



**WATSON WATER COMPANY  
AMENDED AND RESTATED BY-LAWS**

Dated December 16<sup>th</sup> , 2022

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## **ARTICLE I General**

Section 1. Company Name. The name of this company shall be “Watson Water Company, Inc.” (the “Company”).

Section 2. Company Location. The offices of this Company shall be in Utica Township, Clark County, State of Indiana.

Section 3. Seal. This Company may possess a seal inscribed with the name of the Company, the year of its organization and the words, “Non-Stock Company, Watson Water Company, Inc.”

Section 4. Fiscal Year. The fiscal year of this Company shall be the same as the calendar year.

## **ARTICLE II Membership**

Section 1. Member Qualifications. Except as otherwise provided in these By-laws, an individual or Entity may become and remain a Member of the Company only if: (1) the individual or Entity is a person with the capacity to enter legally binding contracts (“Person”); and (2) the Person consumes, receives, purchases, or otherwise uses, or requests or agrees to use water generated, transmitted, distributed, sold, supplied, furnished, or otherwise provided by the Company.

An “Entity” includes a domestic or foreign: company; business or nonprofit corporation; sole proprietorship; unincorporated association; limited liability company; partnership; trust; estate; Persons having a joint or common economic interest; and local, regional, state, federal, or national government, including an agency or division of a government.

Section 2. Membership Procedure. Except as otherwise provided in these By-laws or by the Board of Directors (“Board”), a qualified Person seeking to become or remain a Member (“Applicant”) must complete the procedures stated in these By-laws to the Company’s satisfaction (“Membership Procedures”) before using, or requesting or agreeing to use, water supplied by the Company.

(a) Membership Agreement. To become a Member, an Applicant must complete and sign a written membership agreement provided by the Company in which the Applicant agrees to become a Member and:

- (1) comply with the Governing Documents;
- (2) ensure that Member Equipment connected to Company Equipment, and any act or omission involving Member Equipment connected to Company Equipment, complies with the Governing Documents; and

- (3) pay the Company at prices, rates, or amounts determined by the Board, and pursuant to the terms, conditions, time, and manner specified by the Company, for: (1) water supplied by the Company; (2) assessments, fees, deposits, contributions, and other amounts required by the Governing Documents; and (3) interest, late payment fees, and collection costs, including attorney and collection fees, related to amounts owed, but not timely paid, to the Company.

The “Governing Documents” are the written Membership Agreement signed by an Applicant or Member and the following documents and actions, all as currently existing or as later adopted or amended: (1) all law regarding or affecting the Company’s property, property rights, and assets (“Assets”), the Company’s operation, the Company’s Members, the provision and use of Company Services, Company Equipment, and Member Equipment connected to Company Equipment; (2) the Company’s Articles of Incorporation; (3) these By-laws; (4) the Company’s service rules and regulations; (5) the Company’s rate or price schedules; and (6) all rules, regulations, requirements, guidelines, procedures, policies, programs, determinations, resolutions, or actions taken, adopted, promulgated, or approved by the Board. A copy of these By-laws and other Governing Documents shall be made available for inspection by any Member at the Company’s office.

“Company Equipment” is a product, equipment, structure, facility, or other good owned, controlled, operated, or furnished by the Company. “Member Equipment” is a product, equipment, structure, facility, or other good: (1) owned, controlled, operated, or furnished by an Applicant or Member; and (2) located on property owned, controlled, operated, or furnished by an Applicant or Member.

(b) Required Information. To become or remain a Member, an Applicant must: (1) give the Company all information requested by the Company, and (2) complete any additional or supplemental document, contract, or action required by the Board for the Company Service which the Applicant is using or requesting or agreeing to use. Except as required by law or otherwise provided in these By-laws, the Company will not release, disclose, or disseminate personally identifiable, proprietary, or confidential information regarding a Member.

(c) Required Payments and Fees. Except as otherwise provided in these By-laws or by the Board, an Applicant shall pay the Company: (1) assessments, fees, deposits, contributions, and other amounts required by the Governing Documents; and (2) outstanding amounts owed to the Company by the Applicant. Beginning on 12/17/2022 a non-refundable administrative fee of One-Hundred (\$100.00) dollars shall be paid per membership upon application for membership in the Company. Any membership fee paid to the Company prior to 12/17/2022 may be refundable pursuant to these By-laws or applicable Law.

