

**BYLAWS OF RURAL WATER DISTRICT No. 3,  
CHEROKEE COUNTY<sup>1</sup>**

**Article 1 - The District**

- 1.1 Name.** The Rural Water District No. 3, Cherokee County (hereafter “District”), is a nonprofit Rural Water District under 82 O.S. §1324.1 and following.<sup>2</sup>
- 1.2 Purpose.** The purpose of this District is to develop and provide an adequate rural<sup>3</sup> public water supply for its members (as later defined).
- 1.3 General Powers.** The District shall have and exercise all powers of a Rural Water District under 82 O.S. § 1324.1 and following.<sup>4</sup>
- 1.4 Operations.** The District is governed by its board of directors (“Board”). The District provides its services by a manager and employees acting under the direction of the Board. The District may acquire water, water rights and water works to provide water to its Members, and to others as may be determined by the Board.
- 1.5 Address.** The principle office and mailing address of the District is 18464 W Jones Road, Tahlequah, Oklahoma 74464.
- 1.6 Fiscal Year.** The District’s fiscal year begins on the first day of January.
- 1.7 Records.** The books and records of the District shall be subject to inspection by its Members and the public during office hours and according to the Oklahoma Open Records Act, 52 O.S. § 24A.1 and following

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<sup>1</sup> As adopted on March 11, 2014.

<sup>2</sup> 1.1 The District was organized and incorporated into Cherokee County on June 13, 1966 (see Book 189, Page 504 of the records of the Cherokee County Clerk).

<sup>3</sup> 1.2. “Rural” includes municipalities with populations under 10,000 (82 O.S. §1324.2), and the northern portion of the City of Tahlequah.

<sup>4</sup> 1.3 General powers by law include the power to sue and be sued, to adopt a seal, to hire agents and employees, to enter into contracts, to borrow and loan money, to acquire, hold and dispose of real and personal property, to perform all acts necessary to achieve the lawful purpose, and more, including the power to acquire waters, water rights and facilities, acquire land by eminent domain, and to cooperate with other governmental entities See, 82 O.S. § 1324.10.

## Article 2 - Directors

- 2.1 **Number.** Five directors, elected by the members of the District, collectively known as the Board of Directors (“Board”) govern the District.
- 2.2 **Qualification and compensation.** Except for the initial directors of the District, directors must be Members of the District, and they serve without compensation.
- 2.3 **Term.** The term of a new director begins in March following the election and extends for five years or until any replacement is elected and qualified. To provide continuity between succeeding Boards of Directors, the terms shall be staggered to allow the election of one director each year.
- 2.4 **Training.** All directors must attend six or more hours of workshop training every three years, which is organized by the Oklahoma Rural Water Association and to be paid by the District.<sup>5</sup> New directors shall attend this training within one year, and the failure to attend is grounds for removal.
- 2.5 **Removal.** A director may be removed for good cause by a 3/4 vote of the members at an annual or special meeting of the members of the District.
- 2.6 **Non-liability of Directors.** A director is not, as such, personally liable for the debts, liabilities or other obligations of the District.

## Article 3 - Board

- 3.1 **Governing Body.** Subject to the provisions of the laws of Oklahoma and any limitations in these bylaws relating to action required or permitted to be taken or approved by the members of this District, the activities and affairs of this District shall be conducted and all powers shall be exercised by or under the direction of the Board.
- 3.2 **Meetings.** The Board shall meet monthly at a time and place announced by the Board.<sup>6</sup> Special Board meetings may be held upon the call of the Chair or any two directors. Except in an emergency, directors shall be notified at least 48 hours in advance of a Special Board meeting. No additional notice is required for Board meetings held on a recurring schedule (such as the 2nd Tuesday). Notice and conduct of Board meetings shall comply with the Oklahoma Open Meeting Act, 25 O.S. § 301 and following.
- 3.3 **Quorum.** A majority of directors in office is a quorum. Every act or decision by a majority of the directors present at a proper meeting at which a quorum is present is the act of the Board. In the absence of a quorum, plans may be discussed but business decisions cannot be made.
- 3.4 **Vacancy.** At the first meeting after the resignation, death or removal of a director, the Board shall elect a Member of the District to fulfill the unexpired term.

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<sup>5</sup> 2.4. Training reference, 82 O.S. § 1324.16.

