

**BY-LAWS OF  
SILVER CREEK WATER CORPORATION**

**ARTICLE 1**

- Section 1. NAME. The name of this utility shall be the Silver Creek Water Corporation (hereinafter called Utility).
- Section 2. SEAL. This Utility shall possess a seal which shall have inscribed the name of the Utility. The Secretary shall have custody of the seal and shall cause it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.
- Section 3. FISCAL YEAR. The fiscal year of this Utility shall be the same as the calendar year.
- Section 4. A person or entity who becomes a member shall hereinafter be referred to as member.

**ARTICLE II**

- Section 1. MEMBERSHIP. Any person or business having reasonable accessibility to the source of, and who is in need of having water supplied to their place of occupancy or property must be a member of the Utility by obtaining a membership certificate from the Utility. Persons who receive the approval of the Utility may be admitted to membership upon subscribing for a membership certificate and by signing such agreements for the purchase of water as may be provided and required by the Utility. Membership can be denied if the capacity of the Utility's water system is exhausted by the existing members. The current prevailing membership fee shall be paid per membership, upon application for membership in the Utility.
- Section 2. A member ceases to be eligible to hold membership as provided in Article 2, Section 1, if they willfully fail to comply with these by-laws and other requirements, or willfully obstructs the purposes and proper activities of the Utility. The Utility may elect to purchase a members membership certificate and terminate a members membership by tendering members heirs or legal representatives the amount of the membership previously paid, less any indebtedness then due from them to the Utility. Any member whose membership is so terminated for cause other than that of ceasing to be eligible may appeal the action of the Utility to a vote of the members at the next annual meeting of the members or special meeting of the members called for such purpose.
- Section 3. The capital of the Utility shall be represented by membership certificates.
- Section 4. A membership certificate shall be issued to each holder of full paid membership and shall be numbered consecutively in accordance with the 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 number 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 Utility.
  - (b) Transfers of membership certificates shall be made only upon the books of the utility, only to persons eligible to become members, only with approval of the Utility and only when the member or members transferring are free from indebtedness to the utility.
  - (c) No member shall be entitled to more than one vote at a meeting of the members; however each customer must purchase a membership and be issued a separate membership certificate for each service connection. Every member upon becoming a member of this utility agrees to sign such agreements for the purchase of water as may from time to time be provided and required by the utility and agrees in case the member desires to dispose of its membership certificate, to offer the same to the utility at its purchase price and that the member will not make assignment or transfer their membership.
- Section 5. All transfers of membership certificates shall be made upon the books of the Utility and only when the member is free from indebtedness to the Utility.

### ARTICLE III

- Section 1. The annual meeting of the members shall be held at the office of the utility at 7:00P.M., on the first Monday of March each year pursuant to written notice, or at such place, date and time as designated by the Board of Directors.
- Section 2. Special meeting of the members may be called by the Board of Directors and such meeting must be called whenever a petition requesting such meeting is signed by at least ten (10%) percent of the members and presented to the Secretary of the Board of Directors. The purpose of every special meeting shall be stated in the notice thereof. No other business shall be transacted thereof except such as specified in the notice. Such notice shall be mailed to each member of record, directed to the address shown on the books of the Utility at least ten (10) days prior to the meeting, and such notice shall state the nature, time, place and purpose of the meeting but no failure or irregularity of notice of any special meeting, regularly held, shall affect any proceedings taken thereof.
- Section 3. The members present at any meeting of the members shall constitute a quorum at any meeting for the transaction of business. No member shall be entitled to more than one (1) vote, and no voting by proxy shall be allowed.
- Section 4. The order of business at the annual meeting shall be:
- (a) Call to order and proof of quorum.
  - (b) Proof of notice of meeting.
  - (c) Reading of any unapproved minutes.
  - (d) Reports of officers and committees.
  - (e) Election of Directors.
  - (f) Unfinished Business.
  - (g) New Business.
  - (h) Adjournment.

### ARTICLE IV

- Section 1. The Board of Directors of the Utility shall consist of seven (7) persons, all of who shall be members of this utility. At each annual meeting the members shall elect directors for a term of three(3) years. All directors shall serve until their successors are elected and have been qualified. The President of the board shall appoint, no later than the first Monday in January of each year, a nominating committee comprised of one (1) board member, whose term of office will not expire during the year of his appointment, and one (1) member from the membership at large. This nominating committee shall present to the Board of Directors, no later than the 25th day of January of each year, a slate of nominees who will seek a position as a Director at the election to be held on the first Monday of March of each year. The President of the board shall not be a member of this committee. Further, any member of the utility may submit their name in writing to the Secretary of the Board mailed to the office of the Utility, early enough so that it will be in the office of the Utility no later than the 25th day of January of each year. There will be no nominations from the floor at the annual meeting. Any member who follows the above shall have his name placed on the ballot as seeking a position on the Board of Directors. All names of members received as outlined above, and the names of members selected by the nominating committee, shall be posted in a conspicuous place in the office of the utility not less than thirty (30) days prior to the election to be held at the annual meeting Utility. Each person so nominated shall hold a membership in his name on the records of the Utility.
- 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 successor unless sooner removed by death, resignation, or for cause.

