

**BYLAWS of RAWLS SPRINGS UTILITY DISTRICT OF FORREST COUNTY,
MISSISSIPPI**

ARTICLE I

General Purposes

The purposes for which this organization is formed, and the powers which it may exercise are set forth in the local and private bills establishing this district and the Resolution Creating the Rawls Springs Utility District ("RSUD") enacted by Forest County, Mississippi through the acts of the Board of Supervisors, including all amendments to the Resolution, which are attached and incorporated into this document by reference.

ARTICLE II

Name and Location

Section 1. The name of this District is the Rawls Springs Utility District.

Section 2. The principal office of this District shall be located in the unincorporated community of Rawls Springs in Forrest County, Mississippi within the bounds of the service area of the utility.

Section 3. The territorial boundaries of the District initially shall be those definitively delineated and particularly described in Resolution of the Board of Supervisors of Forrest County, Mississippi dated April 12, 1973, and of record in the office of the Chancery Clerk of Forrest County, Mississippi in Supervisors Minute Book 86 at pages 435-440, by which the District was created and established; provided, however, that such territorial boundaries may be altered and modified from time to time as authorized by law, whereupon the District shall amend this provision of these By-Laws to conform thereto, anything herein to the contrary notwithstanding, and afford the Rural Utilities Service an opportunity to review and approve of such amendment when there is an outstanding note. The current boundaries as of this amendment and restatement are attached to these by-laws and incorporated herein.

When such additional amendments or additions are created, then these by-laws shall be amended to conform with such boundary changes, and the Rural Utilities Service shall have an opportunity to review and approve said changes.

ARTICLE III

Reserved.

ARTICLE IV

Fiscal Year

The fiscal year of the District shall begin the first day of January in each year and run through December 31st.

ARTICLE V

Customers

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 (as defined in Article V, Section A below), in a property served by the water and sewer system may become a customer ("Customer") of RSUD upon signing such applications and agreements, i.e. Residential Application for Service for the purpose of water and sewer as may be provided and required by RSUD and upon the payment of such connection fee and service fee as may be imposed by the Board of Directors, provided that only one (I) membership at a time may be held for each property served. 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 sewer system only, shall NOT be eligible for service of RSUD. Only one (I) membership may be held with respect to property at one time. Applicants shall not be denied because of the applicant's race, color, creed or national origin. Applicants may be denied if capacity of RSUD's water and sewer system is exhausted by the need of its existing customers, 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 Substantial Possessory Interest is defined as an interest 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 of possession.

- (1) Before service is allowed to one or more persons claiming such an interest, RSUD will endeavor to obtain the application for service from the owner of such property.

Section 2. Applicants shall execute the RSUD Residential Application for Service, the RSUD Billing Adjustment Policy, the RSUD Water User Agreement, and all other documentation required for execution by RSUD when initially applying for service.

Section 3. Services provided by RSUD is not transferrable. If a service has been terminated due to non-payment or other reasons, customers will be required to re-apply.

ARTICLE VI

Application for Service

Section 1. RSUD shall not have capital stock. Customers shall be represented by the approved Application for Service. Such Application shall represent the right to use and enjoy the benefits of RSUD's water supply and sewer 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. Each property, as defined by tax parcels for ad valorem taxes defined by the Forrest County Tax Assessor, shall have only one customer for each property served, regardless of the number of service connections the customer may obtain to serve the property.

Section 3. The order of business at the annual meetings for RSUD, and, so far as practicable and appropriate, 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. Receipt and review of the financial audit
5. Receipt and review of the report of the Rawls Springs Fire Department
6. Election of officers
7. Unfinished or old business
8. New business
9. Adjournment

ARTICLE VII

Directors and Officers

Directors of RSUD shall be appointed by the Board of Supervisors in accordance with Article VIII, Section 1. of these Bylaws.

