

**BY-LAWS
OF
McLEAN SHERIDAN RURAL WATER DISTRICT**

*ARTICLE I
General Purpose*

The purpose for which this District is formed, and the powers which it may exercise are set forth in Chapter 61-35 of the North Dakota Century Code.

*ARTICLE II
Name and Location*

Section 1. The name of the District is:

McLEAN SHERIDAN RURAL WATER DISTRICT

Section 2. The principal office of this District shall be located in the at 989 17th Avenue, Turtle Lake, McLean County, and State of North Dakota.

*ARTICLE III
Fiscal Year*

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

*ARTICLE IV
Membership*

Section 2. 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 possessor interest, in property served by the water District may become a member of the District upon signing such applications and agreements for the purchase of water and for the installation of the pipeline(s) and connections as may be provided and required by the District and upon the payment of such connection fee as may be imposed by the Board of Directors. Such membership fee is nonrefundable. Only one (1) membership at a time may be held for each property served. A single membership may be issued to all persons owning or having a substantial possessor interest in the property. Only (1) membership may be held with respect to a property at one time. The Board of Directors shall provide that membership shall not be denied because of the applicant's race, color, creed, or national origin. Membership may be denied if the capacity of the District's water system is exhausted by the needs of its existing members, if such service would not, in the Board's discretion be economically feasible 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. A substantial possessor interest is one where the person or persons have a legal right to control an 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.

1. 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.
2. Where membership is granted to one or more persons having a substantial possessor interest, the District as a condition to the membership may require such applicant to post such collateral or bond as the 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 applicant.

Section 2. Each member shall have only one membership for each property served, regardless of the number of service connections he/she may obtain to serve his/her property. When more than one person holds the interest in a property served, the vote shall be exercised by the person in whose name the account with the District is registered or by such person as the several persons may designate.

Section 3. Membership shall be transferable but 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. A member will transfer his/her membership in the District to his/her successor in interest as part of the transaction whereby he/she disposes of his/her interest to said property. The secretary, upon request, will make note of such transfer upon the records of the District.

Section 4. When membership in the District is not transferred, it shall terminate upon the 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.

Section 5. 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 of these By-Laws.

Section 6. 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 incidental 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 in like manner as if the membership had been transferred to him/her by the original member as set forth in Section 3 above.

Section 7. Upon the transfer of a membership, the District requires that all past due amounts be collected. The District will seek collection from the individual who incurred such charges or assessments from the property itself if a judgment lien had been duly perfected against such property.

ARTICLE V
Meetings of Members

Section 1. The annual meeting of the members of this District shall be held on such date in the month of MAY and at such place in North Dakota as shall be determined by the Board of Directors, which shall be designated in the notice of the meeting, for the purpose of electing directors and transacting any business that may come before the meeting. If the election of the directors shall not be held within the time provided in these By-Laws for the annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as convenient.

Section 2. Special meetings of the members maybe called at any time by the president or the action of the Board of Directors and such meeting must be called whenever a petition requesting such meeting is signed by at least ten percent (10%) 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 there except such as is specified in the notice.

Section 3. Notice of meetings of members of the District, both regular and special, shall be given by notice mailed by either third, second, or first-class mail to each member of record, directed to the address shown upon the books of the District, not less than ten (10) nor more than thirty (30) days prior to such meeting. Such a notice shall state the nature, time, place, and purpose of the meeting.

Section 4. A quorum at a members meeting shall be ten percent of the first 100 members plus five percent of additional members, present in person; provided, however, that a quorum shall never be more than fifty members nor less than five members. Members represented by signed vote may be counted in computing a quorum only on those questions as to which the signed vote is taken. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice. Every person entitled to vote at a meeting of members, regular or special, may appear either in person or by his duly authorized agent.

Section 5. Directors of this District shall be elected at the annual meeting by the participating members as provided in Article VI, Section 1. A participating member is a member that pays a monthly fee directly to the District.

