

BY-LAWS
of

← Compton 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 the corporation.

ARTICLE II

Name and Location

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

Section 2. The principal office of this corporation shall be located in the City (Town) of Compton, County of Newton, State of Arkansas.

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, "Corporation Not For Profit."

Section 2. The secretary of the corporation shall have custody of the seal, an impression of which is made hereon in the margin of the last page hereof.

ARTICLE IV

Fiscal Year

The fiscal year of the corporation shall begin the 1 day of MAY in each year.

ARTICLE V

Membership

Section 1. Every person (which word as used herein includes any legal entity) who is a record owner of a fee or undivided fee interest, or having a substantial possessory interest, in a property served by the water system may become a member of the corporation upon signing such applications and agreements for the purchase of water as may be provided and required by the corporation and upon the payment of such connection fee as may be imposed by the board of directors provided that only one membership at a time may be held for each property served. A single membership may be issued to all persons owning or having a substantial possessory interest in the property. Only one membership may be held with respect to property at one time. The board of directors shall cause to be issued appropriate certificates of membership, provided that membership shall not be denied because of the applicant's race, color, creed, or national origin. Membership may be denied if capacity of the corporation's water system is exhausted by the need of its existing members, or, if the proposed use of the applicant is such that it would interfere with existing uses previously authorized by the board of directors.

A. A substantial possessory interest is one where the person or persons have a legal right to control and occupancy of a property but do not have the legal or the equitable ownership of the property. It may be under a lease or similar right to possession.

- (1) Before membership is allowed to one or more persons claiming such an interest, the corporation will endeavor to obtain the application for membership from the owner of such property.
- (2) Where membership is granted to one or more persons having a substantial possessory interest, the corporation as a condition to the membership may require such applicant to post such collateral or bond as the directors determine necessary to fully protect the corporation from any additional risk that may be involved to the corporation by reason of the lack of legal ownership in the applicant.

- Section 2. Each member shall have only one membership for each property served, regardless of the number of service connections he may obtain to serve his property. Each membership certificate shall represent one vote. When more than one person holds the interest in a property served, the vote shall be exercised by the person in whose name the certificate is registered or by such person as the several persons may designate, but in no event shall more than one vote be cast with respect to any property.
- Section 3. Membership shall be transferable but the transfer will be effective only when noted on the books of the corporation. Such transfer will be made only to a person who obtains a qualifying interest in the property. A member will transfer his membership in the corporation to his successor in interest as part of the transaction whereby he disposes of his interest to said property. The secretary, upon request, will make note of such transfer upon the records of the corporation but need not issue a new certificate to the successor in interest of the previous existing member.
- Section 4. When membership in the corporation is not transferred, it shall terminate upon the disposition or other termination of the member's interest in the property, regardless of whether or not the certificate is surrendered to the corporation. Membership also may be terminated by action of the board of directors where the use of the property is changed so as to materially increase the amount of water consumed to the prejudice of other existing members or to the prejudice of the orderly operation of the system.
- Section 5. The termination of the membership of any member shall not disqualify for membership any other person who has or obtains an interest in the property of the terminated member and who otherwise meets the requirements of these by-laws.
- Section 6. In the event a member's property interest is divested other than by voluntary means, such member's membership will pass to the trustee, receiver, executor, or the like who will be entitled either in person or through a designated representative to exercise all of the rights incident to such membership, but subject to such duties and liabilities also applicable to the membership. The trustee, receiver, executor, or the like, may terminate such membership by written notice to such effect delivered or mailed to the secretary of the corporation. Upon the final disposition of such property rights, the owner thereof shall be entitled to membership in like manner as if the membership had been transferred to him by the original member as set forth in section 4c, above.
- Section 7. Upon the transfer of a membership, the corporation will not look to the successor in interest for the payment of any past due amounts. The corporation will seek collection only from the individual who incurred such charges or assessments or from the property itself if a judgment lien had been duly perfected against such property.

ARTICLE VI

Membership Certificates

- Section 1. This corporation shall not have capital stock. Membership in the corporation shall be represented by membership certificates. Such certificates shall represent the right to use and enjoy the benefits of the corporation's water supply system upon the payment of necessary assessments, if any, and of reasonable charges based upon such use, provided such use and enjoyment are consistent with the rules, regulations, and contracts affecting the same as may from time to time be prescribed by the board of directors.
- Section 2. A membership certificate shall be issued to each holder of fully paid membership, numbered consecutively in accordance with the order of issue, and bear on its face the following statements:

This membership certificate, No. _____, is issued and accepted in accordance with and subject to the conditions and restrictions stipulated in the articles of incorporation and by-laws and amendments to the same of the Compton Water Association, Inc.