Section 1. Each and all of the rights, powers, privileges, authority, duties and obligations which are given granted, imposed and set forth, either expressly or by necessary implication by Chapter 798 of the Local and Private Law of Mississippi of the Regular Legislative Session of 1966, enacting House Bill No. 648, and the Constitution, and any and all other applicable statutes of the State of Mississippi, and also, by said Resolution of April 12, 1973 of the Board of Supervisors of Forrest County, Mississippi, as amended and attached hereto, creating, incorporating and establishing the District, shall be vested in and exercised by a Board of Directors consisting of five (5) officers, appointed by the Board of Supervisors of Forrest County, Mississippi, in the manner prescribed by said House Bill No. 648 and hereinafter delineated in detail. Each officer of the Board of Directors shall be (1) an owner of land situated within the

District (2) a resident citizen of the District of good reputation, (3) over the age of twenty-five (25) years, and (4) of sound mind and judgment.

Directors shall hold office for a term of four (4) years after appointed, or until his/her successor has been duly appointed and has qualified.

Section 2. The Board of Directors shall elect a president, vice-president, 2nd vice-president, secretary, and treasurer 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 death, resignation, or for cause.

Section 3. Any vacancy occurring on the Board of Directors for any reason shall be filled by appointment by the Board of Supervisors of Forrest County, Mississippi, which shall have and retain full, complete and continuing authority to fill by appointment any or all unexpired terms of any and all Directors. The Board of Directors shall have the control and general management of the affairs and business of the District, its operation, subsequent possible annexation of additional territory, abolition or dissolution thereof and all other matters in connection therewith; provided, however, that abolition, dissolution or termination of the District shall be accomplished only by unanimous resolution of the Board of Directors duly spread upon its Minutes, and provided further, that said District may not be abolished, dissolved or terminated while it has outstanding any indebtedness of any kind or character. The Board of Directors shall in all cases act as a Board, regularly convened, by a majority vote.

Section 4. A majority of the Board of Directors (3) 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. Board of Directors may attend meetings electronically and vote at the meeting under such rules or policies which the board may, from time to time enact, provided, however, that all requirements of the public meetings laws must be followed regardless of the means of attendance.

Section 5. Board of Directors are compensated \$125.00 for each monthly board meeting attended.

Section 6. The regular meetings of the Board of Directors shall be held in the principal office of the District, or at any other place designated by a majority vote of the Board of Directors and duly announced and set forth in the notice of and call for said meetings or the waiver of notice thereof, on the first Monday of January, February, March, April, May, June, July, August, September, October, November, and December at the hour of 4:30 P.M. However, that if and when such day should fall upon a legal holiday the meeting shall be held on the next business Monday.

Section 7. Special meetings of the Board of Directors to be held in the principal office of the District, or any other place designated by a majority vote of the Board of Directors and duly announced and set forth in the notice of and call for said meetings, or the waiver of notice thereof, may be called by the President, or upon the written request of any three (3) directors of the Board.

By unanimous consent of the Board of Directors, a special meeting of the Board may be held without notice, at any time and place. At the special meetings herein provided for, any and all types and items of business may be taken up, considered, acted upon, passed and transacted.

Section 8. Notice of all regular and special meetings, and call therefor, shall be mailed, text, or emailed to each director of the Board by the Secretary at least three (3) days previous to the time fixed for such meetings, or waiver of notice of call of such meetings may be secured, at any time prior thereto, from all members of the Board of Directors participating in such meetings.

ARTICLE VIII

Duties of Directors

Section 1. The Board of Directors, subject to restrictions of law, and these bylaws, shall exercise all of the powers of the District, 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 applications for service and permit the connection of properties to the system in the future in cases involving proposed construction.
- B. To select and appoint all agents or employees of the District, remove such agents or employees of the District, prescribe such duties and designate such powers as may not be inconsistent with these bylaws, fix their compensation and pay for faithful services, subject to such applicable laws related to the employee/employer relationship.
- C. To borrow from any source, money, goods, or services and to make and issue notes and other negotiable or nonnegotiable instruments evidencing indebtedness of the district; to make and issue mortgages, deeds of trust, pledges of revenue, trust agreements, security agreements and financing statements and other instruments evidencing a security interest in the assets of the District; 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 District and the guidance and control of its officers and employees, and to prescribe adequate remedies for the breach thereof.
- E. To order, at least once each year, an audit of the books and accounts of the district by a competent public auditor or accountant. The report prepared by such auditor or accountant shall be submitted to the Board of Directors of the District 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 customer for services rendered by the district to the customer, including connection or reconnection 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 charges for late or nonpayment of the same, including termination of service as required to assure payment and compliance with policy and regulation duly enacted. The Board of Directors may establish one or more classes of users. All charges shall be uniform and nondiscriminatory within each class of users. However, nothing contained herein shall operate as a prohibition of the rights and duties accorded to a terminated member under these bylaws.

