

**MAJOR COUNTY RURAL WATER DISTRICT**  
**NO. 1, FAIRVIEW, OKLAHOMA**  
**P.O. Box 375**  
**1310 N Main St.**  
**Fairview, OK 73737**

BY-LAWS, as Amended \_\_\_October 2023\_\_\_.

**Article 1**

**MAJOR COUNTY RURAL WATER DISTRICT #1**  
**FAIRVIEW, OKLAHOMA**

**Section 1.** The name of this corporation shall be Major County Rural Water District #1, Fairview Oklahoma

**Section 2.** The principal office of this District shall be located in Major County, Oklahoma. 1310 N Main St. Fairview, OK 73737

**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 and to build and acquire pipe lines and other facilities, and to operate the same for the purpose of furnishing water to serve the needs of owners and occupants of land located within the district, and others as authorized by these By-Laws.
  - (b) To borrow money from any Federal or State agency, or from any other source, and to secure said loans by mortgaging or pledging all of the physical assets and revenue and income of the District, including easements and rights-of-way.

1. Any loan made or insured by the Farmers Home Administration 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 rights-of-way and easements, wherever located, and as may be necessary and convenient for the proper conduct and operation of the business of the District.
- (d) To establish rates and impose charges for water management 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 or with any governmental agency in any undertaking designed to further the purposes of the District.
- (g) To do and perform any and all acts necessary or desirable for the accomplishment of the purposes of the District which may lawfully be done by such District under the laws of the State of Oklahoma.

## **Article 4**

### **Water Users**

**Section 1.** Water management service shall be supplied only to rural 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 subscriber unless he has first subscribed and paid for one Non-Refundable Membership Benefit Fee, and/or one Meter Installation Fee. Tenants occupying land located within the District may become water subscribers: provided, that the owner, or someone on behalf of the owner, has subscribed and paid for one Non-Refundable Membership Benefit Fee, and/or one Meter Installation Fee in favor of the land or 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 Membership Fees to which he 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 Membership and Installation fees have been entered by the Board in its minutes. There will be no proxy voting, and no dual ownership of Membership Fees for voting purposes.

A participating member may be an individual, firm, partnership, association, or corporation.

Participating member shall be:

- (a) Owners of land located within the District who have subscribed to one or more Membership Fees and/or Meter Installation Fees: Provided, payments of charges are current on at least one of the Membership Fees.

## Article 6

### Membership and Meter Installation Fees

**Section 1.** The Board shall at the proper time cause a declaration of availability of Non-Refundable Membership Fees for subscription to be entered in its minutes and shall establish a unit price of **\$300** for said subscriptions. A Meter Installation Fee for new service, established at **a fee determined by the Board of Directors**, will be transferable of users in incorporated towns who desire to continue to be users of a purchased property with water service. Each Membership Fee shall carry with it the obligation of paying a minimum monthly water 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 Membership Fees available. Subscriptions for Membership and Meter Installation Fees shall be given preference and priority in order in which received. The Board may refuse the subscription for a Membership Fee in favor of a particular tract of land located within the District, or impose special conditions on granting the same if in the judgement of the Board, the granting of said subscription and the furnishing of water management 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, the decision of the Board shall stand, unless three-fourths of all participating members (or landowners at meetings where 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 Non-Refundable Membership Fees and/or Meter Installation Fees, the owners of land shall designate the tract of land to which the Membership and/or Meter Installation Fees shall be assigned, and either fees 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 Fee and/or Meter Installation Fee 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 intends to utilize said Membership and/or Meter Installation Fees and no major change in location shall be made without the approval of the Board. Water Users' Agreements shall be issued by the Board, signed by the Chairman and Secretary, showing name of owner, and tract of land to which the Membership and/or Meter Installation Fee is assigned.

**Section 3.** The consideration paid for Non-Refundable Membership Fees shall be considered donations to the District and shall in no event and under no circumstances be refunded to the subscriber.

**Section 4.** Meter Installation Fees shall follow the title of the land unless the owner of the land designates otherwise. Owners may transfer Meter Installation Fees from a said owned property or one tract of land owned by them within the District, subject however, to the approval of the Board. No transfer in ownership of Meter Installation Fees shall be permitted without the approval of the Board. No transfer will be approved unless all charges against the previous members account are paid. All transfers when approved shall be recorded in the books of the District.

**Section 5.** Each Membership Fee shall entitle the owner not to exceed one line from the District's water system. Each line shall serve not to exceed one residence or business establishment together with the necessary and usual out buildings. If a member chooses to tie-on to a service line after the meter, the proper notification to the District must be given in an advanced amount of time. The District's Board is to approve or disapprove the installation and proper materials used. The District's Board has the right to approve or disapprove any additional tie-ins to any service line on the system.