ARTICLE VII

Meetings of Members

- Section 1. The annual meeting of the members of this corporation shall be held at the City (Town) of Compton, County of Newton, State of Arkansas, at 12:00 clock _____ on the 1st of May in _____ of each year. The place, day, and time of the annual meeting may be changed to any other convenient place, day and time in the county by the board of directors giving notice thereof to each member not less than ten (10) days in advance thereof.

Section 2. Special meetings of the members may be called at any time by the action of the board of directors and such meeting must be called whenever a petition requesting such meeting is signed by at least ten 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, both regular and special, shall be given by notice mailed by first-class mail to each member of record, directed to the address shown upon the books of the corporation, not less than ten (10) nor more than forty (40) days prior to such meeting. Such a notice shall state the nature, time, place and purpose of the meeting, but no failure or irregularity of notice of any annual meeting, regularly held, shall affect any proceedings taken thereat.

Section 4. The presence at a meeting of members entitled to cast in their own right or by proxy 20 percent of the total number of votes shall constitute a quorum. All proxies shall be in writing and filed with the secretary. Such proxies may be general or restrictive. Proxies shall be revocable and shall not be valid beyond 11 months, nor after termination of the membership by cessation of the member's interest in the property.

Section 5. Directors of this corporation shall be elected at the annual meeting of the members as provided in Article VIII, Section 1. No cumulative voting shall be allowed.

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

1. Calling to order and proof of quorum.
2. Proof of notice of meeting.
3. Reading and action on any unapproved minutes.
4. Reports of 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 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, three directors shall be elected for a term of one year; three 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 ten (10) days after the annual election of directors and shall elect a president and vice-president from among themselves and a secretary-treasurer who need not be a member of the board of directors, 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 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 who shall hold office until the next regular meeting of the members of the corporation, at which time the members shall elect a director for the unexpired term or terms, provided that in the call of such regular meeting a notice of such election shall be given.

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. No member of the board of directors shall occupy any position in the association on regular salary.

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 those voting if a quorum is present. The director or officer against whom such charges have been presented shall be informed, in writing, of such charges at least twenty 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 board of directors from among their number so constituted after the vacancy in the board has been filled.

ARTICLE IX

Duties of Directors

Section 1. The board of directors, subject to restrictions of law, the articles of incorporation, and 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 power and authority in respect to the matters as hereinafter set forth to be exercised by resolution duly adopted by the board:

- A. To approve membership applications and to cause to be issued appropriate certificates of membership. The board may make binding commitments to issue membership certificates and to permit the connection of properties to the system in the future in cases involving proposed construction or may issue such certificates prior to the commencement of the proposed construction.
- B. To select and appoint all officers, agents or employees of the corporation, remove such agents or employees of the corporation, prescribe such duties and designate such powers as may not be inconsistent with these by-laws, fix their compensation and pay for faithful services.
- C. To borrow from any source, money, goods or services and other negotiable or nonnegotiable instruments evidencing indebtedness of the corporation; to make and issue mortgages, deeds of trust, pledges of revenue, trust agreements, security agreements and financing statements, and other instruments evidencing a security in the assets of the corporation; 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 its 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 auditor or accountant. The report prepared by such auditor or accountant shall be submitted to the members of the corporation at their annual meeting, together with a proposed budget for the ensuing year. Copies of such audits and budgets shall be submitted to such parties as may be required by other agreements.
- F. To fix and alter the charges to be paid by each member for services rendered by the corporation to the member, including connection fees where such are deemed to be necessary by the directors, and to fix and alter the method of billing, time of payment, manner of connection, and penalties for late or nonpayment of the same. The board may establish one or more classes of users. All charges shall be uniform and nondiscriminating within each class of users.
- G. To require all officers, agents and employees charged with 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 members of the corporation in such manner and upon such proportionate basis as the directors deem equitable, and to enforce collection of such assessments by the suspension of water service or other legal methods. The board of directors shall have the option to suspend the service of any member who has not paid such assessment within 30 days from the date the assessment was due, provided the corporation must give the member at least 15 days' written notice at the address of the member on the books of the corporation of its intention to suspend such service if the assessment is not paid. Upon payment of such assessments, any penalties applicable thereto, and a reconnection charge, if one is in effect, service will be promptly restored to such a member.

J. To see that the operator-manager of the water system is licensed by the Arkansas State Board of Health in the same manner as provided in Act No. 333 (1957) of the General Assembly of the State of Arkansas.