- (a) Each participating member is entitled to one vote at the annual and special meeting of the District.
- (b) In the absence of written notice that some person has been designate to represent a participating member who is other than a natural person, such

member may be represented by any of its principal officers. If a member who is other than a natural person is not represented by any of its principal officers, such member may designate a natural person to represent it before the member meeting, which shows that the named representative has been authorized by the managing board of such member to represent it at the meeting of the District. An individual may represent more than one such member, and may also vote as an individual if he is a member.

Section 6. The order of business at the regular meetings and so far as possible at all other meetings shall be:

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

ARTICLE VI
Directors and Officers

Section 1. The Board of Directors of this District shall consist of five members, all of whom shall be participating members of the District. At the first annual meeting of the members, the Board of Directors of the McLean Sheridan Rural Water District shall continue to serve their terms on the Board of Directors of the District. At each annual meeting thereafter, the participating members shall elect for a term of three (3) years the number of directors whose terms of office have expired. Each director shall hold office for the term for which he/she is elected or until his/her successor shall have been elected and qualified.

Section 2. 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 and a Treasurer who need not be a member of the Board of Directors, each of who shall hold office until the next annual meeting and until the election and qualification of his/her successor unless sooner removed by death, resignation, or for cause.

Section 3. 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 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 4. 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 of Directors.

Section 5. Compensation or reimbursement for expense of Board of Directors and officers may be fixed at any regular or special meeting of the members of the District. The Board of Directors and officers shall receive no compensation for the services as such.

Section 6. Officers and directors may be removed from office in the following manner: Any participating member, officer, or director may present charges against a director or officer by filing them in writing with the secretary of the District. If presented by a participating member, the charges must be accompanied by a petition signed by ten percent (10%) of the participating members of the District. Such removal shall be voted on at a special meeting of the participating members called specifically for such purpose 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 twenty (20) 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 of Directors thus created shall immediately be filled by a vote of a majority of the participating members of the Board of Directors present and voting at such meeting. The Board of Directors shall fill a vacancy in any office thus created from among their number so constituted after the vacancy in the Board of Directors has been filled. For the purposes of this paragraph, the use of signed votes, proxies, is expressly prohibited.

No person shall be eligible to become or remain a director of McLean Sheridan Rural Water District who:

- (a) except for the initial board, is not a participating member and is not presently residing in the area served by the McLean Sheridan Rural Water District.
- (b) as it relates to (a) herein, absent from the area or geographical area for 120 days or less during the last 12-month period shall not be construed as a loss of residency.
- (c) has not attended 2/3rds or more meetings during the last 12-month period.
- (d) is in any way employed by or financially interested in a competing enterprise or a business engage in selling water services or supplies, or construction or maintaining water facilities other than a business operating on a cooperative nonprofit basis for the purpose of further water usage.

Upon establishment of the fact that a director is holding office in violation of any of the foregoing provisions, that office shall be deemed vacant.

Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

ARTICLE VII
Meetings of Board

Section 1. Regular Meetings. A regular meeting of the board shall be held without notice, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the Board of Directors shall also be held monthly at such time and place within one of the counties served by the District as designated by the Board of Directors. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by the President or by any two board members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or board members calling the meeting shall fix the time and place for the holding of the meeting.

Section 3. Notice of Board Meetings. Written notice of the time, place and purpose of any special meeting of the Board of Directors shall be delivered to each board member either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President, or the board members calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the board member at his address as it appears on the records of the District, with postage thereon prepaid, at least five days before the date set for the meeting.

Section 4. Quorum. A majority of the board shall constitute a quorum, provided, that if less than such majority of the board is present at said meeting, a majority of the board present may adjourn the meeting from time to time; and provide further, that the Secretary shall notify any absent board members of the time and place of such adjourned meeting. The act of a majority of the board members present at a meeting at which a quorum is present shall be the act of the board except as otherwise provided in these By-Laws.

