

**RURAL WATER DISTRICT NO. 5  
ADAIR COUNTY, OKLAHOMA**

**BY-LAWS: AMENDED**

**ARTICLE 1**

**NAME AND PLACE OF BUSINESS**

SECTION 1. The name of this corporation shall be Rural Water District No. 5, Adair County, Oklahoma.

SECTION 2. The principal office of the District shall be located at the Water Treatment Facility<sup>1</sup>, Adair County, Oklahoma.

**ARTICLE 2**

**CORPORATE POWERS**

SECTION 1. The corporate powers of the District shall be vested in a Board of Directors, hereinafter referred to as the Board.

**ARTICLE 3**

**PURPOSES AND OBJECTIVES**

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

(a) To acquire water and water rights, to build and acquire pipe lines and other facilities and to operate the same for the purposes of furnishing water to serve the needs of owners and occupants of land located within the District and others as authorized by these By-Laws.

(b) To borrow money from any Federal or State Agency, or from any other sources, and to secure said loans by mortgaging or pledging all of the physical assets, revenue and income of the District, including easements and rights-of-way. Any loan made or insured by the Farmers Home Administration will be authorized by a majority vote of all of the members present at a special meeting or an annual meeting of the members.

(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 rights-of-way

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<sup>1</sup> Amended and changed from Christie School in annual meeting held September 10, 1996

and easements, wherever located and as may be necessary and convenient for the proper conduct and operation of the business of the District.

(d) To establish rates and impose charges for water 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 an 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**

#### **WATER USERS**

SECTION 1. Water service shall be supplied only to rural residents or owners 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 water subscriber unless he has first subscribed and paid for one or more Benefit Units. Tenants occupying land located within the District may become water subscribers: 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 tenant.

#### **ARTICLE 5**

#### **RIGHT TO VOTE**

SECTION 1. Only participating members shall have the right to vote, and each participating member shall be entitled to a single vote, regardless of the number of Benefit Units to which he may have subscribed: Provided all owners of land or paid members 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. A participating member may be an individual, firm, partnership, association or corporation.

SECTION 2. Participating members shall be 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. Each Benefit Unit shall carry with it the obligation of paying a minimum monthly meter charge from the time service is available. The Board in its discretion may from time to time, if the capacity of the District's facilities permit, make additional Benefit Units available. Subscriptions for Benefit Units shall be given preference and priority in order in which received. The Board may refuse the subscription for a Benefit Unit in favor of a particular tract of land located within the District, or impose special conditions on granting the same if in the judgment of the Board, the granting of said subscription and the furnishing of water services pursuant hereto, would impair the service to other users in that locality or be uneconomical, unfeasible or place an undue burden upon 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 next regular meeting of the members, or special meeting of the members called for such purposes: Provided, the decision of the Board shall stand, unless three-fourths of all participation members vote in favor of a motion to overrule the decision of the Board.

SECTION 2. Upon the purchase of Benefit Units, the owners of land shall designate the tract of land to which the Benefit Units shall be assigned, and the Benefit Unit shall not be transferred from one tract of land to another within the District without the approval of the Board. The owner of lands subscribing for one or more Benefit Units shall at the time of said subscription designate as nearly 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 President and Secretary, showing the name of the owner and tract of land to which the Benefit Unit is assigned, and numbered consecutively in the order in which issued.

SECTION 3. The consideration paid for Benefit Units shall be considered a donation to the District and shall not be refunded to the subscriber unless the District is unable to serve such subscriber, in which case such consideration may be refunded at the election of the subscriber. In the event it shall not be possible to secure initial funding for the District then all consideration shall be refunded to all Benefit Unit subscribers, less their pro rate part of any expenses incurred.

SECTION 4. Benefit Units shall follow the title of the land unless the owners of the land designate otherwise. Owners may transfer Benefit Units for one tract of land to another tract owned by them within the District, subject however, to 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. Failure to pay the minimum monthly meter charge or failure to pay for water used through a meter shall constitute a forfeiture of the Benefit Unit: Provided, that such Benefit Unit shall be reinstated if within three months after such failure all back charges are paid in full, plus 10% interest and reasonable labor charges necessary to effect such re-connections. Provided, further, that if the defaulting water subscriber is a tenant, the time set out above shall not commence to run until the Secretary of the District has mailed or caused to be mailed, by registered, certified or delivery confirmation<sup>2</sup> mail notice of such default of the tenant to the landowner of his last known address as shown on the books of the District.

SECTION 6. Each Benefit Unit shall entitle the owner not to exceed one line from the District's water system for one residence or business. Each line shall serve not to exceed one residence or business establishment together with the necessary and usual outbuildings.

