



**JEFFERSON  
REGIONAL WATER  
AUTHORITY**

PO BOX 369  
MIAMISBURG, OHIO 45342  
(937) 866-0002

**By Laws**

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**BY LAWS OF THE  
JEFFERSON REGIONAL WATER AUTHORITY**

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**ARTICLE I**

**General Purposes**

The purpose for which this Authority is formed, and the powers which it may exercise are set forth in Chapter 6119 of the Ohio Revised Code.

**ARTICLE II**

**Name and Location**

**Section 1.** The name of the Authority is JEFFERSON REGIONAL WATER AUTHORITY.

**Section 2.** The principal office of this Authority shall be located in or adjacent to the Authority's district in the County of Montgomery, State of Ohio.

**ARTICLE III**

**Seal**

**Section 1.** The seal of the Authority shall have inscribed thereon the name of the Authority.

**Section 2.** The secretary of the Authority shall have custody of the seal.

**Section 3.** The seal may be used for causing it or a facsimile thereof to be impressed or affixed or reproduced for official purposes.

**ARTICLE IV**

**Fiscal Year**

The fiscal year of the Authority shall coincide with the calendar year.

**ARTICLE V**

**Membership**

**Section 1.** Every person who or legal entity which is an owner of record of a property served by the water system, becomes a Member of the Authority (1) upon signing such Water User Agreement for the purchase of water as may be provided and required by the Authority, and (2) upon completion of payment of the Membership fee and (3) upon completion of payment of such connection fee as may be imposed by the Board of Trustees, provided that only one Membership at a time may be held by any such person or entity irrespective of the number of properties served that are

owned by that specific person or entity or the number of Water User Agreements such person or entity holds.

**Section 2.** In the case of properties that are not of a residential nature, i.e., or in the case of properties owned by multiple person, an authorized representative of said organization or ownership group shall sign a Water User Agreement and act as the Member of the Authority. Said organization or multiple ownership group shall have the right to change its designated representative at any time. There shall be only one Member per each Water User Agreement.

**Section 3.** A person to whom a Water User Agreement is transferred under Article VI becomes a Member upon such transfer and payment of the Membership fee. If a connection fee was not paid in full for the meter subject to the Water User Agreement, it too must be paid in order to acquire Member status and water service.

**Section 4. Member in Good Standing.** A Member in good standing is one who has paid the above referenced Membership fee to the Authority, has signed a Water User Agreement with the Authority and is current in payment of all obligations to the Authority.

**Section 5.** Membership may be denied by the Board of Trustees if the Board of Trustees determines in its sole discretion that the capacity of the Authority's water system is or may be insufficient to meet the current or anticipated needs of existing Members, or if it determines the proposed use of the applicant is such that it would interfere with existing uses previously authorized by the Board of Trustees.

## **ARTICLE VI**

### **Water User Agreement**

**Section 1.** This Authority shall not have capital stock. When a person or entity meets all the requirements for Membership under Article I, the Water User Agreement represents the right to use and enjoy the benefits of the Authority's water supply system upon meeting all requirements imposed on the user by the Water User Agreement, these ByLaws and the Rules and Regulations of the Authority, as each may be amended from time to time. Neither the Water User Agreement nor these Bylaws shall create any rights in any third person, whether by way of third party beneficiary or otherwise.

**Section 2.** Each Water User Agreement shall bear on its face the following statement: "This agreement is between the Jefferson Regional Water Authority, hereinafter called the Authority, and (name of user), a user of the Authority, hereinafter called the User."

**Section 3.** The Board of Trustees shall cause Water User Agreements to be issued. A Water User Agreement shall not be denied because of the applicant's race, color, creed, national origin, or other legally protected status.

**Section 4.** Each Member shall have one Water Users Agreement for each meter installed.

**Section 5.** Only one Water User Agreement may be issued collectively to all the persons or entities owning a property served by any single meter.

