

## **Grady County RWD#3 Bylaws Violations**

Article II. Name and Location. Section 1. The Bradley Water Company was established on April 30, 1968. It was merged with the county and the name was changed to Grady County Rural Water District 3 on April 12, 1997.

Article II. Name and Location. Section 2. Bradley does not have a rural water district office accessible to the public. Juanita Havens conducted business out of her kitchen in her private residence until 2007 when she got into an altercation with my mother who attempted to pay her water bill and Juanita refused to accept the payment. Juanita moved her office to the Community Building where she accepted water bill payments only for one hour from 9-10 am. on the first Monday of every month until she died in 2017. Nataline replaced Juanita in 2017 and returned to conducting business from her private residence. Otherwise, she may be using Juanita's former residence as a RWD office. The location for our RWD office on Google maps points to Juanita's former address.

Article V. Membership. Section 1. "The holders of membership certificates of this Corporation are its members.

- A Membership Certificate is an outdated term for a service application.
- No member has a copy of their membership certificate.
- Membership certificates contain threatening clauses.

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

- What is the criterion for approval?
- How does the Board of Directors determine who receives membership?
- They haven't been doing this. The Bookkeeper handles service applications (memberships).

Article V. Membership. Section 1. 2) "by signing such agreements for the purchase of water and sewer"

- No one has ever signed a User Agreement. A User Agreement would be a legally binding contract between the Corporation and its members. Since no one has ever signed a User Agreement, these Bylaws can not be enforced. What they are doing is illegal.
- We do not have sewer service. We only have trash service that the RWD includes on our water bills.

Article V. Membership. Section 1. 2) "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?
- Does watering livestock and filling swimming pools take precedence over supplying water for household needs? (The former Bookkeeper and former Secretary have livestock. The Operator and former President have a swimming pool.) Wouldn't excessive use place a strain on the system and cause it to become exhausted?

Article V. Membership. Section 1. 2) "the Board may make service available to the public for purchase at distribution points as it may establish."

- Does the RWD have free distribution points such as the park or the fire hydrants that it can not control?
- Many of us including myself have been forced to pay for water we did not use. We are told we have a leak somewhere on our property.
- There have been leaks coming from service lines and connections that the RWD procrastinated in fixing.
- The RWD is over \$5,000 in the red due to water loss and delinquent bills.

Article V. Membership. Section 2. "In case a member ceases to be eligible to hold membership as provided in Section 1, or **willfully fails to comply with these bylaws, or the rules and regulations or other requirements, or 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 for cause** other than that of ceasing to be eligible **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 that purpose."

- The bylaws are unenforceable because no one signed a User Agreement.
- No member has ever read the bylaws and therefore, did not know what they were required to comply with.
- Is Termination the same as Forfeiture? Neither word is defined in the glossary of terms in the rules and regulations.
- The RWD interprets termination and forfeiture to mean the member loses their membership for life with no process to re-apply for membership.
- 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., Due Process Hearing).
- Members are not informed of their right to an appeal or their right to have a lawyer present.
- There is no statute of limitations to petition for a special meeting.

- There is no clause prohibiting a terminated member from applying for a new membership.
- Members have never voted on an appeal of membership termination.

A User Agreement is a legally binding contract. No member has signed a User Agreement and therefore, their membership can not be terminated or forfeited for life for breach of contract. 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 Constitutional 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 copy of their Membership Certificate.

Article VI. Membership Certificates. Section 1. (b) Transfers of membership certificates shall be made only upon the books of the Corporation; only to persons eligible to become members; only with the approval of the Board of Directors; and only when the member transferring is free from indebtedness to the Corporation.

- This goes through the Bookkeeper, not the Board.

Article VI. Membership Certificates. Section 1. (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.
- Only members whose bills were paid in full were allowed to vote.
- After the election held on May 13, 2024, I was told by Nataline that members who were paying their bills in installments were eligible to vote. I was making payments on a delinquent bill in November and was told I could not vote because my membership was temporarily forfeited until the debt is paid.

Article VI. Membership Certificates. Section 2. "All transfers of membership certificates shall be made upon the books of the Corporation upon the surrender of the certificates covering the same by the holders thereof, but only with the approval of the Board of Directors."

- There is no surrender process outlined in the bylaws.

Article VI. Membership Certificates. Section 3. "Each member agrees to sign such water and sewers' users' agreements as the Corporation shall from time to time provide and require."

- 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 first annual meeting was held on November 13, 2023.
- There was a 100% Board and employee turnover on January 21, 2025.

Article VII. Meetings of Members. 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.
- Bradley would only need four or five signatures.

Article VII. Meetings of Members. Section 3. “Notice of meetings of members of the Corporation will be given by a notice mailed to each member of record ten days prior to the meeting.”

