

**BY-LAWS**  
**Of**  
**EDWARDSVILLE WATER CORPORATION**

**ARTICLE I**

Section 1. **NAME.** The name of this company shall be Edwardsville Water Corporation.

Section 2. **LOCATION.** The office of this company shall be in Georgetown Township, Floyd County, and State of Indiana.

Section 3. **SEAL.** This company shall possess a seal, which shall have inscribed the name of the company, the year of its organization and the words "Non-Stock Company". The secretary shall have custody of the seal and shall cause it or a facsimile there of to be impressed or affixed or reproduced or otherwise.

**ARTICLE II**

Section 1. **MEMBERSHIP.** Any occupant or person, including any body politic and/or corporate, holding property having reasonable accessibility to the source of and who is in need of having water supplied to his place of occupancy or property may be a member of this company by obtaining a membership certificate from the company. Persons who receive the approval of the board of directors may be admitted to membership upon subscribing for a membership certificate and by signing such agreement for the purchase of water as may be provided and required by the company, provided that no person otherwise eligible shall be permitted to subscribe for or require a membership of the company if the capacity of the company's water system is exhausted by the needs of its existing members. A fee of \$100.00 dollars shall be paid per membership, upon application for membership in this company.

Section 2. A member ceases to be eligible to hold membership as provided in Section 1 in case of death, or willfully fails to comply with these by-laws and other requirements, or willfully obstructs the purposes and proper activities of the company. The board of directors may elect to purchase his membership certificate and terminate his membership upon tender to him or his heirs or legal representative the fair book value of this membership certificate as determined by the board of directors, together with any dividends due and unpaid less any indebtedness then due from him to the company. Any member whose membership is so terminated for cause other than that of ceasing to be eligible may appeal from the action of the board of directors to a vote of the members at the next regular meeting of the members or special meeting of the members called for such purpose.

Section 3. The capital of this company shall be represented by membership certificated.

Section 4. The membership certificates shall be issued to each holder of fully paid membership and shall be numbered consecutively, in accordance with the order of issue. No member may be issued more than once. Each membership certificate shall bear on its face the following statements:

- a. This membership certificate, No. \_\_\_\_, is issued and accepted in accordance with and subject to the conditions and restrictions stipulated in the articles of incorporation and by-laws and amendments to the same of the Edwardsville Water Corporation.
- b. No member shall be entitled to more than one vote at the meeting of the members or to hold more than one of the membership certificates of the company. Every member upon becoming a member of this company agrees to sign such agreements for the purchase of water as may from time to time be provided and required by the company and agrees in case he desires to dispose of his membership certificate, to offer the same to the company at its fair book value and that he will make no offer of assignment or sale elsewhere of the same.

Section 5. Each member agrees to sign such water user's agreements as the company shall from time to time provide and require.

### ARTICLE III

Section 1. The annual meeting of the members shall be held at Edwardsville, in Georgetown Township, County of Floyd, State of Indiana, the 2<sup>nd</sup> Tuesday of March at 7:00 pm of each year pursuant to written notice thereof as required by law.

Section 2. The board of directors may call special meetings of the members and such meeting must be called whenever a petition requesting such meeting is signed by a least ten percent of the members and presented to the secretary or board of directors. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted thereof except such as is specified in the notice. Such notice shall be mailed to each member of record, directed to the address shown on the books, at least ten days prior to the meeting and 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 3. The members present at any meeting of the members shall constitute a quorum at any meeting for the transaction of business. No member shall be entitled to more than one vote only and no voting by proxy shall be allowed.

Section 4. The order of business at the regular meetings and so far as possible at all other meetings shall be:

1. Call to order and proof of quorum
2. Proof of notice of meeting
3. Reading and action on any unapproved minutes
4. Reports of officers and committees
5. Election of Directors
6. Unfinished business
7. New business
8. Adjournment

#### ARTICLE IV

Section 1. The board of directors of this company shall consist of five members, all of whom shall be members of this company. The directors named in the articles of incorporation shall serve until the first annual meeting of the members and until their successors are elected. The board of directors shall be designated as follows:

- 1 A Director
- 2 B Directors -
- 2 C Directors

Each director shall serve a term consisting of three (3) years beginning the year of election to the board.

Any member of Edwardsville Water Corporation may submit their name to be placed on the list of nominations for the director or directors to be elected at the next scheduled annual membership meeting. All such submissions must be made in writing and be received in the office of Edwardsville Water Corporation on or before the second Tuesday of February, with the Annual Meeting being held the second Tuesday of March.

The board of directors in office shall reserve the right to submit names of members to be included on the list of nominations for directors, also to be submitted on or before the second Tuesday of February. Any member nominated for director shall have given their approval to serve on the board prior to nomination.

