

RURAL WATER DISTRICT 13, CHEROKEE COUNTY

BYLAWS

Article 1

Name and Place of Business

Section 1 - The name of this water district shall be Rural Water District No. 13, Cherokee County, Oklahoma.

Section 2 -The principal office of this District shall be located in Cookson, Cherokee County, Oklahoma.

Article 2

Corporate Powers

Section 1 - The statutory powers of this District shall be vested in the Board of Directors, hereinafter referred to as the Board.

Article 3

Section 1 - The purposes and objectives of this District are as follows:

- a. To acquire water and water rights and to build and acquire pipelines and other facilities, to operate the same for the purpose of furnishing quality water to serve the needs of owners and occupants of land located within the District, and others as authorized by the bylaws.
- b. To borrow money and to seek grants from any Federal or State agency, or from any other source, and to secure said loans by mortgaging or pledging all of the physical assets and revenue and income of the District, including easements and rights-of-way.
- c. To hold such real and personal property as may come into its possession by will, gift, purchase, or otherwise, as authorized by law, and to acquire and dispose of such real and personal property, including rights-of-way and easements, wherever located, and as may be necessary and convenient for proper conduct and operation of the business of the District.
- d. To establish rates and impose charges for water to participating members and others.
- e. To enter into contracts for the purpose of accomplishing the purposes of the District with any person, governmental agency, or other entity.
- f. To cooperative with any person or with any governmental agency or other entity in any undertaking designed to further the purpose of the District.

- g. To do and perform any and all acts necessary or desirable for the accomplishment of the purposes of the District which may lawfully be done by such District under the laws of the State of Oklahoma.

Article 4

Users

Section 1 - Water service shall be supplied to rural residents of land located within the District. Provided, however, that the Board may make water available to the public for purchase at such distribution points as it may establish.

Section 2 - No owner of land located within the District shall be eligible to become a user of the water system unless he/she has first subscribed and paid for one or more Benefit Units. Tenants occupying land located within the District may become users of the water system: Provided that the owner has subscribed and paid for one or more Benefit Units in favor of the land and premises occupied by the tenant.

Article 5

Right to Vote

Section 1 - Only participating members shall have the right to vote, and each participating member shall be entitled to a single vote, regardless of the number of Benefit Units to which he/she may have subscribed. There shall be no proxy voting, and no dual ownership of Benefit Units for voting purposes. A participating member may be an individual, firm, partnership, association, corporation or governmental agency.

Participating members shall be:

- a. Owners of land located within the District who have subscribed to one or more Benefit Units; provided, payments of charges are current on at least one of the Benefit Units.

Article 6

Benefit Units

Section 1 - The Board shall have the responsibility to determine the availability of Benefit Units. Each Benefit Unit shall carry with it the obligation of paying a minimum monthly meter charge established by the Board from the time service is available. The Board in its discretion may from time to time, if the capacity of the District's facilities permit, make additional Benefit Units available. Subscriptions for Benefit Units shall be given preference and priority in order in which received. The Board may refuse the subscription for a Benefit Unit in favor of a particular tract of land located within the District, or impose special conditions on granting the same if in the judgment of the Board, the granting of

said subscription and the furnish of water services pursuant thereto would impair the service to other users in the locality or be uneconomical, unfeasible, or place an undue burden on the District. Any participating member who feels himself/herself aggrieved by such denial, or imposition of special conditions, may appeal from the action of the Board to vote of the members at the next regular meeting of the members, or special meeting of the members called for such purpose: Provided, the decision of the Board shall stand, unless three-fourths of all participating members at the meeting vote in favor of a motion to overrule the decision of the Board.