## **ARTICLE 7**

### **ELECTION OF DIRECTORS**

SECTION 1. The Board of this District shall consist of five<sup>3</sup> members, as amended September 10, 1996, 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 the incorporation of the District shall by lot be divided into terms of one, two and three years, three directors being chosen for each such term, and shall serve until the expiration of the term from which they were elected as shown by the minutes of the original meeting of the landowners and until their successors are elected and have qualified.

SECTION 2. At each annual meeting of participating members such participating members shall elect for a term of three years the number of Directors whose terms of office have expired.

SECTION 3. Immediately following the annual meeting of participating members, the Board shall meet and elect a President, Vice-President, Secretary and Treasurer from among themselves, each of whom shall hold office until the next annual meeting of participating members and until the election and qualification of his successor unless sooner removed by death, resignation or for cause. The office of secretary and treasurer may be held by one person.

SECTION 4. Any vacancy in the board, other than from the expiration of a term of office, shall be filled by the appointment by the remaining members of the Board. The

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<sup>2</sup> Added delivery confirmation September 14, 2010

<sup>4</sup>Nine, prior to amendment adopted September 14, 1992, which reduced the required board seats to seven. Board seats were reduced to five seats September 10, 1996.

disqualification of a Director as a participating member of the District or failure of any original Director to become a participating member within 30 days after subscriptions 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 the Director.

SECTION 5. A majority of the Board shall constitute a quorum at any meeting of the Board.

SECTION 6. Any Director of the District may be removed from office for cause by a vote of not less than 3/4<sup>th</sup> of the participating members of the District at any annual meeting 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. Officers of the Board may be removed for cause by vote of 3/4<sup>th</sup> of the members of the Board, and employees and agents discharged or removed from office or employment at any time by action of the Board.

## **ARTICLE 8**

### **POWERS AND DUTIES OF DIRECTORS**

SECTION 1. The Board, subject to the restrictions of law and these By-Laws, shall exercise all the powers of the District and without prejudice to or limitation upon its general powers, is hereby given full power and authority in respect to the matters 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 and prescribe such duties and designate powers as may not be inconsistent with these By-Laws.

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

(c) To prescribe, adopt and amend, from time to time, such equitable and uniform rules and regulations as, in their discretion, may be deemed essential or convenient for the conduct of the business and affairs of the District and the guidance and control of its agents and employees.

(d) To fix charges to be paid by each water user for services rendered by the District to him, the time of payment and the manner of collection and to establish equal rates for farm members and non-farm members according to the amount of services furnished.

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

(f) To select one or more banks to act as depositories of the funds of the District and to determine the manner of receiving, depositing and disbursing the funds of the District in the form of checks, and the person by whom the same shall be signed, with the power to change such bank or person signing such checks and the form thereof at will.

(g) To prepare annually an estimated budget for the coming year, adjust water 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 a qualified independent accountant and make a report on said matters at each annual meeting of participating members.

(h) To fix compensation of all agents and employees of the District.

## **ARTICLE 9**

### **POWERS AND DUTIES OF MANAGER**

SECTION 1. The Board may employ for the District a manager, who shall have charge of the business of the Association under 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. He shall also, so far as practical, conduct the business in such a way that all patrons receive equal service and treatment; deposit in a bank selected by the Board, all money belonging to the District, which comes into his possession; maintain his records and accounts in such a manner that the true and correct condition of the business may be ascertained therefrom at any time; furnish the Board a current statement of the business and affairs of the District at each scheduled meeting of the Board and at the end of each fiscal year and at such other time 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 perform such other duties as may be prescribed by the Board.

## **ARTICLE 10**

### **DUTIES OF OFFICERS**

SECTION 1. President: The President 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 deeds and conveyances, Benefit Units 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 further that all checks must be countersigned by the Treasurer. The President shall perform such other duties as may be prescribed by the Board.

SECTION 2. Vice-President: In absence or disability of the President, the Vice-President, who shall be a member of the Board, shall perform the duties of the President.

SECTION 3. Secretary: It shall be the duty 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 By-Laws of the District and in case of his absence, inability, refusal or neglect to do so, then such notices may be served by a member of the Board directed by the President.

SECTION 4. Treasurer: The Treasurer, who shall be a member of the Board, shall receive and account for all funds of the District, shall deposit the same in some bank designated by the Board as a depository, and pay the amounts, or cause them to be paid, out of the depository only by the checks of the President, or someone authorized to sign on the President's behalf, countersigned 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 he shall be 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 AND RECORDS**

SECTION 1. The books and records of the District and such papers as may be placed on file by vote of the District or Directors shall, during all reasonable business hours, be subject to inspection of any landowner or participating member of the District.

