



To: Participating Members, North Prairie Regional Water District  
From: Monte L. Rogneby, Counsel for North Prairie Regional Water District  
Date: April 12, 2024  
Re: Proposed Bylaw Amendments

---

**INTRODUCTION.**

At the request of the Board of Directors of the North Prairie Regional Water District, the Vogel Law Firm prepared proposed amendments to the District’s Bylaws. The proposed amendments were prepared based on discussions with the Board of Directors; the District’s Manager and based on our experience assisting other clients update similar bylaws. Additionally, the Board also considered a recommendation from the District’s Manager to make changes to the District’s map which is used for electing directors.

The Board of Directors at a meeting held on March 21, 2024, approved the proposed Bylaw and district map changes; and adopted a resolution recommending the Members of the District adopt the proposed changes at the 2024 Annual Meeting which will be held on June 4, 2024.

**AMENDMENT PROCESS.**

The District’s Bylaws and map may be amended by a majority vote of Members at any regular or special meeting of the District (North Prairie Regional Water District By-Laws (NPRWD By-Laws), Section 14.1) Accordingly, if a majority of members vote “yes” on the resolution presented by the Board at the 2024 Annual Meeting, the District’s Bylaws and map will be amended as proposed by the Board.

**THE PROPOSED AMENDMENTS:**

The proposed amendments can be summarized as follows:

- **UPDATING**

Some of the proposed changes to the Bylaws are cosmetic to update and clarify the Bylaws without changing the substance or meaning. These changes include changes to add capitalization and to clarify existing provisions. These proposed changes appear throughout the Bylaws.

- **EXPANDED PARTICIPATION**

The Board recommends the members adopt changes to the Bylaws to allow participation in the annual meeting and any special meetings virtually and/or by mail or electronic ballot, as allowed by the Board.

In our experience, the trend is less attendance at community meetings and therefore we recommend the District authorize the use of alternate means for members to participate, including through the use of absentee ballots – mail or electronic. The Board proposes adding a new Section 7.6 which would allow the Board to authorize participation by members via a virtual meeting (Zoom or other electronic means) or to allow participation by absentee votes. A member is only allowed, however, to vote once – either by mail or in person. The proposed change would not authorize the Board to discontinue the annual meeting or limit the members’ right to call a special meeting of members. It would allow greater participation in voting at the annual meeting.

- **CONSENSUS PROTECTION**

The Board proposed two changes to protect the District from governing changes not supported by a consensus of members.

The Board proposes a new quorum requirement of five percent of the Participating Members, in person, virtual, or by absentee ballot, for the transaction of business at the annual meeting or special meeting. (See Section 7.3.) Additionally, the Board proposes a new Section 7.5 which requires that any motion for consideration at a meeting of Participating Members be delivered to the Board at least 30 days in advance of the meeting, so all members may be given advance notice of the motion before it is considered.

The proposed changes are designed to require the participation of at least five percent of the members before a meeting may be held and to require notice of at least 30 days prior to consideration of any motion by the members.

These provisions do not eliminate or diminish the authority of the members. They do, however, help ensure a consensus of opinion of the Members before changes are made to the operations of the District.

- **AUTHORITY OF THE BOARD TO POLICE ITSELF**

The Board proposes a new Section 9.6 which would authorize the Board to remove a director for serious misconduct, physical or mental impairment, and/or chronic absences from meetings of the Board. The members retain their right to remove a director by filing a removal petition.

We believe it is prudent for the Board to have authority to police itself and to remove a director who is unwilling or unable to fulfill his or her Board duties. Although the Bylaws allow for removal by member petition, the cost and time required to schedule and hold a meeting of members makes the

process unduly burdensome and expensive. We recommend that the members provide the Board with authority to remove a director who is failing to fulfill his or her duties.

- **REVISED MAP**

The Board recommends changes to the District's map to modify the sub-districts used for Board representation. The proposed changes establish clear geographical boundaries using township boundaries. The proposed changes also create sub-districts with more balanced distribution of members.

**CONCLUSION**

The Board urges the Members to adopt the proposed Bylaw and map changes as proposed at the Annual Meeting on June 4, 2024.

