RURAL WATER DISTRICT NO. 1

PAWNEE COUNTY, OKLAHOMA

BY-LAWS

PRINTING AUGUST 2026

This printing incorporates all amendments
voted by the members:
April 14, 1972
March 10, 1988
March 13, 1992
March 10, 2000
March 14, 2008
March 11, 2011
August 20, 2015
August 20, 2020
August 20, 2026

RURAL WATER DISTRICT #1

PAWNEE COUNTY, OKLAHOMA

BY-LAWS

ARTICLE I

Name and Place of Business

Section l. The name of this corporation shall be Rural Water District #1, Pawnee County, Oklahoma.

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

ARTICLE II

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 III

Purpose and Objectives

Section 1. The purposes 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 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 and income of the District, including easements and rights-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, 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 party or government agency.

f. To cooperate with any party 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 IV

Water Users

Section l. Water shall be supplied to all members of the District. Provided that the District 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/she has first subscribed and paid for one or more Benefit Units. Tenants occupying land located within the District may become members, provided, that the landowner grants permission by completing the necessary forms required by the District.

ARTICLE V

Right to Vote

Section l. Participating members shall have the right to, and each participating member shall be entitled to a single vote, regardless of the number of benefit units owned, provided, payments of charges are current on at least one of the benefit units. 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 other entity. When a firm, partnership, association, or other entity exercises its voting rights, the representative for such entity shall present notarized authorization of the delegation of authority to vote on behalf of the entity.

ARTICLE VI

Benefit Units

Section l. The Board may refuse or limit a membership 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 judgement of the Board, the granting of said membership and the furnishing of water pursuant thereto, would impair the service to other water users in that locality or be un-economical, unfeasible and place an undue burden on the District. Any landowner who feels himself/herself 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 a special meeting of the members called for such purpose. Provided, the decision of the Board shall stand, unless 3/4ths of all voting members vote in favor of motion to overrule the decision of the Board.

Section 2. Upon the purchase of Benefit Units, the owners of land shall designate the tract of land to which the Benefit Unit shall be assigned, and the Benefit Unit shall not be transferred from one tract of land to another within the District. 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/she intends to utilize said Benefit Units and no major change in location shall be made without the approval of the Board. Benefit Units shall be recorded in the permanent records of the Water District Office.

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 the land. No transfer of ownership of Benefit Units shall

be permitted without the approval of the Board. All transfers, when approved, shall be recorded in the records of the District.

Section 5. Each benefit unit will allow the owner to have multiple water connections provided such connections are approved by the district at the district's sole discretion, and provided the owner pays a monthly minimum for each residence receiving water through the meter plus for any water taken at rates adopted by the Board. Water service may be suspended or terminated entirely at the district's sole discretion if the amount of water usage impacts the system negatively as determined by the district. Government entities and public water systems are required to pay a monthly minimum for the master meter connection plus for any water taken at rates adopted by the Board.

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.

ARTICLE VII

Election of Directors

Section l. The Board of this District shall consist of seven (7) members, all of whom shall 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 (1), two (2), and three (3) years, and shall serve until the expiration of the term for which they were elected as shown by the minutes of the original meeting of the landowners, and until their successors are elected and have qualified. At each annual meeting of the voting members, the voting members shall elect for a term of three (3) years the number of Directors whose terms of office have expired. All members must file an affidavit of candidacy to declare they are running for a term. Affidavits can be picked up from the main office starting June 1st and must be returned to the main office no later than close of business on the third Thursday of July of that same year. Affidavits must be hand delivered to office staff during regular business hours. Upon receipt, the date and time will be recorded on the affidavit and initialed by a staff member. Any affidavits that are not timely hand delivered to the office staff at the main office shall be invalid and of no force or effect.

Section 2. Immediately following the annual meeting of the voting members, the Board shall meet and shall elect a President, Vice President, Secretary and Treasurer, from among themselves, each of whom shall hold office until the next annual meeting of the voting 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 3. Any vacancy in the Board, other than from the expiration of a term of office and failure to comply with required six (6) hours training, may be filled by appointment by the remaining members of the Board for the remainder of the term. A vacancy created due to failure to comply with required six (6) hours training will be filled by appointment by the remaining members of the Board until the next regularly scheduled election of Board members. A qualified candidate would then be elected to fill the unexpired term of the vacated position. A Director who no longer qualifies as a participating member of said office and 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 by a vote of not less than 3/4ths of the voting 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 by vote of a majority of the members of the Board, at a regular meeting of the Board or special meeting called for that purpose.

