

BY-LAWS
of

ELLIS WATER COMPANY, INC.

(Revised: July 13th, 2021)

ARTICLE I

SECTION 1. NAME. The name of this corporation shall be Ellis Water Company, Inc.

SECTION 2. LOCATION. The offices of this corporation shall be in Stockton Township, Greene County, State of Indiana.

SECTION 3. SEAL. This corporation shall possess a seal, which shall have inscribed the name of the corporation, and the words, "Non-Profit Ellis Water Company, Inc." The manager shall have custody of the seal and shall cause it or a facsimile therefor to be impressed, affixed, reproduced, or otherwise.

SECTION 4. FISCAL YEAR. The fiscal year of this corporation shall be the same as the calendar year.

ARTICLE II

SECTION 1. MEMBERSHIP. Any occupant or person, including any body politic and/or corporate, holding property having need of a reasonable accessibility to the services operated by the corporation, may be a member of this corporation by obtaining a membership from the corporation. Persons who receive the approval of the board of directors may be admitted to membership upon subscribing for a membership application and by signing such agreements for the purchase of services as may be provided and required by the corporation. No person otherwise eligible shall be permitted to subscribe for or require a membership of the corporation if the capacity of the corporation's system is exhausted by the needs of its existing members. A fee, as determined by the board of directors, shall be paid per membership, upon application for membership in this corporation.

SECTION 2. A member ceases to be eligible to hold membership as provided in Section 1 in case of death, willfully fails to comply with these bylaws and other requirements, or willfully obstructs the purposes and proper activities of the corporation. In the event of death, the board of directors may elect to terminate or transfer the membership to heirs or legal representative. Any member whose membership that is terminated for cause other than that of ceasing to be eligible may appeal from the action of the board of directors to a vote of the members at the next regular meeting of the members or special meeting of the members called for such purpose.

SECTION 3. The capital of this corporation shall be represented by its membership.

- a. This membership is issued and accepted in accordance with and subject to the conditions and restrictions stipulated in the Water User's Agreement, Articles of incorporation, and the by-laws and amendments to the same of the Ellis Water Company, Inc.
- b. Transfers of membership shall be made only upon the books of the corporation, only to persons eligible to become members, only with approval of the board of directors and only when the member transferring is free from indebtedness to the corporation.
- c. No member shall be entitled to more than one vote at a meeting of the members. Every entity upon becoming a member of this corporation agrees to sign such agreements for the purchase of services as may from time to time be provided and required by the corporation.

SECTION 4. Each member agrees to complete an application and sign a Water User's Agreements, as well as provide additional updated information as required.

ARTICLE III

SECTION 1. The annual meeting of the membership shall be held at a location specified by the directors of Ellis Water Company, Inc., on or about the 2nd Tuesday of January of each year pursuant to written notice thereof as required by these by-laws.

SECTION 2. The board of directors may call special meetings of the members and such meetings must be called whenever a petition requesting such a 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, and no business shall be transacted thereof except such as is specified in the notice. Such notice shall be posted 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 annual meeting, regularly held, shall affect any proceedings taken thereat.

SECTION 3. The members present at any meeting of the members shall constitute a quorum at any meeting for the transaction of business. Each member is entitled to one vote, and there is no voting by proxy.

SECTION 4. The directors of this corporation shall be elected at the annual meeting of the members.

SECTION 5. The order of business at an annual meeting and so far as possible at all other meetings shall be:

1. Call to order and proof of a quorum.
2. Reading and action on any unapproved minutes.
3. Reports of officers and committees.
4. Election of directors.
5. Unfinished business.
6. New business.
7. Adjournment.

ARTICLE IV

SECTION 1. The board of directors of this ~~company~~ corporation shall consist of seven (7) members, all of whom shall be members of this utility. At each annual meeting, board members shall be elected for a term of three (3) years for those officers whose terms have expired. The board members can be re-elected with no limit to the number of terms they may serve, according to the desire of the membership.

No person shall be eligible to become or remain a Director of the Corporation who by blood or in-law, including step or adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother or sister of an existing Director or employee of the Corporation. Employees of the Corporation are not eligible to become or remain a Director of the Corporation.

SECTION 2. The board of directors shall meet within ten days after their election and shall elect a president, vice-president, secretary and treasurer from their number, each of whom shall hold office for a period of three (3) years, or unless sooner removed by death, resignation or for cause.

