



Rules and Regulations and By-Laws

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Date Printed:

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DEFINITIONS

The following terms when used herein will have the below stated meaning:

Applicant:

Any individual, firm, partnership, corporation, authority, or other agency living or owning land located within the service area applying for water service.

Board:

The Governing body, that is, the Board of Directors of Rural Water District No. 2.

Customer:

Any individual, firm, partnership, corporation, authority or other agency receiving water and/or wastewater disposal service.

Point of Delivery:

WATER will be delivered at the meter, which will be located on the Owners side of the property line or easement. As a condition of locating a meter on the owner's property, the property owner must provide access to the District for the purpose of repairs maintenance or reading of meters.

IN RURAL AREAS, water transmission lines will be installed parallel to section lines and highways and on private property where possible. Service lines to the meter will not extend across private property unless necessary to serve users whose property does not join the section line or road. All applicable fees and/or service agreements must be paid for by the user.

Service:

The term service when used in connection with the supplying of water shall mean the availability for use by the consumers of water, an adequate supply to meet the consumer's requirement. Water service shall be considered as available when the District maintains the water supply at normal pressure at the point of delivery, in readiness for the consumer's use, regardless of whether or not the consumer makes use of it.

Service Line:

Any water line, which begins at the point of delivery and extends to the customer's property line.

Utility Service Agreement:

The agreement or contract between the consumer and the District pursuant to which water service is supplied and accepted.

Water and Service:

Water service shall consist of facilities for supplying water and wastewater disposal to one's residence or business establishment.

Rural Water District No. 2 District or Board Refers to the Rural Water District No. 2

RULES AND REGULATIONS

THE SUPPLYING, TAKING OF WATER AND GENERAL POWERS OF THE BOARD: The supplying and taking of water will be in conformance with these Rules and Regulations and the applicable Rate Schedule attached hereto, provided, that such rate schedule is subject to change by action of the District. Provided further, that if at any time the District determines the total amount derived from the collection of water charges is insufficient for the payment of operating costs, emergency repairs, or debt service, the Board shall increase the water rates for the first month thereafter in the amount sufficient to pay such operating costs, emergency repairs and/or debt service.

APPLICATIONS FOR SERVICE: Applicants for service shall make application to the RWD2 Office in Preston. If the application is approved, the applicant pays the required costs, signs the standard application for membership and shall receive service as soon as possible.

READINESS TO ACCEPT SERVICE: Before installing a service extension and providing water available for use, the Board may require the applicant to pipe the facility (home, office, etc) and be in readiness to accept service. Applicant must also secure any easements needed. Such easements are subject to approval of the District and their legal counsel before start of installation.

SERVICE IS FOR SOLE USE OF THE CUSTOMER: Service is for the sole use of the customer (one domicile) and does not permit the extension of pipes to transfer water from one party to another, nor to share, resell, or sub-meter to any other customer. If an emergency or specific situation should make such an arrangement advisable, it shall be done only on specific written permission of the Board and only for the duration of the emergency. Each residence or business establishment will pay the established water and/or sewer collection fee for each residence or business establishment served to be in compliance with DEQ standards.

Multiple Users:

a. Mobile Home Parks: The classification, method of service, and minimum charge to be assessed each mobile home resident, whether located in a trailer park or located on an individual lot, will be the same as for any other residential user on the system. Each mobile home resident is expected to pay the same water charges as other users on the system which normally would be accomplished by installing a water meter at each mobile home. If the residents of the mobile home are not permanent residents, the governing body may elect to serve mobile homes located in a trailer park through a master meter, provided the owner of the trailer park agrees in writing that he/she will be responsible for payment of the bill based on a minimum charge per unit. The trailer park owner must also pay for constructing their own lines within the trailer park.

b. Subdivisions and Developers: Developers and/or owners are expected to pay essential utilities to new or developing areas, including subdivisions. The Board may, at its discretion, elect to participate in some of these costs. If it is determined that a subdivision's lines must be enlarged, the owners of the subdivisions and/or the developers will be expected to contribute an amount equal to the cost of enlarging the water system. The developer must also pay for constructing the utility systems within the development or subdivision. If the Board or a representative thereof determines that the owner has installed service and main lines within the

subdivision in accordance with approved plans and specifications, the Board may agree to accept ownership and overall operation and maintenance responsibility of the service lines within the development. Also, if the Board determines adequate water is available, water service may (at the Board's discretion) be provided to the development through a master meter.

c. Other "multi-customer residences" such as apartments, motels, housing authorities, etc may be provided with a single master meter and will be responsible for paying a minimum bill for each dwelling unit.

