

BY-LAWS OF
ELMORE WATER AND FIRE PROTECTION AUTHORITY

ARTICLE I

GENERAL PURPOSES

The purposes for which this corporation is formed, and the powers which it may exercise are set forth in the Charter of the corporation.

ARTICLE II

NAME AND LOCATION

1. The name of this corporation is ELMORE WATER AND FIRE PROTECTION AUTHORITY.

2. The principal office of this corporation shall be located in the unincorporated community of Elmore, Alabama, but the corporation may maintain offices and places of business at such other places within the state as the Board of Directors may determine.

ARTICLE III

FISCAL YEAR

The fiscal year of the corporation shall begin the first day of January in each year.

ARTICLE IV

DIRECTORS

1. The business, affairs and property of the corporation shall be conducted, managed and carried on by its Board of Directors consisting of not less than three members who shall be elected by the governing body of Elmore County, Alabama, in accord with Section 6, Act No. 107 passed at the 1965 First Special Session of the Legislature of the State of Alabama. Any vacancy in the membership of the Board of Directors shall be filled by a successor Director elected by that governing body of the County to serve for the unexpired term applicable for such vacancy. The first term of one Director shall begin immediately upon his election and shall end at noon on March 1st of the next succeeding odd-numbered calendar year following his election; the first term of another Director shall begin immediately upon his election and shall end at noon on March 1st of the second succeeding odd-numbered calendar year following his election; and the term of the remaining Director shall begin immediately upon his election and shall end at noon on March 1st of the third succeeding odd-numbered calendar year following his election. Thereafter the term of office of each Director shall be six (6) years.

2. The Board of Directors may hold regular meetings, and in addition thereto any special meetings in accord with the requirements set out hereafter, have one or more offices, and keep the books and records of said Corporation at such places within Elmore County, Alabama as they may, from time to time, determine. Should it be necessary, the Board of Directors may, by waiver of the membership of the Board, hold meetings of the Board at such other places as it may determine wise or expedient.

3. The Board of Directors subject to restrictions of law, the Charter, or these by-laws, shall exercise all of the powers of the corporation, 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 (to be exercised by resolution duly adopted by the Board) in respect to the matters and as hereinafter set forth:

a. 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 delegate such powers as may not be inconsistent with these by-laws, fix their compensation and pay for faithful services.

b. To borrow from any source, money, goods or services and to make and issue notes and other negotiable and transferrable instruments, mortgages, deeds of trust and trust agreements and to do every act and thing necessary to effectuate the same.

c. To prescribe, adopt and amend, from time to time, such equitable uniform rules and regulations as, in their discretion, may be deemed necessary, 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 penalties for the breach thereof.

d. To order, at least once each year, an audit of the books and accounts of the corporation by a competent certified public accountant.

e. To fix the charges, rates and connection fees, to be paid by each water user for services rendered by the corporation to him, the time of payment and the manner of collection.

f. 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.

g. To select one or more banks or savings and loan association 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 same shall be signed, with the power to change such banks or savings and loan associations and the person or persons signing such checks and the form thereof at will, except that no bank or savings and loan association may be so designated unless such deposits are protected by an agency of the United States of America, such as the Federal Deposit Insurance Corporation or similar agency.

In addition to the powers and authorities by these by-laws expressly conferred upon it, the Board of Directors shall have all of the powers and authorities conferred upon it by the provisions of Sections 6 and 7 of Act No. 107, passed at the 1965 First Special Session of the Legislature of the State of Alabama.

5. Each Director shall be reimbursed for expenses actually incurred by him in and about the performance of his duties. Each Director shall receive no compensation until such time as the corporation is showing a net profit after payment of all current requirements.

and obligations of the corporation, at which time the Directors are authorized to provide, by appropriate resolution, compensation for each Director, including the Chairman of the Board, an amount not to exceed \$10.00 per meeting attended, but not to exceed \$250.00 per year.