- I’ve been a member since 1993 and have never received a meeting notice by mail until March 01, 2024 preceding the meeting/election held on March 13.

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.
- Since the creation of the RWD in 1997, the President has appointed who s/he has wanted on the Board of Directors and the Directors voted among themselves to approve or deny the appointment. Members were never notified of these secret annual meetings.
- They abused a clause in the bylaws that allowed Directors to appoint someone to the Board to fill an unexpired term until the next annual meeting/election. This is how a single family ended up running the District.

Article VIII. Directors and Officers. Section 3, paragraph 2. “The permanent Board of Directors shall meet within ten days after each annual election of the directors, and **shall 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 and until the election and qualification of his successor, unless sooner removed by death, resignation or other cause.”

- This supposed to be a public meeting before the members.

O.S. 82, Section 1324.10 (A)(2) “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.”

- This clause is not in the bylaws.
- Vicky was the President for 9 years and was unopposed for another 3 year term on November 13, 2023.
- She was voted out of office on March 13, 2024 and replaced by Sheila Ruth.
- Shiela Ruth resigned on October 14, 2024.
- There were two appointments before an election was held on January 21, 2025.

Article VIII. Directors and Officers. 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.”

- Ballots have never been used.

Article VIII. Directors and Officers. 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 2013 after Becky Thomas quit. She decided who the directors would be and only appointed her own family members.

Article VIII. Directors and Officers. Section 5. “The Board of Directors shall meet monthly at a designated time as may be determined by the Board.”

- The first regular monthly meeting of the RWD was held on November 11, 2023 and Vicky filed a regular meeting schedule with the Grady County Clerk on November 15.
- No such regular meeting schedule had ever been filed with the county before.

Article VIII. Directors and Officers. Section 6. **“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. Officers can only receive compensation for specific extra duties such as book keeper.”

- On May 25, 2023, members received a notice that they had given the officers a pay raise and there was no meeting. We were also informed they had increased the rate for trash service.
- What other extra duties are compensated besides book keeper?
- They do not have a pay schedule for officers of the Corporation?

Article VIII. Directors and Officers. Section 7. “Officers and directors may be removed from office in the following manner: Any member may present charges against an 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 majority vote of the members. The officer against whom such charges have been presented shall be informed, in writing, of such charges 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. A vacancy in any office thus created shall be filled by the directors from among their number so constituted.”

- What kind of charges: Title 21, ADA discrimination or bylaws violations?
- Directors and officers threatened to burn a woman’s house for reporting them to DEQ on March 10, 2005.
- Natalie’s husband Claude was arrested for stealing batteries from an oilfield location on October 27, 2022. We don’t want our RWD associated with theft or drugs.
- Failure to hold annual meetings or conduct elections (first one on 11-13-23).
- Failure to file a regular meeting schedule with the County Clerk (first one on 10-27-23)
- Failure to submit financial audits to the State Auditor.
- Failure to submit annual budget reports to the County Clerk.
- Forcing members to pay for leaks they don’t have.
- Lying about violence to terminate membership.
- Punishing a mentally ill senior citizen by depriving her of water for life.
- Denying terminated members an appeal hearing.
- 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 in 2022.
- 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. (e) “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”

- They are functioning off of the Bylaws of the Bradley Water Company, Inc which no longer exists. The bylaws have remained unchanged since they were adopted on April 30, 1968. None of the current members have ever seen these Bylaws and therefore, have not agreed to them.
- The RWD has not updated its Rules and Regulations and thus, there are no penalties for officers who violate them.

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 1324.18 (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.”

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

- They are three years behind on submitting audits to the state auditor’s office.

Article IX. Duties of Directors. Section 1. (g) “to prepare annually an annual 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.”

- Our first annual meeting was on November 11, 2023 and they did read the budget, but did not submit an audit report from the accountant or state auditor’s office.

- During the meeting on May 13, 2024, they informed us of a rate increase due to insolvency.
- The illegally increased their rates and gave the book keeper a raise in May of 2023 which went into effect on June 25, 2023.

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.

Article IX. Duties of Directors. Section 1. (j) “to levy assessments against the membership certificates of the Corporation and 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.**”

- This clause does not explicitly say the member shall forfeit their membership for life, but that is the way Nataline and Juanita before her interpreted it.
- The clause does not say the bill has to be **paid in full** within 30 days or 90 days.
- Their idea of a thirty day written notice is a cut-off notice, after which payment is not accepted.
- Juanita refused to accept a payment from my mother after she received a cut off notice for non payment after ninety days.
- Members have historically been allowed to pay delinquent bills in installments over time because the Board of Directors’ right to forfeit a membership is optional.
- Did a Board of Directors vote to forfeit my mother’s membership for life?
- There should be meeting minutes reflecting the vote and forfeiture.
- 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 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.”

