

**AMENDED AND RESTATED  
BYLAWS  
OF  
AGASSIZ WATER USERS DISTRICT**

**ARTICLE I**

**Section 1.** Agassiz Water Users District, referred to as “District” is established for the specific purpose of operating a rural water distribution system in the manner as provided in North Dakota Century Code §61-35-02.

**ARTICLE II**

**Section 1.** Agassiz Water Users District is the successor in interest of Agassiz Water Users, Inc., a non-profit corporation of the State of North Dakota pursuant to a Certificate of Corporation issued by the Secretary of the State of North Dakota on June 2, 1971.

**Section 2.** Said Agassiz Water Users, Inc., operated as such non-profit corporation until the 1<sup>st</sup> day of January, 2000, when the North Dakota State Engineer, in pursuance to the North Dakota Century Code §61-35-07, dissolved the non-profit corporation, Agassiz Water Users, Inc., and created the Agassiz Water Users District pursuant to the provisions of the North Dakota Century Code §61-35-02.

**Section 3.** The details related to dissolution of the Agassiz Water Users, Inc., and the creation of Agassiz Water Users District is recited in the formal document of the Office of the State Engineer. This document is known as the Matter of the establishment of Agassiz Water Users District which contains:

- A.** The Findings of Fact, Conclusions, and Administrative Order No. 99-8, signed therein by the North Dakota State Engineer, David A Sprynczynatyk, on the 29<sup>th</sup> day of October, 1999.
- B.** A copy of the foregoing Findings of Fact, Conclusions, and Administrative Order is incorporated into the within Bylaws of the Agassiz Water Users District, and is made part of these Bylaws.

**Section 4.** The principal office of this District shall be located in the City of Gilby, County of Grand Forks, State of North Dakota.

**ARTICLE III – FISCAL YEAR**

**Section 1.** The Fiscal year of the District shall begin on the 1<sup>st</sup> day of January of each year.

## ARTICLE IV – MEMBERSHIP

**Section 1. Qualifications and Obligations.** Every person (which word as used herein includes any legal entity) who is a record owner of a fee or undivided fee interest, or having a substantial possessory interest, in a property served by the water system of the District may become a member of the District. A “substantial possessory interest” is one where the person or persons have a legal right to control and occupancy of a property but do not have the legal or the equitable ownership of the property. It may be under a lease or similar right to possession. Subject to Board of Director approval, to become a member each person or entity shall:

- a) sign such applications and agreements for the purchase of water as may be provided and required by the District;
- b) pay such connection fee as may be imposed by the Board of Directors; and
- c) agree to comply with and be bound by these bylaws and amendments thereto, and such rules and regulations as may from time to time be adopted by the Board of Directors.

**Section 2. Subject to Board of Director Approval.** The Board of Directors shall approve membership, provided that membership shall not be denied because of the applicant’s race, color, creed, national origin, or other protected class under the law. Membership may be denied if capacity of the District’s water system is exhausted by the need of its existing members, or, if the proposed use of the applicant is such that it would interfere with existing uses previously authorized by the Board of Directors.

- A. Before membership is allowed to one or more persons claiming such an interest, the District will endeavor to obtain the application for membership from the owner of such property.
- B. Where membership is granted to one or more persons having a substantial possessory interest, the District as a condition to the membership may require such applicant to post such collateral or bond as the Board of Directors determine necessary to fully protect the District from any additional risk that may be involved to the District by reason of the lack of legal ownership in the property that is to be serviced of the applicant.

**Section 3. Membership Fee.** The membership fee shall be set by the Board of Directors. In the event of an emergency or exigent circumstance, the Board of Directors, within their sole discretion, may waive the membership fee. Such emergency and exigent circumstances shall be rare and the Board of Directors shall not regularly waive such membership fee.