Section 3. Lost Eligibility of Membership. A Member ceases to be eligible to hold a membership, as provided herein, in the event of death, willful failure to comply with the Governing Documents, willful obstruction of the purposes and proper activities of the Company, or the Member no longer receives Company Service. The Board may elect to purchase the Member's membership rights and terminate the Member's membership upon tender to the Member or his or her heirs or legal representative the fair book value of the membership as determined by the Board in its sole discretion, together with any patronage dividends due and unpaid, less any indebtedness

then due from the Member to the Company. Any Member whose membership is terminated for cause other than that of ceasing to be eligible may appeal from the action of the Board to a vote of the Members at the next meeting of the Members or Special Member Meeting for such purpose, however, the cost of calling a Special Member Meeting shall be borne by the Member appealing the Board action.

Section 4. Provision of Company Service. A Member shall comply with any reasonable procedure required by the Company regarding the provision of services by the Company (each a “Company Service”). Based upon different costs of providing a Company Service to different groups of Members, the Company may charge each group a different rate or price for providing the Company Service.

Section 5. Member Liabilities and Dispute Resolution. A Member shall comply with the Governing Documents, and shall pay the Company for the Company’s damages, costs, or expenses, including attorney fees and legal expenses, caused by or associated with the Member’s failure to comply with the Governing Documents. If a Member fails to comply with the Governing Documents, then, as provided in these By-laws, the Company may suspend or terminate the Member, or a Company Service provided to the Member. Regardless of whether money damages are available or adequate, the Company may bring and maintain a legal action to enjoin the Member from violating the Governing Documents; and bring and maintain a legal action to order the Member to comply with the Governing Documents.

As requested by the Company, a Member shall: (1) submit a claim or dispute between the Member and the Company regarding the Governing Documents, the Company’s provision of a Company Service, or the Member’s use of a Company Service to mediation and/or arbitration at Company’s sole option and shall comply with any arbitration award; and (2) indemnify the Company for, and hold the Company harmless from, liabilities, damages, costs, or expenses, including reasonable attorney fees and legal expenses, incurred by the Company, or by a Company Director, Officer, employee, agent, or representative (“Company Official”), and caused by the Member’s negligence, gross negligence, or willful misconduct, or by the unsafe or defective condition of a Location occupied by the Member.

In general, a Member is not liable to third parties for the Company’s acts, debts, liabilities, or obligations solely because of membership in the Company. A Member may become liable to the Company as provided in the Governing Documents or as otherwise agreed to by the Company and the Member.

Section 6. Joint Membership. Persons who qualify to be Members may hold a joint membership in the Company (“Joint Membership”). A Joint Membership may consist only of individuals occupying the same Location to or for which the Company provides or will provide a Company Service, each of whom qualifies to be a Member.

(a) Creating a Joint Membership. To become a Joint Member of the Company, qualified Persons must jointly complete the Membership Procedures within a reasonable time of initially using, or requesting or agreeing to use, the first Company Service used or to be used by the Persons. Qualified Persons become Joint Members of the Company (“Joint Members”) and consent to being Joint Members in the same manner as Members become Members and consent to being Members.

As provided or allowed by the Board, a Member may convert the Member's individual membership to a Joint Membership with a qualified Person.

(b) Rights and Obligations of Joint Members. Except as otherwise provided in these By-laws, a Joint Member has and enjoys the rights, benefits, and privileges, and is subject to the obligations, requirements, and liabilities, of being a Member. Joint Members are jointly and severally liable for complying with the Governing Documents. As used in these By-laws and except as otherwise provided in these By-laws, a Membership includes a Joint Membership and a Member includes a Joint Member. For a Joint Membership:

- (1) notice of a meeting provided to one Joint Member constitutes notice to all Joint Members;
- (2) waiver of notice of a meeting signed by one Joint Member constitutes waiver of notice for all Joint Members;
- (3) the presence of one or more Joint Members at a meeting constitutes the presence of one Member at the meeting;
- (4) the presence of one Joint Member at a meeting waives notice of the meeting for all Joint Members;
- (5) if only one Joint Member votes on a matter; signs a petition, consent, waiver, or other document; or otherwise acts, then the vote, signature, or action binds the Joint Membership and constitutes one vote, signature, or action;
- (6) if more than one Joint Member votes on a matter; signs a petition, consent, waiver, or other document; or otherwise acts, then each vote, signature, or action constitutes a vote, signature, or action divided pro rata based upon the number of voting Joint Members;
- (7) except upon the cessation of marriage, cessation of the legally recognized relationship, failure to occupy the same Location to or for which the Company provides or will provide a Company Service, the suspension or termination of a Joint Member constitutes the suspension or termination of all Joint Members; and
- (8) a Joint Member qualified to be a member of the Board ("Director") may be a Director, regardless of whether another Joint Member is qualified to be a Director, but if more than one Joint Member is qualified to be a Director, then only one Joint Member may be a Director.