Section 6. If a Board member misses three (3) regular monthly meetings, the office could be declared vacant by the remainder of the Board.

ARTICLE VIII

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 approve all agents and employees of the District or removal of such agents and employees of the District, prescribe such duties and designate such powers as may not be inconsistent with these By-Laws.

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

c. To establish, 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.

d. To fix charges to be paid by each water user for services rendered by the District, the time of payment, and the manner of collection, and to establish equal rates.

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.

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

g. Have prepared 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 to be made by a licensed municipal public accountant or certified public accountant, and make a report on said matters at each annual meeting of participating members.

ARTICLE IX

Powers and Duties of Manager

Section l. 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/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 the true and correct condition of the business may 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 X

Duties of Officers

Section 1. President. The President, who shall be a member of the Board, shall preside over all meetings of the District and the Board, call special meetings of the District and the Board, perform all acts and duties usually performed by a presiding officer, and sign such 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 in excess of five thousand dollars ($5,000.00), must be countersigned by an officer of the Board. The President shall perform such other duties as may be prescribed by the Board.

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

Section 3. Secretary. It shall be the duty of the Secretary, who shall be a member of the Board, to have a record kept 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 or the By-Laws 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 President or his/her designee.

Section 4. Treasurer. The Treasurer, who shall be a member of the Board, shall account for all funds of the District, shall have deposited 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. At each annual meeting of the District, he/she shall submit or cause to be submitted, for the information of the participating members a complete statement of the District 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 XI

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 voting member of the District.

ARTICLE XII

Annual Meeting

Section l. The Annual meeting of the voting members of the district shall be held at some suitable location within the district designated by the Board, at 6:30 P.M. on the third Thursday in August of each year.

Section 2. Special meetings of voting members may be called at any time by the President or upon resolution of the Board, or upon written petition to the President of the Board, signed by 25% of the voting 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 voting members of the District shall be delivered by such manner as determined by the Board, to each voting member of record directed to the address shown in the records 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 proceedings taken thereat.

Section 4. The voting members present at any meeting of voting members shall constitute a quorum for the purpose of the transacting business.

Section 5. The order of business at all membership meetings, shall be as near as possible:

a. Call to order
b. Proof of Notice of Meeting
c. Reading and approval of minutes of the last meeting
d. Report of officers and committees
e. Election of Directors
f. Unfinished business
g. New business
h. Adjournment

ARTICLE XIII

Board Meetings

Section 1. The Board shall meet immediately following the annual meeting and confirm the election of any new Directors, then elect officers from among themselves. The Board shall meet at such other times as may be determined by the Board or upon call by the President or any two (2) members of the Board. Notice of all meetings of the Board, shall be recorded at the County Clerk Office in accordance with the Open Meeting Act and posted in prominent public view at the office or place of meeting.

ARTICLE XIV

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. 1, Pawnee County, Oklahoma", which shall be in the custody of the Secretary.

ARTICLE XV

Fiscal Year

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

ARTICLE XVI

Amendments

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

ARTICLE XVII

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 XVIII

Benefit and Duties of Members

Section 1. The District shall install, maintain and operate a main distribution system. Each participating member shall be entitled to purchase water from the District, pursuant to the provisions of these By-Laws and such rules and regulations as may be prescribed by the Board. The water delivered to each participating member shall be metered.

Section 2. 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, water may be pro-rated among the various members and users on such basis as is deemed equitable by the Board.

Section 3. Failure to pay monthly water charges by the due date shall constitute a delinquency. Delinquent accounts shall be given two (2) notices prior to disconnection of service.

Section 4. The Board of Directors shall establish procedures and fees for collection of delinquent accounts and disconnection of service. These may include, but are not limited to: user deposits, late payment, collection and reconnection fees, as well as the times and methods of disconnect notifications.

