

Grady County RWD#3 Bylaws Violations

Article V. Membership. Section 1. Clause 2 “Any applicant who receives approval of the Board of Directors may be admitted to membership.”

- What is the application process?
- No one has ever had to fill out an application.
- What is the criteria for approval?
- How does the Board of Directors determine who receives membership?

Number 2 “by signing such agreement for the purchase of water”

- No one has ever signed a User Agreement.

“no person shall be permitted to acquire membership if the capacity of the Corporation’s water is exhausted by the needs of its existing members.”

- Is the Corporation’s water currently at capacity?
- What is the Corporation’s capacity?
- How many members can the Corporation service with its existing wells and lines?

Section 2. “In case a member willfully obstructs the purposes and proper activities of the Corporation, the Corporation through the Board of Directors may elect to terminate the membership certificate. Any member whose membership is so terminated may appeal the action of the Board of Directors to **a vote of the members** at the next regular meeting of the members or special meeting of the members called for such purpose.”

- Members whose water has been disconnected have not received a Letter of Disconnection stating why their membership was terminated.
- Every member whose water has been disconnected has been denied an appeal (a.k.a., a Due Process Hearing).
- Members are not informed of their right to an appeal.
- It is not the role of the Board of Directors to decide or vote to deny water for life to any member.
- Members have never voted at a regular or special meeting to deny an appeal of membership termination.

Depriving any member of rural water service under color of law without the benefit of an appeal hearing and vote of the members, is a gross violation of the Corporation’s Bylaws and a violation of the Member’s Civil Rights.

Article VI. Membership Certificates. Section 1. “The membership certificates shall be issued to each holder of a fully paid membership.”

- No member has a Membership Certificate.

(c) “No member of this Corporation shall be entitled to more than one vote at meetings of the members.”

- We finally got to vote during the meeting on November 13, 2023.

“Every member upon becoming a member of this Corporation agrees to sign such agreement.”

- No member of this Corporation has ever signed a User Agreement.

Article VII. Meetings of Members. Section 1. “The annual meeting of the members of this Corporation shall be held at 7:00p.m. on the first Tuesday after the third Monday in January of each year.” (O.S. 82, Section 1324.10.A.3)

- Regular meetings are for the members, not exclusively for the Board of Directors.
- Since 2013, there has not been an annual meeting.
- There have been no meeting notices posted or filed at the County Clerk’s office.
- The Bylaws do not specify if the meeting is the next day or the following week after the third Monday.

Meetings should have been on the following dates:

January 21 or 28, 2014
January 20 or 27, 2015
January 19 or 26, 2016
January 17 or 24, 2017
January 16 or 23, 2018
January 22 or 29, 2019
January 21 or 28, 2020 (skipped because of the Covid lockdown)
January 19 or 26, 2021
January 18 or 25, 2022
January 17 or 24, 2023
January 16 or 23, 2024 (upcoming)

Section 2. “Special meetings must be called whenever a petition requesting such meeting is signed by at least ten percent of the members and presented to the Secretary-Treasurer or to the Board of Directors.”

- Members have never been informed of their right to petition the Corporation for a special meeting.
- Members have the right to sue if such a petition is denied or refused.

Section 3. “Notice of meetings of members of the Corporation will be given by a notice mailed to each member of record ten [business] days prior to the meeting.”

- This is how we know there has not been a regular meeting. I've been a member since 1993 and have never received a meeting notice by mail.

Article VIII. Directors and Officers. Section 1. "At each annual meeting, **the members shall elect for a term of three years**, the number of Directors whose terms of office have expired."

- This was done for the first time on November 13, 2023.

O.S. 82, Section 1324.10 (A)(2) states "The bylaws of the district shall specify the length of the term of office of its directors, which term shall not exceed six (6) years."

- Vicky has been the President for 9 years and was unopposed for another 3 year term on November 13, 2023.

Section 3, Clause 2. "The permanent Board of Directors shall within ten days after each annual election of directors, **elect by ballot**, a president, vice-president and a secretary-treasurer from among themselves, each of whom shall hold office until the next annual meeting."

- This election should be on November 24.
- Their bylaws do not specify if they are supposed to hold a public meeting for this.
- How are we supposed to know who is in what position?

Section 4. "If the office of any director becomes vacant, the remaining directors shall, by a majority vote, choose a successor who shall hold office until the next regular meeting at which time **the members shall elect a director** for the unexpired term or terms."

- Vicky took over in 2014 after Becky Thomas quit. She decided who the directors would be and only appointed her own relatives.

Section 5. "The Board of Directors shall meet monthly at a designated time as may be determined by the Board."

- We were informed during the Town Board meeting on November 14, 2023 that the Rural Water District will begin holding meetings every second Monday at 7pm in the Community Building.