**Section 6.** A Water User Agreement shall be transferable, but the transfer will be effective only when noted on the books of the Authority. Such transfer will be made only to a person who or entity which obtains an ownership in the property which qualifies the person or entity for Membership under Article V, and such transferee otherwise meets all requirements for Membership. A Member may transfer his Water User Agreement with the Authority to his successor in interest as part of the transaction whereby he disposes of this interest in said property or by separate contract. The Secretary or his/her designate, upon written request and proof of transfer shall make a note of such transfer upon the records of the Authority, and will issue a new Water User Agreement to the successor in interest of the previous Member.

**Section 7.** When a Water User Agreement in the Authority is not transferred, it shall terminate upon the disposition or other termination of the Member's ownership interest in the property, regardless of whether or not the Water User Agreement is surrendered to the Authority. A written notation shall be made on the books of the Authority when such a Water User Agreement is terminated. A Water User Agreement may also be terminated by action of the Board of Trustees where the use of the property is changed so as to materially change the amount of water consumed and such change interferes with, or threatens to interfere with, the supply of water to other users for their existing or foreseeable water needs.

**Section 8.** The termination of a Water User Agreement of any member shall not prevent the issuance of a new Water User Agreement for any other person or entity who has or obtains an ownership interest in the property of the terminated Member and who otherwise meets the requirements for Membership.

**Section 9.** In the event a Member's property interest is divested other than by voluntary means, such Member's Water User Agreement will pass to the Trustee, Receiver, Executor, or the like who will be entitled to the rights, and will be subject to the obligations, incident to such Water User Agreement. The Trustee, Receiver, Executor, or the like, may terminate such Water User Agreement in the manner set forth in the then-current Users' Agreement, Bylaws, and/or Rules and Regulations. Upon final disposition of such property rights, the owner thereof shall be entitled to a Water User Agreement in the manner set forth in the then-current Bylaws, Rules and Regulations.

**Section 10.** The transferor shall remain liable for any past due amounts for water service. A judgement lien or assessment may be perfected against property for past due amounts for water service.

## ARTICLE VII Meetings of Members

**Section 1.** The Annual Meeting of the members of this Authority shall be held in Jefferson Township, County of Montgomery, State of Ohio at 7:00 P.M. on the third Monday in April of each year, if not a legal holiday, or if a legal holiday on the next business day following. The place, day, and time of the Annual Meeting may be changed to any other convenient place, day, and time in Montgomery County by the Board of Trustees giving notice thereof to each Member not less than (10) ten days in advance thereof. In addition, the Authority shall give at least 24 hours' notice to any news media or other person that has requested notification, and shall inform any member of the public of such meeting upon inquiry.

**Section 2.** Special meetings of the members may be called at any time by the action of the Board of Trustees, any such meeting 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 Trustees. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted thereat except such as is specified in the notice.

**Section 3.** Notice of meetings of Members of the Authority, both annual and special, shall be given by notice mailed by first class mail to each Member of record directed to the address shown on the books of the Authority not less than ten (10) nor more than forty (40) days prior to such meeting. Such notice shall state the nature, time, place and purpose of the meeting but failure or irregularity of notice of any Annual Meeting, regularly held, shall not affect any proceedings taken thereat.

**Section 4.** Members present registering in person plus the number of absentee ballots received shall constitute a quorum for any Members' meeting. Absentee ballots shall be sent to members who request them. Said ballots shall contain a stipulation to be signed by the Member certifying that the member is unable to attend because of absence, health, or infirmity due to age or other causes. These absentee ballots will be required to be received in the office of the Authority no later than the close of business Thursday, preceding the Annual Meeting. The number of absentee ballots received by that date shall count toward the quorum at the Annual Meeting.

**Section 5.** Each Member shall have one vote regardless of the number of properties served which are owned by such member and regardless of how many Water User Agreement such member has entered. When more than one person holds an interest in a property served, their vote shall be exercised by the person in whose name the Water User Agreement is issued or by such person as the several persons may designate, but in no event shall more than one vote be cast with respect to any one Membership.

**Section 6.** Trustees of this Authority shall be elected at the Annual Meeting of the Members as provided in Article VIII, Section 1. No cumulative voting shall be allowed.