Section 2 - Upon the purchase of Benefit Units, the owners of land shall designate the tract of land to which the Benefit Units shall be assigned, and the Benefit Unit shall not be transferred from one tract of land to another within the District without the approval of the Board. The owner of lands subscribing for more than one Benefit Unit to be assigned to any tract of land shall at the time of said subscription designate as nearly as practical the location of said tract where he/she 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 cost of Benefit Unit shall be determined by the Board. The consideration paid for Benefit Units shall be considered donations to the District and shall in no event and under no circumstance be refunded to the subscriber.

Section 4 - Benefit Units shall follow the title of the land unless the owner of the land designates otherwise. Owners may transfer Benefit Units from one tract of land to another tract owned by them within the District, subject however, to the approval of the Board. No transfer in ownership of Benefit Units shall be permitted without the approval of the Board. No transfer will be approved unless all charges against the Benefit Unit are paid. All transfers when approved shall be recorded in the books of the District.

Section 5 - Each Benefit Unit shall entitle the owner not to exceed one line and one meter from the District's water system for one residence or business. The District may provide water to a business which owns one or more Benefit Units and which has multiple users if water through a master meter.

Section 6 - Failure to pay the minimum monthly meter charge or failure to pay for water used through any meter shall constitute a forfeiture of the Benefit Unit on behalf of which such failure occurs and such meter may be disconnected: Provided, that such Benefit Unit shall be reinstated if within three months after such failure all back charges are paid in full, plus 10 percent interest and reasonable labor charges necessary to effect such reconnections. Provided, further, that the Board may permit such reinstatement within six months after such failure upon payment of all back charges, plus 10 percent interest, and

reasonable labor charges necessary to effect such reconnection: Provided, further, that if the defaulting subscriber is a tenant, the time set out above shall not commence to run until the Secretary of the District has mailed or cause to be mailed, by registered or certified mail notice of such default of the tenant to the participating member at his/her last known address as shown on the books of the District.

Section 7 - Participating members shall grant the District an appropriate easement for the purpose of installing, maintaining or moving water lines or meters.

Article 7

Election of Directors

Section 1 - The Board of this District shall consist of five (5) members, all of whom shall be participating members of the District. The Directors shall be for staggered terms of three years, and shall serve until the expiration of the term, and until their successors are elected and have qualified. At each annual meeting of the participating members, the participating members shall elect for a term of three years the number of Directors whose terms of office have expired. A Director may be eligible to succeed himself/herself. At the time these bylaws are adopted the terms of office of the Directors are as follows:

Director Position #1	expires 1994
Director Position #2	expires 1993
Director Position #3	expires 1993
Director Position #4	expires 1995
Director Position #5	expires 1994

Section 2 - At the first meeting of the Board of Directors following the annual meeting of the participating members, the Board shall elect a Chairman, Vice-Chairman, Secretary and Treasurer, from among themselves, each of whom shall hold office until the next annual meeting of the participating members and until the election and qualification of his/her successor unless sooner removed by death, resignation or for cause. The office of the secretary and treasurer may be held by one person.

Section 3 - Any vacancy in the Board, other than from the expiration of a term of office, shall be filled by the remaining members of the Board by appointment for the remainder of the unexpired term. Resignation of a Director may be made in writing or orally at a Board meeting. The resignation shall become effective upon acceptance by the remaining members of the Board.

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 participating members of the

District at any annual or special meeting called for that purpose. The Director shall be informed in writing of the charges preferred against him at least ten (10) days before such opportunity to present witnesses and be heard in person to answer thereto. Officers of the Board may be removed for cause by vote of three (3) of the members of the Board, and employees and agents discharged or removed from office or employment at any time by action of the Board.

