

**AMENDED AND RESTATED
BYLAWS
OF
THE NORTHEAST PUBLIC WATER AUTHORITY
OF THE STATE OF ARKANSAS**

ARTICLE I. GENERAL PURPOSES

The purposes for which THE NORTHEAST PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS (the "Authority") is formed and the powers which it may exercise are set forth in the certificate of existence of the Authority, these bylaws, and Act 1330 of the 2003 Acts of Arkansas.

ARTICLE II. OFFICES

The principal office of the Authority in the State of Arkansas shall be located at 66 Florence Drive, Mountain Home, Arkansas. The Authority may have such other offices, within the geographic area serviced by the Authority, as the board of directors may designate or as the business of the Authority may require from time to time.

ARTICLE III. BOARD OF DIRECTORS

SECTION 1. General Powers. The affairs, activities and operation of the Authority shall be managed by its board of directors.

SECTION 2. Number, Tenure and Qualifications. The number of directors of the Authority shall be (7). The directors shall be elected by the water users of the Authority at the annual meeting of the board of directors. Each director shall hold office for a term of three (3) years or until such person's successor has been elected. Directors may serve one (1) or more subsequent terms by reelection. Any director must be a water user. The Authority has a policy against nepotism for all new directors. Any familial relation within the third degree of consanguinity with a current employee or director by a candidate for director will preclude nomination of candidate.

SECTION 3. Voting for Directors by Water Users. The following provisions shall apply to voting for directors by water users:

(a) Candidates for directors to be voted upon by the water users shall be submitted to or by the board of directors at least forty-five (45) days prior to the annual meeting of the board of directors as follows:

(i) Candidates may be submitted to the board by a majority vote of the Board at any meeting; and

(ii) Candidates may be submitted by written petition of the water users signed by at least ten percent (10 %) of all of the water users.

(b) The board of directors shall mail to each water user prior to the annual meeting for election of directors the list of candidates and shall include which candidates are being proposed by the board and which candidates are being proposed by the water users.

(c) Voting by the water users shall take place in person (and not by proxy) at the annual meeting, and each water user will be allowed to vote for as many candidates as there are open positions on the board to be filled. Assuming at least ten percent (10%) of the water users is represented at the meeting, the candidate (if only one (1) position is open) or candidates (if more than one (1) position is open) who receive the most votes (whether or not a majority of all votes cast) shall be elected as director or directors. In the event at least ten percent (10%) of the water users is not represented at the annual meeting, then a vote for directors shall not be taken and shall be postponed until a special meeting of the board can be called for the purpose of electing directors from the field of candidates that have been previously submitted.

(d) No cumulative voting shall be allowed.

(e) Notice to water users of any annual or special meeting shall be given by notice mailed by first class mail to each water user of record, directed to the address shown upon the books of the Authority, not less than ten (10) nor more than forty (40) days prior to such meeting. Such 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. Annual Meeting. The annual meeting of the board of directors shall be held on the second Thursday in the month of December at a time and place designated by the board of directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for a regular meeting shall be a legal holiday in the State of Arkansas, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any such meeting, the board of directors shall cause the election to be held at a special meeting of the directors as soon thereafter as is practicable.

SECTION 5. Special Meetings. Special meetings of the board of directors may be called by or at the request of the president, or at least twenty percent (20%) of the directors then in office. The person or persons authorized to call special meetings of the board of directors may fix the place for holding any special meeting of the board of directors called by such person or persons.

SECTION 6. Notice. Except as otherwise provided herein, notice of any special meeting shall be given to all directors by at least four (4) days' written notice delivered personally or mailed to each director at his or her business address, or by facsimile transmission. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by facsimile transmission, such notice shall be deemed to be delivered upon transmission. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 7. Quorum. A majority of the number of directors specified in SECTION 2 of this article shall constitute a quorum for the transaction of business at any meeting of the board of directors.

SECTION 8. Manner of Acting. The affirmative vote of a majority of the directors present at a meeting when a quorum is present shall be the act of the board of directors.

SECTION 9. Voting by Proxy. Unless otherwise directed by the board of directors, voting by proxy shall be allowed by directors at any special or regular meeting of the board of directors. Any director who votes by proxy at a meeting shall be deemed to be present at the meeting.