**Section 7.** The order of business at the Annual Meetings of the Members 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. Discussion of Members' concerns.
5. Election of Trustees
6. Reports of Officers
7. Unfinished Business
8. New Business
9. Adjournment

## ARTICLE VIII Trustees and Officers

**Section 1.** The Board of Trustees of the Authority shall consist of seven (7) Members, all of whom shall be members in good standing of the Authority. No person shall serve as Trustee if such person has plead guilty to, or been found guilty of, any criminal offense other than a minor misdemeanor not involving such person's dishonesty or moral turpitude. At each Annual Meeting, the Members shall elect for a term of three (3) years replacement Trustee corresponding to the number of trustees whose terms of office have expired. Each trustee shall hold office for the term for which he is elected and such additional time as is required to elect his successor. The notice of election of trustees shall be mailed with the water bill for the month of December of each year. The notice of election shall specify the number of trustees to be elected and request the written nominations of candidates by the members of the Authority. The candidates will be notified of their nomination by letter at the address of record of the Authority not earlier than the date of nomination and not later than the first day of March in the year nominated. The resumes of candidates will be made available to the members of the Authority between the tenth and twentieth of March of the year nominated. Any nominee not submitting a resume cannot be a candidate in the election. The election of trustees shall be held at the Annual Meeting pursuant to Article VII, Section 1.

**Section 2.** The Board of Trustees shall meet at the next regular scheduled meeting after the Annual election of trustees and elect a President, Vice-President, Secretary, and Treasurer from among themselves. Each officer shall hold office until the election of his successor, unless sooner removed by death, resignation, or for cause. A vacancy in an office shall be filled by the trustees at a regular or special meeting of the Board of Trustees.

**Section 3.** If the office of any trustee becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, except by removal from office, a majority of the remaining trustees, though less than a quorum, shall, by a majority vote, choose a successor who shall hold office until the next Annual Meeting of the Members of the Authority, at which time the Members shall elect a trustee to serve the remainder of the unexpired term. In the notice of such Annual Meeting, a notice of such election shall be given and the candidates secured by the process specified in Section 1 of this Article.

**Section 3(b).** Any Trustee with three (3) unexcused scheduled membership meeting absences within a given calendar year, shall relinquish the seat of Trustee. Any vacancy shall be filled by the remaining Trustees at a regularly scheduled meeting or a special meeting that is held in a meeting place open to the public.

**Section 4.** The Board of Trustees shall meet at least once each month of the year. The regular meeting shall be held on the second Thursday of each month in a meeting place open to the public except that the meeting date for any given month may be changed by action of the Board. The President, or Vice-President may call a special meeting of the Board of Trustees to be held in a meeting place open to the public. Insofar as is practicable, a number of Members shall be notified of such special meetings and invited to attend. In addition, the Authority shall give at least 24 hours' notice to any news media or other person that has requested notification, and shall inform the public of such meeting upon inquiry. The Board of Trustees may meet in a non-public executive session for any purpose and in any manner enumerated or permitted in O.R.C Section 121.22.

**Section 5.** A majority of the Board of Trustees shall constitute a quorum at any meeting of the Board of Trustees except that the President or Vice-President must be present to constitute a quorum. The affirmative vote of the majority of the trustees at a meeting at which a quorum is present shall be the act of the Board.

**Section 6.** Compensation of Trustees may be fixed at any Annual Meeting by the Members of the Authority.

**Section 7.** Trustees may be removed from office in the following manner: Any Member or trustee may present charges against a trustee by filing them in writing with the Secretary of the Authority. If presented by a Member other than a trustee, the charges must be accompanied by a petition signed by ten percent (10%) of the members of the Authority. Such removal shall be voted on at the next meeting of the Members, Annual or special, if a quorum is present in person or represented by absentee ballot, and shall be effective immediately if approved by a vote of a majority of those Members voting in person or by absentee ballot. The trustee against whom such charges have been presented shall be informed in writing of such charges at least twenty (20) days prior to the meeting of members 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 trustee is approved, such action shall vacate any office held by the removed trustee in the Authority. A vacancy in the Board thus created shall be filled as set forth in Section 3, above.