**Section 6.** Failure to pay the minimum monthly meter charge or failure to pay for water used through a meter shall constitute a forfeiture of the Meter Installation Fee on behalf of which such failure occurs: Provided, that such Meter Installation Fee shall be reinstated if within three months after such failure all back charges are paid in full, plus 5% interest and reasonable labor charges necessary to affect such reconnections. Provided, further, that the Board may permit such reinstatement within six months after such failure upon payment of all back charges, plus 5% interest, and reasonable labor charges necessary to effect such reconnection: Provided, further that if the defaulting water subscriber is a tenant, the time set out above shall not commence to run until the Secretary or Office Manager of the District has mailed or cause to be mailed, by registered or certified mail notice of such default of the tenant to the landowner at his last known address as shown on the books of the District.

## Article 7

### Marijuana Operation Users

- Section 1.** The mission of the District is to provide water service primarily to residential customers of the District. Commercial operations, including legal marijuana operations, may be allowed membership and service if they do not interfere with residential customers' service. Any usage for marijuana operations or changes to the operations that result in reduced services to residential customers can result in limitations or complete cessation of water services to the marijuana operation. Any changes to the size, buildings, equipment and other growing or processing facilities after the initial approval for service must be reported in advance of implementation in order for the District to review the impact on other customers and compliance with all laws, rules and regulations of all applicable organizations, and approve those changes before implementation. This evaluation may include an additional hydraulic evaluation by an engineer at the cost of the Member. In addition, any violations of Oklahoma law, Department of Agriculture, Department of Environmental Quality (DEQ), District By-Laws, District Rules and Regulations, District Board Policies (including any future changes to these) can result in limitations or complete cessation of water services to the marijuana operation.
- Section 2.** Prior to approval of Membership of a potential marijuana operation member, the District will evaluate the effects on the operations of the system, water pressure and volume to other customers, and any other effects of adding the member to the system. This evaluation can include a hydraulic study by an engineer, the cost of which is to be paid by the potential marijuana operation member.
- Section 3.** Every potential marijuana operation member must meet with the Board of Directors in person before Membership approval will be granted by the District. Based on this meeting, the Board of Directors reserves the right to disapprove Membership for any reason. If Membership is approved, the marijuana operation will be required to review and execute the District's Commercial/Grow House User Agreement, which the District reserves the right to supplement, modify or amend from time to time, as necessary.
- Section 4.** Every marijuana operation member must purchase one Non-Refundable Membership Fee and/or Meter Installation Fee in the District specifically for marijuana growing or processing operations at the rate current at that time as established by the District's Board of Directors. The marijuana operation member shall not use their Membership for a residence, home, camper, or living facilities of any kind. The marijuana operation member must pay for any extension of the District's lines, roadcrossings or other costs to the location of the meter which will serve the marijuana operation member's property. In addition, a meter with check valve and meter loop, meter vault, cut off valve, backflow preventer in compliance with DEQ and District standards and any other equipment as considered necessary by the District shall be paid for by the marijuana operation member. The size of the meter and meter loop will be limited to a maximum of 5/8" with 3/4" connections.

The Backflow Preventer shall be indoors or in a receptacle approved by the District which allows periodic inspections and testing by the District as considered necessary by the District. An annual test of the Backflow Preventer will be done by the District and shall be paid for by the marijuana operation member at a rate of **\$300 for Non-Refundable Membership Fee and fee determined by Board of Directors for Meter Installation Fee** for new service, set forth by the Board.

**Section 5.** Every marijuana operation member's Membership shall be contingent upon their strict compliance with the Marijuana Operation User Agreement and the articles, bylaws, rules, and regulations of the District, now in force, or as hereafter duly and legally supplemented, amended or changed. Further, every marijuana operation member shall comply with all governmental laws, ordinances and regulations now in force, or which may hereafter be in force, applicable to the member's marijuana operations and with any order, directive, or regulation properly issued as a result of the member's marijuana operations, all at the member's sole expense. In the event of any changes in laws, ordinances or regulations after the date of this agreement, the member shall be obligated to comply with such changes when and if such compliance is required under the applicable laws, ordinances and regulations. Such compliance shall include but not be limited to the member possessing all required Oklahoma Medical Marijuana Business License(s) and providing a copy of the same upon each renewal thereof.

**Article 8**

**Election of Directors**

**Section 1.** The Board of this District shall consist of seven members all of whom shall be participating members of the District: Provided, however, that the original Board shall consist of owners of land located in the District. The Directors elected at the time of the incorporation of the District shall be elected for staggered terms of one, two, and three years, and shall serve until the expiration of the term for which they were elected as shown by the minutes of the original meeting of the landowners and until their successors are elected and have qualified. At each annual meeting of the participating members, the participating members shall elect for a term of three years the number of Directors whose terms have expired. Provided, however, that after January 1, 1986, no participating member, not having served for a period of at least one year on the Board, shall be qualified to serve on the 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 for in 82 O.S. 1324.16. When a city or town is part of a Rural Water 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; Provided, further, that when a Rural Water District is totally within the municipal city limits of a city or town, the Board of Directors of the District shall be the Governing Body of the town.

