

**RURAL WATER DISTRICT NO. 15  
ALLEN COUNTY, KANSAS**

**BY-LAWS**

**ARTICLE I  
Name and Place of Business**

Section 1. The name of this corporation shall be Rural Water District No. 15, Allen County, Kansas.

Section 2. The principal office of this District shall be located in 2904 Dodge Drive, Iola, Allen County, Kansas.

**ARTICLE II  
Corporate Powers**

Section 1. The corporate powers of this District shall be vested in the Board of Directors, hereinafter referred to as the Board.

**ARTICLE III**

Section 1. The purpose and objectives of this District are as follows:

(a) To acquire water and water rights and to build and acquire pipe lines and other facilities, and to operate the same for the purpose of furnishing water for domestic, garden, and other purposes to owners and occupants of land located within the District, and others as authorized by these By-Laws.

(b) To borrow money from any Federal or State agency, or from any other source, and to secure said loans by mortgaging or pledging all of the physical assets, revenue and income of the District, including easements and rights-of-way.

(c) To hold such real and personal property as may come into its possession by will, gift, purchase, or otherwise, as authorized by law, and to acquire and dispose of such real and personal property, including rights-of-way and easements, wherever located, and as may be necessary and convenient for the proper conduct and operation of the business of the District.

(d) To establish rates and impose charges for water furnished to participating members and others.

(e) To enter into contracts for the purpose of accomplishing the purpose of the District with any person or governmental agency.

(f) To cooperate with any person or with any governmental agency in any undertaking designed to further the purpose of the District.

(g) To do and perform any and all acts necessary or desirable for the accomplishment of the purpose of the District which may lawfully be done by such District under the laws of the State of Kansas.

**ARTICLE IV**  
**Water Users**

Section 1. Water shall be supplied only to land located within the District, PROVIDED, HOWEVER, that the Board may make water available to the public for purchase at such distribution points as it may establish.

Section 2. No owner of land located within the District shall be eligible to become a water user unless he has first subscribed and paid for one or more benefit units. Tenants occupying land located within the District may become water subscribers, PROVIDED, that the owner, or someone on behalf of the owner, has subscribed and paid for one or more benefit units in favor of the land the tenant is occupying.

**ARTICLE V**  
**Right to Vote**

Section 1. Only participating members shall have the right to vote, and each participating member shall be entitled to a single vote, regardless of the number of benefit units to which he may have subscribed, PROVIDED, all owners of land located within the District shall be eligible to vote at all meetings of landowners until ninety (90) days after a declaration of availability of benefit units and unit fees has been entered by the Board in its minutes. There shall be no proxy voting, and no dual ownership of benefit units for voting purposes. A participating member may be an individual, firm, partnership, association, or corporation.

Participating members shall be:

(a) Owners of land located within the District who have subscribed to one or more benefit units, PROVIDED, payments of charges are current on at least one benefit unit.

**ARTICLE VI**  
**Benefit Units**

Section 1. The Board shall, at the property time, cause a Declaration of Availability of Benefit Units for subscription to be entered in its minutes and shall establish a unit price for said subscriptions. The Board, in its discretion, may from

time to time, if the capacity of the District's facilities permit, make additional benefit units available. Subscriptions for benefit units shall be given preference and priority in order in which received. The Board may refuse the subscription for a benefit unit in favor of a particular tract of land located within the District, or impose special conditions on granting the same, if, in the judgment of the Board, the granting of said subscription and the furnishing of water pursuant thereto, would impair the service to other water users in that locality or be uneconomical, unfeasible or place undue burden on the District. Any landowner who feels himself aggrieved by such denial, or imposition of special conditions, may appeal from the action of the Board to a vote of the members at the next regular meeting of the members, or special meeting of the members called for such purpose, PROVIDED, the decision of the Board shall stand, unless three-fourths (3/4ths) of all participating members (or landowners at meetings where only qualification to vote is ownership of land within the District), vote in favor of a motion to overrule the decision of the Board.

