

RURAL WATER DISTRICT NO. 2  
SEDGWICK COUNTY, KANSAS

BY-LAWS  
and  
RULES and REGULATIONS

Revised as of October 19, 2023

RURAL WATER DISTRICT NO. 2  
SEDGWICK COUNTY, KANSAS

**Revised Bylaws**

**Article 1**

**Name and Place of Business**

Section 1. The name of this corporation shall be Rural Water District No. 2, Sedgwick County, Kansas.

Section 2. The principal office of this District shall be located at such place as designated by the Board of Directors.

**Article 2**

**Corporate Powers**

Section 1. The corporate powers of this District shall be vested in the Board of Directors, hereinafter referred to as the Board.

**Article 3**

**Purposes and Objectives**

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

(a) To acquire water and water rights and to build and acquire pipe lines and other facilities, and to operate the same for the purpose of furnishing water for domestic, garden, livestock and other purposes to owners and occupants of land located within the District, and others as authorized by these By-Laws.

(b) To borrow money and accept grant funds for the purposes aforesaid and in connection therewith to execute evidence of indebtedness, security instruments and appropriate covenants and agreements.

(c) To hold such real and personal property as may come into its possession by will, gift, purchase, or otherwise, as authorized by law, and to acquire and dispose of such real and personal property, including rights-of-way and easements, wherever located, as may be necessary and convenient for the proper conduct and operation of the business of the District.

(d) To establish rates and impose charges furnished to participating members and others.

(e) To enter into contracts for the purpose of accomplishing the purposes of the District with any person or governmental agency.

(f) To cooperate with any person or with any governmental agency in any undertaking designed to further the purposes of the District.

(g) Participating member: Owners of land located within the District who have subscribed to one of more Benefit Units.

(h) Owners of land: One or more persons in whom title to real estate is vested where ownership is filed of public record in a deed.

## **Article 4**

### **Water Users**

Section 1. Water shall be supplied only to land located within the District: Provided, however, that the Board may make water available to the public for purchase at such distribution points as it may establish.

Section 2. No owner of land located within the District shall be eligible to become a water subscriber unless he has first subscribed and paid for one or more Benefit Units. Tenants occupying land located within the District may become water subscribers: Provided, that the owner, or someone on behalf of the owner, has subscribed and paid for one or more Benefit Units in favor of the land the tenant is occupying.

Section 3. An applicant for a Benefit Unit shall complete the application form provided by the District, and sign the Water User Agreement provided by the District at the time of application.

## **Article 5**

### **Right to Vote**

Section 1. Only participating members shall have the right to vote, and each participating member shall be entitled to a single vote, regardless of the number of Benefit Units to which the member may have subscribed, provided, payments of charges are current on at least one of the Benefit Units. There shall be no proxy voting. A participating member may be an individual, firm, partnership, association, or corporation. A firm, partnership, association or corporation may vote by designating one of its members to vote on its behalf. Participating members shall be: (a) Owners of land located within the District which have subscribed to one or more Benefit Units:

Provided, payments of charges are current on at least one of the Benefit Units. Owners of land shall be: (a) The record owner of the land as evidenced by the deed filed with the Register of Deed's office.

## **Article 6**

### **Benefit Units**

Section 1. The Board shall establish a fee for Benefit Units. Each Benefit Unit shall carry with it the obligation of paying a monthly minimum meter charge beginning thirty days after Board approval or meter is set, whichever comes first, as established by the Board of Directors. Additional Benefit Units shall be available only as capacity of the District's facilities permit, as determined by the Board of Directors. Subscriptions for Benefit Units shall be given preference and priority in order in which received by the Board of Directors. The Board may refuse the subscription for a Benefit Unit in favor of a particular tract of land located within the District, or impose special conditions on granting the same, if in the sole judgment of the Board, the granting of said subscription and the furnishing of water pursuant thereto, would impair the service to other water users in that locality or be uneconomical, unfeasible or place an undue burden on the District or are otherwise deemed necessary or in the best interest of the District. Any landowner who feels aggrieved by such denial, or imposition of special condition, may appeal from the action of the Board to a vote of the members called for such purpose: Provided, the decision of the Board shall stand, unless  $\frac{3}{4}$ 's of all participating members (or landowners at meetings where only qualification to vote is ownership of land within the District), vote in favor of a motion to overrule the decision of the Board.

