

**RULES AND REGULATIONS OF
RURAL WATER MANAGEMENT DISTRICT NO. 15
OSAGE COUNTY, OKLAHOMA (the "District")**

These rules are issued in compliance with the provisions of the Bylaws of the District and are designed to govern the supplying and taking of water service in a uniform manner for the benefit of the District and its members. They are subject to change from time to time by a majority vote of the Board of Directors.

DEFINITIONS

The following expressions when used herein will have the meaning stated below:

APPLICANT: Any individual, firm partnership, corporation or other agency living on or owning land located within the service area who applies to become a Participating Member, as defined in the District's Bylaws.

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.

PURCHASER: Purchaser shall mean all purchasers of the District's water.

POINT OF DELIVERY: The point of delivery shall be at the meter, unless otherwise specified in the approved application for Water Service.

WATER SERVICE: The term Water Service when used in connection with the supplying of water shall mean the availability for use by Purchasers of water adequate to meet the Purchaser's requirements. Water Service shall be considered available when the District maintains the water supply at a minimum of 25 p.s.i at the Point of Delivery, in readiness for the Purchaser's use, regardless of whether or not the Purchaser makes use of it. Water Service shall consist of facilities for supplying water to one residence or business establishment.

APPLICATION FOR WATER SERVICE: The agreement or contract between the Purchasers and the District, pursuant to which Water Service is supplied and accepted.

GENERAL RULES

The supplying and taking of water will be in conformance with these rules and the District's Bylaws and the applicable rate schedule as may be from time to time amended by the District's Board of Directors.

PROVIDED, FURTHER, that if at any time the Board of Directors determine the total amount derived from the collection of water charges is insufficient for the payment of operation costs, emergency repairs or debt service, the Board shall adjust the water rates according to Article VXi, Section 3 of the District's Bylaws.

APPLICATION FOR WATER SERVICE: All prospective Purchasers of the District's water shall:

1. Submit a signed Application and Water User's Agreement. The form of Application shall be in form and substance from time to time designated by the District's Manager and shall include a copy of the recorded deed describing and covering the tract of land proposed to be served.
2. Pay the then current Benefit Unit Fee.
3. Provide the District with an easement for water lines and connections.
4. Be responsible for the expenses of road crossings and/or borings and any other extraordinary expenses incurred by the District in providing the requested water service to the Applicant.

PROVIDED, that a Tenant or other prospective Purchaser of the District's water which seeks only to become a Water User (a purchaser of the District's water which is not a Participating Member) shall not be required to pay a Benefit Unit Fee or grant an easement. All applications for any purchase of the District's water by a Tenant must be approved by the holder of the Benefit Unit covering the Tract proposed to be served. In the event of any default by a Tenant, the Benefit Unit owner shall remain responsible to the District for all charges, costs and expenses attributable to the Tract served.

MANDATORY APPROVALS PRIOR TO HUMAN CONSUMPTION: Until any required septic system approval (or any other or similar approval which may be lawfully required at any time by any health department, ODEQ or other governmental entity or agency having jurisdiction or authority to impose such a requirement) is obtained and furnished to the District, no water service may be connected or used for human consumption in any manner whatsoever (i.e. there shall be no connections to any residence, mobile home, travel trailer, or

commercial establishment or any other facility for human consumption) and any connection in contravention hereof is expressly forbidden and may result in forfeiture of the Benefit Unit. It is the intent hereof that a Benefit Unit may be used *only* for agricultural, construction or similar purposes -- and not for human consumption -- until any and all required health department, ODEQ or similar approvals required for human consumption are obtained by the Applicant / Purchaser and provided to the District.

BILLING PROCEDURES: Payment for Water Service is due and payable by the 19th day of the month following that in which Water Service was rendered. Billing procedures shall be further outlined and posted in the District's business office on the website.

CHANGE OF OCCUPANCY: It is the Purchaser's responsibility to anticipate change of occupancy, and to have a Benefit Unit transferred to the new Purchaser as prescribed by the Bylaws. Until the Benefit Unit is transferred, the registered owner thereof shall be responsible for payments for Water Service. All charges on the account must be paid before the Benefit Unit can be transferred or Water Service resumed where there has been a suspension.

WATER SERVICE IS FOR THE SOLE USE OF THE PURCHASER: A standard Water Service connection is for the sole use of the Applicant or the Purchaser, 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 person, firm or entity. If an emergency or specific situation should make such an arrangement necessary, it shall be done only on specific written permission of the Board of Directors for the duration of the emergency. Any Purchaser in violation of this paragraph, shall be penalized as herein set forth or as may be prescribed by law:

1. Unauthorized Water usage, first offense:
 - a. Meter will be disconnected when offense is detected.
 - b. A five hundred dollar (\$500) penalty/reconnect fee will be assessed to the offending Benefit Unit holder.
 - c. Meter will not be reconnected until the five hundred dollar (\$500) penalty/reconnect fee has been paid.
2. Second offense: Meter will be disconnected and forfeiture of the Benefit Unit will result.

