RURAL WATER DISTRICT NO. 5,
OKMULGEE COUNTY, OKLAHOMA

BY-LAWS

Article 1
Name and Place of Business

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

Section 2. The principal office of this district shall be located in Okmulgee County, Oklahoma.

Article 2
Corporate Power

Section 1. The corporate powers of this District shall be vested in the Board of Directors, hereinafter refereed to as the board.

Article 3
Purpose 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 pipelines 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 By-laws.

(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 income of the District, including easements and rights-of-way.

(1) Any loan made or insured by the Rural Development 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 government agency.

(f) To cooperate with any person or with any governmental agency in any undertaking designed to further the purposes of the District.

(g) do and perform any and all acts necessary or desirable for the accomplishment of the purposes of the District which may lawfully be done by such District under the laws of the State of Oklahoma.

Article 4
Users

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

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

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 unit (90) days after a declaration of availability of Benefit Units and unit fees has been entered by the Board in its minutes. There shall be no proxy voting, and no dual ownership of Benefit Units for voting purposes. A participating member may be an individual, firm, partnership, association, or corporation.

Participating members shall be:

(a) Owners of land located within the District who have subscribed to one or more Benefit Units: Provided, payments of charges are current on at least one of the Benefit Units.

Article 6
Benefit Units

Section 1. The Board shall at the proper time cause a declaration of Availability of Benefit Units for subscription to be entered in its minutes and shall establish a unit price for said subscriptions. The meter deposits of existing users in incorporated towns who desire to continue to be users shall be credited toward the price of a Benefit Unit. Each Benefit Unit shall carry with it the obligation of paying a minimum monthly meter charge from the time the service is available. The Board in its discretion may from time to time, if the capacity of the Districts 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 a vote of the members at the next regular meeting of the members, or special meeting the members called for such purpose; provided, the decision of the Board shall stand, unless three-fourths(3/4ths) of all participating members (or landowners at meetings where 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 Unit, 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 more than one Benefit Unit to be assigned to one tract of land, shall at the time of said subscription designate as nearly as practical the location of said tract where he intends to utilize said Benefit Units, and no major change in location shall be made without the approval of the Board. Benefit Unit Certificates shall be issued by the Board, signed by the Chairman and Secretary, showing name of owner, and tract of land to which the Benefit Unit is assigned, according to the Account Number in the District Books.

Section 3. The consideration paid for Benefit Units shall be considered donations to the District, and shall in no event and under no circumstances be refunded to the subscriber.

Section 4. Benefit Units shall follow the title of land, unless the owner of the land designates otherwise. Owners may transfer Benefit Units from one tract of land to another tract owned by them within the District, subject however, to the approval of the Board. No transfer in ownership of Benefit Units shall be permitted without the approval of the Board. No transfer will be approved unless all charges against the Benefit Unit are paid. All transfers when approved shall be recorded in the books of the District.

Section 5. Each Benefit Unit shall entitle the owner 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 charge, or failure to pay for water used through a meter, shall constitute a forfeiture of the Benefit Unit on behalf of which such failure occurs; provided, that such Benefit Unit shall be reinstated if within three months after such failure all back charges are paid in full, plus $65.00 disconnect fee, $65.00 reconnect fee, and any reasonable charges necessary to effect such reconnections. Provided further, that the Board may permit such reinstatement within six months after such failure upon payment of all back charges, plus $65.00 disconnect fee, $65.00) reconnect fee, and any reasonable charges necessary to effect such reconnection; 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 certified mail, notice off such default of the tenant to the landowner at his last known address as shown on the books of the District.

Article 7
Election of Directors

Section 1. The Board of this District shall consist of seven (7) members, all of whom shall be participating members of the District. 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. Provided, from January 1, 1986, a requirement for qualification to serve as a board member for a rural water district shall be a written pledge that upon election such board member shall attend a minimum of is (6) hours of workshop training organized by the Oklahoma Water Recourses Board in cooperation with the Oklahoma Rural Water Association with the purpose of study and instruction in areas of district financing, law, and the ethics, duties and responsibilities of district board members; provided further, that said requirement shall not apply to any board member who has had at least one (1) year of experience prior to the date of the board election as a member of the district board to which membership is sought. The district shall reimburse all reasonable expenses incurred by any board member for attending such training workshop.

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 Treasure may be held by one person.

Section 3. Any vacancy on the Board, other than from the expiration of a term of office, shall be filled by temporary appointment by the remaining members of the Board until the next regular Annual Meeting of the District at which time nominations will be held and the board position will be filled by election. The new elect will fill the position of the unexpired term of the original board member. The disqualification of a Director as a participating member of the District shall operate to disqualify him as a Director and create 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 fourths (3/4ths) of the participating members of the District may any annual or special meeting called for that purpose. The Director shall be informed in writing of the charges preferred against him at least ten (10) days before such meeting, whether regular or special, and at the meeting shall have an opportunity to present witness and be heard in person in answer thereto. Officers of the Board may be removed for cause by vote of a majority 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 a city or town, they may not bee removed expect by due process of city government.

Section 6. Any Board Member missing three consecutive regularly scheduled meetings shall be automatically dismissed from the Board of Directors.

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 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 By-laws, 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 transferable instruments, mortgagees, deeds of trust and trust agreements, 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, 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 for 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 charges 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 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 distributing the funds of the District in the form of checks, and the person by whom the same shall be signed on behalf of the Chairman, with the power to change such bank or person signing such checks and the form thereof at will.