**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 successor unless sooner removed by death, resignation or for cause. The office of the Secretary and Treasurer may be held by one person.

**Section 3.** Any vacancy in the Board, other than from the expiration of a term of office, 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 30 days after subscription to Membership Fees 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 Director.

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

**Section 5.** Any Director of the District may be removed from office for cause 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. The Director shall be informed in writing of the charges preferred against him at least ten 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 of the members of the Board, and employees at any time by action of the Board. When the Board of Directors is the governing body of the city or town, they may not be removed except by due process of city government.

## **Article 9**

### **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 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 transferrable 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 equal rates for farm members and non-farm members according to the amount 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 mandatory 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 water 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 independent accountant, and made a report on said matters at each annual meeting of participating members.

## **Article 10**

### **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 Board, the manager shall employ, supervise, and dismiss all agents and employees of the District and fix their compensation. He or she shall also, so far as practical, conduct the business in such a way that all patrons receive equal service and treatment. Employ an Office Manager, as approved by the Board, to deposit in a bank selected by the Board, all money belonging to the District, which comes into his/her possessions; maintain his/her records and accounts in such a manner that the true and correct conditions of the business may be ascertained there from at any time; furnish the Board a current statement of the business and affairs of the District at each scheduled meeting of the Board and at the end of each fiscal year and at such other times and in such forms as the Board may direct; carefully preserve and turn over to his/her successor all books, record, documents, and correspondence pertaining to the business of the District which may come into his/her possession; and to perform such other duties as may be prescribed by the Board.



## **Article 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, perform all acts and duties usually performed by an executive and presiding officer, and shall sign all Water Users' Agreements and Membership Fee documents, 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, 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 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 be served by law or the By-Laws of the District; and in case of his/her absence, inability, refusal or neglect to do so, then such notices may be served by any member of the Board directed by the 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 the funds in a bank designated by the Board as a depository, 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, he shall submit for the information of the participating members a complete statement of his account for the past year and he shall discharge such other duties pertaining to his 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 12**

### **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 Board of Directors, shall during all reasonable business hours, be subject to inspection of any landowner or participating member of the District.

## **Article 13**

### **Annual Meeting 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.
- 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 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 is specified in the notice.
- Section 3.** Notice of meetings of participating member 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 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 4.** The participating members present at any meeting of participating members shall constitute a quorum for the purpose of the transacting business.
- Section 5.** The order of business at the annual 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 annually on the third Monday in February of each 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 and other times as may be determined by the Board, or upon call by the Chairman or any two members of the Board. The Board shall meet monthly on the third Monday of each month for regular meetings.

Notice of all meetings of the Board, other than the annual meeting to be held on the Third Monday in February of each year, shall be by mailing a notice to the last known business or residence address of each Director, at least two days before the holding of the 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 afore said has been given.

## **Article 15**

### **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.

## **Article 16**

### **Seal**

**Section 1.** The District shall have a corporate seal, consisting of a circle having in its circumference and face the words, "Major County Rural Water District No. 1, Fairview, Major County, Oklahoma," which shall be in the custody of the Secretary or Office Manager.

## **Article 17**

### **Fiscal Year**

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

## **Article 18**

### **Amendment**

**Section 1.** These By-Laws may be repealed or amended by a vote of three-fourths 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 member must be given at least ten 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 nonprofit 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 lines from the main distribution pipe line or lines, to the property line of 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 from points designated by the Board of Directors.

**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 for domestic, livestock, garden and other purposes 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 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 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 the needs of all the participating members for domestic and livestock purposes before supplying water for gardens and other purposes.

**Article 21**

**Printing**

**Section 1.** After adoption, these By-Laws shall be prepared in a printable form, and a copy thereof shall be delivered or available to each participating member via hard copy at the office, online, or mail by request.

**AFFIDAVIT STATE OF OKLAHOMA:  
COUNTY OF MAJOR:**

\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,

\_\_\_\_\_ being first duly sworn, depose and state each for himself/herself, that they are a Director of Major County Rural Water District #1, Fairview, Major County, Oklahoma, the foregoing by-laws were adopted and/or amended at a meeting of the landowners of said District duly held on the \_\_\_\_\_ day, of \_\_\_\_\_, at \_\_\_\_\_ o'clock.

That \_\_\_\_\_ landowners present in person and that the vote for adoption of the By-Laws, as amended, was unanimous.

Subscribed and sworn to me before this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_