ARTICLE XIX

Printing

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

AFFIDAVIT

STATE OF OKLAHOMA)
) SS
COUNTY OF PAWNEE)

Orvel I. Self, Charles E. Ewing, Albert Findley, Ed Carter and Lester Pendergraft, being first duly sworn, depose and state, each for himself, that he is a Director of Rural Water District No. 1, Pawnee County, Oklahoma, that the foregoing By-Laws were adopted at a meeting of the landowners of said District, duly held on the 31st day of May, 1966, at 7:30 P.M. That there were fifty-seven (57) landowners present in person and that the vote for the adoption of the By-Laws was unanimous.

_____ Orvel I. Self /s/

_____ Charles E. Ewing /s/

_____ Albert Findley /s/

_____ Ed Carter /s/

_____ Lester Pendergraft /s/

Subscribed and sworn to before me this 1st day of June, 1966.

Anna Logan /s/_____
Notary Public

My commission expires: 07/07/66

SEAL

AFFIDAVIT

STATE OF OKLAHOMA)
) SS
COUNTY OF PAWNEE)

David L. Smith, Bobby Brown, James Dickson, Alfred Nye, Bob Orrell, Duane Terry and Todd Weldon being duly sworn, depose and state, each for himself/herself, that he/she is a Director of Rural Water District No. 1, Pawnee County, Oklahoma, that the foregoing By-Laws were adopted at a meeting of the members of said District, duly held on March 11, 2011, at 7:30 P.M. That there were members present in person and that the vote for the adoption of the By-Laws was unanimous.

_____ David L. Smith

_____ Bobby Brown

_____ James Dickson

_____ Alfred Nye

_____ Bob Orrell

_____ Duane Terry

_____ Todd Weldon

Subscribed and sworn to before me this 11th day of March, 2011.

_____
Beth King
Notary Public

My commission expires: 11/08/2011
My commission #: 99017802

AFFIDAVIT

STATE OF OKLAHOMA)
) SS
COUNTY OF PAWNEE)

David L. Smith, Bobby Brown, James Dickson, Bob Boyd, Todd Weldon and James Cannon being duly sworn, depose and state, each for himself/herself, that he/she is a Director of Rural Water District No. 1, Pawnee County, Oklahoma, that the foregoing By-Laws were adopted at a meeting of the members of said District, duly held on August 20, 2015, at 7:00 P.M. That there were members present in person and that the vote for the adoption of the By-Laws was unanimous.

_____ David L. Smith

_____ Bobby Brown

_____ James Dickson

_____ Bob Boyd

_____ Todd Weldon

_____ James Cannon

Witnessed by these individuals on August 20, 2015.

_____ Darla Wallace

_____ Michelle Welch

AFFIDAVIT

STATE OF OKLAHOMA)
) SS
COUNTY OF PAWNEE)

David L. Smith, Rick Rogers, Bobby Brown, Bob Boyd, Todd Weldon, Al Wheeler and James Cannon being duly sworn, depose and state, each for himself/herself, that he/she is a Director of Rural Water District No. 1, Pawnee County, Oklahoma, that the foregoing By-Laws were adopted at a meeting of the members of said District, duly held on August 20, 2020, at 7:00 P.M. That there were members present in person and that the vote for the adoption of the By-Laws was unanimous.

_____ David L. Smith

_____ Rick Rogers

_____ Bobby Brown

_____ Bob Boyd

_____ Todd Weldon

_____ Al Wheeler

_____ James Cannon

Witnessed by these individuals on August 20, 2020.

_____ Darla Wallace

_____ Michelle Welch

AFFIDAVIT

STATE OF OKLAHOMA)
) SS
COUNTY OF PAWNEE)

Walyn Hensley, Al Wheeler, Layne Herring, Bobby Brown, Bob Boyd, Jim Cannon, and Rick Rogers being duly sworn, depose and state, each for himself/herself, that he/she is a Director of Rural Water District No. 1, Pawnee County, Oklahoma, that the foregoing By-Laws were adopted at a meeting of the members of said District, duly held on August 20, 2026, at 7:00 P.M. That there were members present in person and that the vote for the adoption of the By-Laws was unanimous.

_____ Walyn Hensley

_____ Al Wheeler

_____ Layne Herring

_____ Bobby Brown

_____ Bob Boyd

_____ Jim Cannon

_____ Rick Rogers

Witnessed by these individuals on August 20, 2026.

_____ Darla Wallace

_____ Michelle Welch