

BY-LAWS
ADAMSON RURAL WATER DISTRICT #8
PITTSBURG COUNTY, OKLAHOMA

(As adopted by the Membership at the Annual Meeting on April 8, 2003)
(Revised 5/12/14)

Article 1
Purpose and Powers

- Section 1:** The purpose for which the Adamson Rural Water District #8, Pittsburg County, Oklahoma (hereinafter referred to as "District") was formed is set forth in 68 O.S., § 1324.3. Meetings will be conducted in accordance with the Robert's Rules of Order, adopted April 11, 2002.
- Section 2:** The powers of the District are set forth in 68 O.S., § 1324.10.

Article II
Name and Location

- Section 1:** The name of this water district is "Adamson Rural Water District #8, Pittsburg County, Oklahoma.
- Section 2:** The principal office of the District shall be located at Adamson, County of Pittsburg, State of Oklahoma, but the District may maintain office and places of business at other such places within the territorial boundaries of the District as the board of Directors may determine.

Article III
Fiscal Year

The fiscal year of the District shall begin the first day of November of each year and conclude on the 31st day of October of the following year.

Article IV
Membership

- Section 1:** The holders of membership certificates of this District are its members. Any applicant who receives approval of the Board of

Directors may be admitted to membership upon, (1) subscribing for or otherwise acquiring a membership certificate, and (2) by signing such agreements for the purchase of water service as may be provided and required by the District; provided that no person shall be permitted to acquire membership if the capacity of the District's water system is exhausted by the needs of its existing members.

Section 2:

The membership fee will be \$100.00 together with a \$850.00 (approved 5/12/14) installation cost, with no more than a 10% annual increase to apply to new members. The membership is non-reimbursable and will be considered a donation to the District; however, membership certificates may be transferred in accordance with the provisions of these By-Laws. Water service will be supplied only to members; however, the Board may make service available to the public for purchase at distribution points as it may establish.

Section 3:

In case a member ceases to be eligible to hold membership as provided in Section 1 of this Article, or willfully fails to comply with these By-Laws or the Rules and Regulations or other requirements, or willfully obstructs the purposes and proper activities of the District, the District through the Board of Directors may elect to terminate the membership certificate. Any member whose membership is so terminated for cause other than that of ceasing to be eligible may appeal the action of the Board of Directors to a vote of the members at the next regular meeting of the members or special meeting of the members called for such purpose.

Article V

Membership Certificates

Section 1:

The membership certificates shall be issued to each holder of a fully paid membership and shall be numbered consecutively, in accordance with the order of issue. Each membership certificate shall bear on its face the following statements:

- (A) This membership certificate, No. _____ issued and accepted in accordance with and subject to the conditions and restrictions stipulated in the By-Laws and Amendments to the same of the Adamson Rural Water District #8, Pittsburg County, Oklahoma.
- (B) Transfers of membership certificates shall be made only upon the books of the District; only to persons eligible to

become members; only with the approval of the Board of Directors; and only when the member transferring (transferor) is free from indebtedness to the District.

- (C) No member of this District shall be entitled to more than one (1) vote at the meetings of the members or to hold more than one (1) of the membership certificates of the District. A member must be present at the meetings of the members in order to vote. No absentee or proxy voting will be permitted.
- (D) Every member upon becoming a member of this District agrees to sign such agreement for the purchase of water from the District as may from time to time be provided and required by the District.

Section 2:

All transfers of membership certificates shall be made upon the books of the District upon the surrender of the certificates covering the same by the holders thereof, or by their representatives, but only with the approval of the Board of Directors, and only when the transferring member (transferor) is free from indebtedness to the District.

Section 3:

Each member agrees to sign such water agreements as the District shall from time to time provide and require.

Article VI

Meetings of Members

Section 1:

The Annual Meeting of the members of this District shall be held in Adamson, and such other locations within Pittsburg County, State of Oklahoma as the Board of Directors shall determine, at 7:00 p.m., on the second Tuesday in April of each year, if not a legal holiday or, if a legal holiday, on the next business day following; a majority of the participating members present shall constitute a quorum.

Section 2:

Special meetings of the members may be called anytime by action of the Board of Directors, and such meetings must be called whenever a petition requesting such meeting is signed by a least ten percent (10%) of the members and presented to the Secretary-Treasurer or to the Board of Directors. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted except such as specified in the notice.

