

Comanche County Rural Water District # 1

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BY-LAWS

REVISED APRIL 2015

**COMANCHE COUNTY RURAL WATER DISTRICT #1
25560 STATE HIGHWAY 58 LAWTON, OK 73507-7778**

BY-LAWS

**ARTICLE 1
NAME AND PLACE OF BUSINESS**

Section 1. The name of this corporation shall be Comanche County Rural Water District No. 1, hereinafter referred to as District.

Section 2. The principal office of this District shall be located in Comanche County, Oklahoma. Its mailing address is: 25560 State Highway 58 Lawton, OK 73507-7778.

**ARTICLE 2
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 3
PURPOSES AND OBJECTIVES**

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

(a) To acquire water and water rights; to make engineering layouts, construct and build water storage tanks, lay pipe lines, install pumps, maintain all District property, and to construct buildings (to be used for Water District purposes) and such other facilities as are necessary to carry on the business of water distribution and to operate said water distribution system for the purpose of supplying water to serve the owners and/or occupants of real property located within the District and any other entities as authorized by the By-Laws and the laws of the State of Oklahoma and the United States of America.

(b) To borrow money or obtain credit from any Federal or State agency of the United States Government or from any Agency of the State of Oklahoma or any bank or Savings and Loan Institution and to secure any loans made or credit obtained by the District by mortgaging or pledging any part or all of the physical assets and revenues and/or other income of the District, including, but not limited to, easements and rights-of-way owned by the District. All loans made will be authorized by a majority vote of all the members of the District present at a special meeting or at an annual meeting of the members.

Except, by a majority vote of the Board and without approval of the membership of the District, the sum of up to \$50,000.00 may be borrowed from any Bank or a State or Federal Agency for the purpose of providing for an emergency matter involving the physical facilities of the District.

(c) To hold such real and/or personal property as may come into its possession from any source whatsoever as is authorized by law; to acquire or dispose of any real and/or personal property, including easements and/or rights of way owned by the District, as may be necessary and convenient for proper business-like operation of the business of the District.

(d) To establish rates and impose charges for water and/or 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, firm, corporation or County, State or Federal Governmental Agency.

(f) To cooperate with any person, firm, corporation or any County, State, or Federal 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 or the United States of America. Should federal or state statutes, laws, regulations or rules change which affect the operation of the District, then the Board of Directors of this district is hereby granted the authority to amend or modify operations to fully comply with the changes in the law. By-Law changes to comply with the changes required by law shall be acted upon at the next Annual Meeting of the District, or at a special meeting called by the Board.

ARTICLE 4

USERS

Section 1. Water service shall be supplied only to persons, firms or corporations who reside and/or operate or maintain a business, including farming operations on real property located, wholly or partially, 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. If a rural area of the District becomes incorporated, the Board may impose additional and/or special conditions including, but not limited to adjusted water rates and service fees, upon the present and future water users within the new incorporated area.

Section 2. No owner of land located within the District shall be eligible to become a user of the facility water and/or services of the District unless he has first subscribed and paid for one or more Membership Certificates. Tenants

occupying land located within the District may become participating members of the district, and will be authorized the use of the water and/or services of the District, after they have subscribed and paid for one or more Membership Certificates, and upon payment of the unit fee for each such unit, shall be entitled to the same rights as original participating members. Upon vacating the property by the tenant, the water meter installed by the district shall be removed by the district or transferred to the owner of the respective property.

ARTICLE 5

RIGHT TO VOTE

Section 1. Only Certificate owning members shall have the right to vote, and each participating member shall be entitled to a single vote, regardless of the number of Membership Certificates to which he may have subscribed. There shall be no proxy voting. There shall be no multiple ownership of Membership Certificates for voting purposes. One Certificate grants one vote regardless of number of owners. A participating member may be a person, firm, association or corporation.

(a) A participating member shall be defined as an owner or owners of the land located within the District who has or have subscribed to one or more Membership Certificates and said Certificate has been issued to the subscriber. Provided, however, that no Certificate shall be issued unless payment or payments of charges due from the subscriber to the District are current on at least one of the Membership Certificates. This includes charges for water or for any and all services that have been rendered by the District for the benefit of the subscriber.

(b) A Certificate holder whose account or accounts with the District are not current will not be permitted to vote on any matter presented to the membership of the District for a decision.

ARTICLE 6

MEMBERSHIP CERTIFICATES

Section 1. The Board shall at the proper time cause a Declaration of Availability of Membership Certificates for subscription to be entered in its minutes and shall establish a unit price for said subscriptions. Each Membership Certificate shall carry with it the obligation for paying a minimum monthly meter charge from the time service is available. The Board at its discretion may from time to time, if the capacity of the District's facilities permit, make additional Membership Certificates available. Subscriptions for Membership Certificates shall be given preference and priority in the order in which received. The Board may refuse the subscription for a Membership Certificate 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 furnishing of water services 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, however, that the decision of the Board shall stand, unless twenty-five (25%) percent of all participating members of the District vote in favor of a motion to overrule the decision of the Board, and they are in the majority of the members of the District present at said meeting at the time the vote is taken.

Section 2. At the time of purchase of Membership Certificates, the owners of land shall designate by legal description the land to which the Membership Certificate shall be assigned and the Membership Certificate 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 Membership Certificate to be assigned to one tract of land shall at the time of said subscription designate by legal description the location of said land where he intends to utilize said Membership Certificate and no major change in location shall be made without the approval of the Board. Membership Certificates shall be issued by the Board, signed by the Member, Chairman and Secretary, showing name of owner and tract of land to which the Membership Certificate is assigned. Certificates shall be numbered consecutively in the order in which issued.

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

Section 4. Membership Certificates shall follow the title of the land unless the owner of the land designates otherwise. Owners may transfer Membership Certificates from one tract of land to another tract owned by them within the district, subject, however, to the approval of the Board. No transfer in ownership of Membership Certificates will be approved unless all charges against the Membership Certificates are paid. All transfers, when approved, shall be recorded in the books of the District.

Section 5. Each Membership Certificate shall entitle the owner one pipe line and no more from the District's water system for one residence or one business. Each pipe line shall serve not to exceed one residence or one 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 and/or services rendered shall cause, within thirty days, a forfeiture of the Membership Certificate concerning the land for which it was issued, except as stated below. Such Membership shall be reinstated within thirty(30) days after such failure if all back charges are paid in full, plus a service charge to be determined by the Board, plus reasonable labor charges necessary to effect such reconnections and further, that the Board may permit such reinstatement after the thirty (30) day period, at its discretion, conditioned with any special conditions that it deems proper; 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 to the tenant at his last known address and to the landowner if he is the Certificate holder of the land involved, at his last known address as shown on the books of the District or to any other address where it is reasonable to believe that he may be found.

ARTICLE 7

ELECTION OF DIRECTORS

Section 1. (a) The Board of this District shall consist of five (5) members, all of whom shall be participating members of the District. The Directors shall be elected for a period of three years. Directors for Zones 3 and 4 shall be elected in 1990; Director for Zone 1 and At-Large Director shall be elected in 1991; and Director for Zone 2 shall be elected in 1992. Directors shall serve until the expiration of the term for which they were elected and until their successors are elected and have qualified.

(b) An annual meeting of participating members of the District shall be held for the purpose of electing Board members and for such other purpose as the By-Laws may require. At each annual meeting of the participating members of the District, said members shall elect for a term of three (3) years the number of Directors whose term or terms of office have expired. Provided, however, no participating member, not having served for a period of at least one (1) year on the Board of Directors, shall be qualified to serve on said Board of Directors unless he or she signs a written pledge that if elected he or she will attend six (6) hours of work shop training as provided in 82 Section §1324.16.

AMENDMENT TO THE BYLAWS OF THE Comanche County Rural Water District #1

Now on this day of April 9, 2015 at the Annual Meeting of the Membership of the Comanche County Rural Water District #1, a motion was made and duly seconded and approved, to add the following amendment to Article 7 Section 1.b to the By-Laws of the Comanche County Rural Water District #1 as follows, to-wit:

Any member seeking election or re-election to the Board of Directors of the Comanche County Rural Water District #1:

- a. Must be a member of good standing.
- b. Must file a written notice of candidacy with the secretary of the District at least thirty (30) days, and not more than sixty (60) days, prior to the Annual Meeting of the General Membership Meeting.
- c. Must meet all state and federal regulations in regard to serving on a public board of directors.

No person may be nominated for director except as herein set forth.

PASSED AND APPROVED at the Annual Meeting of the General Membership of the Comanche County Rural Water District #1 on April 9, 2015, by the majority of the members present at said meeting.

(c) The Water District shall be zoned into four zones. Zone One will be the area south of the Tackle Box Road and west of the Four Mile Road to the south and west boundaries of the District (including Medicine Park city limits). Zone Two will be the area west of Hwy. 58 and north of Tackle Box Road to the north and west boundaries of the District. Zone Three will be the area north of the Tackle Box Road and west of the Four Mile Road and east of Hwy. 58 to the north and east boundaries of the District. Zone Four will be the area located east of the Four Mile Road to the north and south and east boundaries of the District. Each zone shall be represented by one director who shall live therein, and one shall be elected at large and can reside in either zone 1, 2,3 or 4.

Section 2. Immediately following the annual meeting of the participating members, the Board shall meet and shall elect a Chairman, Vice-Chairman, Secretary and Treasurer, from among themselves, each of whom shall hold office until the next annual meeting of the participating members and until the election and qualification of his or her successor unless sooner removed by death, resignation or for cause. The office of 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, shall be filled by appointment by a majority votes of the remaining members of the Board. A member of the Board who no longer resides in the District shall be disqualified to be a Board member and creates a vacancy on said Board, which vacancy shall be filled as stated above. If said disqualified Board member was an officer of said Board, then his office shall be filled by an election conducted by the remaining Board members.

Section 4. A majority of the Board shall constitute a quorum at any meeting of the Board.

Section 5. Any Director of the District may be removed from office for cause by a vote of not less than twenty-five (25%) percent of the participating members of the District and when they are the majority at any annual or special meeting called for that purpose. The Director shall be informed in writing of the charges preferred against him or 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 from their office for cause, by a majority vote of the members of the Board if there is a quorum of the Board present at the meeting when said vote is taken. Employees and agents may be discharged or removed from office or employment at any time by a majority vote of the Board so long as there is a quorum of the Board present at the meeting when such action is taken.

ARTICLE 8

POWERS AND DUTIES OF DIRECTORS

Section 1. The Board, subject to the restrictions of law, and these By-Laws, shall be the governing body of the District and shall exercise general power and authority that is common to any governing Board, and, in addition, it is hereby expressly provided that the Board shall have, and is hereby granted 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 and prescribe their duties and designate such powers as may not be inconsistent with these By-Laws and fix their compensation and pay for faithful services or remove such agents and employees of the District for just cause; provided, however, no relative by blood or by law within the third degree of consanguinity of a Board member shall be appointed or employed by the District without the Board, first appointing a special committee to determine the employment of such blood or law relative. The restriction of the third degree of consanguinity can be waived by the Board if it is found to be in the best interest of the District to do so.

(b) To borrow money, goods, or services from any reasonable source, to make and issue notes, and other negotiable and transferable instruments, mortgages, deeds, deeds of trust, trust agreements, and easements 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 is necessary to conduct 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 said user, the time of payment, and the manner or method of collection, and to establish equal rates for farm members and non-farm members according to the amount of services furnished and the cost to the District to render such services.

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

(f) To select one or more banks, within the county of the District, 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 Board. The Board shall have the power to change such bank or person signing such checks and the form thereof by a majority vote of all Board members.

(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 municipal public accountant or a qualified Certified Public Accountant. Said accountant shall make a report on said audit at each annual meeting of participating members.

ARTICLE 9

POWERS AND DUTIES OF 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, except as provided for in Article 8, Section 1 (a), supervise and dismiss all agents and employees of the District and fix their compensation. He 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 is paid to the District; maintain he 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 successor all books, records, documents, and correspondence pertaining to the business of the District which have come into his possession; and to perform such other duties as may be prescribed by the Board.

ARTICLE 10

OFFICERS

The Board of Directors shall annually elect a Chairman, Vice-Chairman, Secretary and Treasurer for a term of one (1) year and until a successor is elected or appointed and has qualified to serve as a Director. The office of Secretary and Treasurer may be filled by one Director.

ARTICLE 11

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 Membership Certificates and such other papers of the District as he or 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; and provided further, that all checks 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 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 or 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 or 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 or cause to be deposited the same in some bank designated by the Board as an official

depository, and pay the debts of the District, or cause them to be paid out of the depository only on checks signed by the Chairman, or someone authorized to sign on the Chairman's behalf. He or she shall countersign said checks.

At each annual meeting of the District, he or she shall submit for the information of the participating members a complete statement of his or her accounts for the past year and shall discharge such other duties pertaining to his or her office as shall be prescribed by the Board. The Treasurer shall give a good and sufficient bond in such amount as may be fixed by the Board.

ARTICLE 12

BOOKS AND RECORDS

Section 1. The books and records of the District and the Board, 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 participating member of the District. The District's Attorney and accountant shall have free access to all books and records of the Board and District.