Section 6. "Compensation of officers may be fixed at any regular or special **meeting of the members** of the Corporation."

- On May 25, 2023, members received a notice that they had given the officers a pay raise and there was no meeting.

Section 7. "Officers and directors may be removed from office in the following manner: **Any member** may present charges against a director or officers by filing them in writing

with the secretary of the Corporation. **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 majority vote of the members**. The director or officer against whom such charges have been presented 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. A vacancy in the Board thus created shall immediately be filled by a vote of the majority of the members present and voting at such meeting.”

- What kind of charges: Title 21, discrimination or ethics violations?
- Claude was arrested for stealing batteries from an oilfield location.
- Directors and officers threatened to burn a woman’s house for reporting them to DEQ.
- Intimidating members and threatening to terminate their membership.
- Former deceased operator sexually harassing female members.
- Bullying members and ordering them to not talk to someone.
- Lying about violence to terminate membership.
- Denying members an appeal hearing.
- Failure to hold annual meetings or conduct elections (first one on 11-13-23).
- Failure to submit financial audits to the State Auditor
- Failure to submit annual reports to the County Clerk.
- Punishing a mentally ill senior citizen by depriving her of water for life.
- Using rural water as a weapon to run out every resident not related to the current directors.
- Processing trash billing for the town without a contract with the Board of Trustees.
- Consistently late trash payments.
- Refusal to give a copy of the trash contract to the newly elected Town Clerk.
- Refusal to offer an online payment option or accept debit cards.
- Refusal to offer payment receipts.
- Refusal to include meter readings on bills.
- Refusal to establish a rural water district office for conducting business.

Article IX. Duties of Directors. Section 1. (f) “To order, at least once each year, an audit of the books and accounts of the Corporation by a competent public auditor or accountant. The report shall be submitted to the members of the Corporation at their annual meeting.”

O.S. 82, Section 1324.10 (16)(D) “The board of directors shall, on or before July 1 of each year, file with the county clerk an annual report for the preceding calendar year. Such report shall list all monies collected and all monies disbursed during said calendar year. Said report shall also specify any and all indebtedness outstanding at the end of the calendar year.”

- The investigator did not find any annual financial reports on file at the county clerk's office.

O.S. 82, Section 1324.18 (B) "The board of directors of each district shall cause to be prepared an annual financial audit at the end of each fiscal year (October 31). Copies shall be filed with the State Auditor and Inspector within six (6) months after the close of the fiscal year."

- The Grady County RWD#3 is three years behind on submitting its annual audit.

O.S. 82, Section 1324.18 (C) states, "Each annual review or audit shall be reported at the district's annual meeting."

- There hasn't been an annual meeting and thus, no member has seen an audit.

Article IX. Duties of Directors. Section 1. (g) "To prepare annually an estimated budget for the coming year. 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."

Article IV. Fiscal Year. "The fiscal year of the Corporation shall begin the 1st day of November in each year."

- On May 25, 2023, members received a notice that they had increased the rate for trash service.

Article XI. Benefits and Duties of Members. Section 6. "Failure to pay the minimum monthly charge, or failure to pay for water used through a meter shall constitute a forfeiture of the membership certificate on behalf of which such failure occurs; provided, that **such membership certificate shall be reinstated if within three months** after such forfeiture, **all back charges are paid in full plus 6 percent interest and reasonable labor charges** necessary to effect such reconnections."

- Is the 6% interest a one time fee or is it calculated daily, monthly or annually?
- What is the labor charge fee schedule?

Article XIII. Amendments. Section 1. "**These bylaws may be repealed or amended by a vote of a majority of the members** present at any regular meeting of the Corporation, or at any special meeting of the Corporation called for that purpose. Members shall not have the power to deprive any member of the rights and privileges then existing, or to amend the bylaws as to effect a fundamental change in the policies of the Corporation."

- These bylaws have not changed since 1968 and need to be updated.
- Rename the Bradley Water Company to Grady County Rural Water District #3.
- The Farmers Home Administration no longer exists. It should be changed to Oklahoma Rural Water Resources Board.
- Adopt Rules and Regulations from the Rural Water Association.

- Add an anti-discrimination clause.
- Adopt a treatment schedule.

General Rules. Section 3, Clause 2. “Service is for sole use of the consumer. A standard water service connection is for the sole use of the applicant or the consumer, and **does not permit the extension of pipes** to transfer water from one property to another, nor to share, resell, or sub-meter water to any other consumer or allow another user to connect to the applicant’s [water] line. If any emergency or specific situation should make such an arrangement advisable, it shall be done only on specific written permission of the Board of Directors for the duration of the emergency.”