Section 2. Upon the purchase of Benefit Units, the owners of land shall designate the tract of land to which the Benefit Units shall be assigned, and the Benefit Unit shall not be transferred from one tract of land to another within the District, without the approval of the Board. The owner of lands subscribing for more than one Benefit Unit to be assigned to one tract of land shall at the time of said subscription designate as nearly as practical the location on said tract where he intends to utilize said Benefit Units and no major change in location shall be made without the approval of the Board.

Section 3. The consideration for Benefit Units shall be considered donation to the District and shall not be refunded to subscribers; provided, that the Board may authorize the refund of all or part of such consideration, if through no fault of the subscriber; the District is unable to supply water to the unit.

Section 4. Benefit Units shall follow the title of the land unless the owner of the land designates otherwise. Owners may transfer Benefit Units from one tract of land to another tract owned by them within the District, subject, however, to the approval of the Board. No transfer in ownership of Benefit Units shall be permitted without the approval of the Board. No transfer will be approved unless all charges against the Benefit Unit are paid. All transfers, when approved, shall be recorded in the books of the District. In the event the ownership of the land has changes and no request for transfer was initiated by

the Benefit Unit owner, then the District shall consider the transfer of the benefit unit to the new owner upon proof of ownership of the land and assess the costs associated with title transfer.

Section 5. Each Benefit Unit shall entitle the owner not to exceed one line from the District's water system. Each line shall serve not to exceed one residence or business establishment together with the necessary and usual out-buildings. One Benefit Unit may not serve multi-family dwellings. In the case of multi-family dwellings, the landowner of record will be required to purchase separate Benefit Units to serve each family unit within the dwelling. One Benefit Unit may not serve multiple businesses within a business establishment. In case of a business establishment which houses multiple businesses in one building, the landowner of record will be required to purchase separate Benefit Units to serve each of these businesses.

Section 6. Failure to pay the minimum monthly meter charge, or failure to pay for water used through a meter, shall constitute a forfeiture of the benefit unit on behalf of which failure occurs: provided, that such benefit unit shall be reinstated if within three (3) months after such failure, all back charges are paid in full, plus 15% interest and reasonable labor charges necessary to effect such reconnection; provided further, that the Board may permit such reinstatement within three (3) months after such failure upon payment of all back charges, plus 15 % interest, and reasonable labor charges necessary to effect such reconnection.

Section 7. Water service may be terminated for failure to make payments when due as stated in Section 7 hereof or for willful violations of the Rules and Regulations of the District. Before terminating water service, the Board shall notify the Benefit Unit holder (the landowner) and the Tenant, if different from the Benefit Unit holder, of determination of the Board that there has been a failure to pay for water service or willful violations of the Rules and Regulations of the District, and that water service shall be terminated and the Benefit Unit shall be forfeited. Such notice shall:

- (1) Be **sent by U.S. Mail, First Class**, to the last known address of the Benefit Unit holder and Tenant, if any;
- (2) Contain a statement of the determination of the Board and the specific reasons therefore;
- (3) Notify the Benefit Unit holder and Tenant, if any, of the time and place of a hearing before the Board at which hearing they may present evidence as to why such water services should not be terminated and present objections to water bills said to be unpaid, or to any determinations of the Board given as reasons for termination of water service.

At such hearing, the Water Benefit Unit holder (the landowner) and/or the Tenant may appear in person and may be represented by counsel. The Board shall provide for a written summary of the proceedings at such hearing. Written notice of the Board's

determination shall be served upon all parties by certified mail within ten (10) days after such hearing.

