

**BY - LAWS**  
**of**  
**FIFTH WARD WATER SYSTEM, INC.**

**ARTICLE I**

**General Purposes**

The purposes for which this Corporation is formed and the powers which it may exercise are set forth in the Articles of Incorporation of the Corporation.

**ARTICLE II**

**Name and Location**

Section 1. The name of this Corporation is **FIFTH WARD WATER SYSTEM, INC.**

Section 2. The principal office of this Corporation shall be located at **Marksville, Parish of Avoyelles, State of Louisiana**, but the Corporation may maintain office(s) and place(s) of business at such other places within or outside the state as the Board of Directors may determine.

**ARTICLE III**

**Seal**

Section 1. The seal of the Corporation shall have inscribed thereon the name of the Corporation and the year of its organization.

Section 2. The Secretary of the Corporation shall have custody of the seal.

Section 3. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

## **ARTICLE IV**

### **Fiscal Year**

The fiscal year of the Corporation shall begin the first (1<sup>st</sup>) day of January of each year.

## **ARTICLE V**

### **Membership**

Section 1. The membership fee shall be \$25.00 which amount must be paid in cash.

Section 2. In the case of the death of a member or if a member ceases to be eligible to hold membership or willfully fails to comply with these By-Laws and other requirements; or willfully obstructs the purposes and proper activities of the Corporation, the Corporation, through the Board of Directors, may elect to purchase his/her membership certificate and terminate his/her membership upon tender to his/her or heirs or legal representative of the fair book value of his/her membership certificate or his/her original membership fee which ever is less as determined by the Board of Directors, less any indebtedness then due from him/her to the Corporation. Any member whose membership is so terminated for cause other than that of ceasing to be eligible may appeal from the action of the Board of Directors to a vote of the members at a regular meeting of the members or special meeting of the members called for such purpose.

## **ARTICLE VI**

### **Membership Certificates**

Section 1. This Corporation shall not have capital stock, but its capital shall be represented by membership certificates.

Section 2. The membership certificates shall be issued to each holder of a

fully paid membership and shall be numbered consecutively, in accordance with the order of issue. Each membership certificate shall have inscribed thereon, the following statement: "This membership certificate is issued and accepted in accordance with and subject to the following conditions and restrictions:

Transfers of membership certificates shall be made upon the books of the Corporation only to persons eligible to become members, only with the approval of the Board of Directors and only when the member transferring is free from indebtedness to the Corporation.

The owner of this membership certificate, in case he/she desires to dispose of his/her membership certificate, agrees to first offer the membership certificate to the Corporation at its fair book value or for an amount equal to the original membership fee, whichever is less and that he/she will make no offer of assignment or sale of the same unless the Corporation shall fail after thirty (30) days notice in writing to so purchase the certificate."

Section 3. Every member of this Corporation agrees to sign such agreement for the purchase of water from the Corporation as may from time to time be provided and required by the Corporation.

Section 4. All transfers of membership certificates shall be made upon the books of the Corporation upon the surrender of the certificates covering the same by the holders thereof or by their legal representative, but only with the approval of the Board of Directors and only to persons eligible to become members and only when the transferring member is free from indebtedness to the Corporation.

## ARTICLE VII

### Meetings of Members

At least one meeting shall be held of the shareholders each calendar year. This meeting shall take place on the third Monday of the month of January or in the event that day is a legal holiday, on the first Monday which is not a legal holiday.

The order of business at the regular meeting and so far as is possible at all other meetings shall be:

1. Calling to order and proof of a 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 VIII**

### **Directors and Officers**

- Section 1. The Board of Directors shall meet within ten (10) days after the first meeting of the members. The Board of Directors shall meet regularly within ten (10) days after the annual election of Directors and shall elect by ballot a President, Vice President from among themselves and a Secretary and Treasurer, each of whom 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. Notice of regular and special Board of Director meetings shall be mailed to each director at least ten (10) days before the date of such meeting by the Secretary of the Corporation.
- Section 2. 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 Corporation, at which time the members shall elect a Director for the unexpired term, provided that in the call of such regular meeting a notice of such election shall be given.
- Section 3. Compensation of Officers may be fixed at any regular or special meeting of the members of the Corporation. Directors shall receive no compensation for their services as such.

**Section 4.** Officers and Directors may be removed from office in the following manner: Any member, officer or director may present charges against a director or officer by filing them in writing with the Secretary of the Corporation. If presented by a member, the charges must be accompanied by a petition signed by ten (10) percent of the members of the Corporation. Such removal shall be voted on at the next regular or special meeting of the members and shall be effective if approved by a vote of a majority of the members present. The Director or Officer against whom such charges have been presented shall be informed, in writing, of such charges five days prior to the meeting and shall have the opportunity 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 Corporation. A vacancy in the Board thus created shall immediately be filled by a vote of a majority of the members present and voting at such meeting. A vacancy in any office other than that of Director, thus created shall be filled by the Directors from among their number so constituted after the vacancy in the Board has been filled.