Article 8

Powers and Duties of Directors

Section 1 - The Board, subject to the restrictions of law, and these bylaws, shall exercise all the powers of the District and without prejudice to or limitation upon their general or statutory 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 or remove such agents and employees of the District for just cause, prescribe such duties and designate such powers as may not be inconsistent with these bylaws, and fix their compensation and pay for faithful services.
- b) To borrow from any source money, goods, or services and to make and issue notes, and other negotiable and transferable instruments, mortgages, and deeds of trust and trust agreements, and to do every act and thing necessary to effectuate the same.
- c) To prescribe, adopt and amend, from time to time, such equitable and uniform rules and regulations as, in their discretion, may be deemed essential or convenient for the conduct of the business and affairs of the District, and the guidance and control of its agents and employees.
- d) To fix charges to be paid by each participating member and water user for services rendered by the District to him, the time of payment, and the manner of collection, and to establish rates for all participating members and water users according to the amount and type of services furnished.
- e) To require all officers, agents, and employees, charged with the responsibility for the custody of any funds of the District to give adequate bond, with the cost thereof to be paid by the District, and it shall be mandatory upon the Directors to so require.
- f) To select one or more banks to act as depositories of the funds of the District and to determine the manner of receiving, depositing and disbursing the funds of the District in the form of checks, and the person by whom the same shall be signed on behalf of the Chairman, with the power to change such bank or person signing such checks and the form thereof at will.

- g) Prepare annually an estimated budget for the coming year, adjust rates, if necessary to produce sufficient revenue required by such budget, cause an annual audit of the District records and accounts to be made by a licensed public accountant or a qualified independent accountant, or certified public accountant, and make a report on said matters at each annual meeting of participating members.
- h) The Board of Directors shall have such other powers as are recognized and established by law.

Article 9

Powers and Duties of Manager

Section 1 - The Board may employ for the District a manager, who shall have charge of the business of the District under the general control, supervision and direction of the Board. No Director shall serve as manager. Subject to the approval of the Board, the Manager shall employ, supervise and dismiss all agents and employees of the District and recommend their compensation. He/she shall also, so far as practical, conduct the business in such a way that all patrons receive equal service and treatment, deposit in a bank selected by the Board all money belonging to the District which comes into his/her possession; maintain his/her records and accounts in such a manner that the true and correct condition of the business may be ascertained therefrom at any time; furnish the Board a current statement of the business and affairs of the District at each scheduled meeting of the Board and at the end of each fiscal year and at such other times and in such forms as the Board may direct; carefully preserve and turn over to his/her successor all books, records, documents, and correspondence pertaining to the business of the District which may come into his/her possession; and to perform such other duties as may be prescribed by the Board.

Article 10

Duties of Officers

Section 1 - Chairman. The Chairman, who shall be a member of the Board, shall preside over all meetings of the District and the Board, call special meetings of the District and the Board, perform all acts and duties usually performed by an executive and presiding officer, and shall sign all Benefit Unit Certificates and such other papers of the District as he/she may be authorized or directed to sign by the Board, provided the Board may authorize any person to sign checks on behalf of the District, provided that all checks must be countersigned by the Treasurer. The Chairman shall perform such other duties as may be prescribed by the Board.

Section 2 - Vice-Chairman. In the absence or disability of the Chairman, the Vice-Chairman, who shall be a member of The Board, shall perform the duties of the Chairman.

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. He/she shall serve, or cause to be served, all notices required to be served by law or the bylaws of the District; and in case of his/her absence, inability, refusal or neglect to do so, then such notices may be served by any member of the Board directed by the Chairman.

Section 4 - Treasurer. The Treasurer, who shall be a member of the Board, shall receive and account for all funds of the District, shall deposit the same in some bank designated by the Board as a depository, and pay the amounts, or cause to be paid out of the depository only in the checks of the Chairman, or someone authorized to sign on the Chairman's behalf, countersigned by the Treasurer. At each annual meeting of the District, he/she shall submit for the information of the participating members a complete statement of his/her account for the past year and he/she shall give a good and sufficient bond in such amount as may be fixed by the Board.

Section 5 - The Board may appoint or employ an Assistant Secretary/Treasurer to assist the Secretary and Treasurer in the performance of their duties.

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 be located at the District's business office and be subject to inspection during all reasonable business hours by any participating member of the District or any member of the public.