AGREEMENTS WITH GOVERNMENTAL AND PUBLIC BODIES: The District through its Board may make specific water service contracts with the Federal Government, the State of Oklahoma, or agencies thereof, school districts, municipal corporations and nonprofit corporations, differing from stipulations set out in the rate schedule and rules.

RIGHT OF ACCESS: Representatives of the Board shall have the right at all reasonable hours to enter upon the customer's premises to read and test meters, inspect piping and to perform other duties for the proper maintenance and operation of service, or to remove its meter and equipment upon discontinuance of service by a customer.

CONTINUITY OF SERVICE: The District will make all reasonable efforts to supply continuous, uninterrupted service. However, it shall have the right to interrupt service for the purpose of making repairs, connections, extensions or for other necessary work. Efforts will be made to notify consumers who may be affected by such interruptions to service caused by storms, strikes, floods or other causes beyond the District's control.

METERS: Meters will be furnished, installed, owned, inspected, tested and kept in proper operating condition by the District. A complete record of tests will be kept. Meter rests will be made according to methods of the American Waterworks Association.

METER ACCURACY: Service meters whose errors do not exceed two percent (2%) fast or slow shall be considered as being within the allowable limits of accuracy for billing purposes. The percentage of error will be considered as that arrived at by taking the average of the error at full load and at that of ten percent (10%) load, unless a consumer's rate of usage is known to be practically constant in which case the error at such constant use will be used.

REQUESTED METER TEST: Meter test requested by the customer will be performed without cost to the customer if the meter is found to be in excess of two percent (2%) fast. Otherwise, the customer for whom the requested test was made will be charged for the cost of making the test.

CUSTOMER'S RESPONSIBILITY: The Customer shall be responsible for any damage to the meter installed for his/her service, on account of any cause other than normal wear and tear. Any customer requesting an adjustment of a water bill will agree to a meter test in accordance with the "Requested Meter Tests" section of these rules and regulations.

SERVICES: The District or its designated employee or other licensed operator will install all water service pipes (except for private fire protection) from its main to the meters. The District or its designated member or licensed operator will install the meter and all associated hardware. The user will be responsible for all piping from the dwelling to the collection lines. Anytime a

membership is approved, it shall be considered as a “meter set” and all applicable fees imposed. There shall be only one meter per residence unless the residence is considered a “multi-customer residence” such as an apartment, motel or trailer park. RWD2 shall purchase all necessary parts, supplies and/or equipment necessary for the installation of the meter. Any exceptions to the above must be approved by the Board of Directors, prior to installation of such meter and/or associated hardware.

APPLICANTS HAVING EXCESSIVE REQUIREMENTS: In the event an applicant whose water requirements are found to exceed the District’s ability to supply it from the existing facilities without adversely affecting service to other consumers to a reasonable extent, the District will not be obligated to render such service unless and until suitable self-liquidating financing is arranged to cover the necessary investment in additional plant and facilities.

CROSS CONNECTIONS: There shall be no cross connections made or maintained between the water system or any other system (private or otherwise) and all new structures constructed within the District shall, prior to service connections, comply with the plumbing standards of the State of Oklahoma. In addition, all sewage disposal systems shall comply with the standards contained in the Oklahoma Department of Health or Oklahoma Department of Environmental Quality Engineering Bulletins and/or other applicable bulletins as they are made available.

CONDITIONS OF SERVICE TO CUSTOMER

1. GENERAL:

- a. Customer will maintain all service lines from system connection and within the place of use in good repair. Customer will make repairs on a timely basis as necessary and pay all charges for services rendered.
- b. Customer will have a single residential or commercial unit per service connection.
- c. Customer will not connect a non-system water source to any service line connected to the system, including water service from a privately owned well.
- d. Customer shall pay bills for service received in accordance with the terms set forth by the system.
- e. Change of occupancy. It shall be the customer’s responsibility to anticipate changes of occupancy, and to initiate the appropriate paperwork to either terminate service and/or have service transferred to the new customer in accordance with the policy for obtaining service. Until service is formally terminated or transferred, the original customer shall be responsible for payment of service. The governing body may refuse to transfer the customer’s service until arrangements to pay all back bills have been made.