- Section 3. Special meeting of the Board of Directors may be called by the President and held at any place stated in the notice thereof, upon giving ten (10) days notice, orally or in writing, without the necessity of stating the purpose of the meeting. Notice of any special meeting may be waived by the members of the board, and the presence of any director at any such meeting shall constitute a waiver of notice thereof.
- Section 4. If the office of any director or officer becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, except by removal from office, the majority of the remaining directors shall choose a successor who shall hold office for the unexpired term of the person the director replaces.
- Section 5. The Officers and Directors shall receive compensation in an amount as approved by the membership at the annual meeting.
- Section 6. 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 Utility. The charges must be accompanied by a petition signed by ten (10%) percent of the membership of the Utility. Such removal shall be voted on at the next regular or special meeting of the members and shall be effective if approved by a vote of majority of the members present. The director or officer against whom such charges have been presented shall be informed in writing of such charges at least five (5) days prior to the meeting and shall have the opportunity to be heard in person or by council and present witnesses; and the person or persons presenting such charges against him shall have the same opportunity. If the removal of a director or officer is approved, such action shall also vacate any other office held by the removed director or officer in the Utility. A vacancy on the board thus created shall immediately be filled by a vote of a majority of the members present and voting. A vacancy in any office then created shall be filled by the Directors from among their number so constituted after the vacancy on the board has been filled.

#### ARTICLE V

- Section 1. The Board of Directors, subject to restriction of law, the Articles of Incorporation, or these by-laws shall exercise all the powers of the Utility, and without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board of Directors shall have, and are hereby given, full power and authority upon approval of the members of the board by a majority vote at regular or special meeting, in respect to the matters hereinafter set forth:
- (a) To pass upon the qualifications of members, and cause appropriate certificates of membership to be issued.
  - (b) To select and appoint all officers, agents, and managers; fix their compensation and pay for services and prescribe their duties consistent with these bylaws.
  - (c) To borrow from any source, money, goods, or services to make and issue notes and other negotiable and transferable instruments and to do every act necessary to effectuate the same.
  - (d) To prescribe, adopt, and amend, from time to time, such equitable uniform rules and regulations as in their discretion, may be deemed essential or convenient for the conducting of business and affairs of the Utility and the guidance and control of its officers and employees, and prescribe adequate penalties for breach thereof.
  - (e) To order an annual audit of the books and accounts by a competent auditor or accountant. The report prepared by such person shall be submitted to the members at the annual meeting.
  - (f) To fix charges to be paid, with IURC approval, the time of payment, and manner of collection by each member for services rendered to the member.
  - (g) To require adequate bonds, the cost thereof to be paid by the Utility, by all officers, agents, and employees charged with responsibility for custody of any kind of funds of the Utility.
  - (h) To select the bank or banks to act as depositories of the funds provided such funds are covered by insurance. To determine the manner in receiving, depositing and disbursing of funds, in the form of checks and the person or persons by whom the same shall be signed with power to make changes thereof at will.

(i) To levy assessments against the membership certificates of the Utility and to enforce the collection of such as assessments in the manner provided for enforcement of collection charges in Article VII, Section 4, hereto, by the forfeiture of delinquent certificates of members failing to pay such assessments within the time prescribed for payment, provided that prior to forfeiture the board must give the member at least thirty (30) days written notice to the last address of the member on the books of the Utility of its intention to forfeit the certificate if the assessment is not paid by specified date.