Books and records of the District shall be maintained in the District Office and shall be retained for a minimum of ten (10) years from the date of the last entry recorded therein.

ARTICLE 13

ANNUAL MEETING OF PARTICIPATING MEMBERS

Section 1. The Annual Meeting of the participating members of the District shall be held at some location within the District designated by the Board. The Annual Meeting of the members shall be held during the month of April each year at 7:00PM. Members will be notified as to the exact date as provided in Article 12 Section 3.

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 twenty-five (25%) percent of the participating members of the District. The purpose of every special meeting shall be stated in the notice thereof. No business shall 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.

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

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

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

ARTICLE 14

BOARD MEETINGS

Section 1. The Board shall meet each year to adopt a budget for the following year. It will also meet annually to elect officers immediately following the election of any new director or directors. The Board shall meet at such other times as may be determined by the Board, or upon call by the Chairman or any two members of the Board. Notice of all meetings of the Board shall be by mailing or delivery of a notice to the last known business or resident address of each Director, at least three (3) days before the holding of such meeting; provided, however, that when a majority of the Directors are present at any meeting, however called, the proceedings thereat shall be as valid as though written notice aforesaid has been given.

ARTICLE 15

MANNER OF ELECTIONS AND VOTING

Section 1. At all membership 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 meeting. The owner or owners of a unit shall have one vote. Each participating member of the District shall have but one (1) vote, regardless of the number of units he or she may own.

ARTICLE 16

SEAL

Section 1. The District shall have a corporate seal, consisting of a circle having in its circumference and face the words, "Comanche County Rural Water District No.1" which shall be in the custody of the Secretary.

ARTICLE 17

FISCAL YEAR

Section 1. The fiscal year of the District shall begin the first day of January of each year and end on the thirty-first day of December of each year.

ARTICLE 18

AMENDMENT

Section 1. These By-Laws may be repealed or amended by a vote of three-fourths ($\frac{3}{4}$) 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 the participating member 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 land 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, by mail, 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 19

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 20

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 pipe lines from the main distribution pipe line or lines, to the property line of each participating member of the District, at which location designated as delivery points, meters will be

paid for by the member and installed by the District. Said meters shall be owned and maintained by the District.

Section 2. Each participating member shall be entitled to purchase from the District, subject to such agreement or agreements as may, from time to time, be made and required by the District and the Board, such water and services for domestic and other such purposes as a participating member may desire, subject, however, to the provisions of the 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 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 yard and/or garden purposes and require adherence thereto: or prohibit the use of water for yard and/or garden purposes if 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 and livestock purposes before supplying water for yard and/or gardens and other purposes.

ARTICLE 21

PRINTING

Section 1. After adoption, these By-Laws shall be prepared and a copy thereof shall be available for participating members or proposed members of the District. Upon request, a copy of the said By-Laws shall be mailed to the requesting member or proposed participating member.

Article 22

REVIEW

Section 1. The Board will every five (5) years, appoint a committee made up of at least one (1) member from each zone to review the By-Laws of the District and to propose any amendments to the By-Laws or recommend any necessary changes.

AMENDMENT TO THE BYLAWS OF THE
Comanche County Rural Water District #1

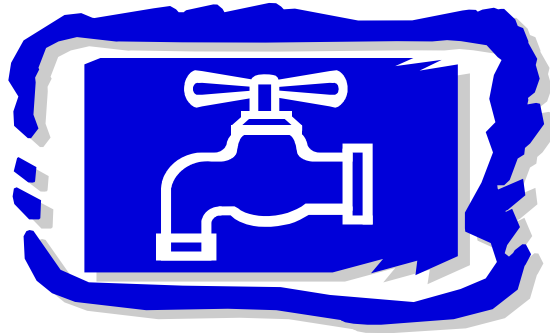
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Any member seeking election or re-election to the Board of Directors of the Comanche County Rural Water District #1:

- a. Must be a member of good standing.**
- b. Must file a written notice of candidacy with the secretary of the District at least thirty (30) days, and not more than sixty (60) days, prior to the Annual Meeting of the General Membership Meeting.**
- c. Must meet all state and federal regulations in regard to serving on a public board of directors.**

No person may be nominated for director except as herein set forth.

PASSED AND APPROVED at the Annual Meeting of the General Membership of the Comanche County Rural Water District #1 on April 9, 2015, by the majority of the members present at said meeting.



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LAWTON, OK 73507-7778

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