

**RURAL WATER, SEWER, AND SOLID WASTE MANAGEMENT
DISTRICT #4 SEQUOYAH COUNTY, OKLAHOMA**

NOTICE TO MEMBERS

This copy of your water district bylaws should be kept with your permanent papers.
If property is sold, please give this to the new owners. Additional copies are not available.

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BYLAWS

ARTICLE 1 – NAME & PLACE OF BUSINESS

Section 1. The name of this corporation shall be Rural Water, Sewer, and Solid Waste Management District No. 4, Sequoyah County, Oklahoma.

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

ARTICLE 2 – CORPORATE POWERS

Section 1. The corporate power of the District shall be vested in the Board of Directors, hereinafter referred to as the Board.

ARTICLE 3 – PURPOSES & OBJECTIVES

Section 1. The purposes and objectives of the District are as follows:

- (a) To acquire water and water 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 the same for the purpose of furnishing water, sewage collection and treatment, and solid waste management to serve the needs of owners and occupants of land located within the District, and others as authorized by the bylaws.
- (b) To borrow money from any Federal or State agency, or from any other source, and to secure said loans by mortgaging or pledging all of the physical assets and revenue and income of the District, including easements and rights-of-way.
- (c) To hold such real and personal property as may come into its possession by will, gift, purchase, or otherwise, as authorized by law, and to acquire and dispose of such real and personal property, including rights-of-way and easements wherever located, and as may be necessary and convenient for proper conduct and operation of the business of the District.
- (d) To establish rates and impose charges for water, sewer, 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 with any person or governmental agency.
- (f) To cooperate with any person or with any governmental agency in any undertaking designed to further the purposes of the District.
- (g) To do and perform any and all acts necessary or desirable for the accomplishment of the purposes of the District which may lawfully be done by such District under the laws of the State of Oklahoma.

ARTICLE 4 – USERS

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

Section 2. No owner of land located within the District shall be eligible to become a user of the facility unless he has first subscribed and paid for one or more Benefit Units. Tenants occupying land located within the District may become users of the facility, provided that the owner, or someone on behalf of the owner, has subscribed and paid for one or more Benefit Units in favor of the land or premises occupied by the tenant.

Section 3. In such case as a tenant of a rented or leased property, should the tenant vacate the property and leave an outstanding balance on the account, the outstanding balance will follow the tenant. Said tenant shall not be allowed to purchase water at another location until the previous outstanding balance is paid in full.

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 may have subscribed; Provided, all owners of land located within the District shall be eligible to vote at meetings of landowners until ninety (90) days after a declaration of availability of Benefit Units and unit fees has been entered by the Board in its minutes. There shall be no proxy voting, and no dual ownership of Benefit Units for voting purposes. A participating member may be an individual, firm, partnership, association, or corporation.

Participating members shall be:

- (a) Owners of land 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 at the proper time cause a declaration of availability of Benefit Units for subscription to be entered in its minutes and shall establish a unit price for said subscriptions. The meter deposits of exiting users in incorporated towns who desire to continue to be users shall be credited toward the price of a Benefit Unit. Each Benefit Unit

shall carry with it the obligation of paying a minimum monthly meter charge and/or waste disposal charge from the time the 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 furnishing of water and/or solid waste management services pursuant thereto would impair the service to other users in that locality or be uneconomical, unfeasible, and place an undue burden on the District. Any landowner who feels himself aggrieved by such denial, or imposition of special conditions, may appeal from the action of the Board to a vote of the members at the members' 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 (or landowners at meetings where the only qualification to vote is ownership of land within the District) 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 land subscribing for more than one Benefit Unit to be assigned to one tract of land shall at the time of said subscription designate as early as practical the location of said tract where he intends to utilize said Benefit Unit 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.

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 from the District's water system and/or one line from the District's sewage system and/or solid waste management service for one residence or business. Each line and waste disposal service shall serve not to exceed one residential, agricultural, multi-family, or commercial establishment together with the necessary and usual out-buildings.

