

RESOLUTION NO. 08-15-11B

A RESOLUTION OF THE DEL CITY MUNICIPAL SERVICES AUTHORITY, AMENDING DCMSA RESOLUTION NO. 9870; ESTABLISHING REGULATIONS AND RATES FOR CITY UTILITY SERVICES.

WHEREAS, the Del City Municipal Services Authority is a public trust, created and operating pursuant to the laws of the State of Oklahoma and the provisions of its Trust Indenture and bound by agreements previously entered into with the City of Del City, its sole beneficiary; and

WHEREAS, the trustees of the Del City Municipal Services Authority have leased and operate the water, sanitary sewer and waste collection systems serving the City of Del City, Oklahoma, and have from time to time issued revenue bonds secured by the net revenues thereof, and are in need of additional revenues, it is appropriate that schedules of rates and charges be established and revised and rules and regulations governing the operation of these systems be promulgated;

NOW, THEREFORE, BE IT RESOLVED that Resolution No. 9870, as amended and as appearing in APPENDIX A – RESOLUTIONS of the Del City Code of Ordinances, is hereby amended to read as follows:

Article 1: General regulations.

Section 1: In general.

The regulations contained in this article are intended to ensure the efficient operation of the utility systems operated by the Authority. When circumstances arise that require deviation from these regulations in the interest of the efficient operation of these systems, such deviations may be made in the sole discretion of the Trust Manager or designee. The Trust Manager or designee is authorized to set policies, publish forms, and establish procedures consistent with these regulations.

Section 2: Establishment of utility accounts.

All persons occupying a property connected to or served by any of the utility systems operated by the Authority must establish a utility account in accordance with the procedures contained in these regulations before occupying the property or making use of utility services.

a. Application.

Application for utility service must be made to the Utility Billing Division on forms designated by the City Clerk. This application must be fully and accurately completed and must be submitted with any required documentation at least two business days in advance of the date service initiation is requested.

b. Requirements for establishment of account.

The following are the minimum requirements for establishment of a utility account:

1. Submission of a complete and accurate application for utility service.
2. Provision of positive identification for all prospective adult occupants and proof of intended occupancy, such as a lease, deed, or purchase settlement statement.

Only a legal occupant of a property may open a utility account with the Authority, and then only upon providing proof of eligibility as set forth under the City and Authority's Identity Theft Protection Program (ITTP).

Exceptions:

Property owners and property managers may establish accounts for temporary utility accounts for maintenance (and cleanup) purposes only. Authorization for maintenance utilities must be obtained from the City Clerk or designee and maintenance utilities are limited to two consecutive periods of two weeks, with renewal subject to approval of the City Clerk or designee.

Property owners, property managers and contractors may also establish temporary utility accounts for construction purposes only. Authorization for construction utilities must be obtained from the Building Official and construction utilities are limited to 180 days in length, with renewal subject to approval of the Building Official.

3. Certificate of Occupancy (for residential properties) or Authorization for Commercial Utility Service (for commercial properties).
4. Payment of any outstanding obligations to the Authority, including outstanding utility charges or other fees, tampering fees, disconnection fees, and/or charges for damage to Authority property.
5. Payment (or proof of valid payment agreement) of any outstanding obligations to any other utility service provider.
6. Payment or resolution of any outstanding obligations to the City of Del City, including, but not limited to, payment of any charges for abatement of any nuisance condition, payment of any overdue court fines or fees, acceptance of service for any outstanding citations or other process in Municipal Court, and/or resolution of any outstanding Municipal Court warrants.
7. Payment of any required installation, connection or "tap" fees.
8. Payment of any fees associated with establishment of a utility account and payment of any required deposits or provision of any documents required in lieu of deposit.

c. Transfer of service.

Any person wishing to transfer service from one property served by the Authority to another property served by the Authority must meet the requirements for establishment of a utility account. The required deposit may be transferred for accounts in good standing at the time of transfer, but any difference between the transferred amount and the required deposit must be paid at the time of transfer.

Section 3: Account Initiation Fees and Security Deposits.

A non-refundable account initiation fee of \$25.00 must be paid in order to establish any new utility account.