SECTION 10. Telephonic Meetings Permitted. Members of the board of directors may participate in a meeting of such board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can simultaneously hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

SECTION 11. Removal of Directors. A director may be removed with or without cause by the vote of a majority of the directors present at a meeting which is called for the purpose of removing a director and for which the meeting notice states that the purpose, or one of the purposes, of the meeting is the removal of a director. The director against whom such charges have been presented shall have the opportunity at such meeting to be heard in person or by counsel and to present witnesses or other evidence, and the person or persons presenting such charges against such director shall have the same opportunity. If the removal of a director is approved, such action shall also vacate any other office in the Authority held by the removed director. Any board action to remove a director shall not be valid unless each director is given at least seven (7) days' written notice that the matter will be voted upon at a directors' meeting or unless notice is waived.

SECTION 12. Vacancies. Any vacancy occurring in the board of directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of such director's predecessor in office or until the selection, nomination, and confirmation of a successor director in accordance with these bylaws, whichever occurs first. Any position of director to be filled by reason of an increase in the number of directors may be filled by election by the board of directors for a term of office continuing only until the next annual meeting for the election of directors.

SECTION 13. President and Vice President of the Board. The president of the board of directors shall preside at all meetings thereof, and in the president's absence the vice president shall preside.

SECTION 14. Powers and Duties of Directors. The board of directors, subject to restrictions of law, the certificate of existence, and these bylaws, shall exercise all of the powers of the Authority, and, without prejudice to or limitation upon the board's general powers, it is expressly provided that the board of directors shall have, and is hereby given, full power and authority with respect to the following matters, to be exercised by a resolution duly adopted by the board:

(a) To enter into water contracts for the purpose or sale of water on a wholesale or retail basis, on such terms and conditions as the board of directors shall determine is in the best interest of the Authority.

(b) To fix and alter the charges to be paid by each water user for services rendered by the Authority to the water user, 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 payment or nonpayment of the charges. The board may establish one or more classes of users. All charges shall be uniform and nondiscriminating within each class of users.

(c) To select and appoint all officers, agents or employees of the Authority, remove such agents or employees of the Authority, prescribe such duties and designate such powers as may not be inconsistent with these bylaws, fix their compensation and pay for faithful services.

(d) 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 Authority, 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 Authority; and, to do every act and thing necessary to effectuate the same.

(e) 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 Authority and the guidance and control of its officers and employees, and to prescribe adequate penalties for the breach thereof.

(f) To order, at least once each year, an audit of the books and accounts of the Authority by a competent public auditor or accountant. The report prepared by such auditor or accountant shall be submitted to the board of directors at its 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.

(g) To require all officers, agents and employees charged with responsibility for the custody of any of the funds of the Authority to give adequate bonds, the cost thereof to be paid by the Authority, and it shall be mandatory upon the directors to so require.

(h) To select one (1) or more banks to act as depositories of the funds of the Authority and to determine the manner of receiving, depositing and dispersing the funds of the Authority 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 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 of 1957 of the General Assembly of the State of Arkansas.

(j) To adopt and promulgate from time to time rules and regulations regarding the operations of the Authority which shall be consistent with the goals and purposes of these bylaws; to the extent that any resolution of the board of directors or any of the Authority's operating policies as may be promulgated and amended from time to time are in conflict with any provision of these bylaws, the applicable resolution or operating policy shall take precedent over these bylaws.

ARTICLE IV. OFFICERS

SECTION 1. Number. The officers of the Authority may be a president, a vice president, a secretary and a treasurer, each of whom shall be elected by the directors. The secretary and treasurer may be the same person. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the board of directors.

SECTION 2. Election and Term of Office. The officers of the Authority shall be elected annually by the directors at the annual meeting of directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is convenient. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until the officer's death, resignation, or removal in the manner hereinafter provided.

SECTION 3. Removal. An officer or agent may be removed by the board of directors whenever in its judgment the best interests of the Authority will be served thereby.

SECTION 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the board of directors for the unexpired portion of the term.