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 membership certificates 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 case 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 attest the president's signature on all membership certificates and other papers pertaining to the corporation unless otherwise directed by the board of directors. He shall serve, mail, or deliver 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 or at such other time or times as the board of directors may require. He shall keep the corporate seal and membership certificate records of the corporation, complete and attest all certificates issued 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, transfer, termination, 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 or 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 corporation will install, maintain and operate a main distribution pipeline or lines from the source of the water supply and service lines from the main distribution pipeline or lines to the property line of each member of the corporation, at which points, designated as delivery points, meters to be purchased, installed, owned and maintained by the corporation shall be placed. The cost of the service line or lines from the main distribution pipeline or lines of the corporation to the property line of each member shall be paid by the corporation. The corporation also may purchase and install a cutoff valve in each service line from its main distribution line or lines, such cutoff valve to be owned and maintained by the corporation and to be installed on some portion of the service line owned by the corporation. The corporation shall have the sole and exclusive right to use of such cutoff valve. However, the provisions of this section shall not be construed to require the acquisition or installation of meters or cutoff valves where the directors determine under the circumstances of the system and the nature of the membership that the use of either or both of such devices is impractical, unnecessary to protect the system and the rights of the membership, and/or economically not feasible.

Section 2. Each member will be required at his own expense to have dug a ditch for the connection of the service line or lines from the property line of the member to his dwelling or other portion of his premises, and to purchase and have installed the portion of the service line or lines from his property line to the place of use on his premises. The member will maintain such portion of such service line or lines which shall be owned by the member, at his own expense. The corporation may, if the board of directors so determines, purchase the pipe for and install such portion of such service line or lines, the cost of which will, however, be paid by

the individual members. In addition, each member shall pay such connection charge, if any, as may have been imposed by the board of directors before such member will be entitled to receive water from the system.

Section 3. Each member may be permitted to have additional service lines from the corporation's water system in the discretion of the board of directors upon proper application therefor and the tender of payment not to exceed the then existing connection charge. The approval by the board of directors of additional service lines to an existing member may be made conditional upon such provisions as the board of directors determined necessary to protect the interests of other members and to allow for the orderly expansion and extension of the system to serve other property that may need service along the distribution lines of the system. Each service line shall connect with the corporation's water system at the nearest available place to the place of desired use by the member if the corporation's water system has 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 is 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 designated by the corporation.

Section 4. Each member may be permitted to purchase from the corporation pursuant to such agreement as may from time to time be provided and required by the corporation, such water as is needed by him for domestic, commercial, agricultural, industrial or other purposes as a member may desire, 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 his service lines only such water as may be necessary to supply the needs of each member, including his family, business, agricultural or industrial requirements. The water delivered through each service line may be metered separately and the charges for such water may be determined separately, irrespective of the number of service lines owned by a member.

Section 5. 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 commercial, agricultural or industrial purposes by particular members and require adherence thereto or prohibit the use of water for commercial, agricultural or industrial purposes; provided, that if at any time the total water supply shall be insufficient to meet all of the needs of all of the members for domestic, livestock, commercial, agricultural or industrial purposes, the corporation must first satisfy all of the reasonable needs 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 domestic and livestock purposes before supplying any water for commercial or industrial purposes; and, provided further, that where a member has more than one service line, the corporation may cut off the flow of water to the nondomestic service lines until such time as the supply of water from the system is sufficient to meet the needs of all of the members for domestic, livestock, and garden purposes. During such periods of shutoff of additional service lines there shall be no minimum fee charged to the members having such additional service lines and the cost, if any, of resuming the flow of water to such additional service lines shall be borne by the corporation.

Section 6. The board of directors shall, with the consent of the Farmers Home Administration, so long as it shall either hold any obligations or insure any financing of the system, prior to the beginning of each calendar year, determine the flat minimum monthly rate to be charged each member during the following calendar year for a specified quantity of water, such flat minimum monthly rate to be payable irrespective of whether any water is used by a member during any month, the amount of additional charges, if any, for additional water which may be supplied the members, and the amount of penalty for late payments, and shall fix the date for the payment of such charges. A member to be entitled to the delivery of water shall pay such charges at the office designated by the corporation at or prior to the dates fixed by the board of directors. The failure to pay water charges duly imposed shall result in the automatic imposition of the following penalties.

A. Nonpayment within ten days from the due date will be subject to a penalty of ten (10) percent of the delinquent account, which percent may be changed at the discretion of the board of directors.

B. Nonpayment within thirty days from the due date will result in the water being shut off from the member's property without any notice thereof to such delinquent member. Upon the payment by the delinquent member of past due water charges, penalties thereon, any reconnection charge, such member shall be entitled to resumption of the water supply. During the time of such suspension of water to a member, such member shall have no right to vote in the affairs of the corporation.

Section 7. The board of directors shall be authorized to require each member to enter into water users agreements which shall embody the principles set forth in the foregoing provisions of these bylaws.

ARTICLE XII

Distribution of Surplus Funds

It is not anticipated that there will be any surplus funds or net income to the corporation at the end of the fiscal year after provisions are made for the payment of the expenses of operation and maintenance and the funding of the various reserves for depreciation, debt retirement, and other purposes, including those required by the terms of any borrowing transaction. In the event that there should exist such surplus funds or net income, they may be placed in an existing or new reserve account to be used for the early retirement of any outstanding indebtedness or be used for the improvement and/or extension of the corporate facilities as the board of directors may determine to be in the best interest of the corporation and to the extent not otherwise provided for by any contractual arrangement. The occurrence in subsequent fiscal years of surplus funds or net income above the requirements of the corporation as above mentioned, including, if any, a reserve for improvements and extension of the facilities shall be taken into consideration by the board of directors in determining the water rates to be charged the members.

ARTICLE XIII

Amendments

These by-laws 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, except that so long as any indebtedness is held by or guaranteed by the Farmers Home Administration, the members shall not have the power to change the purposes of the corporation so as to decrease its rights and powers under the laws of the state, or to waive any requirement of bond or other provision for the safety and security of the property and funds of the corporation or its members, or so to amend the by-laws as to effect a fundamental change in the policies of the corporation without the prior approval of the Farmers Home Administration in writing.

ARTICLE XIV

The following Rules and Regulations are hereby adopted as Article XIV of these By-laws of the *Compton Water Assoc, Inc* Southwest Boone County Water Association, Inc., and shall form a part of the Water User's agreement and shall be binding upon each member of the Association:

RULES AND REGULATIONS

RULES AND REGULATIONS FOR THE OPERATION AND CONDITIONS OF SERVICE OF THE WATER SYSTEM OF SOUTHWEST BOONE COUNTY WATER ASSOCIATION, INC. HEREIN REFERRED TO AS "ASSOCIATION". *Compton Water*

DEFINITIONS

Applicant: Any individual, firm, partnership, corporation or other agency owning land located within the area, applying for water service.

Consumer: Any individual, firm, partnership, corporation or other agency receiving water.

Point of Delivery: The point of delivery shall be at the meter, unless otherwise specified in the Water Users' Agreement.

Service: The term service when used in connection with the supply of water shall mean the availability for use by the consumers of water adequate to meet the consumer's requirements. Service shall be considered as available when the Association maintains the water supply at normal pressure at the point of delivery, in readiness for the consumer's use, regardless of whether or not the consumer makes use of it.

Water Users' Agreement: The agreement or contract between the consumer and the Association, pursuant to which water service is supplied and accepted.

Water Service: A water service shall consist of facilities for supplying water to one residence or business establishment.

Membership Fees: If the organization is a nonprofit association organized under the provisions of Chapter 19, Title 64, Act 176, 1967 Revised Statutes of Arkansas, each user must be a member of the association. The membership fee shall consist of the first connection fee paid by the user. No user may own more than one membership or have more than one vote at any membership meeting.

GENERAL RULES

1. The supplying and taking of water will be in conformance with these Rules and the applicable rate schedule. Provided, however, that such rate schedule is subject to change with the approval of the State Director of the Farmers Home Administration; provided further that if the total amount derived from the collection of water charges is insufficient for the payment of operating costs, emergency repairs, or debt service, the minimum water rate shall be increased for the emergency repairs, or debt service.
2. Applications for service shall be accompanied by a connection fee of ~~\$40.00~~^{85.00} and a meter deposit of ~~\$40.00~~^{65.00}. The connection fee will be nonrefundable. The meter deposit will be maintained in a special account to insure payment of water charges. When service is discontinued, any portion of the deposit remaining after current bills are paid will be returned to the consumer.
3. Applications for service that are received after the planned construction is started will be accompanied by a connection fee of not less than the cost to the Association and the meter deposit as reflected in 2 above.
4. Before installing a service extension and providing water available for use, the Association may require the applicant to pipe his home and be in readiness to accept service.
5. The consumer shall install and maintain at his own expense a service line which shall begin at his property line and extend to the dwelling and other portions of his premises.

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. If an emergency or specific situation should make such an arrangement advisable, it shall be done only on specific written permission for the duration of the emergency.

Right of Access:

Representatives of the Association shall have the right at all reasonable hours to enter upon consumers' premises to read and test meters, inspect piping, and to perform other duties for the proper maintenance and operation of service, or to remove its meters and equipment upon discontinuance of service by consumers.

Continuity of Service:

The Association 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 interruptions, but the Association will not accept responsibility for losses which might occur due to such necessary interruptions.

The Association does not accept responsibility for losses which might occur due to interruptions to service caused by storms, strikes, floods, or other causes beyond its control.

METERS

Meters will be furnished, installed, owned, inspected, tested, and kept in proper operating condition by the Association, 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 Association as often as deemed necessary.

