

# EAST MONROE WATER CORPORATION

## BY-LAWS Revised, May 2005

### ARTICLE I

#### General

Section 1. NAME. The name of this corporation shall be EAST MONROE WATER CORPORATION.

Section 2. LOCATION. The offices of this corporation shall be in Salt Creek Township, Monroe County, State of Indiana.

Section 3. SEAL. This corporation shall possess a seal. The secretary shall have possession of the seal and shall cause it or a facsimile to be impressed or affixed or reproduced. The seal shall have inscribed the name of the corporation, the year of its organization, and the words "Non-Stock Company, EAST MONROE WATER CORPORATION."

Section 4. The fiscal year of this corporation shall be the same as the calendar year.

### ARTICLE II

#### Membership

Section 1. Any occupant or person, including any body politic and/or corporation holding property having need of and reasonable accessibility to the services operated by the corporation may be a member of this corporation by obtaining a membership certificate and signing such agreements for the purchase of services provided and required by the corporation. No person otherwise eligible shall be permitted to apply for a membership of the corporation if the capacity of the corporation's system is exhausted by the needs of the existing members. A fee determined by the board of directors and listed on the Tariff (Schedule of Rates) shall be paid per membership, upon application for membership in this corporation.

Section 2. A member ceases to be eligible to hold membership as provided in Section 1 in case of death or willfully failing to comply with these by-laws and other requirements, or willfully obstructing the purposes and proper activities of the corporation. The board of directors may elect to purchase his/her certificate and terminate the membership upon tender to him/her or the heirs or legal representative the cost of his/her membership as determined by the board of directors, together with any dividends due and unpaid less any indebtedness then due from him/her to the corporation. Any member whose membership is so terminated for cause other than that of ceasing to be eligible may appeal the action to the board of directors, or to a vote of the members at the next regular meeting or a special meeting called for such purpose as noted in Article III, Section 3 below.

Section 3. No member may hold more than one (1) membership, no matter how many meters that member may acquire. However, the member must pay a deposit for each extra meter. The amount of deposit will be determined by the board of directors. When the meter is removed from service and the member's indebtedness to the organization has been satisfied the amount of deposit will be refunded.

Section 4. The capital of this organization shall be represented by membership certificates and by meter deposits.

Section 5. The membership certificates shall be issued to each holder of fully paid membership and shall be numbered consecutively, in accordance with order of issue. No number 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, by-laws, rules and regulations and amendments to same of the East Monroe Water Corporation.

b. Each member agrees to sell his/her membership certificate only to the corporation for that amount that was paid. Transfer(s) of membership certificate(s) shall be made only on the books of the corporation, by surrendering the certificate(s) only to persons eligible to become members and only when the member transferring is free from indebtedness to the corporation. No offer of assignment of sale shall be made elsewhere to anyone or any other entity unless approved by ninety-five per cent (95%) of the members of the corporation.

c. Upon satisfactory proof of his/her authority each member shall be entitled to one (1) vote and no more on each matter submitted to vote at any meeting of the members. If two or more persons hold a joint membership, they shall be entitled jointly to one (1) vote and no more on each matter submitted to vote at any meeting of the members.

### ARTICLE III

#### Meeting of members

Section 1. The annual meeting of the members shall be held on or around the second Tuesday in May at the East Monroe Water Corporation office on Knightridge Road in Salt Creek Township, Monroe County, Indiana at 6:00 PM. Notice shall be sent by mail to each member of record, directed to the address shown on the books, at least ten (10) days prior to the meeting. Notice shall also be posted on the Corporation Web Page.

Section 2. Anyone who has been a member for more than 2 years may request to be nominated to the board of directors. All nominations for directors shall be made by filing a form specifying name, address, occupation, qualifications and reason for application at the East Monroe Water Corporation office sixty (60) days prior to the annual meeting. There shall be no nominations from the floor at the meeting.

a. If space allows, nominees will be listed on the current billing. Otherwise, the list of nominees will be published in the corporation's annual newsletter. Names of nominees shall also be posted in clear view at the East Monroe Water Corporation office after the date of closing of nominations.

b. No nominee shall have a relative employed by the water corporation. Ballots will be provided at the annual meeting with all nominees listed.

Section 3. Other special meeting(s) of the members must be called by the board of directors whenever a petition requesting such a meeting is signed by at least ten per cent (10%) of the members and presented to the secretary or the board of directors. The purpose of every special meeting shall be stated on the notice, and no business shall be transacted except as specified. Such notice shall be mailed to each member of record, directed to the address shown on the books, at least ten (10) days prior to the meeting, and shall state the nature, time, place and purpose of the meeting. Notice shall also be posted on the Corporation Web page.

