

By –Laws
Of
Rural Membership Water Corporation of Clark County, Indiana

Article I

General purposes

The purposes for which this corporation is formed, and the powers which it may exercise are set forth in the articles of incorporation of the corporation.

Article II

Name and location

Section 1. The name of this corporation is the Rural Membership Water Corporation of Clark County, Indiana.

Section 2. The principal office of this corporation shall be located in the town of Henryville, Clark County, Indiana, but the corporation may maintain offices and places of business at such other places within the state as the board of directors may determine.

Article III

Seal

Section 1. The seal of the corporation shall have inscribed thereon the name of the corporation and the state of incorporation.

Section 2. The secretary of the corporation shall have the custody of the seal.

Section 3. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Article IV

Fiscal year

The fiscal year of the corporation shall begin the first day of January in each year.

Article V

Membership

Section 1. The holders of membership certificates of this corporation are its members. Any bona fide occupant of a dwelling, farm, or other property, including schools, churches, community and eleemosynary organizations, and where otherwise necessary by contract with said organization, corporation, etc., having reasonable accessibility to the source of and who is in need of having water supplied for domestic, livestock, and other purposes from the water system operated by the corporation and who receives the approval of the board of directors may be admitted to membership upon subscribing for otherwise acquiring a membership certificate and by signing such agreement for the purchase of water as may be provided and required by the corporation; provided that no person otherwise eligible shall be permitted to subscribe for or acquire a membership of the corporation if the capacity of the corporation's water system is exhausted by the needs of its existing members. The membership fee shall be \$100.00, non-refundable by order of The Board of Directors July 11, 2017.

Article VI

Membership Certificates

Section 1. The corporation shall not have capital stock, but its capital shall be represented by membership certificates.

Section 2. 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. 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 Rural Membership Water Corporation of Clark County, Indiana.
- B. Transfers of membership certificates shall be made only upon the books of the corporation, only to persons eligible to become members, only with the approval of the Board of Directors and only when the member transferring is free from indebtedness to the corporation.
- C. No member of this corporation shall be entitled to more than one vote at meetings of the members or to hold more than one of the membership certificates of the corporation. Every member upon becoming a member of this corporation agrees to

sign such agreement for the purchase of water from the corporation as may from time to time be provided and required by the corporation.

Section 3. All transfers of membership certificates shall be made upon the books of the corporation upon the surrender of the certificates covering the same by the holders thereof or by their legal representatives but only with the approval of the Board of Directors and only to persons eligible to become members and only when the transferring member is free from indebtedness to the corporation.

Section 4. Each member agrees to sign such water user's agreement as the corporation shall from time to time provide and require.

Article VII

Meetings of members

Section 1. The annual meeting of the members of this corporation shall be held at the town of Henryville, county of Clark, and state of Indiana, at 7:30 p.m., on the first Monday in June of each year, if not a legal holiday, or if a legal holiday, on the next business day following.

Section 2. Notice of meetings of members of the corporation may be given by a notice mailed to each member of record, directed to the address shown upon the books of the corporation, at least ten days prior to the meeting. Such notice shall state the nature, time, place and purpose of the meeting, but no failure of 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 of the corporation for the transaction of business. The voting powers of the members of this corporation shall be equal, each member shall have one vote only, and no voting by proxy shall be allowed.

Section 4. Directors of this corporation shall be elected at the annual meeting of the members.

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

1. Calling 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 VIII

Directors and Officers

Section 1. The Board of Directors of this corporation shall consist of five members, all of whom shall be members of the corporation. The directors named in the articles of incorporation shall serve until the first annual meeting of the members and until their successors are elected and have qualified. At the first annual meeting of the members, one director shall be elected for a term of one year; two directors for a term of two years; and two directors for a term of three years. At each annual meeting thereafter, the members shall elect for a term of three years the number of directors whose terms of office have expired.