## **Article 7**

### **Election of Directors**

Section 1. The Board of this District shall consist of seven (7) members, no more than nine, nor less than three members, all of whom shall be participating members of the District. At each annual meeting of the participating members, the participating members shall elect for a term of three (3) years the number of Directors whose terms of office have expired.

Section 2. Immediately following the annual meeting of the participating members, the Board shall meet and shall elect a Chairman, Vice-Chairman, Secretary and Treasurer, from among themselves, each of whom shall hold office until the next annual meeting and until the election and qualification of his successor unless sooner removed by death, resignation or for cause. The office of the secretary and treasurer may be held by one person.

Section 3. Any vacancy in the Board, other than from the expiration of a term of office, shall be filled by appointment by the remaining members of the Board. The disqualification of a Director as a participating member of the District shall operate to disqualify him or her as a Director and to create a vacancy in the office of the Director.

Section 4. A majority of the Board shall constitute a quorum at any meeting of the Board.

Section 5. Any Director of the District may be removed from office for cause by a vote of not less than  $\frac{3}{4}$ 's of the participating members of the District present at any annual or special meeting called for that purpose. The Director shall be informed in writing of the charges preferred against him at least 10 days before such meeting, whether regular or special, and at the meeting shall have an opportunity to present witnesses and be heard in person in answer thereto. Officers of the Board may be removed for cause by majority vote of the Board.

Section 6. Associate Board of Director members may be selected and appointed by the Board to participate in Board discussions without the right to vote. The objective when Board members need to be replaced through appointment or election, the Associate Directors would better understand the role and responsibilities.

## **Article 8**

### **Powers and Duties of Directors**

Section 1. The Board, subject to the restrictions of law, and these Bylaws, shall exercise all the powers of the District and without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board shall have, and is hereby given, full power and authority in respect to the matters as hereinafter set out:

(a) To select and appoint all agents and employees of the District or remove such agents and employees of the District, and at any time by action of this Board prescribe such duties and designate such powers as may not be inconsistent with these Bylaws, and fix their compensation and pay for services.

(b) To borrow from any source money, goods, or services and to make and issue notes and revenue bonds, and other negotiable and transferable instruments, mortgages, deeds of trust and trust agreements and to apply for and expend grant funds obtained from the Federal or State Governments or any agency thereof, and to do every act and thing necessary to effectuate the same.

(c) To prescribe, adopt and amend, from time to time, such equitable and uniform rules and regulations, as in their discretion, may be deemed essential or convenient for the conduct of the business and affairs of the District, and the guidance and control of its agents and employees.

(d) To fix charges to be paid by each water user for services rendered by the District to the member, the time of payment, and the manner of collection, and to establish rates for services furnished.

(e) To require all officers, agents and employees, charged with the responsibility for the custody of any funds of the District to give adequate bond, the cost thereof to be paid by the District, and it shall be mandatory upon the Directors to so require.

(f) To select one or more banks to act as depositories of the funds of the District and to determine the manner of receiving, depositing and disbursing the funds of the District in the form of checks, and the person by whom the same shall be signed on behalf of the Chairman, with the power to change such bank or person signing such checks and the form thereof at will.

(g) Prepare annually an estimated budget for the coming year, adjust water rates, if necessary, to produce sufficient revenue required by such budget, cause an annual audit for the District records and accounts to be made by a licensed municipal public accountant or a competent certified public accountant, and make a report on said matters at each annual meeting of participating members.

(h) When a person is sued or prosecuted in a civil or criminal action in his or her capacity as an employee, officer or director of the District, such person shall be indemnified for such claim, including the reasonable cost of defense thereof so long as:

1. such person is successful in the defense of the claim or the claim is settled; and

2. the Court finds that such person's conduct fairly and equitably merits such indemnity.

## **Article 9**

### **Powers and Duties of Manager**

Section 1. The Board may employ such employees, agents and contractors upon such terms as the Board of Directors sees fit. No Director shall be simultaneously employed by the said District.

