

BY-LAWS  
OF  
OKATOMA WATER ASSOCIATION, INC.

ARTICLE I

General Purposes

The purposes for which this corporation is formed, and the powers which it may exercise are set forth in the Articles of Incorporation of this corporation.

ARTICLE II

Name and Location

Section 1. The name of this corporation is the Okatoma Water Association, Inc.

Section 2. The principal office of this corporation shall be located at 1970 SCR 45, Mt. Olive, Mississippi 39119, or at such other place and location as the Board of Directors may determine to be in the best interest of the corporation, and the Board of Directors may maintain offices and places of business at such other places within the State of Mississippi as the Board of Directors may determine.

ARTICLE III

Seal

Section 1. The seal of the corporation shall have inscribed thereon the name of the corporation, the year of its organization and the words "Non-Stock Corporation".

Section 2. The secretary of the corporation shall have custody of the seal.

Section 3. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE IV

Fiscal Year

The fiscal year of the corporation shall begin on the 1<sup>st</sup> day of July of each year and the 30<sup>th</sup> day of June the following year.

ARTICLE V

Membership

Section 1. The holders of water user's agreements with this corporation are its members. A bona fide occupant of a farmstead or rural residence having reasonable accessibility to the source of and who is in need of having water supplied for domestic, livestock and garden purposes from the water system operated by the corporation and who receives the approval of the Board of Directors may be admitted to membership upon executing a water user's agreement for the purchase of water as may be provided and required the corporation; provided that no person otherwise eligible shall be permitted to subscribed for or acquire a membership of the corporation of the capacity of the corporation's water system is exhausted by the needs of its existing members. The membership fee shall be \$20.00.

ARTICLE VI

Membership Certificate

Section 1. This corporation shall not have capital stock and membership in the corporation shall be represented by water user's agreements. Such water user's agreements shall only represent the right to use and enjoy the benefits of the corporation's water supply system upon the further payment of reasonable charges based upon such use.

Section 2. The water user's agreements shall be executed by each person joining the corporation, in accordance with Article V. Water user's agreements shall not be transferable.

Section 3. Membership certificates shall be cancelled upon the death of a member, or in case membership in the corporation is terminated for any other cause as provided in these By-Laws; provided, that upon the death of a member and cancellation of the deceased member's membership, his surviving spouse or other family member desiring to continue such family membership shall be entitled to the benefits of such deceased party's membership and shall be issued a new membership upon the signing of a Water User's Agreement but such family member shall not be required to pay an additional connection charge, meter fee or membership fee. Termination of a membership will not result in forfeiture of the former member's rights and interest in the corporation's assets and the former member will not be precluded from receiving a proportionate share of any subsequent distribution of such assets by the corporation.

ARTICLE VII

Meetings of Members

Section 1. The annual meeting of the members of this corporation shall be held in or near the City of Magee, Simpson County, Mississippi, and the particular place of said meeting shall be designated by the Board of Directors upon giving notice of said annual meeting, and said meeting shall be held at 7:30 o'clock P. M. on the first Tuesday of August of each year. In the event a local, state or national election is held on the first Tuesday of August, the annual meeting for that year will be held at 7:00 P. M. on Thursday immediately following the first Tuesday of August.

Section 2. Special meetings of the members may be called at any time by the action of the Board of Directors and such meetings must be called within twenty days after a Petition requesting such meeting is signed at least by five percent of the members and presented to the secretary or to the Board of Directors. 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 members of the corporation shall be given by a notice mailed to each member of record, directed to the address shown upon the books of the corporation, at least ten days prior to the meeting. Notice of special meetings shall state the purpose or purposes and the time and place of such meeting. Notice of annual meetings shall set forth the time and place of said meeting and not failure or irregularity of notice of any annual meeting, which is otherwise regularly held, shall affect any proceedings taken thereat.

Section 4. The members present at any meeting of the members shall constitute a quorum at any meeting of the corporation for the transaction of business. The voting powers of the members of this corporation shall be equal, each member shall have one vote only and in order for a member to vote by proxy, he shall file a written instrument appointing his or her proxy, with the secretary of the corporation on or before the close of the third business day of the corporation prior to such meeting. A standard proxy form shall be used for voting by proxy which identifies the member by name and account number in order to assure authenticity and facilitate the tabulation of votes. Only the proxy form issued by the Corporation shall be valid. If the proxy form of a member is lost, stolen or destroyed, the corporation shall furnish the member with a replacement proxy form upon request, provided that the member executes a revocation of the lost, stolen or destroyed proxy form, to be witnessed by an employee of the corporation. Blank proxy forms will not be distributed in bulk to any member.

Section 5. Directors of this corporation shall be elected at the annual meeting of the members.