**Section 4. Joint Membership.** Any two (2) or more potential qualified members who are owners or have a substantial possessory interest in the property served may jointly become a member and their application may be accepted in accordance with the provisions found in this article. The term “member” includes all those holding a joint membership. Any provisions relating to the rights and liabilities of membership apply equally to all holders of joint membership, specifically and without limitation:

- A. The presence at a meeting of the members constitutes the presence of all joint members and is a joint waiver of notice of meeting;
- B. The vote of any of those holding joint membership, separately or all, jointly constitutes one vote, joint memberships should designate which joint member will cast the joint membership vote;
- C. A waiver of notice signed by any of those holding a joint membership is a joint waiver;
- D. Notice to any of those holding the joint membership is notice to all holding the joint membership;
- E. Expulsion or withdrawal of any of those holding the joint membership terminate the joint membership;
- F. No more than one of those holding a joint membership may be elected or appointed as an officer or director, provided that all of those holding the joint membership meet the qualifications for such position;
- G. Upon the death of any of those holding a joint membership, such membership shall be held solely by the survivors;
- H. Joint membership shall not be terminated by divorce or separation;
- I. Joint membership shall continue until such time as the District shall receive sufficient notice, in writing, of any change in status, signed by all of the joint members;
- J. A membership may be transferred by a joint member to the remaining holder(s) of the joint membership upon written request of such member and compliance by such remaining holder(s) of the joint membership with the provisions of Section 1 of Article IV.

**Section 5. Transfer of Membership.** Membership in the District shall be transferable only with the approval and consent of the Board of Directors, except as hereinafter otherwise provided. Membership must be in good standing with the District in order to be transferred. The transfer will be effective only when noted on the books of the District. Such transfer will be made only to a person who obtains a qualifying interest in the property served by the water system. A member shall transfer his/her membership in the District to his/her successor in interest as part of the transaction whereby the member's interest in the property is conveyed. The secretary, upon notification, will make note of such transfer upon the records of the District.

**Section 6. Suspension of Membership.** If a member would like to discontinue their membership, upon written notification to the District office, their respective account will be dormant, and the membership will be inactive and such member will not enjoy service from the District or voting rights as outlined herein. If an inactive member, would like to reestablish membership, such individual or entity shall pay the current monthly minimum from the time their membership was inactive to present, or the current membership fee, whichever is less.

**Section 7. Termination of Membership.**

- A. When membership in the District is not transferred, it shall terminate upon disposition or other termination of the member's interest in the property. Membership also may be terminated by action of the Board of Directors where the use of the property is changed so as to materially increase the amount of water consumed to the prejudice of other existing members or to the prejudice of the orderly operation of the system.
- B. The termination of the membership of any member shall not disqualify for membership any other person who has or obtains an interest in the property of the terminated member and who otherwise meets the requirements for membership under these bylaws.

**Section 8. Involuntary Transfer.** In the event a member's property interest is divested other than by voluntary means, such member's membership will pass to the trustee, receiver, executor, or the like who will be entitled, either in person or through a designated representative, to exercise all of the rights incident to such membership, but subject to such duties and liabilities also applicable to the membership. The trustee, receiver, executor, or the like, may terminate such membership by written notice to such effect delivered or mailed to the secretary of the District. Upon the final disposition of such property rights, the owner thereof shall be entitled to membership as set forth in Article IV, Section 4, above herein.

**Section 9. Voting Privileges.** A membership of the District is equal to one vote. Any member having more than one connection service line shall use the service line located at the member's principal place of residence and an entity member shall use its principal place of business within the District for voting and representation purposes. If a vote of members is taken on any matter, the spouse of a member may vote on behalf of the member, unless member has indicated otherwise. A member may exercise voting rights on any matter that is before the members at a member's meeting from the time the member arrives at the member's meeting until the voting closes, unless otherwise noted in the notice of meeting of the member's meeting. Unless otherwise provided by law, a majority of the member votes cast shall determine the passage of any motion, resolution, or amendment submitted to the membership. Unless otherwise provided by law, a plurality of the member votes cast shall determine the election of directors to the board. A member may vote in person or by proxy except as provided herein for a vote by a spouse.

**ARTICLE V – MEMBERSHIP CERTIFICATES**

**Section 1. Certificates.** Previously, membership in the District was represented by membership certificates. Such certificates shall represent the right to use and enjoy the benefits of the District's water supply system upon the payment of necessary assessments, if any, and of reasonable charges based upon such use, provided such use and enjoyment are consistent with the rules, regulations, and contracts affecting the same as may from time to time be prescribed by the Board of Directors.