- This clause does not mention attaching a garden hose to a travel camper.
- It does not prohibit the member from living in a travel camper on his/her property.
- It does not prohibit the member from having more than one structure on his/her property that may be used as a domicile or hygiene facility by the member.

Clause 5. Continuity of Service. “Efforts will be made to notify consumers who may be affected by such interruption, but the Corporation will not accept responsibility for losses which might occur due to such necessary interruptions.”

- Members are never notified of interruptions.
- The Corporation should not charge members for their mistakes.

Clause 6. Meters. “Meters will be furnished by the Corporation without cost to the consumer.”

- The Corporation charges for the installation of a new meter and the rate is different depending on the payment method.

Clause 9. Bills. “Bills will be rendered for service by the 5th day of the month. Service bills not paid by the 16th of the month shall be subject to a 5 percent late charge. Failure to pay a bill by the first day of the month following the month, in which the bill is rendered, shall result in the disconnection of the service.”

The actual disclaimer on our bills: “This bill is due on the 1st and must be paid by the 10th to avoid a \$5.00 late fee. Services will be discontinued on the 15th and \$25.00 will be charged for restoration of water and/or solid waste.”

- Meters are read on the 25th day of each month.
- The bill is mailed and due on the 1st, not the 5th.
- We only have until the 10th to pay the bill, not the 16th.
- A \$5.00 late fee does not constitute 5% of the bill.
- The minimum payment is currently \$52.00. Five percent of \$52.00 is \$2.60.
- We only have until the 15th to pay our bills, not the 1st day of the following month.
- There is no 15 day grace period.

Juanita misinterpreted the bylaws and the billing has been messed up since 1988.

Clause 10. Reconnection Charge. “The reconnection charge for restoration of service shall be the unpaid amount, plus 6 percent (6%) interest, and a sum to cover the reasonable cost of labor necessary to make such reconnection.”

- A minimum bill in arrears would be \$54.60.
- Six percent of \$54.60 is \$3.28 bringing the total to \$57.88.
- The reconnection fee is \$25.00.
- The total bill should be \$82.88.
- The cost of labor for reconnection is not disclosed.
- As stated above (Article XI. Benefits and Duties of Members. Section 6.), the Corporation does not specify whether this 6% interest is a one time fee or if it is calculated daily, monthly or annually.

Clause 13. Change of Occupancy. “It shall be the consumer’s responsibility to anticipate changes of occupancy, and to have his membership certificate transferred to the new consumer as prescribed in the bylaws. Until the certificate is formally transferred, the original holder shall be responsible for payment of service. All charges levied against a member must be paid before the membership certificate can be transferred, or service resumed where there has been a suspension.”

- Membership certificates are not transferred from member to member.
- The Corporation makes new residents pay the debt left by previous members before connection of service.
- Debts should be reported to a collection agency or attached to the property taxes.

Section Main Extensions. Section 2. Clause 3. Applicants having excessive requirements. “In the event an applicant whose water requirements are found to exceed the Corporation’s ability to supply it from existing plant without adversely affecting service to other consumers to a reasonable extent, the Corporation will not be obligated to render such service, unless and until suitable self-liquidating financing is arranged to cover necessary investment in additional plant.”

- Is a swimming pool considered excessive?
- Are horses and cattle considered excessive?
- The President and Operator have a swimming pool in their back yard.
- The Book Keeper has livestock or did at one time.
- A newly elected director also has livestock or did at one time.
- Directors, Operators and Book Keepers all have to be members of the Corporation or be married to a member.
- Are they paying a water bill?

Clause 4. Cross Connections. “There shall be no cross connections made or maintained between the water system of the Corporation or any other system and that all new

structures constructed within the Corporation shall, prior to service connections, comply with the plumbing standards of the State of Oklahoma. In addition, all sewage disposal systems shall comply with the standards contained in Oklahoma Department of Health Engineering Bulletin Nos. 600, 0587 and 0575.”

“Representatives of the Corporation, the state and local Health Departments shall have the right at all reasonable hours to enter upon consumer’s premises for the purpose of inspection and enforcement of this provision.”

“Violation of this provision shall constitute cause of disconnection of a consumer’s service.”

- Prohibiting cross-connection prevents backflow into rural water lines. It is not intended to prohibit attaching a garden hose to a travel camper or plumbing rural water to a mobile home. It only applies to structures built on site.
- This clause was misinterpreted. Members in the past were accused of water theft and threatened with arrest.

The books and records of the Grady County Rural Water District #3 need to be forensically audited by the State Auditor and Inspector.

The water needs to be audited.

All meters need to be tested by Myers Engineering for accuracy.

All line connections need to be inspected for leaks and fixed.

The loop system and water tower need to be inspected.

They need to be held accountable for the water line grant and why the system is not working as promised.