Article 12

Annual Meeting of Participating Members

Section 1 - The annual meeting of the participating members of the District shall be held on the third Saturday of April at some suitable location within the District 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 10 percent of the participating members of the District. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted thereat except such as is specified in the notice.

Section 3 - Notice of 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 (10) days prior to the meeting. Such notice shall state the nature, time, place, and purpose of the meeting, but no failure or irregularity of a notice of any annual meeting, regularly held, shall affect any proceeding taken thereat.

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

Section 5 - The order of business at the regular meeting and so far as possible, at all other meetings, shall be:

- a) Call to Order;
- b) Proof of Notice of Meeting;
- c) Reading and approval of minutes of last meeting;
- d) Report of officers and committees;
- e) Election of Directors;
- f) Unfinished Business;
- g) New Business;
- h) Adjournment.

Article 13

Board Meetings

Section 1 - The Board shall meet each year on the first Wednesday in December to adopt a budget for the following year. The Board shall meet at such and other times as may be determined by the Board of Directors, 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, at least two (2) days before the holding of such meeting: Provided, however, that when all of the Directors are present at any meeting, however called, or consent in writing that such a meeting may be held, the proceedings thereat shall be as valid as though the previous written notice aforesaid has been given.

Article 14

Manner of Election and Voting

Section 1 - At all meetings of the District, each participating member, qualified as stated in these bylaws, shall be entitled to vote upon all propositions coming before said District. No cumulative voting shall be permitted and each participating member of the District shall have but one vote. At the discretion of the Board, participating members may be allowed to vote by official mail ballot.

Article 15

Seal

Section 1 - The District shall have a corporate seal, consisting of a circle having in its circumference and face the words, "Rural Water District No. 13, Cherokee County, Oklahoma," which shall be in the custody of the Secretary or his/her assistant.

Article 16

Fiscal Year

Section 1 - The fiscal year of the District shall begin the first day of January of each year.

Article 17

Amendment

Section 1 - These bylaws may be repealed or amended by a vote of majority of the participating members present at any regular meeting of the District, or any special meeting of the District called for that purpose except that the participating members shall not have the power to change the purposes of the District so as to impair its rights and powers under the laws of the State of Oklahoma, or to waive any requirement of bond or other provision for the safety and security of the property and funds of the District or its participating members, or privileges then existing. Notice of any amendment to be made at any regular or special meeting of the participating members must be given at least ten (10) days before such meeting and must set forth the amendments to be considered.

Article 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 lines from the main distribution pipe line or lines, to the property line of each participating member of the District at which point designated as delivery points, meters to be purchased, installed, owned and maintained by the District shall be placed.

Section 2 - Each participating member shall be entitled to purchase from the District, pursuant to such agreement as may from time to time be provided and required by the District and the Board, such water for domestic and other such purposes as a participating member may desire, subject, however, to the provisions of these bylaws and such rules and regulations as may be prescribed by the Board. The water delivered to each participating member shall be metered.

Section 3- In the event the total water supply shall be insufficient to meet all of the needs of the members and users, or in the event there is a shortage of water, the District may prorate the water available among the various members and users on such basis as is deemed equitable by the Board, and may also prescribe a schedule of hours, covering the use of water for garden purposes and require adherence thereto; or prohibit the use of water for garden purposes if at any time the total water supply shall be insufficient to meet all the needs of all the participating members for domestic, livestock, garden and other purposes, and the District must first satisfy the needs of the participating members for domestic purposes before supplying water for gardens and other purposes.

Article 20

Printing

Section 1. After adoption, copies of these bylaws shall be delivered to each participating member.