(c) Terminating a Joint Membership. Joint Members shall notify the Company in writing of a cessation of marriage, cessation of the legally recognized relationship, failure to occupy the same Location to or for which the Company provides or will provide a Company Service. Upon determining or discovering the cessation of marriage, cessation of the legally recognized relationship, failure to occupy the same Location to or for which the Company provides or will provide a Company Service:

- (1) if one Joint Member remains qualified to be a Member and continues to use a Company Service at the same Location, then the Joint Membership converts to a membership comprised of this Person;

- (2) if more than one Joint Member remains qualified to be a Joint Member and continues to use a Company Service at the same Location, then the Joint Membership converts to a membership comprised of these Persons;
- (3) if all Joint Members remain qualified to be Joint Members and continue to use a Company Service at the same Location, then the Joint Membership converts to a membership of Persons determined by the Company; and
- (4) if no Joint Member remains qualified to be a Member and continues to use a Company Service at the same Location, then the Joint Membership terminates.

Section 7. Payment for Company Service. At prices, rates, or amounts determined by the Board, and pursuant to terms, conditions, time, and manner specified by the Company, a Member shall pay the Company for: (1) Company Services provided to the Member or provided to or for a Location occupied by the Member; and (2) assessments, fees, deposits, contributions, or other amounts required by the Governing Documents.

Section 8. Member Suspension.

(a) Reasons for Suspension. The Company may suspend a Member for the following reasons (“Suspension Reasons”):

- (1) as provided in the Governing Documents;
- (2) as determined by the Board for good cause;
- (3) the Member is no longer qualified to be a Member;
- (4) the Member does not timely pay an undisputed amount due the Company;
- (5) the Member violates or does not timely comply with the Governing Documents;
- (6) the Member ceases using a Company Service for (3) three consecutive months; or
- (7) the Member requests suspension.

(b) Timing of Suspension. Except as otherwise provided in these By-laws or by the Board, a Member is suspended upon:

- (1) the Member’s request for suspension; or
- (2) the Company: (A) providing the Member written notice of the Member’s possible suspension and the applicable Suspension Reason at least five (5) days before the possible suspension; (B) notifying the Member that the Member has a right to, and allowing the Member an opportunity to, comment upon the Suspension Reason orally or in writing at least five (5) days after the Company provides the notice; and (C) determining to suspend the Member.

The Company must provide any written suspension notice to the Member’s most current address shown on the Membership List.

(c) Effect of Suspension. Upon a Member’s suspension:



- (1) other than the Company's obligations regarding patronage dividends and dissolution, the Company's duties, obligations, and liabilities imposed by the Governing Documents for the Member cease and the Company may cease providing a Company Service to the Member; and
- (2) other than the Member's rights upon the Company's dissolution or the termination of a membership, the Member forfeits and relinquishes rights provided in the Governing Documents but remains subject to obligations imposed by the Governing Documents. In particular, a suspended Member may not receive notice, nominate, vote, remove, demand, request, petition, consent, or otherwise act as provided in the Governing Documents.

(d) Removal of Suspension. Unless the Company determines otherwise, a Member's suspension is lifted upon the Member rectifying the applicable Suspension Reason within five (5) days of the suspension. The Company may lift a Member suspension for good cause determined by the Board.

### **ARTICLE III**

#### **Member Meetings and Member Voting**

Section 1. Annual Membership Meeting. The annual meeting of the Members ("Annual Meeting") shall be at the offices of the Company or at such place (including electronic or virtual means by which the participants may contemporaneously communicate with each other) and time designated by the Board, within Clark County, Indiana, as is reasonably convenient to a majority of the Members on a date which coincides with a regular monthly Board meeting ("Board Meeting"). The Company's failure to hold an Annual or Special Member Meeting (each a "Member Meeting") does not affect an action taken by the Company.

Section 2. Special Membership Meetings. The Company shall hold a special meeting of Members ("Special Member Meeting") upon receiving: (1) a written request from any three members of the Board; (2) a written or oral request of the President; or (3) one or more written demands signed and dated within thirty (30) days after the first signature by at least (10%) ten percent of the total number of unsuspended Members, with each page of each written demand requesting and describing the purpose of the meeting. The Board shall determine the date, time, and location (including electronic or virtual means by which the participants may contemporaneously communicate with each other) of a Special Member Meeting. No business shall be transacted at a Special Member Meeting except such as is specified in the notice. Such notice shall be mailed to each Member of record, directed to the address shown on the books, at least (10) ten days prior to the meeting; and such notice shall state the nature, time, place and purposes of the meetings.