Meter Accuracy:

Service meters whose errors do not exceed two percent (2%) fast or slow shall be considered as being within the allowable limits of accuracy for billing purposes. The percentage of error will be considered as that arrived at by taking the average of the error at full load and that at ten percent (10%) load, unless a consumer's rate of usage is known to be practically constant in which case the error at such constant use will be used.

Meter Location:

Meters shall be set in an accessible place on the outside of buildings except where otherwise directed by the Association. All meters shall be set horizontally and never connected into a vertical pipe. Meters set outside of a building shall be placed in a meter box furnished and installed by the Association.

Bills:

Bills will be rendered for service by the 5th 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 16th of the month shall be subject to a 10% late charge. Failure of the Association 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 1st day of the month following the month in which the bill is rendered, shall result in the disconnection of the service.

Reconnection Charge:

The reconnection charge for restoration of service, if reconnection is authorized and approved, after each suspension of service because of delinquent payment or for other infraction of these rules, shall be the unpaid amount charged to date against the consumer and a sum to cover the reasonable cost of labor necessary to make such reconnection.

Requested Meter Tests:

Meter tests requested by consumers will be performed without cost to the consumer if the meter is found to be in excess of two percent (2%) fast. Otherwise the consumer for whom the requested test was made will be charged for the cost of making the test.

Consumer's Responsibility:

The consumer shall be responsible for any damage to the meter installed for his service, on account of any cause other than normal wear and tear.

Change of Occupancy:

It shall be the consumer's responsibility to anticipate changes of occupancy and to notify the Association of such changes; otherwise, the original holder shall be responsible for payment of service. Any balance due a customer on meter deposit will be refunded.

Main Extensions

In extending a water main to serve an applicant, the Association may at its discretion exercise one of the following options.

- (a) If the cost of the extension is less than the average cost of the entire system to each user, and sufficient construction funds are available, the Association may elect to make the extension upon the applicant's payment of the required connection fee and meter deposit.
- (b) If the cost of the extension is greater than the average cost of the entire system to each user, but funds are available to the extent of such average cost, the Association may elect to contribute to the extension in the amount of such average cost, and require the applicant to deposit in cash the additional cost in addition to the connection fee. If and as additional consumers are connected to the extension, and as funds become available, all or part of the original consumer's deposit may be returned to him. Any portion of the original deposit remaining after the expiration of a five-year period will become the property of the Association. In no case will interest be paid on such deposits.
- (c) In the event that the Association does not have funds available to pay for construction in the amount of the average cost per member of the entire system, it may require as a condition of extending service, that the applicant deposit in addition to the charge of a connection fee, an amount which may equal the entire cost of the extension. In such an event, the Association may, as funds become available, return to the consumer that portion of his deposit equal to the average cost of the system per member. No interest will be paid on such deposits.

Services:

The Association will install and pay for all water service lines from its mains to the meters on property abutting the travelway along which the main is installed. The service pipe shall not be less than 3/4th inch in size. The Association will also install and pay for the Corporation cock, meter and meter setting. The meter will be set in front of the premises to be served or at the closest point as designated by the Association.

Applicants Having Excessive Requirements:

In the event an applicant whose water requirements are found to exceed the Association's ability to supply it from existing plant without adversely affecting service to other consumers to an unreasonable extent, the Association will not be obligated to render such service, unless and until suitable self-liquidating financing is arranged to cover necessary investment in additional plant.

Connection with Private Water System:

There shall be no physical connection between any private water system and the water system of the Association. Representatives of the Association 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 for disconnection of a consumer's service.

These Rules and Regulations are subject to change from time to time. However, all such changes must be approved by the State Director of the Farmers Home Administration until such time as the Association is no longer indebted to the United States of America, or until such time as the Association has completely retired all loans made by or insured by the United States of America. If a provision of the Rules and Regulations conflict with a provision of the rate schedule, the provision of the rate schedule will prevail. If any portion of these Rules and Regulations shall be declared invalid by competent authority, such voidance shall not affect the validity of the remaining portions.

CERTIFICATION

We certify that the foregoing by-laws were duly adopted by the members of the Board of Directors, May 24, 1979, that the same are in full force and effect and have not been amended.

Given under our hands and the seal of the corporation, this 24th day of May, 1979.

Secretary-Treasurer-Recorder

President

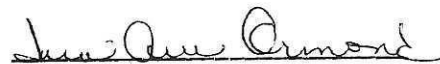
BE IT RESOLVED THAT THE BY-LAWS OF THE COMPTON WATER ASSOCIATION
ARE HEREBY AMMENDED AS FOLLOWS:

As an addendum to Article v as Section 8 and Section 9

- 8) Upon the termination, cancellation or withdrawal of membership, a former member's rights and interests in the assets of the corporation will not be forfeited, notwithstanding any sale of such membership by the corporation, and that any payment made in termination of membership (i.e., proceeds of sale, return of membership fee) will not be considered as payment in lieu of, or result in forfeit of, a member's equitable interest.

