

BY-LAWS
Of
MC HENRY UTILITY ASSOCIATION, INC.

Effective October 7, 2010

AMENDMENT #1

Effective December 30, 2024

ARTICLE I

General Purposes

The purpose for which this association is formed and the powers which it may exercise are set forth in articles of incorporation of the association.

ARTICLE II

Name and Location

- Section 1.** The name of this association is the McHenry Utility Association, Inc.
- Section 2.** The principal office of this association shall be located 1506 W. McHenry Rd, McHenry, Mississippi, 39561, or at such other place and location as the Board of Trustees may determine to be in the best interest of the association, and the Board of Trustees may maintain offices and places of business at such other places within the State of Mississippi as the Board of Trustees may determine.

ARTICLE III

Seal

- Section 1.** The seal of the association shall have inscribed thereon the name of the association and the following words: "McHenry Utility Association, Inc., Corporate, Seal, Mississippi."
- Section 2.** The seal of the Association shall remain within the office at 1506 W. McHenry Rd, McHenry, Mississippi, 39561, under lock and key with access limited to the Board of Trustees.
- Section 3.** The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.
- Section 4.** The affixing of the corporate seal to any writing or document shall not be required for validity unless expressly required by law.

ARTICLE IV
Fiscal Year

The fiscal year of the association shall begin on the 1st day of January in each year and ending the 31st day of December the same year.

ARTICLE V
Membership

- Section 1.** The members of this association are persons, firms, association, or government entities that consume water from the public supply having completed a Water User Agreement Application and paid the membership fee. The current membership fee shall be \$25.00.
- Section 2.** This association shall not have capital stock and membership in the association shall be represented by the Water User's Agreement Application. Such applications shall only represent the right to use and enjoy the benefits of the association'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 Trustees.
- Section 3.** No member of this association shall be entitled to more than one vote at meetings of the members. Every member agrees to sign such an agreement for the purchase of water from the association as may from time to time be provided and required by the association.
- a.** Membership shall not be transferable.
- Section 4.** Membership shall be cancelled upon the death of a member, or in case membership in the association is terminated for any other cause as provided in these By-Laws, and such loss of membership by death or otherwise shall terminate all interest of such member in the association's assets; upon the death of a member the surviving spouse or other family member desiring to continue such family's membership shall be entitled to the benefits upon the issuance of a new membership to such survivor in conjunction with the completion of the Water User Agreement Application, without additional membership fee.

ARTICLE VII
Meetings of Members

- Section 1.** The annual meeting of the members of this association shall be held in or near the City of McHenry, Stone County, Mississippi and the particular place of said meeting shall be designated by the Board of Trustees upon giving notice of said annual meeting, and said meeting shall be held at 6:00 o'clock p.m. on the third Tuesday in February of each year. In the event a local, state or national election is held on the third Tuesday in February, the annual meeting for that year will be held at 6:00 o'clock P.M. on Thursday immediately following the third Tuesday of February.
- Section 2.** Special meetings of the members may be called at any time by the action of the Board of Trustees and such meetings must be called within thirty (30) days after a Petition requesting such meeting is signed by at least ten (10) percent of the members and presented to the Secretary or to the Board of Trustees. 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 the annual meeting of members of the association shall be given by a notice mailed to each member of record, directed to the address shown upon the books of the association, at least ten days prior to the meeting. Notice of special meetings shall state the purpose or purposes and the time and place of such meeting. Notice of annual meetings shall set forth the time and place of said meeting and no failure or irregularity of notice of any annual meeting, which is otherwise regularly held, shall affect any proceedings taken thereat.
- Section 4.** The members present at any annual or special meetings of the members shall constitute a quorum at any meeting of the association for the transaction of business. The voting powers of the members of this association shall be equal, each member shall have one vote only, and no voting by proxy shall be allowed. No cumulative voting shall be allowed.
- Section 5.** Trustees of this association shall be elected at the annual meeting of the members. Any member interested in becoming a Board of Trustee must submit their written request to the Office Clerk or Board President within five (5) days in advance.