Section 3. Quorum. The Members present at any meeting of the Members, whether in-person or by other means by which the participants may contemporaneously communicate with each other, shall constitute a quorum at any meeting for the transaction of business. No Member shall be entitled to more than one vote only regardless of the number of connections or meters provided to the Member and no voting by proxy shall be allowed.

Section 4. Member Action Without a Member Meeting. Except as otherwise provided in these By-laws, Members may not act without a Member Meeting.

Section 5. Notice of Member Meetings. As directed by the President, Secretary, or any other Officer or Member properly calling the Member Meeting, the Company shall deliver written notice of a Member Meeting personally or by mail or electronic means, either with or without other documents, to all Members. This notice must indicate the date, time, and location of the meeting and must be delivered at least (10) ten days, but no more than (60) sixty days, before the meeting. For a Special Member Meeting, this notice must state the purpose of the meeting and describe any matter to be considered or voted or acted upon at the meeting. This notice must describe any matter that Members have properly requested be raised and discussed at the meeting. No failure or irregularity of notice of any Annual Meeting, regularly held, shall affect any proceedings taken thereat.

Section 6. Order of Business. The order of business at the Annual Meeting, and so far as possible and applicable, at all other membership meetings, shall be:

- (a) Call to order and proof of quorum.
- (b) Proof of notice of meeting.
- (c) Reading and action on any unapproved minutes.
- (d) Reports of Officers and committees.
- (e) Election of Directors (in the case of Annual Meetings).
- (f) Unfinished business (in the case of Annual Meetings).
- (g) New business (limited to purposes stated for Special Member Meetings).
- (h) Adjournment.

Section 7. Member Waiver of Notice. A Member may waive notice of a Member Meeting, or of a matter to be considered, or voted or acted upon, at a Member meeting, by signing and delivering to the Company a written waiver of notice ("Member Meeting Waiver of Notice") either before the Member Meeting or within thirty (30) days after the Member Meeting.

Unless a Member objects to holding a Member Meeting, or to transacting business at the Member Meeting, the Member's attendance in person at the Member Meeting or knowledge of the Member Meeting waives the Member's objection to lack of notice, or to defective notice, of the Member Meeting. Unless a Member objects to considering, or voting or acting upon, a matter at a Member Meeting, the Member's attendance in person at the Member Meeting or knowledge of the Member Meeting waives the Member's objection to considering, or voting or acting upon, the matter at the Member Meeting.

Section 8. Member Voting. If a Member presents identification or proof of Company membership as reasonably required by the Company, and if the Member is not suspended as of the date when a membership vote occurs, then, regardless of the value or quantity of Company Services used, the Member may cast one (1) vote on a matter for which the Member is entitled to vote. To

vote for an Entity Member, an individual must present evidence requested by and satisfactory to the Company that the individual is authorized to vote for the Entity Member.

Except as otherwise provided in these By-laws, Members approve a matter if: (1) a Member quorum is present; and (2) a majority of Members present in person or by means by which the participants may contemporaneously communicate with each other, who are entitled to vote on the matter, vote in favor of the matter.

At a Member Meeting, the individual presiding over the Member vote may require the Members to vote by voice. If the individual presiding over the Member vote determines, in good faith, that a voice vote is not sufficient to accurately determine the vote results, then the Members shall vote by written ballot, or in any other reasonable manner determined by the Board. Members may not cumulate votes.

## **ARTICLE IV**

### **Board of Directors**

Section 1. Director Qualifications. The Board shall consist of the number of Directors as set from time to time by the Board, provided that the Board shall consist of no less than five (5) Directors and no more than nine (9) Directors.

(a) Qualifications. To become and remain a Director, a Person must comply with the following qualifications (“Director Qualifications”):

- (1) be a Member whose membership has not been suspended;
- (2) for at least six (6) continuous months immediately prior to director elections, and for at least eleven full months during each calendar year, purchase water from the Company;
- (3) have the capacity to enter into legally binding contracts;
- (4) not have been previously removed or disqualified as a Director;
- (5) not be an existing employee or immediate family member or close relative of an existing employee;
- (6) not be a former employee whose employment was involuntarily terminated by the Company;
- (7) not be a former employee who has been employed at the Company twelve (12) months prior to the Director election;
- (8) while a Director, and during the ten (10) years immediately before becoming a Director, not be convicted of, or plead guilty to, a felony, more than two (2) misdemeanors, or any crime of dishonesty;
- (9) before becoming a Director, graduate from high school or earn an equivalent degree or GED certification;

(10) except as otherwise provided by the Board for good cause, attend at least two-thirds of all Board Meetings during each calendar year; and

(11) comply with any other reasonable qualifications determined by the Board.