SECTION 5. President. The president shall be a director and shall be the principal executive officer of the Authority. Subject to the control of the board of directors, the president shall in general supervise and control all of the business and affairs of the Authority. The president may sign, with the secretary or any other proper officer of the Authority thereunto authorized by the board of directors, any deeds, mortgages, bonds, contracts, or other instruments which the board of directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors or by these bylaws to some other officer or agent of the Authority, or shall be required by law to be otherwise signed or executed. The president shall in general perform all duties as may be prescribed by the board of directors from time to time.

SECTION 6. Vice President. In the absence of the president or in event of the president's death, inability or refusal to act, the vice president shall perform the duties of the president and, when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice president shall perform such duties as from time to time may be assigned to the vice president by the president or by the board of directors. The vice president shall be a director.

SECTION 7. Secretary. The secretary shall: (a) keep the minutes of the proceedings of the directors and of the board of directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to the secretary by the president or by the board of directors.

SECTION 8. Treasurer. The treasurer shall be a director and shall: (a) oversee and be responsible for all funds of the Authority; (b) oversee receipts for moneys due and payable to the Authority from any source whatsoever, and oversee deposits of all such moneys in the name of the Authority in such banks, trust companies or other depositories as shall be selected by the board of directors; (c) oversee reports on the financial condition of the Authority at the annual meeting of the directors and at such other times as may be requested by the board of directors; and (d) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to the treasurer by the president or by the board of directors. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of the treasurer's duties in such sum and with such surety or sureties as the board of directors shall determine.

SECTION 9. Manager. The board may appoint a manager, who may be, but shall not be required to be, a board member of the Authority. The manager shall perform such duties as the board may from time to time require and shall have such authority as the board may from time to time vest in him or her.

SECTION 10. Bond. The board may require any officer, agent or employee of the Authority charged with responsibility for the custody of its funds or its property to procure a bond in such sum and with such surety as the board shall determine. The board, in its discretion, may also require any other officer, agent or employee to procure a bond in such amount and such surety as it shall determine. The cost of any such bonds shall be born by the Authority.

SECTION 11. Compensation. The compensation of any agents or employees of the Authority shall be fixed or approved by the board of directors.

ARTICLE V. INDEMNIFICATION OF OFFICERS, BOARD MEMBERS EMPLOYEES AND AGENTS

SECTION 1. Indemnification of Officers, Board Members Employees and Agents. The Authority shall indemnify, to the extent allowed by Arkansas law, any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by, or on behalf of, the Authority) by reason of the fact that such person is or was a board member, officer, employee, or agent of the Authority, or who is or was serving at the request of the Authority as a board member, officer, employee, or agent of another entity, against expenses (including attorneys' fees), adjustments, fines and amounts paid in settlement actually and reasonably incurred by such person acting in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interest of the Authority and, with respect to any criminal action or proceeding, was not unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon pleading guilty or nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interest of the Authority, and with respect to any criminal action or proceeding, was not unlawful.

SECTION 2. Insurance Coverage. The Authority may purchase and maintain insurance on behalf of any person who is or was a board member, officer, employee, or agent of the Authority, or who is or was serving at the request of the Authority as a board member, officer, employee, or agent of another entity, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the status of such person as such, whether or not the Authority would have the power to indemnify such person against such liability under the provisions of this Article V.

ARTICLE VI. CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 1. Contracts. The board of directors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances.

SECTION 2. Loans. No loans shall be made by the Authority to its directors or officers. Any directors who vote for or assent to the making of a loan to a director or officer, and any officer or officers participating in the making of such loan, shall be jointly and severally liable to the Authority for the amount of such loan until repayment thereof. No loans shall be contracted on behalf of the Authority and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors. Such authority may be general or confined to specific instances.

SECTION 3. Checks, Drafts, Etc. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Authority shall be signed by such officer or officers, agent or agents of the Authority and in such manner as shall from time to time be determined by resolution of the board of directors.

SECTION 4. Deposits. All funds of the Authority not otherwise employed shall be deposited from time to time to the credit of the Authority in such banks, trust companies or other depositories as the board of directors may select.

ARTICLE VII. FISCAL YEAR

The fiscal year of the Authority shall begin on the first day of January of each year and end on the last day of the following December.

ARTICLE VIII. DIVIDENDS PROHIBITED

The Authority shall not have or issue shares of stock, and no dividend shall be paid and no part of the income of the Authority shall be distributed to its officers. The Authority may pay compensation in a reasonable amount to its officers, employees and agents for services rendered, and may reimburse its directors, officers, employees and agents for expenses incurred in attending to their authorized duties; provided however, such expenses shall be evidenced by receipt or other proper document.

ARTICLE IX. AMENDMENTS

These bylaws may be altered, amended or repealed and new bylaws may be adopted by the board of directors at any regular or special meeting of the board of directors; provided however, unless notice is waived, the Authority shall provide seven (7) days' written notice to the directors that the amendment will be voted upon at the meeting, and the notice must state that the purpose, or one of the purposes, of the meeting is to consider the proposed amendment to the bylaws, and the notice shall also contain or be accompanied by a copy or a summary of the amendment or state the general nature of the amendment. Any amendment must be approved by the majority of the directors in office at the time the amendment is adopted, except for an amendment to Article X which must be approved by seventy-five percent (75%) of all directors in office. The Arkansas Soil and Water Conservation Commission shall be required to approve any amendment to these bylaws relating to (a) any change with respect to the number of directors or the procedure for electing or nominating directors or (b) the geographic service area over which the Authority has jurisdiction.

ARTICLE X. MERGER AND DISSOLUTION

SECTION 1. Merger. With the approval of the Arkansas Soil and Water Conservation Commission, the Authority may, by a vote of seventy-five percent (75%) of all the directors of the Authority at any regular or special meeting of the board of directors called for that purpose, merge with and into another public water authority or the Authority may be the surviving entity in a merger transaction whereby another entity is merged with into the Authority. Subsequent to the vote on a merger, articles of merger shall be filed with the Arkansas Soil and Water Conservation Commission, and, if approved, articles of merger shall also be filed with the Arkansas Secretary of State.

SECTION 2. Dissolution. The Authority may be dissolved, with the approval of the Arkansas Soil and Water Conservation Commission, by a vote of seventy-five percent (75%) of all of the directors of the Authority at any regular or special meeting of the board of directors called for that purpose. Subsequent to the vote to dissolve the Authority, articles of dissolution shall be filed with the Arkansas Soil and Water Conservation Commission, and, if approved, (a) articles of dissolution shall also be filed with the Arkansas Secretary of State; and (b) claims and liabilities of the Authority shall be paid, and any assets of the Authority remaining after payment of claims and liabilities shall be transferred to either (i) another public water authority, with the approval of the Arkansas Soil and Water Conservation Commission, or (ii) the State of Arkansas or a subdivision of the state, including the Arkansas Soil and Water Conservation Commission.

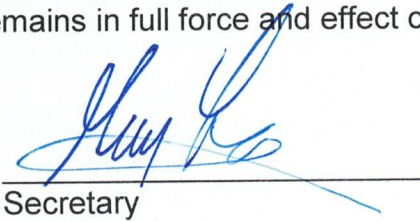
Dated effective the 17TH day of November, 2022



Secretary

CERTIFICATE

I, the undersigned, hereby state and certify that the foregoing is a true, correct and conformed copy of the bylaws of THE NORTHEAST PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS duly adopted by the board of directors of said organization on the 17TH day of November, 2022, and that the same has not been altered, modified, amended or repealed in any respect after this date and remains in full force and effect on this date.


Secretary

CERTIFICATE

I, the undersigned, hereby state and certify that the foregoing is a true, correct and conformed copy of the bylaws of THE NORTHEAST PUBLIC WATER AUTHORITY OF THE STATE OF ARKANSAS duly adopted by the board of directors of said organization on the 17th day of July, 2025, and that the same has not been altered, modified, amended or repealed in any respect after this date and remains in full force and effect on this date.



Jay Sabella
Board President

Revision History:

07/17/2025 - Amended Article III, Section 4 to change the day of the Annual meeting from the second Tuesday in December to the Second Thursday in December. The motion was approved by unanimous vote.