G. To require all officers, agents, and employees charged with responsibility for the custody of any of the funds of the District to give adequate bonds, the cost thereof to be paid by the District, 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 District and to determine the manner of receiving, depositing, and disbursing the funds of the District and the form of checks and the person or persons by whom the same shall be signed, with the power to change banks and the person or persons signing such checks and the form thereof at will.

I. To the full extent allowed by law, to levy special assessments, above the regular fees for service, against the customers of the district in such manner and upon such proportionate basis as the directors deem equitable to continue operation of the system, and to enforce collection of such assessments by the suspension of water and sewer service or other legal methods. The Board of Directors shall have the option to suspend the service of any customer who has not paid such assessment within 30 days from the date the assessment was due, provided the district must notify the customer by written notice at the address of the customer on the books of the District 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 customer.

ARTICLE IX

Duties of Officers

Section 1. Duties of President. The President shall preside over all meetings of the District 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 papers of the District so 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 District. 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 a successor.

Section 3. Duties of the Second Vice President. The Second vice President shall be responsible for overseeing customer service operations, addressing customer inquiries, resolving issues, and ensuring a high level of customer service satisfaction. This role includes maintaining accurate records of customer interactions and information. Additionally, The Second Vice President manages the District's customer lists, ensuring they are up-to-date and accurate.

Section 4. Duties of the Secretary. The Secretary shall keep a complete record of all meetings of the District and of the Board of Directors and shall have general charge and supervision of the books and records of the District. The Secretary shall attest the President's signature on all papers pertaining to the District unless otherwise directed by the Board of Directors. The Secretary shall place all notices required by law and by these bylaws and shall make a full report of all matters and business pertaining to the office at the annual meeting or at such other time or times as the Board of Directors may require. The Secretary shall keep a proper customer record, showing the name of each customer of the District and date of issuance, surrender, transfer, termination, cancellation, or forfeiture.

Section 5. Duties of Treasurer. The Treasurer shall cause an annual audit of the books and records to be performed and present a report thereof at the annual meeting. The Treasurer shall provide a monthly report of all financial transactions at the regular meeting of the Board of Directors and shall cause an annual budget to be prepared and enacted not less than 30 days prior to the beginning of each fiscal year. The Treasurer shall have custody of all monies and securities of the District. The Treasurer shall make all reports required by law and shall perform such other duties as may be required by the District or the Board of Directors. Upon the election of a successor, the Treasurer shall turn over to the successor all books and other property belonging to the District that the Treasurer may possess.

ARTICLE X

Benefits and Duties of Customers

Section 1. The District 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 customer of the District, at which points, designated as delivery points, meters to be purchased, installed, owned, and maintained by the District shall be placed. The cost of the service line or lines from the main distribution pipeline or lines of the District to the property line of each customer shall be paid by the district. The district 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 District and to be installed on some portion of the service line owned by the District. The District 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 that the use of either or both devices is impractical, unnecessary to protect the system and the rights of the customer, and/or economically not feasible.

