.

Article 17: Amendment.

Section 1: These By-Laws may be repealed or amended by a vote of three-fourths of the participating members present at any Annual or Special meeting of the Benefit Unit owners, provided that any proposed amendments to the By-Laws shall be set forth verbatim in any notice or agenda for said meeting. Benefit Unit owners 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 requirement of bond or other provisions for the safety and security of the property and funds of the District or its participating members, or to deprive any participating member of rights and privileges then existing, or to so amend the By-Laws contrary to the laws of Oklahoma. Notice of any amendment to be made at any Annual or Special meeting of the Benefit Unit owners must be given at least ten (10) days before such meeting and must set forth the verbatim 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 participating members.

Article 19: Benefits and Duties of Members.

Section 1: The District shall install, maintain, and operate a main distribution pipe line or lines from the source of water supply and gas supply, and lines from the main distribution pipe line or lines, to a point or points specified by the Board. The District may charge Benefit Unit owners receiving service from the District for line extensions and other equipment necessary and convenient to provide service to the affected Benefit Unit owner. The District may in the discretion of the Board also install, maintain and operate a sewage disposal system with lines running from points designated by the Board as sewer delivery points for each participating member, to main sewage disposal lines and then to a sewage disposal facility. The District may in the discretion of the Board operate a solid waste disposal system including containers at designated pickup points and the sanitary landfill or other disposal facility.

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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, sewer, gas, or solid waste management services for domestic, business and other such purposes as a participating member may desire, subject, however, to the provisions of these By-Laws and such rules and regulations as may be adopted by the Board. The water and/or gas delivered to each participating member shall be metered.

Section 3: In the event the total water and/or gas supply shall be insufficient to meet all of the needs of the members and users, or in the event there is a shortage of water and/or gas, the District may prorate the water and/or gas 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 business or livestock purposes and must satisfy all needs of all the participating members for domestic and livestock purposes before supplying water for gardens and other purposes.

Article 20: Printing.

Section 1: After adoption, these By-Laws shall be printed and a copy thereof shall be made available to the public at the business office of the District.

43-1.bylaws-form:tf

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RURAL WATER DISTRICT No. _____
_____ COUNTY, OKLAHOMA ("the District")
POLICIES, STANDARDS, RULES AND REGULATIONS¹

[NOTE: In many instances the District is officially named Rural Water and/or Sewer and/or Gas and/or Solid Waste Management District No. _____, _____ County, Oklahoma - pursuant to Okla. Stat. Ann. tit. 82, § 1324.6. The name of the District should match how the District is referred to in the County Commissioners' Order forming the District.]

1.0 Definition of Terms

Rationale:

Policies, procedures and operational guidelines have value only to the extent that they improve communication within an organization and ensure a fair and consistent means for doing business. That is possible only when the terms that are unique to the particular organization are well defined and clearly articulated so that they can be understood by all parties. To that end, the following definitions will describe the meaning of the terms used in various communications submitted by the District.

Definition:

1. District Manager: The person employed by the District to manage the District's business and operations in accordance with the job description approved by the Board.
2. Applicant: Any individual, firm, partnership, corporation or other entity or agency owning/leasing/renting/utilizing land located within the District or outside the boundaries of the District, in need of water service and applying for water service. Applicant is bound by these rules and regulations as a condition to receiving services (including but not limited to water service) from the District.
3. Benefit Unit: "Benefit Unit" means a legal right to one service connection to the District's facilities and to participate in the affairs of the District. (82 Okl.St. Ann. § 1324.2) Such right shall entitle the holder to one water service connection (meter). Benefit Units and entitlement to the statutory rights of a Benefit Unit holder (e.g. the

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right to vote, serve on the Board and/or participate in District meetings etc.) are only available to landowners situated inside the geographic boundaries of the District. However other persons or entities may contract for water service from the District (provided they are not situated without/beyond the boundaries of the State of Oklahoma) even though they may not qualify as a Benefit Unit holder.

4. Board: The Board of Directors of Rural Water District No. _____, _____ County, Oklahoma ("the District"). [See NOTE at top of page 1]
5. Consumer: Any individual, firm, partnership, corporation or agency receiving water from the District's facilities.
6. Point of Delivery: The point of delivery shall be at the meter, unless otherwise specified in the application/contract for Water Service and Water Users' Agreement.
7. Service: The availability for use by consumers, water compliant with Oklahoma State law and applicable Federal law. Service shall be considered available when the District maintains the water supply at a pressure at or above that which is mandated by Oklahoma state law at the point of delivery, regardless of whether or not the consumer makes use of water made available by the District.
8. Water Service and Water Users' Agreement: The arrangement or contract between the consumer and the District, pursuant to which water service is made available, supplied and/or accepted.
9. Water Service: Water service shall consist of the facilities for supplying water to one residence or business establishment. A consumer must purchase water service for each discrete residence or discrete business establishment or business structure served. Dual connections are prohibited (i.e. water service received through a single meter by more than one dwelling or one business structure).
10. Residence: A single family dwelling with necessary and usual non-residential outbuilding for farming or related small business adjacent to the dwelling.
11. Pasture Meter: A secondary meter, authorized by the Board, to provide water service to remote outbuildings, pastures or small business locations which are an integral part of and adjacent to a residence. Guidelines for approval for, and installation and use of

pasture meters are described in these rules and regulations.

12. Business Meter: A meter providing water service to a business.

2.0 District Operating Procedures

Rationale:

It is the intent of the Board to operate in a manner that protects both the consumer and the District from unexpected problems and misunderstandings. The following operating procedures will guide employees of the District and members of the Board to fairly and equitably carry out their responsibilities to the consumers and members (Benefit Unit holders) of the District as an agency of the State of Oklahoma.

Operating Procedures:

1. Service for Sole Use of the Consumer: A standard water service connection is for the sole use of 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 without the express written approval by the Board. 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.
2. Right of Access: Representatives, Employees or Board Members of the District shall have the right at all reasonable hours (reasonableness shall be determined at the discretion of the Board or District Manager) to enter upon consumers' premises to test any control valve/meter, inspect piping, and to perform other duties for the proper maintenance and operation of service, or to remove service equipment and shut off water upon discontinuance of service to consumer.
3. Continuity of Service: The District will make reasonable efforts to supply continuous uninterrupted service. However, the District shall have the right to interrupt service for the purpose of making repairs, connections, extension, or for other necessary work, including but not limited to reducing or terminating excessive consumption or use of water. What comprises excessive consumption or use shall be determined at the discretion and in the reasonable determination of the Board. 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.

4. District Liability Limit: The District does not accept responsibility for losses which might occur due to interruption of service caused by storms, strikes, floods or other any other causes beyond its reasonable control. The District's liability is limited to that permitted by the Oklahoma Tort Claims Act or limits of its insurance coverage whichever is less.
5. Water Meters:
 - a. Meter ownership and installation: Meters will be furnished, installed, owned, inspected, tested and kept in proper operating condition by the District. The meters are the property of the District. A reasonably complete record of tests and histories of meters will be kept by the District. Meter tests will be made according to methods as adopted by the Board. The District may assess each consumer with the cost of such meters, testing, inspections or other work performed by the District.
 - b. Meter accuracy: Meters will be checked at various points in times, as specified by the Board. 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.
 - c. Meter locations: Meters will be set in meter wells or vaults on the property of the member, at a location accessible to the meter reader without interference of any kind (e.g. meter must be accessible without the need to cross fences, gates and without the need to deter animals). It is the duty of each member to provide reasonable access to the meter for the District and a reasonable working area.
 - d. Secondary or pasture meters: The Board may authorize the installation of a secondary or pasture meter without requiring the purchase of an additional Benefit Unit certificate and with or without requiring the payment of an additional monthly minimum water bill, upon the application of any member,

provided the applicant shall apply all the costs incident to the installation, service, reading and maintenance of such secondary meter and provided said applicant is not delinquent in any charges to the District. Such secondary or pasture meter may only be used to provide water service to remote outbuildings or locations utilized as an integral part of the business, farm or residence establishment served by the primary meter of the consumer, and owned by the consumer. Water used through such a secondary or pasture meter shall be added to water used through a primary meter in determining the total statement or assessment to the consumer.

6. Services: Ownership of all District mains, meters, meter settings, valves, pumps, towers, and other property or equipment shall remain in/with the District at all times. The District is not responsible for leaks, repairs, maintenance, or water loss, occurring in the consumer's side of the meter. The District accepts no responsibility to monitor the consumer's system on the consumer's side of the meter for leaks or other malfunctions.
7. Required meter tests: Meter tests requested by consumers will be performed at no 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 and must pay for the reasonable cost of making the test.
8. Consumer's responsibility: The consumer shall be responsible for any damage to service equipment installed by the District for the consumer's service, on account of any cause other than normal wear and tear.
9. Change of occupancy: It shall be the consumer's responsibility to anticipate change of occupancy, and to have the consumer's water supply unit(s) (and/or Benefit Unit) transferred to the new consumer as prescribed in the By-Laws and/or these rules and regulations. Until service and/or 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 will be transferred, or service resumed where there has been a suspension. All Benefit Unit transfers are subject to Board approval and subject to additional terms and conditions imposed by the Board on the transferee, at the Board's discretion.
10. Excessive requirements: In the event an applicant or existing customer

whose water requirements are found to exceed the District's reasonable ability to supply it from existing plant or source of supply without adversely affecting service to other consumers to an unreasonable extent determined in the sole discretion of the Board, the District will not be obligated to render such service or continue to render such service, unless and until suitable self-liquidating financing is arranged to cover the necessary investment to additional plant or source of supply. All such self-liquidating financing, and any other system improvements required to provide service, shall be paid for by the applicant, Benefit Unit owner or customer whose water requirements or needs or consumption are excessive as determined by the Board in its sole discretion and/or which adversely affects flow and pressure to other customers as determined by the Board in its sole discretion. The Board is authorized to implement measures, to restrict the water flow to any customer to prevent/preclude the excessive consumption of water as determined by the Board in its sole discretion.

11. Connection with private water system: There shall be no physical connection between any private water system and the water system of the District without the express written authorization of the Board. Representatives or Employees of the District shall have the right, at all reasonable hours, to enter upon the consumer's premises for the purpose of inspection and enforcement of this provision. Violation of this provision shall constitute cause for immediate disconnection of a consumer's service without notice. Approved backflow prevention devices will be mandatory as and where determined by the Board.

3.0 Employment Procedures

Rationale:

Employment practices are written to ensure that competent, well qualified employees are recruited, selected and retained to maintain a high quality water system and meet the needs of the patrons of the District. It is important to establish qualification and procedures that accomplish that purpose.

Procedure:

1. Board Responsibility – The District Board will:
 - Adopt procedures for the recruitment, selection, employment and evaluation of employees.
 - Approve the employment of, and the employment agreement

terms for each employee.

- Require that the District Manager evaluate each District employee.
- Evaluate the District Manager each six (6) months during the first year of employment and annually thereafter.

2. Recruitment - The District Manager will:

- Place a classified ad, seeking qualified applicants for each vacancy, in local newspapers and/or online employment websites.
- Develop and compile appropriate application forms for review by the Board.
- Ensure that all vacancy advertisements and application forms will contain the statement of Equal Opportunity Employer.

3. Selection – The District Manager will:

- Review the applications and report to the Board. The Board and District Manager will identify those applicants who shall be interviewed for the position
- Establish criteria for selection and develop structured questions to each person interviewed.
- Contact persons to be interviewed and set up an interview schedule.
- Call or visit with references and/or former employers of each applicant to be interviewed.
- Organize a committee to assist in the interview process which will include at least one Board member and may include another District employee.
- Make a recommendation for employment to the full Board for the Board's final action.

4. Employment – The District Manager will:
- Issue a contract mutually agreed upon by the Board and the new employee.
 - Collect and record necessary information such as social security number.
 - Assign sick leave days and vacation and administer other agreed upon benefits.
 - Process for payroll the deductions/reductions that the employee has chosen or are required by statute.
 - Compute monthly salary where possible.
 - Generate all documents such as the W-2 form as required by federal and state law.
5. Evaluation – The District Manager will:
- Develop an evaluation process and have the process approved by the Board
 - Evaluate each employee for six (6) months during the first year of employment and no less often than once each year thereafter
 - Submit each evaluation to the Board in writing or verbally at a Board meeting (and/or within an executive session Board meeting if so required by the Board and applicable law).
 - Base each evaluation on the employees ability to fulfill his/her job description

4.0 Purchasing Procedures

Rationale:

The purchasing procedure for the District will ensure:

- Board and employee accountability to patrons/members of the District.
- Continuous supply of materials and equipment to support the

District with minimum inventory but adequate to meet needs and generate economic advantage (economies of scale).