Section 5. Waiver of Notice. Any board member may waive in writing any notice of a meeting required to be given by these By-Laws. The attendance of a board member at any meeting shall constitute a waiver of notice of such meeting by such board member, except in case a board member shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

ARTICLE VIII
Duties of Directors

Section 1. The Board of Directors, subject to restrictions of law, and these By-Laws, shall exercise all of the powers of the District that are allowed by Chapter 61-35 of the North Dakota Century Code, or any subsequent amendments thereto, 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 in respect to the matters as hereinafter set forth to be exercised by resolution duly adopted by the Board:

- A. To approve membership applications and cause to be issued appropriate certificates of membership. The board may make binding commitments to issue membership certificates and to permit the connection of properties to the system in the future in cases involving construction or may issue certificates prior to the commencement of the proposed construction.
- B. To select and appoint all officers, agents, and manager of the District, remove such agents or manager of the District, prescribe such duties and designate such powers as may not be inconsistent with these By-Laws, 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 or revenue, trust agreements, security agreements and financing statements, and other instrument 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 or accountant shall be submitted to the members of the District at their annual meeting, together with a proposed budget for the ensuing year. Copies of such audits and budgets 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 nonpayment of the same. The Board of Directors may establish reasonable classification of business done, according to the type or nature thereof, for the purpose of regulating rates and charges for water service to members. All charges shall be uniform and nondiscriminating within each class.

- 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 Board of 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 Board of 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 to any member who has not paid such assessment within 30 days from the date the assessment was due, provided the District must give the member at least 15 days' written notice at the address of the member on the books of the District 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 member.

ARTICLE IX
Management

Section 1. *Manager.* The Board of Directors shall employ a Manager who shall actively supervise the business of the District and shall perform such other duties and shall have such powers as the Board of Directors may require of or may delegate to him.

Section 2. *Manager's Duties.* Duties of the 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 shall furnish to the Board of Directors at their meetings, a monthly report of the management; to attend to 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 manager shall treat all members on a uniform basis, without discrimination or favoritism. He shall be responsible for the collection of all accounts of the District.

*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 papers of the District as he/she 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.

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 his/her successor.

Section 3. Duties of the Secretary. The Secretary or appointed assistant shall keep a complete record of all meetings of the District and of the Board of Directors and shall have general charge and supervision of the books and records of the District. He/she shall attest the President's signature on all papers pertaining to the District unless otherwise directed by the Board of Directors. He/she shall serve, mail or deliver all notices required by law and these By-Laws and shall make a full report of all matters and business pertaining to his/her office to members at the annual meeting or at such other time or times as the Board of Directors may require. He/she shall keep membership records of the District. He/she shall keep a proper membership record, showing the name of each member of the District and date of issuance, surrender, transfer, termination, cancellation, or forfeiture. He/she shall, together with the Treasurer, make all reports required by law and shall perform such other duties as may be required of him/her by the District or the Board of Directors. Upon the election of his/her successor, the Secretary shall turn over to him/her all books and other property belonging to the District that he/she may have in his/her possession.

Section 4. Duties of the Treasurer. (May be combined with Secretary) The Treasurer or appointed assistant shall keep a complete and accurate record of all finances of the District and of the Board of Directors and shall have general charge and supervision of the financial books and records of the District. He/she shall endorse and deposit all money, drafts and checks in the name of and to the credit of the District in the banks and depositories designated by the Board. He/she shall disburse District funds and issue checks and drafts in the name of the District, as ordered by the Board. He/she shall provide the Board, whenever requested, a complete and accurate account of all transactions of his/her office and of the financial condition of the District. He/she shall also perform such duties with respect to the finances of the District as may be prescribed by the Board of Directors.

*ARTICLE XI
Benefits and Duties of Members*

Section 1. The District will install, maintain, and operate a main distribution pipeline or lines

from the source of the water supply and service lines from the main distribution pipeline or lines to a point on the property of each member of the District, at which points, designated as delivery points, shall be determined by the Board of Directors, pursuant to uniform and nondiscriminatory policies. The cost of the service line or lines from the main distribution pipeline or lines of the District to the delivery point of each member shall be paid by the District or proportionate costs as determined by the Board of Directors.

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 the use of such cutoff valve.

Meters to measure water usage shall be purchased, owned, installed and maintained by the District. The points of installation of meters shall be determined by the Board of Directors. Meters may be installed on the members' service lines, including inside a member's residence or other building. The proportionate cost of all equipment to be determined by the Board of Directors and charged to each user.