SECTION 3. Special meetings of the board of directors may be called by the President and held at any place stated in the notice thereof, upon giving of one (1) days' notice, orally or in writing, without the necessity of stating the purpose of the meeting. The members of the board may waive notice of any special meeting, 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 because 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 5. A majority of the board of directors (4 members) shall constitute a quorum at any meeting of the board

SECTION 6. Compensation of officers and directors may be fixed at any meeting (regular or special) by a majority of the directors of the corporation. ~~Members of the board may be compensated for work done performed to assist in the day to day operations of the Company corporation as determined necessary by the board to maintain the Companies ability to provide service to the members.~~

SECTION 7. Officers and directors may be removed from office in the following manner: Any member, officer, or director may present charges against a director or officer by filing them in writing with the secretary of the corporation. The charges must be accompanied by a petition signed by ten percent of the membership of the corporation. Such removal shall be voted on at the next regular or special meeting of the members and shall be effective if approved by a vote of the majority of the members present. The director or officer against whom such charges have been presented shall be informed in writing of such charges five days prior to the meeting and shall have the opportunity to be heard in person or by counsel and to present witnesses; and the person or persons presenting such charges against him shall have the same opportunity. If the removal of a director is approved, such action shall also vacate any other office held by the removed director in the corporation. A vacancy in the board thus created shall immediately be filled by a vote of a majority of the members present and voting. The directors from among their number so constituted after the vacancy in the board has been filled shall fill a vacancy in any office thus created.

SECTION 8. The corporation shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as an officer, director, or employee of the corporation against all expenses and liabilities, including, without limitation, legal counsel fees, judgments, fines, excise taxes, penalties and settlement payments, reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or proceeding in which he or she may become involved by reason of his or her service in such capacity; provided that no indemnification shall be provided for any such person with respect to any matter as to which he or she shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that such action was in the best interests of the corporation; and further provided that any compromise or settlement payment shall be approved by a majority vote of a quorum of directors who are not at that time parties to the proceeding.

In addition, the corporation shall secure officers and directors liability insurance coverage to protect the Board of Directors against any liability that may be adjudged against them while acting within their scope as a director or officer of the corporation. The corporation shall also pay any and all deductible amounts for said insurance coverage.

The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of persons entitled to indemnification hereunder. The right of indemnification under this Article shall be in addition to and not exclusive of all other rights to which any person may be entitled.

No amendment or repeal of the provisions of this Article which adversely affects the right of an indemnified person under this Article shall apply to such person with respect to those acts or omissions which occurred at any time prior to such amendment or repeal, unless such amendment or repeal was voted by or was made with the written consent of such indemnified person.

This Article constitutes a contract between the corporation and the indemnified officers, directors, and employees. No amendment or repeal of the provisions of this Article which adversely affects the right of an indemnified officer, director, or employee under this Article shall apply to such officer, director, or employee with respect to those acts or omissions which occurred at any time prior to such amendment or repeal.

ARTICLE V

SECTION 1. DUTIES OF DIRECTORS. The board of directors, subject to restrictions of law, the articles of incorporation, or these by-laws shall exercise all of the powers of the corporation, and without prejudice to or limitation upon their general powers. It is hereby expressly provided that the board of directors shall have, and are hereby given, full power and authority, upon approval of the members of the board by a majority vote at regular meeting or special meeting, in respect to the matters as hereinafter set forth:

- a. To pass upon the qualifications of members.
- b. To select and appoint all agents, and employees and removal of same for just cause, fix their compensation and pay for services, and prescribe their duties as may not be inconsistent with these bylaws.
- c. To borrow from any source, money, goods, or services and 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 conduct of the business and affairs of the corporation and the guidance and control of its officers and employees; and to prescribe adequate penalties for 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.

- g. To require adequate bonds, the cost thereof to be paid by the corporation, by all officers, agents, and employees charged with responsibility for custody of any funds of the corporation.
- 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 a member of the corporation and to enforce the collection of such assessments in the manner provided for enforcement of collection of monthly charges in Article VI, Section 5. Hereto, by the forfeiture of delinquent 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 days written notice. Any such notice will be mailed to the last address of the member on the books of the corporation of its intention to forfeit its membership if the assessment is not paid by a specified date.

ARTICLE VI

SECTION 1. DUTIES OF PRESIDENT. The president shall preside at all meetings of the corporation and of the board of directors. Shall call special meetings of the board; shall perform such other duties as may be prescribed in these by-laws or assigned to him by the board of directors; and shall sign all user agreements and any other documents as he may be authorized or directed to sign by the board of directors.

SECTION 2. DUTIES OF 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 SECRETARY. The Secretary shall record the minutes of all meetings of the corporation and of the board of directors. The Secretary shall sign documents pertaining to the corporation as he may be authorized or directed to do so by the board. 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 office to the members at the annual meeting. The Secretary shall perform such duties as may be delegated to him including the turnover to his successor all books and other property belonging to the corporation that he may have in his possession.

