



## South Carolina Rural Water Association Bylaws

### ARTICLE I

#### General Purposes

- The objective of this organization is to promote and assist the formation and operation of rural water and/or sewer systems in order that rural residents, towns, and communities in South Carolina may be supplied with water and wastewater services. To effectuate the purpose contained above, the corporation may, without limitation:
- Own, lease, manage, operate, or maintain any equipment, facility, program, or property whatsoever, which shall be deemed by the Board of Directors as necessary, convenient, or appropriate to accomplish the purpose for which this Association is formed.
- Assist in the development of statewide water resource plans to provide sources of domestic water and waste disposal for rural areas.
- Work for creating a better image of rural water and waste disposal in South Carolina.
- Promote legislation to obtain acceptable methods of annexation of rural areas served by rural water systems.
- Advise state legislative committees and make recommendations on pollution abatement of fresh water supplies.
- Work with comprehensive planning groups to develop orderly planning of rural water systems.
- Promote research to study sound methods of operation and maintenance of rural water systems.
- Cooperate with government agencies to provide technical assistance for the development of rural areas.
- Work with federal and state agencies to provide additional financial assistance for future districts and development.
- Provide for exchange of information between members.
- Establish and operate an Association of water districts, non-profit corporations, municipalities, and other organizations having a common interest in the enhancement of the economy of the State of South Carolina through the development, transportation and sale of water in rural areas of the state at the lowest possible

cost and the protection of the health and welfare of the citizens of the State of South Carolina through provision of adequate sewage treatment and facilities of the state.

## **ARTICLE II**

### **Name and Location**

**Section 1.** The name of this corporation is South Carolina Rural Water Association, Inc.

**Section 2.** The Board of Directors shall as from time to time designate the principal office of this corporation.

## **ARTICLE III**

### **Seal of Corporation**

**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/treasurer 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 Association shall begin on the first day of January each year.

## **ARTICLE V**

### **Membership**

**Section 1.** Eligibility for membership: Membership in the Association shall be limited to the following classes of members:

- A. Original incorporators who shall serve as members and directors until their successors are elected.
- B. Rural water districts, non-profit corporations, public authorities, counties, and towns engaged in the distribution of water or treatment of sewage for rural residents.
- C. Any person, partnership or corporation interested in promoting the work of the association shall be eligible for an Associate membership. Associate members shall pay dues at rates determined by the Board of Directors, and shall not be entitled to vote or hold office in the Association.

**Section 2.** Application for Membership: Each applicant for voting membership shall furnish the association with its name, mailing address, and voting delegate with a written request to the Board of Directors for membership in the Association.

**Section 3.** Delegates: Each voting member shall select a delegate and an alternate delegate to represent its system at any membership meeting. To be qualified for selection, a person must be a governing body member of the

water system or executive management-level employee and not serving as a delegate or alternative delegate for another member. The delegate and alternate delegate's authority to vote on behalf of the member becomes effective upon receipt by the Secretary of the Association of a Notice of Appointment in accordance with the specifications of Article VI, Section 6. A delegate or alternate delegate serves at the pleasure of the governing body of the member and may be changed by following the procedures in Article VI, Section 6. The change takes effect upon receipt by the Association of the written Notification of Appointment.

**Section 4. Membership Fees and Dues:** Membership fees and annual dues shall be collected from the membership in an amount sufficient to conduct the business of the Association. The membership fees and dues for each year shall be set by the Board at the Board meeting immediately prior to the end of the previous fiscal year.

**Section 5. Liability of Members:** The Members shall not be liable for the debts and obligations of the Association.

**Section 6. Expulsion of Members:** The Board of Directors of the Association may, by the affirmative vote of a majority of the members present and voting, expel any members who shall have violated or refused to comply with these Bylaws or any - policies or procedures adopted from time to time by the Board of Directors. Any member expelled may be reinstated as a member by a vote of the Board of Directors or the members at any annual or special meeting of the members. The actions of the members with respect to any such reinstatement shall be final.

**Section 7. Effect of Termination of Membership:** Termination of membership in any manner shall operate as a release of all rights, title and interest of the member in the property and assets of the association; provided, however, that such termination of membership shall not release the member from the debts or liabilities of such member to the Association.