<sup>6</sup> 3.2. The Board usually meets at 6:30 p.m. on the 2nd Tuesday at the District office.

- 3.5 Duties.** To accomplish the purpose of the District, the Board, in addition to providing direction and setting policies for the District, shall also:
- a. elect the officers of the District, from among the directors, immediately after each annual meeting of the members of the District;
  - b. employ, oversee, compensate, and remove for good cause, a business manager (Manager), to conduct the daily business of supplying water to the members;
  - c. approve the employment and removal of all agents and employees of the District, prescribe their duties, and fix their compensation and pay for faithful service to the District;
  - d. approve the purchase and disposal of District property, including water, water rights and water works;
  - e. issue certificates to new Members and approve the expulsion and reinstatement of benefit units of Members, as subsequently provided;
  - f. select banks and financial institutions for use by the District;
  - g. adopt a fee schedule for water services provided by the District;
  - h. adopt and amend such policies as, in its discretion, are needed for the conduct of the business of the District;
  - i. require those officers, agents and employees of the District who have custody of District funds to be covered by an insurance policy or to post a bond, to be paid by the District, for the faithful performance of monetary duties;
  - j. annually approve a budget for the coming year;
  - k. cause an annual audit of the District records and money accounts by a certified public accountant, to be performed in accordance with the law; and
  - l. resolve other matters and perform all other acts for the District as provided by law (*see*, 82 O.S. § 1324.1 and following).

## **Article 4 - Officers**

- 4.1 Annual Terms.** Each officer shall serve until a successor is qualified, and shall have the duties described below and as further designated by the Board.
- 4.2 Chair.** The Chair presides over Board and District meetings; and signs Benefit Unit Certificates and such other documents as are usually performed by a chief executive officer.
- 4.3 Vice-Chair.** In the absence or disability of the Chair, the Vice-Chair performs the duties of the Chair.
- 4.4 Secretary.** The Secretary, with assistance from the Manager, keeps records of Board and Member meetings; keeps financial reports, agendas and all other District records; causes required notices to be served; and makes the books and records of the District available to the Members and the public for reasonable inspection during business hours according to the Oklahoma Open Records Act.

- 4.5 Treasurer.** The Treasurer, after posting a performance bond, and with assistance from the Manager, receives, deposits and accounts for all funds of the District; counter-signs checks by the District; reconciles bank accounts; files all tax and other financial submittals; drafts an annual budget for revision and approval by the Board; and presents a financial report at the annual meeting of the District. One director may serve as both the Secretary and Treasurer.

## **Article 5 - Manager**

- 5.1 Agent of the Board.** The Manager serves at the pleasure and under the general supervision and direction of the Board.
- 5.2 Duties.** To carry out the daily operations of the District, the Manager shall have the duties described below and as further designated by the Board.
- a. employ, supervise, set compensation, and dismiss agents and employees, all subject to approval of the Board;
  - b. operate the District in compliance with applicable laws and rules;
  - c. make financial deposits and maintain records in such a manner that the true condition of the District can readily be determined, and otherwise assist the Secretary and Treasurer with their duties;
  - d. present a current statement of the business and affairs of the District to the Board at each meeting;
  - e. provide services fairly to Members and patrons; and
  - f. carefully preserve and provide the District's records to any successor.

## **Article 6 - Members**

- 6.1 Eligibility.** Any individual or legal entity that owns land located within the area served by the District<sup>7</sup> may become a member of the District ("Member") by purchasing one or more benefit units.
- 6.2 Benefit Unit.** A benefit unit is the legal right to one service connection to receive water from the District to serve one designated tract of land, and to participate in meetings of the District.
- 6.3 Board Meetings.** Any Member and the public may attend and observe meetings of the Board of Directors, and may participate on the invitation of a director or as allowed by the published agenda.
- 6.4 Non-liability.** A Member of this District is not, as such, personally liable for the debts, liabilities or obligations of the District beyond paying for services received.

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<sup>7</sup> 6.1 The area served by the District is generally the northern part of Cherokee County, including the northern portion of the City of Tahlequah, and adjacent to Highway 10.