AFFIDAVIT

STATE OF OKLAHOMA
COUNTY OF CHEROKEE SS

Ronald L. Day O.E. Glasgow Bruce D. Mullins
Dan McCarty Joe Cunningham

_____ and _____, being first
duly sworn, depose and state each for himself, that he is a Director of
Rural Water District No. 13, Cherokee County, Oklahoma, the foregoing
bylaws were adopted at a meeting of the participating members of said
District,

duly held on the 17th day of April, 1993, at 7:00
o'clock PM

Ronald L. Day O.E. Glasgow
Dan McCarty Bruce D. Mullins
Joe Cunningham

Subscribed and sworn to before me this 12th day
of May, 1993



Betty Quinn
Notary Public

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RURAL WATER DISTRICT 13, CHEROKEE COUNTY RULES AND REGULATIONS

These rules are designed to govern the supplying and taking of water in a uniform manner for the benefit of the District and its members. They are subject to change from time to time. If any portion of these rules shall be declared invalid by competent authority, such voidance shall not affect the validity of the remaining portions.

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

District: Rural Water District 13

Applicant: Any individual, firm, partnership, business, corporation, authority or other agency owning land located within the service area applying for a benefit unit and water service.

Benefit Unit Certificate: A membership right entitling a land holder to one water service connection.

Board: The Board of Directors of this water district.

Member: Any individual, firm, partnership, association, business, corporation, authority or other agency who has acquired one or more benefit units and receives water service from the District's facilities. A member's tenant may become a user of water service with the consent of the member.

Point of Delivery: In rural areas, water lines will be installed parallel to section lines and highways and on private property, where possible. Service lines to meter will not extend across private property unless necessary to serve members whose property does not join the section lines or road.

Water will be delivered at the meter which will be located approximately five feet inside the member's property line. However, if the cost to serve the last member or members on any line segment exceeds the average cost per member of the entire system, the last member or members will be required to pay all costs which exceed the average cost per member of the entire system.

Service: The term service when used in connection with the supplying of water shall mean the availability for use by the members of water adequate to meet their requirements. Service shall be considered as available when the District maintains the water supply at normal

pressure at the point of delivery, in readiness for the member, regardless of whether or not the member makes use of it.

Member Agreement: The agreement or contract between the member and the District, pursuant to which water service is supplied and accepted.

Water Service: Water service shall consist of the facilities for supplying water to a member's residence or business.

GERNERAL RULES

1. The supplying and taking of water will be in conformance with these rules and the applicable rate schedule attached hereto, provided, that such rate schedule is subject to change by action of the Board. Provided further, that if at any time the Board determines the total amount derived from the collection of water charges is insufficient for the payment of operating costs, emergency repairs, and debt service, the Board shall increase the minimum water rate for the first month thereafter in an amount sufficient to pay such operating costs, emergency repairs, and debt service.
2. Applicants for service shall make application to the Secretary of the District. If the application for service is approved by the Board, the applicant pays the required costs and signs the standard application for water, he shall receive service.
3. Before installing a service extension and providing water available for use, the Board will require the applicant to provide piping to the point of delivery and be in readiness to accept service. All applicants shall be required to grant easements over their property to allow the District to maintain, service, and repair its lines and meters to the point of delivery.

Service is for Sole Use of the Member: A standard water service connection is for the sole use of the applicant or the member, 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. 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.

Mobile Home Parks:

- (a) **Multiple line extensions:** The classification, method of service, and minimum charge to be assessed each mobile home resident, whether located in a mobile home park or located on an individual lot, will be the same as for any other residential member on the system. Normally, this would be accomplished by installing a water meter at each mobile home. The Board may elect to serve mobile homes located in a mobile home park through a master meter, provided the owner of the mobile home park agrees in writing that he will be responsible for collecting the minimum water bill each month for each mobile home, which is connected to a line to receive water, plus water used through the master meter in accordance with the rate schedule used by other residential members. If necessary, owners of mobile home parks serving non-members will be expected to contribute an amount equal to the cost of enlarging the District's water system as required to serve the mobile homes. The mobile home park owners must also pay for constructing, maintaining, and servicing their own lines within the mobile home park.
- (b) **Subdivisions and Developers:** Developers are expected to pay for essential utilities to new or developing areas, including subdivisions. Owners of subdivisions or developments will be expected to contribute an amount equal to the cost of enlarging the District's water system to serve the area being developed. The owner must also pay for constructing their own lines within the development or subdivision. If the District's consulting engineer and Board of Directors determines that the owner has installed service and main lines within the subdivision or development in accordance with approved plans and specifications, the District may agree to accept ownership and overall operation and maintains responsibility of the service lines within the subdivision or development. The Developers will supply the District with all necessary easements throughout the subdivision.
 - i. Developers will be required to file their Platted Subdivision with the County Clerk's Office prior to installation of any service lines in or to the subdivision.