Section 3:

Notice of meetings of members of the District will be given in compliance with the requirements of the Oklahoma Open Meeting Act (25 O.S., §301 et seq.). Notice of the Annual Meeting will be given by written notice mailed to each member of record, directed to the address shown upon the books of the District, at least ten (10) days prior to the meeting and by publication in a newspaper having general circulation in the County. Such notice shall state the time, place and purpose of the Annual Meeting. In addition, an agenda of the Annual Meeting shall be posted in prominent public view at the location selected for the Annual Meeting at least twenty-four (24) hours prior to the Annual Meeting, excluding Saturdays and Sundays and holidays legally declared by the State of Oklahoma. Notice of any special meetings of the members shall be by publication in a newspaper having general circulation in the county at least one (1) week prior to the date of the special meeting. Such notice shall contain the date, time and place of the special meeting. In addition, an agenda of the special meeting of the members shall be posted in prominent view at the location selected for the special meeting at least twenty-four (24) hours prior to the special meeting of the members, excluding Saturdays and Sundays and holidays legally declared by the State of Oklahoma.

Section 4:

The order of business at the regular Annual Meeting of the members, and, so far as possible, at other meetings of members shall be:

- (A) Call to Order
- (B) Proof of Notice of Meeting
- (C) Reading and Approval of Minutes of Last Meeting
- (D) Reading of Financial or Audit Report
- (E) Report of Officers or Committees
- (F) Election of Directors
- (G) Unfinished and New Business
- (H) Adjournment

Article VII

Directors and Officers

Section 1:

The Board of Directors of this District shall consist of five (5) members: all of who shall be participating members of the District, and whose primary residence is on the water system. The directors serving at the time of the formation of this District shall serve until the expiration of the term which they were elected under the By-Laws of the old corporation (Adamson Rural Water District #8) until their successors are elected and qualified. At each Annual Meeting of the participating members, the participating

members shall elect for a term of three (3) years the number of directors whose terms of office have expired.

Section 2:

A requirement for qualification to serve as a board member shall be a written pledge that upon election such board member shall attend a minimum of six (6) hours of workshop training to be offered periodically on a regional basis within twelve (12) months following election to the board as provided for in 82 O.S. § 1324.16 (B)(1). Such requirement shall not apply to any board member who has at least one (1) year of experience prior to the date of the board election as a member of the board to which membership is sought.

Section 3:

The permanent Board of Directors shall meet within ten (10) days after the first election held at the first Annual Meeting of members, and within ten (10) days after each annual election of directors, and shall elect by ballot the Chairman, Vice-Chairman, and a Secretary-Treasurer from among themselves, each of whom shall hold office until the next Annual Meeting and until the election and qualification of his/her successor, unless sooner removed by death, resignation, or for other such cause.

Section 4:

The Board of Directors shall meet monthly at a designated time as may be determined by the Board, or upon call by the Chairman or any two (2) members of the Board.

Section 5:

Notice of all Board meetings shall be in compliance with the requirements of the Oklahoma Open Meeting Act (25 O.S., § 301 et seq.). Three (3) Directors (a majority) at any Board of Directors' meeting shall constitute a quorum.

Section 6:

Any Board member who misses three (3) consecutive monthly Board meetings shall have forfeited his/her right to serve on the Board and shall be replaced pursuant to the provisions of Section 7 of this Article.

Section 7:

If the office of any Director becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, except by removal from office, the remaining Directors shall, by a majority vote, choose a successor who shall hold office until the next regular meeting of the members of the District, at which time the members shall elect a Director for the unexpired term or terms, provided that in the call of such regular meeting a notice of such meeting election shall be given.

Section 8:

Compensation of Officers and Directors may be fixed at any regular or special meeting of the members of the District, Board Members shall receive no compensation (approved 3/10/14) per regular Board meeting attended and \$0.30 per mile for mileage when a Board Member uses his/her personal vehicle for District matters other than for attendance of regular Board Meetings. Furthermore, the District shall reimburse all reasonable expenses incurred by any Board Member for attending workshops and training.

