

**BY-LAWS  
OF  
GARDNER COMMUNITY WATER ASSOCIATION, 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. The terms corporation and association as used in this document are interchangeable.

**ARTICLE II**

Name and Location

Section 1. The name of this corporation is the Gardner Community Water Association, Inc.

Section 2. The principal office of this corporation shall be located in the Gardner Community, Parish of Rapides, State of Louisiana.

**ARTICLE III**

Seal

Section 1. The seal of the corporation shall have inscribed thereon the name of the corporation, the year of its organization and the words, "Corporation Not for Profit, Rapides Parish, LA".

Section 2. The secretary of the corporation 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 where a seal is required.

**ARTICLE IV**

Fiscal Year

The fiscal year of the corporation shall begin the 1<sup>st</sup> day of October in each year.

**ARTICLE V**

Membership

Section 1. Every person (which word as used herein includes any legal entity) who is a record owner of a fee or undivided fee interest, or having a substantial possessory interest, in a property served by the water system may become a member of the corporation upon signing such applications and agreements for the purchase of water as may be provided and required by the corporation and upon the payment of a non-refundable membership and connection fee as may be imposed by the board of directors

provided that only one 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 possessory interest in the property. Only one membership may be held with respect to property at one time. The board of directors shall cause to be issued a membership, provided that membership shall not be denied because of the applicant's race, color, creed, or national origin. Membership may be denied if capacity of the corporation's water system is exhausted by the need of its existing members, or, if the proposed use of the applicant is such that it would interfere with existing uses previously authorized by the board of directors.

A. A substantial possessory interest is one where the person or persons have a legal right to control and occupancy of a property but do not have the legal or the equitable ownership of the property. It may be under a lease or similar right to possession.

(1) Before membership is allowed to one or more persons claiming such an interest, the corporation 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 possessory interest, the corporation 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 corporation from any additional risk that may be involved to the corporation by reason of the lack of legal ownership in the applicant.

Section 2. Each member shall have only one membership for each property served. Each membership shall represent one vote. When more than one person holds the interest in a property served, the vote shall be exercised by the person in whose name the membership is registered 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 property. When membership is granted in the same name for more than one property that member will only have one vote.

Section 3. Membership shall be transferable, but the transfer will be effective only when all accounts are paid and when noted on the books of the corporation. Such transfer will be made only to a person who obtains a qualifying interest in the property. A member will transfer his membership in the corporation to his successor in interest as part of the transaction whereby he disposes of his interest to said property. The secretary upon request, will make note of such transfer upon the records of the corporation.

Section 4. When membership in the corporation 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. Upon termination of membership for any reason the membership fee will become part of the associations assets and will not be refunded.

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 the rights incident to such membership, but subject to such duties and liabilities also applicable to the membership. The trustee,

receiver, executor, or the like, may terminate such membership by written notice to such effect delivered or mailed to the secretary of the corporation. 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 by the original member as set forth in Section 4 c, above.

## ARTICLE VI

### Membership Applications

This corporation shall not have capital stock. Membership in the corporation shall be represented by a membership application and water user's agreement. Such application or agreement shall represent the right to use and enjoy the benefits of the corporation's water supply system upon the payment of a membership and connection fees based upon such use, provided such use and enjoyment are consistent with the rules, regulations, and contracts affecting the same as may from time to time be prescribed by the board of directors.

## ARTICLE VII

### Meetings of Members

Section 1. The annual meeting of the members of this corporation shall be held at the office of Gardner Community Water Association, Inc., Boyce, Parish of Rapides, State of Louisiana, at seven o'clock P.M., on the 2<sup>nd</sup> Tuesday in March of each year. The place, day and time of the annual meeting may be changed to any other convenient place, day, and time in the parish by the board of directors giving notice thereof to each member not less than ten (10) days in advance thereof.

Section 2. Special meetings of the members may be called at any time by the action of the board of directors and such meetings must be called whenever a petition requesting such meeting is signed by at least ten percent of the members and presented to the secretary or to the board of directors. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted thereat except such as is specified in the notice.

Section 3. Notice of meetings of members of the corporation, both regular and special shall be given by written notice mailed by first-class mail, postage prepaid, to each member of record, directed to the address shown upon the books of the corporation, not less than ten (10) nor more than forty (40) days prior to such meetings. Such notice shall state the nature, time, place, and purpose of the meeting, but no failure or irregularity of notice of any annual meeting, regularly held, shall affect any proceedings taken thereat.