**Section 2. Certificates Discontinued.** Following January 1, 2000, new membership certificates shall not be required of all members of the former non-profit

corporation. The newly formed water district herein, shall recognize that all membership certificates of Agassiz Water Users, Inc. shall be in force and effect in the Agassiz Water Users District, the successor legal entity.

## **ARTICLE VI – MEETINGS OF MEMBERS**

**Section 1. Annual Meeting.** The Annual Meeting of the members of this District shall be held at the principal place of business of the District or at another conveniently located place as is designated by the Board of Directors and held annually. The Board of Directors shall set the date, time, and place prior to the issuance of the required notice of annual meeting. The place, day, and time of the annual meeting may be changed to any other convenient place, day, and time in the District by the Board of Directors giving notice thereof to each member not less than ten (10) days in advance thereof.

**Section 2. Special Meetings.** Special meetings of the members may be called at any time by the action of the Board of Directors and such meetings must be called whenever a petition requesting such meeting is signed by at least ten (10) percent of the members and presented to the secretary or to the Board of Directors. 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.** Notice of meetings of members of the District, both regular and special, shall be given by written notice mailed by first class mail to each member of record, directed to the address shown upon the books of the District and per North Dakota Century Code § 44-04-20 via the Agassiz Water Users District website, and posted on the main office door, and published in the official newspaper of the county or counties served by the District, not less than ten (10) days, nor more than thirty (30) days prior to such meeting. 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. Agenda of the meeting will be posted on Agassiz Water Users District’s website and on the door to the District Office.

**Section 4. Quorum and Proxies.** The presence at a meeting of the members entitled to cast in their own right or by proxy – ten percent (10%) of the total number of votes shall constitute a quorum. All proxies shall be in writing and filed with the secretary. Such proxies may be general or restrictive. Proxies shall be revocable and shall not be valid beyond 11 months; nor after termination of the membership by cessation of the member’s interest in the property.

**Section 5. Election of Directors.** Directors of this District shall be elected at the annual meeting of the members. No cumulative voting shall be allowed.

- A. The election will allow in person, mail in, or proxy voting for pre-approved nominated candidates in good standing.
- B. The Board of Directors will be elected from within the defined seven wards in the District with each director holding a membership in a different ward to ensure representation of all of its members. A member’s ward shall be determined by the member’s principal place of residence in the District.

- C. All nominees must be accompanied by ten (10) signatures of District members in good standing from the ward represented by nominee and such signatures shall be received by the District no later than February 1<sup>st</sup> prior to the annual meeting. All nominees must meet the qualifications of a Director as set forth in these bylaws.

Absent a qualified nominee for a directorship of a ward up for election, the existing Board of Directors, by a majority vote, shall choose a qualified member as a nominee to run for election of such ward.

**Section 6. Order of Business.** The order of business at the annual meeting and so far as possible shall be:

- a) Calling 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
- f) Unfinished business
- g) New business
- h) Adjournment

## **ARTICLE VII – DIRECTORS AND OFFICERS**

**Section 1. Number and Terms.** The Board of Directors of this District shall consist of seven (7) members of the District, each holding a membership in a different ward within the District. Each director shall serve for a term of three (3) years. Three (3) directors shall be elected at the first Annual Meeting of the Members. Two (2) directors shall be elected at the second Annual Meeting of the Members, and two (2) directors shall be elected at the third Annual Meeting of the Members.

Current Directors as of the effective date of these amended and restated bylaws, will be assigned a ward by the Board of Directors. At elections after the annual meeting of the members held in April of 2022, current Directors shall represent their assigned ward in elections and not their ward of residence. Any director elected that is not on the board as of the effective date of these amended and restated bylaws ward will be determined by the member’s principal place of residence or an entity’s principal place of business within the District.

**Section 2. Term Limit.** Beginning after the annual meeting of the members in April of 2022, no director shall serve more than four (4) full terms.

**Section 3. Qualifications of Directors.** Persons eligible to become or remain a director of the District shall:

- a) Be a member in good standing of the District, receiving water at the member’s principal place of residence. “Principal place of residence” means the residence that is the chief or main residence of the member and where the member lives for the most substantial portion of the year.
- b) Not be an employee of the District.