**Section 8.** In the event that a Member of this Authority is a litigant in any legal action or is otherwise a party to any claim against this Authority or its Board of Trustees as an entity or any individual Trustee in any capacity, that Member shall not be eligible as a candidate for the office of Trustee of this Authority during the period in which that legal action is in litigation within the court system, or such claim is being prosecuted or pursued by or on behalf of such Member.

**Section 9.** In the event that an elected trustee is or becomes a litigant in any legal action against this Authority or against its Board of Trustees as an entity, or individual Trustee acting on behalf of the Authority, or is a party to any claim against the Authority, its Board or any individual Trustee in any capacity such elected trustee is held to have a conflict of interest in the conduct of business and policy making of this Authority. Such elected trustee who is a litigant against this Authority or trustee shall be placed on leave of absence by official notice from the President or Vice-President of the Board of Trustees for the period during which that legal action is in litigation within the court system, such claim is being prosecuted or pursued by or on behalf of such Trustee, or until the end of his or her elected term, whichever shall occur earlier. An Acting Trustee shall be appointed at the time the litigant Trustee is placed on leave of absence in the manner set forth in Section 3, above. The Acting Trustee shall be entitled to all rights, privileges and compensation to which Trustees are entitled. The litigant/claimant Trustee, while on leave of absence, shall not be entitled to receive compensation, as specified in Section 6 above, during the period of the leave of absence, nor shall he or she be entitled to reinstatement of lost compensation which accrued during the period of the leave of absence defined above.

**Section 10.**

1. The Authority shall indemnify each Trustee and Officer, his/her heirs, executors, and administrators, and may indemnify any employee or agent, and his/her heirs, executors, and administrators, who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, administrative proceeding, or claim by reason of the fact that he/she is or was such Trustee, Officer, employee, or agent of the Authority, against expenses, including attorney's fees, judgments, and amount paid in settlement actually and reasonably incurred by him/her in connection with such Claim, if the conduct of such person allegedly giving rise to such Claim arose from such person acting in good faith and in a manner he/she reasonably believed to be in or not opposed

to the best interests of the Authority. Such indemnity obligation shall only be effective if the person seeking indemnification promptly notifies the Authority of such Claim, tenders the defense of such Claim to the Authority at the earliest opportunity, and cooperates with the Authority in any defense of such Claim

2. Expenses, including attorney's fees, incurred with respect to any legal matter may be paid by the Authority prior to the final disposition thereof, as authorized by the trustees.

3. Such indemnification shall not be deemed exclusive of any other rights to which such Trustee, Officer, employee, or agent may be entitled under the law and these By-Laws.

4. The Authority may purchase and maintain insurance on behalf of itself and/or any person who is or was a trustee, officer, employee, or agent of the Authority to cover any such Claim as defined herein.

## **ARTICLE IX** **Duties of Trustees**

**Section 1.** The Board of Trustees shall exercise all the rights, power, and duties provided, required or otherwise vested in the Authority by Chapter 6119 or any other provision of the Ohio Revised Code, subject to such reservations, limitations, and qualifications set forth therein or in these By-Laws. It is hereby expressly provided that the Board of Trustees shall have, and are hereby given; full power and authority in respect to the matters hereinafter set forth to be exercised by resolution or implemented by rules or regulations duly adopted by the Board. In addition to the foregoing, the Board of Trustees shall specifically have the following duties:

a. To approve Water User Agreements to be issued. The Board may make binding commitments to issue Water User Agreements and to permit the connection of properties to the water system in the future in cases involving proposed construction or may issue such Water User Agreements prior to the commencement of the proposed construction.

b. To select and appoint all officers, agents or employees of the Authority, remove such officers, agents or employees of the Authority, prescribe such duties and designate such powers as may not be inconsistent with these By-Laws, fix their compensation, and pay for their services.

c. To borrow from any source money, goods, or services, and to make an issue notes and other negotiable or non-negotiable instruments evidencing indebtedness of the Authority; to make an issue mortgages, deeds of trust, pledges of revenue, and other instruments evidencing a security interest in the assets of the Authority; 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 Authority and the guidance and control of its officers and employees, and to prescribe adequate penalties for the breach thereof.

e. To order, biannually, an audit of the books and accounts of the Authority by the Ohio Auditor of State. The report prepared by such auditor shall be submitted to the Members of the Authority at their Annual Meeting together with a proposed budget for the ensuing year. In years in which such an audit is not performed, the Trustees shall prepare and present to Members at their Annual Meeting, 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 method of billing, time of payment, and penalties for later payment or nonpayment of the same. The Board may establish one or more classes of users. All charges shall be uniform and nondiscriminating within such class of users. Different construction phases may have different rates.

g. To require all officers, agents and employees charged with responsibility for the custody of any of the funds of the Authority and it shall be mandatory upon the trustees to so require.

h. To select one or more banks to act as depositories of the funds of the Authority and to determine the manner of receiving, depositing, and distributing the funds of the Authority 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 persons signing such checks and the form thereof at will.

i. To levy assessments against the Members of the Authority in such manner and upon such proportionate basis as the trustees deem equitable, and to enforce collection of such assessments due, provided the Authority must give the Member at least 2 days written notice at the address of the Member on the books of the Authority of its intention to suspend water service if the assessment is not paid. Upon payment of such assessment, any penalties applicable, thereto, and a re-connection charge, if one is in effect, service will be promptly restored to such a Member.

## **ARTICLE X** **Duties of Officers**

**Section 1. Duties of President.** The President shall preside over all meetings of the Members of this Authority and of the Board of Trustees, perform all acts and duties usually performed by an executive and presiding officer, and sign all Water User Agreements and such other papers for the Authority as the President may be authorized or directed to sign by the Board of Trustees, provided the Board of Trustees may authorize any person to sign any or all checks, contracts and other instruments in writing on behalf of the

Authority. The President shall perform such other duties as may be prescribed by the Board of Trustees.

**Section 2. Duties of the Vice-President.** The Vice-President may call special meetings of the Board of Trustees. 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, or a vacancy in the office of the President for any other reason, the Board of Trustees shall declare the office vacant and elect his/her successor, during which process the Vice President shall continue to function as the acting President.

**Section 3. Duties of the Secretary.** The Secretary shall keep a complete record of all meetings of the Authority and of the Board of Trustees and shall have general charge and supervision of the records of the Authority. The Secretary or his/her designate shall attest the President's signature on all Water User Agreements and other papers pertaining to the Authority unless otherwise directed by the Board of Trustees, 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 the Members at the Annual Meeting or at such time or times as the Board of Trustees may require, shall keep the Authority's seal and records of the Authority, complete, and affix said Authority's seal to all papers requiring seal, shall keep a proper Water User Agreement record, showing the name of each Member of the Authority and the date of issuance, surrender, transfer, termination, cancellation, or forfeiture of each Water User Agreement, shall make all reports required by law and shall perform other duties as may be required by the Authority or the Board of Trustees. Upon the election of a successor, the Secretary shall turn over all books and other property belonging to the Authority this officer may have in his/her possession.

**Section 4. Duties of the Treasurer.** The Treasurer or his/her designate shall receive all monies of the Authority, shall keep an accurate record of receipts and expenditures, and shall pay out funds as authorized by the Authority or the Board of Trustees. The Treasurer shall present a financial statement at every meeting of the Board of Trustees and at other times when requested by the Board of Trustees and shall make a full report at the Annual Meeting of Members. The Treasurer shall furnish the Authority a fidelity bond in an amount to be determined annually by the Board of Trustees to the largest sum of funds in his/her possession at any time.

## ARTICLE XI

### Benefits and Duties of Members

**Section 1.** The Authority 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 the property line of each Member of the Authority, at which points, designated as delivery points, meters to be purchased, installed, owned and maintained by the Authority shall be placed. The cost of the service line or lines from the distribution pipeline or lines of the Authority to the property line of each Member shall be paid by the Authority. The Authority 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 Authority. The Authority shall have the 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 Trustees determine in their sole discretion that under the circumstances of the system and the nature of the Membership the use of either or both of such devices is impractical, unnecessary to protect the system and the rights of the members or economically not feasible.