(b) Director Disqualification. Notwithstanding Section 7 below, after being elected or appointed, if a Director does not comply with all Director Qualifications, then, except as otherwise provided by the Board for good cause, the Board may disqualify the Director and the individual is no longer a Director if:

(1) the Board notifies the Director in writing of the basis for, and provides the Director an opportunity to comment regarding, the Board's proposed disqualification; and

(2) within thirty (30) days after the Board notifies the Director of the proposed disqualification, the Director neither complies with nor meets the Director Qualification.

If a majority of Directors complies with the Director Qualifications and approves a Board action, then the failure of a Director to comply with the Director Qualifications does not affect the Board action.

Section 2. Director Nominations. The President of the Board shall appoint, no later than sixty (60) days before the Member Meeting at which an election is to take place, a nominating committee comprised of two (2) Directors, whose term of office will not expire during the year of his or her appointment, and one (1) Member from the membership at large. This nominating committee shall present to the Board, no later than forty-five (45) days before the Member Meeting at which an election is to take place, a slate of nominees who will seek a position as a Director at the election to be held on the same day which the Board conducts its regular Board Meeting. The President of the Board shall not be a member of the committee. Further, any Member of the corporation may submit their name in writing, for Director, to the Secretary of the Board, mailed to the office of the Company, early enough so that it will be in the office of the Company no later than forty-five (45) days before the Member Meeting at which an election is to take place. There will be no nominations from the floor at the meeting. Any Member who follows the above shall have their name placed on the ballot as seeking a position on the Board. All names of Members received as outlined above, shall be posted in a conspicuous place in the office of the Company not less than thirty (30) days prior to the election at the site selected by the Board. The Board shall determine the date of the Member Meeting at which elections are to occur sixty (60) days in advance and shall notify the membership of such meeting by United States first class mail, sufficient postage prepaid, not later than the next billing cycle which follows the setting of the meeting date.

Section 3. Term. At each Annual Meeting, the Members shall elect for a term of six (6) years the number of Directors whose terms of office have expired.

Section 4. Election of Officers. The Board shall meet within ten (10) days after their election and shall elect by ballot a president, vice-president, secretary and treasurer (or secretary-treasurer) (each an "Officer") from their number, each of whom shall hold office until the next Annual

Meeting and until election and qualification of their successor unless sooner terminated by death, resignation or for cause.

Section 5. Director/Officer Vacancies. If the office of any Director or Officer becomes vacant by reason of death, resignation, retirement, disqualification, or otherwise, except by removal from office, a majority of the remaining Directors shall choose a successor who shall hold office until the next meeting of the Members at which time the Members shall elect a Director for the unexpired term or terms.

Section 6. Director Compensation. A Director is not an employee of the Company. As determined or approved by the Board, however, the Company may reasonably and fairly compensate Directors a fixed fee and expenses for attending a Board Meeting, attending functions or events involving or relating to the Company, or attending a function or event involving, relating to, or reasonably enhancing the Director's ability to serve in the role of Director. The Board must determine or approve the manner, method and amount of any Director compensation. Directors may be reimbursed for mileage at the rate approved by the Internal Revenue Service for travel involving Company business. Officers may receive a higher level of compensation than non-officers. Per diem or stipend amounts for Director compensation may not be changed any more often than once per twelve (12) continuous months.

Section 7. Director Removal from Office. 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 Company. The charges must be accompanied by a petition signed by ten percent (10%) of the membership of the Company. Such removal shall be voted on at the next Member Meeting and shall be effective if approved by a vote of the majority of the Members present. If the Annual Member Meeting is more than sixty (60) days from date the charges are filed against any Director or Officer, a Special Member Meeting shall be called to discuss the removal of the Director or Officer. The Director or Officer against whom such charges have been presented shall be informed in writing of such charges no less than fifteen (15) days prior to the meeting. The Director or Officer against whom charges have been made shall have the following rights: to confront and cross-examine any witnesses who testify against him or her, the opportunity to be heard in person or by counsel, the right to present witnesses. Any person who signed the petition which presents charges against a Director or Officer may be represented by counsel at his or her own expense, and not at the expense of the Company, and shall have the burden of establishing the charges by a preponderance of the evidence and the right to cross-examine any witnesses who testify on behalf of the Director or Officer charged. If the removal of a Director is approved, such action shall also vacate any other office held by the removed Director. A vacancy in the Board thus created shall immediately be filled by a vote of majority of the Members present and voting. A vacancy in any office thus created shall be filled by the Directors from among their number so constituted after the vacancy in the Board has been filled.