The NPRWD Board of Directors are asking for your support and for your YES Vote at the Annual Meeting. Please come and support your Water District and vote YES. Thank you in advance and see you June 4<sup>th</sup>!

## NORTH PRAIRIE REGIONAL WATER DISTRICT

### BY-LAWS (amended May 2021)

#### ARTICLE I GENERAL PURPOSES

**Section 1.1:** The purpose for which this District is formed is a result of the merger of North Prairie Rural Water District and North Central Regional Water District, and to provide water to its participating ~~member~~Members located within the District. The powers which the District may exercise are set forth in Chapter 61-35 of the North Dakota Century Code.

#### ARTICLE II NAME AND LOCATION

**Section 2.1:** The name of the District is: North Prairie Regional Water District.

**Section 2.2:** The principal office of this District is located at 3811 Burdick Expressway East, Minot, North Dakota 58701.

#### ARTICLE III SEAL

No seal shall be required for the District.

#### ARTICLE IV FISCAL YEAR

The fiscal year of the District is the calendar year.

#### ARTICLE V MEMBERS

**Section 5.1:** Member means an owner of real property that is located within the District, the tenant of real property, or another person acting for the owner with the owner's written consent. Any city having a water distribution system may become a Mmember of the District.

**Section 5.2:** Benefit Unit means the fee each ~~m~~Member pays for each service that is planned to be connected to the water system for the privilege of using the District's facilities, in accordance with Chapter 61-35 of the North Dakota Century Code.

**Section 5.3:** Participating ~~m~~Member means a Mmember who has subscribed to and paid the established fee for at least one ~~benefit-unit~~Benefit Unit in the District. Participating ~~member~~Membership shall not be denied because of the applicant's race, color, creed or national origin. Participating ~~member~~Membership may be denied if in the discretion of the Board of Directors, the system lacks sufficient capacity to provide a long-term, reliable water supply to existing Participating Member~~the capacity of the District's water system is exhausted by the needs of its existing participating members~~, or the proposed use of the applicant would interfere with the existing uses previously authorized by the Board of Directors. All users of North Prairie Rural Water District

and North Central Regional Water District will become ~~Pparticipating-member~~Members upon the formation of the District without payment of any additional fee. Any city or other entity that is a ~~Pparticipating-member~~Member may designate a natural person as ~~its representative~~or represent them as a participating member. In the absence of a designation, the auditor of a city and the president of a corporation shall be considered the representative. The ~~board-of-directors~~Board of Directors is authorized to require each applicant to enter into a ~~Pparticipating-member~~Member agreement which is a Water Users Agreement that contains the principles and provisions set forth in the District's rules & regulations and policies, as may be adopted from time to time, and these bylaws.

1. Before a ~~Pparticipating-member~~Membership is extended to one or more persons claiming an interest in the property to be served, the District shall first attempt to obtain the application for ~~Pparticipating-member~~Membership from the owner of the property.
2. Where ~~Pparticipating-member~~Membership is granted to one or more persons other than the owner of the property, the District, as a condition to acceptance of the ~~Pparticipating member~~Membership, may require the applicant for the ~~Pparticipating member~~Membership to post such collateral or bond as the ~~director~~Directors determine necessary to fully protect the District from any additional risk that may be by reason of the applicant's lack of legal ownership.

**Section 5.4:** Each ~~Pparticipating-member~~Member shall have one vote for each ~~benefit-unit~~Benefit Unit subscribed to. Each ~~benefit-unit~~Benefit Unit shall represent one (1) vote. When more than one person holds an interest in a property served, the vote shall be exercised by the person in whose name the ~~benefit-unit~~Benefit Unit is registered or by the person the several owners may designate, but in no event shall more than one vote be cast with respect to any ~~benefit-unit~~Benefit Unit.

**Section 5.5:** Participating~~-member~~Membership shall be transferable, but the transfer will be effective only when noted on the books of the District. The transfer will be made only to a person who is qualified to be a ~~Pparticipating-member~~Member of the District under these bylaws. A ~~Pparticipating member~~Member will transfer his ~~member~~Membership in the District to his successor-in-interest whenever he disposes of his interest in the property. The District office, upon request, will note of the transfer upon the records of the District.