- Minimal duplication, waste and obsolescence of material and equipment.
- Acquisition of materials and equipment at the lowest cost consistent with required quality and service; and
- Maintenance of maximum efficiency at all times.
- All expenditures shall be in compliance with the Oklahoma Public Competitive Bidding Act where applicable.

Procedures:

The following guidelines will direct the purchasing and bidding procedures of the District. The Board retains authority for final approval of all purchases.

1. Payment of Bills – Bills will be recommended for payment by the District Manager and approved by the District Board. Each check with a total of over \$500.00 must bear two signatures. Those eligible to sign checks shall be specified by the Board at any regular meeting of the Board.
2. Purchase Orders – A purchase order will be prepared for each purchase prior to the initiation of that purchase. Exception items necessary for completion of current project where acquisition of a Purchase Order would unnecessarily delay the completion of the project. Purchase orders will be:
 - a. Sequentially numbered
 - b. Approved by the District Manager prior to purchase of any new item
 - c. Completed in triplicate with copies for the vendor, the originator of the PO and the District
3. Bidding – The purchase of any item or collection of items, estimated to equal or exceed \$25,000 shall be submitted for written bids. The District Manager shall insure that any bidding process is in strict compliance with the Oklahoma Public Competitive Bidding Act ("Act") in effect at the time of the purchase. Items of less value (below that

specified by the Board above or the Act whichever amount is lower) will be submitted for informal bids when it is reasonably prudent to do so.

- a. The District Manager, or his/her designee, shall secure a minimum of three bids, when possible for Board consideration.
 - b. The Board will accept the lowest bid which meets designated specifications and can demonstrate acceptable performance. The Board may exercise its discretion in selecting a bid that is greater than the lowest bid, in the sole judgment of the Board.
4. District Manager Authorized to Pay Certain Bills – The District Manager shall be authorized to pay the following bills without Board approval.
- a. Utilities
 - b. The purchase of materials reasonably needed for emergency repairs.
 - c. Bills less than \$500.00 that must be paid prior to a Board meeting under the terms of the contract made for such services. These bills must be approved by the District Manager and must be kept to a minimum.
 - d. Recurring bills that have been pre-approved by the Board.
5. Work Orders – Written work orders for contract labor, shall be completed and submitted to the District Manager for approval prior to work which requires commitment of District funds other than contracted employee salaries. Exception: Emergency situations may arise in which it is prudent for a District employee, using his/her own good judgment, to complete a work order without prior approval.

5.0 Application for Water Service

Rationale:

Clearly articulated, well understood application procedures, which are consistently administered will ensure that applications for water service, and the contracts which govern those services, are handled in a fair and equitable manner for all potential customers. It is essential that both the representatives of the District

and potential customers have a clear understanding about applications procedures, time-lines and contract terms.

Application for Service:

1. Filing Application – Application for service shall be made to the Business Office of the District located at 521 W. Young Street, Morris, Oklahoma. Applications for service will be submitted for consideration by the Board of Directors at its next regular meeting.
2. Engineering Profile Required – The Board will request staff to secure an engineering profile on each application prior to consideration of the application for water service.
3. Action of Board – The Board will make a decision about each application and communicate its decision to the applicant following Board action. The Board has the authority to:
 - approve the application, in which case the applicant will be given an approximate date for meter acquisition and start date of service;
 - deny the application for any cause determined at the discretion of the Board where service is neither legal nor feasible; or
 - delay action, to a specified future meeting when it is necessary to gather additional information.
4. Agreements – If the application is approved by the Board, the applicant will purchase a Benefit Unit for each water service approved (or contract for service if such service connection is outside the boundaries of the District), and sign the Standard Application for Water Service and Water User’s Agreement for an indefinite period (or sign the Standard Application for Water Service and Water User’s Agreement for Service Connection beyond the boundaries of the District) for an indefinite period .
5. Preparation for Service – before installation of a service extension and providing water available for use, the Board may require the applicant to pipe his home or business and be in readiness to accept service.

6.0 Consumer Charges

Rationale:

The District is a nonprofit organization and Agency of the State of Oklahoma, which has the responsibility to:

- Provide a consistent supply of water to its consumers;
- Make a commitment to long range development of the physical water facility or source of supply; and
- Do both in a way to reasonably ensure fiscal solvency for the District.

The Board therefore shall assess the water rates and service charges which allow the District to function within those guidelines. Both rates and service charges are subject to change, by action of the Board, from time to time.

Rates:

1. The Board shall set and amend rates as necessary for the payment of operating costs, emergency repairs, debt service, long range development, improvements, maintenance of a reasonable reserve and other related costs. Rates shall factor in, the level of service that is requested or utilized by any consumer, which shall include factoring in the water consumption anticipated or used, and factor in the burden any particular consumer may place on the District's delivery system.
2. Water meters will be read as specified by the Board and statements will be sent to consumers at periods adopted by the Board.
3. Water users shall remit payments for billed services not later than the 15th day of each month in the month in which a bill is generated and mailed/sent, as set forth in the water rate schedule. Water not paid for by the 15th of the month shall be subject to a late charge to be uniformly established by the Board for all delinquent members. The late charge may take into account the time spent by the District to deal with delinquent accounts.
4. Failure to pay for water, after it is used, by the first day of the month following the month in which the payment is due or any violation of these rules and regulations by the consumer shall result in discontinuation of the service at the direction and discretion of the Board. Notification of intended shutoff will be posted on the property

in a sealed envelope at least 24 hours prior to the discontinuation of service for failure to pay for service or for violation by the consumer of these rules and regulations. (Emergency termination of service may be made without any prior notice if continuation of such service represents any risk, danger or hazard to the District's system or water delivered by the District to others, or represents excessive use/consumption of water as determined in the sole discretion of the Board.)

5. The reconnection charge for restoration of service after each suspension/termination of service because of delinquent payment or other infraction/violation of the District's rules, regulations or by-laws, shall be the unpaid amount charged to date against the consumer's Benefit Unit (or contract for service), plus a Twenty-five percent (25 %) (of the amount due) charge, and \$ 350.00 (reconnection charge). The consumer and/or Benefit Unit owner stipulates and agrees that these charges are reasonable and do not constitute a penalty.
6. The District, acting through its Board of Directors, may make specific water service contracts with the Federal Government, the State of Oklahoma or agencies thereof, school Districts and/or municipal corporations, and businesses differing from stipulations set out in the rate schedule and rules.
7. Should the District's service operator be requested to make repeated service calls the calls will be billed at the rate specified by the Board. If not specified the rate is \$75 per hour.

Cost of Benefit Units and Other Services:

1. Benefit Unit – The cost of a Benefit Unit shall be determined annually (or more often as needed) by the Board. Such costs shall be adjusted when necessary to reflect costs of expansion, all improvements, main replacements, inflation, financing, construction and other costs.
2. Main Extension – If it is necessary to extend a water main to serve an applicant, the Board shall request the applicant to pay all costs of the line extension, in addition to the cost of the Benefit Unit prior to meter installation. Any exception to this policy must be approved by the Board. A main extension may be required at any time, should an existing Benefit User or customer require or need water service which the Board has determined as being excessive or whose consumption has an adverse effect on other residential or business customers of the District.

3. Line Extension – Line extensions must meet the line specifications that have been approved by the Board

7.0 Nominating Committee

Rationale:

Participating members of the District elect fellow members to serve terms on the Board of Directors as outlined in the District Bylaws. It is a goal of the membership to consistently have the opportunity to vote on well-qualified candidates representing the District. To ensure that members have qualified candidates for each position on the Board, a nominating committee will be selected to prepare such a slate of candidates prior to each annual meeting during which Board of Directors will be selected. The number of members on the nominating committee, selecting process, term of office, etc., will be established by Board Policy.

Policy:

1. Number of members: The nominating committee shall consist of 3 members, all of whom shall be participating members of the District and shall live in and represent divergent areas of the District.
2. Term of office: Members of the nominating committee shall serve a one-year term. No member shall serve on the nominating committee for more than five consecutive terms.
3. Vacancies: Vacancies on the nominating committee will be filled in the following manner. The surviving members of the nominating committee will prepare a slate of nominees, one for each vacancy on the nominating committee, which will be presented for ratification at the Annual Meeting. The floor will then be opened for nominations prior to voting by the members in attendance.
4. Chairman: The members of the nominating committee shall elect a chairman from the current committee membership who shall serve as chair during the forthcoming year, or until a new chair has been elected by a majority vote of the committee, whichever is longest.
5. Reporting to Board: The nominating committee will submit a slate of not less than two candidates for each vacant position on the Board no later than thirty (30) days prior to the Annual Meeting of the participating members. Opportunities to make nominations from the

floor for each Board position will also be made available at each Annual Meeting.

6. Reporting at annual meeting: The chairman of the nominating committee, or his/her designee, shall present the nominated slate of officers to the participating members present at the Annual Meeting. The presiding Director shall open the meeting for nominations from the floor. The nominee for each position who receives the highest number of votes for that position, cast by the participating members present, shall be elected for a term to the Board of Directors as specified in the by-laws of the District. For the avoidance of doubt, there shall NOT be a run-off for the top two nominees who receive the most votes.
7. Meetings: Meeting of the nominating committee shall be called as necessary and may be called by the chairman or by a majority of the members of the committee.

8.0 Water Charge Exceptions

Rationale:

The Board of Directors believes that it is in the best interest of the members, in a limited number of situations, to make exceptions to current water use rates. Exceptions will be considered for any member who experiences one or more of these situations.

Policy:

1. Line Breaks: When a member experiences a line break on the member's side of the meter, which results in an unusually large water usage, the charge for the month in which the break existed will be determined by adding the average amount charged for water usage for the previous three (3) months plus one-half of the existing rate per 1000 gallons for all water used over and above the three (3) month average providing:
 - The break in the line can be verified;
 - The break is not due to the negligence/fault of the consumer
 - There is no more than one break in any one calendar year.
2. Unusual and extenuating circumstances: When a member is faced with an unusual, unforeseen, and extenuating circumstance they can appeal to the Board of Directors for consideration of an exception to

the existing water charges. Requests for exceptions must be in writing and the member must be willing to meet with the Board in person should the Board deem it necessary.

9.0 Subdivision Policy

1. PRELIMINARY REVIEW

- a. Applicant shall submit two copies of the preliminary plat to the Board of Directors of the District. In cases where the preliminary plat has not been proposed, a similar drawing with sufficient detail may be submitted. The plan or preliminary plat must show the ultimate or maximum development anticipated. Road rights-of-way, lot boundaries, and utility easements must be shown.
- b. A fee of \$200.00 per subdivision lot must be paid by the Applicant to the District upon submittal of the preliminary plat or drawing. If the Water District is unable to provide water service to the Applicant's proposed subdivision after a reasonable period of time as determined by the Board in its discretion, this fee will be returned after deducting the cost of preliminary engineering and legal fees. Any unusual costs required to provide water to the Applicant's lots will be itemized and presented to the Applicant prior to the work being performed. This may include costs for construction, engineering, legal fees, etc. Also, some areas of the District may have received upgraded lines so that they can handle new customers; if your property is in such an area, you will be charged an additional assessment to help cover this cost.
- c. As soon as possible after receipt of the preliminary plat or drawing and study fee, the District, or its representative will respond in writing to the Applicant. The response will outline any general system improvements and subdivision improvements necessary to deliver water. Preliminary cost estimates will be provided for each type of improvement needed.

The routing of water lines will be mutually agreeable to the Applicant and the District. The routing will be such that water service is directly available to each subdivision lot. It is the Applicant's responsibility to insure that all necessary

easements are platted to accommodate the pipeline route. The cost of all subdivision improvements is the responsibility of the Applicant. The Applicant will be responsible for the cost of all general system improvements made necessary by the plans to serve water to the subdivision. The plans for construction of lines may be subject to review and approval by the District's engineer and District Manager. All such improvements shall be dedicated/conveyed to the District together with all applicable or needed easements, and such improvements shall be warranted against defects by the applicant for one year from the completion of such improvements and dedication to the District whichever occurs later.

- d. A copy of the preliminary response is to be signed by the Applicant and returned to the District. This response will serve as verification that the Applicant is in receipt of said response and it will indicate the Applicant's responsibilities and outline conditions that need to be satisfied for the District to provide service to the subdivision. A copy of this signed response will be sent to the County Commissioners or other applicable entity (e.g. municipality) having jurisdiction, by the District to serve as confirmation of water service availability for the subdivision.

