



Grady Rural Water District &lt;gradyruralwaterdistrict.3@gmail.com&gt;

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**From the State Auditor's Office**

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To: Grady Rural Water District &lt;GradyRuralWaterDistrict.3@gmail.com&gt;

Per federal caselaw, due process requires a utility provider to inform its customers that the provider might turn off the customers' utility services if the customers do not pay their bills by a certain date and also requires a provider to inform such a customer, prior to turning off the customer's services, of the customer's right to have a hearing prior to the provider's turning off the customers' services.

I don't see when the bylaws were enacted, but I assume that the original directors no longer are the current directors. As such, it seems that the District does not need to hold two, back-to-back elections now but, instead, simply can hold the one election to get its board back to being fully elected.

Title 82 O.S. § 1324.2 defines *participating member* as "any rural resident who has subscribed to one or more benefit units" and defines *benefit unit* as "a legal right to one service connection to the district's facilities and to participate in the affairs of the district", and § 1324.16(A)(3) provides, in part, "For the purpose of election of board members[...], each participating member shall be entitled to a single vote, regardless of the number of benefit units to which the member has subscribed," and §1324.12 provides, in part, that "the board of directors shall cause a declaration of availability of such units for subscription to be entered in its minutes" and that "no[...] individual, firm, partnership, association, or corporation which fails to become a participating member within [90] days after such declaration [may...] vote at any election held thereafter unless such individual, firm, partnership, association, or corporation shall thereafter become a participating member". Article XI(6) of the District's bylaws provides, in its entirety, "Failure to pay the minimum monthly charge[...] shall constitute a forfeiture of the membership certificate[...] provided[] that such membership certificate shall be reinstated if[,] within three months after such forfeiture, all back charges are paid in full plus [six] per[cent] interest and reasonable labor charges necessary to effect such reconnections," and Article IX(j) provides, in part, "The Board of Directors shall have the option to declare forfeited any membership certificate on which assessment has not been paid, at any time after [90] days from the date the assessment was due[.]" It seems to me that the memberships of members/customers who are not current on their bills technically have been forfeited (even if only temporarily) and that, as such, they cannot vote.

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