- c) Not be a close relative of a current employee of the District. “Close relative” means an individual who is a parent by birth or adoption, spouse, son or daughter by birth or adoption, stepchild, brother or sister by whole or half blood or by adoption, or brother-in-law or sister-in-law, or son-in-law or daughter-in-law.
- d) Not be a “former employee” of the District, whereas found in these bylaws “former employee” means an individual that was employed by the District at any time during the five (5) years preceding such individual’s director candidate nomination.
- e) Be only one, and not more than one, member of a joint membership; provided, however, that none shall be eligible to become or remain director unless all shall meet the qualifications herein set forth.
- f) Not be absent without being excused by the board from three (3) or more regular board meetings of the board during a twelve (12) month period.
- g) Not have been convicted of a felony while a director or employee of the District, nor during the five (5) year immediately prior to becoming a director.

**Section 4. Vacancy of Office.** If the office of any director becomes vacant by reason of death, resignation, retirement disqualification or otherwise, except by removal from office, a majority of the remaining directors, though less than a quorum shall, by a majority vote, choose a qualifying successor who shall hold office until the next regular meeting of the members of the District, at which time the members shall elect a director for the unexpired term or terms, provided that in the call of such regular meeting a notice of such election shall be given.

**Section 5. Monthly Meeting.** A majority of the Board of Directors shall constitute a quorum at any meeting of the Board. The affirmative vote of the majority of the directors at a meeting at which a quorum is present shall be the act of the Board. The monthly meeting of the Board of Directors shall be held at the District Office or any other convenient place set by the Board of Directors on the third Wednesday of the month at a time that is convenient for the Board of Directors. The place, day, and time of the monthly meeting may be changed to any other convenient place, day, and time in the District by the Board of Directors giving notice to each director and as per North Dakota Century Code 44-04-20.

**Section 6. Compensation.** Directors shall receive compensation as set by the Board of Directors for their service. Officers and Directors shall be compensated for any out-of-pocket expenses they may incur in connection with any services or travel required of them, subject to the approval of the Board of Directors at large.

**Section 7. Removal of Officer of Director.** 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 or director may present charges against a director by filing them in writing with the secretary of the District. If presented by a member, the charges must be accompanied by a petition signed by ten percent (10%) of the members of the District. Such removal shall be voted on at the next regular meeting of the members or special meeting of the members and shall be effective if approved by a

vote of a majority of those voting if a quorum is present. The director or officer against whom such charges have been presented shall be informed, in writing, of such charges at least (20) twenty days prior to the meeting, and shall have the opportunity at such meeting to be heard in person or by counsel and to present witnesses; and the person or persons presenting such charges against him/her 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 District. A vacancy in the board thus created shall be filled by a vote of a majority of the members at a special meeting or annual meeting. A vacancy in any office thus created shall be filled by the Board of Directors from among their number so constituted after the vacancy in the Board has been filled.

Upon the failure of a director to meet or maintain the qualifications described in these bylaws, the Board of Directors shall remove such director at a board of director's meeting and fill the vacancy caused by a removal in the manner provided herein.

## **ARTICLE VIII – DUTIES OF DIRECTORS**

**Section 1. Duties and Powers.** The Board of Directors, subject to 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 of Directors shall have, and are hereby given, full power and authority and have those powers as set forth by North Dakota Century Code § 61-35-12 and in respect to the matters as hereinafter set forth to be exercised by resolution duly adopted by the Board:

- A.** To approve membership applications. The Board may make binding commitments to permit the connection of properties to the system in the future in cases involving proposed construction or may issue such certificates prior to the commencement of the proposed construction.
- B.** To select and appoint all officers, agents, or employees of the District, remove such agents or employees of the District, prescribe such duties and designate such powers as may not be inconsistent with these bylaws, fix their compensation and pay for faithful services.
- C.** To borrow from any source, money, goods or services, and to make and issue notes and other negotiable or nonnegotiable instruments evidencing indebtedness of the District; to make and issue mortgages, deeds of trust, pledges of revenue, trust agreements, security agreements and financing statements, and other instruments evidencing a security interest in the assets of the District; and, to do every act and thing necessary to effectuate the same.
- D.** To prescribe, adopt and amend, from time to time, such equitable uniform rules and regulations as, in its 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 officers and employees, and to prescribe adequate penalties for the breach thereof.
- E.** To order, at least once each year, an audit of the books and accounts of the District by a competent public auditor or accountant. The report prepared by such auditor shall be submitted to the members of the District at their annual meeting, together with an approved budget for the current year. Copies of



such audits shall be submitted to such parties as may be required by other agreements.

- F. To fix and alter the charges to be paid by each member for services rendered by the District to the member, including connection fees where such are deemed to be necessary by the directors, and to fix and alter the method of billing, time of payment, manner of connection, and penalties for late or non-payment of the same. The Board may establish one or more classes of users. All charges shall be uniform and without discrimination with each class of users.
- G. To require all officers, agents and employees charged with responsibility for the custody of any of the funds of the District to give adequate bonds, the cost thereof to be paid by the District, and it shall be mandatory upon the directors to so require.
- H. 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 and the form of checks and the person or persons by whom the same shall be signed, with the power to change such banks and the person or persons signing such checks and the form thereof at will.
- I. To levy assessments against the members of the District in such manner and upon such proportionate basis as the directors deem equitable, and to enforce collection of such assessments by the suspension of water service or other legal methods. The Board of Directors shall have the option to suspend the service of any member who has not paid such assessments within 30 days from the date the assessment was due, provided the District must give the member on the books of the District written notice of its intention to suspend such service if the assessment is not paid. Upon payment of such assessments, any penalties applicable thereto, and a reconnection charge, if one is in effect, service will be promptly restored to such a member.
- J. To draw, redraw, and define the seven (7) wards of the District. The Board of Directors shall set the boundaries of the seven (7) wards and shall distribute to the members a map of the wards upon the wards inception and each time the wards are redrawn or redefined. Ward boundaries shall be reviewed by the Board every six (6) years. The Board shall review Ward boundaries if there is a variation of ten percent (10%) change in the water district system size.

## **ARTICLE IX – ELECTION OF OFFICERS**

**Section 1. Officer Election.** The Board of Directors shall meet within ten (10) days after the annual election of directors and shall elect a president and vice-president from among themselves and a secretary-treasurer who need not be a member of the Board of Directors, each of whom shall hold office until the next annual meeting and until the election and qualification of their successor unless soon removed by death, resignation, or for cause. No director shall serve more than four (4) years as president.

## **ARTICLE X – DUTIES OF OFFICERS**

**Section 1. Duties of the President.** The President shall preside over all meetings of the District and the Board of Directors, call special meetings of the Board of Directors, perform all acts and duties usually performed by an executive and presiding officer, and sign all membership certificates and such papers of the District as the President may be authorized or directed to sign by the Board of Directors, provided the Board of Directors may authorize any person to sign any or all checks, contracts and other instruments in writing on behalf of the District. The President shall perform such other duties as may be prescribed by the Board of Directors. Robert's Rules of Order will be used to conduct all meetings, to the best of one's ability.

**Section 2. Duties of the Vice President.** In the absence or disability of the President, the Vice President shall perform the duties of the President, provided, however, that in case of death, resignation or disability of the president, the Board of Directors may declare the office vacant and elect a successor.

**Section 3. Duties of the Secretary-Treasurer.** The Secretary-Treasurer shall keep a complete record of all meetings of the District and the Board of Directors:

- A. The Secretary-Treasurer shall attest the President's signature on all membership certificates and other papers pertaining to the District, unless otherwise directed by the Board of Directors.
- B. Upon the election of the successor to the Secretary-Treasurer office, the Secretary-Treasurer shall turn over to the newly elected office all books and other property belonging to the District that he/she may have in his/her possession.

## **ARTICLE XI – BENEFITS AND DUTIES OF MEMBERS**

**Section 1. Benefits of Member.** The District shall, maintain, and operate a main distribution pipeline or lines from the District's source of the water supply and service lines from the main distribution pipeline or line to the curb stop of each member of the District, at which points, designated as delivery points, meters to be purchased, owned and maintained by the District shall be placed. The cost of the service line or lines from the main distribution pipeline or lines of the District shall be paid by the member. The District also may purchase and install a cutoff valve in each service line from its main distribution line or lines, such cutoff valve to be owned and maintained by the District and to be installed on some portion of the service line owned by the District. The District shall have the sole and exclusive right to use of such cutoff valve. However, the provisions of this section shall not be construed to require the acquisition or installation of meters or cutoff valves where the directors determine under the circumstances of the system and the nature of the membership that the use of either or both of such devices is impractical, unnecessary to protect the system and the rights of the membership and/or economically not feasible.