Section 2. The Board may employ for the District an Operations Manager and an Office Manager, who shall have charge of the business of the Association under the general control, supervision and direction of the Board. No Director shall serve as Manager. Subject to the approval of the Board, the Managers shall employ, supervise and dismiss all agents and employees of the District and fix their compensation, with Board review and approval. The Managers shall also, so far as is practical, conduct the business in such a way that all patrons receive equal service and treatment; deposit in a bank selected by the Board, all money belonging to the District, which comes into his or her possession; maintain his or her records and accounts in such a manner that the true and correct condition of the business may be ascertained there from at any time; furnish the Board a current statement of the business affairs of the District at each scheduled meeting of the Board and at the end of each fiscal year and at such other times and in such forms as the Board may direct; carefully preserve and turn over to his or her successor all books records, documents, and correspondence pertaining to the business of the District which may come into his or her possession; and to perform such other duties as may be prescribed by the Board.

Section 3. The Board reserves the right to change and modify these Manager positions as the Board from time to time feels is in the best interest of the District.

## **Article 10**

### **Duties of Officers**

Section 1. Chairman. The Chairman, who shall be a member of the Board, shall preside over all meetings of the District and the Board, call special meetings of the District and the Board, perform all acts and duties usually performed by an executive and presiding officer and any such other papers of the District as authorized or directed to sign by the Board, provided the Board may authorize any officers to sign checks on behalf of the District. The Chairman shall perform such other duties as may be prescribed by the Board.



Section 2. Vice-Chairman. In the absence or disability of the Chairman, the Vice-Chairman, who shall be a member of the Board, shall perform the duties of the Chairman.

Section 3. Secretary. It shall be the duty of the Secretary, who shall be a member of the Board, to keep a record of the proceedings of the meetings of the Board and of the District. He shall serve, or cause to be served, all notices required to be served by law or the By-Laws of the District; and in case of the Secretary's absence, inability, refusal or neglect to do so, then such notices may be served by any member of the Board directed by the Chairman.

Section 4. Treasurer. The Treasurer, who shall be a member of the Board, shall account for all funds of the District, shall deposit the same in some bank designated by Board as a depository, and pay the amounts, or cause them to be paid out of the depository only on the checks signed by officers of the Board. At each annual meeting of the District, he shall submit for the information of the participating members a complete statement of accounts for the past year and he shall discharge such other duties pertaining to his office as shall be prescribed by the Board and shall give a good and sufficient bond in such amount as may be fixed by the Board.

## **Article 11**

### **Books and Records**

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

## **Article 12**

### **Annual Meeting of Participating Members**

Section 1. The annual meeting of the participating members of the District shall be held at some suitable location within the District designated by the Board not later than March 1 each year.

The order of business at the Annual meeting and so far as possible at all other meetings shall be; (a) Call to order; (b) Proof of Notice of Meeting; (c) Reading and approval of minutes of last meeting; (d) Report of officers and committees; (e) Election of Directors; (f) Unfinished Business; (g) New Business; (h) Adjournment.

Section 2. Special meetings of participating members may be called at any time by the Chairman or upon resolution of the Board, or upon written petition to the Chairman of the Board, signed by 51% of the participating members of the District. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted thereat except such as is specified in the notice.

Section 3. Notice of meetings of participating members of the District shall be given by mail to each participating member of record directed to the address shown upon the books of the District at least 10 days prior to the meeting. Such notice shall state the nature, time, place and purpose of the meeting, but no failure or irregularity of a notice of any annual meeting, regularly held, shall affect any proceeding taken thereat.

Section 4. The participating members present at any meeting of participating members shall constitute a quorum for the purpose of transacting business.

Section 5. The order of business at the regular meeting and, so far as possible, at all other meetings shall be: (a) Call to Order; (b) Proof of Notice of Meeting; (c) Reading and approval of minutes of the last meeting; (d) Reports of officers and committees; (e) Election of Directors; (f) Unfinished Business; (g) New Business; (h) Adjournment.

