

**RURAL WATER, SEWER, GAS AND SOLID  
WASTE MANAGEMENT DISTRICT NO. 16  
CHEROKEE COUNTY, OKLAHOMA**

**BY-LAWS  
October 16, 2020**

**ARTICLE 1**

**Name and place of business**

- Section 1. The name of this corporation shall be Rural Water, Sewer, Gas and Solid Waste Management District 16 Cherokee County, Oklahoma.
- Section 2. The principal office of this District shall be located in Cookson, Oklahoma.

**ARTICLE 2**

**Corporate Powers**

- 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 and to provide for a solid waste management system to serve the needs of owners and occupants of land located within the District and others as authorized by the 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 right-of-ways.
    - 1. Any loan made or insured by Rural Development will be authorized by a majority vote of all the members present at a special meeting or at an annual meeting of the members.
  - (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 right-of-ways 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, sewer, and solid waste disposal services furnished to participating members and other.
- (e) To enter contracts for the purpose of accomplishing the purpose of the District with any person or governmental agency.
- (f) To cooperate with any persons 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 under the laws of the State of Oklahoma.

### **ARTICLE 3**

#### **Water User**

- Section 1. Water and sewer 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 water and sewer subscriber unless he has first subscribed and paid for one or more Benefit Units. Tenants occupying land located within the District may become water and sewer subscribers: provided, that the owner, or someone on behalf of the owner, has subscribed and paid for one or more Benefit Units in favor of the land or premises occupied by the tenant.

### **ARTICLE 4**

#### **Right to Vote**

- Section 1. Only participating members shall have the right to vote, and each participation member shall be entitled to a single vote, regardless of the number of Benefit Units to which they may have subscribed: Provided all owners of land located within the District shall be eligible to vote at meetings of landowners until ninety (90) days after a declaration of availability of Benefit Units and unit fees has been entered in the books of the District. There shall be no proxy voting, and no dual ownership of Benefit Units for

voting purposes. A participation member may be an individual, firm, partnership, association, or corporation.

Participating member shall be:

- (a) Any resident who has subscribed to one or more Benefit Unit(s):  
Provided, payments of charges are current on all of the Benefit Units.

## **ARTICLE 5**

### **Benefit Units**

Section 1. The Board shall at the proper time cause a declaration of availability of Benefit Units for subscription to be entered in its minutes and shall establish a unit price for said subscriptions. The meter deposits of existing users in incorporated towns who desire to continue to be users shall be credited toward the price of a Benefit Unit. Each Benefit Unit shall carry with it the obligations of paying a minimum monthly meter charge and/or sewer service 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 subscription and the furnishing of water and/or sewer 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 fees 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 time regular meeting of the members, or special meeting of the members called for such purpose: Provided, the decision of the Board shall stand, unless three-fourths(3/4ths) of all participation members (or landowners at meetings where the only qualification to vote is ownership of land within the District), 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, the owner of lands subscribing for more than one (1) Benefit Unit to be assigned to one (1) tract of land shall at the time of said subscription designate as nearly as practical the location of said tract where he intends to utilize said Benefit Units and no major change in location shall be made without the approval of the Board.

- 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 unless the owner of the land designated otherwise. Owners may transfer Benefit Units from one (1) tract of land to another tract owned by them within the District. No transfer will be approved unless all charges against the Benefit Unit are paid. All transfers when approved shall be recorded in the books of the District.
- Section 5. Each Benefit Unit shall entitle the owner not to exceed one (1) line from the District's water system and/or one line from the District's sewage system. Each line shall serve not to exceed one (1) residence or business established together with the necessary and usual out-buildings.
- Section 6. Failure to pay the minimum monthly charge and/or sewer 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, further, that the Board may permit such reinstatement within six (6) months after such failure upon payment of all back charges, plus fifty and no/100 dollars (\$50.00) reactivation fee, plus a minimum bill for the amount of months account was inactive not to exceed six (6) months. After six (6) months, a new membership must be purchased.

## **ARTICLE 6**

### **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. The Directors elected at the time of the organization 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 and until their successors are elected and have qualified. At each annual meeting of the participating members, the participating members shall elect for a term of three (3) years the number of Directors whose terms of office have expired. When a city or town is part of this District, the Board of Directors must be composed of residents of said city or town in direct proportion to the number of users in said city or town.
- Section 2. The District shall be divided by the Board of Directors into areas served by each treatment plant. Wood Haven, Wildcat Point and Lakewood Plant areas shall each have one (1) Board Member and Chicken Creek shall have two (2) Board Members of approximately equal participating members and subject to statutory requirements for membership of cities and towns. Board Members shall be nominated from each District and elected at large by the

participating members of the District. At the time of election the nominees shall be an actual participating member from the area nominated. His office shall be declared vacant and a successor appointed by the Board of Directors as set forth in these By-Laws. Areas shall be revised every three (3) years commencing January 2021.

Section 3. Immediately following the annual meeting of the participating members, the Board shall meet and shall elect a Chairman, Vice-Chairman, Secretary and Treasurer, from among themselves, and each of whom shall hold office until the next annual meeting of the participating members and until the election and qualification of his successor unless sooner removed by death, resignation or for cause. The office of the Secretary and Treasurer may be held by one (1) person.

Section 4. Any vacancy in the Board, other than from the expiration of a term of office shall be filled by appointment by the remaining members of the Board. The disqualification of a Director as a participating member of the District or failure of any original Director to become a participating member within thirty (30) days after subscription to Benefit Units are made available through action of the Board, shall operate to disqualify him as a Director and to create a vacancy in the office of the Directors.

Section 5. A majority of the Board shall constitute a quorum at any meeting of the Board.

Section 6. Any Director of the District may be removed from office for cause by a vote of not less than three fourths (3/4ths) of the participating members of the District at any annual or special meeting called for that purpose. The Director shall be informed in writing of the charges preferred against him at least ten (10) days before such meeting, whether regular or special, and at the meeting shall have an opportunity to present witnesses and be heard in person in answer thereto. Officers of the Board may be removed for cause by vote of five (5) of the members 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 7**

### **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 limitations 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 for just cause, 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.
- (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 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 manner of collection, and to establish equal rates for farm members and non-farm members according to the amount of services furnished.
- (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 (1) 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 water rates, if necessary to produce sufficient revenue required by such budget, cause an annual audit of the public accountant or a qualified independent accountant, and make a report on said matters at each annual meeting of participating members.

## **ARTICLE 8**

### **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 Association under the general control, supervision, and direction of the Board. No Director shall serve as Manager. Subject to the approval of the Hiring Committee the Manager can employ, supervise, and dismiss all agents and employees of the District and approve their compensation. He shall also, so far as practical, conduct the business in such a way that all patrons receive equal service and treatment, and have someone under his direction, deposit in a bank selected by the Board, all money belonging to the District, which comes into his possession; maintain his records and accounts in such a manner that the true and correct condition of the business may be ascertained there from at any time; furnish 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 may come into his possession; and to perform such other duties as may be prescribed by the Board.

## **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 papers of the District as he may be authorized or directed to sign by the Board, provided the Board may authorize any person to sign checks, on behalf of the District, provided that all checks must be countersigned by the Treasurer. The Chairman shall perform such other duties as may be prescribed by the Board.
- Section 2. **Vice-Chairman:** In the absence or disability of the Chairman, the Vice-Chairman, who shall be a member of the Board, shall perform the duties of the Chairman.
- Section 3. **Secretary:** It shall be the duties of the Secretary of Rural Water, Sewer, Gas and Solid Waste Management District 16 Cherokee County, Oklahoma to keep a record of the proceedings of the meetings of the Board and of the District. They 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 their absence,

inability, refusal, or neglect to do so, then such notices may be served by any member of the Board directed by the Chairman. Any Board Member may take minutes of a board meeting if the need be so.

- Section 4. Treasurer: The Treasurer, who shall be a member of the Board, shall receive and account for all funds of the District, and pay the amounts, or cause them to be paid out of the depository only in the checks of the Chairman, or someone authorized to sign on the Chairman's behalf, countersigned by the Treasurer. At each annual meeting of the District, they shall submit for the information of the participating members a complete statement of their account for the past year and they shall discharge such other duties pertaining to their 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 vote of the District or Directors, shall during all reasonable business hours, be subject to inspection of any landowner or participation member of the District.

## **ARTICLE 11**

### **Annual Meeting of Participating Members**

- Section 1. The annual meeting of the participating members of the District shall be held on the second Monday in the month of January of each year, if not a legal holiday, and if a legal holiday then on the succeeding day not a legal holiday, beginning with the year (2022)  
at the hour of (seven o'clock p.m., for the purpose of tabulating ballots for election of Directors and) for the transaction of such business as may come before the meeting.
- Section 2. Special meeting 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 (51%) 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 it is specified in the notice.



- Section 3. The Board of Directors may designate any suitable place within the District as the place of meeting for any annual meeting or any special meeting called by the Board of Directors.
- Section 4. Notice of meetings of participating members of the District shall be given by mail to each participating member of record directed to the address shown upon the books of the District at least ten (10) days prior to the meeting. Such notice shall state the nature, time, place, and purpose of the meeting, but no failure or irregularity of a notice of any annual meeting, regularly held, shall affect any proceeding taken thereat.
- Section 5. The participating members present at any meeting of participating members shall constitute a quorum for the purpose of the transacting business.
- Section 6. 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 12**

### **Board Meeting**

- Section 1. The Board shall meet annually to elect officers and for the transaction of such other business as may come before it immediately following the annual meeting of the participating members. The Board shall also meet at such other times as may be determined by the Board. Notice of all meetings of the Board, other than the annual meeting, shall be by mailing a notice to the last known business of each Director, at least two (2) days before the holding of such meeting: Provided, however, that when all of the Directors are present at any meeting, however called, or consent in writing that such meeting may be held, the proceedings thereat shall be as valid as though the previous written notice aforesaid had 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 and present 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 (1) vote.

## **ARTICLE 14**

### **Seal**

- Section 1. The District shall have a corporate seal, consisting of a circle, having in its circumference and face, the words, "Consolidated Rural Water, Sewer, Gas and Solid Waste Management District 16 Cherokee County, Oklahoma" which shall be in the custody of the Secretary.

## **ARTICLE 15**

### **Fiscal Year**

- Section 1. The fiscal year of the District shall be from October 1, through September 30, to begin October 1, 2020.

## **ARTICLE 16**

### **Amendment**

- Section 1. These By-Laws may be repealed or amended by a vote of three-fourths (3/4ths) 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 members shall not have the power to change the purposes of the District so as to impair its rights and powers under the laws of the State of Oklahoma, or to waive any requirement of bond or other provision for the safety and security of the property and funds of the District or its participating members, or to deprive any participating member or landowner of rights and privileges then existing, or to so amend the By-Laws as to affect a fundamental change in the policies of the District. Notice of any amendment to be made at any regular or special meeting of the participating members must be given at least twenty (20) days before such meeting and must set forth the amendments to be considered.

## **ARTICLE 17**

### **Benefits and Duties of Members**

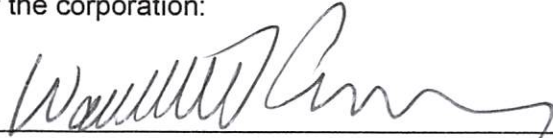
- Section 1. The District shall at all times be operated on non-profit basis for the mutual benefit of it is participating members.

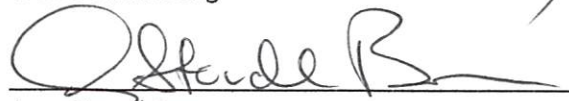
## **ARTICLE 18**

### **Benefits and Duties of Members**

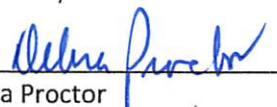
- Section 1. The District shall install, maintain, and operate a main distribution pipe line or lines from the source of water supply, and lines from the main distribution pipe line or lines, to the property line if each participating member of the District at which point designated as delivery points, meters to be purchased, installed, owned and maintained by the District shall be placed. The District shall also install, maintain, and operate a sewage disposal system with lines running from points designated by the Board of Directors as sewer delivery points for each participation member, to main sewage disposal lines and then to a sewage disposal facility.
- Section 2. Each participating member shall be entitle 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 for domestic, livestock, garden, and other 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 of the needs of the members and users, or in the event there is a shortage of water, the District may pro-rate the water available among the various members and users on such basis as if deemed equitable by the Board, and may also prescribe a schedule of hours, covering the use of water for garden purposes and require adherence thereto, or prohibit the use of water for garden purposes 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 purposes before supplying any water for livestock purposes and must satisfy all of the needs of the participating members for domestic and livestock purposes before supplying water for gardens and other purposes.

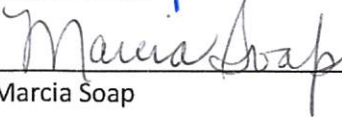
APPROVED AND RATIFIED as of this 16<sup>th</sup> day of October, 2020, by the undersigned constituting all of the directors of the corporation:

By:   
Walter Armstrong

By:   
Amy Stovall Brown

By:   
Paul Laney

By:   
Debra Proctor

By:   
Marcia Soap