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

1. Calling to order and determination of quorum.
2. Review of minutes of previous meeting.
3. Matters of special order or unfinished business.
4. Order of general business and agenda items.
5. Announcements and adjournment

ARTICLE VIII

Trustees and Officers

Section 1. No previous member of the Board of Trustees shall be eligible to serve on any newly elected Board after a previous resignation or termination as a Board of Trustee of the Association.

Section 2. The Board of Trustees of this association shall consist of five (5) members, all of whom shall be members of the association. At each annual meeting, the members shall elect for a term of three years the number of Trustees whose terms of office have expired. Each Trustee shall hold office for their elected term and until a successor shall have been elected and qualified. A member wishing to run for a position as a Board of Trustee, must notify the Office Clerk or President, in writing, at least five (5) days in advance of the annual election.

Section 3. The Board of Trustees shall meet after the annual election of Trustees and shall elect a president and vice-president from among themselves, each of whom shall hold office until the next annual meeting and until the election and qualification of a successor unless sooner removed by resignation, death, or for cause. Offices of Secretary and Treasurer shall be chosen by the Board of Trustees and may or may not be chosen from among themselves.

Section 4. If the office of any Trustee becomes vacant by reason of death, resignation, disqualification or otherwise, except by removal from office (per Article VIII, Section 7), a majority of the remaining Trustees, though less than a quorum shall, by a majority vote, choose a successor who shall hold office until the next annual meeting of the members of the association, at which time the members shall elect a Trustee or Trustees for the un-expired term or terms, provided that in the call of such annual meeting a notice of such election shall be given. Each elected Trustee filling a vacancy shall hold office for the

remaining un-expired term or terms for which the Trustee is elected and qualified.

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

Section 5. A majority of the Board of Trustees shall constitute a quorum at any meeting of The Board. The affirmative vote of the majority of the Trustees at a meeting at which a quorum is present shall be the act of The Board.

Section 6. Compensation of employees shall be fixed by the Board of Trustees. Trustees holding an Officer position or position of employment within the Association shall be entitled to receive compensation for their services as such, of which will be fixed by the Board of Trustees.

Section 7. Officers and Trustees may be removed from office in the following manner: Any member, Officer or Trustee may present charges against a Trustee or Officer by filing them in writing with the Secretary of the association. If presented by a member, the charges must be accompanied by a petition signed by ten per cent of the members of the association. Such removal shall be voted on at the next regular or special meetings of the members and shall be effective if approved by a vote of a majority of the members of the association. The Trustee or Officer against whom such charges have been presented shall be informed, in writing, of such charges at least five days prior to the meeting, and shall have the opportunity at such meeting to be heard in person or by counsel and to present witnesses; and the person or persons presenting such charges against them, shall have the same opportunity. If the removal of a Trustee is approved, such action shall also vacate any other office held by the removed Trustee in the association. 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. A vacancy of any office held within the association thus created shall be filled by the Trustees from among their number so constituted after the vacancy in The Board is filled. The newly voted Officer/Trustee shall become qualified within

60 days of election to said position (or the immediate, next available training if one is not available within the initial 60-day window).

- Section 8.** The Board of Trustees shall be authorized and may determine to pay members of the Board of Trustees for their attendance at regular and special meetings of the association and required trainings or conferences, such compensation as said Board may deem to be fair and just and in the best interest of the association.

ARTICLE IX

Duties of Trustees

- Section 1.** The Board of Trustees, subject to restrictions of law, the Article of Incorporation, or these By-Laws, shall exercise all of the powers of the association, and, without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board shall have, and are hereby given, full powers and authority in respect to the matters and as hereinafter set forth:
- a.** To approve the qualifications of members and issue appropriate memberships.
 - b.** To select and appoint all Officers, Managers, or employees of the association or remove such Managers or employees of the association for just cause, prescribe such duties and designate such powers as may not be inconsistent with these By-Laws, and to fix the compensation and pay for services rendered by such Officers, Managers, or employees for faithful services.
 - c.** To borrow from any source, money, goods or services and to make and issue notes and other negotiable and transferable instruments, mortgages, Deeds of Trust and Trust Agreements and to do every act and thing necessary to effectuate the same.
 - d.** To prescribe, adopt, and amend, from time to time such equitable uniform rules and regulations as, in their discretion, may be deemed essential or convenient for the conduct of the business and affairs of the association 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 association by a competent public accountant or auditor. The previous year's report prepared by such auditor or accountant shall be submitted to the members of the association at their annual meeting.