Section 8. Standards of Conduct.

(a) Director Standard of Conduct. A Director is not deemed a trustee regarding the property held or administered by the Company, including property potentially subject to

restrictions imposed by the property's donor or transferor. A Director shall discharge the Director's duties, including duties as a Board Committee member:

- (1) in good faith;
- (2) in a manner the Director reasonably believes to be in the Company's best interests;
- (3) when becoming informed in connection with the Director's decision-making function or devoting attention to the Director's oversight function, with the care that an individual in a like position would reasonably believe appropriate under similar circumstances; and
- (4) in a manner in which the Director discloses or causes to be disclosed to other Directors or Board Committee members information not known by them, but known by the Director to be material to discharging their decision-making or oversight functions, except that disclosure is not required to the extent that the Director reasonably believes that disclosure would violate a duty imposed under law, a legally enforceable obligation of confidentiality, or a professional ethics rule.

(b) Director Reliance on Others. Unless a Director has knowledge making reliance unwarranted, in discharging the Director's duties, including duties as a Board Committee member, the Director may rely on the performance by any of the following individuals listed in (1) or (3) to whom the Board has formally or informally delegated the authority or duty to perform one or more of the Board's delegable functions, and upon information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by any of the following individuals:

- (1) one or more Company Officers or employees whom the Director reasonably believes to be reliable and competent in the functions performed or the information, opinions, reports, or statements provided;
- (2) legal counsel, public accountants, or other individuals retained by the Company regarding matters involving skills or expertise the Director reasonably believes are matters within the individual's professional or expert competence and as to which the individual merits confidence; and
- (3) a Board Committee of which the Director is not a member if the Director reasonably believes the Board Committee merits confidence.

## **ARTICLE V**

### **Powers of Board of Directors**

The Board, subject to restrictions of law, the Articles of Incorporation, and/or these By-laws, shall exercise all of the powers of the Company, and without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board shall have, and are hereby given, full power and authority, upon approval of the Directors by a majority vote at a regular Board Meeting or Special Board Meeting, in addition to other powers as provided in law or these By-laws, with respect to the matters as hereinafter set forth:

(a) To pass upon the qualifications of Members, and to cause appropriate membership to be issued.

(b) To select and appoint all Officers, agents and employees and remove same in accordance with these By-laws and applicable law, fix their compensation and pay for services, and prescribe their duties as may be not inconsistent with these By-laws.

(c) To borrow from any source, money, goods, or services and to make and issue notes and other negotiable and transferrable 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 conduct of the business and affairs of the Company and the guidance and control of its Officers and employees, and to 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, the time of payment, and manner of collection by each Member for services rendered to him or her.

(g) To require adequate bonds, the cost thereof to be paid by the Company, by all Officers, agents, and employees charged with responsibility for custody of any funds of the Company.

(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 of receiving, depositing, and disbursing of funds, and the form of checks and the person or persons by whom the same shall be signed with the power to make changes thereof at will.

(i) To levy assessments against Members of the Company and to enforce the collection of such assessments in the manner provided for enforcement of collection of water charges by the revocation of delinquent memberships failing to pay such assessments within the time prescribed for payment, provided, that prior to such revocation the Board must give the Member at least thirty days written notice at the last address of the Member on the books of the Company of its intention to revoke the membership if the assessment is not paid by a specified date.

(j) To enter into contracts, agreements, or other arrangements as required by law or reasonably required or necessary to provide water service to the Members.

(k) To conduct Board Meetings or Special Board Meetings (as hereinafter defined), and any voting related thereto, in person or through telephonic, virtual or electronic means by which all participants can contemporaneously hear one another.

## **ARTICLE VI**

### **Duties of Officers**

Section 1. President. The President shall preside at all meetings of the Company and of the Board, shall call special meetings of the Board (“Special Board Meetings”), shall perform such other duties as may be prescribed in these By-laws or assigned to him or her by the Board, and shall sign all memberships and such other papers as he or she may be authorized or directed to sign by the Board.

Section 2. 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. Secretary. The Secretary shall record the minutes of all meetings of the Company and of the Board. He or she shall sign all memberships with the President and such other paper pertaining to the company as he may be authorized or directed to do so by the Board. He or she shall serve all notices required by law and by these By-laws and shall make a full report of all matters pertaining to his or her office to the Members at the Annual Meeting. He or she shall keep the corporate seal and membership records of the Company and shall affix the seal to all papers requiring same. He or she shall keep a proper membership record, showing the name, date of issuance, surrender, cancellation, or forfeiture. He or she shall perform such duties as may be delegated to him or her including the turnover to his or her successor all books and other property belonging to the Company that he or she may have in his or her possession.