Section 2. Upon the purchase of benefit units, the owners of land shall designate the tract of land to which the benefit units shall be assigned, and the benefit units shall not be transferred from one tract of land to another within the District, without the approval of the Board. The owner of lands subscribing for more than one benefit unit to be assigned to one tract of land shall, at the time of said subscription, designate as nearly as practical, the location on said tract where he intends to utilize said benefit units and no major change in location shall be made without the approval of the Board. Benefit unit certificates shall be issued by the Board, signed by the Chairman and Secretary, showing name of owner, and tract of land to which the benefit unit is assigned, numbered consecutively in the order in which issued.

Section 3. Benefit units shall follow the title of the land unless the owner of the land designates otherwise. Owners may transfer benefit units from one tract of land to another tract owned by them within the District, SUBJECT HOWEVER, to the approval of the Board. No transfer in ownership of benefit units shall be permitted without the approval of the Board. No transfer will be approved unless all charges against the benefit unit are paid. All transfers, when approved, shall be recorded in the book of the District.

Section 4. Each benefit unit shall entitle the owner not to exceed one line from the District's water system. Each line shall serve not to exceed one residence or business establishment, together with the necessary and usual out-buildings. All hook-ups to be at the cost of the owner of the benefit unit.

Section 5. Failure to pay for water used through a meter shall constitute a forfeiture of the benefit unit on behalf of which such failure occurs, PROVIDED, that such benefit until shall be reinstated if within three months after such failure all back charges are paid in full, plus eighteen percent (18%) interest and reasonable labor charges necessary to effect such reconnection, PROVIDED

HOWEVER, that the Board may permit such reinstatement within six months after such failure upon payment of all back charges, plus eighteen percent (18%) interest, and reasonable labor charges necessary to effect such reconnection, PROVIDED, FURTHER, that if the defaulting water subscriber is a tenant, the time set out above shall not commence to run until the Secretary of the District has mailed or caused to be mailed, by registered or certified mail, notice of such default of the tenant to the landowner at his last known address as shown on the books of the District.

## **ARTICLE VII** **Election of Directors**

Section 1. The Board of this District shall consist of five (5) members, all of whom shall be participating members of the District, PROVIDED HOWEVER, that the original Board shall consist of owners of land located in the District. The Directors elected at the time of the incorporation of the District shall be elected for staggered terms of one, two and three years, and shall serve until the expiration of the term for which they were elected as shown by the minutes of the original meeting of the landowners, and until their successors are elected and have qualified. At each annual meeting of the participating members the participating members shall elect for a term of three (3) years the number of Directors whose terms of office have expired. A Director may succeed himself.

Section 2. Immediately following the annual meeting of the participating members, the Board shall meet and shall elect a Chairman, Vice-Chairman, Secretary and Treasurer, from among themselves, each of whom shall hold office until the next annual meeting and until the election and qualification of his successor unless, sooner removed by death, resignation or for cause. The office of the Secretary and Treasurer may be held by one person.

Section 3. Any vacancy in the Board, other than from the expiration of a term of office, shall be filled by appointment by the remaining members of the Board. The disqualification of a Director as a participating member of the District or failure of any original Director to become a participating member within thirty (30) days after subscription to benefit units are made available through action of the Board, shall operate to disqualify him as a Director and to create a vacancy in the office of the Director.

Section 4. A majority of the Board shall constitute a quorum at any meeting of the Board.

Section 5. Any Director of the District may be removed from office for cause by a vote of not less than three-fourths (3/4ths) of the participating members of the District at any annual or special meeting called for that purpose. The Director shall be informed in writing of the charges preferred against him at

least ten (10) days before such meeting, whether regular or special, and at the meeting have an opportunity to present witnesses and be heard in person in answer thereto. Officers of the Board may be removed for cause by vote of four (4) of the members of the Board, and employees and agents discharged or removed from office or employment at any time by action of the Board.