ARTICLE V

MEETINGS OF THE BOARD OF DIRECTORS

1. Regular meetings of the Board of Directors shall be held monthly at such time and place as the Board of Directors may fix and determine. (No notice shall be required of regular meetings of the Board.)
2. Special meetings of the Board of Directors may be called at any time by the Chairman of the Board on one day's notice to each member of the Board, which notice shall be in writing and shall state the time, place and purposes of the special meeting. Special meetings may, in like manner, be called by any two members of the Board. Should it be necessary, the Board of Directors may, by waiver of the whole membership of the Board, hold special meetings of the Board at any time or place as it deems wise and expedient, said waiver to be executed at said special meeting by all members of the Board of Directors.
3. At any meetings of the Board of Directors, a majority thereof shall constitute a quorum for the transaction of business, and the action of the majority of the members of the Board present at any regular or special meeting at which a quorum of the Board is present shall constitute action of the Board of Directors.

ARTICLE VI

OFFICERS OF THE BOARD AND OF THE CORPORATION

1. The officers of the Board of Directors and of the corporation shall be elected by the Board of Directors each year at its regular meeting held in the month of January of each year. The officers shall consist of Chairman of the Board of Directors, who shall also be the President of the corporation; a Vice-Chairman of the Board of Directors who shall also be the Vice-President of the corporation; and a Secretary-Treasurer of the Board of Directors, who shall also be the Secretary-Treasurer of the corporation.
2. The Board of Directors may select, appoint, or employ such agents and employees as it may deem necessary and expedient, who shall hold their offices and employment for such terms and shall exercise such powers and perform such duties as shall be fixed and determined by the Board of Directors.
3. The salaries of all employees and agents of the Board shall be fixed by the Board of Directors.
4. The officers of the Board and of the corporation shall hold office until their successors are chosen and qualified. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of the majority of the entire Board of Directors, in which event a new officer shall be elected.

ARTICLE VII

CHAIRMAN OF THE BOARD AND
PRESIDENT OF THE CORPORATION

1. The Chairman of the Board and the President of the corporation shall be the executive officer of the Board and of the corporation. He shall preside at all meetings of the Board at which he shall be present and shall see that all orders and recommendations of the Board of Directors are carried into effect. He shall execute all contracts, undertakings, agreements, conveyances, and other legal documents of the Board of Directors and of the corporation.

ARTICLE VIII

VICE-CHAIRMAN OF THE BOARD AND
VICE-PRESIDENT OF THE CORPORATION

1. The Vice-Chairman of the Board and Vice-President of the corporation shall succeed to the office of Chairman of the Board and President of the corporation in case of the resignation, death, disqualification or removal of the Chairman of the Board and President of the corporation during the term for which he shall be elected and shall continue therein for the remainder of the term for which he was so elected. The Vice-Chairman and Vice-President shall have the same powers and duties as the Chairman and President in the absence of the Chairman and President. The Vice-Chairman and Vice-President shall also be empowered to execute contracts, undertakings, agreements, conveyances and other legal documents of the Board of Directors and of the corporation.

ARTICLE IX

SECRETARY-TREASURER OF THE BOARD AND
SECRETARY-TREASURER OF THE CORPORATION

1. The Secretary-Treasurer of the Board and of the corporation shall attend the meetings of the Board and record, or cause to be recorded by some person employed by the Board for that purpose, the minutes of the meetings of the Board and to keep the same in a well-bound loose-leaf book approved for that purpose by the Board. He shall give, or cause to be given, notice of all meetings of the Board. He shall be the custodian of the seal of the corporation and, when authorized by the Board, affix the same to all instruments requiring the seal of the corporation, and shall attest the execution of all papers of the Board requiring attestation. He shall perform such other duties as may be prescribed by the Board of Directors. He shall be the custodian of the funds of the corporation and shall deposit, withdraw and expend the same from time to time as may be authorized by the Board. The Board may, however, if it deems it advisable, require that any and all checks or drafts upon funds of the corporation be countersigned by one or more persons which the Board shall designate upon its official minutes. He shall make reports from time to time, as the Board may require, as to the financial condition of the Board of Directors and of the corporation.

ARTICLE X

DUTIES OF OFFICERS
MAY BE DELEGATED

1. In case of the absence of any officer of the Board and of the corporation, the Board may delegate for the time being the powers and duties, or any one of them, of such absent officer, to any other member of the Board or officer of the Board upon the affirmative vote of a majority of the Board.