Section 4. Treasurer. The Treasurer shall receive all moneys of the Company, shall keep an accurate record of receipts and expenditures and shall pay out funds as authorized by the Company. The Treasurer shall present a financial statement every meeting of the Board and at other times when requested by the Board and shall make a full report at the Annual Meeting. The Treasurer shall furnish the Company a fidelity bond in an amount equal to the largest sum of funds in his or her possession at any time.

Section 5. Additional Duties. All Officers 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 Officers 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**

### **Company Service**

Section 1. Company Services. The Company will install, maintain and operate a main distribution pipe line or lines from the source of water supply, and service lines from the main distribution line or lines to the property line of each Member of the Company, at which points, designated as delivery points, meters to be purchased, installed, owned and maintained by the Company shall be placed. The cost of the service line or lines from the main distribution line or lines to the Company to the property line of each Member shall be paid in accordance with a schedule of fees as adopted by the Board. The Company will also 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 Company and to be installed on some portion of the service line owned by the Company. The Company shall have the sole and exclusive right to use such cut-off valve to turn it on and off.

Section 2. Service Lines. Each Member shall be entitled to not to exceed one (1) service line from the Company's water system unless otherwise approved by the Board and provided that the Member shall be required to pay the prevalent tap fee for each service line. No new service line or change in an existing service line may be made which will interfere with an existing service line or the delivery of water therein. Each service line shall connect with the Company's water system at the nearest available place to the place of desired use by the Member if the Company'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 Company'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 Company. Each Member will be required to dig or have dug a ditch, to purchase and install, and to maintain such portion of the service line or lines from the property line of the Member to his or her own dwelling or other place of use on the Member's premises at the Member's own expense, provided that the Company may, if the Board so elects, 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 Member.

Section 3. Insufficient Supply. In the event the total water supply shall be insufficient to meet all the needs of the Member or in the event of a water shortage, the Company may prorate the water available among the various Members on such basis as is deemed equitable by the Board.

Section 4. Rates and Charges. The Board may determine the water rates to be charged at any time as needed to assure the fiscally sound operation of the Company. The flat minimum monthly rate as set up in the water rate schedule for the year, will be payable irrespective of whether any water is used by a Member during any month. The Board shall fix the date for the payment of such charges and shall notify each Member or cause each Member to be notified of the amount of such charges and dates for the payment thereof. A Member to be entitled to the delivery of water shall pay such charges at the office of the Company at or prior to the dates fixed by the Board.

Section 5. Interruption of Company Service. The Company shall provide Company Services to Members in a reasonable manner. The Company, however, does not insure, guarantee, or warrant that it will provide adequate, continuous, or non-fluctuating water service or other Company Service. As necessary to safely, reliably, and efficiently operate the Company and provide a Company Service, the Company may temporarily suspend or terminate provision of a Company Service. The Company is not liable for damages, costs, or expenses, including attorney fees or legal expenses, caused by the Company providing inadequate, non-continuous, or fluctuating water service or other Company Service, unless the damages, costs, or expenses are caused by the Company's gross negligence or willful misconduct. The Company's responsibility and liability for providing a Company Service terminate upon delivery of the Company Service to a Member.

Section 6. Safe and Protected Operation of Company. A Member shall take or omit any act required by the Company to safely, reliably, and efficiently operate the Company and provide a

Company Service, which act involves: (1) a location occupied by the Member and to or for which the Company provides or will provide a Company Service (“Location”); (2) real or personal property in which the Member possesses a legal or equitable right or interest (“Member Property”); (3) Company Equipment; or (4) Member Equipment connected to Company Equipment. A Member shall: (1) protect Company Equipment and Member Equipment connected to Company Equipment; and (2) install and maintain any protective device, and implement and follow any protective procedure, required by the Company. A Member shall not tamper with, alter, interfere with, damage, or impair Company Equipment. Except as otherwise provided by the Board, the Company owns all Company Equipment.

Section 7. Limitation on Fire-Suppression Services. The Company does not provide any representations or warranties that its water service or other Company Services are adequate to provide adequate pressure or volumes of water to provide fire suppression to Class 1 Structures as described in the Indiana Building code to Member Property or using Member Equipment. A Member who installs fire-suppression facilities on its premises shall: (1) adhere to all applicable building codes; (2) obtain a review by the fire department serving its location concerning the placement and requirements for fire-suppression systems; and (3) conduct a flow study with a representative from the Company present; and (4) obtain a backflow inspection. The Company’s participation in any of those requirements does not constitute an agreement to provide fire-suppression services or a warranty or guaranty that any fire-suppression facilities will function adequately or as anticipated.