## **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 District designated by the Board on the third Tuesday<sup>4</sup> in December of each year beginning in 1986 and as amended.

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<sup>4</sup>Amended and changed from Monday in the annual meeting held September 8, 1998, and amended and changed from Tuesday to Thursday in the special annual meeting held September 14, 2006. Amended and changed to last Tuesday in the special annual meeting held September 24, 2009. Amended and changed to third Monday in December in the annual meeting held December 8, 2015. Amended and changed to third Tuesday in December in the special annual meeting held December 27, 2018.

SECTION 2. Special meetings of participating members may be called at any time by the President, upon resolution of the Board, or upon written petition to the President, signed by 51% of the participating members of the District. The purposes of every special meeting shall be transacted thereat except such as is specified in the notice.

SECTION 3. Notice of meetings of participating members of the District shall be given by mail to each participating member of record directed to the address shown upon the books of the District at least ten (10) days prior to the meeting. Such notice shall state the nature, time, place and purpose of the meeting but no failure or irregularity of a notice of any annual meeting, regularly held, shall affect any proceeding taken thereat.

SECTION 4. The participating members present at any meeting of participating members shall constitute a quorum for the purposes of transacting business.

SECTION 5. The order of business at the regular meeting and, so far as possible to 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 MEETING**

SECTION 1. The Board shall meet annually on the third Tuesday<sup>5</sup> in December, and on the third Tuesday<sup>6</sup> of December each year thereafter after the annual meeting of participating members. The Board shall meet at such other times as may be determined by the Board or upon call by the President and any two members of the Board. Notices of all meetings of the Board shall be by mailing notice thereof to the last known business or residence address of each Director, at least two days before the holding of such meeting;

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<sup>5</sup>Amended and changed from Monday in the annual meeting held September 8, 1998

Amended and changed from Tuesday to Thursday in the special annual meeting held September 14, 2006

Amended and changed to last Tuesday in the special annual meeting held September 24, 2009.

Amended and changed to second Tuesday in December in the special annual meeting held December 13, 2011.

Amended and changed to third Monday in December in the annual meeting held December 8, 2015.

Amended and changed to third Tuesday in December in the special annual meeting held December 27, 2018.



Provided, however, that when all of the Directors are present at any meeting, however called, or consent in writing that such meeting be held, the proceedings thereat shall be as valid as though the previous written notice aforesaid had been given.

## **ARTICLE 14**

### **MANNER OF ELECTION AND VOTING**

SECTION 1. At all meeting of the District, each participating member, qualified as stated in these By-Laws, shall be entitled to vote upon propositions coming before said District. No cumulative voting shall be permitted and each participating member of the District shall have but one vote. In instances where there is more than one owner of a Benefit Unit, such owners shall in the aggregate have one vote, which may be cast by them in such a manner as they may decide; provided that no fractional vote be allowed.

## **ARTICLE 15**

### **SEAL**

SECTION 1. The District shall have a corporate seal, consisting of a circle having in its circumference and face the words, "Rural Water District No. 5, Adair 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**

### **AMENDMENT**

SECTION 1. These By-Laws may be repealed or amended by a vote of 3/4ths of the participating members present at any regular meeting of the District or any special meeting of the District called for the purpose except the participating members shall not have the power to change the purpose of the District so as to impair its rights and powers under the laws of the State of Oklahoma, 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, to deprive any participating member or landowner of rights and privileges then existing or to so amend the By-Laws 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 10 days before such meeting and must set forth the amendments to be considered.

## **ARTICLE 18**

### **BASIS OF OPERATION**

SECTION 1. The District shall at all times be operated on a non-profit basis for the mutual benefit of its participating members.

## **ARTICLE 19**

### **BENEFITS AND DUTIES OF MEMBERS**

SECTION 1. The District shall install, maintain and operate a main distribution pipe line or lines from the source of water supply and lines from the main distribution pipe line or lines to the property line of each participating member of the District at which point designated as delivery points, meters to be purchased, installed, owned and maintained by the District shall be placed.

SECTION 2. Each participating member shall be entitled to purchase from the District, pursuant to such agreement as may from time to time be provided and required by the District and the Board, such water for domestic, livestock, garden and other purposes as a participating member may desire, subject however, 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 shall be metered.

SECTION 3. In the event the total water supply shall be insufficient to meet all of the needs of the members and users, or in the event there is shortage of water, the District may pro-rate the water available among the various members and users on such basis as is deemed equitable by the Board, may prescribe a schedule of hours covering the use of water for garden purposes or may prohibit the use of water for garden purposes.

## **ARTICLE 20**

### **PRINTING**

SECTION 1. After adoption, these By-Laws shall be prepared in pamphlet form, and a copy thereof shall be delivered to each participating member.