2. FINAL REVIEWS

- a. The Applicant must submit a copy of the approved Final Plat. If the scope of the maximum development is different than at the time of preliminary submittal, the Applicant must include a letter explaining the change.
- b. Within a reasonable time after submittal of the approved Plat, the final construction cost estimate will be provided to the Applicant. Engineering, legal, and other costs related to the required construction will be itemized separately.
- c. Upon final acceptance of construction by the District, all line extensions and improvements including rights of way and easements, except for service lines (e.g. lines from the meter to the dwelling), shall become the property and responsibility of the District. The Applicant shall warrant all lines for one year following transfer to the District and Applicant shall pay all costs associated with any construction work or equipment necessary to correct defects in the lines or construction work

performed prior to the assignment of the lines, associated easements, etc., to the District.

3. IMPLEMENTATION

- a. Prior to the acquisition of any Benefit Units within the subdivision the Applicant must pay all final costs, in full, to the District. These payments are non-refundable.
- b. Upon receipt of payment, the improvements will be constructed by the District itself, or by a contractor selected by the District. This is to ensure a uniform standard of construction and quality of materials throughout the District.

9a. Water Main Extension Procedures

1. GENERAL

- a. The District will administer the preparation of documents and construction of water main extensions.

2. PROCEDURES

- a. Unless other allowances are made, the District will:
 - 1) Provide Applicant (developer or property owner) with:
 - a) Water Main Extension Policies
 - b) Water Main Extension Petition
 - c) Water Main Extension Agreement
 - 2) Provide Applicant upon request with:
 - a) Policies for Preparing Water Main Extension Design and Bidding Documents
 - b) Water Main Extension Easement Policies
 - c) Water Main Extension Drawings and Standards
 - d) Water Main Size, Routing, Connection and Material Policy

- 3) Advise Applicant of District planning that may affect extension sizing.
- 4) Accept Water Main Extension Petition, with the appropriate fee attached, and provide a Probable Project Cost.
- 5) Prepare and provide the Petitioner a copy of the preliminary engineering study, including an opinion of probable cost of the water main extension.
- 6) Prepare Water Main Extension Agreement for Applicant's signature and accept Probable Project Cost deposits.
- 7) Prepare design documents.
- 8) Accept balance of project deposit, prepare Bid Invitation and contact potential bidders, unless the District elects to construct the improvements with its own forces.
- 9) Prepare and issue documents to bidders.
- 10) Receive bids, review and make award with approval of Applicant.
- 11) Conform contract documents.
- 12) Inspect construction and measure quantities.
- 13) Make payment to Contractor from Applicant's deposited funds.
- 14) Conform or modify drawings, based on construction records.
- 15) Make accounting of final project cost, compare final project cost to deposits made by the Petitioner and make appropriate adjustments in accordance with Water Main Extension Policy.

9b. Water Main Extension Policies

1. GENERAL

- a. When a water main extension is desired to any property within or outside of the service boundaries of the District, the person(s)

(Applicant) desiring said extension shall petition the District.

- b. The Applicant shall pay the total cost for such extensions and improvements to the existing system to provide service to such property without any recourse for refund.
- c. The total cost shall include the cost of the preliminary engineering study, easements, construction, materials, equipment, supervision, administration, inspection, engineering, insurance, bonding, permits, accounting, legal and all other overhead expense.
- d. Engineering shall be performed by the District's engineer.
- e. The Applicant shall deposit with the District the cost, which the District Manager will determine, for preparation of the preliminary engineering study. The District will complete the preliminary engineering study and report findings to the Applicant. If the project is approved by the District, and the Applicant wishes to proceed, the Applicant shall deposit an amount equal to twenty-five percent (25%) of the Probable Project Cost with the District as a fee to initiate engineering design.
- f. After the acceptance of the design by the District and the Applicant, the remaining seventy-five percent (75%) of the Probable Project Cost will be deposited with the District before the District will initiate construction or before bids will be accepted.
- g. The design drawings prepared by the District's Engineer will be submitted to any third party agency having jurisdiction (e.g. Oklahoma Department of Environmental Quality) for approval and issuance of a permit for the project.
- h. The District may elect to construct the facilities with its own forces or competitively bid the project for construction by an independent contractor.

2. WATER MAIN EXTENSION PETITION

- a. An Applicant for water main extension shall apply to the District using appropriate forms provided by the District. Policies for preparation and submittal of Petition and for

making deposits can be obtained at the District office.

- b. The District will review the Petition for water main extension and will take appropriate action.

3. WATER MAIN EXTENSION AGREEMENT

- a. After acceptance of the District's preliminary report, the Applicant shall complete and enter into an Agreement for Water Main Extension with the District, making appropriate deposits as directed in the Water Main Extension Agreement or as directed by District policy.

4. CONSTRUCTION OF WATER MAIN EXTENSION

- a. The preparation of the drawings and contract documents, the bidding procedure, the award of construction contracts, and the construction shall be in accordance with the District's policy. Policies and Construction Standards for the above are available at the District office or from the District's engineer.
- b. During construction, the District will provide inspection of the construction and obtain measurements for the record and payment of the Contractor.

5. PAYMENT AND ADJUSTMENT OF DEPOSITS

- a. The District will make periodic and final payments of expenses for the water main extension from the deposits made by the Applicant.
- b. After the main extension has been fully completed and all costs have been determined (including construction, engineering, legal and all other overhead), and if the actual cost thereof is less than the deposit, a refund of the difference shall be made to the Applicant. If the actual cost thereof is greater than the deposit, the Applicant shall make an additional payment to the District within 30 days of notice.

6. INTEREST ON DEPOSITS

- a. The District shall pay no interest on the Applicant's deposit.

7. TITLE TO EXTENSION

- a. Any extension to the District's water mains shall become and remain property of the District.

8. RIGHT TO FURTHER EXTEND

- a. The District reserves the right to further extend the water mains from and beyond each water main extension made under District policies. The Applicant making a deposit for an extension shall not be entitled to refunds for any connection beyond the original water main extension unless otherwise specified by District policy.

9. SYSTEM IMPROVEMENTS

- a. Nothing herein contained shall be construed as to prohibit the District from installing at its own expense, transmission, fire and reinforcing mains.
- b. Fire hydrants may be installed on appropriate existing mains subject to the District's approval, policies and standards; and provided that the full construction cost be paid by the person or persons requesting the fire hydrant or fill hydrant. The District has no legal responsibility to provide fire flow or fire hydrants or fire suppression services.

9c. Water Main Extension Petition (Example)

THIS PETITION, is made and entered into this ___ day of ____, 20___, by _____, hereinafter called the PETITIONER, and submitted to RWD NO. __, _____ COUNTY, OKLAHOMA, hereinafter called the District, WITNESSETH:

WHEREAS: The PETITIONER is the owner (or developer) or real property described and identified as follows: [also attach a copy of the legal description, ownership, encumbrance, land plat or drawings and title report, if available]

WHEREAS, the PETITIONER makes application and hereby petitions the District for the extension of a water main to provide adequate water service and to serve such property; and

WHEREAS, the PETITIONER is in need of the extension requested and is willing to provide the sum of _ Dollars (\$_) for preparation of a preliminary report and probable project cost to furnish such water service as the District shall

decide is most economical and advantageous to the property and the District's system, as a whole; and

NOW, THEREFORE, in consideration of this Application and this Petition of the PETITIONER and the provisions and conditions thereof herein contained, the parties hereto promise and agree as follows:

- 1. The PETITIONER hereby applies to and petitions the District for the probable project cost for a water main extension to provide water service to the property described above and shown on attached drawings.
- 2. The PETITIONER has simultaneously, with the execution and delivery of this Petition, deposited with the District the sum of \$ ___ cash being the fee necessary to initiate preparation of the preliminary report and probable project cost. The said non-refundable amount so paid by the PETITIONER shall be retained by the District.

IN WITNESS WHEREOF, the PETITIONER and the District subscribe their signatures hereto the day and year first above written.

SEAL

of Petitioner

By: _____ Attest Signature

Print name and title

Street Address

RWD NO. __, _____ COUNTY,
OKLAHOMA

Attest: By: Manager

9d. Water Main Extension Agreement

THIS AGREEMENT, made and entered into this __ day of ____, 20__, by and between _____ hereinafter called APPLICANT, and RWD NO. __, _____ COUNTY, OKLAHOMA, hereinafter called the District, WITNESSETH:

WHEREAS, the APPLICANT has applied to the District for the extension of a water main and the necessary engineering.

NOW, THEREFORE, in consideration of the premises, and provisions and conditions herein contained, the parties hereto promise and agree as follows:

1. The APPLICANT has applied to the District for installation of a water main extension described as follows:

2. The estimated cost of the above-described water main extension, including overhead, is _____ (\$__), which includes, but not exclusively, the costs of easements, construction materials, equipment, supervision, construction and construction observation, engineering, surveying, insurance, bonds, permits, accounting, legal and all other overhead expense.

3. The above-described water main extension will serve the following

described properties:

4. The APPLICANT agrees to deposit the sum of _____ (\$____), toward the cost of the water main extension, \$____ to be paid upon execution of this AGREEMENT, the receipt of which is hereby acknowledged by the District, and the remaining _____ (\$____), to be paid upon acceptance of design and prior to bid invitations. The APPLICANT's contributions shall be retained by the District without interest, but subject to reimbursement as hereinafter provided.
5. The APPLICANT fully understands that he/she/it will be responsible for the cost of installing water distribution system lines and service lines to serve any development as it may occur within its property and that it will be bound by the District's standard policies regarding such installations and requirements of the District's engineer.
6. The APPLICANT agrees to grant to the District easements needed for installation and future maintenance of the water main described above. The location and width of said easements shall be subject to mutual agreement between the APPLICANT and the District.
7. The District shall proceed with due diligence to complete said water main extension, except as follows:
 - a. If it is determined by the District that insufficient funds were deposited for the project costs, the APPLICANT shall obtain the additional funds for the line extension and deposit those with the District.
 - b. If, before the award of the construction contract is made, the District or the APPLICANT elects to abandon the above-described water main extension and so notifies the other party by certified letter not later than 72 hours after construction contract bid opening, this AGREEMENT shall be null and void and the District shall forthwith repay to the APPLICANT the difference between deposited funds and the amount of money expended by the District for engineering, printing, legal and all other costs involved with this project. If applicable, said

repayment shall be pro-rated, based on the amount of funds deposited by the APPLICANT, plus funds deposited by other parties who are included in this project.

- c. If, after completion and determination of the entire actual cost, it is less than the expected cost, the District shall forthwith repay to the APPLICANT the difference between said actual project cost of said extension and the total of deposited funds.
 - d. If, after completion and determination of the entire actual project cost, it is greater than the expected cost, the APPLICANT shall forthwith pay to the District the difference between the actual cost and the total of deposited funds.
8. It is further mutually understood and agreed that the District shall have and retain full and complete ownership and title to said water main extension and all engineering and construction plans related thereto, free of any liens and encumbrances, and it shall have the right to repair or replace said extension at any time without consideration of the APPLICANT or any water consuming customer or customers; also the District shall have the right to extend any main installed by it pursuant to the terms of this AGREEMENT in or to other lands, streets or avenues and the APPLICANT or any customer shall not by reason thereof, be entitled to any repayment.
 9. It is also further mutually understood and agreed that all decisions in connection with the design of said mains, the type of materials to be used therein, shall remain at the exclusive discretion and under the sole control of the District.
 10. Time is of the essence in performance of the parties' respective obligations herein contained.
 11. This AGREEMENT shall be deemed to have been made and shall be construed and interpreted in accordance with the laws of the State of Oklahoma.
 12. This AGREEMENT shall be binding upon, and inure to the benefit of the respective parties hereto and their permitted successors, transferees and assigns.
 13. This AGREEMENT may be executed in one or more counterparts, each of which shall be an original, but such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the APPLICANT and the District subscribe their signatures hereto the day and year first above written.

Printed name of Applicant

Signature of Applicant

RWD NO. __, _____ COUNTY,
OKLAHOMA

Attest:

By: District Manager

9e. Water Main Extension Drawing Standards

1. DRAWING PREPARATIONS
 - a. Preparation of water main extensions shall conform to the following requirements and guidelines.
 - 1) Drawings shall not exceed 24 inches by 36 inches in overall size. Standard District drawing sizes will be used. This will include standard sheet with title block. Drawings shall be computer generated.
 - 2) Drafting media shall be ink on bond paper or equivalent plotter-generated original drawings. Line work shall be dense enough to make quality prints.
 - 3) Computer drawings will be changed to reflect construction records and hard copy construction record drawings shall be provided to the District. The District will store the construction record drawings with accessibility for future use.