**Section 2. Duties of Member.** Each member will be required, at their own expense, to have dug a ditch for the connection of the service line or lines from the (curb stop) of the member to their dwelling or other portion of their premises, and to purchase and have installed, the portion of the service line or lines from the (curb stop) to the place of use on their premises. The member will maintain such portion of such service line or lines which shall be owned by the member, at their own expense. The District may, if the

Board of Directors so determines, 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(s). In addition, each member shall pay such connection charge, if any, as may have been imposed by the Board of Directors before such member will be entitled to receive water from the system.

**Section 3. Additional Service Lines.** Each member may be permitted to have additional service lines from the District's water system in the discretion of the Board of Directors upon proper application thereof and the tender of payment not to exceed the then existing connection charge. The approval by the Board of Directors of additional service lines to an existing member may be made conditional upon such provisions as the Board of Directors determines necessary to protect the interests of the other members and to allow for the orderly expansion and extension of the system to serve other property that may need service along the distribution lines of the system. Each service line shall connect with the District's water system at the nearest available place to the place of desired use by the member if the District's water system has sufficient capacity to permit the delivery of water through a service line at that point without interfering with the delivery of water through a prior service line. If the District's water system is 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 places designated by the District

**Section 4. Member Purchase.** Each member may be permitted to purchase from the District, pursuant to such agreement as may from time to time be provided and required by the District, such water as is need by member for domestic, commercial, agricultural, industrial, or other purposes as a member may desire, subject, however, to the provisions of these bylaws and to such rules and regulations as may be prescribed by the Board of Directors. Each member shall be entitled to have delivered to themselves through their service lines only such water as may be necessary to supply the needs of each member, including their family, business, agricultural, or industrial requirements. The water delivered through each service line shall be metered separately and the charges for such water may be determined separately, irrespective of the number of service lines owned by a member.

**Section 5. Limitations.** In the event 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 District 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 commercial, agricultural, or industrial purposes by particular members and require adherence thereto or prohibit the use of water for commercial, agricultural, or industrial purposes, provided, that if at any time the total water supply shall be insufficient to meet all the needs of all the members for domestic, livestock, commercial, agricultural, or industrial purposes, the District must first satisfy all of the reasonable needs of the members for domestic purposes before supplying water for livestock purposes and must satisfy all the needs of all the members for domestic and livestock purposes before supplying any water for commercial or industrial purposes; and provided further, that where a member has more than ones service line, the District may cut off the flow of water to the nondomestic service lines until such time as the supply of water from the system is sufficient to meet the needs of all of the members for domestic, livestock and garden

purposes. During such periods of shutoff of additional service lines, there shall be no minimum fee charged to the members having such additional service lines and the cost, if any, of resuming the flow of water to such additional service lines shall be borne by the District.

**Section 6. Payment to District.** The Board of Directors shall, prior to the beginning of each calendar year, determine the flat minimum monthly rate to be charged each member during the following calendar year for a specified quantity of water, such flat minimum monthly rates to be payable irrespective of whether any water is used by a member during any month, the amount of additional charges, if any, for additional water which may be supplied the members, and the amount of penalty for late payments. The Board of Directors shall fix the date for the payment of such charges as provided herein. A member to be entitled to the delivery of water shall pay such charges at the office designated by the District at or prior to the dates fixed by the Board of Directors. The failure to pay water charges duly imposed shall result in the automatic imposition of the following penalties:

- A. Nonpayment within (30) thirty days from the due date will be subject to a penalty of ten (10) percent of the delinquent amount, which percent may be changed at the discretion of the Board of Directors.
- B. Nonpayment within (30) thirty days from the due date will result in the water being shut off from the member's property without any notice thereof to such delinquent member. Upon the payment by the delinquent member of past due water charges, penalties thereon, any reconnection charge, such member shall be entitled to resumption of the water supply. During the time of such suspension of water to a member, such member shall have no right to vote in the affairs of the District.

**Section 7. Membership Agreement.** The Board of Directors shall be authorized to require each member to enter into water user agreements which shall embody the principles set forth in the foregoing provisions of these bylaws.