A security deposit is required for all accounts as provided for in this section. The required deposit will be deposited with the Authority by each customer prior to establishment of the utility account. This deposit shall bear no interest and shall be returned to the customer in a timely manner when the account is closed, less any amount due to the Authority, provided that the deposit or unused portion thereof shall not be returned until the final billing for the account has been established by the Authority and any amount due to the Authority (or to the City in the

case of drainage or other fees collected on behalf of the City by the Authority) has been determined and deducted from the deposit.

a. New residential accounts.

New residential accounts including water service will be subject to the following deposits:

For owner occupied property: \$90.00

For tenant occupied property: \$120.00

New residential accounts not including water service will be subject to the following deposits:

For owner occupied property: \$60.00

For tenant occupied property: \$80.00

Active-duty military personnel with proper identification will be charged the deposit for an owner occupied property.

b. New commercial accounts.

New commercial accounts will be subject to a deposit equal to the greater of \$250.00 or the average monthly bill for two months of service at a similar business, the amount of which is to be determined at the sole discretion of the City Clerk or designee.

c. New multifamily accounts.

New multifamily accounts will be subject to a deposit equal to \$120 per unit and common area space, with the number of units and common area spaces to be certified to the City Clerk by the Building Official based on a site plan submitted by the utility account applicant.

d. Existing accounts.

Any amount held by the Authority for existing accounts shall continue to be held until the account is terminated or the account becomes eligible for a deposit refund pursuant to the provisions of this section.

e. Additional deposit required for applicants with prior delinquencies.

In the event that an applicant for a residential utility account meets one of the following conditions, an additional deposit of \$100 will be required before an account can be established:

1. For applications for new service, the applicant or any prospective adult occupant had an account closed by the Authority after termination of service for nonpayment of utility charges or other fees within seven years of the date of application.
2. For applications for transfer of service, the applicant or any prospective adult occupant has a past-due balance on any active utility account or had an account closed by the Authority after termination of service for nonpayment of utility charges or other fees within seven years of the date of application.

In the event that an applicant for a commercial or multifamily utility account had an account closed by the Authority after termination of service for nonpayment of utility charges within seven years of the date of the application, an additional deposit equal to the

deposit required in this section for this type of account will be required before an account can be established.

f. Additional deposit required after delinquency.

In the event that a residential utility account is closed by the Authority after termination of service for nonpayment of utility charges or other fees, an additional security deposit in the amount of \$100 must be paid before a utility account will be reestablished.

In the event that a commercial or multifamily utility account is closed by the Authority after termination for nonpayment of utility charges or other fees, an additional security deposit equal to the deposit required in this section for this type of account must be paid before a utility account will be reestablished.

g. Refund of deposit.

If a customer has had an account with the Authority for a period of seven years, and if during that period service has not been terminated for nonpayment of utility charges or other fees, the customer shall be entitled to a refund of the security deposit held by the Authority. Returned security deposits shall be applied to the customer's bill as credit for future services. In the event that an account with a refunded deposit is closed by the Authority after termination of service for nonpayment of utility charges or other fees, a deposit in the amount required by this section for new accounts of that type must be paid before a utility account will be reestablished.

h. Waiver of deposit.

The requirement to post a security deposit may be waived or the amount of the security deposit may be reduced at the sole discretion of the Trust Manager or designee for good reason, provided that, after review, the waiver or reduction is in the best financial and practical interest of the Authority and/or the City.

For residential utility accounts, an approved letter of creditworthiness from other utility providers who service properties in Del City will be accepted in lieu of deposit. An approved letter of creditworthiness must be a written document indicating that the customer has had at least 48 months of continuous utility service with no more than two late payments, no disconnections of service for nonpayment, and no returned checks within that period. The applicant and all occupants also must not have had a utility account closed by the Authority after termination of service for nonpayment of utility charges or other fees within seven years of the date of application.

In the event that an account with a waived or reduced deposit is closed by the Authority after termination of service for nonpayment of utility charges or other fees, a deposit in the amount required by this section for new accounts of that type must be paid before a utility account will be reestablished.

Section 4: Billing.