Section 9:

Officers and Directors may be removed from office in the following manner: any member, officer, or director may present charges against a Director or Officer by filing them in writing with the Secretary-Treasurer of the District. If presented by a member, the charges must be accompanied by a petition signed by ten percent (10%) of the members of the district. Such removal shall be voted on at the next regular or special meeting of the members, and shall be effective if approved by majority vote of the members. The Director or Officer against who such charges have been presented shall be informed, in writing, of such charges five (5) days prior to the meeting, and shall have the opportunity at such meeting to be heard in person or by counsel, and to present witnesses; and the person or persons presenting such charges against him/her shall have the same opportunity. If the removal of a Director is approved, such action shall also vacate any other office held by the removed Director of the District. A vacancy in the board thus created shall immediately be filled by a vote of the majority of the members present and voting at such meeting. A vacancy in any office thus created shall be filled by the Directors from among their members so constituted after the vacancy in the Board has been filled.

Article VIII **Duties of Directors**

Section 1:

The Board of Directors, subject to restrictions of law, or these By-Laws, shall exercise all powers of the district, and, without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board of Directors shall have, and are hereby given, full power and authority in respect to the matters as hereinafter set forth.

(A) To determine the qualification of members and to cause to be issued appropriate certificates of membership;

(B) To select and appoint all officers, agents, or employees of the

District; to remove such agents or employees of the District for just cause; prescribe such duties and designate such powers consistent with these By-Laws; and fix their compensation and pay for faithful services;

(C) To ensure that the operator/manager of the water system is licensed by the State of Oklahoma Department of Health in the same manner as provided in the laws of the State of Oklahoma;

(D) To borrow from any source, money, goods, or services and to make and issue notes and other negotiable and transferable instruments, mortgages, deeds of trust and trust agreements and to do every act and thing necessary to effectuate the same.

(E) To prescribe, adopt, and amend from time to time such equitable 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 for the guidance and control of its officers and employees, and to prescribe adequate penalties for the breach thereof;

(F) To require, at least once each year, an audit of the books and accounts of the District by a competent public auditor or accountant, a report of which shall be submitted to the members of the District at the Annual Meeting;

(G) To prepare each fiscal year an estimated budget for the coming year;

(H) To set the charges to be paid, terms of payment, and manner of collection by each member for services rendered by the District to each member;

(I) To require all officers, agents, and employees charged with responsibility for the custody of any and all funds of the District to give adequate bonds, the cost thereof to be paid by the District, and it shall be mandatory upon the Directors to so require;

(J) To select one or more banks, savings and loans, credit unions or other federally insured financial institutions to act as depositories of the funds of the District; to determine the manner of receiving, depositing, and disbursing the funds of the District; to determine the form of checks and persons by whom the same shall be signed; and to change such depositories and the names of such persons signing such checks and the form thereof at will;

(K) To levy assessments against the membership certificates of the District and to enforce the collection of such assessments by the forfeiture of the membership certificates of delinquent

customers. The Board of Directors shall have the option to declare forfeited any membership certificate on which assessment has not been paid, at any time after ninety (90) days from the date the assessment was due, provided that the District must give the member at least thirty (30) days written notice mailed to the last known address of the member as indicated on the books of the District of its intention to forfeit the certificate if the assessment is not paid.

Article IX

Duties of Officers

Section 1:

Duties of Chairman: The Chairman shall preside over a meetings of the members and of the Board of Directors; call special meetings of the Board of Directors; perform all acts and duties usually performed by the executive and presiding officer; sign all membership certificates and such other documents of the District as he/she may be authorized or directed to sign by the Board of Directors, provided the Board of Directors may by majority vote to authorize any person to sign any or all checks, contracts, and other instruments in writing on behalf of the district, including notice of intention to forfeit certificates for unpaid assessment.

Section 2:

Duties of the Vice-Chairman: In the absence or disability of the Chairman, the Vice-Chairman shall have all the powers and perform all of the duties of the Chairman provided that in the case of death removal, resignation, or disability of the Chairman, the Board of Directors may declare the office vacant and elect a successor.

Section 3:

Duties of the Secretary-Treasurer: The Secretary-Treasurer shall keep a complete record of all meetings of the District and of the Board of Directors and shall have general charge and supervision of the books and records of the District. Upon the election of his/her successor, the Secretary-Treasurer shall turn over to him/her all books, records, and other such property belonging to the District that he may have in his possession. He/She shall also perform such duties with respect to the finances of the District has made be prescribed by the Board of Directors.