Section 6. The order of business at the regular meetings, and so far as possible at all other meetings, shall be:

1. Call to order
2. Proof of notice of meeting
3. Reading and action on any unapproved Minutes
4. Reports and officers and Committees
5. Election of Directors
6. Unfinished business
7. New business
8. Adjournment

## ARTICLE VIII

### Directors and Officers

Section 1. The Board of Directors of this corporation shall consist of nine (9) members, all of whom shall be members of the corporation. The Directors named in the Articles of Incorporation shall serve until the first annual meeting of the members and until their successors are elected and have qualified. At the first annual meeting of the members, two Directors shall be elected for a term of one year; two Directors for a term of two years; and three Directors for a term of three years. At each annual meeting thereafter, the members shall elect for a term of three years the number of Directors whose terms of office have expired. Each Director shall hold office for the term for which he is elected and until his successor shall have been elected and qualified.

Section 2. The Board of Directors shall meet within five (5) days after the issuance of a Charter and within ten (10) days after the annual election of Directors and shall elect by ballot a President and Vice-President from among themselves and a Secretary-Treasurer, each of whom shall hold office until the next annual meeting and until the next annual meeting and until the election and qualification of his successor unless sooner removed by death, resignation or for cause.

Section 3. If the office of any Director becomes vacant by reason of death, resignation, retirement, disqualification or otherwise except by removal from office, a majority of the remaining Directors, though less than a quorum, shall, by a majority vote, choose a successor or successors, who shall hold office until the next regular meeting of the members of the corporation, at which time the members shall elect a Director or Directors for the expired term or terms, provided that in the call of such regular meeting a notice of such election shall be given.

If any Director shall fail to attend two or more regular meetings of the Board of Directors, then such failure to so attend, may be regarded by the remainder of the Board of Directors, in their discretion, as the submission to the Board of Directors of a resignation from the Board of Directors by said member missing 2 or more meetings, and also may be regarded as a resignation from any office the said Director may hold, and the remaining members of the Board of Directors may in their discretion fill the vacancy thus created on the Board by the appointment of a new member to fill the remaining term of the resigned member and may also proceed to fill the vacancy of any office of the association, if any, created by said resignation of said Director.

Section 4. A majority of the Board of Directors shall constitute a quorum at any meeting of the Board. The affirmative vote of the majority of the Directors at a meeting at which a quorum is present shall be the act of the Board.

Section 5. Compensation of officers may be fixed at any regular or special meeting of the members of the corporation. Directors shall receive no compensation for their services as such.

Section 6. Officers and Directors may be removed from office in the following manner: Any member, officer, or Director may present charges against a Director or officer by filing them in writing with the secretary of the corporation. If presented by a member, the charges must be accompanied by a Petition signed by ten percent of the members of the corporation. Such removal shall be voted on at the next regular or special meeting of the members and shall be effective if approved by a vote of a majority of the members of the corporation. The Directors or officer against whom such charges have been presented shall be informed, in writing, of such charges at least five days prior to the meeting, and shall have the opportunity at such meeting to be heard in person or by counsel and to present witnesses; and the person or persons presenting such charges against him, shall have the same opportunity. If the removal of a Director is approved, such action shall also vacate any other office held by the removed Director in the corporation. A vacancy in the Board thus created shall immediately be filled by a vote of a majority of the members present and voting at such meeting. A vacancy in any office thus created shall be filled by the Directors from among their number so constituted after the vacancy in the Board has been filled.

Section 7. The Board of Directors shall be authorized to determine and pay the members of the Board of Directors for their attendance at regular and special meetings of the corporation such compensation as said Board may deem to be fair and just and in the best interest of the corporation.

## ARTICLE IX

### Duties of Directors

Section 1. The Board of Directors, subject to restrictions of law, the Article of Incorporation, or these By-Laws, shall exercise all of the powers of the corporation, and, without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board of Directors shall have, and are hereby given, full powers and authority in respect to the matters and as hereinafter set forth:

- a. To pass upon the qualifications of members and to cause to be issued appropriate certificates of membership.
- b. To select and appoint all officers, agents, or employees of the corporation or remove such agents or employees of the corporation for just cause, prescribe such duties and designate such powers as may not be inconsistent with these By-Laws, and to fix the compensation and pay for services rendered by such officers, agents or employees.
- c. 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.
- d. To prescribe, adopt and amend, from time to time such equitable uniform rules and regulations as, in their discretion, may be deemed essential or convenient for the conduct of the business and affairs of the corporation and the guidance and control

of its officers and employees, and to prescribe adequate penalties for the breach thereof.

