

RURAL WATER DISTRICT 1
POTTAWATOMIE COUNTY, KS
5035 FLUSH ROAD
ST. GEORGE, KANSAS 66535
PHONE # 785-456-2452

BYLAWS

BYLAWS

Article 1

Name and Place of Business

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

Section 2. The principal office of this District shall be located in Pottawatomie County, Kansas.

Article 2

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 3

Purpose and Objectives

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

- (a) To acquire water and water rights and to build and acquire pipelines and other facilities, and to operate the same for the purpose of furnishing water for domestic, garden, livestock and other purposes to owners and occupants of land located within the District, and others as authorized by these Bylaws.
- (b) To borrow money and accept grant funds for the purposes aforesaid and in connection therewith to execute evidence of indebtedness, security instruments and appropriate covenants and agreements.
- (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 purposes 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 purposes of the District.
- (g) To do and perform any and all acts necessary or desirable for the accomplishment of the purposes of the District which may lawfully be done by such District under the laws of the State of Kansas.

Article 4

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 subscriber unless he has first subscribed and paid for one or more Benefits Units. Tenants occupying land located within the owners, or someone on behalf of the owners, has subscribed and paid for one or more Benefit Units in favor of the land the tenant is occupying.

Article 5

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 meetings of landowners until ninety (90) days after a declaration 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 of the Benefit Units.

Article 6

Benefit Units

Section 1. The Board shall at the proper 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. Each Benefit Unit shall carry with it the obligation of paying a minimum monthly meter charge from the time service is available. The Board in its discretion may from time to time, if the capacity of the District's facilities permits, make additional Benefit Unit 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 and place an undue burden on the District. Any landowner who feels 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 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 Unit 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 approval of the Board. Benefit Unit Certificates shall be issued by the Board, signed by the Chairman and Secretary, showing name of owner, the tract of land to which the Benefit Unit is assigned, numbered consecutively in the order in which issued.

Section 3. The consideration paid for Benefit Units shall be considered donations to the District and shall in no event and under no circumstances be refunded to the subscriber.

Section 4. 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 books of the District.

Section 5. Each Benefit Unit shall entitle the owner to 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.

Section 6. Failure to pay the minimum monthly meter charge, or failure to pay for water used through a meter, shall constitute a forfeiture of the Benefit Unit on behalf of which failure occurs; Provided, that such Benefit Unit shall be reinstated if within three months after such failure all back charges are paid in full, plus 6% 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 7

Election of Directors

Section 1. The board of this District shall consist of nine (9) 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 years, the number of Directors whose terms of office have expired.

Section 2. Beginning with the 1991 election of Directors, no Director shall serve no more than four, three-year terms, with the exception, that if he stays off one year, then he shall be eligible to serve again. In order to establish one person being elected from each division each year, it may be necessary for 1 or 2 years terms be used. It is recommended that the District be divided into three divisions: The West Division being all of the District in Range 8E. The Center Division being all of the District in Range 9E. The East Division being all of the District in Range 10E. It is further recommended that each Division have three (3) Directors representing their Division with one Director being elected each year from each Division. All participating members present at each annual meeting have the right to vote on all vacancies of Directors of all three (3) Divisions.

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 30 days after subscription to Benefit Units are made available through action of the Board, shall operate to disqualify him as 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 seven (7) 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 10 days before such meeting, whether regular or special, and at the meeting shall 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 seven 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 8

Powers and Duties of Directors

Section 1. The Board, subject to the restrictions of law, and these Bylaws, 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 Bylaws, 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 revenue bonds, and other negotiable and transferable instruments, and to apply for and expend grant funds obtained from the Federal or State Governments or any agency thereof, mortgages, 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 essential or convenient for the conduct of the business and affairs of the District, and the guidance and control of its agents and employees.
- (d) 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.
- (e) 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.
- (f) Prepare annually an estimated budget for the coming year, adjust water rates, if necessary, to produce sufficient revenue required by such budget, cause an annual audit of the District records and accounts to be made by a licenses municipal public accountant or a competent certified public accountant, and make a report on said matters at each annual meeting of participating members.