**Section 5.6:** When a ~~Pparticipating-member~~Membership in the District is not transferred, it shall terminate upon the disposition or other termination of the ~~member~~Member's interest in the property. Participating~~-member~~Memberships also may be terminated by action of the ~~board-of-directors~~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 ~~member~~Members or to the prejudice of the orderly operation of the system.

**Section 5.7:** The termination of the ~~Pparticipating-member~~Membership of any ~~member~~Member shall not disqualify subsequent ~~Pparticipating-member~~Membership to any other person who has or obtains an interest in the property of the terminated ~~Pparticipating-member~~Member and who otherwise meets the requirements of these bylaws.

**Section 5.8:** In the event a ~~Pparticipating-member~~Member's property interest is divested other than by voluntary means, the ~~Pparticipating-member~~Membership will pass to the trustee, receiver, personal representative, or the like, who will be entitled either in person or through a designated representative,

representative, to exercise all the rights incident to the ~~Pparticipating-member~~Membership. The trustee, receiver, personal representative, or the like, may terminate the ~~Pparticipating member~~Membership by written notice to the effect delivered or mailed to the District office. Upon the final disposition of the property rights, the new or replaced owner shall make application for a ~~Pparticipating-member~~Membership as provided in Section 5.3.

**Section 5.9:** Upon the transfer of a ~~Pparticipating-member~~Membership, the District will seek to collect all charges from the individual who incurred the charges. The District may seek to assess the property itself as if a judgment lien had been duly perfected against the property. In the event the charges or assessment are not collected from the individual who incurred them on the property, the District will look to the successor-in-interest for payment of any past due amounts before the ~~Pparticipating-member~~Membership is transferred.

#### ARTICLE VI MEMBERSHIP CERTIFICATES

**Section 6.1:** This District shall not issue ~~Pparticipating-member~~Membership certificates. Memberships shall be evidenced by entry upon the books and records of the District.

#### ARTICLE VII MEETING OF MEMBERS

**Section 7.1:** The ~~A~~Annual ~~M~~meeting of the ~~Pparticipating-member~~Members of the District will be held at a location and time designated by the ~~board-of-directors~~Board of Directors. Written notice of the time and place of the meeting shall be sent to all ~~Pparticipating member~~Members of record by US mail, directed to the address shown upon the records and books of the District, not less than ten (10) nor more than thirty (30) days before the meeting. Notice of the ~~A~~Annual ~~M~~meeting must also be ~~posted on the website for the District and~~ published in the official newspaper of each county served by the District not less than ten (10) nor more than thirty (30) days before the meeting. No failure or irregularity of notice of any ~~A~~Annual ~~M~~meeting shall affect any proceedings taken at the meeting.

**Section 7.2:** Special meetings of the ~~Pparticipating-member~~Members may be called at any time by the action of the ~~board-of-directors~~Board of Directors. Such meetings must be called whenever a petition requesting a special meeting signed by at least five percent (5%) of the ~~Pparticipating member~~Members is presented to the District office or the ~~board-of-directors~~Board of Directors. The purpose of every special meeting shall be stated in the notice or the petition and no business shall be transacted at the special meeting except as specified in the notice. Notice of special meetings of ~~Pparticipating-member~~Members of the District shall be given by notice, mailed by US mail, to each ~~Pparticipating-member~~Member of record, directed to the address shown upon the books and records of the District, not less than ten (10) nor more than thirty (30) days prior to the special meeting. The notice shall state the nature, time, place, and purpose of the meeting. Notice of the special meeting must also be published in the official newspaper of each county served by the District not less than ten (10) nor more than thirty (30) days before the meeting. No failure or irregularity of notice of any special meeting, regularly held, shall affect any proceedings taken at the meeting.

**Section 7.3:** ~~The in-person or virtual presence of at least five (5) percent of the Participating Members constitutes a quorum for the transaction of business at an Annual or Special Meeting of Participating Members-. Virtual presence, if allowed by the Board of Directors, must consist of both~~

~~audio and video of the meeting and the Participating Member. If less than a quorum is present at any meeting, the majority of those present may adjourn the meeting to a date not more than 45 days following the date of the Participating Member Meeting. The presence at an annual or special meeting of participating members entitled to cast their own vote shall constitute a quorum.~~

~~Section 7.3: Directors of this District shall be elected at the annual meeting~~Annual Meeting of the ~~Participating member~~Members as provided under these bylaws.