2. OBTAINING WATER AND WASTEWATER SERVICE:

- a. Customers may obtain water service by applying to the system, paying the appropriate membership fees and deposits in accordance with the fee schedule of the system.

- b. The system shall provide a water meter and service connection points. Customer is responsible for construction and maintenance of service line from the system connection point.
- c. Customers shall arrange for the District or its designated member to make system connections and to install the water meter furnished by the system. If an outside or independent contractor is used, the system operator will inspect all work of the contractor prior to closing of holes.

3. BILLING OF CUSTOMERS:

- a. Customers will be billed for service on a monthly basis in accordance with the rate schedules of the system.
- b. Water meters will be read at regular intervals each month.
- c. Bills will be mailed at regular intervals each month.
- d. Customers will be billed for water consumption and wastewater service as separate items on the bill in accordance with the established rate schedule of the system.

4. TERMS OF PAYMENT:

- a. Payment is due by the 10th of each month and is late after the close of business on the 15th day of each month.
- b. Payments made for service after the 15th day of the month will incur a late fee on all past due balances.
- c. Customers with unpaid bills postmarked on the 1st day of month who are not on a Deferred Payment Plan and who are not delinquent on the requirements of such Plan will be subject to termination by the 21st day of the month.
- d. Customers subject to a deferred payment plan who fail to make a payment within three (3) working days of the date specified in the deferred payment plan will be notified that they are subject to termination of water service within five (5) calendar days unless payment is made. Additional policies pertaining to termination of water service for non-payment are set forth in Section 6.
- e. Customers applying for service will be subject to a records search. All prior outstanding utility bills due the District must be paid or arrangements made to be paid prior to receiving service.

5. TERMINATION OF WATER SERVICE FOR NON-PAYMENT:

- a. Customers subject to termination of water service will be charged a reconnect fee in accordance with the fee schedule of the system.
- b. Customers receiving a notice of termination of water service:
 - 1. Have a right to appeal and a hearing at which notice of, adjudication and correction of errors will be made.
 - 2. Hearing will be granted only if requested by the customer.
- c. Customers may avoid termination of water service by:
 - 1. Signing a deferred payment plan in accordance with the terms the Board agrees on and specifying payment terms.
 - 2. Paying the amount in arrears plus service fee in accordance with system fee schedule by check or money order to the District's Office prior to actual termination of water service.

6. HEARING OF CUSTOMER APPEAL OF NOTICE OF TERMINATION OF WATER SERVICE:

- a. The Manager is designated as the system representative for hearing customer appeals of notice of termination of water service. The Manager is authorized to correct errors of the system, adjust the amount due the system, receive payment to satisfy the amount in arrears and negotiate deferred payment plans in accordance with adopted policies and procedures.
- b. If the customer and the Manager cannot arrive at an agreement, the only course of action open to the customer is to request a hearing with the Board of Directors. The customer must notify the Chairman (in writing) and request a hearing at the next board meeting. The Manager will notify the Board and add the customer's name to the agenda.
- c. A written hearing record will be prepared and maintained on file by the District.
- d. The Manager cannot adjust the fee schedules or policies.

7. DEFERRED PAYMENT PLAN POLICY:

- a. Maximum length of deferred payment plan shall be six (6) months.
- b. Deferred payment amounts shall be in addition to regular service bill amount.

8. RESTORATION OF WATER SERVICE AFTER TERMINATION FOR NON-PAYMENT:

Customers desiring restoration of water service after termination for non-payment must:

- a. Satisfy arrears in the full amount (this can be accomplished by either paying the amount in full or completing the "Agreement for Deferred Payment" Form); and
- b. Pay the service fee in accordance with the fee schedule of the system.

9. NOTICE OF OPEN RECORDS ACT (OKLAHOMA STATUTES): In accordance with provisions of the current Oklahoma Statutes, notice is hereby given as to availability of public records of the District for inspection by the public.

- a. Records of the District are available for inspection by appointment.
- b. Records of the banking accounts of the District are maintained by the Treasurer.
- c. Minutes of meetings of the Board of Directors and records of customer accounts, purchase orders, and detailed financial accounting records of the District are maintained by the Secretary.
- d. The public notice required by the Act containing the Name, Address, and Phone Number of the Treasurer is posted at the District Office.
- e. Copies of records of the District desired by the public will be provided within five (5) working days after receipt of a written request and payment of fee as specified in the public notice posted at the District Office.