- 9) In the event of dissolution, all assets remaining after payment of debts will be distributed to members and former members in direct proportion to the amount of their patronage with the corporation, insofar as practicable.

APPROVED THIS _____th DAY OF FEBRUARY, 1985, BY THE BOARD OF
DIRECTORS OF THE COMPTON WATER ASSOCIATION.



Ina Ann Ormond, Chairman
COMPTON WATER ASSOCIATION



Janet Hickman, Secretary
COMPTON WATER ASSOCIATION

SEAL

BE IT RESOLVED THAT THE BY-LAWS OF THE COMPTON WATER ASSOCIATION
ARE HEREBY AMMENDED AS FOLLOWS:


As an addendum to Article V as Section 8 and Section 9

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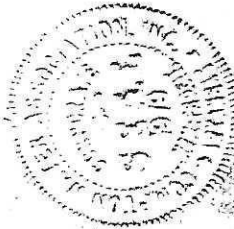
APPROVED THIS _____th DAY OF FEBRUARY, 1985, BY THE BOARD OF
DIRECTORS OF THE COMPTON WATER ASSOCIATION.



Ina Ann Ormond, Chairman
COMPTON WATER ASSOCIATION


Janet Hickman, Secretary
COMPTON WATER ASSOCIATION

SEAL



BE IT RESOLVED THAT THE BY-LAWS OF THE COMPTON WATER ASSOCIATION
ARE HEREBY AMENDED AS FOLLOWS:

As an addendum to Article IX as Section 2

Section 2. Any Board member who fails to attend
75% of the board meetings held from
one annual meeting to the next (one year)
shall be subject to removal from the
board of directors at the discretion of
the other board members.

APPROVED THIS 17th DAY OF OCTOBER, 1985, BY THE BOARD OF
DIRECTORS AND GENERAL MEMBERSHIP OF THE COMPTON WATER ASSOCIATION

Ina Ann Ormond
Ina Ann Ormond, Chairman
Compton Water Association

Janet Hickman
Janet Hickman, Secretary
Compton Water Association

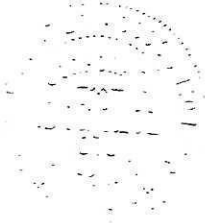
SEAL


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APPROVED THIS 17 th DAY OF OCTOBER, 1985, BY THE BOARD OF
DIRECTORS AND GENERAL MEMBERSHIP OF THE COMPTON WATER ASSOCIATION




Ina Ann Ormond, Chairman
Compton Water Association


Janet Hickman, Secretary
Compton Water Association

SEAL

Compton Water Association Resolutions

- 94.1 Resolutions hereafter passed by the Compton Water Association Board of Governors supersede all previous resolutions.
- 94.2 Revised – Refer to 97.4
- 94.3 Revised – Refer to 97.4
- 94.4 Revised – Refer to 97.4
- 94.5 Revised – Refer to 97.4
- 94.6 Revised – Refer to 96.2
- 94.7 Revised – Refer to 96.3
- 94.8 Revised – Refer to 98.3
- 94.9 Revised – Refer to 97.2
- 94.10 When a water bill goes past due for more than six months, membership will be cancelled. The meter box may be removed at the discretion of the board of directors.
- 94.11 Revised – Refer to 97.1
- 95.1 Any member who has two checks returned in any six-month period will thereafter be required to pay by cash or money order.
- 95.2 Revised – Refer to 97.1
- 95.3 Water will be purchased from Southwest Boone County Water Association upon completion of supply lines as outlined in Water purchase agreement.
- 95.4 Revised – Refer to 97.1
- 95.5 When a new line is under construction for the water association, the water operator of the Compton Water Association will be the inspector of the new line.
- 95.6 When a line is installed over $\frac{1}{4}$ of a mile, the board of governors has the authority to require an in line meter to be installed at the contractors expense.
- 96.1 From this date forward (10-08-96) any person who installs a line at his or her own expense will not receive any reimbursement from the Compton Water Association. As stated in the bylaws of the Association, that line becomes the property of the CWA upon completion. This being so, no other person hooking up to that line at a later date can be required to incur a portion of the cost of the original line.