## **ARTICLE VI**

### **Membership Meeting**

**Section 1. Annual Meeting:** The annual meeting of the members shall be held annually as set by the Board of Directors at such time and place as shall be designated in the notice of the meeting, for the purpose of electing directors, passing upon reports covering the previous fiscal year and transacting such other business as may come before the meeting. If the election of directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently it may be. **Section 2. Order of Business:** The order of business at the annual meeting shall be:

- A. Call to Order - Report by secretary of delegate present and determination of a quorum.
- B. Reading of Notice of Meeting.
- C. Reading and approval of minutes of the last meeting.
- D. Presentation of Financial Report of the Association.
- E. Reports of Directors and Committees.
- F. Election of Directors.
- G. Unfinished and New Business.
- H. Adjournment.

**Section 3. Special Meetings:** Special meetings of the members may be called at any time by the action of a majority of the Board of Directors and such meeting must be called whenever a petition requesting such meeting is signed by at least five (5) percent of the members or ten (10) members, whichever is greater, and presented to the secretary of the Board of Directors. The purpose will be stated in the notice and no business except that shown in the notice will be transacted at the special meeting.

**Section 4. Notice of Meetings:** A written notice will be mailed to each member at his address as shown on the books of the Association at least ten (10) days and not more than twenty-five (25) days prior to the date of any annual or special meeting of the members. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, in a sealed envelope, addressed to the member at its address as it appears on the records of the Association with postage thereon prepaid. The failure of any members to receive notice of any annual or special meeting of the members shall not invalidate any action, which may be taken by the members at such meetings.

**Section 5. Quorum:** The presence of five (5) percent of the delegate of the members, selected as provided in Section 3 of Article V, or five (5) delegates, whichever is less shall constitute a quorum for the transaction of business, provided that the requirements of Article VI, Section 4, have been fulfilled.

**Section 6. Voting:** Each Member shall be entitled to one vote. At all meetings at which a quorum is present, all questions shall be decided by a vote of the majority of the delegates present unless a larger number is otherwise required by the law, the Articles of Incorporation of the Association, or the Bylaws. There shall be no voting by proxy or by mail. If the regularly authorized delegate is not present at any meeting, a duly authorized alternate delegate may cast the Member's vote. Members are entitled to have both a delegate and an alternate delegate present at each meeting. Each Member shall file with the Secretary in writing executed by its governing body and stating the names of its delegate and alternate delegate and the date of expiration of their respective terms as delegates. Members shall certify that the delegate and alternate have been appointed in accordance with a resolution duly adopted by its governing body. Members may, by certified resolution, notify the Association's Secretary of a change in delegate and alternate; provided that such notice is given at least 5 days prior to the meeting where the new delegate is to be recognized. Each Member's delegate or alternate may vote as he or she sees fit, unless such Member shall, by a written resolution of its governing body, specifically limit the voting power of such delegate or alternate.

## **ARTICLE VII**

### **Board of Directors and Executive Committee**

**Section 1. General Powers and Duties:** The directors of the Association shall have the powers and duties as follows:

- A. The business and affairs of the Association shall be managed by a Board of Directors which shall exercise all of the powers of the Association except such as are by law or by the Articles of Incorporation of the Association or by these Bylaws inferred upon or reserved to the members.
- B. To borrow from any source, money, goods, or services and to make and issue notes and other negotiable and transferable instruments, mortgages, deeds of trust and trust agreements and to do every act and thing necessary to effectuate the same.

- C. The Board of Directors shall employ an Executive Director of the Association to aid in the daily supervision of the ordinary business affairs or shall at their own discretion enter into an employment agreement with another corporation to aid in the daily supervision of the ordinary business affairs of the Association.
- D. The Board of Directors shall have the power to determine compensation for the Executive Director or the supervising corporation by negotiation with either party they choose to employ.
- E. The Board of Directors shall have the power to establish guidelines for the Executive Director in acquiring equipment, office supplies, and materials, in preparing budgets for Board approval, and in the development of Association policies and procedures.
- F. The Board of Directors shall have the power to establish the membership fees and dues authorized in Article V, Section 4.

## **Section 2. Board of Directors**

A. Composition: The initial Board of Directors shall be the incorporators of the Association, who shall serve until the first meeting of the members at which time the delegates will appoint a Board of Directors as specified in Subsection 8, hereinafter the Board shall be composed of three (3) representatives from each Election District as described in Article V, Section 3, which contains a member of the Association.

Beginning with the year 2014, the Board will be reduced to two (2) members from each Election District through the retirement, resignation, or other departure of sitting Board members. Thereafter, the Board size will remain at 12 members.