Section 6. At all meetings of the District, each participating member, qualified as stated in these By-Laws, shall be entitled to vote upon all propositions coming before said District. No cumulative voting shall be permitted and each participating member of the District shall have but one vote.

### **Article 13**

#### **Board Meetings**

Section 1. The Board shall meet annually immediately following the meeting of the participating members, and may meet at such or other times as may be determined by the Board, or upon call by the Chairman or any two members of the Board. Notice of all meetings of the Board, other than the meeting to be held immediately following the meeting of the annual meeting of the members, shall be by electronic mail a notice to the last known email address of each Director, at least two days before the holding of such meeting. Provided, however, that when all of the Directors are present at any meeting, however called, or consent in writing that such meeting may be held, the proceedings, thereat shall be as valid as though the previous written notice aforesaid had been given.

### **Article 14**

#### **Seal**

Section 1. The District may have a corporate seal, consisting of a circle having in its circumference and face the words, "Rural Water District No. 2, Sedgwick County, Kansas," which may be in the custody of the Secretary or Manager.

### **Article 15**

#### **Fiscal Year**

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

## **Article 16**

### **Amendment**

Section 1. These Bylaws may be repealed or amended by a vote of  $\frac{3}{4}$ 's of the participating members present at any regular meeting of the District, or at any special meeting of the District called for the purpose except that the participating members shall not have the power to change the purposes of the District so as to impair its rights and powers under the laws of the State of Kansas, or to waive any requirement of bond or other provision for the safety and security of the property and funds of the District or its participating members, or to deprive any participating member or landowner of rights and privileges then existing, or to so amend the Bylaws as to affect a fundamental change in the policies of the District. Notice of any amendment to be made at any regular or special meeting of the participating members must be given at least 10 days before such meeting and must set forth the amendments to be considered.

## **Article 17**

### **Basis of Operation**

Section 1. The District shall at all times be operated on a non-profit basis for the mutual benefit of its participating members.

## **Article 18**

### **Benefits and Duties of Members**

Section 1. The District shall install, own, maintain and operate a main distribution pipe line from the source of the water supply, and lines from the main distribution pipe lines or line, to the property line of each participating member of the District, at which point designated as delivery points, meters to be purchased, installed, owned, and maintained by the District shall be placed.

Section 2. Each participating member shall be entitled to purchase from the District, such water as the participating member may desire, subject, however, to the provisions of these Bylaws and such rules and regulations as may be prescribed by the Board. The water delivered to each participating member shall be metered.

Section 3. In the event the total water supply shall be insufficient to meet all of the needs of the members and users, or in the event there is a shortage of water, the

District may pro-rate the water available according to any water conservation plan approved by the Board.

### Article 19

#### Copy of Bylaws

Section 1. After adoption, these Bylaws shall be available at the District Office and on the District Website.

#### AFFIDAVIT

STATE OF KANSAS     )  
                                  )     SS.  
SEDGWICK COUNTY    )

David Studebaker,                      Randy Mark,                      Virginia Riemann,

Tim Lipke                                      Jack Wilson                      John Rogers

and     Russ Leeds,

Being duly sworn, depose and state, each for himself, that he is a Director of Rural Water District No. 2, Sedgwick County, Kansas, that the foregoing revised Bylaws were adopted at a Special Meeting of the Participating Members of the District, duly called and held on the 17<sup>th</sup> day of August, 2010, at 7:00 o'clock p.m. The vote for the adoption of the revised Bylaws was unanimous.

David Studebaker                      Virginia Riemann  
Randy Mark                                      Jack Wilson  
Russ Leeds                                      Tim Lipke  
John Rogers

Subscribed and sworn to before me this 27th day of February 27, 2024.



Debbie Gilbert  
Notary Public

My Commission Expires: