

- a. Keeping the Minutes of the Board of Directors in one (1) or more books provided for that purpose.
- b. Arranging all notices are made in accordance with the By-Laws or as required by law.
- c. The safekeeping of the Corporate records in accordance with the provisions of these By-Laws.
- d. Arranging for a complete copy of the Articles of Incorporation and By-Laws of the Corporation containing all amendments thereto to be maintained at the Corporation's principal Office.
- e. Signing with the President, legal documents authorized by the Board of Directors, unless the signing of such documents has been delegated to other officers, agents or employed personnel.
- f. Keeping a register of the names, telephone numbers and addresses of all members to be kept up to date.
- g. Insuring annual reports are filed with the Secretary of State and other reporting agencies
- h. Performing such other duties as are assigned to him/her, by the Board of Directors.

**Section 4. Treasurer** The Treasurer shall be responsible for:

- a. Custody of all funds and securities of the Corporation.
- b. The receipt of and issuance of receipts for all monies due and payable to the Corporation, and the deposit of all such monies in the name of the Corporation at such bank, or banks as are selected by the Board of Directors.
- c. Reviewing the Corporation's financial and accounting records and making any necessary recommendations to the Board of Directors.
- d. Insuring required tax and financial reports are filed with appropriate reporting agencies.
- e. The Board of Directors assigns the general performance of all duties incident to the office of

Treasurer and such other duties to him.

**Section 5.** The Treasurer and any other officer or agent of the Corporation charged with the responsibility for the custody of any of its funds or property shall give bond in such sum with such surety as the Board of Directors shall determine. The Board of Directors, in its discretion, may require any other officer, agent or employee of the Corporation to give bond in such amount and with such surety, as it shall determine. The expense of such bond shall be a legal obligation of the Corporation. Appropriate insurance may be substituted for bonds.

### **ARTICLE XIII.**

#### **Board of Directors – Duties**

**Section 1.** The Board of Directors, subject to the restrictions of the law, the Articles of Incorporation, and the By-Laws, shall exercise all of the power 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 given, full power and authority to perform the duties and functions hereinafter set forth, to wit:

- a. To select and appoint all officers, agents or employees of the Corporation or remove such agents or employees of the Corporation for just cause, prescribe such duties and designate such powers as may be consistent with these By-Laws, fix their compensation and pay for faithful services. Compensation of officers and directors may be discussed at any regular or special meeting by the members of the Corporation and shall be voted on by a mail ballot in accordance with Article VIII, Section 5. Board members may be reimbursed for Corporation business expenses, not to exceed \$50 without prior Board Approval.
- b. To borrow from any source, money, goods or services and to make and issue notes and other negotiable and transferable instruments, mortgages, deeds of trust and trust agreements and to do every act and thing necessary to effectuate the same.

- c. To prescribe, adopt and amend, uniform rules, regulations, policies, directives, fees and rates or other matters as they, in their discretion, may deem essential or convenient for the conduct of the business and affairs of the Corporation and the guidance and control of its officers and employees, and to prescribe adequate penalties for the breach thereof.
- d. To require all officers, agents and employees charged with responsibility for the custody of any funds or property of the Corporation give bond in such sum and security as determined by the Board of Directors. The Corporation shall pay the cost of such bond. Appropriate insurance may be substituted for bonds.
- e. To select one (1) or more banks to act as depositories of the funds of the Corporation and to determine the manner of receiving, depositing and disbursing the funds of the Corporation and the form of checks and the person or persons signing such checks and the form thereof at will.

#### **ARTICLE XIV.**

##### **Contracts, Loans and Deposits**

**Section 1. Contracts.** The Board of Directors may authorize any officer(s) or agent(s), to enter into any contract or execute and deliver any instrument in the name of the Corporation, on behalf of the Corporation, and such authority may be general or confined to specific instances.

**Section 2. Loans.** No loan shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

**Section 3. Deposits.** All funds received by the Corporation shall be deposited in a timely manner to Corporate accounts in banks, trust companies or other depositories as designated by the Board of Directors.

## ARTICLE XV.

### Non-Profit Operation

**Section 1.** The Corporation shall, at all times, be operated on a non-profit basis for the mutual benefit of its members. No interest or dividend shall be paid or payable by the Corporation on any capital furnished by its members.

**Sections 2.** The Corporation shall install, maintain and or purchase/operate a public water system from the source of the water supply to its qualified members and patrons under such policies, rules and regulations as shall be adopted by the Board of Directors from time to time.