**Section 2.** Each member will be required at his own expense to provide a ditch for connection of the service line or lines from the property line of the member's dwelling or other portion of his premises, and to purchase and have installed the portion of their service line or lines from his property line to the place of use on his/her premises. Such installation shall be inspected and approved by the Authority at the time of its installation or subsequent repair or replacement. 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 Authority may, if the Board of Trustees 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.

**Section 3.** Each Member may be permitted to have additional service lines from the Authority's water system at the discretion of the Board of Trustees upon proper application therefore and the tender of payment not to exceed the then existing connection charge. The approval by the Board of Trustees of additional service lines to an existing Member may be made conditional upon such provision as the Board of Trustees 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 Authority's water system at the nearest available place to the place of desired use by the member, if the Authority'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 pre-existing service line. If the Authority'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 pre-existing service line, then such service line shall be installed at such place as designated by the Authority.

**Section 4.** Each Member may be permitted to purchase from the Authority, pursuant to such agreement as may from time to time be provided and required by the Authority, 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 and restrictions as may be prescribed by the Board of Trustees. Each Member shall be entitled to have delivered to him/her through his/her service lines only such water as may be necessary to supply the needs of each Member, including his/her family, 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 supply shall be insufficient to meet all the current or projected needs of the Members or in the event there is a shortage of water, the Authority may limit, restrict or prohibit the water available among the various Members, or among particular uses, on such basis as is deemed equitable by the Board of Trustees. During any periods of shutoff of any 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 service lines shall be borne by the Authority.

**Section 6.** The Board of Trustees shall, with the consent of the Farmers Home Administration, so long as it shall either hold any obligations or insure any financing of the system, prior to the beginning of each year, or at such time that unusual circumstances may make necessary, determine (1) the flat minimum monthly rate to be charged each Member during the following calendar for a specified period 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 billing period (2) the amount of additional charges, if any, for additional water which may be supplied the Members, (3) and the amount of penalty for late payments, and shall fix the date for the payment of such charges. A Member to be entitled to the delivery of water shall pay such charges at the office designated by the Authority at or prior to the dates fixed by the Board of Trustees. The failure to pay water charges duly imposed shall result in the automatic imposition of the following penalties:

a. Any amount not paid by the due date will be subject to a late charge of ten percent (10%) of the total amount due, which percent may be changed at the discretion of the Board of Trustees.

b. Any amount not paid within sixty (60) days from the due date will result in the water being shut off from the Member's property upon two (2) business days' prior written notice, delivered to the user's address as shown on his User Agreement. Upon payment by the delinquent Member of past due water charges, penalties thereon, and any re-connection 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 vote in the affairs of the Authority, and he shall not be a Member in good standing of the Authority.

**Section 7.** Each Water User Agreement shall include terms setting forth the foregoing provisions.

## **ARTICLE XII**

### **Distribution of Surplus Funds**

It is not anticipated that there will be any surplus funds or net income to the Authority 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 retirements, and other purposes, including those required by the terms of any borrowing transaction. In the event that there should exist such surplus 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 used for the improvement and/or extension of the Authority's facilities as the Board of Trustees may determine to be in the best interest of the Authority and to the extent not otherwise provided for by contractual arrangement. The occurrence in subsequent fiscal years of surplus funds or net income above the requirements of the Authority as above mentioned, including, if any, a reserve for improvements and extension of the facilities, shall be taken into consideration by the Board of Trustees in determining the water rates to be charged to the Members.

## **ARTICLE XIII**

### **Amendments**

These By-Laws may be repealed or amended by a majority of the Members present in person or represented by absentee ballot at any Annual Meeting of Members of the Authority or at any special meeting of the Members. So long as any indebtedness is held by or guaranteed by the Farmers Home Administration, the Members shall not have the power to change the ByLaws of the Authority so as to decrease its rights and powers under the Ohio Revised Code or to waive any requirement of bond, financing, or other provision of the safety and security of the property and funds of the Authority or its Members, or so to amend the By-Laws as to effect a fundamental change in the policies of the Authority without the prior approval of the Farmers Home Administration in writing.