- 96.2 Effective October 8, 1996, for new renters, there will no longer be a deposit. The landowner will be responsible for all bills. The old renters will be weeded out as they move. All bills must be mailed to the owner.
- 96.3 Revised – Refer to 05.02
- 97.1 Operator withdrew from filling out and signing the overflow report.
- 97.2 Revised – Refer to 01.3
- 97.3 Revised – Refer to 98.2
- 97.4 Revised – Refer to 02.01
- 97.5 The Chairman had the authority to shut off water due to late bills.
- 98.1 Meters will be read between the 15th and 20th of each month when possible. If meters cannot be read between these dates, an estimate reading will be taken using previous months readings with the approval of the board.
- 98.2 Transfer fee is done away with.
- 98.3 Revised – Refer to 02.2
- 01.1 Any damage done to water association property by negligence or malicious intent will be billed to the water user on the monthly bill.
- 01.2 Churches, and parsonages on the same ground will be allowed to use one meter to service both buildings.
- 01.3 Due to increases by SWB the new water rate schedules were voted in and are as follows. \$23.00 minimum for the first 1000 gallons. \$7.00 per 1000 gallons for the next 3000 gallons. \$6.00 per 1000 gallons for the next 6000 gallons. \$5.00 per 1000 for any over 10,000 gallons.
- 02.1 Water Operator, Book Keeper & Meter Reader pay will be set by the CWA board and will be reviewed January of each year.
- 02.2 Revised – Refer to 04.03
- 02.3 People requesting work on their water lines other than that required by, or the responsibility of, the water association will be responsible for the cost. Before any work is performed, a work order must be signed by the requesting party, and a deposit of \$100.00 made. Payment will be due 30 days after completion. If payment is not made, water service may be interrupted
- 02.4 Revised – Refer to 04.04
-

- 03.01 When it is necessary to send a certified notification to a customer in connection with nonpayment, the cost will be added to the customers account.
- 04.01 All returned checks will have a \$25.00 fee added to the users account.
- 04.02 Any membership with an unpaid balance is not eligible for transfer.
- 04.03 Reconnection fees for accounts shut off due to nonpayment will increase to \$50.00. Reconnect fees for accounts closed but in good standing will remain at \$25.00.
- 04.04 There will be a late notice sent to the water user after the 15th of the month. A shut off notice will be sent on the 1st of the following month for any overdue payments. Members may appear at the monthly meeting to discuss arrangements if payment has not been made.
- 05.01 County road crossings will be charged \$800.00 up front, and state highway crossings will be charged at \$2500.00 up front. Any money left above the membership fee will be refunded after the work is completed.
- 05.02 Membership fees will be \$500.00.
-

COMPTON WATER ASSOCIATION
Monthly Meeting Minutes
Held at Compton School, Compton Arkansas
January 10, 2012 7:00 p.m.

Meeting was called to order by Roger Jones who asked if there were a quorum present to conduct the meeting; John Berry confirmed there was a quorum. Present were Roger Jones, Wanda Roudabush, John Berry, John Henderson. Bobby Hudson, Water Operator and Bookkeeper Veronica Oitker.

REPORTS:

MINUTES: Motion made by John Berry and second by Wanda Roudabush to approve and accept, unanimous.

DIRECTORS REPORT: Mr. Berry submitted Directors Report stands as submitted into minutes.

WATER OPERATOR REPORT: No report.

METER READER REPORT: No report.

BOOKKEEPER REPORT: Veronica submitted Bookkeeper reports into minutes as submitted. Motion was made by Wanda Roudabush and second by John Henderson to accept them into minutes. Motion carried.

UNFINISHED BUSINESS:

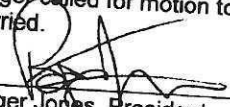
1. White truck update – currently truck is over at Lonadiers to have new engine put in. It needs another rack to carry pipe, needs muffler system, truck is needed.
2. Steven Savage, CPA an independent auditor is coming to Bookkeeper house January 20th for annual Audit required by Arkansas Natural Resources.
3. SW Boone rate increase; they have released Compton Water Assn. from an increase. John read letter so stating from SW Boone.

NEW BUSINESS:

1. Meeting time change. Discussion was had regarding changing monthly meetings to every other month. I John Henderson, hereby make a motion to change the monthly meetings of Compton Water Association to: February, April, June, August, October, December; second made by Wanda Roudabush.
2. Second motion was made to skip February 2012 meeting with next scheduled meeting to be April 2012; Wanda made motion, second by John Henderson. Motion carried.
3. Secretary/Treasurer: Wanda Roudabush made motion to separate Secretary/Treasurer position; Secretary is a paid position and not a Board Position, second by John Henderson, motion carries. Wanda also made motion that Veronica Oitker is now Secretary/Bookkeeper as a paid position and John Berry is the Treasurer and this position is a Board Member; Secretary is not a Board Member and Treasurer is overseer of Secretary/Bookkeeper. Motion carries.

4. By Laws: motion was made by to have By Laws updated and rewritten, second by John Henderson. Motion carried. Motion was made by John Henderson, second by Wanda Roudabush to hire and attorney to rewrite the By Laws, motion carries. Wanda Roudabush made motion for John Berry to be free to select attorney to rewrite, second by John Henderson, motion carries.
5. John Berry also brought up that our By Laws require 9 members and he suggested that we have 5 Board instead of 9. A motion was made by John Henderson to change the number of Board Members from 9 to 5, second by Wanda Roudabush, motion carries.
6. Motion was made by John Henderson that the land owner is responsible for the bill, second by Wanda Roudabush, motion carried.