Section 4. The members present at any meeting of the membership shall constitute a quorum for the transaction of business. A membership, whether held jointly or singly shall be entitled to one (1) vote. No member may vote by proxy.

Section 5. The order of business at annual meetings and so far as possible at all other meetings shall be:

- a. Call to order
- b. Proof of notice of meeting
- c. Reading and action on any unapproved minutes
- d. Reports of officers and committees
- e. Election of directors
- f. Unfinished business
- g. New business
- h. Adjournment

#### Article IV.

##### Board Members and Officers

Section 1. The board of directors of this corporation shall consist of nine (9) members, all of whom shall be members in good standing of this corporation for a minimum of 2 years. The directors shall be elected for a term of three (3) years and shall serve until their successors are elected. Election of new directors shall be by the members at the annual meeting of the membership.

Section 2. The board of directors shall meet within ten (10) 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/her successor, unless sooner removed by death, resignation or for cause.

Section 3. Special meetings of the board of directors may be called by the president, and held at any place stated upon giving two (2) days notice, orally or in writing, without the necessity of stating the purpose of the meeting. Two day's notice of a special meeting may be waived by an officer of the board in case of an emergency.

Section 4. If the term of any board member becomes vacant by reason of death, resignation, retirement or disqualification, a majority of the remaining directors shall choose a successor, who shall hold office until the next annual meeting of the membership at which time the members shall elect a member to finish the unexpired term.

Section 5. Compensation of any officer(s) may be fixed at any meeting (regular or special) of the members of the organization. Board members shall receive no compensation for their services as such.

Section 6. Officers and board members may be removed from office in the following manner: any member, officer or director may present charges against a board member or officer by filing them in writing with the secretary of the corporation. The charges must be accompanied by a petition signed by ten (10) per cent of the membership of the corporation. Such removal shall be voted on at the next annual or special meeting of the members, and shall be effective if approved by a vote of the members present. The board member or officer against whom such charges have been presented shall be informed, in writing, of such charges five (5) 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(s) presenting such charges against him/her shall have the same opportunity. If the removal of the board member is approved, such action shall also vacate any

other office held by that person in the corporation. A vacancy on the board thus created shall immediately be filled by a vote of the majority of the members present and voting. A vacancy in any office thus created shall be filled by the directors from among their number so constituted after the vacancy to the board has been filled.

## ARTICLE V.

### Duties of Directors.

Section 1. The board of directors, subject to the restriction of law, the articles of incorporation, and these bylaws shall exercise all the powers of the corporation. Without prejudice to or limitation upon their general powers, it is expressly provided that the board of directors shall have full power and authority, upon approval by a majority vote of the membership at a regular or special meeting, in respect to the following:

- a. To pass upon the qualifications of members and to issue certificates of membership.
- b. To select and appoint all officers, agents and employees and/or remove same for just cause. Directors shall fix compensation and pay for services as well as prescribe their duties to be consistent with these bylaws.
- c. To borrow from any source money, goods or services; to make and issue notes or other negotiable and transferable instruments; and to do every acts necessary to effect the same.
- d. To prescribe, adopt or amend such equitable uniform rules and regulations that may be deemed essential for the conduct of the business and affairs of the corporation as well as the guidance of its officers and employees and to prescribe adequate penalties for any breach.
- e. To order an annual audit of the books and accounts of the corporation by a competent auditor. The audit report 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/her.
- g. To require adequate liability bonds to be paid for by the corporation to protect all officers, agents and employees charged with responsibility for custody of any funds of the corporation.
- h. To select the bank or banks for depositing of funds provided such funds are covered by insurance. To determine who receives deposits and disburses funds as well as who issues checks and the person(s) who shall sign same with the power to make changes as needed.

## ARTICLE VI.

### Duties of Officers

Section 1. Duties of the President. The president shall preside at all meetings of the corporation and board of directors. He/she shall call special meetings of the board; shall perform such other duties as may be prescribed in these bylaws or assigned to him/her by the board of directors. He shall sign all membership certificates and such other papers as he/she may be authorized or directed by the board of directors.

Section 2. Duties of Vice-President. The vice-president shall act as aide to the president. He/she 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 corporation and board of directors. He/she shall sign all membership certificates with the president, and such other papers pertaining to the corporation as may be authorized or directed by the board. The secretary shall also perform duties designated by the president.

Section 4. Duties of Treasurer. The treasurer shall, with the aide of the administrator and bookkeeper, receive all monies of the corporation. They shall keep an accurate record of receipts and expenditures. The treasurer and one other officer shall have the authority to disburse funds as authorized by the corporation. The treasurer shall present a financial statement at every meeting of the board of directors, at the annual meeting of the membership and at other times upon request. The board shall establish a discretionary figure above which the treasurer must request board approval for expenditures.