Formatted: Font: Italic

~~Section 7.4: The order of business at the regular annual meeting~~Annual Meetings and so far as possible at all other meetings shall comply with Robert's Rules of Order. The regular ~~annual meeting~~Annual Meeting agenda shall be:

1. Call to order
2. Reading and action on any unapproved minutes
3. Reports of officers and committees
4. Election of ~~director~~Directors
5. Appointment of nomination committee
6. Unfinished business
7. New business
8. Adjournment

~~Section 7.5: Unless otherwise determined by the Board before any Annual Meeting or Special Member Meeting, Participating Members may consider, vote, or act only upon matters that:~~

- ~~1. the Participating Members are required to consider, vote, or act on under these bylaws and applicable law;~~
- ~~2. these bylaws expressly grant Participating Members the right to vote; and~~
- ~~3. Member motions that have been delivered to the Board of Directors at least 30 days in advance of the date of the Meeting in which the vote has been requested.~~

~~Section 7.6: Absentee Ballots: Mail or electronic absentee ballots may be accepted and may be counted towards a quorum at an annual or special meeting of Participating Members but only as specifically authorized by the Board of Directors. When so authorized by the Board of Directors, absentee ballots shall be valid and entitled to the same force and effect as a vote in person if the Participating Member has been previously notified in writing of the exact motion, or resolution, or election contest upon which the vote is taken. The Board of Directors shall determine the procedure for absentee voting, if any, for each meeting. A Participating Member who submits an absentee vote in accordance with this provision shall not be entitled to cast an additional vote on the same motion, resolution, or election contest should such Participating Member appear in person at the applicable meeting, and, in the event of such appearance in person, such Participating Member shall notify the District at such meeting that such Participating Member previously submitted an absentee vote so that such Participating Member will not be double-counted in calculating the number of votes cast on, or the presence of a quorum with respect to, the applicable motion, resolution, or election contest.~~

**ARTICLE VIII  
NOMINATION AND ELECTION  
OF DIRECTORS**

**Section 8.1:** Nominations of Directors: At each ~~Annual Meeting~~ of the ~~Participating memberMembers~~, the presiding officer shall appoint a nominations committee consisting of not less than three (3) ~~Participating memberMembers~~, one of which can be a ~~Board memberMember~~ who is not up for election at the next ~~Annual Meeting~~ of the District. The nominations committee shall serve until the next ~~annual meetingAnnual Meeting~~. The nominations committee shall prepare and provide to the District office, at least ~~thirty (30)forty-five (45)~~ days before the next ~~annual meetingAnnual Meeting~~ of the ~~Participating memberMembers~~, a list of nominations for ~~directorDirectors~~. The nominations committee shall accept letters of interest from ~~memberMembers~~ of the ~~boardBoard~~ and confirm in writing from all nominees their interest and willingness to accept positions on the ~~board of directorsBoard of Directors~~. ~~MemberMembers~~ of the nominations committee are not excluded from being nominated for any position. All nominees for ~~directorDirectors~~ must be a ~~Participating memberMember~~, reside in the District's boundaries, and reside in the district for which the ~~Director~~ nomination applies unless it is the at-large position. Notwithstanding anything contained in this section, failure to comply with any of the provisions of this section shall not affect the validity of any election of ~~directorDirectors~~.

**Section 8.2:** Election of ~~DirectorDirectors~~: Election of ~~directorDirectors~~, from the nominations committee list of nominees, shall be by printed ballot that will be distributed to each ~~Participating memberMember in attendance and~~ entitled to vote ~~in person or absentee as allowed by the Board of Directors as otherwise set forth in the bylaws~~. A ~~Participating memberMember~~ shall have one vote as provided in Section 5.4 of these bylaws. At the meeting of the ~~Participating memberMembers~~ where an election of one or more ~~directorDirectors~~ will occur, the presiding officer shall appoint an ~~election-Election boardBoard~~ to consist of three (3) ~~Participating memberMembers~~ who shall, at the meeting only, preside over the distribution, collection, counting, and tally of ballots. In the event of a tie vote, the election shall be determined by lot in such manner as shall be selected or determined by the ~~election-Election boardBoard~~.