Agreements with Governmental and Public Bodies: The District through its Board may take specific water contracts with the Federal Government, the State of Oklahoma, or agencies thereof, school districts, municipal corporations, nonprofit corporations, and fire departments differing from stipulations set out in rate schedule and rules.

Right to Access: Representatives of the District, shall have the right at all reasonable hours to enter upon member's premises to read and test meters, inspect piping and to perform other duties for the proper maintenance and operation of service, or to remove its meter and equipment upon discontinuance of service by members.

Continuity of Service: The District will make all reasonable efforts to supply continuous, uninterrupted service. However, it shall have the right to interrupt service for the purpose of making repairs, connections, extensions, or for other necessary work. Efforts will be made to notify members who may be affected by such interruptions, but the District will not accept responsibility for losses that might occur due to such necessary interruptions. The District does not accept responsibility for losses which might occur due to interruptions to service caused by storms, strikes, floods, or other causes beyond its control.

Meters: Meters will be furnished, installed, owned, inspected, tested and kept in proper operating condition by the District without cost to the member. A complete record of tests and histories of meters will be kept. Meter tests will be made according to methods of the American Waterworks Association by the District as often as deemed necessary by its Board.

Meter Accuracy: Service meters whose errors do not exceed two percent (2%) fast or slow shall be considered as being within the allowable limits 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 member's rate of usage is known to be practically constant in which case the error at such constant use will be used.

Bills: The Bylaws of the Water District state as follows:

“Failure to pay the minimum monthly meter charge and/or failure to pay for water used through any meter shall constitute a forfeiture of the Benefit Unit on behalf of which such failure occurs and such meter may be disconnected”

Bylaws, Article 6, Section 6, Page 3

AMENDED BY VOTE OF MEMBERS AT ANNUAL MEETING

APRIL 22, 2006

For the purpose of implementing this Bylaw, the following rules on

water bills shall apply to all members of the Water District:

1. A monthly bill for water service will be sent by mail so the member will receive it on or about the 5th day of the month following that in which the water services were provided.
2. Payment of the bill in full is due on or before the 15th day of month in which the bill is received - the “*due date*”.
3. Failure to pay the bill in full by the due date will result in 10% late charge. There will be a \$25.00 service charge for any returned check.
4. If past due bill and assessed late charges are not paid in full within 30 days of the due date, the Board of Directors, at their next regular meeting, shall acknowledge the forfeiture of the member’s Benefit Unit and direct the disconnection of the member’s water service if the past due bill and late charges have not been paid in full.
5. If the Board of Directors acknowledges the forfeiture of a member’s Benefit Unit and orders the disconnection of water service for the nonpayment of a past due bill pursuant to paragraph 4 above, a member may have their Benefit Unit and water service reinstated if all past due amounts, late charges, and a reasonable fee for the labor necessary to make the reconnection are paid within three months of the original due date of the past due bill.

Reconnection Charge: The reconnection charge for restoration of service, if reconnection is authorized and approved under the provisions of the Bylaws of the District after each suspension of service because of delinquent payment or for other infraction of these rules shall be the unpaid amount charged to date against the member’s membership plus a \$75.00 reconnect fee.