## **ARTICLE IX**

### **Duties of Directors**

**Section 1.** The Board of Directors, subject to restrictions of law, the Articles of Incorporation or these By-Laws shall exercise all of the powers of the Corporation and with 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 to be exercised by resolution adopted by a majority vote of the quorum in respect to the matters and as hereinafter set forth:

- A) To pass upon the qualifications of members and to cause to be issued appropriate certificates of membership.
- B) To select and appoint all Officers, agents or employees of the Corporation or remove such agents or employees of the Corporation for just cause, prescribe such duties and designate such powers as may 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 and transferrable instruments, mortgages and trust agreements 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 their discretion may be deemed essential or convenient for the conduct of the business and affairs of the Corporation and the guidance and control of its officers and employees and to prescribe adequate penalties for the breach thereof.
  - E) To order, at least once each year, an audit of the books and accounts of the Corporation by a competent public auditor or accountant. The report prepared by such auditor or accountant shall be submitted to the members of the Corporation at their annual meeting.
  - F) To fix the charges to be paid by each member for services rendered by the Corporation to him/her, the time of payment and the manner of collection.
  - G) To require all officers, agents and employees charged with responsibility for the custody of any of the funds of the Corporation to give adequate bonds, the cost thereof to be paid by the Corporation 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 Corporation and to determine the manner of receiving, depositing and disbursing the funds of the Corporation and the form of checks and the person or persons by whom the checks should 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 enforce the collection of assessments against the membership certificates of the Corporation by the foreclosure of delinquent certificates. The Board of Directors shall have the option to declare forfeited any membership certificate on which assessment has not been paid, at any time after ninety days from the date the assessment was due, provided that the Corporation must give the member a least thirty (30) days written notice at the address of the member on the books of the Corporation, of its intention to forfeit the certificate if the assessment is not paid.

## ARTICLE X

### Duties of Officers

- Section 1. Duties of the President.** The President shall preside over all meetings of the Corporation 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 other papers of the Corporation 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 Corporation. 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 a successor.
- Section 3. Duties of the Secretary.** The Secretary shall keep a complete record of all meetings of the Corporation and of the Board of Directors and shall have general charge and supervision of the books and records of the Corporation. He/she shall sign all membership certificates with the President and such other papers pertaining to the Corporation as he/she may be authorized or directed to do so by the Board of Directors. He/she shall serve all notices required by law and by these BY-Laws and shall make full report of all matters and business pertaining to his office to the members at the annual meeting. He/she shall keep the corporate seal and membership certificate records of the Corporation, complete and countersign all certificates issued and affix said corporate seal to all papers requiring a seal. He/she shall keep a proper membership certificate record, showing the name of each member of the Corporation and date of issuance, surrender, cancellation or forfeiture. He/she shall make all reports required by law and shall perform such other duties as may be required of him/her by the Corporation or the Board of Directors.

Upon the election of his/her successor, the Secretary shall turn over to him/her books and other property belonging to the Corporation that he/she may have in his/her possession.

Section 4. Duties of the Treasurer. The treasurer shall perform such duties with respect to the finances of the Corporation as may be prescribed by the Board of Directors.

## ARTICLE XI

### Benefits and Duties of Members

Section 1. The Corporation will install, maintain and operate a main distribution pipe line or lines to the property line of each member of the Corporation, at which points, designated as delivery points, meters to be purchased, installed, owned and maintained by the Corporation shall be placed. The Corporation will also purchase and install a cut-off valve at each delivery point, such cut-off valve to be used and maintained by the Corporation and to be installed on some portion of the line owned by the Corporation. The Corporation shall have the sole and exclusive right to use such cut-off valve to it on and off.

Section 2. Each member shall be entitled to purchase from the Corporation, pursuant to such agreements as may from time to time be provided and required by the Corporation, such water for domestic, livestock, garden, industrial and commercial purposes as a member may desire, subject however, to the provisions of these By-Laws and such rules and regulations as may be prescribed by the Board of Directors. Each member shall be entitled to have delivered to him/her through a single basic service line, only such water as may be necessary to supply the needs of the persons residing within a single residence or dwelling and of the livestock owned by such persons and to irrigate a garden.

Section 3. Each member shall be entitled to service line in excess of one basic service line for the purpose of serving the needs of the persons residing within a single farmstead or dwelling and of the livestock owned by such persons and to irrigate a garden or for single industrial or commercial irrigation, provided that the



the member to his/her dwelling or other portion on his/her premises and will also be required to purchase and install the portion of the service line or lines from his/her property line to the place of use on his/her premises and to maintain such portion of such service line or lines which shall be owned by the member, at his/her own expense, provided that the Corporation may, if the Board of Directors so determines purchase the pipe for and install such portion of the service line or lines, the cost of which will however, be paid by the individual member.