- f. To fix the charges to be paid by each member for services rendered by the association to the member, the time of payment and the manner of collection.
- g. To require all Officers, Managers, and employees charged with the responsibility for the custody of any of the funds of the association to give adequate bonds, the cost thereof to be paid by the association, and it shall be mandatory upon the Trustees to so require.
- h. To select one or more banks to act as depositories of the funds of the association and to determine the manner of receiving, depositing, and disbursing the funds of the association and the form of checks and the person or persons by whom the same shall be signed, with the power to change such banks and the person or persons signing such checks and the form thereof at will.
- i. To levy assessments against the water user's agreement of the association and to enforce the collection of such assessments by the forfeiture of said membership. The Board of Trustees shall have the option to declare forfeited membership on which assessment has not been paid, at any time after ninety days from the date the assessment was due, provided that the association must give the member at least thirty days written notice at the address of the member on the books of the association, of its intention to forfeit the membership if the assessment is not paid.
- j. **It is the view of The Board that MUA will not now, or in the future, connect nor form any agreement, verbal or written, with Stone County Utility Authority, to include but not limited to the buying, selling, usage or donation of water for any reason.**

ARTICLE X

Duties of Officers

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

- Section 2.** Duties of the Vice-President. In the absence or disability of the President, the Vice-President shall perform the duties of the President; provided, however, that in cases of death, resignation or disability of the President, the Board of Trustees may declare the office vacant and elect their successor.
- Section 3.** Duties of the Secretary. The Secretary shall keep a complete record of all meetings of the association and of the Board of Trustees and shall have general charge and supervision of the books and records of the Association. The Secretary shall serve all notices required by these By-Laws and shall make a full report of all matters and business pertaining to the association. The Secretary may keep a proper membership record. The Secretary shall perform such other duties as may be required of them by the association or the Board of Trustees. Upon the election of their successor, the Secretary shall turn over all books and other property belonging to the association that may have been in their possession.
- Section 4.** Duties of Treasurer. The Treasurer shall manage the association's assets, and shall prepare, or assist in the preparation of a yearly budget. The Treasurer will regularly review and compare actual income and spending against expenditures and report back to the Board of Trustees. The Treasurer shall oversee the organization's financial affairs, reconciling bank statements, making deposits and monitoring cash flow developing and maintain ties with commercial bankers to support funding solutions. Maintaining accurate records and an audit trail for all transactions; protecting the organization against fraud and theft by guaranteeing safe money custody and timely banking; ascertaining that The Board is aware of its financial commitments; ensuring that the company complies with tax laws; processing all internal procedures and reporting techniques yearly.

ARTICLE XI

Benefits and Duties of Members

- Section 1.** The association 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 association at which points, designated as delivery points, meters to be purchased, installed, owned and maintained by the association shall be placed. The cost of the service line or lines from the main distribution pipeline or lines of the association to the property line of each member shall be paid for and become the property of the association. The meter used by

each member must be located on the property of the member, and if easements across a third party are required for service lines or meters, such necessary easement or right-of-way must be obtained by the member before the construction of any such lines. A cut-off valve may be installed in each service line from its main distribution line or lines, such cut-off valves to be owned and maintained by the association, and the association shall have the sole and exclusive right to use such cut-off valve to turn it on and off.