(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
Duties of Officers

Section 1. Chairman: The Chairman, who shall be a member of the Board, shall preside over all meetings of the District and the Board, call special meetings of the District and the Board, perform all acts and duties usually performed by an executive and presiding officer, and shall sign all Benefit Unit Certificates and such other papers of the District as (s)he may be authorized or directed to sign by the Board; provided, the Board may authorize any present sign checks, on behalf of the District, provided that all checks must be countersigned by the Treasurer. The Chairman shall perform such other duties as may be prescribed by the Board.

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

Section 3. Secretary: It shall be the duties of the Secretary who shall be a member of the Board, to keep a record of the proceedings of the meeting of the board of the District. (S)He shall serve, or cause to be served, all notices required to serve by law of the bylaws of the District; and in case of his/her absence, inability, refusal or neglect to do so, then such notices may be served by any member of the Board directed by the Chairman.

Section 4. Treasurer: The Treasurer, who shall be a member of the Board, shall receive and account for all funds of the district, shall deposit the same in some bank designated by the Board as s depository, and pay the amounts, or cause them to be paid out of the depository only on the checks of the Chairman, or someone authorized to sign on the Chairman's behalf, countersigned by the Treasurer. At each annual meeting of the District, (s)he shall submit for the information of the participating members a complete statement of his/her account for the past year and (s)he shall discharge such other duties pertaining to his/her 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 10
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 11
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 at 7:00 o'clock P.M., the First Monday in April.

Section 2. Special Meetings of participating members may be called at any time by the Chairman or upon resolution of the Board, or upon written petition to the Chairman of the Board, signed by 51 percent of the participating members of the District. The purpose of every special meeting shall be stated in the notice thereof, an no business shall be transacted thereat except such as 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 purpose of transacting business.

Section 5. The order of business at the regular meeting and so far as possible, at all other meetings shall be:

(a) Call to Order;
(b) Proof of Notice of Meeting;
(c) Reading and Approval of Minutes of Last Meeting;
(d) Report of Officers and Committees;
(e) Election of Directors;
(f) Unfinished Business;
(g) New Business;
(h) Adjournment.

Article 12
Board Meetings

Section 1. The Board shall meet each year to adopt a budget for the following year and will also meet annually to elect officers immediately following the time for election of any new director. The Board shall meet at such and other times as may be determined by the Board, or upon call by the Chairman or any other two members of the Board. Notice and conduct of all meetings of the Board shall comply with the Oklahoma Open Meeting Act as amended.

Article 13
Manner of Election and Voting's

Section 1. At all meetings of the District, each participating member, qualified as stated in these By-laws, 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.

Article 14
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, Okmulgee county, Oklahoma", which shall be in the custody of the Secretary.

Article 15
Fiscal Year

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

Article 16
Amendments

Section 1. These bylaws may be repealed or amended by a vote of three-fourths of the participating members present at any regular meeting of the District, or any special meeting of the District called for that purpose except that the participating members shall not have the power to change the purposes of the District so as to impair its rights and powers under the laws of the State of Oklahoma, or to waive any requirements of bond or other provision of the safety and security of the property and funds of the District or its participating members, or to deprive any participating member or landowner of rights and privileges then existing, or to amend the bylaws as to affect a fundamental change in the policies if the District. Notice of any amendment must be given at least ten (10) days before such meeting and must set forth the amendments considered.

Article 17
Basis of Operation

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

Article 18
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 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, and other such purposes as a participating member may desire; subject however, to the provisions of these bylaws and such rules and regulations as may be prescribed be 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 sufficient 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

Article 19

Printing

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

AFFIDAVIT

STATE OF OKLAHOMA)
COUNTY OF OKMULGEE)

George Houghton, Mike VanMeter, Roy Woods, Phyllis Wasson, Steve Shurden, Wayne Neel and Margie Coleman being first duly sworn, depose and state each for himself/ herself, that(s)he is a Director of Rural Water District No. 5, Okmulgee County, Oklahoma, the foregoing bylaws were adopted at a meeting of the participating members of said District, duly held on the 3rd day of February, 1998, at 7:00 o'clock P.M.. That there were 12 Members present in person and that the vote for the adoption of the bylaws was won by a majority vote.

Wayne Neel

Margie Coleman

Roy Woods

Phyllis B Wasson

Subscribed and sworn before me this 25 day of Oct, ~~1998~~ 2000.

Veronica Coulter
~~Notary Public~~

My commission expires 7-7-2004
00011188

ADDENDUM:

All accounts not paid in full by the 10th of each month is charged a $15.00 late fee.

All accounts not paid by the 15th will be tagged on the 15th and cutoff on the following Tuesday.

When the water is cutoff, it will remain off until the account is paid in full plus a $65.00 disconnection fee and a $65.00 reconnection fee.

If the bill is paid to the operator at the time of cutoff, a $20.00 service fee to cover trips for tagging and cutoff must be paid in order for service to remain on.

All accounts requesting a deferment must be brought before the Board and show just cause for deferment. The account holder must bring this to the Board at the next meeting. The Board will make a decision at that time whether or not to defer the balance on the account, if approved the Board will set up payment arrangements.

Any account delinquent two (2) times or more in succession will be assessed equal to three (3) months usage to be paid out in monthly payments until that amount has been retained.

All payments not mailed in must be paid at the office during the hours listed below or put in the payment drop box at the office.

OFFICE HOURS

MONDAY	8:00AM-5:00PM
TUESDAY	8:00AM-1:30PM
WEDNESDAY	8:00AM-1:30PM
THURSDAY	8:00AM-1:30PM
FRIDAY	8:00AM-5:00PM

OFFICE PHONE- (918)652-2308

FAX NUMBER- (918)652-2308

AFTER HOURS PHONE NUMBER- (918)650-2526

EMAIL- OKMULGEECOUNTYRWD5@GMAIL.COM