The list of nominations for directors shall be posted in the office of Edwardsville Water Corporation for the period of time from the second Tuesday of February through the second Tuesday of March. There shall be no nominations from the floor.

Section 2. The board of directors shall meet within ten days after their election and shall elect by ballot a president, vice-president, secretary, and treasurer from their number, each of whom shall hold office until the next annual meeting and until election and qualification of his successor unless sooner removed by death, resignation for cause.

Section 3. Special meetings of the board of directors may be called by the President, and held at any place stated in the notice thereof, upon giving of three days notice, orally or in writing, without the necessity of stating the purpose of the meeting. The members of the

board may waive notice of any special meeting, and the presence of any director at any such meeting constitutes a waiver of notice thereof.

Section 4. If the office of any director or officer becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, except by removal from office, a majority of the remaining directors shall choose a successor who shall hold office until the next meeting of the members at which time the members shall elect a director for the expired term or terms.

Section 5. A majority of the board of directors shall constitute a quorum at any meeting of the board.

Section 6. Compensation of officers may be fixed at any meeting (regular or special) of the members of the company. Directors shall receive no compensation for their services as such.

Section 7. Officers and directors may be removed from office in the following manner. Any member, officer, or director may present charges against a director or officer by filing them in writing with the secretary of the company. The charges must be accompanied by a petition signed by ten percent of the membership of the company. Such removal shall be voted on at the next regular or special meeting of the members and shall be effective if approved by a vote of the majority of the members present. The director or officer against whom such charges have been presented shall be informed in writing, of such charges five days prior to the meeting, and shall have the opportunity to be heard in person or by counsel and to present witnesses; and the person or persons presenting such charges against him shall have the same opportunity. If the removal of a director is approved, such action shall also vacate any other office held by the removed director in the association. A vacancy in the board thus created shall immediately be filled by a vote of a majority of the members present and voting. The directors from among their number so constituted after the vacancy in the board has been filled shall fill a vacancy in any office thus created.

## ARTICLE V

Section 1. The board of directors, subject to restrictions of law, the articles of incorporation, or these by-laws shall exercise all of the powers of the company, 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, upon approval of the members of the board by a majority vote at regular or special meeting, in respect to the matters as hereinafter set forth:

- a. To pass upon the qualifications of members, and to cause appropriate certificates of membership to be issued.
- b. To select and appoint all officers, agents, and employees and removal of it for just cause, fix their compensation and pay for services, and prescribe their duties as may not be inconsistent with these by-laws.

- c. To borrow from any source, money, goods, or services and to make and issue notes and other negotiable and transferable instruments and to do every act 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 company and the guidance and control of its officers and employees; and to prescribe adequate penalties for breach thereof.
- e. To order an annual audit of the books and accounts by a competent auditor or accountant, the report prepared by such person shall be submitted to the members at the annual meeting.
- f. To fix charges to be paid, the time of payment, and manner of collection by each member for services rendered to him.
- g. To require adequate bonds, the cost thereof to be paid by the company, by all officers, agents, and employees charged with responsibility for custody of any funds of the company.
- h. To select the bank or banks to act as depositories of the funds provided such funds are covered by insurance. To determine the manner of receiving, depositing, and disbursing of funds, and the form of checks and the person or persons by whom the same shall be signed with the power to make changes thereof at will.
- i. To levy assessments against the membership certificates of the company and to enforce the collection of such assessments in the manner provided for enforcement of collection of water charges in Article VII, Section 5, hereto, by the forfeiture of delinquent certificates of members failing to pay such assessments within the time prescribed for payment, provided, that prior to forfeiture the board must give the member at least thirty days written notice at the last address of the member on the books of the company of its intention to forfeit the certificate if the assessment is not paid by a specified date.

## ARTICLE VI

Section 1. **DUTIES OF PRESIDENT.** The president shall preside at all meetings of the association and of the board of directors; shall call special meetings of the board; shall perform such other duties as may be prescribed in these by-laws or assigned to him by the board of directors; and shall sign all membership certificates and such other papers as he may be authorized or directed to sign by the board of directors.

Section 2. **DUTIES OF VICE-PRESIDENT.** The Vice-President shall act as aid to the president and shall perform the duties of the president in the absence or inability of the officer to serve.

Section 3. **DUTIES OF SECRETARY.** The Secretary shall record the minutes of all meetings of the company and of the board of directors. He shall sign all membership certificates with the president as such other papers pertaining to the company as he may be authorized or directed to do so by the board. He shall serve all notices required by law and by these by-laws and shall make a full report of all matters pertaining to his office to the members at the annual meeting. He shall keep the corporate seal and membership

certificate, records of the corporation, complete and countersign all certificates issued and affix said seal to all papers requiring it. He shall keep a proper membership certificate record, showing the name, date of issuance, surrender, cancellation, or forfeiture. He shall perform such duties as may be delegated to him including the turn over to his successor all books and other property belonging to the company that he may have in his possession.