Section 2. Each member's dwelling being served with water by the association must have its own meter, however, said meter can also serve the member's business or farm operation, but not another dwelling. The only exception to this rule being that a commercial mobile home park with two or more mobile homes can have a master meter. No new service line or change to an existing service line may be made which will interfere with an existing service line or the delivery of water therein. Each service line shall connect with the association's water system at the nearest approved place, per the association, to the place of desired use by the member and shall be of sufficient capacity to permit the delivery of water through a service line at that point without interfering with the delivery of water through a prior service line.

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

Section 4. In the event the total water supply shall be insufficient to meet all of the needs of the members or in the event there is a shortage of water, the association may prorate the water available among the various members on

such basis as is deemed equitable by the Board of Trustees, and may also prescribe a schedule of hours covering use of water for garden purposes by particular members and require adherence thereto or prohibit the use of water for garden purposes; provided that it at any time the total water supply shall be insufficient to meet all the needs of all the members for domestic, livestock and garden purposes, the association must first satisfy all of the needs of all of the members for domestic purposes before supplying any water for livestock purposes and must satisfy all of the needs of all of the members for both domestic and livestock purposes before supplying any water for garden purposes.

Section 5. The Board of Trustees shall determine the flat minimum monthly rate to be charged each member for a specified quantity of water for each service line, such flat minimum monthly rate to be payable irrespective of whether any water is used by a member during any month and the amount of additional charges, if any, for additional water which may be supplied the members, shall fix the date for the payment of such charges, and shall notify each member of the amount of such charges and the dates for the payment thereof. A member, to be entitled to the delivery of water, shall pay such charges at the office of the association at or prior to the date fixed by the Board of Trustees. The failure to pay water charges and all fees duly imposed for sixty days after due will result in water being cut off from the delinquent member's property until the member pays all water charges and fees due, including a service charge to reconnect service. In the event a delinquent member has more than one water meter, the failure of a member to pay water charges and fees duly imposed for sixty days after due for any meter will result in water service being terminated to all of the delinquent member's property. A member shall be responsible for payment of all expenses incurred by the Association as a result of damages to the Association's water lines, valves, meter or other property located upon said member's property which results from the intentional or negligent acts of the member, household members, agents, invitees, or employees. Non-payment of these expenses by the member to the Association within a reasonable time established by the Board of Trustees may result in water service being terminated to the member until said expenses are paid. Non-payment for 90 (ninety) days shall result in the termination of membership by the Association. The member will have the option of paying a \$50.00 service charge fee for after business hours.

- Section 6.** The Board of Trustees shall set and determine the amount of meter deposit and connection fee to be paid by a member for each service connection in such amount as the Board may, from time to time, deem to be in the best interest of the Association based upon the reasonable value of the water meter to be installed and the cost of installing the same.
- Section 7.** The Board of Trustees shall be authorized to require each member to enter into the Water Users Agreement which shall embody the principles set forth in the foregoing sections of this article.

ARTICLE XII

Distribution of Surplus Funds

It is not anticipated that there will be any net income at the end of any fiscal year paying the expenses of the association for operation and otherwise, and after setting aside reserves for depreciation on all buildings, equipment and office fixtures and such other reserves as the Board of Trustees may deem proper and after providing for payments on interest and principal of obligations and amortized debts of the association, and after providing for the purchase of proper supplies and equipment, the net earnings shall be accumulated in a surplus fund for the purpose of replacing, enlarging, extending, and repairing the system and the property of the association and for such other purposes as the Board of Trustees may determine to be for the best interest of the association.

ARTICLE XIII

Amendments

These By-Laws may be repealed or amended by majority vote of the members present at any annual or special meeting of the association, called for that purpose, except that the members shall not have the power to change the purpose of the association so as to decrease its rights and powers under the laws of the State, or to waive any requirement of bond or other provisions for the safety and security of the property and funds of the association or its members, or to deprive any member of rights and privileges then existing, or so to amend the by-laws as to effect a fundamental change in the policies of the association. Notice of any amendment to be made at a special meeting of the members must be given at least 10 (ten) days before such meeting and must set forth the amendments to be considered.