Section 6. Failure to pay the minimum monthly meter charge and/or sewer and solid waste management charge, or failure to pay for water used through a meter shall constitute a forfeiture of the Benefit Unit on behalf of which such failure occurs. 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 about shall not commence to run until the secretary of the District has mailed or caused to be mailed, by registered or certified mail, notice of such default of the tenant to the landowner at his last known address as shown on the books of the District.

ARTICLE 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; provided, however that the original Board shall consist of owners of land located in the District. The Directors elected at the time of incorporation of the District shall be elected for staggered terms of one, two and three years, and shall serve until the expiration of the term for which they were elected as shown by the minutes of the original meeting of landowners 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. When a city or town is part of a rural water, sewer, and solid waste management district, the Board of Directors must be composed of residents of said city or town in direct proportion to the number of users in said city or town; provided further that when a rural water, sewer, and solid waste management district is totally within the municipal city limits of a city or town, the Board of Directors of the District shall be the Governing Body of the town.

Amendment – Article 7- Section 1

The nominee must file a signed and notarized statement saying they wish to be placed on the ballot for the annual election with the RWD#4 office by certified mail. The statement must be received at the district office no later than January 5th of the election year. Any filing received after this date will not be considered.

Section 2. Immediately following the annual meeting of the participating members, the Board shall meet and shall elect a Chairman, Vice-Chairman, Secretary and Treasurer, from among themselves, each of whom shall hold office until the next annual meeting of the participating members and until the election and qualification of his successor unless sooner removed by death, resignation or for cause. The office of 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 appointment by the remaining members of the Board. The disqualification of a Director as a participating member of the District or failure of any original Director to become a participating member within thirty days after subscription to Benefit Units are made available through action of the Board, shall operate to disqualify him as a Director and to create a vacancy in the Office of Director.

Section 4. A majority of the Board shall constitute a quorum at any meeting of the Board.

Section 5. Any Director of the District may be removed from office for cause by a vote of not less than three-fourths of the participating members of the District at any annual or special meeting called for that purpose. The Director shall be informed in writing of the charges preferred against him at least ten (10) days before such meeting, whether regular or special, and at the meeting shall have an opportunity to present witnesses and be heard in person in answer thereto. Officer of the Board may be removed for cause by a vote of three (3) members of the Board, and employees and agents discharged or removed from office or employment at any time by action of the Board. When the Board of Directors is the governing body of the city or town, they may not be removed except by due process of city government.

Amendment – Article 7- Section 5

Any Board member missing three consecutive board meetings can be replaced.

ARTICLE 8 – POWERS & 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 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 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 service and to make and issue notes, and other negotiable and transferrable instruments, mortgages, deeds of trust agreements, and do every act and things necessary to effectuate same.
- (c) To prescribe, adopt and amend, from time to time, such equitable and uniform rules and regulations, as, in their discretion, may be deemed essential or convenient for the conduct of the business and affairs of the District, and the guidance and control of its agents and employees.
- (d) To fix charges to be paid by each water, sewer, or solid waste management user for services rendered by the District to him, the time of payment, and the manner of collection, and to establish equal rates for members according to the amount of services furnished.
- (e) 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.
- (f) Prepare annually an estimated budget for the coming year, adjust rates, if necessary to produce sufficient revenue required by such budget, cause an annual audit of the District records and accounts to be made by a licensed municipal public accountant or qualified independent accountant, and make a report on said matters at each annual meeting of participating members.

ARTICLE 9 – POWERS & 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 fix their compensation. He shall also, so far as practical, conduct business in such a way that all patrons receive equal service and treatment; deposit in a bank selected by the Board all money belonging to the District which comes into his possession; maintain his records and accounts in such a manner that the true and correct condition of the business may be ascertained there from 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 successor all books, records, documents and correspondence pertaining to the business of the District which may come into his possession; and to perform such other duties as may be prescribed by the Board.