Section 5. All officers shall perform the duties prescribed by parliamentary authority, those outlined in these bylaws and as assigned from time to time. The officers shall deliver to their successors all official material, records and property within ten (10) days following the election.

## ARTICLE VII

### Benefits and Duties of Members

Section 1. The corporation will install, maintain and operate distribution and service lines from its main line or lines to the property line of each member of the corporation. Under normal circumstances, the cost of the service lines from the main line or lines to the real estate boundary of each member shall be paid by the corporation. However, costs of rock removal, road bores or line extensions shall be paid by the member. Exceptions may be made by the board of directors.

Section 2. Each member shall be entitled to only one (1) service line from the corporation's system unless otherwise approved by the board of directors. However, any member may request additional service lines, unencumbered by membership, for which he must pay a deposit as described in Article II, Section 3. The member will pay the prevailing tap fee for each service line. No new service line or change in service line may be made which will interfere with an existing service line. Each service line shall connect with the corporation's system at the nearest available place to the place of desired use by the member, if the corporation's system at that point has sufficient capacity. If the corporation's system is inadequate to accommodate a connection at that point, then the service line shall be installed at a place designated by the corporation. Each member shall be required to dig, or have dug, a ditch, to purchase and install, and to maintain such portion of the service line(s) from the property line of the member to his/her own dwelling or other place of use on his/her premises at his/her own expense. When installing a service line, or meter, or performing any other sanctioned work on the property of the member, the corporation shall grade and/or seed the area in which the work was performed at the time the work was performed. Further, the corporation shall inspect the work area one (1) time after weather conditions shall have caused the area to settle, and shall perform such additional work as required. This inspection and rework shall occur no later than 30 days after completion of the original work. Any additional grading or seeding shall only be done after direction of the board of directors.

Section 3. Each member shall be entitled to purchase from the corporation such services as he/she may desire, pursuant to such agreements as may be provided and required, subject to the provisions of these bylaws and to such rules and regulations as may be prescribed by the board of directors.

Section 4. Normally, the board of directors shall determine the monthly rates to be charged each member during the calendar year at the beginning of the calendar year. However, if the board of directors feel that the situation so warrants, they may change the rates at any time during the year. The flat minimum monthly rate for the year will be payable whether or not any service is used by the member during any month. The board of directors shall fix a date for the payment of such charges and shall notify each member of the date and amount to be paid. To be entitled to the service, a member shall pay such charges at the office of the corporation on or prior to the date fixed by the board of directors. Failure to pay monthly charges duly imposed shall result in the automatic imposition of the following penalties:

a. Non-payment within ten (10) days from due date will be subject to a penalty of ten (10%) percent of that part of the delinquent account.

b. Non-payment within thirty (30) days from the due date will result in the service being shut off from the member's property.

c. Non-payment for sixty (60) days from the due date will allow the corporation to terminate the membership certificate as provided in Article II, Section 2, of the bylaws.

Section 5. The board of directors shall be authorized to require each member to read and sign a membership agreement which shall embody the principles set forth in the foregoing sections of this Article.

Section 6. Membership may be canceled and/or service discontinued by the corporation for any violation of any rule, regulation or condition of service and especially for any of the following reasons:

a. Misrepresentation in application as to the property or fixtures to be supplied or use to be made of the service.

b. Misuse due to improper or imperfect service pipes and/or fixtures or failure to keep same in a suitable state of repair.

c. Tampering with mains or lines or valves or permitting such tampering by others.

d. Connections, cross-connections or permitting the same, of any separate lines to the premises which receive service from the corporation.

## ARTICLE VIII

### Distribution of Surplus Funds

Section 1. It is not anticipated that there will be any net income. If there is any, then at the end of the fiscal year the net earnings shall be accumulated in a maintenance fund for the purpose of replacing, enlarging, extending and repairing the system and property of the corporation as the board of directors may determine is in the best interest of the corporation. This net income will only be available after paying all costs of operations and maintenance, setting aside reserves for depreciation of buildings equipment, etc., providing interest and principal of obligations and debts, and purchasing needed supplies and equipment.

## ARTICLE IX

### Rules of Order

The rules contained in Roberts Rules of Order (revised) shall govern the corporation in all cases where applicable and that are not inconsistent with the articles of incorporation, bylaws or rules and regulations of this corporation.

## ARTICLE X

### Amendments

Section 1. Amendments to these bylaws may be adopted by a vote of a majority of members present at any special or regular meeting. Members must be given ten (10) days notice of said meeting. Proposed amendments will be posted at our web site at the address found on the water bill, or in the office. Members may request a copy, which will be mailed to them or can be obtained at the office.