SECTION 4. DUTIES OF TREASURER. The treasurer, or treasurer's designee, shall monitor all monies of the corporation; shall keep an accurate record of receipts and expenditures; and, can pay out funds as authorized by the corporation. The treasurer shall sign all user agreements and present a financial statement 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

~~clerk/treasurer~~ office clerk, under the direction of the corporation manager, will conduct all day-to-day financial matters. The manager will be responsible to provide all financial records to the Treasurer.

SECTION 5. All officers shall perform the duties prescribed in the parliamentary authority in addition to those outlined in these bylaws and those assigned from time to time. The officers shall deliver to their successors all official material, records and property within ten days following the meeting at which they are elected and qualified.

ARTICLE VII

~~SECTION 1. The company will install, maintain and operate a main distribution pipe line or lines from the source of water supply, and service lines for the main distribution line or lines to the property of each member of the company, at which point, designated and delivery points, meters to be purchased, installed, owned and maintained by the company shall be placed. The company will install a cut off valve in the meter pit to be owned and maintained by the company. The company shall have the sole and exclusive right to use such cut off valve to control the flow of water to the member.~~

~~The company corporation will, install, maintain and operate a main distribution pipe line or lines from the source of water supply. In serviceable areas, members will pay a tap fee for a meter set, to be installed by, maintained by and owned by the company corporation at a location determined by the company corporation. The company corporation will install a cut-off valve in the meter pit to be owned and maintained by the company corporation. The company corporation shall have the sole and exclusive right to use such cut-off valve to control the flow of water to the member.~~

SECTION 2. Each member shall be entitled to not to exceed one (1) service line from the corporation's system unless otherwise approved by the board of directors 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. Each service line shall connect with the corporation's system at the nearest available place to the place of desired use by the member if the corporation's system at that point shall be of sufficient capacity. If the corporation's system shall be inadequate to accommodate a connection at that point, then such service line shall be installed at such place as may be designated by the corporation- Each member will be required to install, and to maintain such portion of the service line or lines from the property line of the member to his own dwelling or other place of use on his promises at his own expense

SECTION 3. Each member shall be entitled to purchase from the corporation, pursuant to such agreements as may from time to time be provided and required, such service, as he may desire, subject to the provisions of these bylaws to such rules and regulations as may be prescribed by the board of directors.

SECTION 4. 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 corporation may prorate the water available among the various members on such basis as is deemed equitable by the board of directors.

SECTION 5. The board of directors shall, ~~prior to the beginning of each calendar year,~~ determine the water rates to be charged each member ~~during the following calendar year.~~ The flat minimum monthly rate as set up in the rate schedule for the year, will be payable irrespective of whether any service is used by a member during any month. The board of directors 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 service shall pay such charges at the office of the corporation at or prior to the dates fixed by the board of directors. The failure to pay monthly charges duly imposed shall result in the automatic imposition of the following penalties:

- a. Non-payment after the due date will be subject to a penalty of fifteen (15) percent.
- b. Non-payment within thirty (30) days from the due date will result in the service being shut off from the member's property.
- c. Non-payment for sixty (60) days from the due date will allow the corporation to terminate the membership certificate as provided for in Article II, Section 2, of these bylaws.

SECTION 6. The board of directors shall be authorized to require each member to enter into a water user's agreement, which shall embody the principles set forth in the foregoing sections of this article.

ARTICLE VIII

SECTION 1. It is not anticipated there will be any net income; but if there be any, then at the end of the fiscal year, after paying all costs of operations and maintenance, set aside reserves for depreciation on buildings, equipment, etc., and such other reserves as may be deemed proper and provide for payment of interest and principal of obligations and debts, and after providing for the purchase of proper supplies and equipment, the net earning shall be accumulated in a surplus fund for the purpose of replacing, enlarging, extending and repairing the system and property of the corporation and for such other purposes as the board of directors may determine to be for the best interest of the corporation. The said surplus fund or any portion thereof may from time to time at the discretion of the board of directors be distributed to the members as provided in the bylaws, on the basis of the assessments and charges made and levied against and paid by such members during the year.

SECTION 2. Any part or the whole of such apportionment may be credited at the discretion of the board of directors 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

The rules contained in Robert's Rules of Order Revised shall govern the corporation in all cases to which they are applicable, and in which they are not inconsistent with the articles of incorporation, bylaws, or the special rules of order of this corporation.

ARTICLE X

Amendments of these bylaws may be adopted by a vote of a majority of the members present at any special or regular meeting of the corporation if the members have been given at least ten days written notice of said meeting and the notice has contained a copy of the proposed amendment or amendments.

ARTICLE XI

The Ellis Water by-laws were updated and revised on **July 13th, 2021**. Revisions were made available to the general membership for review and were voted on and adopted by the membership **at a special meeting of the members held on July 13th, 2021**.