Section 8. Member Equipment Connected to Company Equipment. Except as otherwise provided by the Board, before Member Equipment is connected to Company Equipment, the Company must approve the connection. Before and while Member Equipment is connected to Company Equipment, the Member:

- (a) shall comply with, and shall ensure that the Member Equipment, the connection, and any act or omission regarding the Member Equipment and the connection comply with the Governing Documents, including terms, conditions, requirements, and procedures required by the Company regarding the Member Equipment and the connection;
- (b) shall ensure that the Member Equipment and the connection do not adversely impact the Company’s ability to safely, reliably, and efficiently operate the Company or provide a Company Service;
- (c) grants the Company the right to inspect the Member Equipment and the connection to determine whether the Member Equipment and connection comply with the Governing Documents;
- (d) grants the Company the right to disconnect or temporarily operate Member Equipment that does not comply with the Governing Documents or that adversely impacts the Company’s ability to safely, reliably, and efficiently operate the Company or provide a Company Service; and
- (e) shall pay the Company for income not received or accrued because of the connection.

If Member Equipment is connected to Company Equipment, then: (1) the Member is, but the Company is not, responsible for designing, installing, operating, maintaining, inspecting, repairing, replacing, and removing the Member Equipment; (2) the Company is not liable for damage to, or for the performance of, the Member Equipment; (3) the Company is not liable for damage to Member Property; (4) the Member is responsible for knowing the concerns, risks, and issues associated with operating the Member Equipment and connecting the Member Equipment to Company Equipment; (5) the Member is liable for damage to, and for the nonperformance of, the Company Equipment caused by the Member Equipment or the connection; and (6) the Member is liable for, and must indemnify the Company against, injury or death to any Person and damage to any property caused by, or resulting from, the Member Equipment or the connection.

Section 9. Suspension or Termination of Company Service. After providing a Member reasonable notice and an opportunity to comment orally or in writing, the Company may suspend or terminate the provision of a Company Service to the Member for a Suspension Reason. Without providing a Member notice or an opportunity to comment, the Company may suspend or terminate the provision of a Company Service to the Member upon determining or discovering:

- (a) that Company Equipment used to provide the Company Service has been tampered with, altered, interfered with, damaged, or impaired;
- (b) that Member Equipment connected to Company Equipment adversely impacts the Company's ability to safely, reliably, and efficiently operate the Company or provide a Company Service;
- (c) the unsafe condition of Company Equipment or Member Equipment connected to Company Equipment; or
- (d) an imminent hazard or danger posed by Company Equipment or Member Equipment connected to Company Equipment.

Section 10. Water User Agreements. The Board 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**  
**Distribution of Surplus Funds**

Section 1. Surplus Funds. It is not anticipated there will be any net income; but if there should be any, then at the end of the fiscal year, after paying all costs of operations and maintenance, there shall be set aside reserves for depreciation on buildings, equipment, etc., and such other reserves as may be deemed proper by the Board of Directors. The said surplus fund or any portion thereof may from time to time at the discretion of the Board of Directors be distributed to the Members as provided in the By-Laws, on the basis of the assessments and charges made and levied against and paid by such Member during the year.

Section 2. Offset Against Indebtedness. Any part or the whole of such apportionment may be credited at the discretion of the Board to the indebtedness of the Members, should any exist, and in such case, the members shall be notified in writing of the amount so applied.

**ARTICLE IX**  
**Roberts Rules of Order**

The rules contained in Robert's Rules of Order Newly Revised 10<sup>th</sup> Edition shall govern the Company in all cases to which they are applicable, and in which they are not inconsistent with the articles of incorporation, By-laws or the special rules of order of the Company.

**ARTICLE X**  
**Amendments to By-laws**

Amendments of these By-laws may be adopted by a vote of not less than a two-thirds majority of the Directors, if the Directors have been given at least ten days (10) written notice of the full extent of the proposed By-laws amendments.

**ARTICLE XI**  
**Government Loans**

For so long as the corporation is indebted for a loan or loans made to them by any local, state or federal agency, the By-laws shall not be altered, amended, or repealed without the prior consent of such agency.

**ARTICLE XII**  
**Dissolution**

In the event of the dissolution of the Company, the disposition of the Company's assets will be established through procedures adopted by the Board and in accordance with applicable law.

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