B. Appointment of Directors: Member systems shall be grouped in accordance with the Election Districts in which they serve. For the purpose of this section, a member who serves in more than one (1) election district shall be grouped in the district in which its main office is located. Initially each group, by majority vote of those present at a meeting at which representatives to the Board of Directors are elected, shall appoint three (3) qualified individuals to the Board of Directors for terms of one, two and three years. The length of the Directors' term shall be determined by the appointees drawing lots. Hereafter, the group shall appoint, by majority vote of those present at a meeting where directors are selected, one (1) representative for a three (3) year term.

C. Qualifications: Any qualified delegate may be elected as a Director. However, no delegate or Director can be an applicant for a position with the Association or an employee of the Association. No system shall have more than one (1) representatives on the Board at any time. If a nominee for an appointment to the Board submits, prior to the election from his or her district, an application for employment, the nominee shall be declared not qualified and their name will not be submitted to the district caucus for nomination or vote. If a nominee to the Board, while serving as a Board member, submits an application for a position with the Association, he or she will be deemed to have resigned from the Board and his or her seat vacant until the District from which he or she is elected fills the vacancy. In that event, more than one district Board member may be an officer or user of the same system, provided that each system within the District has a representative on the Board of Directors. No Director shall be eligible for employment by the Association within 2 years of his or her last term of office. Likewise, no one who has been employed by the Association shall be eligible for Board membership for a period of two years after his last date of Board service.

D. Emeritus Directors. Individuals who have served as Directors for 15 or more years may take Emeritus status by which they are entitled but not required to attend and participate in all Board and Association meetings. Voting authority, however, shall be retained by District Directors as described above. Limitations per Member or per District shall not apply to Emeritus Directors.

E. The SCRWA Election Districts used in this section are composed of the following counties:

<b>District 1</b>	<b>District 2</b>	<b>District 3</b>	<b>District 4</b>	<b>District 5</b>	<b>District 6</b>
Beaufort	Allendale	Abbeville	Greenville	Cherokee	Clarendon
Berkeley	Bamberg	Aiken	Spartanburg	Chester	Darlington
Charleston	Barnwell	Anderson	Laurens	Chesterfield	Dillon
Colleton	Calhoun	Edgefield		Fairfield	Florence
Dorchester	Lexington	Greenwood		Kershaw	Georgetown
Hampton	Orangeburg	McCormick		Lancaster	Horry
Jasper	Richland	Newberry		Sumter	Lee
		Oconee		Union	Marion
		Pickens		York	Marlboro
		Saluda			Williamsburg

Modifications to the Election Districts may be made by a two thirds vote of the Board of Directors. The Board is further authorized to make provisions to the extent a change in Election District boundaries creates an imbalance in the number of Directors per Election District.

**Section 3. Vacancies:** Any vacancy occurring on the Board of Directors, whether by death, removal, resignation or disqualification of a director or by increase in the number of directors, or otherwise, shall be filled by a majority vote of the members of the Election District. The appointee shall be qualified as in accordance with Article VII, Section 2C and shall hold office for the unexpired term of their predecessor.

**Section 4. Removal of directors by the Association:** Any member may bring charges against an officer or director by filing the charge in writing with the secretary, together with a petition signed by five (5) percent of the members, or ten (10) members, whichever is greater, requesting the removal of the officer or director in question. The removal shall be voted upon at the next regular or special meeting of the members. The director or officer against whom such charges have been brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence; and the person or persons bringing the charges against him or her shall have the same opportunity.

**Section 5. Expenses and Compensation of Directors:** Directors shall receive no salary for their services as Directors but may receive expenses and compensation as follows.

The Association may at the discretion of its Board of Directors authorize payment of expenses of the members of the Board of Directors or their authorized representatives at any meeting of the Board of Directors or Executive Committee or any meeting which two-thirds of the Association’s Board of Directors has designated as beneficial to the management, administration and regulation of the business and affairs of the corporation, provided that such

expenses may be paid as a per diem calculated to reflect the average out-of-pocket expense for attendance at such meetings.

**Section 6. Policies and Procedures:** The Board of Directors shall have power to make and adopt such rules and regulations not inconsistent with law, the Articles of Incorporation of the Association or these Bylaws, as it may deem advisable for the management, administration and regulation of the business affairs of the Association.