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

Section 4. Treasurer: The Treasurer, who shall be a member of the Board, shall receive and account for all funds of the District, shall deposit the same in some bank designated by the Board as a depository, and pay the accounts, or cause them to be paid out of the depository only in the checks of the Chairman, or someone authorized to sign on the Chairman's behalf, counter-signed by the 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 shall discharge such other duties pertaining to his office as shall be prescribed by the Board, and shall give a good and sufficient bond in such amount as may be fixed by the Board.

ARTICLE 11 – BOOKS & 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 subject to the provisions of the Oklahoma Open Records Act (51 OK Stat. §24A.1-24A.32).

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 City of Sallisaw or the District designated by the Board, at 6:00 P.M., the second Thursday in February.

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 participating members of the District. The purpose of every special meeting shall be stated in the notices 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 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 to adopt a budget for the following year, and will also meet annually to elect officers immediately following the time for election of any new Director. The Board shall meet as such and other times as may be determined by the Board, or upon call by the Chairman or any two members of the Board. Notice of all meetings of the Board shall be given 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 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 & 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 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, and Solid Waste Management District No. 4, Sequoyah County, Oklahoma,” which shall be in the custody of the Secretary.

ARTICLE 16 – FISCAL YEAR

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

ARTICLE 17 – AMMENDEMENT

Section 1. These bylaws may be repealed or amended by a vote of three-fourths 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 to deprive any participating member or land owner of rights and privileges then existing, or to so amend the bylaws as to affect a fundamental change in the policies of the District. Notice of any amendment to be made at any regular or special meeting of the participating members must be given at least ten 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 & DUTIES OF MEMBERS

Section 1. The District shall install, maintain, and operate a main distribution pipeline or lines from the source of water supply, and lines from the main distribution pipeline or lines, to the meter of each participating member of the District, which point is designated as delivery point. Meters to be purchased, installed, owned and maintained by the District shall be set at the place of connection to the main or as designated by the District. The cost of road crossings and/or line extensions shall be paid by the consumer. The District shall also install, maintain, and operate sewage disposal lines and then to a sewage disposal facility. The District shall operate a solid waste disposal system including containers at designated pickup points, and the sanitary landfill or other disposal facility.

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

ARTICLE 20 – PRINTING

Section 1. After adoption, these bylaws shall be prepared in pamphlet form, and a copy thereof shall be delivered to each participating member.

AFFIDAVIT

STATE OF OKLAHOMA)
) SS.
COUNTY OF SEQUOYAH)

Herb Click, Ralph K. Brown, Noel Lowe, Buster Fargo, Jack Hunt, being first duly sworn, depose and state each for himself, that he is a Director of Rural Water, Sewer, and Solid Waste Management District No. 4, Sequoyah County, Oklahoma. The foregoing bylaws were adopted at a meeting of the landowners of said District, duly held on the 16th Day of June, 1976, at 7:00 o'clock P.M. That there were eleven landowners present in person and that the vote for the adoption of the bylaws was unanimous.

Noel Lowe
Betty S. Shartel
Jack R. Hunt

Buster Fargo
Herb Click

Subscribed and sworn before me this 16th day of June, 1976.

SEAL

John Cripps
NOTARY PUBLIC

My commission Expires: 11-9-79

RULES & REGULATIONS
(As amended 1/1/84 & 2/11/21)

These Rules are issued in compliance with the provisions of the Rural Water Districts Act of Oklahoma (82 O.S.A. 2 1301-1321), and the bylaws of the District and are designed to govern the supplying and taking of water service in a uniform manner for the benefit of the District and its members. They are subject to change from time to time. However, all such changes must be approved by the State Director of the Farmers Home Administration, until such time as the District has completely retired all the loans made by or insured by the United States of America. If a provision of Rules conflicts with a provision of the rate schedule, the provision of the rate schedule will prevail. If any portion of these Rules shall be declared invalid by competent authority, such voidance shall not affect the validity of the remaining portions.