**Section 3.** The Board of Directors shall, from time to time, make such rules, regulations, policies and directives as shall be necessary for the efficient operation of a rural water system and shall generally be responsible for the efficient operation of said system.

**Section 4.** In the event of dissolution, the Board of Directors shall first pay lawful debts and liabilities of the Corporation. Any remaining assets may be transferred to any other or several non-profit like organizations or political subdivisions having one (1) or more purposes in common with this Corporation. If no such organization can be reasonably found, the remaining assets shall be distributed to the members in an equitable manner.

## ARTICLE XVI.

### Miscellaneous

**Section 1. Membership in Other Organizations** The Corporation shall not become a member of or purchase stock in any other organization without an affirmative vote of the members at a duly held meeting, such Notice of which shall specify that action is to be taken upon such proposed membership or stock purchased; provided, however that the Corporation may, upon the authorization of the Board of Directors, purchase stock in or become a member of any Corporation or organization organized on a

non-profit basis for the purpose of engaging in or furthering the cause of rural water systems, or of any other organization, when in the opinion of the Board of Directors, such membership will promote the interests of the Corporation.

**Section 2. Waiver of Notice.** Any member or Director may waive in writing any Notice of a meeting required to be given by these By-Laws, either before or after such meeting. The attendance of a member or Director at any meeting shall constitute a Waiver of Notice of such meeting by such member or Director, except in the case a member or Director shall attend a meeting for the express purpose of objecting to the transaction or any business on the grounds that the meeting was not lawfully called or convened.

**Section 3. Policies, Rules, and Regulations.** The Board of Directors shall have the power to make and adopt such policies, rules and regulations, not inconsistent with law, the Articles of Incorporation or these By-Laws, as it may deem advisable for the management of the business and affairs of the Corporation.

**Section 4. Rules of Parliamentary procedure.** Unless otherwise provided by Board policy, the rules of parliamentary procedure as provided in “Roberts Rules of Order” should govern the conduct of all meetings of the Board of Directors and meetings of the members of the Corporation.

## ARTICLEE XVII.

### **Indemnification of Officer and Directors**

The Board of Directors shall establish a policy on the indemnification of Directors and Officers by the Corporation as may be permitted by the laws of the State of South Dakota: SDCL '47-22-65.1, '47-22-65.2, and '47-22-65.3 and amendments thereto.

**ARTICLE XVIII.**

**Nondiscrimination.**

Neither this Corporation, nor its Board of Directors, or members shall discriminate against any prospective member, water user, or person obtaining any water service or other service or utility, or lawfully using any service facility of the Corporation by reason of said person's race, color, creed, religion, sex, age, or natural origin.

**ARTICLE XIX.**

**Amendments**

These By-Laws may be altered, amended or repealed and new By-Laws be adopted by the membership at any Regular Meeting or Special Meeting, provided that each member has been given prior notice of the proposed By-Laws amendment or has waived same in writing.

President of the Board	Date	Vice-President of the Board	Date
Secretary of the Board	Date	Treasurer of the Board	Date

Hisega Meadows Water, Inc. (HMWI)  
2315 Lindsey Dr  
Rapid City, South Dakota 57702

Lot legal description:

Lot address:

Lot Owners name:

This letter is in regards to the \$1,000 each lot owner has paid as a membership deposit.

For Lots Not already hooked up to Hisega Meadows Water System:

Owner will need to pay the existing Hook-up fee in addition to the \$1,000 membership deposit. The Owner will bear the cost of hiring a licensed contractor to install the service line from the home to the "Shut-off Valve" and connecting the service line to the HMWI "Shut-off Valve". An employee of HMWI must be present during the hook-up to the shut-off valve. HMWI will supply the water meter and retain ownership of said meter. The property owner is responsible for the meter hook-up and any wiring required. An approved "Back Flow Preventor" must be installed at the time of the water hook-up.

For Lots already hooked-up to Hisega Meadows Water System:

Upon payment of the \$1,000 membership deposit, the lot owner is entitled to water service with Hisega Meadows Water Inc. Upon sale or transfer of said property by the owner, the owner shall have the option of requesting return of the \$1,000 membership deposit or may transfer said deposit to the new owner. In the event the previous owner requests a refund, the new owner must have applied with the water company for membership and paid the \$1,000 membership deposit to obtain membership and water service. The previous owner must be free from indebtedness to the Corporation before the membership deposit will be transferred or refunded.