Roger called for motion to adjourn; Wanda made motion to adjourn, second by John Berry, motion carried.



Roger Jones, President April 10, 2012



John Berry, Secretary/Treasurer April 10, 2012

COMPTON WATER ASSOCIATION

P. O. Box 825, Compton, AR 72624

870-420-3930

www.comptonwater@gmail.com

Be it resolved that the By-Laws of the Compton Water Association, Inc. are hereby amended as follows:

Article VIII Section I

At the January 10, 2012 Official monthly Business Meeting of the Compton Water Association a motion was made by John Henderson, Board Member and seconded by Wanda Roudabush, Vice President to change the requirement from 9 Board Members to 5 Board Members in the By Laws.

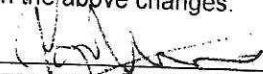
Article VII Section 1

At the January 10, 2012 Official monthly Business Meeting of the Compton Water Association a motion was made by John Henderson, Board Member and seconded by Wanda Roudabush, Vice President to change the monthly meeting dates to: February, April, June, August, October and December.

Article X Section 3

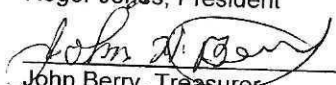
At the January 10, 2012 Official monthly Business Meeting of the Compton Water Association a motion was made by Wanda Roudabush, Vice President and seconded by John Henderson, Board Member to separate the Secretary/Treasurer position and the Secretary position is a paid position and Treasurer remains a Board Member. Secretary position now a paid position and joins the paid position of Bookkeeper. Secretary is no longer a Board Member and Treasurer Board Member oversees the duties of Secretary/Bookkeeper.

Pursuant to Article XIII a majority of the members present at the January 12, 2012 regular meeting of the corporation voted unanimously to amend the current By Laws with the above changes.



Roger Jones, President

1-28-14
Date



John Berry, Treasurer

1-28-2014
Date

COMPTON WATER ASSOCIATION

P. O. Box 825, Compton, AR 72624

870-420-3930


www.comptonwater@gmail.com

Be it resolved that the By-Laws of the Compton Water Association, Inc. are hereby amended as follows:

Article XIV RULES AND REGULATIONS/Meter Location

To change meter connections from the main water line to new meter install from 100 feet to 15 feet. Motion made by John Henderson, second by Wanda Roudabush, Vice President, unanimous vote, motion carries.

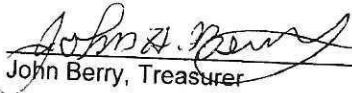
Pursuant to Article XIII a majority of the members present on April 12, 2012 at the regular meeting of the corporation voted unanimously to amend the current By Laws with the above changes.



Roger Jones, President

1-28-2014

Date



John Berry, Treasurer

1-28-2014

Date

COMPTON WATER ASSOCIATION

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This Amendment to Business Practices of Compton Water become a permanent part of the minutes dated March 12, 2024

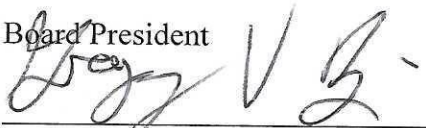
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Every vacant meter currently installed and previously used by a water member will be subject to paying the current monthly base rate effective May 2024 billing.

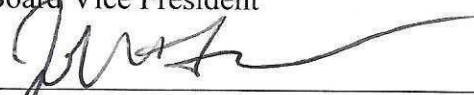
If they decline to pay the monthly base rate, then the meter and tap will be pulled in the month of April 2024. To reinstate the meter and tap, the cost will be that of the current fee for a new install (today that's \$1,500.00 plus a \$300.00 deposit). Once the meter is pulled, to install a new one will be at the discretion of Compton Water, as long as the system isn't tapped out and has room for the new meter on the system. If they ever cease to pay the base rate the meter will be considered under the same terms as above. Notice will be given to each vacant meter, then 45 days is needed for a response otherwise it will be pulled. If property owner can be located, any deposits will be returned if they decide not to pay the base rate. The new policy comes into practice March 19, 2024.



Board President



Board Vice President



Board Member



Board Member

Board Member

Compton Water Assn. Inc.

P. O. Box 825

Compton, AR 72624

870-420-3930

comptonwater@gmail.com

Roger Jones, President

Greg Bacarri, Vice President

Karl Lehr, Board Member

John Henderson, Board Member

Jerry Reagan, Board Member

Jay Blackshear, Water Operator

Ashley Reynolds, Bookkeeping

Jay Blackshear, Meter Reader