Article X

Miscellaneous Provisions

Section 1:

Service Lines:

(A) Each holder of a membership certificate shall be entitled to

one line from the District's water system.

(B) A member may make application to the Board of Directors for additional service line(s). Upon approval of the Board and upon payment of a mandatory charge for each additional line (as may be determined by the Board), the additional service line(s) will be made available to the member.

(C) Members desiring service after the final plans are drawn and approved by the Board of Directors may be charged an additional fee, equal to the actual cost of providing the service.

(D) Irrespective of any other provision in these By-Laws, no water service will be furnished with the limits of any incorporated town/city, rural water district, or other public body without the written consent of the governing body thereof.

Section 2:

The District shall install, maintain, and operate from a main distribution pipeline or lines from the source of water supply and lines from the main distribution pipeline or lines, to the property line of each participating member of the District, at which point designated as "delivery points," meters, which will be purchased, installed, owned, and maintained by the District, shall be installed.

Section 3:

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

Section 4:

In the event the total water supply shall be insufficient to meet all the needs of the members and users, or in the event there is a shortage of water, the District may prorate the water available among the various members and users on sufficient basis as is deemed equitable by the Board, and may also prescribe a schedule of hours, covering the use of water and require appearance thereto.

Section 5:

Daily operations of the District shall be maintained and controlled by the District. Any proposal to transfer operations of the District to any other agency, company, corporation, rural water district, or management service shall be submitted to a vote of the membership at the Annual Meeting or at a special meeting of the members called for such purpose. Approval of operations transfer

shall require a vote of 51% of the membership as a whole.

Section 6:

The Board of Directors shall, prior to the beginning of each fiscal year, prepare a budget for the following year and adopt a schedule of water rates sufficient to pay the normal operating and maintenance expenses, all debt service requirements, if any, and the reserves required by the loan resolution, if any. Any decrease in the rates shall be subject to the approval of the Oklahoma Water Resources Board, if the District is indebted to that Agency on any loans made or insured for the construction of the District's facilities.

Section 7:

Failure to pay the minimum monthly water charge, or failure to pay for water used through a meter shall constitute a forfeiture of the membership certificate on behalf of which failure occurs, provided, that such membership certificate shall be reinstated if within three (3) months of forfeiture, all back charges are paid in full plus interest and reasonable labor charges, if necessary, to effect such reconnection.

Section 8:

It shall be a mandatory requirement that at least two (2) members of the Board of Directors sign any and all checks issued by the District.

Article XI

Distribution of Surplus Funds

It is not anticipated that there will be any surplus net income. If there should be, then at the end of the fiscal year, after paying the expenses of the District for operation and otherwise, and after setting aside reserves for the depreciation of all buildings, equipment, office fixtures, and such other reserves as the Board of Directors may deem proper; and, after providing for payments on interest and principal of an and all obligations and amortized debts of the District; and providing for the purchase of proper supplies and equipment, the net earnings shall be used for the retirement of indebtedness or the Board may make a general rate reduction to the members.

Article XII

Amendments

Section 1:

These By-Laws, except as otherwise set forth in Section 5 of Article X above, may be repealed or amended by a majority vote of the members present at any regular meeting of the District, or any special meeting of the District called for that purpose, except that the members shall not have the power to change the purposes of the District so as to decrease its rights and powers or obligations under the laws of the State of Oklahoma, or to waive any

requirements of bond or other provisions for the safety and security of the property and funds of the District so as to decrease its rights and powers under the laws of the State of Oklahoma, or to waive the requirements of bond or other provisions for the safety and security the property funds of the District or its members, or to deprive any member of rights and privileges then existing, or to amend the By-Laws as to effect a fundamental change in the policies of the District. Notice of any amendment to be made at a special meeting must set forth the amendment or amendments to be considered. Any amendments to the By-Laws as provided herein shall be subject to the approval of the Oklahoma Water Resources Board, if the District is indebted to that Agency for any loans made, or insured for the purpose of constructing the water system of the District.

ADOPTED BY UNANIMOUS VOTE at the annual meeting of the members held April 8, 2003 at 7 p.m. at Adamson, Oklahoma, with 27 members present and 7 members of the Board of Directors present.

ATTEST:

SECRETARY-TREASURER

CHAIRMAN