10. NOTICE OF MEETINGS OF THE BOARD OF DIRECTORS:

- a. The Board of Directors meets in regular session on the Third Thursday of each month at 6:00 P.M. at the RWD2 Office in Preston.

- b. Special meetings of the Board of Directors are held as necessary. Notice of special meetings are posted at the RWD2 Office in Preston at least forty-eight (48) hours prior to the meeting (Saturdays, Sundays and Holidays excluded.)
- c. The agenda for all regular meetings is posted at the RWD2 Office in Preston at least twenty-four (24) hours prior to the meeting (Saturdays, Sundays and Holidays excluded.)

11. BAD DEB WRITEOFF: The Board of Directors shall review and authorize the write-off of any and all bad debts. The Board may also assign any such past due or bad debt account to a private collection agency.

12. POLICY CHANGES: These policies are subject to change as required and voted on by the Board of Directors. The Board of Directors shall establish rates and fees for service as necessary to operate and maintain the system.

13. INSPECTION: Representatives of the District, the state and local Health Department have the right at all reasonable hours to enter upon the consumer’s premises for the purposes of inspection and enforcement of this provision.

14. VIOLATION AND PENALTY: Violation of this provision shall constitute cause for disconnection of a customer’s service.

Adopted at a meeting of the Board of Directors, Rural Water District No. 2, County of Okmulgee, State of Oklahoma held at RWD No 2, Okmulgee County Office, on October 4, 1999 with Five (5) members of the Board present

SEAL

Chairman, Board of Directors

ATTEST:

Secretary, Board of Directors

**RURAL WATER DISTRICT NUMBER 2
COUNTY OF OKMULGEE, STATE OF OKLAHOMA**

FEES SCHEDULE**WATER SERVICE FEE**

Minimum at Zero Gallons	\$25.65
Each Upsized Meter larger than a ¾" meter will incur increment monthly minimum (See Pg. 2 of Fee Schedule)	
Water Loss Protection	\$3.00

MEMBERSHIP FEES

SERVICE INQUIRY ENGINEERING FEE (Non Refundable):	\$150.00
COMMERCIAL SERVICE INQUIRY FEE (Non Refundable):	\$300.00
MEMBERSHIP FEE:	\$3000.00
Additional \$1000 per each 1" meter upgrade (See Meter Charge Table on Pg. 2 Fee Schedule)	
INACTIVE TAP for 1 year or less will be \$1375 plus parts & labor, any past due balance and minimum monthly fees suspended during inactive period.	
BENEFIT UNIT COST:	
<i>Installation and All Parts included in the benefit unit cost. *Non Refundable*</i>	
INSPECTIONS:	\$150.00
(All taps are required to have a shut off valve outside the meter can)	
METER SET COST: <i>Included in benefit unit.</i>	
TURN ON SERVICE: <i>Included in benefit unit.</i>	
TRANSFER FEE:	\$100.00
LATE PAYMENT FEE:	\$25.00
<i>for paying bill after due date on all past due balances</i>	

CHARGES TO TURN ON UTILITIES AFTER TERMINATION FOR NON-PAYMENT:

LOCK-OFF	\$75.00
RECONNECT	\$75.00
<i>Plus full payment of past due amount Or a signed Agreement for Deferred Payment</i>	
AFTER HOURS RECONNECT FEE	\$200.00 Plus Parts
RETURNED CHECK FEE:	\$40.00
<i>Must be paid within seventy-two (72) hours or service will be disconnected.</i>	

DAMAGE:

Damaged Meter Lid Replacement	\$40.00
Damaged Meter Can Replacement	\$150.00
Damaged Meter	\$325.00
Damaged Meter Set/Yoke	\$500.00
	Plus Parts and Labor
MOVE METER:	\$1000.00
ROAD CROSSING:	\$2400 up to Contractors Price
FINES:	
Tampering with Utility	\$275.00 "plus usage"
Unauthorized Connection	\$1000.00 "plus usage"
Theft of Utility	\$1000.00 "plus usage"

RURAL WATER DISTRICT NUMBER 2

**COUNTY OF OKMULGEE, STATE OF OKLAHOMA
FEES SCHEDULE – Page 2**

METER SIZE REGULATIONS

No meter larger than a 3/4” will be approved for installation on main lines smaller than a 4”. If a larger meter is required to serve a customer, the specifications must be approved by the Districts engineer and Board of Directors.