Article 9

Powers and Duties of Manager

Section 1. The Board may employ a District manager, who shall have charge of all daily business of the District, under the general control, supervision and direction of the Board. The District Manager shall have full authority to employ, supervise, and dismiss all agents and employees of the District and fix their compensation, subject to the Board's general supervision. The District Manager shall report to the Board on a regular basis on all matters requiring Board action and to provide full information to the Board for appropriate review of the activities of the District. The District Manager shall be responsible to perform such other duties and responsibilities as prescribed by the Board.

The Board shall not appoint a Director to serve as District Manager. The manager 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 their 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 other forms as the Board may direct; carefully preserve and turn over to their 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 10

Duties of Officers

Section 1. Chairman: The Chairman, who shall be a member of the Board, shall preside over all meetings of the District and Board, call special meetings of the District and 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 they may be authorized or directed to sign by the Board, provided the Board by 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.

Section 2. Vice-Chairman: In the absence or 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 duty 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. They shall serve, or caused to be served, all notices required to be served by law or the Bylaws of the District; and in case of their 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, they shall submit for the information of the participating members a complete statement or their account for the past year as they 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 11

Books and Records

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

Article 12

Annual Meeting of Participating Members

Section 1. The annual meeting of the participating members of the District shall be held at some suitable location as designated by the Board, at 7:00 P.M. on the second Tuesday of March, unless determined otherwise by the Board.

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

Section 4. 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 13

Board Meetings

Section 1. The Board shall meet annually immediately following the meeting of the participating members and may meet at such or other times as may be determined by the Board, or upon call of the Chairman or any two members of the Board. Notice of all meetings of the Board, other than the annual meeting, shall be by mailing a notice to the last known address or e-mail address of each Director, at least two 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 14

Manner of Election and Voting

Section 1. At the Annual meeting of the District, each participating member, qualified as stated in the Bylaws, shall be entitled to vote upon the election of officers. No cumulative voting shall be permitted and each participating member of the District shall have but one vote.

Article 15

Seal

Section 1. The District shall have a corporate seal, consisting of a circle having in its circumference and face the words, "Rural Water District No. 1, Pottawatomie County, Kansas," which shall be in the custody of the Secretary.

Article 16

Fiscal Year

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

Article 17

Amendment

Section 1. These Bylaws may be repealed or amended by a vote of 3/4ths of the participating members present at any regular meeting of the District, or at any special meeting 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 Bylaws 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 10 days before such meeting and must set forth the amendments to be considered.

Article 18

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 19

Benefits and Duties of Members

Section 1. The District shall install, maintain and operate a main distribution pipeline or lines from the source of the water supply and lines from the main distribution pipeline or lines to the property line of each participating member of the District, 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, livestock, garden and other purposes as a participating member may desire subject, however, to the provisions of these Bylaws 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 pro-rate 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 if at any time the total water supply shall be insufficient to meet all of the needs of all of the participating members for domestic, livestock, 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 livestock purposes and must satisfy all the needs of all the participating members for domestic and livestock purposes before supplying water for garden or other purposes.

Article 20

Printing

Section 1. After adopting, the Bylaws shall be prepared in pamphlet form, and a copy thereof shall be delivered to each participating member.

Amendments to By-Laws

Resolution 2020-1 - Annual meeting changed from February to March - Article 12

Annual Meeting of Participating Members

Resolution 2021-1 –Audit changed to KMAAG – Article 8 (G)

WHEREAS, the Rural Water District #1, Pottawatomie County, Kansas (the District), has determined that the financial statements and financial reports for the year ended December 31, 2020 to be prepared in conformity with the requirements of K.S.A. 75-1120a(a) are not relevant to the requirements of the cash basis and budget laws of this state and are of no significant value to the Board of Directors or the members of the general public of the District and

WHEREAS, there are no revenue bond ordinances or resolutions or other ordinances or resolutions of the municipality which require financial statements and financial reports to be prepared in conformity with. K.S.A. 75-1120a(a) for the year ended December 31, 2020.