ARTICLE XI

CHECKS AND DRAFTS OF BOARD

1. All checks, drafts, or orders for the payment of money shall be signed by such officer or officers or such third persons as the Board may, from time to time, designate.

ARTICLE XII

NOTICES

1. Whenever, under the provisions of these by-laws, notice is required to be given to any officer or member of the Board, such notice must be given to him in person unless he is absent from the community of Elmore, Alabama, or away from his usual place of business or residence, in which event such notice may be given by regular mail or by telegram.

2. Any officer or member of the Board of Directors may waive any notice required to be given under these by-laws, either before or after the meeting of which notice is required to be given and may likewise waive any and all requirements herein as to the time and place of such meeting.

ARTICLE XIII

BENEFITS AND DUTIES OF WATER USERS

1. The corporation will install, maintain and operate a main distribution pipe line or lines from the source of water supply and service lines from the main distribution pipe line or lines to the property line of each water user 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 cost of the service line from its main distribution line or lines, shall be paid by the corporation. The corporation will also purchase and install a cut-off valve in each service line from its main distribution line or lines, such cut-off valve to be owned and maintained by the corporation and to be installed on some portion of the service line owned by the corporation. The corporation shall have the sole and exclusive right to use such cut-off valve to turn it on and off.

2. Each water user 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, commercial, agricultural, industrial or other purposes as a water user 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 water user shall be entitled to have delivered to him through a single service line only such water as may be necessary to supply the needs of such water user, including his family, business, agricultural or industrial requirements. The water delivered through each service line shall be metered and the charges for such water shall be determined separately, irrespective of the number of service lines owned by a water user.

3. In the event the total water supply shall be insufficient to meet all of the needs of the water users or in the event there is a shortage of water, the corporation may prorate the water available among the various water users 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 water users 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 water users for domestic, livestock, commercial, agricultural or industrial purposes, the corporation must first satisfy all of the water users for domestic purposes before supplying any water for livestock purposes and must satisfy all of the needs of all of the water users for domestic and livestock purposes before supplying any water for commercial and industrial purposes.

4. The Board of Directors shall, with the consent of the Farmers Home Administration, so long as it shall either hold or guarantee any financing of the System, prior to the beginning of each calendar year, determine the flat minimum monthly rate to be charged each water user 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 water user during any month, and the amount of additional charges, if any, for additional water which may be supplied the water users, shall fix the date for the payment of such charges, and shall notify each water user of the amount of such charges and the dates for the payment thereof. A water user to be entitled to the delivery of water shall pay such charges at the office designated by 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 twenty days from the due date will be subject to a penalty of 10% of the delinquent account.

b. Nonpayment within forty days from the due date will result in the water being shut off from the water user's property.

c. Nonpayment for sixty days after original due date will allow the corporation, in addition to all other rights and remedies to cancel the water user's membership certificate and terminate his membership, and, in such event the water user shall not be entitled to receive, nor the corporation obligated to supply, any water under this agreement.

5. The Board of Directors shall be authorized to require each water user to enter into water users agreements which shall embody the principles set forth in the foregoing sections of this Article.

ARTICLE XIV

SURPLUS FUNDS

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 payment on interest and principal 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 repairing the system and property of the corporation and for such other purposes as the Board of Directors may determine to be for the best interest of the corporation.

ARTICLE XV

SEAL OF CORPORATION

1. The corporate seal shall have inscribed thereon the name of the corporation and the words: "Corporate Seal".

ARTICLE XVI

AMENDMENT OF BY-LAWS AND
CERTIFICATE OF INCORPORATION

1. These by-laws may be altered or amended by the affirmative vote of the entire membership of the Board of Directors at any regular meeting of the Board without notice, or at any special meeting of the Board if notice of the proposed alteration or amendment be contained in the notice of such meeting, and such notice is given, or is waived, as hereinabove provided.

2. All amendments to the Certificate of Incorporation shall be in accord with Section 5 of Act 107 passed at the 1965 First Special Session of the Legislature of the State of Alabama.

We certify that the foregoing By-laws were duly adopted by the Board of Directors on 3rd day of June, 1965, and that the same are in full force and effect and have not been amended.

Given under our hands and the seal of this corporation, this 3rd day of June, 1965.

Robert W. Reed
Secretary

Freeman Vainer
President