## Article 7 - Member Meetings

- 7.1 Annual Member Meeting.** The District shall meet at least once a year with its Members, at a time and place selected by the Board of Directors.<sup>8</sup>
- 7.2 Special Member Meeting.** A special meeting of the Members may be called by the Chair, by a resolution of the Board, or by a petition signed by 51% or more of current Members, to be held at a time and place selected by the Board.
- 7.3 Notice.** Notice of any Member meeting, and an agenda or list of voting items shall comply with the Open Meeting Act and shall be sent to every Member and director at either the physical or email address of record at least 10 days prior to the meeting. The text of any proposed changes to these bylaws shall also be included.
- 7.4 Quorum.** The Members who are present shall constitute a quorum. Unless otherwise provided, a decision is made upon a majority vote of the Members present. At a special Member meeting, at least 1/3 of the Members shall be present to constitute a quorum for voting, and if there be no quorum then the action shall be transferred to the Board for a decision.
- 7.5 One vote.** Any Member who holds one or more benefit units and is current on payments is entitled to one vote when personally present at any District meeting. Votes must be publicly cast and recorded.
- 7.6 Order of Business.** Member meetings shall include, as may be applicable, a call to order, proof of notice, reading and approval of minutes of last meeting, reports by officers and the Manager, election of directors, other business as described in the notice, unfinished business, new business not known about prior to posting of notice, and adjournment.<sup>9</sup>
- 7.7 Changes to Bylaws.** These bylaws can be amended by the vote of 3/4 of the Members present if the text of the changes was included in the meeting notice. However, no amendment shall change the purpose of the District so as to impair its rights and powers under Oklahoma law, 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 Members, or to deprive any Member of rights then existing, or to affect a fundamental change in the policies of the District.

## Article 8 - Water Services

- 8.1 Purchase Water.** Owners of benefit units (Members) can purchase water from the District, subject to Oklahoma law, these bylaws and the policies approved by the Board.

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<sup>8</sup> 7.1 Annual Member meetings are usually held in March.

<sup>9</sup> 7.6 Members may also approve an additional fee, up to ten cents per thousand gallons of water, to be used for special purposes to benefit the District as approved by the Board [see, 82 O.S. § 1324.9(B)].

- 8.2 Water Rates and Fees.** Fees for services and the rates for water purchases are set in the policies of the Board. These rates and fees shall include:
- a. benefit unit (membership) fees, which include the cost of setting a meter;
  - b. monthly operations fees for locked and for unlocked meters;
  - c. water usage rates;
  - d. fees to disconnect and reconnect meters;
  - e. Member transfer fees; and
  - f. financial transaction fees.
- 8.3 Water Service Agreement.** Landowners who apply for benefit units must sign a water service agreement furnished by the District by which applicants acknowledge that, unless otherwise specifically authorized by the District:
- a. sewage must be discharged to systems approved by the Oklahoma Department of Environmental Quality,
  - b. water is to be metered and provided for the sole use of the applicant or his tenant at one location and may not be used otherwise;
  - c. a description of the fees and penalties for late payment was received;
  - d. the applicant will notify the District in advance of any change in tenant or sale of the land; and
  - e. such other items as may be authorized by the Board.
- 8.4 Applications.** Applications for benefit units are given preference and priority in the order in which they are received. The Board may deny an application for or impose special conditions upon a particular tract to avoid impairing services or to avoid an undue burden on existing Members. Any landowner aggrieved by such a denial or the imposition of special conditions may ask for relief at the next regular or special Member Meeting of the District by contacting the Secretary to place the issue on the agenda. The Board decision shall stand unless 3/4 of all members present vote otherwise (except if transferred to the Board under paragraph 7.4).
- 8.5 Transfer of Benefit Unit.** Members may transfer a benefit unit to a new owner upon the conveyance of the designated tract to the new owner, which shall be effective upon District approval of an application to transfer.
- 8.6 Tenants.** Landowners may authorize their tenants to pay fees that are due. In such instances, notice of payment defaults shall be provided to both the tenant and to the landowner.
- 8.7 Failure to pay.** Failure to pay monthly meter charges or for water used through a meter for more than 6 months and after receipt of notice shall result in forfeiture of a benefit unit.
- 8.8 Rationing.** If the District experiences a shortage of water, the Board may prorate water among members as the Board deems fair, and may schedule usage times for non-domestic purposes. The District must satisfy domestic uses before livestock and gardens.