## **ARTICLE XII – MANAGEMENT**

**Section 1. Employ Manager.** The Board of Directors may employ a General Manager who shall manage the affairs of the District under the supervision of and in accordance with the policies of the Board of Directors, and may terminate the employment of such General Manager at their discretion.

**Section 2. Duties of General Manager.** Duties of the General Manager shall be to have charge of the direct management of the business of the District, in accordance with the instruction of the Board of Directors and under supervision of the Board of Directors; to engage and discharge the employees of the District in accordance with the authority given by the Board; to cause accurate books and records to be kept of the business of the District and to submit the same, together with all files, records, inventories, and other information pertaining thereto for inspection at any time by the Board of Directors or by auditors appointed by the Board of Directors; to disburse funds of the District in payment of its debts in accordance with authority given by the Board of Directors, making proper vouchers for such disbursements; when requested, he/she shall furnish to the Board of

Directors at their meetings, a monthly report of the management; to attend such other duties and offices as the Board of Directors may require, including such duties as might ordinarily in the absence of such requirement be performed by the treasurer or by some other officer of the District. The General Manager shall treat all members on a uniform basis, without discrimination or favoritism. The General Manager shall be generally responsible for the collection of all accounts of the District, as the Board of Directors may require.

**Section 3. Audit.** The Board of Directors shall require the General Manager or auditor to submit a detailed report of the financial condition of and business transacted by the District at least monthly, and shall have the books audited by a qualified public accountant at last once a year, and at such other times as is consistent with the volume of business.

**Section 4. Insurance.** This District shall have power to purchase and maintain insurance on behalf of any person who is or was a director, General Manager, employee, or agent of this District, or is or was serving at the request of this District as a director, officer, General Manager, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity.

### **ARTICLE XIII – SURPLUS FUNDS**

**Section 1. Surplus.** It is not anticipated that there will be any surplus funds or net income to the District at the end of the fiscal year after provisions are made for the payment of the expenses of operation and maintenance, and the funding of the various reserves for depreciation, debt retirement, and other purposes, including those required by the terms of any borrowing transaction. In the event there should exist such surplus funds or net income, they may be placed in an existing or new reserve account to be used for the early retirement of any outstanding indebtedness or be used for the improvement and/or extension of the District facilities as the Board of Directors may determine to be in the best interest of the District and to the extent not otherwise provided for by any contractual arrangement. The occurrence in subsequent fiscal years of surplus funds or net income above the requirement of the district as above mentioned, including, if any, a reserve for improvements and extension of the facilities, shall be taken into consideration by the Board of Directors in determining the water rates to be charged the members.

### **ARTICLE XIV – AMENDMENTS**

**Section 1. Amendments.** Pursuant to authority provided in Chapters 61-35-09 of the North Dakota Century Code, as amended, the Bylaws may be repealed or amended by a vote of a majority of the members present at any annual meeting of the District, or at any special meeting of the District called for that purpose. The members shall not have the power to change the purposes of the District so as to decrease its rights and powers under the laws of the State of North Dakota, 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 members, or so to amend the Bylaws as to effect a fundamental change in the policies of the District.

**ARTICLE XV – DISSOLUTION**

**Section 1. Dissolution.** In the event the District herein, Agassiz Water Users District, should cease operations for the purposes for which it was created, for any reason, and should no longer operate a water distribution system, for any reason, so that the purposes for which it was created, cease to exist; and should that event occur, and should the said Agassiz Water Users District then have in its possession, any remaining assets of any kind and description, including money on deposit, securities of any kind, and possess and own any personal property or chattels, and own any real estate, or interest in real estate, including easements of rights-of-way, and own any other property such as underground pipes, water wells or any property of any kind and description; all such property described above shall then be disposed of in accordance with North Dakota Century Code § 61-35-02.

We certify that the foregoing Bylaws were duly adopted by the members on the 20th day of April, 2022, that the same are in full force and effect and have not been amended.

Given under our hands, this 20<sup>th</sup> day of April, 2022.

AGASSIZ WATER USERS DISTRICT

By: \_\_\_\_\_  
\_\_\_\_\_, President

ATTEST:

\_\_\_\_\_  
Secretary-Treasurer