Section 2. Beginning April 6, 2004 by the order of the board of directors, any member of the Rural Membership Water Corporation who is interested in being considered for election to serve as a member of the Board of Directors shall complete a letter of intention. The letter of intention form may be obtained from the Rural Membership Water Corporation office at 301 S. Ferguson St. Henryville, IN. The letter of intention must be received by the Rural Membership Water Corporation office prior to the close of the last business day of April, of the year in which the person wishes to be considered for election to the Board of Directors. (See Page 10 Section 2a)

Section 3. The Board of Directors shall meet within ten days after the first election and within ten days after the annual election of directors and shall elect by ballot a President and Vice President from among themselves, and a Secretary-Treasurer, 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.

Section 4. Special meeting of the Board of Directors may be called at any time by the President, or any two directors, on not less than twenty-four hours notice previous to the meeting. Notice of special meeting of the Board of Directors shall be given as provided in Article VII, Section II of these by-laws. Any meeting at which all directors are present shall be legal without notice or waiver. Any director or officer may waive any notice required to be given under these by-laws. Presence of a director in person shall constitute waiver by him of notice of a director's meeting.

Section 5. If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, except by removal from office, a majority of the remaining directors though less than a quorum shall, by majority vote, choose a successor shall hold office until the next annual meeting of the members of the corporation, at which time the members shall elect a director for the unexpired term, or terms.

Section 6. A majority of the Board of Directors shall constitute a quorum at any meeting of the Board.

Section 7. Compensation of officers may be fixed at any regular or special meeting of the members of the corporation.

Section 8. 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 corporation. If presented by a member, the charges must be accompanied by a petition signed by ten percent of the members of the corporation. Such removal shall be voted on at the next regular or special meeting of the members and shall be effective if approved by vote of a majority of the members. 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 at such meeting 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 at such meeting. A vacancy in any office thus created shall be filled by the directors from among their number so constituted after the vacancy in the board has been filled.

Article IX

Duties of directors

Section 1. The Board of Directors, subject to the restrictions of law, the articles of incorporation, or these by-laws shall exercise all of the powers of the corporation, and, without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board of Directors shall have, and hereby are given, full power and authority in respect to the matters and as hereinafter set forth.

- A. To pass upon the qualifications of members, and to cause to be issued appropriate certificates of membership.
- B. To select and appoint all officers, agents, or employees of the corporation or remove such agents or employees of the corporation for just cause, prescribe such duties and designate such powers as may not be inconsistent with these by-laws, fix their compensation and pay for faithful services.
- C. 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.

- 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 corporation and the guidance and control of its officers and employees, and to prescribe adequate penalties for the breach thereof.
- E. To order, at least once each year, an audit of the books and accounts of the corporation by a competent public auditor or accountant. The reports prepared by such auditor or accountant shall be submitted to the members of the corporation at their annual meeting.
- F. To fix the charges to be paid by each member for services rendered by the corporation to him, the time of payment and the manner of collection.
- G. To require all officers, agents, and employees charged with responsibility for the custody of any of the funds of the corporation to give adequate bonds, the cost thereof to be paid by the corporation, and it shall be mandatory upon the directors to so require.
- H. To select one or more banks to act as depositories of the funds of the corporation and to determine the manner of receiving, depositing and disbursing the funds of the corporation 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.

Article X

Duties of officers

Section 1. Duties of the President: the President shall preside over all meetings of the corporation and the Board of Directors, call special meetings of the Board of Directors, perform all acts and duties usually performed by an executive and presiding officer, and sign all membership certificates and such other papers of the corporation as he may be authorized or directed to sign by the Board of Directors, provided the Board of Directors may authorize any person to sign any or all checks, contracts and other instruments in writing on behalf of the corporation. The President shall perform such other duties as may be prescribed by the Board of Directors.

Section 2. Duties of the Vice-President: in the absence or disability of the President, the Vice-President shall perform the duties of the President; provided, however, that in case of death, resignation, or disability of the President, the Board of Directors may declare the office vacant, and elect his successor.

