



TRI-COUNTY RURAL WATER DISTRICT #2
POTTAWATOMIE COUNTY, OKLAHOMA
BY-LAWS
May 15, 2023

Article 1

Name and Place of Business

Section 1. The name of this district shall be Tri-County Rural Water District #2, Pottawatomie County, Oklahoma.

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

Article 2

Corporate Powers

Section 1. The corporate powers of the District shall be vested in The Board of Directors, hereinafter referred 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 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 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 proper conduct and operation of the business of the District.
- d. To establish rates and impose charges for water services furnished to participating members and others.
- e. To enter into contracts for the purpose of accomplishing the purposes of the District with any person or governmental agency.
- f. To cooperate with any person, firm or entity or with any governmental agency in any undertaking designed to further the purposes and objectives 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 service shall be supplied only to 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 water system unless he/she has first subscribed and paid for one or more Benefit Units. Tenants occupying land located within the District may become users of the water system: Provided that the owner has subscribed and paid for one or more Benefit Units in favor of the land and 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/she may have subscribed. There shall be no dual ownership of Benefit Units for voting purposes. A participating member may be an individual, firm, partnership, association, or a corporation. A participating member may only cast his vote in person.

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. Each Benefit Unit shall carry with it the obligation of paying a minimum monthly meter charge from the time service is available. The Board in its discretion may from time to time, if the capacity of the District's facilities permit, make additional Benefit Units available. Subscriptions for Benefit Units shall be given preference and priority in order in which received. The Board may refuse the subscription for a Benefit Unit in favor of a particular tract of land located within the District, or impose special conditions on granting the same if in the judgment of The Board, the granting of said subscriptions and the furnishing of water services pursuant there to 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 vote of the members at the next regular meeting of the members, or special meeting of the members called for such purposes: provided, the decision of The Board shall stand, unless three-fourths of all participating members at the meeting vote in favor of a motion to overrule the decision of The Board.



- Section 2.** Upon the purchase of Benefit Units, the owners of land shall designate the tract of land to which the Benefit Units shall be assigned, and the Benefit Unit shall not be transferred from one tract of land to another within the District without the approval of The Board. The owner of lands subscribing for 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 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 the order which issued.
- Section 3.** The cost 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 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 transfers will be approved unless all charges against the Benefit Unit are paid in full. All transfers when approved shall be recorded in the books of the District. All actual cost of service transfer will be paid by the owner of the Benefit Unit.
- Section 5.** Failure to pay the minimum monthly meter charge or failure to pay for water used through a meter shall constitute a forfeiture of the Benefit Unit on behalf of which such failure occurs; provided, that such benefit unit shall be reinstated, if within three (3) months after such failure, all back charges are paid in full and reasonable labor charge necessary to effect such reconnections. Provided, further, The Board may permit such reinstatement, after such failure upon payment of all back charges and reasonable labor charges necessary to effect such reconnection.

Article 7

Election of Directors

- Section 1.** The Board of this District shall consist of five (5) members, all of whom shall be participating members of the District, and be elected from their ward at each meeting of the participating members. The participating members shall elect, for a term of three (3) years the number of directors whose term of office have expired.
- Section 2.** At the first meeting of the Board of Directors following the annual meeting of the participating members, The Board 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 shall be held by one person.
- Section 3.** Any vacancy in The Board, other than from the expiration of a term of office, shall be filled by the remaining members of The Board by appointment for the remainder of the unexpired term. Resignation of a Director may be made in writing or orally at a



Board Meeting. The resignation shall become effective upon acceptance by the remaining members of The Board.

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 three-fourths of the participating members of the District at any annual or special meeting called for that purpose. Officers of The Board, and employees and agents may be discharged or removed from office or employment at any time by action of the Board.

Article 8

Powers and Duties of Directors

Section 1. The Board, subject to the restrictions of law, and these by-laws, shall exercise all the powers of the District and without prejudice to or limitation upon 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, 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.