- 4) The engineer shall provide the District with computer drawing files of the project in an acceptable file format.
- 5) Sheet title block shall indicate:
 - a) Name of development, subdivision or other description approved by District
 - b) Name of the District
 - c) Name of Applicant
 - d) Name of engineer or engineering firm preparing drawings
 - e) Oklahoma Engineering Registration Seal. This may be applied adjacent to the title block.
- 6) Drawings of pipeline plan shall have a maximum scale of 1" = 100'. Detail plans of pipe alignment around structures or other obstructions may have a scale of 1" = 20' or less.
- 7) Details of pipeline connections and other fitting and valve locations shall have sufficient size and dimensions to convey meaning, but need not be to scale. Plan drawings and details shall have sufficient titles and north arrows to identify locations.
- 8) Pipeline drawings may be drawn in part or entirely on standard plan and profile sheets. This may be needed to illustrate grading, separation from sanitary sewer and storm drain facilities, stream crossings, parallel or intersecting roadway profiles and other pertinent vertical location data.
- 9) Water main extension easements must be shown on the pipeline drawings. Known and recorded existing utilities and easements should be shown where conflicts may arise or affect the construction. Rights-of-way of adjacent streets and roadways will also be shown.
- 10) When development grading plans have not been prepared by Applicant, proposed grading within 30 feet

of the pipe alignment will be furnished for use on the design drawings. This can be done by profiles, contours (existing and proposed) or spot elevations (existing and proposed).

- 11) Where extension traverses property outside of Applicant's property, sufficient grade or contour information shall be provided to illustrate differences between pipe alignment profile and adjacent roadway and ditch elevations. This information shall be used in preparation of the water main extension drawings.
- 12) All drawings, including "Conformed to Construction Records" information, will be provided to the District in computer digital form using an acceptable format.

9f. Policies For Preparing Water Main Extension Design And Bidding Documents and for General Operations of the District for Existing and Future Water Service.

1. GENERAL

- a. When a property owner wishes to have a water main extension constructed within the boundaries of the District's service area or elsewhere, the following policies will aid in the orderly preparation of design documents and construction of facilities.

2. PRELIMINARY

- a. Applicant will submit, to the District office, three (3) copies of a preliminary (or final) plat approved by appropriate governing agency(ies). Also furnished will be information on required fire flows or water demands known for commercial and industrial uses. This will be accompanied by the appropriate fee and a completed Water Main Extension Petition to initiate preparation of a preliminary report. Note: The District has no legal duty or responsibility to provide fire flow. The District has no legal duty or responsibility to provide any particular volume or flow of water if the Board of Directors determines the actual, expected or anticipated volume or flow will have an adverse effect on existing customers as determined in the sole discretion of the Board. The Board has the authority at any time to restrict the volume, flow and/or pressure of water at

or to any particular location or member or customer to avoid any adverse effect on existing customers and/or future anticipated customers, to cause the water delivery system to remain in compliance with all State and Federal laws and regulations and in accord with sound engineering principles and in furtherance of the objectives of the District in the discretion of the Board.

- b. District will provide to Applicant one copy of the preliminary report and probable costs and Water Main Extension Agreement form for later submission to the District.
- c. Applicant may purchase one or more copies of District's Construction Standards. These documents will be incorporated as a part of the construction documents.
- d. District may provide policies on easement and legal description requirements and other data required for preparation of water main extension drawings and specifications.
- e. District will provide information on water main extension sizing that is affected by planning. The District may provide other known requirements or recommendations specific to the proposed extension.

3. PRE-DESIGN SUBMITTALS

- a. If Applicant wishes to proceed with the project, Applicant must sign a Water Main Extension Agreement and deposit with the District twenty-five percent (25%) of the Probable Project Cost.
- b. The Applicant shall submit with the Agreement three (3) copies of the following:
 - 1) Design drawings for the proposed development showing streets and storm drains, sanitary sewers, grading, lighting and any other utilities. Drawings should be submitted in hard copy and electronic format, if available.
 - 2) A preliminary plat, legal survey or legal description of easements and permanent rights-of-way on property

crossed by proposed water main outside of development site or otherwise not shown on development site or otherwise not shown on development site plat. Both permanent and temporary construction easements will be shown or described.

- 3) Any special conditions to supplement the District's Construction Standards.

4. SUPPLEMENTARY PRE-DESIGN SUBMITTAL INFORMATION

a. The Applicant's design drawings shall be accompanied by information on the type of residential development (single or multi-family) or type of proposed industrial or commercial use. This information must be sufficiently detailed to reveal:

- 1) Number and arrangement of dwelling units.
- 2) Character of commercial or industrial water use, such as maximum demand rate, average and maximum day usage rates or any other pertinent features.
- 3) Commercial or industrial building size, location and use details and fire protection requirements. (Note: The District has no legal duty or responsibility to provide fire flow.)

The District will use this information to verify the size and type of residential, commercial or industrial use water meter and the character of its installation. The sizing of water mains in excess of the minimum size may also be affected by this information.

- b. Grading plans for a property or development will be submitted with development drawings. Where grading plans are not required by political jurisdictions/subdivisions or otherwise required of the Applicant, development design drawings should show planned grade changes within 30 feet of the pipe alignment. Future grade changes would require the water main extension installation at a depth that will ensure a correct future cover depth.
- c. Where pipeline is proposed on existing District or other utility easement, the Applicant shall furnish a copy of such existing

easements with the design submittals.

5. DESIGN DOCUMENT PREPARATION AND REVIEW

- a. The District shall, upon receipt of satisfactory information from Applicant, proceed with design of water main extension documents. Upon completion of design, the District will submit two (2) copies of the documents to Applicant for review. The District will submit design documents to the Oklahoma Department of Environmental Quality for their review and approval.

6. EXCEPTIONS TO STANDARDS OR POLICIES

- a. The District will review and comment on any reasonable change the Applicant may wish to make at variance with the District's Standards or Policies.

7. APPLICANT'S PROJECT AUTHORIZATION

- a. When the Applicant wishes to proceed with construction of the water main extension, the Applicant shall, after review and approval of design documents, make a deposit equal to the amount of Probable Project Cost, less previous deposit. Agreement shall be accompanied by certified legal plat of development, showing dedicated utility easements, and recorded easements for any construction outside of the development.

8. BIDDING PROCEDURE

- a. The District will make design documents available to prospective bidders and other interested parties, unless it decides to construct the improvements with its own forces.
- b. Bids will be taken on a date acceptable to both the Applicant and the District. The District will issue a Bid Invitation to known bidders in the area and any others that the Applicant wishes to be informed of the project, as long as they are acceptable to the District and can meet bidder requirements.
- c. Bids and bidder qualifications will be reviewed by the District and the Applicant, if desired, for award to an acceptable bidder, who may or may not be the low bidder. Upon

acceptance of bids and prior to award of a contract, the Applicant will be required to deposit with the District any additional cost. After any necessary additional deposit is made, the District will award the contract.

- d. The District will proceed with preparation for and execution of a construction contract, provide observation during project construction, and make progress payments to the Contractor. "Conformed to Construction Records" drawings will be prepared from information obtained during construction by the District.

9. PROJECT ABANDONMENT

- a. The Applicant may abandon the project by written notification received at the District Office by Certified Letter not later than 72 hours after the bid opening and before contract award. Upon project abandonment, the District will return Applicant's deposit less the amounts expended for engineering, surveying, testing, legal, administrative and all other project costs.

9g. Water Main Easement Policies

1. EASEMENT REQUIREMENTS

- a. Applicant shall provide all easements and rights-of-way necessary for water main extension construction at no expense to the District.
- b. Within proposed developments, the pipeline may be laid within permanent road rights-of-way where grades are established by curbs or other permanent construction. The pipeline will generally be located behind curbs, approximately 5 feet from the property line, depending upon location of sidewalks, sanitary sewers, storm drains, etc. In some cases, permanent easements may be required within a proposed development to avoid construction obstructions.
- c. Pipelines to be laid outside developments, parallel to existing roadways, may require easements. The permanent easement is to be 30 feet in width, centered on the water line as constructed, and the water line will not be constructed further than 65 feet from the center-line of the road or the section line. The District may consider the construction of

water mains in established right-of-way, if such right-of-way is sizeable and allowed or permitted by local jurisdiction. Temporary construction easements will normally be required adjacent to permanent easements or road rights-of-way where the pipe is laid.

- d. The above are minimum requirements and the District reserves the right to require additional easement coverage.
- e. The Applicant will prepare easements for submittal with the Water Main Extension Agreement. When the District has reviewed these, the Applicant shall have them signed before a notary public and returned to the District for recording with one copy of recorded easement returned to the Applicant. This returned easement(s) will be a copy and have on it the Book and Page number where entered in County Records.

9h. Water Main Size, Routing, Connection And Material Policy

1. REQUIREMENTS

- a. The size, routing and points of connection of the water main (or mains) and the material specification shall be determined by the District upon considering adequate service to prospective consumers and the possible or contemplated future extensions of the main.
- b. Water main extensions shall be of not less than 6-inch in size. The size of the water main will be as determined by the District.
- c. In special cases, the District may consider mains smaller than 6-inch, such as for short cul-de-sacs or similar arrangements less than 250 feet long that cannot be looped.
- d. All cost will be borne by the Applicant regardless of facilities and main size.
- e. The terminus of the water main (or mains) to be installed shall provide for looping of mains whenever possible. All dead-end mains shall extend to the far side of the property or the last lot being served (unless a lesser distance is determined adequate by the District) and shall have a clean-out installed at the end.

- f. Construction Standards for material and installation procedures are on file at the District office at _____, and are available for purchase by the public and interested parties.

10.0 Benefit Unit Sales

Rationale:

The Board of Directors has clarified existing policy as follows:

Policy:

1. Once a Benefit Unit is owned, it cannot be transferred to another party without a transfer of the land it is assigned to, except in unusual circumstances. This assumes that Benefit Unit purchases will be destined for land owned by the purchaser, and that the destination will be determined at the time of purchase.
2. No multiple sales of Benefit Units will be made except in the following cases: (1) Platted developments that the developer has submitted for approval as a subdivision to the County Commissioners. Such developers will be allowed to purchase a maximum of 5 Benefit Units. Application of this policy cannot conflict with the District policy on subdivisions. (2) For owners of land having a 4-sided legal description (e.g., in the form of a survey prepared by a licensed surveyor), and having met all other requirements of this policy, a purchase of up to 2 Benefit Units will be allowed.
3. Consistent with the District by-laws, a Benefit Unit cannot be used by anyone but the owner of record on the certificate to obtain water service. Therefore, water service will not be provided to family members or other parties by virtue of the second party gaining the permission of the owner of a Benefit Unit to allow an account to be established for a second party. For example, the owner of a Benefit Unit with an inactive account cannot allow his child to establish active water service by opening an active account in the name of the child based on the parent's ownership of a Benefit Unit. In other words, Benefit Units cannot be loaned or leased to a second party in order for that party to establish water service.
4. Similar to item (2) above, the owner of a Benefit Unit must transfer the Benefit Unit to the purchaser of the tract of land assigned to the Benefit Unit when that tract of land is sold. However, the Benefit Unit owner can, prior to the sale of land assigned to a Benefit Unit, assign the Benefit Unit to a different tract of land within the District that is owned by the Benefit Unit owner, with the Board of Directors' approval and with notice to the prospective purchaser of the land from which the Benefit Unit is being transferred from. By re-assigning the

Benefit Unit to a different tract of land prior to the sale of an assigned tract of land, the Benefit Unit owner can avoid the transfer of the Benefit Unit to the purchaser of the tract of land being sold. Under no circumstances, however, can the Benefit Unit ever be held by the Benefit Unit owner for any period of time without being assigned to a tract of land in the District that is owned by the Benefit Unit owner.

5. Emergency applications will be handled by the Board of Directors on a case-by-case basis.

11.0 Contractors

Rationale:

To provide fair and equitable treatment to contractors and patrons of the District, the Board of Directors established the following policy regarding contractors:

Policy:

1. For line extension work and other small construction projects funded by patrons or developers, the District's staff may require patrons or developers to employ the District's choice of contractors. If a water line extension or other project is expected to exceed \$2,500 in cost, District staff will solicit bids, at the request of patrons or developers, from contractors approved by the Board of Directors to provide services in the District.