The Authority will bill each utility account for utility charges and other fees on a monthly basis in accordance with the regulations set forth in this section.

a. Billing cycle and delinquency.

All accounts will be billed monthly and payment will be due no later than the close of business on the 25th day of said month. Accounts not paid in full after the close of business on the 25th day of said month shall be deemed to be delinquent. Effective January 1, 2011, all accounts not paid in full after the close of business on the 15th day of each month shall be deemed to be delinquent. By January 1, 2012, the current billing cycle that includes all utility accounts will be divided into two or more groups that will be billed on a rotating basis. Account holders will be notified of changes to due dates and delinquent dates. If needed for a smooth transition, this change may be delayed to July 1, 2012.

b. Penalty (late) fee.

A penalty fee of \$25 shall be assessed to each account that becomes delinquent. This penalty fee may be waived a maximum of one time per calendar year for any customer making a request, provided that the customer has had an account with the Authority for a minimum of one year and has not had any previous service interruptions for nonpayment or any returned checks.

c. Termination of service for nonpayment and termination fee.

Notice will be sent to customers with delinquent accounts that utility services will be subject to termination after the close of business on the day indicated on the notice, unless the delinquency has been resolved prior to that deadline by payment in full or approval has been granted for a payment arrangement. Once utility services become subject to termination for nonpayment, and regardless of whether or not utility services are actually disconnected or discontinued, a termination fee in the amount of \$50 will be applied to the account. This fee must be paid before utility services can be reconnected or reestablished. Failure to receive a billing statement or termination notice shall not relieve the customer from any responsibility or serve as grounds for waiver of any fees.

d. Payment arrangements.

All payment arrangements are subject to approval by and in the sole discretion of the City Clerk or designee. Failure to comply with the terms of a payment arrangement will cause utility services to be subject to immediate termination and will lead to assessment of all applicable termination and reconnection fees.

e. Billing for services used without active account.

Upon notice that a property inside or outside of the city has used Authority services without an active account, the City Clerk or designee shall prepare a billing statement reflective of charges for actual services used, plus applicable fees. The best available information will be used to calculate the amount of services used, and there will be a presumption that any estimate made by the City Clerk or designee will be accurate unless rebutted by proof provided by the person having used the services.

A processing fee of \$100 will be added to the total amount due to offset the administrative costs of researching the actual usage, but this fee may be waived by the City Clerk in the event that the usage of utility services without an active account was unintentional.

The billing calculation will use the fees and rates effective at the time the billing statement is produced without regard for differences in fees that may have existed during the time at which the services were used. The billing statement shall also reflect charges for any fees collected by the Authority on behalf of the City.

The charges reflected on the billing statement must be paid before a utility account can be established for the customer who used the services. At the sole discretion of the City Clerk, a payment arrangement may be approved for these charges.

Section 5: Tampering and/or damage to authority property.

The following regulations apply with regard to tampering with or causing damage to the property of the Authority. These regulations provide for certain administrative procedures, including assessment of certain fees and charges, related to tampering and damage to authority property. These fees and charges represent administrative assessments designed to offset the disruption to the administration of the Authority's business and operations caused by unauthorized initiation or renewal of utility services and to offset the actual costs of repairing or replacing damaged property. No action specified herein, including assessment of fees or charges, shall bar the Authority or the City from seeking any available remedies relating to tampering or damage, including but not limited to criminal prosecution and/or discontinuation of utility services.

a. Tampering.

In the event that the Authority causes utility services to be disconnected or discontinued to a property, for nonpayment or any other reason, and those services are reconnected or reestablished by any means by any person other than the duly empowered agent of the Authority, a tampering fee in the amount of \$100 will be assessed to the utility account for the property. In the event that a utility account is not active, the City Clerk or designee will use all available information to determine, in the sole discretion of the City Clerk or designee, the party responsible for the tampering and will cause the fee to be assessed to that person.

In the event that a utility account is assessed a second tampering fee in accordance with this section, the City Clerk shall cause notice to be sent to the holder of the account advising that further tampering shall constitute grounds for permanent discontinuation of utility services. If assessment of a third tampering fee becomes warranted under this section, the City Clerk shall cause the fee to be assessed and then shall cause the account to be terminated and shall refer the property to the Building Official for further enforcement action consistent with the City's adopted codes.