Section 4. The presence at a meeting of members entitled to cast in their own right or by proxy 5 percent of the total number of votes shall constitute a quorum. All proxies shall be in writing and filed with the secretary. Such proxies may be general or restrictive. Proxies shall be revocable and shall not be valid beyond 11 months, nor after termination of the membership by cessation of the member's interest in the property. *Amended by-law on March 9, 2020, waive the quorum requirement for the annual meeting in the event that the number of candidates running for the position is equal to the number of seats open.*

Section 5. Directors of this corporation shall be elected at the annual meeting of the members as provided in Article VIII, Section 1. No cumulative voting shall be allowed.

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 annual or special 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

Section 7. Adjournments of any annual or special meeting of members may be taken without new notice being given, unless a new record date is fixed for the adjourned meeting, but any meeting at which directors are to be elected shall be adjourned only from day to day until such directors have been elected.

## ARTICLE VIII

### Directors and Officers

Section 1. The board of directors of this corporation shall consist of six members all of whom shall be members of the corporation. The directors named in the articles of incorporation shall serve until the first annual meeting of the members and until their successors are elected and have qualified. At the first annual meeting of the members, two directors shall be elected for a term of one year, two directors for a term of two years and two directors for a term of three years. At each annual meeting thereafter, the members shall elect for a term of three years the number of directors whose terms of office have expired. Each director shall hold office for the term for which he is elected and until his successor shall have been elected and qualified. *Amended by-law on March 9, 2020, there will be seven (7) board members.*

Section 2. The board of directors shall at the next scheduled meeting after the annual election of directors, elect a president and vice-president from among themselves. Each shall hold office until the next annual meeting and until the election and qualification of his 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 the remaining directors, even though not constituting a quorum, may, by a majority vote, fill any vacancy on the board for an unexpired term, provided that the members shall have the right to fill the vacancy at the next regular meeting of the corporation. At that 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.

Section 5. Directors shall receive no compensation for their services as such.

Section 6. 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 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 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 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 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 thus created shall be filled by the board of directors from among their number so constituted after the vacancy in the board has been filled. Any officer or board member may be removed for non-participation in board business, if for non-attendance for four (4) consecutive meetings, by majority vote of remaining board members. A vacancy thus created will be filled by appointment of a qualified member to serve until the next general meeting, when a director will be elected by membership. *Amended by-law March 14, 2023, if any board member is removed from the Board of Directors for cause, they would not be eligible to run for the Board of Directors.*

## ARTICLE IX

### Duties of Directors

Section 1. The board of directors, subject to restrictions of law, the articles of incorporation, and 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 in respect to the matters as hereinafter set forth to be exercised by resolution duly adopted by the board.

A. To select and appoint all officer, agents, or employees of the corporation; remove such agents or employees of the corporation, prescribe such duties and designate 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 or nonnegotiable instruments evidencing indebtedness of the corporation; to make and issue mortgages, deeds of trust, pledges of revenue, trust agreements, security agreements and financing statements, and other instruments evidencing a security interest in the assets of the corporation; 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 its 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.

D. 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, 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.

E. To fix and alter the charges to be paid by each member for services rendered by the corporation to the member, including connection fees where such are deemed to be necessary by the directors, and to fix and alter the method of billing, time of payment, manner of connection, and penalties for late or non-payment of the same. The board may establish one or more classes of users. All charges shall be uniform and nondiscrimination within each class of users.

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 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 and the person or persons signing such checks and the form thereof at will.

H. To levy assessments against the members of the corporation in such manner and upon such Proportionate basis as the directors deems equitable, and to enforce collection of such assessments by the suspension of water service or other legal methods. The board of directors shall have the option to suspend the service of any member who has not paid such assessment within 30 days from the date assessment was due, provided the corporation must give the member at least 15 days' written notice at the address of the member on the books of the corporation of its intention to suspend such service if the assessment is not paid. Upon payment of such assessments, 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 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 papers of the corporation as he 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 his successor.