12.0 Benefit Unit Numbering System

Rationale:

For the purpose of accounting for the issuance and transfer of Benefit Units in the District, the Board of Directors provides the following guidance to the office staff of the District in the form of policy:

Policy:

1. Upon the approval by the Board of Directors of the sale of a Benefit Unit, the District staff shall assign a unique number to the Benefit Unit, and the purchaser's name shall appear on the Benefit Unit certificate bearing that unique number assigned. Upon the transfer of the Benefit Unit to another party (in accordance with policy stated herein), the Benefit Unit number assigned to the original owner of the Benefit Unit shall remain the same, and that number shall be

transferred to the new owner of the Benefit Unit.

2. For example, assume a case whereby a fictitious patron named John Q. Public purchases a Benefit Unit identified with the legal description of Mr. Public's personal residence. Assume further that the Benefit Unit is assigned number 1000. Upon the sale of his residence to a fictitious patron named Mary Smith, the Benefit Unit certificate transferred to Mary Smith by John Q. Public is still assigned number 1000. For the duration of the Benefit Unit, the District file shall show that the original owner of unit number 1000 was John Q. Public, the second owner of unit number 1000 was May Smith, and all subsequent owners of unit number 1000 shall be identified in a file that is associated with Benefit Unit number 1000.
3. The intent of this policy is to allow the District to keep a historical record of the ownership of each Benefit Unit issued. For that reason, no Benefit Unit shall be issued without including the purchasing party's name or names on the Benefit Unit certificate. This shall include the case in which a landowner that originally purchased the Benefit Unit merely held the Benefit Unit during the construction phase of a project. (For example, assume a case in which a landowner/home- builder purchased a Benefit Unit for a residence being constructed by the home builder for another party. In this case, the home builder shall appear; as the first owner of the Benefit Unit and the party that purchases the home as a residence shall appear in the District records as the second owner of record.)
4. If a Benefit Unit is voided for nonpayment, or if a unit is redeemed by the District, the number will be cancelled from the system and will not be used again.
5. On a prospective basis, District staff shall maintain files throughout the entire duration of a Benefit Unit that track the ownership of each Benefit Unit from the date of original issue to any date in time.

13.0 Inactive Accounts

Rationale:

For the purpose of accounting for inactive accounts, the Board of Directors provides the following guidance to the office staff of the District in the form of a policy:

Policy:

1. Inactive accounts will be those for which no water service is being provided. Inactive accounts will be billed the minimum fee charge each month, along with any other applicable charges, but will have no identifiable hardware in the District records (i.e. no shelf meter is set aside for that customer).

14.0 Collection of Unpaid Water Accounts

Rationale:

Out of fairness to all patrons, and in an effort to practice prudent financial management of District funds, a policy is necessary to guide District staff in the collection of unpaid water accounts from patrons of the District.

This policy supersedes and replaces all previous policies on collection of unpaid accounts, and is intended to provide for practical application of Article 6, Section 6 of the District Bylaws.

Policy:

1. Water bills are mailed during the month and are due on the 15th day of the month billed. If not paid by the 1st day of the month following the month billed, a late fee of \$100 or 25% of the unpaid balance, whichever is greater, is posted to the account. When the due date falls on a Saturday or Sunday, the due date is the following Monday, or on Tuesday if Monday is a Postal holiday.
2. On the 15th day of the month in which the payment is due, if the balance remains unpaid, a notice will be sent to the delinquent member or tenant, notifying the customer that the bill is unpaid. An additional \$100 charge will be added to the unpaid balance to cover the cost of labor and postage for preparing the notice.
3. The customer will have 10 days from the date of the notice to pay the bill, or on the 10th day after notice was mailed, a shut-off notice will be posted (in a sealed envelope), and landlords will be notified that their tenants' account is delinquent.
4. If the delinquent account is not paid within ten (10) days of posting a

shut-off notice at the property, service will be discontinued by turning off the water meter and placing a padlock on the meter (or by removing the meter and capping the line).

5. If service is discontinued, a 25% penalty plus a \$350.00 reconnection charge will apply. The entire amount due on the account, plus the 25% assessment, plus the \$350.00 reconnection charge must be paid in order to restore service.
6. In the event that the delinquent member or tenant states that the shut-off notice was not posted, the staff has discretion to collect only a \$100.00 service call fee with the balance due (\$200.00 for after-hours calls), instead of 25% plus \$350.00, the purpose of which is to eliminate conflict with delinquent patrons, and relieve staff from the task of sending shut-off notices by registered letter or certified mail.
7. If the District revokes or forfeits a Benefit Unit, a registered or certified letter will be utilized to notify the member of such pending revocation/forfeiture. Such revocation or forfeiture is deemed to have occurred upon mailing of said letter regardless of whether the letter is actually received.
8. When the delinquent account is in the name of a tenant, the staff will make reasonable efforts to notify the landowner (Benefit Unit owner) that the tenant is delinquent, since the Benefit Unit owner is ultimately responsible for the unpaid account.
9. In the District Manager's discretion, short-term contracts may be entered into with members or tenants to encourage bringing the account current. These contracts should not be for periods of more than three months. Assessments shall continue to accrue monthly for the duration of the contract.

15.0 Pasture Meters

Rationale:

To define a pasture meter and its limitations as to water service.

Policy:

1. Pasture meters are generally meters installed for patrons who have a pasture adjacent to the property to which a Benefit Unit is assigned (and a regular water meter installed on such property). The pasture

meter is installed in the adjacent pasture to provide water for cattle or other animals. The reason for installing such a meter is to avoid running a service water line parallel to an existing water main—therefore, the pasture meter is simply installed on the main, down the line from the customer’s regular meter. The pasture meter is then used to measure the amount of water consumed by the customer’s animals and is billed as a separate account.

2. The patron does not pay for the pasture meter itself, but does pay for the installation of said meter, thus the pasture meter is the property of the District and not the patron. Pasture meters are only installed for patrons who purchase a regular Benefit Unit, as a general rule, and cannot be sold or installed as a separate unit. Pasture meters do not have a Benefit Unit form associated with the meter, and thus do not constitute an ownership right. Pasture meters may not be used for irrigation or other uses, other than for farm livestock.
3. Users of pasture meters shall pay a charge for the privilege of having a pasture meter installed, as established by the Board. Pasture meters are not eligible for “conversion” into regular Benefit Units, and cannot be used to support water service to a residence or business.

16.0 Benefit Unit Transfer Fees

Rationale:

In order to recapture the administrative cost of accounting for transfers in membership, a transfer fee is imposed on the transfer of Benefit Unit certificates in the District.

Policy:

1. For each change in ownership of Benefit Unit certificates in the District, a transfer fee of \$300.00 shall apply to the purchaser. If the fee is not paid at the time of transfer for any reason, the fee will be imposed on the following month’s water bill.

17. Auxiliary Meter Leases

Rationale:

The Board of Directors wishes to address the growing value of Benefit Units in the District and the resulting hardship caused by the increasing costs associated with

obtaining water for farm livestock watering. Therefore, this policy was developed to offer an alternative to purchasing a Benefit Unit for the purpose of providing water for farm livestock.

Policy:

Definition: An auxiliary meter is defined as a meter that is leased to an agricultural enterprise for the sole purpose of watering farm livestock. Following are the policy provisions that guide the issuance of auxiliary meters:

1. An auxiliary meter is leased by making a lump-sum payment to the District of \$350.00. This payment is a lease fee for the privilege of using the District's existing water system to provide water for farm livestock. The payment must be received in full before the hardware is installed to provide access to the water system.
2. The auxiliary meter is not a Benefit Unit in the District, and as such conveys no ownership, voting rights, or other rights normally associated with being a member of the District to the lessee.
3. The lease fee covers the cost of installation of the meter, such that no fee is to be paid by the landowner or his tenant.
4. If a water line extension is necessary to serve the property, the cost of installing the new water line is to be charged to the landowner.
5. The auxiliary meter remains the property of the District. The privilege of leasing an auxiliary meter is nontransferable.
6. The landowner can ask the District to remove the auxiliary meter installation at any time. The auxiliary meter will be removed by the District upon sale or transfer of title to the land on which it is installed.
7. No refund of the \$350.00 lease fee nor the monthly minimum fee will be made at the termination of the lease period (e.g. following the sale or transfer of the land on which the meter is installed, or following a request by the landowner to remove the auxiliary meter).
8. Under no circumstances will the auxiliary meter be eligible to be converted into a Benefit Unit.
9. For accounting purposes, the monthly minimum fee and water usage will be billed under an account number assigned by staff, but assigning

this account number does not signify that the lessee has acquired any ownership rights or Benefit Unit in the District.

10. Only a member of the District who owns a Benefit Unit is eligible to lease an auxiliary meter.
11. This policy, signed and approved by the lessee, will serve as the month-to-month lease agreement with the District, and can be terminated by the Board of Directors for any cause, including, but not limited to, a shortage of potable water available to the District.
12. Collection of the monthly bill will follow procedures for other delinquent water bills due to the District. The auxiliary meter can be removed by the District if the landowner or his tenant fails to pay the water bill in a timely fashion, and the time period and procedures for removing the auxiliary meter will follow those outlined in policies dealing with the failure to pay other water bills of the District.
13. If the District becomes aware that a residence or business (other than businesses permitted to be served by an auxiliary meter) is being illegally served from the auxiliary meter, the Board of Directors can require the landowner to purchase a Benefit Unit at the then-current price, or alternatively can terminate service and remove the auxiliary meter. The \$350.00 lease fee will not be credited toward the purchase of a Benefit Unit, nor will it be refunded.
14. The only purpose allowed for an auxiliary meter is for farm livestock watering. All other purposes are impermissible, including, but not limited to, the following:
 - Boarding stables
 - Dog racing or training, including commercial kennels
 - Humane societies, dog-pounds, veterinary clinics
 - Residential use
 - Commercial use
 - Industrial use
 - Institutional use
 - Nurseries
 - Tree farms
 - Game preserves
 - Cleaning and sterilization in commercial dairies
 - Marijuana grow operations or other agricultural uses

The Board of Director's intent is for the permissible uses of auxiliary

meters to be construed narrowly, and for the impermissible uses of auxiliary meters to be construed broadly.

15. No exceptions will be made to this policy without Board approval..

18.0 Procedures For Obtaining Non-Standard Sized Meters And Corresponding Charges

Rationale:

The District recognizes that large water users absorb a larger portion of the system capacity than standard users, and that system capacity is an asset that must be properly managed. To that end, the Board of Directors addresses in this policy the procedure for obtaining a non-standard sized meter, and establishes a pricing system for Benefit Units that corresponds to the meter size to be provided to the patron/customer. Monthly minimum charges are also provided for in the policy.

Policy:

1. Upon initiating service or continuing service, if the prospective customer or existing customer requests a larger meter, or anticipates more demand than a standard 5/8-inch meter can flow, or requests or utilizes water service which may be adverse to the service provided to other customers, the customer or applicant must justify the flow rate demanded by providing satisfactory evidence to the District.
2. If the flow rate requested or utilized can be justified, an engineering analysis must be performed to determine if the District can serve or continue to serve the prospective customer. The cost of the analysis to the District will be paid for by the prospective customer or existing customer and will at a minimum include the following:
 - A hydraulic analysis of the supply capacity, pumping capacity, storage capacity and line sizes to determine if the flow rate demanded can be delivered by the District at the minimum required pressure levels.
 - If the supply capacity, pumping capacity, storage capacity or line size must be upgraded to continue service to an existing customer or to provide new service to an applicant, a cost estimate for the needed improvements will be prepared. The customer or applicant must pay the estimated total cost of improvements before construction begins.

- The proper sized meter will be determined by the engineer, and the Benefit Unit and monthly minimum fees will be priced according to the following table, with fees being adjusted to the current Benefit Unit prices and minimum fees in effect at the time of installation:

Meter Size	Benefit Unit price	Monthly gpm	Multiplier	(based on flow)	Minimum
5/8"	20	---		\$_____	\$_____
3/4"	30	1.5		\$_____	\$_____
1"	50	2.5		\$_____	\$_____
2" Compound			160	\$_____	\$_____

3. The following general guidelines will be followed to insure that the meters installed meet or exceed AWWA guidelines for measurement accuracy on low flows:
 - For 3/4-inch and 1-inch meters, a meter such as the Schlumberger Neptune T-10 meter will be used, insuring that low flow rates at 95% accuracy exceed AWWA standards. Normal flow rate accuracy should be measured within +/- 1.5% on any meter installed.
 - When a 2-inch meter is to be installed, a compound meter will be installed to accurately measure low-flows.
4. All installed, non-standard meters in the District as of the date of policy implementation will be exempt from the additional charges in the table above for one year following the adoption of these rules and regulations.
5. Meters requested in excess of 2-inches will be dealt with on a case-by-case basis.
6. The Board of Directors reserves the right to deviate from the general guidelines established in this policy if the facts of an individual case warrant it or if following this policy would cause a financial hardship for the District.