The City Clerk shall provide a listing of all assessed tampering fees to the Code Enforcement Division of the Department of Community Services on a monthly basis to determine whether further enforcement action is warranted.

b. Damage.

In the event that property of the Authority used to provide service to a property is damaged, the City Clerk or designee shall determine the actual cost to repair or replace the damaged property and shall cause that charge, along with an administrative fee of \$100, to be billed to the utility account for the property. Depending on the nature and severity of the damage, the City Clerk may cause utility services to the property to be discontinued until such a time as these charges are paid in full. In the event that a utility account is not active, the City Clerk or designee will use all available information to determine, in the sole discretion of the City Clerk or designee, the party responsible for the damage and will cause the fee to be assessed to that person. In the sole discretion of the City Clerk, and

based on the individual circumstances relating to the damage, the charge may be waived or reduced.

Damage caused to meters, mains, taps or other Authority property in the course of removing a meter or disconnecting utility service due to nonpayment or tampering is the responsibility of the account holder and will be billed as provided for in this section. Damage to the property water or sewer line in the course of removing a meter or disconnecting utility service due to nonpayment or tampering is the responsibility of the property owner and must be repaired pursuant to the City's adopted codes prior to reconnection of service.

The City Clerk shall provide a listing of all assessed damage fees to the Code Enforcement Division of the Department of Community Services on a monthly basis to determine whether further enforcement action is warranted.

Section 6: Returned checks and collections.

In the event a check used to make a payment on a utility account is returned unpaid for any reason, a returned check fee of \$50 shall be assessed. In addition, the Authority may send bad or bogus checks to the District Attorney for collection and prosecution. After a second returned check, future payment must be made in cash or certified funds.

In the event that a utility account is terminated and an unpaid balance remains after application of any security deposit, the Authority may use all available means to effect recovery of the unpaid balance, including referring the matter to an outside collection agency and/or filing suit in a court of competent jurisdiction. The owner of the utility account shall bear all costs associated with the recovery of any unpaid balance, including collection fees, legal fees, and court costs.

Section 7: Discontinuation of utility services other than for nonpayment.

The Authority shall discontinue utility services to a property upon notice from the appropriate official that one of the following conditions exists. Nothing contained in this section shall impair the ability of the City Manager and/or Trust Manager to order utility services to a property disconnected for any reason and at any time.

a. Condemnation or revocation of Certificate of Occupancy.

In the event that the Building Official provides written notice that a property has been condemned for occupancy in accordance with the City's adopted codes, or that the Certificate of Occupancy has lapsed, utility services are subject to termination.

b. Failure to pay abatement charges.

In the event that abatement charges assessed by the City Council are not paid within the time period specified and are filed as a lien against a property, all property owned or occupied by the responsible individual is subject to termination of utility services upon written notice from the Director of Community Services or designee.

c. Violation of city ordinances or regulations.

In the event that severe or persistent violations of city ordinances or other regulations are found to exist on a property, utility services are subject to termination on written order of the Director of Community Services or designee.

d. Unexplained consumption.

In the event that significant unexplained consumption is found to be occurring at a property, the City Clerk or designee shall consult with the Building Official. If a significant leak is thought to be occurring, utility services are subject to termination until such a time as evidence of diagnosis and applicable repair has been provided to the City Clerk and approved by the Building Official.

e. Dangerous conditions.

In the event that an imminent threat to the health, safety or welfare of occupants of a property or surrounding areas exists, the Building Official, Fire Marshal or designee or Director of Public Works or designee may order utility services discontinued until the dangerous condition is corrected. Dangerous conditions specifically include, but are not limited to, electrical hazard, overflow of sewage, and leakage of water causing ice or pooling. Nothing contained in this paragraph shall impair the right of the Building Official to order utilities disconnected in accordance with the City's adopted codes.

f. Failure to appear in Municipal Court.