Section 3. Duties of the Secretary-Treasurer: The Secretary-Treasurer shall keep a complete record of all meetings of the corporation and of the Board of Directors and shall

have general charges and supervision of the books and records of the corporation. He shall sign all membership certificates with the President and such other papers pertaining to the corporation as he may be authorized or directed to do so by the Board of Directors. He shall provide a fidelity bond in an amount to cover an amount equal to the largest sum of money in his possession as Secretary-Treasurer at any one time. He shall serve all notices required by law and by these by-laws and shall make a full report of all matters and business 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 corporate seal to all papers requiring seal. He shall keep a proper membership certificate record, showing the name of each member of the corporation and date issuance, surrender, cancellation or forfeiture. He shall make all reports required by law and shall perform such other duties as may be required by law and shall perform such other duties as may be required of him by the corporation or the Board of Directors. Upon election of his successor, the Secretary-Treasurer shall turn over to him all books and other property belonging to the corporation that he may have in his possession. He shall also perform such duties with respect to the finances of the corporation as may be prescribed by the Board of Directors.

Article XI

Benefits and Duties of Members

Section 1. The corporation will install, maintain and operate a main distribution pipe line or lines from the source of the water supply and service lines from the main distribution pipe line or lines to the property line of each member of the corporation, at which points, designated as delivery points, (the water meter will be installed close to the nearest State of County right of way on the members' property. The installation and placement of said water meter will be at Rural Membership Water Corporations discretion), meters to be purchased, installed, owned and maintained by the corporation shall be placed. The cost of the service line or lines from the main distribution pipe line or lines of the corporation to the property line of each member shall be paid by the corporation. The corporation will 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 corporation and to be installed on some portion of the service line owned by the corporation. The corporation shall have the sole exclusive right to use such cut-off valve to turn it on and off.

Section 2. Each member shall be entitled to one service line from the corporation's water system for each connection charge paid according to the size of the meter installed. No new service line or change in an existing service line may be made, etc. The corporation'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 corporation'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 corporation. Each member will be required to dig or have dug a

ditch for the connection of the service line or lines from the property line of the member to his dwelling or other portion of his premises and will also be required to purchase and install the portion of service line or lines from his property line to the place of use on his premises and to maintain such portion of such service line or lines which shall be owned by the member, at his own expense, provided that the corporation may, if the Board of Directors so determines, 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 members.

Section 3. Each member shall be entitled to purchase from the corporation, pursuant to such agreement as may from time to time be provided and required by the corporation, such water for domestic, livestock and other purposes as a member may desire, subject, however, to the provisions of these by-laws and to such rules and regulations as may be prescribed by the Board of Directors, each member shall be entitled to have delivered to him through a single service line only such water as may be necessary to supply the needs of the persons residing in a single dwelling and of the livestock owned by such persons and for such other purposes as needed. The water delivered through each service line shall be metered and the charges for such water shall be determined separately, irrespective of the number of service lines owned by a member.

Section 4. In the event the total water supply shall be insufficient to meet all of the needs of the members or in the event there is a shortage of water, the corporation may prorate the water available among the various members on such basis as is deemed equitable by the Board of Directors, and may also, prescribe a schedule of hours covering use of water by particular members and require adherence thereto or prohibit the use of water for other purposes; provided that if at any time the total water supply shall be insufficient to meet all of the needs of the members for domestic, livestock, and other purposes, the corporation must first satisfy all of the needs of all of the members for domestic purposes before supplying any water for other purposes and must satisfy all of the needs of all of the members for both domestic and livestock purposes before supplying any water for other purposes.

Section 5. The Board of Directors shall have the right in any calendar year to determine the flat minimum monthly to be charged each member, accordingly to size of meter installed, such flat minimum monthly rate to be payable irrespective of whether any water is used by a member during any month, and the amount of additional charges, if any, for additional water which may be supplied the members, shall fix the date for the payment of such charges, and shall notify each member 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 corporation 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 within seven days from the due date will be subject to a penalty of ten percent of the delinquent account.

- B. Non-payment within twenty-four days from the due date will result in the water being shut off from the member's property.
- C. Non-payment for sixty days after original due date will allow the corporation, in addition to all other rights and remedies to purchase the member's membership certificate and terminate his membership, and, in such event, the member shall not be entitled to receive, nor the corporation obligated to supply, any water under this agreement.
- D. In the event it becomes necessary for the corporation to shut off the water from a member's property, a fee of \$50.00 will be charged for a reconnection service.