Receipt of signed letter by a lot owner shall constitute Hisega Meadows Water, Inc. acknowledgment that said lot owner has paid the required membership deposit and is a member in good standing with the water company.

Each individual lot will require a membership deposit of \$1,000 before receiving water, regardless of the number of lots an owner may own within the boundaries of the service area of Hisega Meadows Water, Inc.

Hisega Meadows Water, Inc. makes no representations or guarantees to supply water to the above captioned lot in the event of circumstances beyond it's control. A lot owner shall have one vote per membership deposit in matters concerning the water company.

Please retain this letter as proof of membership and payment of the \$1,000 membership deposit.

Respectfully submitted,

Larry Deibert, President  
Hisega Meadows Water, Inc.

\_\_\_\_\_  
Dated

## Water Users Agreement

This agreement entered into between the Hisega Meadows Water, Inc. (Association), a non-profit corporation and \_\_\_\_\_ (Member) of the Association.

Lot Address: \_\_\_\_\_

Lot Legal Description: \_\_\_\_\_

The Member desires to purchase water from the Association and to enter into a water users agreement as required by the Bylaws of the Association. In consideration of the mutual covenants, promises, and agreements, the Parties agree as follows:

1. The Association shall furnish, subject to the limitation set out in the Bylaws and Rules and Regulations now in force or as hereafter amended, such quantity of water as Member may desire in connection with Member's occupancy of the below described property.
2. The Member shall maintain at the Member's expense a service line, which shall begin at the curb stop (aka the valve that controls water flow from the main to the premises) and extend to the Member's physical property or place of use. The service line shall connect to the Association's water meter in the physical premises or place of use.
3. The Member also agrees to be fully responsible for the service line from and including the curb stop to the premises or place of use including the installation of an approved back-flow device.
4. The Member agrees to comply with and be bound by the Articles of Incorporation, Corporate Bylaws, Rules and Regulations of the Association, now in force, or as legally supplemented, amended, or changed. The Member also agrees to pay for water at such rates, time, and place as shall be determined by the Association, and agrees to the imposition of such penalties for noncompliance as are now set out in the Association's Bylaws and Rules and Regulations, or which may be hereafter adopted and imposed by the Association.
5. The Member agrees to pay a deposit in the amount of \$1,000 (net of any payments previously made to the Association). In the event, service to the Member is terminated, either voluntarily by the Member, or by the Association for cause, the deposit shall be held and applied by the Association to any unpaid balance then owing on the Member's account. Should the account be fully paid at the time of termination of service to the Member, the deposit shall be refunded by the Association within a reasonable time thereafter.
6. The Association shall have final authority in any question of location of any service line connection to its water main line; shall determine the allocation of water to Members in the event of a water shortage; and may shut off water to a Member who allows a connection or extension to be made of the member's service line for the purpose of supplying water to another user. In the even the total water supply shall be insufficient to meet all of the needs of the Members, or in the event there is a shortage of water, the Association may prorate the water available among the various Members on such basis as is deemed equitable by the Board of Directors, and may also prescribe a schedule of hours covering use of water for garden/lawn purposes by particular Members and require adherence thereto or prohibit the use of water for garden/lawn purposes; provided that, if at any time the total water supply shall be insufficient



to meet all of the needs of all the Members, the Association must first satisfy all the needs of all Members for domestic purposes before supplying any water for commercial purposes and must satisfy all the needs of all Members both domestic and commercial purposes before supplying any water for garden/lawn purposes.

7. The Member agrees that no other present or future source of water will be connected to any water lines served by the Association's waterlines unless authorized by the Board of Directors for the Association.
8. The failure of a customer to pay water charges imposed shall result in the automatic imposition of the following penalties:
  1. Nonpayment within ten days from the due date will be subject to a penalty of \$10.00.
  2. Nonpayment within thirty days from the due date may result in the water being shut off to the Member's property.
  3. In the event it becomes necessary for the Association to shut off the water to a Member's property, a \$250 fee may be charged for a reconnection of the service.

We have executed this agreement this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

Hisega Meadows Water, Inc.

\_\_\_\_\_  
President

\_\_\_\_\_  
Member signature

\_\_\_\_\_  
Member e-mail

\_\_\_\_\_  
Member Phone

\_\_\_\_\_  
Member signature