## **ARTICLE VI**

- Section 1. **DUTIES OF THE PRESIDENT.** The President shall preside at all meetings of the Board of Directors; shall call special meetings of the board; shall perform such other duties as may be presented in these by-laws or assigned to the president by the Board of Directors; and shall sign all membership certificates and such other papers as he may be authorized or directed by the Board of Directors.
- Section 2. **DUTIES OF THE VICE-PRESIDENT.** The Vice-President shall act as aide to the President and shall perform the duties of the President in the absence or inability of that officer to serve.
- Section 3. **DUTIES OF THE SECRETARY.** The Secretary shall record the minutes of all meetings of the Utility and the Board of Directors. The Secretary shall sign all membership certificates with the President and such other papers pertaining to the Utility as he/she may be authorized or directed to do so by the Board of Directors. The Secretary shall serve all notices required by law and by these by-laws and shall make a full report of all matters pertaining to his/her office at the annual meeting. The Secretary shall keep the corporate seal and membership certificates, records of the corporation, issue and affix said seal to all papers requiring same. The Secretary shall keep a proper membership certificate record showing the name and date of issuance. The Secretary will provide to a successor an accurate compilation of minutes and any other books or property belonging to the Utility.
- Section 4. **DUTIES OF THE TREASURER.** The Treasurer shall oversee the handling of all monies of the Utility; and shall keep an accurate record of receipts and expenditures as authorized by the Utility. The Treasurer shall present a financial statement at every meeting of the Board of Directors, and at other times when requested by the board and shall make a full report at the annual meeting. The Utility shall furnish a bond in an amount designated by the Board of Directors.
- Section 5. **DUTIES OF THE DIRECTORS.** Directors shall perform the duties prescribed in the parliamentary authority in addition to those outlined in these by-laws and those assigned from time to time. The directors shall deliver to their successors all official material, records and property within ten (10) days following the meeting at which they are elected and qualified.

## **ARTICLE VII**

- Section 1. The Utility shall install, maintain and operate a main distribution system from the source of water supply and a service line to the meter of each member of the utility. Members meter location will be at a place chosen by the utility.
- Section 2. Each member shall be entitled to purchase such water for domestic purposes as the member may desire, subject to the provisions of these by-laws and to such rules and regulations as may be prescribed by the Board of Directors.
- Section 3. In the event the total water supply shall be insufficient to meet all the needs of the members or in the event of a water shortage, the utility may limit use of the water available among the various members on such basis as deemed equitable by the Utility.
- Section 4. The Utility will apply for rate changes to the Indiana Utility Regulatory Commission as necessary to maintain the financial stability of the utility. The minimum monthly rate as set up in the water rate schedule, will be payable irrespective of whether any water is used by a member during any month. The Utility shall fix the date for the payment of such charges, and shall notify each member of such charges and dates for the payment thereof. A member shall pay such charges at the office of the Utility on or prior to the dates fixed by the Utility. The failure to pay water charges duly imposed shall result in the automatic imposition of the following penalties:

(a) Non-payment. A utility service bill which has remained unpaid for a period of more than seventeen (17) days after a bill is mailed shall become a delinquent bill and a late charge may be added in the amount of ten (10%) per cent of the first three (3) dollars, and (3%) per cent of the excess of three (3) dollars. Non-payment after the 5<sup>th</sup> of the following month that the bill was mailed, will result in the water being shut off at the members property. Non-payment for sixty (60) days from the date the bill was mailed will allow the company to terminate the membership certificate as provided for in Article II, Section 2, of these By-Laws.

(b) Bills for Water Service. Bills rendered periodically to members for water service shall show at least the following information;

1. The dates and meter readings of the meter at the beginning and end of the period for which the water is rendered and the billing date.
2. The number of gallons supplied.
3. The billing rate code, if any.
4. The previous balance, if any.
5. The amount of the individual charges.
6. The sum of the individual charges and the late charge, if any.
7. The date on which the bill becomes delinquent and on which a late payment charge will be added to the bill.
8. If an estimated bill, a clear and conspicuous coding or other indication identifying the bill as an estimated bill.
9. Bills shall inform the customers of the seventeen (17) day non-penalty period.
10. An explanation which can be readily understood of all codes and/or symbols shall be shown on the bill.

Section 5. The Utility shall be authorized to require each member to enter into water users agreements which shall embody the principles set forth in the foregoing Sections of this article.

#### **ARTICLE VIII**

Section 1. Any net income; should there be any at the end of the fiscal year, shall be set aside for maintaining and upgrading the utility as the Board of Directors sees fit.

#### **ARTICLE IX**

The rules contained in Robert's Rules of Order revised shall govern the society in all cases to which they are applicable, and in which they are not inconsistent with the Articles of Incorporation, By-Laws, and Rules and Regulations of this utility.

#### **ARTICLE X**

Section 1. Amendments of these by-laws may be adopted by a vote of a majority of the members present at any special or regular meeting of the utility if the members have been given at least ten (10) days notice in writing of said meeting. Copies of the proposed amendment(s) will be available at the office of the Utility.