**Section 7. Indemnification of Directors, Officers and Employees:** Every director, officer or employee of the Association shall be indemnified by the Association against all expenses and liabilities including counsel fees, reasonably incurred or imposed upon him or her in connection with any proceeding to which he or she may be made a party, or in which he or she may become involved, by reason of his or her being or having been a director, officer, or employee of the Association or any settlement thereof, whether or not he or she is director, officer or employee at the time such expenses are incurred, except in such cases wherein the director, officer or employee is adjudged guilty of willful misfeasance, nonfeasance, or malfeasance in the performance of his duties. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director, officer or employee may be entitled.

**Section 8. Accounting System and Reports:** The Board of Directors shall cause to be established and maintained a complete accounting system. A committee of the Board of Directors, which shall render reports as directed by the Board but not less often than annually, shall examine all accounts of the association. The Board of Directors shall so, after the close of each fiscal year, cause to be made a full complete audit of the accounts, books and financial condition of the Association as of the end of such fiscal year. Such audit report shall be submitted to the Board of Directors and to the members at the annual meeting

**Section 9. Executive Committee:** There shall be an Executive Committee, which shall exercise all the power of the Board of Directors, with the exception of the employment of the Executive Director, in accordance with the policy of the Association and the direction of the Board during intervals between the meetings of the Directors. Executive Committee shall consist of five (5) members: President, Vice President, Secretary/Treasurer, and the immediate past President elected by the Board and the South Carolina Director for the National Rural Water Association, Inc. The Chairman of the Executive Committee shall be the President of the Association. The South Carolina Director for the National Rural Water Association, Inc. shall have the right to vote on all issues coming before the Executive Committee.

**Section 10. Removal of Directors by the Board:** Any director, who, without prior notice, has missed more than two consecutive regularly scheduled board meetings in any one year may, by a majority vote of the remaining board members, be deemed to resign his or her position on the Board. Should a vacancy on the Board be declared, the President shall notify the members from the Election District from which the vacancy has occurred that an appointment pursuant to Article VII, Section 3, should be made to fill the unexpired term of the resigning director.

## **ARTICLE VIII**

### **Meetings of Directors**

**Section 1. Regular Meetings:** The Board of Directors shall meet quarterly immediately following the annual meeting of the members for the purpose of reorganizing the Board and such other business as is required. There

shall be three (3) other regular meetings of the Board of Directors upon call and ten (10) days written notice by the President.

**Section 2. Special Meetings:** The Board of Directors will meet upon call by the Executive Committee or any ten (10) members of the Board. Notice of all special meetings shall be by mailing a notice to the last known address of the Board Member at least ten (10) days prior to the date of the meeting.

**Section 3. Quorum:** A majority of the Board of Directors shall constitute a quorum for the transaction of business at the meeting. Directors may join a meeting by telephone or other electronic means upon prior notice to the President. The President may waive the prior notice requirement upon a showing of exceptional circumstance which prevented prior notice. However, a quorum shall not exist except where a majority of the Board is physically assembled together. A majority vote of the Directors present by any means is necessary to carry a matter.

**Section 4. Meeting of the Executive Committee:** All members of the Executive Committee shall convene and meet upon call by the President or a majority of the Executive Committee. Such call shall consist of written notice at least 24 hours prior to the meeting and fixing the time, date, and place of the meeting.

**Section 5. Executive Committee Quorum:** A majority of the Executive Committee shall constitute a quorum for the transaction of business at any meeting. Executive Committee member may join by telephone, internet or other electronic means to constitute a quorum. A majority vote of the Directors present is necessary to carry any matter.

## **ARTICLE IX**

### **Officers**

**Section 1. Number:** The officers of the Association shall be a President, Vice President, Secretary/Treasurer and such officers as may be determined from time to time by the Board of Directors.

**Section 2. Election of Officers:** The Officers shall be elected annually by and from the Board of Directors immediately following the Annual Meeting of the members. The Executive Committee shall appoint a Nominating Committee consisting of five (5) directors whose nominations for office shall be submitted to the Directors in writing at the next Board Meeting.

**Section 3. Term of Office:** Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members or until his or her successor shall have been duly elected and shall have qualified. No person shall continue to hold any office in the Association after he or she shall have ceased to be a director. No officer can hold the same position more than two (2) consecutive years.

**Section 4. Removal:** the majority of the Board of Directors may remove any officer or agent elected or appointed by the Board of Directors whenever in its judgment the interests of the association would be served thereby.

**Section 5. Vacancies:** Except as otherwise provided in these Bylaws, the Board of Directors for the unexpired portion of the term may fill a vacancy in any office.