## **ARTICLE VIII** **Powers and Duties of Directors**

Section 1. The Board, subject to the restrictions of law, and these By-Laws, shall exercise all the powers of the District and without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board shall have, and is hereby given, full power and authority in respect to the matters as hereinafter set out:

- (a) To select and appoint all agents and employees of the District or remove such agents and employees of the District for just cause, prescribe such duties and designate such powers as may not be inconsistent with these By-Laws, and fix their compensation and pay for faithful services.
- (b) To borrow from any source money, goods, or services and to make and issue notes, and other negotiable and transferable instruments, mortgages, deeds of trust and trust agreements, and to do every act and thing necessary to effectuate the same.
- (c) To prescribe, adopt and amend, from time to time, such equitable and uniform rules and regulations, as, in their discretion, may be deemed essential or convenient for the conduct of the business and affairs of the District, and the guidance and control of its agents and employees.
- (e) To fix charges to be paid by each water user for services rendered by the District to him, the time of payment, and the manner of collection.
- (f) To require all officers, agents and employees, charged with the responsibility for the custody of any funds of the District to give adequate bond, the cost thereof to be paid by the District, and it shall be mandatory upon the Directors to so require.
- (g) To select one or more banks to act as depositories of the funds of the District and to determine the manner of receiving, depositing and disbursing the funds of the District in the form of checks, and the person by whom the same shall be signed on behalf of the Chairman, with the power to change such bank or person signing such checks and the form thereof at will.

## **ARTICLE IX** **Powers and Duties of Manager**

Section 1. The Board may employ for the District a manager who shall have charge of the business of the association under the general control, supervision

and direction of the Board. No Director shall serve as manager. Subject to the approval of the Board, the manager shall employ, supervise and dismiss all agents and employees of the District, and fix their compensation. He shall also, so far as practical, conduct the business in such a way that all patrons receive equal service and treatment, deposit in a bank selected by the Board, all money belonging to the District, which comes into his possession; maintain his records and accounts in such a manner that the true and correct condition of the business may be ascertained therefrom at any time; furnish the Board a current statement of the business and affairs of the District at each scheduled meeting of the Board, and at the end of each fiscal year and at such other times and in such forms as the Board may direct; carefully preserve and turn over to his successor, all books, records, documents, and correspondence pertaining to the business of the District which may come into his possession; and to perform such other duties as may be prescribed by the Board.

## **ARTICLE X**

### **Duties of Officers**

Section 1. Chairman. The Chairman, who shall be a member of the Board, shall preside over all meeting of the District and the Board, call special meetings of the District and the Board, perform all acts and duties usually performed by an executive and presiding officer, and shall sign all benefit unit certificates and such other papers of the District as he may be authorized or directed to sign by the Board, PROVIDED, the Board may authorize any person to sign checks, on behalf of the district, provided that all checks must be countersigned by the Treasurer. The Chairman shall perform such other duties as may be prescribed by the Board and By-Laws.

Section 2. Vice-Chairman. In the absence of disability of the Chairman, the Vice-Chairman, who shall be a member of the Board, shall perform the duties of the Chairman.

Section 3. Secretary. It shall be the duties of the Secretary, who shall be a member of the Board, to keep a record of the proceedings of the meetings of the Board, and of the District. He shall serve, or cause to be served, all notices required to be served by law or the By-Laws of the District; and in case of his absence, inability, refusal, or neglect to do so, then such notices may be served by any member of the Board directed by the Chairman.

Section 4. Treasurer. The Treasurer, who shall be a member of the Board, shall receive and account for all funds of the District, shall deposit the same in some bank designated by the Board as a depository, and pay the amounts or cause them to be paid out of the depository only on the checks of the Chairman, or someone authorized to sign on the Chairman's behalf, countersigned by the Treasurer. At each annual meeting of the District, he shall submit for the

information of the participating members a complete statement of his account for the past year and he shall discharge such other duties pertaining to his office as shall be prescribed by the Board, and shall give a good and sufficient bond in such amount as may be fixed by the Board.

## **ARTICLE XI** **Books and Records**

Section 1. The books and records of this District and such papers as may be placed on file by vote of the District or Directors, shall during all reasonable business hours, be subject to inspection by any landowner of the District.

## **ARTICLE XII** **Annual Meeting of Participating Members**

Section 1. The annual meeting of the participating members of the District shall be held at some suitable location designated by the Board and shall be held on the 1st Monday in March, in each year, unless said day be a legal holiday, in which event, said annual meeting shall be held on the following day.

Section 2. Special meetings of participating members may be called at any time by the Chairman or upon resolution of the Board, or upon written petition to the Chairman of the Board, signed by 51% of the participating members of the District. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted thereat except such as is specified in the notice.