In the event that a utility account holder or occupant fails to appear in Municipal Court and an arrest warrant is issued, utility services are subject to disconnection on written request of the Chief of Police or designee or the Director of Community Services or designee.

g. Failure to Accept Service of Criminal Citations

In the event that a property owner, utility account holder or occupant repeatedly fails to accept service of criminal citations, utility services are subject to disconnection on written request of the Chief of Police or designee or the Director of Community Services or designee. Repeated failure to accept service shall be constituted by failure to accept at least two certified letters sent to the property (for an occupant) or to the address of record on file with the County Assessor (for a property owner).

h. Expiration or revocation of building permit.

In the event that a property is being served by construction utilities and the applicable permit expires or is revoked, or the Building Official feels that construction utilities are no longer appropriate for the project, utility services are subject to termination on written notice from the Building Official.

i. Evidence of unlawful occupancy.

In the event that a property is being served by maintenance utilities and is found to be occupied, utility services are subject to termination on written notice from the Director of Community Services or designee.

j. Violation of federal or state regulations.

In the event that a property is causing the City to be in violation of state or federal regulations (e.g. illicit discharge, wastewater bypass, stormwater quality violation), utility services are subject to termination on written notice from the Building Official or Director of Public Works or designee.

Section 8: Liability of the Authority.

Neither the Authority nor the City nor any agent thereof shall be liable for any direct or consequential damages resulting from the provision of utility services, from the temporary unavailability of utility services, or from any action or inaction of Authority or City employees or contractors, including but not limited to any damages resulting from discontinuation of utility services, failure to deliver water or deliver water at a specific pressure or volume, failure to transport wastewater, failure to collect solid waste, or for any system failure outside the direct control of the Authority or the City.

Article 2: Water.

Section 1: In general.

The regulations and rates contained in and referenced by this article are necessary for the efficient distribution of water for domestic use, commercial use, industrial use and fire protection to and for customers of the Authority.

Section 2: Water usage to be metered.

The water system of the Authority is to be fully metered. New water connections serving more than one residential or commercial property are not permitted. Multifamily properties having more than two dwelling units will be permitted to be served by the same meter, provided that each building is equipped with an operable and accessible shutoff valve at the service entrance and each dwelling unit or common space area is equipped with individual shutoff valves. Existing water connections that service more than one residential or commercial property are required to be divided in the event that one of the following occurs: any sort of remodeling permit is issued for the property, service is voluntarily discontinued for any period of time, service is terminated for nonpayment of utility charges or other fees, any repairs are made to the water service, or the property is condemned for occupancy.

Section 3: Rates

The rates to be charged by the Authority for provision of water service shall be set forth on a rate schedule approved by the Authority and published by the City Clerk. This rate schedule shall include flat rates for provision of maintenance water service for a two week period and for provision of construction water service on a monthly basis. This rate schedule shall include rates for provision of water service to properties outside the city limits and shall set the rates for such service at one and one half times the rate for a similar property within the city limits. This rate schedule shall remain in effect until altered by the Authority, subject to the provisions of this Article relating to increases without further action.

Section 4: Increases without further action.

Each year, the City Clerk shall determine, based on data provided by the United States Department of Commerce, the amount of increase in the Consumer Price Index for the most recent year available ("inflation rate"). All rates set forth on the approved rate schedule shall annually increase by a factor equal to that of the inflation rate, rounded to the next whole percentage point. The rate increase shall take effect for the billing period beginning on or after July 1 of each year. The increase shall take effect without further action by the Authority. In the event that the inflation rate is zero or negative, the rates shall not change for that period.

Section 5: Installation of meters and connection fees.

The following fees shall apply for connection to the Authority's water mains.

For 5/8 inch or 3/4 inch service	\$500 short	\$700 long
For 1 inch service	\$600 short	\$800 long
For 1 1/2 inch service	\$1,100 short	\$1,600 long
For 2 inch service	\$2,000 short	\$2,600 long
For 3 inch service	\$4,000 short	\$4,500 long
For 4 inch service	\$4,900 short	\$5,500 long
For 6 inch service	\$7,800 short	\$8,400 long

A short installation shall be any installation with a distance of ten feet or less from the main line to the meter. A long installation shall be any installation with a distance exceeding ten feet from the main line to the meter.

