

HECETA WATER PEOPLE'S UTILITY DISTRICT
87845 Hwy 101
Florence, Oregon 97439

RULES

ARTICLE I

Section 1. Purpose.

The purpose of the Heceta Water People's Utility District (PUD or District) is to supply potable water to the residents and property within the PUD, to develop, maintain and improve its water system, and to arrange for financing of its activities.

Section 2. Rules.

PUD Rules will generally be contained in a resolution adopted by a majority vote of the Board of Directors (Board) if all Directors are present. If all Directors are not present at the time a motion to adopt a resolution is made, a majority of the Board must vote in favor of the resolution at two successive regular meetings for the resolution to take effect.

Section 3. Regular Meetings.

The regular meeting of the Board will be held on the third Tuesday of each month, beginning at 4:00 p.m., or at such other day or time as fixed by the Board for transacting District business. If such day is a legal holiday, the Board will set the meeting for another day. Public notice of all meetings will comply with the Oregon Public Meetings Law.

Section 4. Special Meetings.

Special meetings of the Board may be called by any Director by giving the same notice as required for regular meetings. A brief statement of the purpose of each special meeting must be included in the notice.

Section 5. Conduct of Meetings.

At all meetings of the Board, the President, or when the President is the Vice President, will preside. The order of business at all Board meetings will be as set by the Board.

Section 6. Public Records.

Except when exempt from disclosure under the Oregon Public Records Law, all public records of the PUD are available for public inspection at the District Offices during normal business hours.

ARTICLE II
Board of Directors

Section 1. Authority.

The business and the property of the PUD is managed and controlled by a Board. The Board has a legal and ethical responsibility to discharge its functions courageously and impartially in the interest of the residents and customers of the PUD. The Board has authority to adopt rules and policies consistent with Oregon law. Board rules and policies apply to PUD officers and employees, PUD business transactions, employee compensation, Board and PUD customer public meetings and PUD operations. The Board has all authority expressly and impliedly granted it by Oregon law.

Section 2. Election.

The Directors are elected by the voters of the PUD in compliance with ORS chapter 261 and other applicable Oregon law. The Board by ordinance must divide the PUD into five subdivisions of as nearly equal populations as possible. One director is elected from each of the five subdivisions. Directors must be voters and reside in the subdivision from which they are nominated and elected. They must have resided in the PUD continuously for two years immediately preceding the date of election as Directors.

The terms of office of Directors begins the first Monday in January , following the election, and they serve four-year terms and until their successors are elected and sworn in.

Section 3. Vacancies.

Whenever a vacancy occurs in the office of Director by death, resignation, disqualification or any other cause, the vacancy will be filled at a special Board meeting called for that purpose, without undue delay. Candidates for the vacancy must meet the same criteria required to qualify for the office by election. A new Director will be appointed at the special meeting by a majority of remaining Directors. If a majority of the Board positions are vacant, or if a majority cannot agree, the vacancy may be filled by the Governor.

The Director appointed to fill a vacancy holds office until December 31 following the next regular PUD election at which a successor is elected. The elected successor serves the remainder, if any, of the term for which the appointment was made. If the term expires December 31 after the election of the successor, the successor is elected for a full four-term. In either case, the successor takes office the first Monday in January following the election.

Section 4. Quorum.

Three Directors constitutes a quorum necessary for the transaction of PUD business. If there are less than three Directors in attendance, the meeting must be postponed until a quorum can be present. The same public meeting notice requirements apply to any postponed meeting.

ARTICLE III Officers

Section 1. Duties of Officers.

- A. The President is the principal executive officer of the PUD and, subject to the consent of the Board, supervises and guides the business affairs of the PUD. The President and Secretary sign PUD ordinances, resolutions, deeds, mortgages, bonds, leases, agreements, contracts and other PUD documents as approved by the Board.
- B. The Vice President presides at Board meetings in the absence of the President.
- C. The Secretary is responsible for the minutes of all Board meetings, oversees public notices, services as official custodian of PUD records and performs other duties assigned by the Board. The performance of the operations of these duties is delegated to the PUD General Manager.
- D. The Treasurer is the custodian of all PUD funds and is responsible for the review of PUD financial records, including revenues and expenditures. Funds may be paid only on order of the Board. The operational performance of these duties is delegated to the PUD General Manager and Accountant, including a general order to pay lawful PUD obligations subject to Treasurer review and Board confirmation.
- E. The PUD General Manager is appointed by the Board and is responsible to it for the administration, operation and maintenance of all water facilities and services, and all PUD equipment and properties. The General Manager's specific duties are to be set out in the Board-approved job description and General Manager employment agreement.

ARTICLE IV Financial Management

Section 1. Contracts.

The Board may authorize any officer, the General Manager or other agent to enter contracts and to execute and deliver documents on behalf of the PUD. Such authority may be general or limited to specific instances.

Section 2. Loans.

- A. No loans may be contracted on behalf of the PUD, and no document of indebtedness may be issued in its name unless authorized by the Board.
- B. No loan may be made by the PUD to any Director, officer or employee.

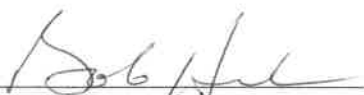
Section 3. Checks and Deposits.

- A. All checks, drafts, or orders for payment of money, notes or other evidences of indebtedness issued by the PUD District must be signed by two Directors or a Director and an authorized signer of the PUD.
- B. All funds of the PUD not otherwise employed will be deposited from time to time to the credit of the PUD in Oregon Pacific Bank, or any other similar organization the Board may select.
- C. No real property, improvements thereon or personal property owned or acquired by the PUD may be sold, conveyed, or transferred in any manner, shared or formed without adoption of a Board resolution approved by at least four Directors.

ARTICLE V
Amendment of Rules

These Rules may be amended, revised or repealed and new Rules may be adopted by a majority vote of the Board, if all Directors are present. If all Directors are not present at the time of the vote, a majority of the Board must vote in favor at two successive regular meetings, whereupon the amendment becomes immediately effective.

Adopted in accordance with ORS 261.430 on January 21, 2014.



Bob Hursh, President



Debby Todd, Secretary