Section 3. Notice of meetings of participating members of the District shall be given by mail to each participating member of record directed to the address shown upon the books of the District at least 10 days prior to the meeting. Such notice shall state the nature, time, place and purpose of the meeting, but no failure or irregularity of a notice of any annual meeting, regularly held, shall affect any preceding taken thereat.

Section 4. The participating members present at any meeting of participating members shall constitute a quorum for the purpose of the transacting of business.

Section 5. The order of business at the regular meeting and so far as possible, at all other meetings, shall be:

- (a) Call to Order;
- (b) Proof of Notice of Meeting;
- (c) Reading and approval of minutes of last meeting;

- (d) Report of officers and committees;
- (e) Election of Directors;
- (f) Unfinished Business;
- (g) New Business;
- (h) Adjournment.

### **ARTICLE XIII** **Board Meetings**

Section 1. The Board shall meet annually immediately following the annual meeting of the participating members, and may meet at such or other times as may be determined by the Board, or upon call by the Chairman or any two members of the Board. Notice of all meetings of the Board, other than the annual meeting to be held, shall be by mailing a notice to the last known business or resident address of each Director, at least two (2) days before the holding of such meeting, PROVIDED, HOWEVER, that when all of the Directors are present at any meeting, however called, or consent in writing that such meeting may be held, the proceedings thereat shall be as valid as though the previous written notice aforesaid had been given.

### **ARTICLE XIV** **Manner of Election and Voting**

Section 1. At all meetings of the District, each participating member, qualified as stated in these By-Laws, shall be entitled to vote upon all propositions coming before said District. No cumulative voting shall be permitted and each participating member of the District shall have but one vote.

### **ARTICLE XV** **Seal**

Section 1. The District shall have no corporate seal.

### **ARTICLE XVI** **Fiscal Year**

Section 1. The fiscal year of the District shall begin the first day of January of each year.

### **ARTICLE XVII** **Amendment**

Section 1. These By-Laws may be repealed or amended by vote of three-fourths (3/4ths) of the participating members present at any regular meeting of the District, or at any special meetings of the District called for that purpose except that the participating members shall not have the power to change the purposes of the District so as to impair its rights and powers under the laws of the State of Kansas, or to waive any requirement of bond or other provision for the safety and security of the property and funds of the District or its participating members, or to deprive any participating member or landowner of rights and privileges then existing, or to so amend the By-Laws as to affect a fundamental change in the policies of the District. Notice of any amendment to be made at any regular or special meeting of the participating members must be given at least ten (10) days before such meeting and must set forth the amendments to be considered.

### **ARTICLE XVIII** **Basis of Operation**

Section 1. The District shall, at all times, be operated on a non-profit basis for the mutual benefit of its participating members.

### **ARTICLE XIX** **Benefits and Duties of Members**

Section 1. The District shall install, maintain and operate a main distribution pipe line or lines from the source of water supply, and lines from the main distribution pipe line or lines, to the property line of each participating member of the District or such other point as shall be approved by the Board of Directors, at which point designated as delivery points, meters to be purchased, installed owned and maintained by the District shall be placed.

Section 2. Each participating member shall be entitled to purchase from the District, pursuant to such agreement as may from time to time be provided and required by the District and the Board, such water for domestic, garden and other purposes as a participating member may desire, SUBJECT HOWEVER, to the provisions of these By-Laws and such rules and regulations as may be prescribed by the Board. The water delivered to each participating member shall be metered.

Section 3. In the event the total water supply shall be insufficient to meet all of the needs of the members and users, or in the event there is a shortage of water, the District may prorate the water available among the various members and users on such basis as is deemed equitable by the Board, and may also prescribe a schedule of hours, covering the use of water for garden purposes and require adherence thereto, or prohibit the use of water for garden purposes of at

any time the total water supply shall be insufficient to meet all of the needs of all of the participating members for domestic, garden and other purposes, and the District must first satisfy all of the needs of the participating members for domestic purposes before supplying any water for garden or other purposes.

**ARTICLE XX**  
**Printing**

Section 1. After adoption, these By-Laws shall be prepared in pamphlet form, and a copy thereof shall be delivered to each participating member.