- e. To order, at least once each year, an audit of the books and accounts of the corporation by a competent public accountant or auditor. The report prepared by such auditor or accountant shall be submitted to the members of the corporation at their annual meeting.
- f. To fix the charges to be paid by each member for services rendered by the corporation to him, the time of payment and the manner of collection.
- g. To require all officers, agents and employees charges with the responsibility for the custody of any of the funds of the corporation to give adequate bonds, the cost thereof to be paid by the corporation, and it shall be mandatory upon the Directors to so require.
- h. To select one or more banks to act as depositories of the funds of the corporation and to determine the manner of receiving, depositing, and disbursing the funds of the corporation and the form of checks and the person or persons by whom the same shall be signed, with the power to change such banks and the person or persons signing such checks and the form thereof at will.
- i. To levy assessments against the water user's agreement of the corporation and to enforce the collection of such assessments by the forfeiture of delinquent certificates. The Board of Directors shall have the option to declare forfeited any membership certificate on which assessment has not been paid, at any time after ninety days from the date the assessment was due, provided that the corporation must give the member at least thirty days written notice at the address of the member on the books of the corporation, of its intention to forfeit the certificate if the assessment is not paid.

## ARTICLE X

### Duties of Officers

Section 1. Duties of President. The president shall preside over all meetings of the corporation, and the Board of Directors, call special meetings of the Board of Directors, perform all acts and duties usually performed by an executive and presiding officer, and sign all water user's agreement and such other papers of the corporation as he may be authorized or directed to sign by the Board of Directors, provided the Board of Directors may authorize any person to sign any or all checks, contracts, and other instruments in writing on behalf of the corporation. The president shall perform such other duties as may be prescribed by the Board of Directors.

Section 2. Duties of the Vice-President. In the absence or disability of the President, the Vice-President shall perform the duties of the President; provided, however, that

in cases of death, resignation or disability of the President, the Board of Directors may declare the office vacant and elect his successor.

Section 3. Duties of the Secretary-Treasurer. The Secretary-Treasurer shall keep a complete record of all meetings of the corporation and of the Board of Directors and shall have general charge and supervision of the books and records of the corporation. He shall serve all notices required by law and by these By-Laws and shall make a full report of all matters and business pertaining to his office to the members at the annual meeting. He shall keep the corporate seal and affix said corporate seal to all papers requiring seal. He shall keep a proper membership certificate record, showing the name of each member of the corporation and date of issuance, surrender, cancellation or forfeiture. He shall make all reports required by law and shall perform such other duties as may be required of him by the corporation of the Board of Directors. Upon the election of his successor, the Secretary-Treasurer shall turn over to him all books and other property belonging to the corporation that he may have in his possession. He shall also perform such duties with respect to the finances of the corporation as may be prescribed by the Board of Directors.

## ARTICLE XI

### Benefits and Duties of Members

Section 1. The complete cost of the installation of the service line or lines from the main distribution pipeline of lines of the corporation to the meter used by that member is to be paid in advance by the member before such line or lines are constructed, but once such line or lines have been installed, they become the property of the corporation and not of the member. The meter used by each member must be located on the property of the member, and if easements across a third party are required for service lines or meters, such necessary easement or right-of-way must be obtained by the member before the construction of any such lines. A cut-off valve will be installed in every service line from the main distribution line or lines of the corporation, such cut-off valves to be owned and maintained by the corporation, and the corporation shall have the sole and exclusive right to use such cut-off valve to turn it on and off.

Section 2. Each member's dwelling being served with water by the corporation must have its own meter, however, said meter can also serve the member's business or farm operation, but not another dwelling, the only exception to this rule being that a commercial mobile home park with five or more mobile homes can have a master meter with a tap for each mobile home, the owner of the trailer park paying the entire bill for the water used through the master meter. No new service line or change in an existing service line may be made which will interfere with an existing service line or the delivery of water therein. Each service line shall connect with the corporation's water system at the nearest available place to the place desired use by the member of the corporation's water system shall be of sufficient capacity to permit the delivery of water through a service line at that point without interfering with the delivery of water through a prior service line. If the corporation's water system shall be inadequate to permit the delivery of water through a service line installed at such place without interfering with the delivery of water through a prior service line, then such service line shall be installed at such place as may be designated by the corporation.

Section 3. Each member shall be entitled to purchase from the corporation pursuant to such agreements as may from time to time be provided and required by the corporation, such water for domestic, livestock, and garden purposes as a member may desire or to meet other needs of the occupant of said rural property other than the providing of water to persons living in a separate residence, subject, however, to the provisions of these By-Laws and to such rules and regulations as may be prescribed by the Board of Directors. Each member shall be entitled to have delivered to him through a single service line only such water as may be necessary to supply the needs of the persons residing in a single dwelling and of the livestock owned by such person and to irrigate a garden, and other rural usage. The water delivered through such service line shall be metered and the charges for such water shall be determined separately, irrespective of the number of service lines owned by a member.