Requested Meter Tests: Tests requested by members will be performed without cost to the member, if the meter is found to be in excess of two percent (2%) fast. Otherwise, the member for whom the requested test was made will be charged for the cost of making the test.

Member’s Responsibility: The member shall be responsible for any damage to the meter installed for his/her service, on account of any cause other than normal wear and tear.

Change of Occupancy: It shall be the member’s responsibility to anticipate changes of occupancy, and to have his/her benefit unit

certificate transferred to the new member as prescribed in the Bylaws. A benefit can only be transferred when the land to which it applies to is sold or transferred, and can only be transferred to the purchaser or new owner of that land. Until the certificate is formally transferred, the original holder shall be responsible for payment for service. The Board may refuse to transfer membership until all back bills have been paid. However, this would not preclude a new owner from purchasing a new membership in the District.

Main Extensions:

1. In extending a water main to serve an applicant, the Board may at its discretion exercise one of the following options:
 - (a) If the cost of the extension is less than the average cost of the entire system to each member, and sufficient construction funds are available, the Board may elect to make the extension upon the applicant's purchase of a membership or payment of the required fee.
 - (b) If the cost of the extension is greater than the average cost of the entire system to each member, but funds are available to the extent of such average cost, the Board may elect to contribute to the extension in the amount of such average cost, and require the applicant to deposit in cash the additional cost in addition to the price of the membership. If, and as additional members are connected to the extension, and as funds become available, all or part of the original member's deposit remaining after the expiration of a five-year period will become the property of the District. In no case will interest be paid on such deposits.
 - (c) In the event that the District does not have funds available to pay for construction in the amount of the average cost per member of the entire system, it may require as a condition of extending service, that the applicant deposit in addition to the price of a membership, an amount which may equal the entire cost of the extension. In such event the Board may, as funds become available, return to the member that portion of his deposit equal to the average cost of the system per member. No interest will be paid on such deposit.
2. However, the Board shall not issue any bonds, notes, indenture, obligations, or other form of indebtedness in connection with the extension of lines hereunder, or mortgage or encumber the system in any manner.

Service: The District will install all water service pipes (except for private fire protection) from its main to the meters. The service pipe shall not be less than three-fourths inch in size. The District will also install the District meter and meter box. The member will be responsible for the cost and maintenance of all piping from the dwelling to the point of delivery at the meter.

Applicants Having Excessive Requirements: In the event an applicant whose water requirements are found to exceed the District's ability to supply it from existing plant without adversely affecting service to other members to a reasonable extent, the District will not be obligated to render such service, unless an until suitable self-liquidating financing is arranged to cover necessary investment in additional plant.

Cross Connections: There shall be no cross connections made or maintained between the water system of the District or may other system (private or otherwise). All new structures constructed within the District shall, prior to service connections, comply with the plumbing standards of the State of Oklahoma, and provide health department certification approving the sewage or septic system on the property.

Representatives of the District, the State, and local Health Department shall have the right at all reasonable hours to enter upon member's premises for the purpose of inspection and enforcement of this provision.

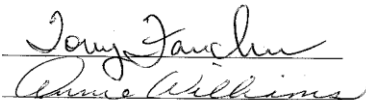
Violation of this provision shall constitute immediate cause for disconnection of a member's service and forfeiture of membership.

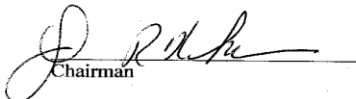
Unanimously adopted at a meeting of the Board of Director's, held November 18, 2004 at Plant Office, with five (5) members of the Board present.

Page 4 - Bylaws, Article 6, Section 6, Page 3 – Amended by vote of membership at annual meeting April 22, 2006

Page 3 - Rules and Regulations, reconnection fee increased to \$75.00 effective September 18, 2008.

ATTEST:


Tony Fanchin
Carmie Williams


Chairman

REV. September 18, 2008