19.0 Procedures For Obtaining A Record Under The Oklahoma Open Records Act

Rationale:

The District occasionally receives requests for information as permitted by the Oklahoma Open Records Act. In order to apply the provisions of this Act, and in order to recoup expenses associated with the fulfilling the District's responsibilities under the Act, the Board of Directors established the following policy.

Policy:

1. The District will abide by the Oklahoma Open Records Act.
2. The fees payable for copies of records are \$0.25 per page, whether copied by the staff or by the person making the request. Where staff is asked to create or assemble information that cannot be readily photocopied, the charge for assembling such information shall be \$30.00 per hour of staff time. Board of Directors meeting minutes will be posted in the office when approved.

20.0 Line Extension Reimbursement Policy Non-developers

Rationale:

The District recognizes that in the normal course of business, it is possible that one party may pay for the cost of a waterline extension constructed and owned by the District, and that at a later time, another party may benefit from that same waterline. To that end, the Board of Directors addresses in this policy the procedure for cost sharing on line extensions, including reimbursements made to the property owners who originally paid for a waterline extension.

Policy:

Original Construction Procedure and Cost Computation.

1. When a new waterline extension has been completed and paid for by the original applicant pursuant to District policy, the District staff shall determine and document the following:
 - The date such waterline was placed in service, which shall serve as the completion date.
 - The total measurement (in feet) of the waterline.

- Each landowner as of the date the waterline is placed in service, and each landowner's share of the waterline's cost, as well as any costs borne by the District.

The cost of the waterline extension project shall not include the original applicant's fee for an engineering analysis, nor shall it include the original applicant's fee paid for a Benefit Unit in the District. All other costs, including engineering design, inspection and other soft costs, shall be included in the cost of the waterline extension.

The original cost of the waterline extension project shall be divided among the original participants based on the footage of the line, regardless of disproportionate installation costs such as rock incurred or valve and hydrant assemblies placed on the waterline at any point.

Pro-rata Reimbursement.

2. The reimbursement period will begin on the completion date of the waterline extension as defined in (1) above, and shall terminate 5 years subsequent to the completion date of the waterline extension. The determining date for whether the reimbursement period applies is the date of payment for a Benefit Unit by a subsequent applicant. If payment for a Benefit Unit is received within the five year window, a reimbursement will be due to the parties that originally paid for the cost of the waterline extension.

Procedures:

- Staff shall advise the new applicant of the engineering report results for the new applicant's Benefit Unit, and at that time, the new applicant shall be advised of the line extension reimbursement policy. (Nothing in this policy shall prohibit the District from advising the new applicant of the cost of the reimbursement at a later date.)
- The reimbursement shall be based on the total original cost of the waterline extension, whether paid by a patron or by the District, without adjustment for interest or depreciation. The sum to be paid by the new applicant shall be equal to the cost of the waterline extension determined in (1) above, divided by the number of Benefit Units served by the waterline extension, including the new applicant. The District's costs, if any, shall be accounted for separately.
- Payments by the new applicant are then made to the District, and then reimbursed to the appropriate parties. Any funds reimbursing the

District for its contribution to the original waterline extension will be applied to the District's general fund.

- The District shall collect an administration fee from each new Benefit Unit owner on the waterline equal to ten percent (10%) of the payment made by the new owner.

Qualification for Reimbursement

3. The following parties shall be eligible for reimbursement:
 - The original Benefit Unit owners that paid for all or a portion of the waterline extension
 - Subsequent Benefit Unit owners that have paid for a portion of the waterline extension's original cost

If the original Benefit Unit owner's land to which the Benefit Unit is assigned is transferred, no reimbursement shall be made for Benefit Units purchased on or after the date of transfer.

4. District requires ownership of Benefit Units in the District to follow title to the land to which the Benefit Units are assigned. The Board of Directors recognizes that in addition to a fee simple transfer of land to a new, unrelated owner or group of owners, numerous land ownership transfers could cause the parties eligible for a reimbursement under this policy to change, including, but not limited to death, marriage, divorce, incorporation, corporate liquidations, formation of a trust and trust distributions. In these unique cases, it is the general intent of the Board of Directors for a party having a right to reimbursement under this policy to remain eligible for such reimbursement.

For example, when a husband and wife divorce and one spouse retains ownership in the land, the spouse with such ownership remains eligible for his or her original interest in a waterline extension reimbursement made under this policy. The spouse who transfers ownership of the land to the other spouse becomes ineligible for reimbursement on the date of transfer.

Due to the numerous types of transactions that could fall under this section of this policy, the Board of Directors directs the District Manager to apply this policy based on the facts and circumstances of each case. When the District Administrator and the Benefit Unit owner cannot reach agreement on application of the policy, the case

shall come before the Board of Directors for a ruling.

- A transfer/reassignment of the Benefit Unit to another parcel of land shall disqualify the original parties from receiving reimbursement.
 - A failure by District staff to assign the Benefit Unit to the correct landowner shall not affect the reimbursement, as reimbursement will always be made to the Benefit Unit owners participating in the waterline extension project.
5. The Board of Directors reserves the right to deviate from the general guidelines established in this policy if the facts of an individual case warrant it or if following this policy would cause a financial hardship for the District.

21.0 Fiscal Policy For Assisting Landowners With Life-Threatening Medical Conditions That Are In Need Of Water Service

Rationale:

District Policy provides that landowners acquire a Benefit Unit from the District, approved by formal action of the Board of Directors, at the rates in effect at the date of request. If a line extension is required, some or all of the cost is born by the landowner requesting service. Finally, a District Benefit Unit and uninterrupted water service is retained by timely paying all monthly fees charged for water service.

The Board of Directors recognizes, however, that in extreme cases, a life-threatening medical condition may necessitate a need for a potable water supply, but that the landowner may not have the funds available to acquire the needed supply. The purpose of this policy is to provide staff with guidance in treating such cases in a consistent fashion.

Policy:

1. Verifiable, life-threatening medical condition. The intent of this policy is not to provide guidance to staff on working with patrons whose ability to acquire and maintain water service is limited by reasons such as financial difficulties, changes in family status (e.g. death or divorce), unforeseen catastrophic property damage or loss, or other similar situations. This policy's intent is solely to govern situations when the patron has a life-threatening medical condition that can be verified, and is expected to be either of limited duration or terminal in

nature.

2. A source of safe potable water is not available, and is necessary to the health of the person with a life-threatening medical condition. This policy is intended to apply when potable water is not available, but is necessary to the health of the individual.

Examples of situations where potable water is not available:

- Cisterns or wells that are contaminated with bacteriological agents.
- The landowner can no longer transport potable water to a cistern.
- The cost of revamping a cistern or well exceeds the cost of obtaining rural water, or the time to repair the situation would take longer than it would to establish rural water service.
- The landowner is a patron with established service, but who cannot afford to pay the monthly fees for using the water.

Examples of situations where potable water is necessary to the health of the patron:

- The patron has an internal condition that is life-threatening, such as one who is undergoing kidney dialysis.
- The elderly, infants or immuno-compromised individuals with life-threatening illnesses.
- A patron who's medical care or treatment requires potable water as an element of their care.

3. Landowners without water service. In cases where the above criteria are satisfied, one category of individuals is landowners who have not established service previously. In this case, the assumption is that if service was extended to the home, the landowner can pay the monthly fees. The following stipulations apply to such a situation:

- The Benefit Unit price and line extension cost will be the same as the price charged other patrons. If the patron cannot pay the Benefit Unit fee or the line extension cost, a Promissory Note and Mortgage in the property must be given by the landowner,

with the Mortgage to be filed in favor of the District with the applicable County land records. The note and mortgage are subject to the following stipulations:

- 1) The District has the legal right to serve the customer, and system's hydraulics are adequate for the District to legally serve the customer.
 - 2) The landowner must verify the County Tax Appraisal and all mortgages on the property are adequate to provide the District with equity in the property to secure the loan balance.
 - 3) Interest will be charged on the note at the maximum rate allowed by Oklahoma law.
 - 4) The note becomes due and payable immediately upon the occurrence of any of the following events: (1) the patron with the illness is physically removed from the residence; (2) the conveyance of any legal or beneficial interest in the residence to any third party; (3) the moving into the residence of any third party who is not a caregiver of the resident; or (4) the death of the patron.
- Should the line extension benefit the District, the Board has discretion to bear all or part of the cost. In addition, the Board has the discretion to direct staff to seek donations of materials and services to reduce the cost of the installation.
 - All standard requirements for making the installation must be met, including, but not limited to easements, county permits, bacteriological sampling, provisions for maintaining water quality such as flush hydrants, engineering design and the like.
 - The patron must, if possible, take the initiative to investigate sources of funding such as federal and state government grants, assistance from county-funded nonprofit organizations, charitable organizations and private foundations.
4. A landowner with water service who can no longer pay the monthly usage fee. In this case, a landowner meeting all the above criteria, who has water service, but can no longer afford to pay the monthly bill may apply to the Board for relief. The following are options the Board has the discretion to consider:

- Directing staff to offer the patron a payment contract over time.
- Taking a note and mortgage interest in the property, for the unpaid balance consistent with the stipulations in (3) above.
- Reducing the patron's water rate.

**APPLICATION FOR WATER SERVICE AND WATER USER'S AGREEMENT
FOR _____ RURAL WATER DISTRICT NO. _**

The undersigned who is submitting this Application, whether one or more (individually and collectively referred to herein as the "Applicant"), being the owner(s) of land located within the service area of _____ County Rural Water District No. __ , _____ County, Oklahoma, an agency of the State of Oklahoma (hereinafter the "District"), hereby makes application to the District for water service, and Applicant agrees to be bound by this Application for Water Service and Water User's Agreement for _____ County Rural Water District No. __, including the terms, provisions, and conditions herein (the "Application"):

1. Applicant shall purchase one water Benefit Unit as contemplated by the Rural Water, Sewer, Gas and Solid Waste Management Districts Act (Title 82, Oklahoma Statutes, Sections 1324.1 et seq.) for water service at the price of \$_____. Payment for the Benefit Unit must be made when this signed Application is provided by Applicant to the District. Conditioned upon acceptance of this Application by the Board of Directors of the District (the "Board"), the Applicant agrees to be bound by the Bylaws and Rules and Regulations of the District, which are incorporated herein by reference and made an integral part hereof, and Applicant further agrees to be bound by the Bylaws and Rules and Regulations of the District as they may be revised or adopted at any time in the future.

2. Applicant further understands and agrees that the District is not required or obligated to provide water service if such service is either not legal or not feasible in the sole discretion and determination of the District. Applicant further understands and agrees that the District may terminate water service or restrict/limit water service if the District determines, in the District's sole discretion, that the volume of water taken by or delivered to Applicant is degrading, impairing, or limiting water service provided by the District to any other person or entity. Applicant shall pay for all labor and equipment reasonably required, as determined by the District at the District's sole discretion, to connect the Applicant to the District's water delivery system, including but not limited to, any meters, meter cans, valves, meter pits, water line extensions, taps, elevated or ground storage, pump stations, etc. Should the meter location become encompassed by a fence or other obstruction that limits or frustrates access by the District, the meter shall be relocated to a location where access is not impaired and Applicant shall pay all labor and material costs associated with such relocation.

3. Applicant agrees to pay for water usage, leakage, water loss, breakage, repair and/or replacement of any system components associated with providing water to Applicant. The meter, meter pit, meter can, and all components within the meter can, and all equipment on the District's side of the meter, shall be the sole and exclusive property of the District. Applicant agrees that Applicant shall, at all times, maintain Applicant's water lines and infrastructure on Applicant's side of the meter in strict compliance with Oklahoma law and all rules and regulations adopted by the Oklahoma Department of Environmental Quality, the Oklahoma Health Department, and all other State and Federal laws, rules, and regulations associated with the use and delivery of water.

4. Applicant agrees to pay a minimum monthly charge for water service and to pay for water used at the rates set out in the rate schedule adopted and as later amended by the Board. Payment

of said charges shall begin accruing on the earlier of: (i) the date the Applicant is connected to the District's water distribution system, or (ii) 30 days from the date written notice is delivered or mailed to the Applicant, whichever occurs first.