NOTE: ANY OR ALL PERSONS OBSERVED OR OTHERWISE SUSPECTED OF ILLEGALLY TAKING WATER WILL BE BROUGHT TO THE ATTENTION OF THE LOCAL AUTHORITIES FOR AN INVESTIGATION THAT COULD RESULT IN ARREST AND PROSECUTION.

AGREEMENTS WITH GOVERNMENTAL AND PUBLIC BODIES: The District may make specific contracts with the Federal Government, the State of Oklahoma, or agencies thereof, school districts, municipal corporations and nonprofit corporations, differing from stipulations set out in the rate schedule and rules.

CONTINUITY OF WATER SERVICE: The District will make all reasonable efforts to supply continuous, uninterrupted Water Service. HOWEVER, it shall have the right to interrupt Water Service for the purpose of making repairs, connections, extensions, or for other necessary work. Efforts will be made to notify Purchasers who may be affected by such interruption, but the District will not accept responsibility for losses which might occur due to such necessary interruptions. The District does not accept responsibility for losses which might occur due to interruptions to Water 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 Purchaser. A complete record of tests and histories of meters will be kept. Meter tests will be made according to methods of the American Water works Association, as often as deemed necessary by its Board of Directors. RW.D. #15 field personnel will read all of the customer's meters each year, reading half every six months, to check for accuracy.

METER LOCATION: Meters shall be set in an accessible place adjacent to the property line of the Participating Member except where otherwise directed by the District. All meters shall be set horizontally and never connected into a vertical pipe. Meters set outside of a building shall be placed in a meter box furnished and installed by the District. The meter will be set in front of the premises to be served or at the closest point on the Purchaser's premises as designated by the District. The Purchaser will be responsible for all piping from the dwelling to the collection lines.

SERVICES: The District will install and pay for all Water Service pipes (except private fire protection) from its main to the meters. The service pipe shall not be less than ¾" in size. The District will also install and pay for the stop, meter, meter loop, meter can and lid.

METER ACCURACY: Water Service meters with errors not exceeding two percent (2%) fast or slow shall be considered 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 Purchaser's rate of usage is known to be practically constant in which case the error at such constant use will be used.

REQUESTED METER TESTS: Meter tests requested by the Purchaser will be performed without cost to the Purchaser if the meter is found to be in excess of two percent (2%) fast. Otherwise, the Purchaser for whom the requested test was made will be charged for the cost of making the test. In no event shall any claim be recognized for alleged overcharges for water charges incurred more than six months prior to the date the Purchaser requests a meter test which reveals an inaccurate meter; and in no event shall the District be liable for any interest on any such claim.

PURCHASER'S RESPONSIBILITY: The Purchaser shall be responsible for any damage to the meter, meter loop, meter can and lid installed for Water Service, on account of any cause other than normal wear and tear.

MAIN EXTENSIONS: Line extensions will be installed by the Purchaser, when approved by the Board of Directors after application has been made to the District. The Purchaser shall be responsible for the maintenance of the line extension for one (1) year after installation, at which time the ownership of this extension will be transferred to RW.D. #15 upon acceptance by RW.D. #15.

EXCESSIVE REQUIREMENTS: In the event an Applicant's water requirements exceed the District's ability to supply it without adversely affecting Water Service to other Purchasers to a reasonable extent, the District will not be obligated to render such services, unless and until suitable self-liquidating financing is arranged to cover the necessary investment in an additional plant.

CROSS-CONNECTIONS: There shall be no cross-connections made or maintained between the water system of the District or any other system (private or otherwise and all new structures constructed within the District shall, prior to Water Service connections, comply with the plumbing standards of the State of Oklahoma). In addition, all sewage disposal systems shall comply with the standards contained in Oklahoma Department of Health Engineering Bulletin Nos. 600.0587 and 0575. Representatives of the District, the state and local Health Department shall have the right at all reasonable hours to enter upon Purchaser's premises for the purpose of inspection and enforcement of this provision. Violation of this provision shall constitute cause for disconnection of a Purchaser's Water Service.

FIRE HYDRANT POLICY: Adopted August 10, 2004. Members can make application to the District (with Fire District approval) for Fire Hydrant Installation.

ADJUSTMENT PROCEDURE POLICY: Adopted October 12, 2004. Adjustment attributed for any overpayment will be calculated at \$3.00 per thousand gallons. When a customer has a leak, adjustment will be given as follows:

- a) If the leak is 75,000 gallons or less, no adjustment will be given.
- b) Credit per thousand gallons for each thousand gallon over 75,000 as listed in the current "Schedule of charges"

RECONNECT POLICY: All charges, penalties and assessments must be paid in full at the District's business offices no later than 3:30 p.m. Monday through Friday (excluding holidays). Meters will be reconnected between 8:00 a.m. – 4:00 p.m. Monday through Friday (excluding holidays).

WATER SERVICE AVAILABILITY LETTERS: Require a minimum of five (5) business days' notice for our engineers to review and our staff to process. The charge for this service is listed in the "Schedule of Charges".