- If the certificate is not reinstated within three months, does that constitute an automatic forfeiture for life? Can a member request reinstatement after several years of no service?
- There is no process to re-apply for membership after ninety days of non payment.
- Nataline told me on March 13, 2023 that because my mother’s water had been disconnected for so long, it meant that she had accepted the circumstances and could not have her water restored.
- Is the 6% interest a one time fee or is it calculated daily, monthly or annually?
- What is the labor 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 on the Bylaws.
- The Farmers Home Administration no longer exists. It should be changed to USDA Rural Development.
- Adopt Rules and Regulations from the Rural Water Association.
- Adopt an anti-discrimination clause in compliance with the ADA.
- Adopt an extended grace period for medical emergencies.
- Adopt a treatment schedule.
- Adopt a labor fee schedule.
- Inform members of interruptions in water service.
- Offer an online payment option.
- Remove “lifetime forfeiture of membership” without just cause from operating policies and Bylaws.

A membership should only be forfeited for life if the member:

- a) dies;
- b) becomes a permanent resident of a long term care facility;
- c) becomes incarcerated and will not return to the property;
- d) permanently vacates the property and can not be contacted within ninety days;
- e) transfers the membership to a new property owner;
- f) physically assaults an officer or director of the Corporation and is arrested;
- g) damages property belonging to the Corporation and is arrested;

- h) steals water or attempts an illegal cross-connection and is arrested.
- i) There has to be a police report and/or charges filed by the DA to justify lifetime forfeiture for violence, destruction of property or water theft.

### General Rules

General Rules. Clause 2. Applicants for service shall make application to the secretary of the Corporation. If the application for service is approved by the Board of Directors, the applicant pays the required costs and signs the standard application for water and sewer service, he shall receive service.

- Members have always gone to the bookkeeper/billing clerk to start their water service, not the secretary.

General Rules. Service is for the sole use of the consumer. "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 sewer 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 that only the member/consumer resides in.
- 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.

General Rules. Continuity of Service. "The Corporation will make all reasonable efforts to supply continuous, uninterrupted service. However, it shall have the right to interrupt service for the purpose of making repairs, connections, extensions, or for other necessary work. 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, even though it is allowed by statute.
- The water needs to be audited.
- 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 why the system is not working as promised after three grants were supposed to address our problems.

General Rules. Meters. **“Meters will be furnished, installed, owned, inspected, tested and kept in proper operating condition by the Corporation, without cost to the consumer.** A complete record of tests and histories of meters will be kept. Meter tests will be made according to methods of the American Waterworks Association by the Corporation, as often as deemed necessary by its Board of Directors.”

- The Corporation charges for the installation of a new meter and the rate is different depending on the payment method.
- One man was told the fee is \$1,500 if paying by check and \$1,200 if paying by cash.
- All meters need to be tested by Myers Engineering for accuracy.

General Rules. Bills. “Bills will be rendered for service by the 5<sup>th</sup> day of the month following that in which the service was rendered as set forth in the rate schedule. Service bills not paid by the 16<sup>th</sup> of the month shall be subject to a 5 percent late charge. Failure of the Corporation to submit a service bill shall not excuse the consumer from his obligation to pay for the water used when the bill is submitted. 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 1<sup>st</sup> and must be paid by the 10<sup>th</sup> to avoid a \$5.00 late fee. Services will be discontinued on the 15<sup>th</sup> and \$25.00 will be charged for restoration of water and/or solid waste.”

- Meters are read on the 25<sup>th</sup> day of each month.
- The bill is mailed and due on the 1<sup>st</sup>, not the 5<sup>th</sup>.
- We only have until the 10<sup>th</sup> to pay the bill, not the 16<sup>th</sup>.
- A \$5.00 late fee does not constitute 5% of the bill.
- The minimum payment is currently \$64.00. Five percent of \$64.00 is \$3.20.
- We only have until the 15<sup>th</sup> to pay our bills, not the 1<sup>st</sup> 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. Nataline is still running the RWD the way her mother-in-law Juanita did.
- The books and meeting records need to be forensically audited by the State Auditor and Inspector.

General Rules. Reconnection Charge. “The reconnection charge for restoration of service, if reconnection is authorized and approved under the provisions of the bylaws of the Corporation, after such suspension of service because of delinquent payment or for other infraction of these rules, shall be the unpaid amount charged to date against the consumers membership, 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 \$64.00.
- Six percent of \$64.00 is \$3.84 bringing the total to \$67.84.
- The reconnection fee is \$25.00.
- The total bill should be \$92.84
- 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.

General Rules. 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.

General Rules. 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 former President and Operator have a swimming pool in their back yard.
- The Book Keeper has cattle.
- The Secretary has horses or did at one time.
- Directors and officers all have to be members of the Corporation.
- Are their water bills paid in full?

General Rules. 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 for running a garden hose to a camper.