5. The District shall, when feasible, read Applicant's meter at the end of each month and send the bill on or before the 5th day of the following month each time. Payment of the current month's water bill is due by the 15th day of the month in which the bill is sent. Water bills not paid on or before the 15th day of the month shall be subject to a ten percent (10%) service charge to pay for the time devoted by the District to deal with and collect delinquent accounts. Failure to pay Applicant's water bill for any reason by the 20th day of the month in which the bill was sent, may result in discontinuation of service at the sole discretion of the District and locking and/or removal of the meter, and/or such other remedies as the District deems appropriate at the District's sole discretion.

6. In the event water service is discontinued or a meter is removed by the District, Applicant shall be responsible for, and agrees to pay, all reconnection charges as specified in the rate schedule, rules, and/or Bylaws of the District, and Applicant agrees to purchase a new Benefit Unit if the District, at the District's sole discretion, determines a new Benefit Unit is needed. Applicant understands and agrees that non-payment for water service can result in the forfeiture of the Applicant's Benefit Unit. In the event of any dispute arising from this Application, the sole and exclusive jurisdiction and venue for any such dispute shall be the District Court for the County in which water service is/was provided, and any appellate courts therefrom, and Applicant consents to the jurisdiction and venue of such courts. The prevailing party in any action arising from this Application shall be entitled to recover from the non-prevailing party, the prevailing party's attorney fees, costs of the action, and expert witness fees.

7. **Consensual Lien and Grant of a Security Interest:** Applicant expressly consents and authorizes the District to record in the land records of the County in which water service is/was provided, a lien which shall encumber the real property interest in the land for which water service was provided, and Applicant further grants the District a security interest in all chattels, personal property, general intangibles, and fixtures (fixtures situated on the land) for which water service was provided to secure and better insure payment for water delivered to and purchased by Applicant, and the District is granted the authority to sign on behalf of Applicant and record with any appropriate governmental entity, a UCC-1 form placing the public on notice of the District's security interest. Applicant agrees that if the District elects to enforce its lien and/or security interest, that the District shall be entitled to recover its attorney fees, costs of the action, and expert witness fees from the Applicant.

8. The water service supplied by the District to Applicant shall be for the sole use of Applicant and Applicant's household and/or business. Applicant agrees that Applicant will not extend or permit the extension of any pipe or other device for the purpose of transferring water from one property or living unit to another property or living unit, nor will Applicant resell or submeter water to any other person or entity. Each meter service shall supply water to only one residence (one living unit) and/or associated out buildings/structures located on the same land described in this Application. Dual connections are prohibited.

9. If, after water service is made available by the District, water service is discontinued or disconnected for any purpose or reason, reconnection shall be upon the conditions set out in the Bylaws and/or Rules and Regulations of the District. The Benefit Unit price set forth herein shall not be refunded for any reason.

10. Applicant does hereby grant to the District the right to erect, construct, install, lay, and thereafter use, operate, inspect, repair, maintain, replace, and extend water lines and associated water facilities, including but not limited to, elevated or ground storage, pump station(s), valves, meters, etc., including the rights of ingress and egress, over, under, across, and through the land as described herein. Applicant further hereby grants the District the right of ingress and egress over, under, across, and through any adjacent lands owned by Applicant. The rights granted herein are for the purposes of the District providing water service. Additionally, upon request by the District at any time, Applicant does hereby agree to provide to the District, including the District's successors and assigns, easements providing all of the same rights described herein.

11. Cross connections shall not be permitted, nor shall there be any physical connection between any private water system and the water system of the District. There shall be no physical connection between any holding tank, storage device (elevated or otherwise), or reservoir for potable water or non-potable liquid, unless such connection is protected by a back-flow prevention device approved by the District at the District's sole discretion, and the District shall have the right at all reasonable hours to enter upon Applicant's premises for the purpose of inspection and enforcement of these provisions. Violation of these provisions shall constitute reason for immediate disconnection of water service without notice and with loss of the Benefit Unit.

12. **Indemnification.** Applicant agrees to indemnify, defend, and hold the District harmless from any and all claims of any third parties arising from the water service provided by the District to Applicant and any activity engaged in pursuant to this Application.

13. **Transfer.** This Application, once approved by the District, cannot be transferred to any third party without the express written consent and written approval of the Board.

14. The land to which the Benefit Unit is to be assigned is legally described as follows (**or as described in the attached document or deed**):

15. The intended uses by Applicant for water provided by the District and purchased by Applicant are as follows (fill in the blanks with the applicable numbers of persons, cattle, etc., if applicable):

Persons	_____
Cattle	_____
Hogs	_____
Horses	_____
Poultry	_____
Sheep	_____

Other uses _____
_____ (specify in detail)

If water provided and sold hereunder is for non-residential, commercial, agricultural, or industrial purposes/uses, the following shall apply:

(a) Applicant shall not take/receive from the District a volume of water that exceeds 2,000 gallons per day without the prior written approval of the Board and such approval may be withheld by the Board at the Board's sole discretion for any reason, and the Board may impose additional special requirements at the Board's sole discretion.

(b) If the Board approves a volume of water greater than 2,000 gallons per day, Applicant agrees to construct water storage facilities on Applicant's property as described herein, so that no more than 2,000 gallons per day is taken from the District's water delivery system, and the balance of any water needs of Applicant shall be obtained from Applicant's water storage device(s).

If any of the terms and conditions of this Application are breached or not complied with by Applicant, Applicant agrees that the District may terminate water service immediately, with or without notice to Applicant.

Applicant expects to obtain _____% of Applicant's daily water requirements from the District.

BY SIGNING BELOW APPLICANT AGREE(S) TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS STATED ABOVE, INCLUDING THE DISTRICT'S BYLAWS AND RULES/REGULATIONS WHICH ARE CURRENTLY IN PLACE OR WHICH MAY BE AMENDED IN THE FUTURE, AND APPLICANT VERIFIES THAT APPLICANT HAS READ AND FULLY UNDERSTANDS THE TERMS AND CONDITIONS STATED HEREIN AND HAS RECEIVED A COPY OF THE BYLAWS AND RULES/REGULATIONS OF THE DISTRICT.

Name of Applicant: _____

Name of Co-Applicant (if applicable): _____

The rest of this page is intentionally blank.

Signatures are on the following page.

<hr/> Applicant's Signature	<hr/> Co-Applicant's Signature (if applicable)
<hr/> Print name of Applicant	<hr/> Print name of Co-Applicant
<hr/> Current Mailing Address	<hr/> Current Mailing Address
<hr/> City, State, Zip Code	<hr/> City, State, Zip Code
<hr/> Phone Number	<hr/> Phone Number
<hr/> Email address	<hr/> Email address
<hr/> Date	<hr/> Date

For District Use Only:

Approved by the Board on this ____ day of _____, 2024.

Signature of Authorized Representative of the Board

1720-5:mh

DEVELOPER AGREEMENT

This Developer Agreement (“Agreement”) is made and entered into this ____ day of _____, 202__ (“Effective Date”), by and between Rural Water District No. ____, _____ County, Oklahoma (“District”), and _____ (“Developer”), each referred to herein individually as a “Party” and together as the “Parties.”

WHEREAS, Developer is the promoter and subdivider of the property depicted on **Exhibit A**;

WHEREAS, Developer desires to connect water mains and other infrastructure to the water delivery system maintained and operated by the District to obtain potable water service for the lots depicted on the attached preliminary or final plat - **Exhibit B** (the “Project”);

WHEREAS, The District is willing and able to provide water service to said Project, subject to and conditioned on the performance on the part of the Developer of all obligations and duties set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual promises of the Parties hereto, and other good and valuable consideration the adequacy of which is hereby acknowledged by the Parties, it is agreed by and between the District and the Developer as follows:

1. The foregoing recitals are incorporated by reference and made a part of this Agreement.
2. Developer shall comply with all District construction, material and labor standards and specifications for all water mains and water supply lines and all appurtenances thereto, including but not limited to, valves, fittings, vaults, meter pits, meters, pump stations, water tanks, water towers, etc.) to be constructed by Developer at Developer’s sole cost and expense, both on-site of the Project and off-site of the Project.
3. Developer shall provide the District with a final recorded preliminary or final plat for the Project prior to the commencement of construction of any improvements for the Project, showing the number of lots proposed, legal description of Project, lot size for each lot, and utility easements or rights of way required by the District. Construction of any improvements proposed by the Developer for the Project (including but not limited to the addition of any physical improvement, movement of earth or any changes to the terrain of the Project) shall not commence unless and until such plat has been approved in writing by both the District’s Board of Directors and the District’s engineer. Developer agrees to pay the fees charged by

the District's engineer or engineers for review and approval of the Plat, including approval of proposed utility easements, water main/line locations, plans and specifications, drawings, materials, etc. and also agrees to pay for any hydraulic analysis, studies and/or computerized model, which the District's engineer prepares or causes to be prepared. Developer also agrees to pay for any legal expense incurred by the District associated with review of any aspect of the Project by the District's legal counsel, including but not limited to, review of dedications, restrictive covenants, easements, rights of way, etc.

4. Developer shall provide the District, simultaneous with the execution of this Agreement, a warranty deed reflecting ownership of the Project in the name of the Developer, for all the land comprising the Project. Developer agrees that ownership of the Project shall not change absent written approval from the District's Board of Directors except for the sale of lots, provided that each lot purchaser has submitted an application for water service to the District.

5. The District has the option to perform the acquisition of materials and/or installation/construction of all on-site and off-site water mains or lines required by the District for the Project at the Developer's sole cost and expense which shall be promptly paid to the District by Developer upon demand by the District.

6. After the District's Board of Directors has approved Exhibits A and B following procedures adopted by the Board, the Developer shall proceed in a timely manner in compliance with Engineering Specifications and Drawings submitted by the Developer and approved by the District and the District's engineer, for the construction and installation of the on-site and off-site water delivery system. Developer shall use and pay the District's engineer for all engineering of the on-site and off-site water delivery system to be constructed by the Developer.

7. The District will charge, and the Developer agrees to pay, an Impact Fee of \$_____ per lot specified in the above referenced plat for the Project.

8. The Impact Fee and all other applicable lot fees, inspection fees, engineering fees, DEQ fees, and Health Department permit fees must be paid directly to the District prior to the commencement of any construction on the Project. For the avoidance of doubt, all necessary licenses and approvals shall be obtained prior to the commencement of any construction associated with the Project, and all fees referenced herein shall be paid by Developer to the District prior to the commencement of any construction for the Project.

9. The Developer shall pay to the District a deposit fee equal to the District's cost for meter boxes anticipated to be set during construction for each lot specified in the plat. Refunds to the Developer of the deposit will be made incrementally as Benefit Unit Memberships are sold by the District to each lot purchaser. The deposit fee

must be paid by Developer to the District before the commencement of any construction.

10. Engineering plans and specifications must be approved by the DEQ and State Health Department prior to commencement of any construction and the Developer shall provide the District proof of such approvals before the commencement of construction.

11. Developer agrees that each Benefit Unit for each lot identified as part of the Project will be reviewed and approved or rejected individually by the District after each application is submitted by each lot owner. No guarantee for water service to said lots will be granted without application approval according to the By-Laws and Rules and Regulations of the District. Each applicant shall agree to be bound by the By-Laws and Rules and Regulations of the District as a condition to receiving water service from the District. All "Developer Requirements" adopted by the District must be met prior to membership approval.

12. Water service by the District shall not be provided in areas which comprise or are identified by any governmental agency as constituting floodplains, wetlands, or prime farmland.

13. Upon approval of the plat and Engineering Specifications, and drawings by the District's engineer, no additional lots may be added to the Project without the express written consent of the District. The District may withhold such consent in its sole and exclusive discretion.

14. Developer shall provide a signed copy of the Project's recorded covenants (with the County Clerk) clearly stating that there shall be no lot splitting, regardless of lot size. One meter per lot will be provided by the District at Developer or lot owner expense. Water service will not, and shall not, be provided to or for lots that have been split. The District will not permit dual connections, namely a single meter shall not be used to provide water service to more than one residential dwelling unit (permanent or mobile) situated on a single lot.

15. The District shall have no obligation to provide potable water service to the Project or any lot within the Project unless and until all of the requirements of this Agreement have been fully and strictly complied with. The District shall have no obligation to provide potable water service to any lot within the Project unless and until an application for water service for the lot has been submitted to and approved by the District and the Benefit Unit fee has been fully paid to the District.