Section 4. 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 Corporation 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 the use of water and require adherence thereto, provided that if at any time the total water supply shall be insufficient to meet all of the needs of the members for domestic, livestock, garden, industrial and commercial purposes, the Corporation must first supply all of the needs of the members for domestic purposes before supplying any water for livestock purposes and must supply all of the needs of the members for both domestic and livestock purposes before supplying water for garden, industrial or commercial purposes.

Section 5. 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 rate to be payable irrespective of whether any water is used by a member during any month and the amount of additional charges, if any, for additional water which may be supplied to the members, shall fix the date for the payment of such charges and shall notify each member of the amount of such charges and the date for the payment thereof. A member to be entitled to the delivery of water shall pay such charges at the office of the Corporation at or prior to the dates fixed by the Board of Directors. The failure to pay 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 10% of the delinquent account.

- b) Nonpayment for thirty (30) days after due date. The delivery of water to the delinquent member's property shall be terminated until paid.
- c) Nonpayment for sixty (60) days after the original due date will allow the Corporation, in addition to all other rights and remedies to purchase the Member's membership certificate and terminate his/her membership as provided for in Article V, Section 2 of these By-Laws.

Section 6. 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 sections fo this article.

## ARTICLE XII

### Distribution of Surplus Funds

Section 1. It is not anticipated that there will be any net income. If there should be any, then at the end of the fiscal year, after paying the expenses of the Corporation for operation and otherwise and after setting aside reserves for depreciation on all buildings, equipment and office fixtures and such other reserves as the Board of Directors may deem proper and after providing for payments and interest and principle of obligations and amortized debts of the Corporation and after providing for the purchase of proper supplies and equipment, the net earning shall be accumulated in a surplus fund for the purpose of replacing, enlarging, extending and updating the system and property of the Corporation and for such other purposes as the Board of Directors may determine to be for the best interests of the Corporation. The said surplus fund or any portion thereof may from time to time, at the discretion of the Board of Directors, be distributed to the members as provided in the By-Laws, on the basis of the assessment and charges made and levied against and paid by such members during the year.

Section 2. Any part of the whole of such apportionment may be credited as the direction of the Board of Directors to the indebtedness of the members, should any exist and in such case, the members shall be

member shall be required to pay a fee of twenty-five (25) dollars plus any such additional sums as the Board of Directors shall deem appropriate to charge after the first 390 memberships have been connected for each service line in excess of one. The water delivered through such additional service lines will be metered and the charges for such water shall be determined separately. Each member shall be entitled to purchase a service line for other property owned under the same terms and conditions specified herein for the basic service line, provided that the member shall be required to pay a fee of twenty-five (25) dollars plus any additional sums as the Board of Directors shall deem appropriate to charge after the first 390 memberships have been connected for each such additional service lines. The water delivered through such service lines will be metered and the charge for such water shall be determined on the same basis as applies to the basic service line. After 390 memberships have been connected, new members may be admitted to the membership in the Corporation by the Board of Directors upon paying the membership fee and upon complying with the following conditions. The Board of Directors may extend water service to new members upon the new members paying in advance, all the expenses in extending the water service, provided however that if the Board of Directors deems it to be in the best economic interests of the Corporation, the Corporation may pay for a part or all of the expenses in extending water service to new members.

No new service line or change in any existing service line may be made which will interfere with an existing line or the delivery of water therein. Each service line shall connect with the Corporation's water system at the nearest available place to the place of desired use by the member if the Corporation's water system shall be of sufficient capacity to permit the delivery of water through a service line at that place without interfering with the delivery of water through a prior service line. If the Corporation's water supply shall be 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 as may be designated by the Corporation. Each member will be required to dig or have dug a ditch for the connection of the service line or lines from the delivery point or the property line of

notified in writing of the amount so applied.

### ARTICLE XIII

#### Amendments

Section 1. These By-Laws may be altered, amended or repealed by a vote of a majority of the members present at any regular meeting of the Corporation or at any special meeting of the Corporation called for that purpose, except that the members shall not have the power to change the purposes of the Corporation 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 Corporation or its members or to deprive any member of rights and privileges then existing or so to amend the By-Laws as to effect a fundamental change in the policies of the Corporation. Notice of any amendment to be made at a special meeting of the members must be given at least ten (10) days before such meeting and must state the amendments to be considered. For so long as the Corporation is indebted for a loan or loans made to it by the United States of America through the Farmers Home Administration, these By-Laws shall not be altered, amended or repealed without the prior consent of the State Director of the Farmers Home Administration for the State of Louisiana.

### ARTICLE XIV

The above By-Laws and regulations were unanimously adopted by the members of the FIFTH WARD WATER SYSTEM, INC., at a meeting in the Fifth Ward High School on the 21<sup>st</sup> day of September, A.D., 1964.

/S/ E L Bordelon

Secretary

I CERTIFY THAT THIS IS A TRUE AND ACCURATE COPY OF THE BY-LAWS OF FIFTH WARD WATER SYSTEM, INC.

Ronald J Lemoine 6/2/2010  
PRESIDENT, BOARD OF DIRECTORS  
DATE