Section 4. In the event the total water supply shall be insufficient to meet all of the needs of the members or in the event there is a shortage of water, the corporation may prorate the water available among the various members on such basis as is deemed equitable by the Board of Directors, and may also prescribe a schedule of hours covering use of water for garden purposes by particular members and require adherence thereto or prohibit the use of water for garden purposes; provided that it at any time the total water supply shall be insufficient to meet all the needs of all of the members for domestic, livestock and garden purposes, the corporation must first satisfy all of the needs of all of the members for domestic purposes before supply any water for livestock purposes and must satisfy all of the needs of all of the members for both domestic and livestock purposes before supplying any water for garden purposes.

Section 5. The Board of Directors shall determine the flat minimum monthly rate to be charged each member for a specified quantity of water for each service line, such flat minimum monthly rate to be payable irrespective of whether any water is used by a member during any month and the amount of additional charges, if any, for additional water which may be supplied the members, shall fix the date for the payment of such charges, and shall notify each member of the amount of such charges and the dates for the payment thereof. A member, to be entitled to the delivery of water, shall pay such charges at the office of the corporation at or prior to the date fixed by the Board of Directors. The failure to pay water charges and all fees duly imposed for thirty days after due will result in water being cut off from the delinquent member's property until the member pays all water charges and fees due, including a service charge to reconnect service. In the event a delinquent member has more than one water meter, the failure of a member to pay water charges and fees duly imposed for thirty days after due for any meter will result in water service being terminated to all of the delinquent member's property. A member shall be responsible for payment of all expenses incurred by the Association as a result of damages to the Association's water lines, valves, meter or other property located upon said member's property which results from the intentional or negligent acts of the member, his/her household members, agents, invitees, servants or employees. Non-payment of these expenses by the member to the Association within a reasonable time established by the Board of Directors may result in water service being terminated to the member until said expenses are paid.

Section 6. The Board of Directors shall set and determine the amount of meter deposit and connection fee to be paid by a member for each service connection in such amount as the Board may, from time to time, deem to be in the best interest of the Association based upon the reasonable value of the water meter to be installed and the cost of installing the same.

Section 7. The Board of Directors shall be authorized to require each member to enter into Water Users Agreement which shall embody the principles set forth in the foregoing sections of this article.

## ARTICLE XII

### Distribution of Surplus Funds

Section 1. It is not anticipated that there will be any net income at the end of any fiscal year but should there be any, then at the end of the fiscal year, after paying the expenses of the corporation for operation and otherwise, and after setting aside reserves for depreciation on all buildings, equipment and office fixtures and such other reserves as the Board of Directors may deem proper and after providing for payments on interest and principal of obligations and amortized debts of the corporation, and after providing for the purchase of proper supplies and equipment, the net earnings shall be accumulated in a surplus fund for the purpose of replacing, enlarging, extending, and repairing the system and the property of the corporation and for such other purposes as the Board of Directors may determine to be for the best interest of the corporation. Any funds remaining at the end of the year in excess of those funds needed for the foregoing purposes will be distributed to the members in proportion to their patronage. The corporation shall maintain a roster of all members which shall include the date upon which each member joined and shall include periodic data as to services rendered by the corporation. Such roster shall be the basis for any distribution of excess revenues and shall be based upon patronage for the time period over which such excess revenues to be distributed were collect, and the loss of membership by death or otherwise shall not terminate the rights and interest of such member in any patronage distribution due him/her at the termination of his/her membership. Any amount to be distributed shall be net income or funds in excess of those needed to meet current losses and expenses; provided, that such amount to be distributed shall be in excess of that needed for normal reasonable business purposes.

## ARTICLE XIII

### Amendments

Section 1. These By-Laws may be repealed or amended by a vote of the members at the annual meeting, or at any special meeting of the members called for that purpose, by a vote of the members of two-thirds (2/3) of the votes cast or a majority of the voting power, whichever is less, and must be approved by the Board, if the amendment does not relate to the number of Directors, composition of the Board, term of office of Directors, or method in which Directors are elected or selected, except that the members shall not have the power to change the purposes of the corporation as to decrease its rights and powers under the laws of the State, or waive any requirement of bond or other provision of or safety and security of the property and funds of the corporation, or its members, or deprive any member of rights and

privileges then existing, or so amend the By-Laws as to effect a fundamental change in the policies of the corporation. Any other provision relating to amendment of these By-Laws shall be governed by applicable existing laws of the State of Mississippi governing this corporation. Notice of any amendment to be made at a regular or special meeting of the members must be given at least ten (10) days before such meeting and must set forth the amendments to be considered as provided by law.