DEFINITIONS

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

APPLICANT: Any individual, firm, partnership, corporation or other agency owning land located within the District, applying for water service.

BENEFIT UNIT: A right entitling the holder to one water service connection as defined below.

RESIDENTIAL BENEFIT UNIT: Water service provided to a single or duplex family living unit only.

AGRICULTURAL BENEFIT UNIT: Water service provided to a beef cattle or equine farming operation or for landscape irrigation only.

MULTI-FAMILY BENEFIT UNIT: Water service provided to a residential unit consisting of three or more family living units only.

COMMERCIAL BENEFIT UNIT: Water service provided to a benefit unit used solely for business activities not otherwise defined as a Residential, Agricultural, or Multi-Family benefit unit.

BOARD: The Board of Directors of Rural Water District No. 4, Sequoyah County, Oklahoma.

CONSUMER: Any individual, firm, partnership, corporation or other agency receiving water from the District's facilities and owning or occupying land located within the District in favor of which one or more Benefit Units have been subscribed and paid for.

POINT OF DELIVERY: The point of delivery shall be at the meter, unless otherwise specified in the Application of Water Service and Water Users Agreement.

SERVICE: The term service when used in connection with the supplying of water shall mean the availability for use by the consumer of water adequate to meet the consumer's requirements. Service shall be considered as available when the District maintains the water supply at normal pressure at the point of delivery, in readiness for the consumer's use, regardless of whether or not the consumer makes use of it.

APPLICATION FOR WATER SERVICE & WATER USERS AGREEMENT: The agreement or contract between the consumer and the District, pursuant to which water service is supplied and accepted.

STATE DIRECTOR: The State Director of the Farmers Home Administration.

WATER SERVICE: A water service shall consist of facilities for supplying water to one residential, agricultural, multi-family or commercial establishment located on land within the District. A landowner must purchase a Benefit Unit and accept water for each residential, agricultural, multi-family or commercial establishment served.

GENERAL RULES

1. The supplying and taking of water will be in conformance with these Rules and the applicable rate schedule attached hereto, and filed with the Secretary of the District; provided, however, that such rate schedule is subject to change by action of the Board with the approval of the State Director; provided, further, that if at any time the Board of Directors determines that the total amount derived from the collection of water charges is insufficient for the payment of operating costs, emergency repairs, or debt service, the Board shall increase the minimum water rate for the first month thereafter in an amount sufficient to pay such operating costs, emergency repairs, or debt service.
2. Applicants for service shall make application to the Secretary of the District. If the application for service is approved by the Board of Directors, the applicant will purchase a Benefit Unit for each water service desired, and sign the standard application for water service and water user's agreement for an indefinite period.
3. Before installing a service extension and providing water available for use, the Board may require the applicant to pipe his home and be in readiness to accept service.

SERVICE IS FOR SOLE USE OF CONSUMER:

A standard water service connection is for the sole use of the applicant or the consumer, and does not permit the extension of pipes to transfer water from one property to another, nor to share, resell, or sub-meter water to any other consumer. If an emergency or specific situation should make such an arrangement advisable, it shall be done only on specific written permission of the Board of Directors for the duration of the emergency.

Multiple Users: An exception to the above recited policy and requirements may apply to mobile home parks, manufactured / modular home parks and resorts comprised of three or more residential manufactured / modular home pads, residential / resort rental units or RV pads or two or more commercial units, with multiple outlets to which water is piped or conveyed in the following specifics. That each establishment or business applying for inclusion in this category shall present their application to the Board of Directors of the Water District prior to a regularly scheduled meeting of said District in order to place their name and request on the agenda of the meeting. The application shall state the type of establishment presently in operation or proposed to be placed in operation and the number of units proposed to be using the water from a single tap. If approved by the Board of Directors for the inclusion of the business or establishment in this category, the User shall be charged, in addition to a connection fee for a single tap if not already in existence, for water usage in the following manner:

1. The current Commercial Benefit Unit service rates will apply to multi-user establishments as described above.
2. Water flowing through the single meter shall be charged to the User as if there was a single meter present on the property thereby allowing the minimum amount of usage in gallons then the incremental increase with the increase in water usage as described in the current Schedule of Rates & Fees for a Commercial Benefit Unit.
3. There shall be no reduction of rate of payment of minimum fees if a structure, unit or tap for the water shall be vacant without application to the Board for reduction in rate based upon the total permanent removal of said outlet.
4. The total water bill shall be paid by the single User requesting to be placed in this category.
5. In case of pressure or water shortage, the District may curtail water usage by Multiple Users.

ARRANGEMENTS WITH GOVERNMENTAL AND PUBLIC BODIES:

The District through its Board of Directors may make specific water service contracts with the Federal Government, the State of Oklahoma, or agencies thereof, school districts and municipal corporations, differing from stipulations set out in the rate schedule and rules. Such contracts must receive approval by the State Director of the Farmers Home Administration.

RIGHT OF ACCESS:

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

CONTINUITY OF SERVICE:

The District will make all reasonable efforts to supply continuous, uninterrupted service. However, it shall have the right to interrupt service for the purpose of making repairs, connections, extensions, or for other necessary work. Efforts will

be made to notify consumers who may be affected by such interruptions, but the District will not accept responsibility for losses which might occur due to such necessary interruptions.

The District does not accept responsibility for losses which might occur due to interruptions to service caused by storms, strikes, floods or other causes beyond its control.

METERS

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

METER ACCURACY:

Service meters whose errors do not exceed two percent (2%) fast or slow shall be considered as being within the allowable limits of accuracy for billing purposes. The percentage of error will be considered as that arrived at by taking the average of the error at full load and that at ten percent (10%) load, unless a consumer's rate of usage is known to be practically constant in which case the error at such constant use will be used.

METER LOCATION:

Meters shall be set in an accessible place on the outside of buildings except where otherwise directed by the District. All meters shall be set horizontally and never connected in a vertical pipe. Meters set outside of a building shall be placed in a meter box furnished and installed by the District.

BILLS:

Bills will be rendered for service by the 5th day of the month following that in which the service was rendered as set forth in the rate schedule. Service bills not paid by the 10th of the month will be charged a late charge as set forth in the Schedule of Rates & Fees and subject to disconnection on or after the next meter reading date. Every consumer, whether owner or tenant, shall keep the District advised of the consumer's correct mailing address. Failure of the District to submit service bills or failure of any consumer to receive service bills shall not be a valid excuse for failure to pay the bills when due.

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 consumer's Benefit Unit, plus a service reconnection fee as set forth in the Schedule of Rates & Fees, , and a sum to cover the reasonable cost of labor necessary to make such reconnection.

REQUESTED METER TESTS:

Meter tests requested by consumers will be performed without cost to the consumer if the meter is found to be in excess of two percent (2%) fast, otherwise, the consumer for whom the requested test was made will be charged for the cost of making the test.

CONSUMER'S RESPONSIBILITY:

The consumer shall be responsible for any damage to the meter and all appurtenances installed for his service, on account of any cause other than normal wear and tear.

CHANGE OF OCCUPANCY:

It shall be the consumer's responsibility to anticipate changes of occupancy, and to have his Benefit Unit transferred to the new consumer as prescribed in the bylaws. Until the Benefit Unit is formally transferred, the original holder shall be responsible for payment for service. All charges levied against a Benefit Unit must be paid before the Benefit Unit can be transferred or service resumed where there has been a suspension.