**Section 6. President: The President**

- A. Shall be the principal officer of the Association and preside at all meetings of the members and of the Board of Directors.
- B. Shall sign, with the secretary, any deeds, mortgages, deeds of trust, notice, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association or shall be required by law to be otherwise signed or executed.
- C. In general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.
- D. Notwithstanding the foregoing, the Board of Directors may assign to the Executive Director the performance of such of the duties described in this section as it may from time to time determine.

**Section 7. Vice President:** In the absence of the President, or in the event of his or her inability or refusal to act, the vice president shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

**Section 8. Secretary: The Secretary**

- A. Shall keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose.
- B. Shall see that all notices are duly given in accordance with these Bylaws or as required by law.
- C. Shall be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents, the execution of which on behalf of the association under its seal is duly authorized in accordance with the provisions of these Bylaws; provided that the Board of Directors by resolution may authorize some other person to affix the corporate seal.
- D. Shall cause to be kept a register of the post office address of each member that shall be furnished to the secretary of each corporate member.
- E. Shall have general charge of the books of the Association in which a record of the members is kept.
- F. Shall keep in file at all times a complete copy of these Bylaws containing all amendments thereto, which copy shall always be open to the inspection of any member, and at the expense of the Association forward a copy of these Bylaws and of all amendments thereto to each member.
- G. Shall in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the Board of Directors.

## **Section 9. Treasurer: The Treasurer**

- A. Shall have charge and custody of and be responsible for all funds and securities of the Association.
- B. Shall receive and give receipts for monies due and payable to the Association from any source whatsoever and deposit all such monies in the name of the Association in such bank or banks as shall be selected in accordance with the provisions of these Bylaws.
- C. Shall in general perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.
- D. Any of the above duties of the treasurer may be delegated to the Executive Director or his designated agent as may be authorized by the Board of Directors.

**Section 10. Executive Director:** The Board of Directors may appoint an Executive Director who may be, but who shall not be required to be, a representative of a member of the Association. The Executive Director shall perform such duties as the Board of Directors may from time to time vest in him/her.

**Section 11. Bond of Officers:** The Board of Directors shall require the treasurer, or any other officer or employee of the Association charged with responsibility for the custody of any of its funds or property, to give bond in such sum and with such surety as the Board of Directors shall determine.

**Section 12. Reports:** The officers of the association shall submit at each Board meeting and annual meeting of the members, reports covering the business of the Association for the previous fiscal period and showing the condition of the Association at the close of such fiscal year.

## **ARTICLE X**

### **Contracts, Checks, and Deposits**

**Section 1. Contracts:** Except as otherwise provided in these Bylaws, the Board of Directors may authorized any officer or officers, agent or agents, employee or employees to enter into any contracts or execute and deliver any instrument in the name and on behalf of the Association and such authority may be general or confined to specific instances.

**Section 2. Checks, Drafts, etc.:** All checks, drafts, or other orders for the payment of money, and all notes or other evidence of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents or employee or employees of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

**Section 3. Deposits:** All funds of the Association shall be deposited from time to time to the credit of the Association with such financial institutions as the Board of Directors may authorize, or be invested in such securities as the Directors may authorize.

**ARTICLE XI**  
**Dissolution**

**Section 1.** The Association may be dissolved by approval of two-thirds (2/3) of all its then active members at a regular or special meeting. Ten (10) days' notice of any proposal by the Executive Committee to dissolve the said Association shall be given by the Secretary-Treasurer to all said members prior to the vote on the matter of dissolution. If said Association shall be dissolved, the payment of all debts and liabilities shall be made and the remaining funds shall be donated to any corporation, association, or organization which is exempt from income tax purposes under the South Carolina Code and Internal Revenue Code Section 501(c). In no event shall benefit inure to any private member or individual.

**Section 2.** In the event of dissolution under Article XI, Section 1, the Board of Directors by majority vote shall designate what exempt organization or organizations shall receive the remaining funds.

**ARTICLE XII**  
**Power to Accept Donations**

The Board of Directors shall have the power and authority to accept donations made to the association for the furtherance of its purpose, provided, however, that the Board of Directors may reject any donation made upon a condition or restriction if in the discretion of the Board of Directors the donation as so contained will not be in the best interest of the association.

**ARTICLE XII**  
**Amendments**

These Bylaws may be amended by a majority vote of the members present and voting at any annual or special meeting of the association, provided a written notice as to any proposed revisions is mailed to the members at least ten (10) days prior to the meeting upon which the change will be voted.