Section 4. **DUTIES OF TREASURER.** The Treasurer shall receive all moneys of the company; shall keep an accurate record of receipts and expenditures; and shall pay out funds as authorized by the company. The Treasurer shall present a financial statement every meeting of the board of directors and at other times when requested by the board and shall make a full report at the annual meeting. The Treasurer shall furnish the company a fidelity bond in an amount equal to the largest sum of funds in his possession at any time.

Section 5. All officers shall perform the duties prescribed in the parliamentary authority in addition to those outlined in these by-laws and those assigned from time to time. The officer shall deliver to their successors all official material, records, and property within ten days following the meeting at which they are elected and qualified.

## ARTICLE VII

Section 1. The company will install, maintain and operate a main distribution pipe line or lines from the source of water supply, and service lines from the main distribution line or lines to the property line of each member of the company, at which points, designated as delivery points, meters to be purchased, installed, owned and maintained by the company shall be placed. The company shall pay the cost of the service line or lines from the main distribution line or lines of the company to the property line of each member. The company will also purchase and install a cut off valve in each service line from its main distribution line or lines, such cut-off valve to be owned and maintained by the company and to be installed on some portion of the service line owned by the company. The company shall have the sole and exclusive right to use such cut-off valve to turn it on and off.

Section 2. Each member shall be entitled to not to exceed (1) service line from the company's water system unless otherwise approved by the board of directors and provided that the member shall be required to pay the prevalent tap fee for each service line. No new service or change in 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 companies water system at the nearest available place to the place of desired use by the member if the company's water system shall be of sufficient capacity to permit the delivery of water through a service line at that place without interfering with the delivery of water through a prior service line. If the company's water system shall be 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 as may be designated by the

company. Each member will be required to dig or have dug a ditch, to purchase and install, and to maintain such portion of the service line or lines from the property line of the member to his own dwelling or other place of use on his premises at his own expense, provided that the company may, if the board of directors so elect, purchase the pipe for and install such portion of such service line or lines, the cost of which will, however, be paid by the individual member.

Section 3. Each member shall be entitled to purchase, pursuant to such agreements as may from time to time be provided and required, such water for domestic or other purposes as a member may desire, subject to the provisions of these by-laws and to such rules and regulations as may be prescribed by the board of directors.

Section 4. In the event the total water supply shall be insufficient to meet all the needs of the members or in the event of water shortage the company may prorate the water available among the various members on such basis as is deemed equitable by the board of directors.

Section 5. The board of directors shall prior to the beginning of each calendar year; determine the water rates to be charged each member during the following calendar year. The flat minimum monthly rate, as set up in the water rate schedule for the year, to be payable irrespective of whether any water is used by a member during any month. The board of directors shall fix the date for the payment of such charges and shall notify each member or cause each member to be notified 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 company 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. Non-payment after seventeen days from due date will subject to a penalty of ten percent of the first three dollars of the account and three percent of the balance.
- b. Non-payment within thirty days from the due date will result in the water being shut off from the member's property.
- c. Non-payment for sixty days from the due date will allow the company to terminate the membership certificate as provided for in Article II, Section 2 of these by-laws.

Section 6. The board of directors shall be authorized to require each member to enter into water users agreements, which shall embody the principles set forth in the foregoing sections of this article.

## ARTICLE VIII

Section 1. It is not anticipated there will be any net income; but if there should be any, then at the end of the fiscal year, after paying all costs of operations and maintenance, set aside reserves for depreciation on building, equipment, etc., and such other reserves may deem proper and provided for payment of interest and principal of obligations and debts,

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 property of the company and for such other purposes as the board of directors may determine to be for the best interest of the company. The said surplus fund or any portion thereof may from time to time at the discretion of the board of directors be distributed to the members as provided in the by-laws, on the basis of the assessments and charges made and levied against and paid by such members during the year.

Section 2. Any part of the whole of such apportionment may be credited at the discretion of the board of directors to the indebtedness of the members, should any exist, and in such case, the members shall be notified in writing of the amount so applied.

#### ARTICLE IX

The rules contained in Robert's Rules of Order Revised shall govern the society in all cases to which they are applicable, and in which they are not inconsistent with the articles of incorporation, by-laws or the special rules of order of this society.

#### ARTICLE X

Section 1. Amendments of these by-laws may be adopted by a vote of a majority of the members present at any special or regular meeting of the company if the members have been given at least 30 days written notice of said meeting and the notice has contained a copy of the proposed amendment or amendments.

#### ARTICLE XI

For so long as the corporation is indebted for a loan or loans made to them by the United States of America through the Farmers Home Administration, the by-laws shall not be altered, amended or repealed without the prior consent of the State Director of the Farmers Home Administration for the State of Indiana.