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. Each member will be required at this/her own expenses for the excavation and the connection of the service line or lines from the property line of the member to his/her dwelling or other portion of his/her premises, and to purchase and have installed the portion of the service line or lines from his/her property line to the place of use on his/her premises. The member will maintain such portion of such service line or lines which shall be owned by the member, at his/her 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. 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. 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 therefor and the tender of payment not to exceed the 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 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 the 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 place designated by the District.

Section 4. 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 needed by him/her for domestic, commercial, agricultural, industrial or other purposes as a member may desire, subject however, to the provisions of these By-Laws and to such rules and regulations as may be prescribed by the Board of Directors. Each member shall be entitled to have delivered to them through their service lines only such water as may be necessary to supply the needs of each member, including their families, business, agricultural, or industrial requirements. The water delivered through each service line may be metered separately and the charges for such water may be determined separately, irrespective of the number of service lines owned by the member.

Section 5. 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 of the needs of all of 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 any water for livestock purposes and must satisfy all of the needs of all of 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 one 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 cutoff 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. The Board of Directors shall determine the flat minimum monthly rate to be charged each member. Such flat minimum monthly rate to be payable irrespective of whether any water is used by a member during any month, the amount of additional charges for water will be based on a cost per 1000 gallons of water delivered through the user's pipeline. 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 ten (10) days from the due date will be subject to a penalty of ten percent (10%) of the delinquent account, which percent may be changed at the discretion of the Board of Directors.
- b. Nonpayment within thirty (30) days from the due date will result in water being

cutoff from the member's property without any notice thereof to such delinquent member. Upon the payment by the delinquent member of the 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. The Board of Directors shall be authorized to require each member to enter into water users agreements which shall embody the principles set forth in the foregoing provisions of these By-Laws.

ARTICLE XII
Distribution of Surplus Funds

Section 1. It is not anticipated that there will be any surplus funds at 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 that 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 requirements 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 XIII
Amendments

Section 1. These By-Laws may be repealed or amended by a vote of a majority of the members present at any regular meeting of the District, or at any special meeting of the District called for that purpose, except that so long as any indebtedness is held or guaranteed by the USDA Rural Development, 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, 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 By-Laws as to effect a fundamental change in the policies of the District without the prior approval of the USDA Rural Development in writing.

- A. The Board of Directors may propose changes or amendments to these By-Laws by submitting those changes together with the annual meeting notice as set forth in these By-Laws or 30 days prior to a special member meeting.
- B. Members may submit a by-law change to the Board of Directors for consideration 90 days prior to the annual meeting or special called meeting. The members present at the meeting will then vote "up or down" whether to advance the proposed change to

the next called meeting for a vote on the proposed change.

*ARTICLE XIV
Governing Procedures*

Section 1. In all proceedings of the District, its Board of Directors, or any other committee as the District may create from time to time, the most recent edition of Robert's Rules of Order applies, except to the extent that the same may be inconsistent with any of the provisions of these By-Laws or the provisions of Chapter 61-35 of the North Dakota Century Code, as amended.

*ARTICLE XV
Changes to Established Operations*

Section 1. Transfer of major responsibilities to other entities such as maintenance, record keeping, office location, mergers and joint power agreements must be acted upon by the general membership.

(Adopted: _____, 2006)

ADD TO ARTICLE VI RIGHT AFTER SECOND SENTENCE.

at which time two (2) existing board positions will be vacated and one new director position elected as determined by the Board prior to the first annual meeting.

ADD TO SECTION ARTICLE VI, SECTION 1
city representatives:

McLean County and Sheridan County will be each entitled to a bulk user representative that will be allowed to participate at Board meetings on issues pertaining to bulk users and other issues as determined by acting Board. The representative may be elected or appointed position as determined by the bulk users in each county.

If a bulk user representative is elected to the Board of Directors from either county, that Director 's position will also be considered the bulk representative from that county. The bulk users shall have only one director position at a time.