CHARGES FOR OVERSIZED METERS

Each upsized meter will be \$1000 per inch plus the cost of the meter and materials. The following minimum monthly charges apply:

- 1” 2 Minimums per month
- 1.5” 3 Minimums per month
- 2” 4 Minimums per month
- 3” 6 Minimums per month
- 4” 8 Minimums per month

METER SIZE CHARGE TABLE

Plus Cost of Meter plus Parts and Labor

1”	\$1000
2”	\$2000
3”	\$3000
4”	\$4000
No meter over a 4” shall be permitted. All meters must be approved by the District Engineer in compliance with the Districts Hydraulic Model.	

FINAL NOTICE

DATE _____

Your account is now delinquent in the amount shown below. Unless this amount is paid by the date indicated, WATER SERVICE WILL BE TERMINATED without further notice from this office.

AMOUNT DUE	TERMINATION DATE

IMPORTANT NOTICE

IF YOU BELIEVE THE AMOUNT IS NOT CORRECT, YOU MAY MEET DISTRICT MANAGER OF THE SYSTEM (BY APPOINTMENT) CALL 756-8910 TO ARRANGE THE MEETING. MEETING TO BE HELD AT THE WATER OFFICE.

THE DISTRICT MANAGER HAS THE AUTHORITY TO ADJUST CUSTOMER BILLS IN CASE OF ERROR OR APPROVE PAYMENT SCHEDULES FOR ELIGIBLE CUSTOMERS.

CUSTOMER CONFERENCE

Date _____ Account # _____

On this date, _____ (customer's name) (herein after referred to as the "Customer") met in person at Customer's request with the District's Manager who is an agent of The Rural Water District No. 2, Okmulgee County and is duly authorized to resolve billing disputes and adjust payment schedules. Customer states in response to notice of pending termination of utility service dated _____, that: (check one)

_____ 1. He/She is unable to pay the balance due because:

_____ 2. The billing is disputed because:

_____ 3. Other: (explain)

The following disposition is ordered: (check one)

_____ 1. Bill adjusted as follows: _____

_____ 2. No change - termination unless payment is received on or before _____.

_____ 3. Deferred payment plan (attached)

Customer's Signature

Manager's Signature

**OKMULGEE RURAL WATER DISTRICT 2
BYLAWS**

Article 1: Name and Place of Business

Section 1. The name of this corporation shall be Rural Water District Number, 2, County of Okmulgee, State of Oklahoma.

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

Article 2: Corporate Powers Section

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

Section 1. The purposes and objectives of this District are as follows:

- a. To acquire water and water rights and to build and acquire pipelines and other facilities to serve the needs of owners and occupants of land located within the district, and others as authorized by the 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 right-of-way.
- 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, as may be necessary and convenient for proper conduct and operation of the business of the District.
- d. To establish rates and impose charges for water services furnished to participating members.
- 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 purpose 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: 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 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, 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 has 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 permits, 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 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 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 meetings where the only qualification to vote is membership of land within the District) vote in favor of a motion to overrule the decision of the Board.

Section 2. Upon the purchase of the Benefit Units, the owners of the 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, numbered consecutively and in order in which issued.

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 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 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 out-buildings.

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 such Benefit Unit shall be reinstated if within three months after such failure, all back charges ~ paid in full, plus ten (10) percent interest and reasonable labor 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 ten (10) percent interest, and reasonable labor charges necessary to effect such reconnections: Provided, further, that if the defaulting 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 his/her 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 Five 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. A Director shall be eligible to succeed himself. 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 six (6) hours of workshop training to be offered periodically on a regional basis with twelve (12) months following election of such board member, and to be organized by the Oklahoma Water Resources 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. To avoid members having to interfere with their jobs or employment, such training sessions may be divided into three hour segments, and so far as possible, be scheduled for evening sessions. Vocational-technical facilities, college facilities or other public facilities may be utilized in all parts of the state for convenience of the members. Such workshops must be offered within seventy-five (75) miles of the member's residences. When a city or town is part of a Rural Water, Sewer, Gas and Solid Waste Management District, the Board of Directors must be composed of residents of said city or town in direct proportion of the number of users in said city or town: Provided further that when a Rural Water, Sewer, Gas and Solid Waste Management District is totally within the municipal city limits of a city or town, the Board of Directors of the District shall be the Governing Body of the town.

