



MUSKOGEE COUNTY RURAL WATER DISTRICT NO. 3

BYLAWS

ARTICLE 1

SECTION 1. The name of this corporation shall be Muskogee County Rural Water District No.3, also known as Muskogee County Rural Water.

SECTION 2. The principal office of this District shall be located in Council Hill, Oklahoma.

ARTICLE 2

Corporate Powers

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

ARTICLE 3

Purposes and Objectives

SECTION 1. The purpose and objectives of this District are as follows:

- a) To acquire water and water rights and to build and acquire pipe lines and other facilities, and to operate the same for the purpose of furnishing water to serve the needs of owners and occupants of land located within the District, and others as authorized by these 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.
 - i. Any loan made or insured by the Farmers Home Administration will be authorized by a majority vote of all the members present at a special meeting or at 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 and dispose of such real and personal property, including rights-of-way 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 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

Water Users

SECTION 1. Water 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 water subscriber unless he has first subscribed and paid for one or more Benefit Units.

SECTION 3. No owner of land or tenants occupying land shall be eligible to become a water subscriber unless he/she executes an easement, without monetary charge, to the District for water lines and related purposes as required by the District.

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 units fees has been entered by the Board in its minutes. There shall be no proxy voting, and dual ownership of Benefit Units for voting purposes. A participating member may be 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, payment 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 subscription. The meter deposits of existing 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 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 pursuant thereto, would impair the service to other water 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 vote of the members at the 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 meeting were 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(membership), 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 Benefit Unit (Meter must be located on property owned by the subscriber and serve the subscriber's property or the necessary easement provided to place meter on land not owned by the member.

SECTION 3. The consideration paid for Benefit Units shall be considered donations to the District and shall in no event and under no circumstance 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 transfers will be approved unless all charges against the account are paid. All transfers when approved shall be recorded in the books of the District.

SECTION 5. Each Benefit Unit shall entitle the owner to not exceed one line from the District's water system. Each line shall serve not to exceed one residence or business establishment together with the necessary and usual outbuildings.

SECTION 6. 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 on behalf of which such failure occurs. Provided that usch Benefit Units 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 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 or certified mail notice of such default of the tenant to the landowner at last known address as shown on the books of the District.the date

ARTICLE 7

Election of Directors

SECTION 1. The Board of the District shall consist of 7 (seven) members, 5 of whom shall reside (primary residence) of Council Hill district, 2 of who shall reside in McIntosh county be participating members of the District. The Directors elected at the time of the 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 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. A Director shall be eligible to succeed himself. When a city or town is part of a Rural Water 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 District is totally within the municipal city limits of a city or town the Board of Directors of the Rural Water District shall be the Governing Body of the Town.

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 for the remainder of the term. A Director who no longer qualifies as a participating member of said District, or fails to complete training requirements, will no longer be eligible to serve as a member of the Board, creating a vacancy in the office of the 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-fourth 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 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 a vote of 3/4th 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. When the Board of Directors is the governing body of the city or town, they may not be removed except by due process of the city government. Failure to attend three consecutive meetings shall constitute just cause for removal from the board.

ARTICLE 8

Powers and Duties of the 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 services and to make and issue notes, and other negotiable and transferrable instruments, mortgages, deeds of trust and trust agreement, and to 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, 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, and cost thereof to be paid by the District, and 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 power to change such bank or person signing such checks and the form thereof at will.
- g) 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 certified public accountant, and make a report on said matters at each annual meeting of participating members.

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 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 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 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 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 Applications and such other papers of the District as he may be authorized or directed to sign by the Board. , provided that the Board may authorize any person to sign checks on behalf of the District. The Charmin shall perform such other duties as may be prescribed by the Board.

SECTION 2. VICE-CHAIRMAN: In the absence of 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 see that a record of proceedings of the meetings of the Board and of the District be kept. 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 see that all funds of the District are accounted for, account that all funds are deposited in a designated bank insured by FDIC, deposits not exceed the maximum insured amount, and cause payments to be made by check from these funds approved by the Board and signed by two (2) Board Members. At each Annual Meeting of the District, he shall submit a complete statement of accounts for the past year.

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 reasonable business hours, be subject to inspection of any landowner or participating member of the District.

ARTICLE 12

Annual Meeting of Participation 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, at 7:00PM the first Monday in April.

SECTION 2. Special meetings of the participating members of the District 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% of the participating members of the District. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted thereat except such as is specified in the notice.

SECTION 3. Notice of meeting of participating members of the District shall be given by mail to each participating member of record directed to the address shown upon books of the District at least 10 days prior to the meeting, but no failure or irregularity of the notice of any special 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 the 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 annually on the first Monday in April, of each year, and will also meet annually to elect officers immediately following the time for election of any new director. The Board shall meet at 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 meeting of the Board, other than the annual meeting to be held on the first Monday in April, shall be by mailing a notice to the last known business or residence address of each director, at least two business 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 had been given.

ARTICLE 14

Manner of Election and 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 but one vote. At all Board of Directors' meetings, ONLY elected Board Members shall be allowed to vote upon propositions coming before said Board.

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. 3, Muskogee County, Oklahoma", which shall be in 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 Bylaws may be repealed or amended by a vote of 75% 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 purpose of the District so as to impair its right 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 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 annual 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, to the property line of each participating member of the

District : provided further, cost of improvements or extensions deemed necessary to serve new applicants for membership shall be at said applicants expense. Metering equipment shall be purchased, installed, owned and maintained by the District at designated delivery point on participating members' property.

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 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 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 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 and must satisfy all the 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 made available to each participating member.

AFFIDAVIT

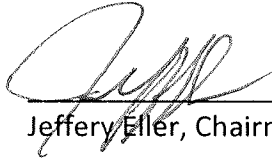
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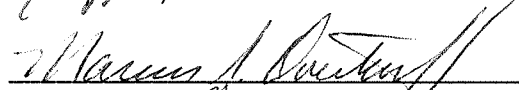
COUNTY OF MUSKOGEE)

Jeffery Eller, Howard Whatley, Marcus Overturff, Paulette Barnes, Mickie Bennett, Emily Pierce and Rick Tidwell, being first duly sworn, depose and state, each for himself/herself, that he/she is a Director of Rural Water District No. 3, Muskogee County, Oklahoma that the foregoing Bylaws were amended at a meeting of landowners of said District, duly held on 1st day of April 2024 at 7:00 p.m. That there were _____ eligible voters present in person and that the adoption of the Bylaws amendments was approved by a vote of _____% of the participating members present (eligible voters).

Signed:



Jeffery Eller, Chairman



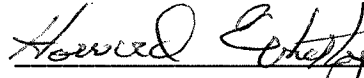
Marcus Overturf, Secretary-Treasurer



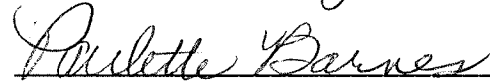
Mickie Bennett, Member



Rick Tidwell, Member



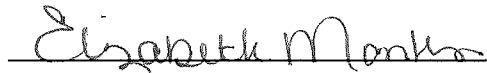
Howard Whatley, Vice-Chairman



Paulette Barnes, Member

Emily Pierce, Member

Subscribe and sworn to before me this 1st day of April, 2024



Notary Public

6-6-27

Commission Expires