Section 2. Each customer will be required, at the customers' expense, to have an entrenched underground line for the connection of the service line or lines from the property line of the customer to customer's dwelling or other portion of the customer's premises, and to purchase and have installed the portion of the service line of lines from the customer's property line to the place of use on the customer's premises. The customer will maintain such portion of such service line or lines which shall be owned by the customer, at the customer's own expense. In addition, each customer 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 customer may be permitted to have additional service lines from the district's water and sewer system in the discretion of the board of directors upon proper application therefore and the tender or payment not to exceed the then existing connection charge. The approval by the board of directors of additional service lines to an existing customer may be made conditional upon such provisions as the board of directors determines necessary to protect the interests of other customers and to allow for the orderly expansion and extension of the system.

Each service line shall connect with the District's water and sewer system at the nearest available place to the place of desired use by the customer if the District'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 District'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 District. Service to each customer remains subject to reasonable terms and conditions as the Board of Directors may from time-to-time establish and place upon their minutes, such minutes to be collected into a manual of policies and procedures which may be obtained by the customers at the nominal cost of reproduction or in an electronic format.

Section 4. Each customer may be permitted to purchase from the District, pursuant to such agreement as may, from time to time, be provided and required by the District, such water as is needed for domestic, commercial, agricultural, industrial or other purposes as a customer may desire, subject, however, to the provisions of these bylaws and to such rules and regulations as may be prescribed by the Board of Directors. Each customer shall be entitled to have delivered, through the customer's service line, only such water as may be necessary to supply the needs of each customer, including the customer's family, business, agricultural or industrial requirements. The water delivered through each service line may be metered separately, irrespective of the number of service lines owned by a customer.

Section 5. In the event the total water supply shall be insufficient to meet all of the needs of the customers or in the event there is a shortage of water, the District may prorate the water available among the various customers 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 customers 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 customers for domestic, livestock, commercial, agricultural or industrial purposes, the District must first satisfy all of the reasonable needs of the customers for domestic purposes before supplying any water for livestock purposes and must satisfy all of the needs of all of the customers for domestic and livestock purposes before supplying any water for commercial or industrial purposes; and, provided further, that where a customer has more than one service line, the District 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 customers for domestic and livestock purposes. During such periods of shutoff of additional service lines there shall be no minimum fee charged to the customers 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 District.

Section 6. The Board of Directors shall, prior to the beginning of each calendar year, determine the flat minimum monthly rate to be charged each customer during the following calendar year for a specified quantity of water, such flat minimum monthly rate to be payable irrespective of whether any water and/or sewer service is used by a customer during any month, the amount of additional charges, if any, for additional water which may be supplied the customers, and the amount of penalty for late payments, and shall fix the date for the payment of such charges. A customer to be entitled to the delivery of water shall pay such charges at the office designated by the District 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. Invoices will be mailed to customers on the 21st of each month, or the next business day if the 21st falls on a weekend or holiday. Payments are due by the 15th of the following month. A 10% penalty will be applied to any unpaid balance after the due date. A grace period is provided from the 16th until 7:30 a.m. on the 20th. The Board of Directors reserves the right to modify the delinquent account penalty.

B. Accounts with outstanding balances after 7:30 a.m. on the 20th of the month will have water service disconnected without further notice. Service will be restored only after full payment of the past due amount, current bill, late fees, and a \$50 reconnect fee.

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

ARTICLE XI

Distribution of Surplus Funds

Section 1. It is not anticipated that there will be any surplus funds or net income to the District at the end of the fiscal years after the 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. The occurrence in subsequent fiscal years of surplus funds or net income above the requirements of the District 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 customers.

Section 2. The organization will provide services substantially at cost. Dividends shall not be paid. All funds from whatever sources remaining at the end of the year in excess of those needed to meet current losses and expenses will be retained for such purposes as retiring indebtedness incurred in acquiring assets, expanding the organization's services, maintaining reserves for necessary purposes or reducing subsequent year's water rates.

ARTICLE XII

Amendments

These bylaws may be repealed or amended by a vote of the majority of the Board of Director of the Rawls Springs Utility District.

We certify that the foregoing bylaws were duly adopted be the Board of Directors on the 12th day of January, 2026, that same are in full force.

Given under our hands and the seal of the District, this 12th day of January, 2026.

[Signature]
Name:
President

[Signature]
Name:
Secretary