FIRE HYDRANT METER:

A meter to be connected to a fire hydrant for bulk water usage may be rented by a Commercial User for construction purposes only. An application for rental and a deposit will be required prior to release of the meter to the User. The meter must be returned to the District office to be read for billing between the 18th and the 25th of each month. Failure to return the meter to the office for reading will incur a fine equal to 100,000 gallons of water usage and will be assessed each month the meter is not returned. Failure to return the meter after 2 months will void the rental agreement and the deposit will be forfeited to the District. The deposit will be returned, without interest, to the User upon timely return of the hydrant meter, in good condition and with all included accessories, and upon full payment of all charges for water used. Water usage from a fire hydrant meter will be charged to the User at the Commercial Benefit Unit service rates as set forth in the Schedule of Rates & Fees.

MAIN EXTENSIONS:

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 Benefit Unit.
- (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 a Benefit Unit. If and as additional unit / consumers are connected to the extension and as funds become available, all or part of the original consumer's deposit may be returned to him. Any portion of the original 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 pay the entire cost of the extension. In such event, the Board may, as funds become available, return to the consumer that portion of his deposit equal to the average cost of the system per member. No interest will be paid on such deposits.

BENEFIT UNITS

COSTS OF BENEFIT UNITS:

Costs for Benefit Units are established and updated as needed by the Board of Directors and are reflected in the attached Schedule of Rates & Fees

SERVICES:

The District will install and pay for all water service pipes (except for private fire protection) from its mains to the meters on property abutting the right-of-way easement along which the main is installed. The service pipe shall not be less than 3/4th inch in size. The District will also install and pay for the District cock, meter and meter setting. The meter will be set at the place of connection to the main or as designated by the District. Costs for additional line / flow studies, engineering, road crossings, line extensions and / or any other additional costs not otherwise defined above shall be paid by the consumer. As of February 9, 1984, at consumer's expense, a cut-off valve, preferably located at the meters stub-out, is required between the meter installation and point of water use by consumer prior to installation of a new service or at time of re-work of an old installation.

APPLICANTS HAVING EXCESSIVE REQUIREMENTS:

In the event an applicant whose water requirements are found to exceed the District's ability to supply it from the existing distribution system without adversely affecting service to other consumers to an unreasonable extent, the District will not be obligated to render such service, unless and until suitable self-liquidating financing is arranged to cover necessary investment in the distribution system.

CROSS CONNECTIONS WITH WATER SYSTEMS:

There shall be no physical connection made or maintained between any water system (private or otherwise) and the water system of the District. Representatives of the District shall have the right at all reasonable hours to enter upon a consumer's premises for the purpose of inspection and enforcement of this provision. Violation of this provision shall constitute cause for immediate revocation of the membership and disconnection of a consumer's service. All new structures constructed within the District shall, prior to service connection, comply with the plumbing standards of the State of Oklahoma. All sewage disposal systems shall comply with the appropriate Oklahoma Department of Environmental Quality requirements.

UNAUTHORIZED USAGE & TAMPERING:

Any person or persons using a Benefit unit and water service for any use other than the defined Benefit Unit type as designated in the approved service application will be considered unauthorized usage. Members will be subject to immediate revocation of the membership and Benefit Unit, disconnection of the consumer's service and removal of all appurtenances.

Per Oklahoma State Statute 76 OK Stat §76-23 (2014): **It shall be unlawful for any person, with intent to defraud a utility, to:**

1. Alter, tamper with, injure or knowingly allow the altering of, tampering with or injuring of any pipeline, meter, meter seal, or other equipment used by the utility to deliver or register services;
2. Prevent any installed metering device from registering correctly the quantity of service passing through such metering device;
3. Make or cause to be made any connection between any pipeline, meters, or other equipment in such manner as to prevent the correct registration of service by any metering device, or to otherwise use water without the consent of the utility; or
4. Supply or cause to be supplied any utility service to any person without such service first passing through the metering device provided by the utility for measuring and registering the quantity of service.
5. Nothing in this statute shall be construed to apply to licensed and certified contractors while performing usual and ordinary service in accordance with recognized standards.