For meter sizes of two inches or smaller, connections to the main line will be accomplished by Authority personnel, with the cost of such work included in the connection fee. For meter sizes greater than two inches, or for smaller sizes on request of the applicant, connection to the main line will be accomplished by a utility contractor approved by the Director of Public Works or designee, with the applicant bearing the cost of such work and the work being supervised by Authority personnel.

In certain circumstances and pursuant to a development agreement approved by the City Council, the connection fees for multiple connections, such as in a new subdivision, may be reduced provided that the connection to the main that otherwise would be done by Authority personnel is made by the property owner at the time of installation of the water mains. A corporation stop must be installed and the service pipe must be readily available for installation of the meter. The minimum connection fees to be charged for such an arrangement are as follows.

For 5/8 inch or 3/4 inch service	\$300
For 1 inch service	\$400
For 1 1/2 inch service	\$900
For 2 inch service	\$1,800

An additional fee may be required in the even special circumstances arise requiring additional work beyond normal connection to the main line and installation of the meter and related equipment, including but not limited to cutting pavement and significant excavation work. This fee will be determined based on the actual cost of the additional required work.

Section 6: Capital Improvement Water Surcharge

In addition to the rates for water use and other fees related to water use established herein, each utility account shall be subject to a water surcharge for the purpose of offsetting the cost of major capital improvements of the Authority that are related to water distribution, waterline enhancements and/or servicing or retirement of debt. The surcharge for all accounts shall be seventy-five cents (\$0.75) per thousand gallons of water consumed. This surcharge shall increase by one cent each year, with the increase to take effect for the billing period beginning on or after July 1 of each year. The increase shall take effect without further action by the trustees of the Authority.

Section 7: Technical Standards

The Director of Public Works, with the approval of the Trust Manager, shall have the ability to develop and promulgate technical standards relating to maintenance of or improvement to the public water distribution system. These standards shall be binding so long as they do not conflict

with an ordinance of the City or a resolution of the Authority. In the absence of a specific standard, the standards used by the Oklahoma Department of Environmental Quality shall constitute minimum standards for maintenance of or improvement to the public water distribution system.

No addition or modification to the Authority's public water distribution system shall be permitted unless approval has been granted by the Oklahoma Department of Environmental Quality. ODEQ will constitute the minimum acceptable standard. At the sole discretion of the Director of Public Works, compliance with stricter standards may be required. No addition or modification will be permitted to create non-compliance with the Authority's permit or any federal or state regulations.

Section 8: Additional Provisions

The following additional provisions are hereby enacted in order to ensure the efficient provision of water service.

- a. Billing adjustments related to leaks.
Billing adjustments for excess consumption caused by water leaks are governed by Trustee Policy. This policy is available from the Utility Billing Division.
- b. Testing of meters.
Any customer may make a request, in writing for testing of the accuracy of the water meter installed to service that customer account. The testing will be performed by an outside agency selected by the Director of Public Works. The customer will be responsible for paying all testing fees in advance.
- c. Consumption disputes.
Any customer who disputes the reading of the water meter for the current billing period may request that the meter be read again. Any time that the meter is re-read and the first reading is found to have been within reason, the account shall be charged a re-read fee of ten (10) dollars, provided that this fee may be waived once per calendar year.
- d. After hours callouts.
In the event Authority personnel are called out to an address after normal business hours to investigate a lack of water service, and the reason for the interruption of service is other than a disruption caused by failure of lines or equipment of the Authority, a callout charge of fifty (50) dollars shall be applied to the account for the property making the request.

Article 3: Sewer

Section 1: In general

The regulations and rates contained within and referenced by this article are necessary for the efficient collection, conveyance and treatment of residential, commercial and industrial sewage and wastewater for the customers of the Authority.

Section 2: Determination of usage

Annually, the City Clerk shall examine each utility account and make a determination as to the amount of disposed wastewater for which the account shall be billed each month. This determination will be based on an average of the water consumption reflected on the billing statements issued during the preceding January, February and March. For utility accounts not obtaining water service from the Authority, the City Clerk will estimate likely usage amounts for these months. The determination of the City Clerk shall take effect as soon as is practicable and shall be final and binding, provided that any customer wishing to dispute the determination may provide evidence to the City Clerk and request a review, the results of which shall be the final determination.