(See Page 10 for Section 5a)

(See Page 10 for Section 5b)

Section 6. The Board of Directors shall be authorized to require each member to enter into water user's agreement which shall embody the principles set forth in the foregoing sections of this article.

Article XII

Distribution of Surplus Funds

Section 1. It is not anticipated that there will be net income. If there should be any, then at the end of any fiscal year, after paying expenses of the corporation for operation and otherwise, and after setting aside reserve, for depreciation on all buildings, equipment and office fixtures, and such other reserves as the Board of Directors may deem proper and after providing for payments on interest and principal of obligations and amortized debts of the corporation, 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 corporation and for such other purposes as the Board of Directors may determine to be for the best interests of the corporation. The said surplus fund or any portion thereof may from time to time at the discretion of the Board of Directors be applied to said debt of said corporation.

Section 2. Any part or the whole of such net income may be created at the discretion of the Board of Directors to the indebtedness of the corporation, should any exist, and upon payment of all debts of the corporation any surplus so remaining to be placed in a reserve account until such time as the Board of Directors shall deem sufficient for the needs of said corporation. Thereafter, the Board of Directors may reduce said water rates to meet the cost of operation only.

Article XIII

Amendments

Section 1. These by-laws may be replaced or amended by a vote of a majority of the director's present at any regular meeting of the corporation or at any special meeting of the corporation called for that purpose, but shall not have the power to change the purposes of the corporation so as to decrease its rights and powers under the laws of the state. (etc.)

Section 2a (of page 4). Beginning July 11, 2006 by the order of the Board of Directors, any member of the corporation who completes a letter of intention to be considered for election to serve as a member of the Board of Directors, must declare to run for only one (1 seat). (No matter how many seats are going to be available) all ballots used for directors' elections must be approved by the Board of Directors.

Section 5a (of page 9). Beginning February 2, 2011 by the order of the Board of Directors, any member of the corporation who has a leak detected on the meter and has been determined by the corporation to be the members leak will be given notice of leak by an automated phone call and certified letter to fix leak within 30 days of letter. If leak is not fixed by the 30 days given the corporation will then disconnect service until leak is repaired.

***Revised beginning November 7, 2017 by order of the Board of Directors, it is not the responsibility of RMWC for customer leaks. RMWC will use the automated phone call system to deliver a message to the customer stating that an excess of water was used, do not call it a leak, and that it is their responsibility to find and fix the excess water problem.

Section 5b (of page 9) Beginning March 1, 2011 by the order of the Board of Directors, any member of the corporation who owns or has rental property should know when a tenant is moving in or out of a property. The owner of a property or rental property will be held responsible for any water used on a meter no matter if the corporation shows the meter off or not. It is the owner's responsibility to contact the corporation to be sure service has been switched from owner to tenant.

***Revised beginning November 7, 2017 by the order of the Board of Directors, that a Landlord agreement is to be signed by Landlords stating that they acknowledge that they are responsible for any balance left by a renter when renter moves from the property.

Article 5 (of page 2). Beginning July 11, 2017 by order of the Board of Directors, all memberships paid from this day forward are non-refundable. All past memberships will be applied to final bill and membership balance refundable.

Article 6 (of page 7). By order of the Board of Directors at the March 2, 2021 Board Meeting Section 1 will state:

Section 1. The corporation will install, maintain and operate a main distribution pipe line or lines from the source of the water supply and service lines from the main distribution pipe line or lines to the property line of each member of the corporation, at which points, designated as delivery points, (the water meter will be installed close to the nearest State of County right of wat on the members' property. The installation and placement of said water

meter will be at Rural Membership Water Corporations discretion), meters to be purchased, installed, owned and maintained by the corporation shall be placed. The cost of the service line or lines from the main distribution pipe line or lines of the corporation to the property line of each member shall be paid by the corporation. The corporation will 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 corporation and to be installed on some portion of the service line owned by the corporation. The corporation shall have the sole exclusive right to use such cut-off valve to turn it on and off.