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the District, Kansas, in regular meeting duly assembled this 10th day of March 2021 that the Board of Directors waives the requirements of K.S.A. 75-1120a(a) as they apply to the District for the year ended December 31, 2020.

BE IT FURTHER RESOLVED that the Board of Directors shall cause the financial statements and financial reports of the District to be prepared on the basis of cash receipts and disbursements as adjusted to show compliance with the cash basis and budget laws of this State.

Resolution 2022-1 –Audit changed to KMAAG – Article 8 (G)

WHEREAS, the Rural Water District #1, Pottawatomie County, Kansas (the District), has determined that the financial statements and financial reports for the year ended December 31, 2021 to be prepared in conformity with the requirements of K.S.A. 75-1120a(a) are not relevant to the requirements of the cash basis and budget laws of this state and are of no significant value to the Board of Directors or the members of the general public of the District and

WHEREAS, there are no revenue bond ordinances or resolutions or other ordinances or resolutions of the municipality which require financial statements and financial reports to be prepared in conformity with. K.S.A. 75-1120a(a) for the year ended December 31, 2021.

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the District, Kansas, in regular meeting duly assembled this 14th day of March 2022 that the Board of Directors waives the requirements of K.S.A. 75-1120a(a) as they apply to the District for the year ended December 31, 2021.

BE IT FURTHER RESOLVED that the Board of Directors shall cause the financial statements and financial reports of the District to be prepared on the basis of cash receipts and disbursements as adjusted to show compliance with the cash basis and budget laws of this State.

Resolution 2023-1 –Audit changed to KMAAG – Article 8 (G)

WHEREAS, the Rural Water District #1, Pottawatomie County, Kansas (the District), has determined that the financial statements and financial reports for the year ended December 31, 2022 and year ending December 31, 2023 to be prepared in conformity with the requirements of K.S.A. 75-1120a(a) are not relevant to the requirements of the cash basis and budget laws of this state and are of no significant value to the Board of Directors or the members of the general public of the District and

WHEREAS, there are no revenue bond ordinances or resolutions or other ordinances or resolutions of the municipality which require financial statements and financial reports to be prepared in conformity with. K.S.A. 75-1120a(a) for the year ended December 31, 2022 or year ending December 31, 2023

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the District, Kansas, in regular meeting duly assembled this 14th day of March 2023 that the Board of Directors waives the requirements of K.S.A. 75-1120a(a) as they apply to the District for the year ended December 31, 2022 and the year ending in December 31, 2023

BE IT FURTHER RESOLVED that the Board of Directors shall cause the financial statements and financial reports of the District to be prepared on the basis of cash receipts and disbursements as adjusted to show compliance with the cash basis and budget laws of this State.

Resolution 2024-1 –Audit changed to KMAAG – Article 8 (G)

WHEREAS, the Rural Water District #1, Pottawatomie County, Kansas (the District), has determined that the financial statements and financial reports for the year ended December 31, 2024 to be prepared in conformity with the requirements of K.S.A. 75-1120a(a) are not relevant to the requirements of the cash basis and budget laws of this state and are of no significant value to the Board of Directors or the members of the general public of the District and

WHEREAS, there are no revenue bond ordinances or resolutions or other ordinances or resolutions of the municipality which require financial statements and financial reports to be prepared in conformity with. K.S.A. 75-1120a(a) for the year ended December 31, 2024.

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the District, Kansas, in regular meeting duly assembled this 19th day of March 2024 that the Board of Directors waives the requirements of K.S.A. 75-1120a(a) as they apply to the District for the year ended December 31, 2024.

BE IT FURTHER RESOLVED that the Board of Directors shall cause the financial statements and financial reports of the District to be prepared on the basis of cash receipts and disbursements as adjusted to show compliance with the cash basis and budget laws of this State.

Reviewed Date: _____

District Chairman: _____

District Manager: _____