Section 3: Rates

The rates to be charged by the Authority for the provision of sewer service shall be set forth on a rate schedule approved by the authority and published by the City Clerk. This rate schedule shall include rates for provision of sewer service to properties outside of the city limits and shall set the rates for such service at one and one half times the rate for a similar property within the city limits. This rate schedule shall remain in effect until altered by the Authority, subject to the provisions of this Article relating to increases without further action.

Section 4: Increases without further action

Each year, the City Clerk shall determine, based on data provided by the United States Department of Commerce, the amount of increase in the Consumer Price Index for the previous year ("inflation rate"). All rates set forth on the approved rate schedule shall annually increase by a factor equal to that of the inflation rate, rounded to the next whole percentage point. The rate increase shall take effect for the billing period beginning on or after July 1 of each year. The increase shall take effect without further action by the trustees of the Authority. In the event that the inflation rate is zero or negative, the rates shall not change for that period.

Section 5: Capital Improvement Sewer Surcharge

In addition to the rates for sewer service and other fees related to sewer use established herein, each utility account shall be subject to a sewer surcharge for the purpose of offsetting the cost of major capital improvements of the Authority that are related to wastewater treatment, wastewater collection system enhancements and/or servicing or retirement of debt. The surcharge for all accounts shall be seventy-five cents (\$0.75) per thousand gallons of disposed wastewater. This surcharge shall increase by one cent each year, with the increase to take effect for the billing period beginning on or after July 1 of each year. The increase shall take effect without further action by the trustees of the Authority.

Section 6: Backflow prevention

For new sewer connections, backflow prevention shall be provided as required in the City's adopted plumbing code.

For existing connections, backflow connection shall be provided as would be required in the city's adopted plumbing code for new connections anytime substantial repairs are made to the service lines or anytime a claim is filed with the City or the Authority for a loss occurring due to sewer backup.

Backflow preventers are the responsibility of the property owner and must be adequately maintained and serviced or replaced as needed.

Section 7: Technical standards

The Director of Public Works, with the approval of the Trust Manager, shall have the ability to develop and promulgate technical standards relating to maintenance of or improvement to the public wastewater collection and treatment system. These standards shall be binding so long as they do not conflict with an ordinance of the City or a resolution of the Authority. In the absence of a specific standard, the standards used by the Oklahoma Department of Environmental Quality shall constitute minimum standards for maintenance of or improvement to the public water distribution system.

No addition or modification to the Authority's wastewater collection and treatment system shall be permitted unless approval has been granted by the Oklahoma Department of Environmental Quality. ODEQ standards for lines, connections, lift stations and other equipment will constitute the minimum acceptable standard. At the sole discretion of the Director of Public Works, compliance with stricter standards may be required. No addition or modification will be permitted to create non-compliance with the Authority's permit or any federal or state regulations.

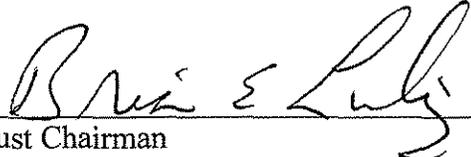
Article 3: Garbage billing.

Section 1: Monthly statements.

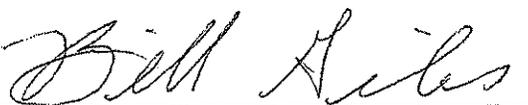
Monthly charges for garbage and other solid waste services provided by the City or the Authority shall be billed on the monthly statement sent by the Authority.

PASSED and APPROVED this 15th day of AUGUST, 2011.

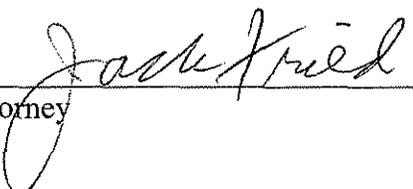
DEL CITY MUNICIPAL SERVICES
AUTHORITY


Trust Chairman

ATTEST:


Secretary

APPROVED as to form and legality this 15 day of August, 20011.


City Attorney