Any violations of the above statute will be grounds for immediate revocation of the membership and Benefit Unit, disconnection of the consumer's service and removal of all related equipment. Pursuant to the statute, persons may be charged with a misdemeanor punishable by payment of a fine and / or imprisonment in the county jail.

Once a membership and Benefit Unit are revoked and service is disconnected, no service shall be restored until an application for a new membership for the appropriate Benefit Unit type or types as described in the Definitions is completed, all required membership fees, any outstanding charges for usage, and any other fees that may have been assessed are paid in full. Any previously paid membership fees and charges will not be refunded or applied to a new membership. Once the new application or applications are completed and all fees and charges have been paid in full, the application will be presented to the Board for final approval before service or services will be reconnected. The Board, at its discretion, may vote to disallow future memberships for repeated violations of the above regulations.

Unanimously adopted at a meeting of the Board of Directors, held on 6-12-78, at Sallisaw, Oklahoma, with five members of the Board of Directors present.

Betty S. Shartel
BETTY SHARTEL
Secretary

Amendments unanimously adopted at a meeting of the Board of Directors, held on February 11, 2021 at the District office located at 461426 East 1105 Road, Sallisaw, Oklahoma, with five members of the Board of Directors present.

Don Burris
DON BURRIS
Secretary / Treasurer

GENERAL INFORMATION

BOARD MEMBERS

Nick Cox – Chairman

Jamie Fargo – Vice-Chairman

Don Burris – Secretary/Treasurer

James Williams – Director

Olen Carson – Director

STAFF

System Manager – Jim Rose

District Manager – Traci Apple

OFFICE

Location: 461426 E. 1105 Rd, Sallisaw, Oklahoma
Mailing: PO Box 128, Sallisaw, Oklahoma, 74955-0128
Phone: 918-774-9869 / Fax: 918-774-9334
Website: www.sequoyahrwd4.com

SCHEDULE OF RATES & FEES

MEMBERSHIP FEES & SERVICE RATES

All service rates are per 1,000 gallons of water usage unless otherwise stated.

RESIDENTIAL BENEFIT UNIT:

Membership Fees:

5/8 inch meter	\$1,250.00
1 inch meter	\$3,500.00

Service Rates:

Minimum monthly rate (includes up to 1,000 gallons of water usage)	\$27.00
1,001 to 10,000 gallons	\$12.00
10,001 to 15,000	\$13.00
15,001 gallons & greater	\$14.00

AGRICULTURAL BENEFIT UNIT:

Membership Fees:

5/8 inch meter	\$1,250.00
1 inch meter	\$3,500.00

Service Rates:

Minimum monthly rate (includes up to 1,000 gallons of water usage)	\$27.00
1,001 to 10,000 gallons	\$12.75
10,001 to 15,000 gallons	\$13.50
15,001 gallons & greater	\$14.00

MULTI-FAMILY & COMMERCIAL BENEFIT UNITS:

Membership Fees:

1 inch meter	\$3,500.00
2 inch meter	\$4,500.00

Service Rates:

Minimum monthly rate (includes up to 1,500 gallons of water usage)	\$37.50
Flat rate (includes 1,501 to 3,000 gallons of water usage)	\$37.50
3,001 to 10,000 gallons	\$12.75
10,001 to 15,000 gallons	\$13.50
15,001 gallons & greater	\$15.00

ADDITIONAL FEES & CHARGES

Miscellaneous Fees:

Owner Membership Transfer	\$50.00
Occupant / Tenant Change Fee	\$50.00
Hydrant Meter Deposit	\$1,200.00
Reconnection Fee	\$50.00
Return Payment Fee	\$25.00
Late Fee	10% of the current bill

Miscellaneous Credits:

Leak Finder Credit	(\$25.00)
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Damage to District Assets:

Damage to District Assets will be charged to the Member's account at the current replacement cost plus 10%

Labor	\$50.00 per hour
Water Loss Due to Damage	Current water usage rate plus 10%
Tampering Fine - each instance	\$200.00