No employees of the District may be related by blood or marriage to a director or other District employee. Related being: Father, Mother, Grandfather, Grandmother, Aunt, Uncle, Brother, Sister, or First Cousin.

b) To borrow from any source money, goods, or services and to make and secure 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 prescribe, adopt, and amend, from time to time, such equitable and uniform rules and regulations, as, in their discretion, may be deemed essential or convenient for the conduct of the business and affairs of the district, and the guidance and control of its agents and employees.

d) To fix charges to be paid by each water user for services rendered by the district to him, the time of payment, and the manner of collection, and to establish rates for all participating members and water users according to the amount and type of services furnished.

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

f) To select one or more banks to act as depositories of the funds of the district and to determine the manner of receiving, depositing and disbursing the funds of the district in the form of checks, and the person by whom the same shall be signed 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 revenue required by such budget, cause an annual audit of the District records and accounts to be made by a licensed public accountant or a qualified independent accountant, or certified public accountant, and make a report on said matters at each annual meeting of participating members.

h) The Board shall have such duties as are recognized and established by law. The Board of Directors will receive for expenses, expended the sum of \$50.00 per meeting attended, and for Board authorized travel outside of Pottawatomie and Seminole counties IRS mileage and actual expenses.

k) Any matters regarding Real Property will require a Members vote.

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 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. 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 refuse 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 the funds of the District, shall deposit or have deposited the same in some Federally insured financial institution designated by The Board, as a depository, and pay the amounts or cause them to be paid out of the depository only if the checks signed by a member of The Board, and countersigned by another Board Member or a person as authorized by The Board. 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 10

Books and Records

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

Article 11

Meetings 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. The meeting shall be held on a date selected by The Board. The date will not be earlier than December 1st of the current year or later than March 1st of the following year.

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 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 meeting 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 proceedings taken there.

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 or the Signing of a Waiver of Notice
- c) Reading and Approval of Minutes of Last Meeting
- d) Report of Officers and Committees
- e) Election of Directors (When Needed)
- 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 other times as may be determined by The Board, or upon call by the Chairman or any two (2) members of The Board. Notice of all meetings of The Board shall be by mailing a notice to the last known business or residence address of each director, at least two (2) days before the holding of such meeting: Provided, however called, or consent in writing that such meeting may be held is signed, the proceedings thereat shall be as valid as though the previous written notice aforesaid has been given.

Article 13

Manner of Election and Voting

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. No proxy or absentee voting is allowed.

Article 14

Seal

Section 1. The District shall have a Corporate Seal, consisting of a circle having in its circumference and face the words, "Tri-County Rural Water District #2, Pottawatomie County, Oklahoma," which shall be in the custody of the Secretary or his/her assistant.

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 By-Laws may be replaced or amended by a vote of the majority of the participating members present, at any regular meeting of the District, or any special meeting of the District called for that purpose. 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 law 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 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 participating members must be given at least ten (10) days before such meeting and must set forth the amendments to be considered.

Article 17

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 18

Benefits and Duties of Members

Section 1. The District shall install, maintain, and operate a main distribution pipeline (or lines) from the source of the water supply, and lines from the main distribution pipeline or lines, to the property line of each participating member. All costs of bringing lines from an existing, district-owned, distribution line to the property line of the participating member.

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 services, for domestic and other such purposes as a participating member may desire, subject, however, to the provisions of these By-Laws and such rules and regulations as may be prescribed by The Board, the water delivered to each participating member shall be metered.

Section 3. In the event the total water supply shall be insufficient to meet all 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 and lawn purposes and require adherence thereto, or prohibit the use of water for garden and lawn purposes, if at any time the



total water supply shall be insufficient to meet all the needs of the participating members for domestic, livestock, garden and other purposes, and the District must first satisfy all the needs of the participating members for domestic purposes before supplying any water for livestock purposes and must satisfy all needs of all the participating members for domestic and livestock purposes before supplying water for gardens and other purposes. The Board may discontinue service to a benefit unit for failure to adhere to schedule of hours prescribed for the use of water for garden or lawn purposes.

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This Document was amended by vote of Membership at the Annual Meeting, May 15, 2023.