16. In addition to submission of the plat referenced above, prior to commencement of any construction, Developer shall provide the following to the District and the District's engineer: (1) a right of way/utility easement map, and (2)

one USB drive showing the location of all proposed water lines, line sizes, type of pipes (PVC, Polyethylene, etc.), valves, meter boxes, and other water infrastructure appurtenances - which are acceptable to the District and the District's engineer at their discretion.

17. Developer shall be responsible to obtain all off-site easements required by the District's engineer to facilitate water service to the Project. The cost associated with all off-site improvements, including but not limited to labor, material costs, water main extensions, and easements, shall be paid for by the Developer. Associated costs, including engineering and legal expense incurred by the District, shall be promptly paid/reimbursed to the District by the Developer.

18. Installation and testing of the water delivery system constructed by the Developer, both on-site and off-site to the Project, shall be subject to inspection and approval by the District and the District's engineer. All legal, engineering, inspection, installation, and testing costs incurred by the District for the Project shall be promptly paid by the Developer to the service provider or reimbursed to the District, as applicable.

19. No pressure pumps shall be used to take water from any fire hydrant which may be installed or made part of the water delivery system associated with the Project.

20. Developer shall warrant all aspects of the water delivery system constructed by the Developer and accepted/approved by the District for one year from the completion of construction of the Project. The Developer shall be responsible for, and shall pay the cost associated with, repairing and/or replacing any part of the said water delivery system constructed/installed by the Developer or for which the Developer was responsible for constructing/installing, if in the opinion of the District's engineer such repair and/or replacement is reasonably required due to defects in workmanship or materials.

21. All easements and rights of way needed for the extension of the District's water delivery system to and within the Project shall be provided, granted, or obtained by the Developer and shall run with the land into perpetuity and be granted in favor of the District naming the District as the grantee, and containing terms and conditions acceptable to the District. Developer shall likewise provide perpetual easements or fee simple title in favor of the District on all tracts or areas on which any tanks, pump stations, or similar facilities are constructed. Developer shall submit to the District for examination and approval all required easements and rights of way in advance of any construction for the Project and shall provide evidence of good title to all perpetual easements and fee titles as shall be required by the District. For the avoidance of doubt, if any pump station(s), tank(s), standpipe(s), elevated storage, etc. is required for the Project to deliver water

service, Developer shall be solely responsible to install/construct and pay for all such pump station(s), tank(s), standpipe(s), elevated storage and/or similar infrastructure, and shall convey said infrastructure to the District, at no cost to the District and Developer shall warrant title to same.

22. Upon completion of the water delivery system to be constructed by the Developer and following approval of said water delivery system by the District and all governmental entities having jurisdiction, the Developer shall convey said water delivery system and associated rights of way and/or easements to the District free and clear of any encumbrance or claim by any third party. Developer warrants title to said water delivery system and associated rights of way and/or easements. Developer shall also provide the District with evidence that all costs of construction, extensions, and appurtenances thereto have been fully paid and Developer will further provide a statement of the total cost of the water delivery system and associated rights of way and/or easements.

23. The District, by acceptance of said water delivery system, shall not be deemed to have assumed any pre-existing liability or obligations imposed upon or assumed by the Developer, or any third parties, in connection with the construction and maintenance of said water delivery system. It is expressly understood by and between the Parties that the District will not assume ownership, maintenance, and/ or liability for any amenities constructed by the Developer for the Project, including but not limited to, a clubhouse or a swimming or wading pool.

24. Developer agrees to and shall indemnify, hold harmless, and defend the District from any and all claims and/or causes of action arising from the construction of the water delivery system and/or which arises from said labor and materials (latent defect) or any other event which arises from events which pre-date the conveyance of the water delivery system to the District.

25. Developer shall not assign or delegate any of Developer's obligations and/or duties under this Agreement to any independent contractor, sub-contractor, or any other third party or person. Such assignment or delegation is strictly forbidden.

**The rest of this page is intentionally blank.
Signatures are on the following page.**

This Agreement is entered into and made effective as of the Effective Date.

[Developer formal corporate or LLC name] (Developer)

By: _____
Developer's Signature
(authorized corporate officer or LLC managing member)

**Rural Water District No. ____, _____ County,
Oklahoma** (District)

By: _____
Authorized Board Member

Note: The District is an employer and equal opportunity provider.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request a form. Send your completed complaint form or letter by mail to: U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue S.W., Washington, D.C. 20250-9410; or by fax to: (202) 690-7442; or by email to: program.intake@usda.gov."

**RESOLUTION OF RURAL WATER DISTRICT NO. __, _____ COUNTY,
OKLAHOMA TO ADOPT A REFUND/ REBATE POLICY FOR LINE EXTENSIONS
AND RELATED WATER DISTRIBUTION INFRASTRUCTURE**

The following applies to the extension of any water main and its associated infrastructure (vaults, valves, storage, meters, back-flow preventers, etc.) used to serve any individual or entity who applies for water service (“Applicant”) from Rural Water District No. __, _____ County, Oklahoma (the “District”).

As a condition of providing water service, the Board of Directors for the District (“Board”) shall require that the Applicant pay all costs of the extension of the water main to a point at or within the property of the Applicant, including all costs associated with related water delivery infrastructure, and for any inspections concerning same. Any extension of a water main to a point at or within the Applicant’s property, including its associated infrastructure (collectively a “Line Extension”), shall become the property of the District as described herein. The Applicant shall be required to maintain the Line Extension for a period of one year from the date of completion of installation of the Line Extension. The date of completion shall be determined at the Board’s sole discretion (the “Completion Date”). Any contract between the Applicant and Applicant’s contractor or anyone else shall be considered a contract between those parties only, and the District shall not be considered a party to any such contract. After the expiration of one year from the Completion Date, the responsibility for the maintenance of the Line Extension shall be assumed by the District.

Any and all Line Extensions shall conform to the specifications required by, and at the sole discretion of, the Board, with the assistance of the District’s engineer. If said specifications are not met, as determined in the sole discretion of the Board with the assistance of the District’s engineer, then all costs of upgrading the Line Extension to conform with such required specifications shall be allocated to, and paid for by, the Applicant. If the above specifications are not met, the District may refuse to provide water service to the Applicant.

Before, during, and/or following the Completion Date of any Line Extension, the Board shall, with the assistance of the District’s engineer, calculate the capacity of said Line Extension, and the total cost of said Line Extension. Such capacity calculation shall be at the sole discretion of the Board, and the Board’s decision shall be final.

The Applicant described herein (the “Original Applicant”) shall pay for the entire cost of the Line Extension, and shall provide to the District accurate and complete records detailing the actual cost of said Line Extension, and the complete cost of the Line Construction shall then be determined by the Board at the Board’s sole discretion, and such determination shall be final (“Construction Cost”).

During a period of five years from the Completion Date, at the Board’s sole discretion and with assistance from the District’s engineer, the Board may allow, but is not obligated to allow, any new Applicant(s) to connect to the Line Extension. In the event that one or more new Applicants connect to the Line Extension within five years from the Completion Date, then any such new Applicants shall each be required to pay to the District their proportional share of the Construction

Cost based on each new Applicant's percentage ratio of estimated water consumption on a Peak Volume basis in relation to the total capacity of the Line Extension, as determined by the Board at the Board's sole discretion, with the assistance from the District's engineer. As an example only, and not by way of limitation, if the water capacity of a Line Extension is 100 gallons per minute at its Peak Volume, as determined by the Board, and a new Applicant connects to the Line Extension, and the new Applicant is estimated or anticipated to use a Peak Volume of 10 gallons per minute, then the new Applicant shall pay the District ten percent of the Construction Cost. Peak Volume and any calculations shall be determined by the Board at the Board's sole discretion, with the assistance of the District's engineer. The District shall in turn, as authorized by the Board, pay to the Original Applicant the sum received from each of the new Applicants who have connected to the Line Extension, with each new Applicant's share of capacity determined at the sole discretion of the Board with assistance from the District's engineer as described above, less the reasonable cost incurred by the District for engaging the District's engineer to make the appropriate calculations, less the District's expense incurred in accounting for, managing, and monitoring the Line Extension, less the District's cost in making the Construction Cost determination, and less the District's cost for tracking future connections to the Line Extension during the five year period from the Completion Date, and less any other costs incurred that are reasonably related to the process described above as determined by the Board.

Under no circumstance shall the Original Applicant be entitled to any sum of money from the District that is greater than the Construction Cost, less the Original Applicant's share of capacity calculated on a Peak Volume basis, which such share shall be determined by the Board in the Board's sole discretion with the assistance of the District's Engineer, and less said costs reasonably incurred by the District as described herein which are attributable to the Original Applicant. The administration of the process described above shall not result in a double recovery for the District, notwithstanding any provision stated herein.

At the end of five years from the Completion Date, the Original Applicant shall not be entitled to any money for any reason under this Resolution related to a Line Extension or otherwise, regardless of the number of additional new Applicants which may connect to the Line Extension thereafter, and regardless of any change in the Original Applicant's share in line capacity or any other change or condition.

Adopted and made effective this ___ day of _____, 202_ by a majority vote of the Board for the District.

Chairman/President of the Board for the District

Secretary of the Board for the District

Add the paragraphs that appear applicable to the circumstance anticipated to be discussed in executive session. You can add one or more paragraphs as needed.

1. Executive Session - The board will conduct an executive session with its legal counsel pursuant to Title 25, Oklahoma Statutes, Section 307 (B)(4) concerning pending investigations by legal counsel relative to claims by and against the District. Legal counsel has advised the Board that disclosure to third parties of the report to be made by legal counsel to the Board during executive session would seriously impair the ability of the Board and its legal counsel to process claims and/or conduct the continuing investigation into the claims and potential litigation.

[List in a general way, the subject of the claim or claimant or person/entity against whom the District is making a claim - without revealing too much of the substance of the claim.]

2. Executive Session - The board will conduct an executive session pursuant to Title 25, Oklahoma Statutes, Section 307 (B)(1-2) concerning discussing the employment, hiring, appointment, promotion, demotion, disciplining or resignation of an individual salaried employee and discussion regarding negotiations concerning the employees of the District.

[You should not list the name of the employee at issue.]

3. Executive Session - The board will conduct an executive session pursuant to Title 25, Oklahoma Statutes, Section 307 (B)(3) concerning the purchase or appraisal of real property or an interest in real property.

___**Marijuana.** In order to comply with the provisions of 63 O.S. § 425 and regulations adopted by the Oklahoma Medical Marijuana Authority, and notwithstanding anything to the contrary stated above:

___The District may take action against a holder of a medical marijuana license holder if the holder uses or possesses marijuana while in the holder's place of employment or during the hours of employment. The District will not take action against the holder of a medical marijuana license **solely based** upon the status of an employee as a medical marijuana license holder or the results of a drug test showing positive for marijuana or its components.

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at _____ from an existing _____ inch main supply at a point located _____.

If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment whenever requested by the Purchaser but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate.

The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the _____ months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read on _____.

An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

4. (Billing Procedure) To furnish the Purchaser at the above address not later than the _____ day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than the _____ day of each month, for water delivered in accordance with the following schedule of rates:

- a. \$ _____ for the first _____ gallons, which amount shall also be the minimum rate per month.
- b. \$ _____ cents per 1000 gallons for water in excess of _____ gallons but less than _____ gallons.
- c. \$ _____ cents per 1000 gallons for water in excess of _____ gallons.

2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Seller's system with the system of the Purchaser, the sum of _____ dollars which shall cover any and all costs of the Seller for installation of the metering equipment and _____.

C. It is further mutually agreed between the Seller and the Purchaser as follows:

1. (Term of Contract) That this contract shall extend for a term of _____ years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. (Delivery of Water) That _____ days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water.

3. (Water for Testing) When requested by the Purchaser the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a flat charge of \$ _____ which will be paid by the contractor or, on his failure to pay, by the Purchaser.

4. (Failure to Deliver) That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.

5. (Modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification at the end of every _____ year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder, but such costs shall not include increased capitalization of the Seller's system. Other provisions of this contract may be modified or altered by mutual agreement.

6. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through Rural Development of the United States Department of Agriculture, and the provisions here of pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of Rural Development.

8. (Successor to the Purchaser) That in the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in _____ counterparts, each of which shall constitute an original.

Seller:

By _____

Title _____

Attest:

Secretary

Purchaser:

By _____

Title _____

Attest:

Secretary

This contract is approved on behalf of Rural Development this _____ day of _____,
_____.

By _____

Title _____