Section 2. Should any pledging board member fail to attend the workshop training as required in Article 7, Section I, he or she shall be deemed ineligible to serve as a board member commencing at the next regularly scheduled meeting of the board following the 12 month period. The remaining board members shall select from the membership, as provided by the District's bylaws, another qualified member to fill the vacancy and that person shall pledge to attend the workshop training provided for in Article 7, section 1. The appointed member shall serve until the next regularly scheduled election of board members and an election shall be held to fill the unexpired term of the vacated position.

Section 3. 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/her successor unless sooner removed by death, resignation or for cause. The office of the 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 appointment by the remaining members of the Board. The disqualification of a Director as a participating member of the District or failure of any original Director to become a participating member with 30 days after subscription to Benefit Units are made available through action of the Board shall operate to disqualify him/her 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 three-fourths (3/4) 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/her 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 2/3rds 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 city government.

Section 7. Any Director that misses 3 consecutive regularly scheduled board meetings may be removed by the remaining Directors and another Director appointed to serve until the next regularly scheduled election of Directors.

Article 8: Powers and Duties of Directors

Section I. The Board, subject to the restriction 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 employee 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 an issue notes, and other negotiable and transferable instruments, mortgages, deeds of 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/her, 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 service 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 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, disposition and disbursing 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 rates, if necessary to produce sufficient revenues 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.

Article 9: Power and Duties of the Manager

Section 1. The Board may employ for the District, a Manager, who shall have charge of the business of the District 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/She 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/her possession; maintain his/her records and accounts in such a manner that all patrons receive equal service and treatment and maintain his/her 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 times and in such forms as the Board may direct; carefully preserve and turn over to his/her successor all books, records, documents, and correspondence pertaining to the business of the District which may come into his/her 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, 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 he/she 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 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 meetings of the Board and of the District. He/she shall serve, or cause to be served, all notices required to be served 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 a depository, and pay the amounts, or cause them to be paid out of the depository only in 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, he/she shall submit for the information of the participating members a complete statement of his/her account for the past year and he/she 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 11: Books and Records Section

The Books and records of the Districts, and such papers as may be placed on file by vote of the District or Directors, shall be available during all reasonable business hours, and are subject to inspection of any landowner or participating member of the District in accordance with the District By-Laws and the Oklahoma Open Records Act.

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.

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 fifty-one (51) percent 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 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 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 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 two members of the Board. Notice and conduct of all meetings of the Board shall comply with the Oklahoma Open Meeting Act.

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.

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 Number 2, County of Okmulgee, State of Oklahoma.

Article 16: Fiscal Year

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

Article 17: Amendment

Section 1. These bylaws may be repealed or amended by a vote of three-fourths (3/4) 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 so long as any indebtedness is held by or guaranteed by the USDA Rural Development Agency, 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 requirement of bond or other provision for 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 so amend the bylaws as to effect fundamental change in the policies of the District without the prior approval of the USDA Rural Development Agency State Director in writing. Notice of any amendment to be made at any regular or special meeting of the participating members must be given at least ten (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 agreements 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 regulation 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 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 at any time the total water supply shall be insufficient to meet all of the needs of all 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 before supplying members for domestic and livestock purposes before supplying water for gardens and other purposes.

Article 20: Distribution

Section 1. After adoption, these bylaws shall be available to the members upon request and a copy given to each new member.

**BYLAWS AFFIDAVIT
STATE OF OKLAHOMA
COUNTY OF OKMULGEE**

BOARD OF DIRECTORS

JAMES DELBERT RAY

LINDA LYNDE

JIM JANZEN

JAMES RAMSEY

ROBERT OSBORN

and _____ being first duly sworn, depose and state each for himself/herself, that he/she is a Director of Rural Water District Number 2, County of Okmulgee, State of Oklahoma. The foregoing bylaws were adopted at a meeting of the participating members of said District, duly held on the ____ day of January, 2019, at 7:30 o'clock p.m. That there were ____ participating members present in person and that the vote for the adoption of bylaws was unanimous. These bylaws are placed in effect as of this date, ____ and replace all previous existing bylaws.

Subscribed and sworn to before me this ____ day of January, 2024.

Notary Public

My commission expires: _____

BOARD MEMBERS

- CHAIRMAN:** James Delbert Ray
- VICE-CHAIRPERSON:** Linda Lynde
- SECRETARY/TREASURER:** Jim Janzen
- BOARD MEMBERS:** James Ramsey
Robert Osborn