Section 3. Duties of the Secretary-Treasurer. The secretary -treasurer 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 unless otherwise directed by the board of directors. He shall serve, mail, or deliver all notices required by law and by these by-laws and shall make a full report of all matters and business pertaining to his office to the members at the annual meeting or at such other time or times as the Board of Directors require. He shall keep the corporate seal and membership records of the corporation and affix corporate seal to all papers requiring seal. He shall keep a proper membership

record, showing the name of each member of the corporation and date of application, acceptance, surrender, transfer, termination, cancellation, or forfeiture. He shall make all reports required by law and shall perform such other duties as may be required. The secretary-treasurer will perform such duties with respect to the finances of the corporation.

## ARTICLE XI

### Benefits and Duties of Members

Section 1. The corporation 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 meter location. Meters will be installed near the property line of member when a main line is adjacent to the property. Meters will be owned and maintained by the corporation. The corporation may purchase and install a cut-off valve in each service line from its main distribution line, such cutoff valve to be owned and maintained by the corporation. The corporation shall have the sole and exclusive right to use of such cutoff valve. However, the provisions of this section shall not be construed to require the location 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 such devices are impractical unnecessary to protect the system and rights of the membership, and/or economically not feasible. During the early years of the corporation, funds were not available to locate some meters on members property and those were clustered together at the nearest available water main. The location of these installations will not be changed unless at some time it becomes economically feasible, and money is available to do so.

Section 2. Each member will be required at his own expense to have dug a ditch for the connection of the service line or lines from the property line of the member to his dwelling or other portion of his premises, and to purchase and have installed the portion of the service line or lines from his property line to the place of use on his premises. The member will maintain such portion of such service line or lines which shall be owned by the member, at his own expense. The corporation 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 members. 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 corporation's water system at the discretion of the board of directors upon proper application therefor and the tender of payment not to exceed the then existing connection charge. The approval by the board of directors of additional service lines to an existing member may be made conditional upon such provisions as the board of directors determines necessary to protect the interest 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 corporation's water system at the nearest available place to the place of desired use by the member if the corporation's water system has sufficient capacity to permit the delivery of water through a service line at that point without interfering with the delivery of water through a prior service line. If the corporation'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 corporation.

Section 4. Each member may be permitted to purchase from the corporation, pursuant to such agreement as may from time to time be provided and required by the corporation, such water as is needed by him 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 him through his service lines only such water as may be necessary to supply the needs of each member, including his 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 a member.

Section 5. In cases of property development, the developer will be supplied water only if supply is sufficient and line size is adequate for the number of lots in the development. Developer will be responsible for cost of upgrading undersized water mains supplying the development and lines within the development. Procedure will be an initial contact with board of directors, a plat of proposed development and evaluation by board of directors.

Section 6. In the event the total water supply shall be insufficient to meet all 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 use of water for commercial, agricultural, or industrial purposes by particular members and require adherence thereto or prohibit the use of water for commercial, agricultural, or industrial purposes; provided, that if at any time the total water supply shall be insufficient to meet all the needs of all of the members for domestic, livestock, commercial, agricultural or industrial purposes the corporation 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 corporation may cut off the flow of water to the non-domestic 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 a shutoff of additional service lines there shall be no minimum fee charged to the members having such additional service lines and the cost, if any, of resuming the flow of water to such additional service lines shall be borne by the corporation.

Section 7. The board of directors shall prior to the beginning of each fiscal year, determine the flat minimum monthly rate to be charged each member during the following fiscal year for a specific quantity of water, 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, if any, for additional water which may be supplied the members, 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 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 days from the due date will be subject to a penalty of ten (10) percent of the delinquent account, which percent may be changed at the discretion of the board of directors.

B. Nonpayment within thirty days from the due date will result in the water being shut off from the member's property without any notice thereof to such delinquent member. Upon the payment by the delinquent member of past due water charges, penalties thereon, any 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 right to vote in the affairs of the corporation.

Section 8. 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

It is not anticipated that there will be any surplus funds or net income to the corporation at the end of the fiscal year after provisions is 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 corporate facilities as the board of directors may determine to be in the best interest of the corporation 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 corporation as above mentioned, including, is 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

These by-laws may be repealed or amended by 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. 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 so to amend the by-laws as to effect a fundamental change in the policies of the corporation.

These by-laws supersede those dated April 7, 1970.