Formatted: Font: 12 pt

**ARTICLE IX  
DIRECTORS AND OFFICERS**

**Section 9.1:** The ~~board of directorsBoard of Directors~~ of the District shall consist of seven (7) members, one (1) ~~directorDirector~~ from each of the six (6) districts set forth in Exhibit A, and one (1) at-large ~~directorDirector~~. Each ~~directorDirector~~ must be a ~~Participating memberMember~~ of the District. Each ~~directorDirector~~ must ~~maintain his or her their primary residence~~reside in the district he/she represents, with the exception of the at-large ~~directorDirector~~ who may reside anywhere in the District. ~~Directors The initial board of directors shall consist of seven (7) directors, previously elected by North Prairie Rural Water District, who~~ shall continue to serve until their successors are elected



and have qualified. The ~~D~~irectors shall be divided into classes according to the existing remaining terms of the previously elected ~~D~~irectors of North Prairie Rural Water District. Two (2) ~~D~~irectors shall continue to serve for a term of one year; two (2) ~~D~~irectors for a term of two years; and three (3) ~~D~~irectors for a term of three years. At each ~~annual meeting~~ Annual Meeting, the ~~P~~articipating ~~member~~ Members shall elect for a term of three years the number of ~~director~~ Directors whose terms of office have expired. Each ~~director~~ Director shall hold office for the term for which he/she is elected and until his/her successor shall have been elected and qualified. Upon election, each Director will acknowledge and sign the North Prairie Regional Water District Code of Conduct as adopted by the Board of Directors.

**Section 9.2:** The ~~board of directors~~ Board of Directors shall hold a reorganizational meeting at the first Board meeting following the ~~annual meeting~~ Annual Meeting of ~~P~~articipating ~~member~~ Members and shall elect officers consisting of a president, vice-president, secretary and treasurer, each of whom shall hold office until the next ~~annual meeting~~ Annual Meeting of ~~P~~articipating ~~member~~ Members and until the election and qualification of his/her successor unless sooner removed by death, resignation or for cause. The positions of president and vice-president must be filled with sitting Directors. Pursuant to N.D.C.C. § 10-15-29. The elected positions of secretary and treasurer may be filled by a Director, District staff, or a third party.

**Section 9.3:** If the position of a ~~director~~ Director, or the office held by any ~~director~~ Director becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, a majority of the remaining ~~director~~ Directors, though less than a quorum shall by majority vote, choose a successor ~~member~~ member of the ~~board~~ Board of ~~director~~ Directors or officer for the duration of the replaced ~~director~~ Directors' term.

**Section 9.4:** A majority of the ~~board~~ Board of ~~director~~ Directors shall constitute a quorum at any meeting of the ~~board~~ Board. The affirmative vote of the majority of the ~~director~~ Directors at a meeting at which a quorum is present shall be the act of the ~~board~~ Board.

**Section 9.5:** Each member of the ~~board~~ Board of ~~director~~ Directors shall receive compensation as determined by the ~~board~~ Board of ~~director~~ Directors and actual mileage expense at the current rate prescribed by the Internal Revenue Service as reimbursement for expenses for each of the ~~B~~oard of ~~D~~irectors' meetings actually attended. In addition, ~~director~~ Directors shall receive per diem and lodging for attendance at other meetings while on business for the District according to District policies for its employees.

**Section 9.6:** A Director's service on the Board may be terminated prior to the expiration of the Director's term as a consequence of any one or more of the following:

(A) Resignation. A Director may resign at any time by delivering written notice to the President.

(B) Board Removal. If a Director materially breaches any duty established in Article X or the Code of Conduct, as applicable to the Board, or is guilty of a serious dereliction of duty, becomes physically or mentally impaired in a manner that compromises the ability of the Director to carry out his or her duties and responsibilities as a Director, or is not physically present at the place of the regularly scheduled meeting more than three times during any

calendar year, the Director may be removed by the Board in the Board's discretion, but only after notice and an opportunity to be heard. The requirement of Board Member's physical presence may be waived by the Board.

*(C) Member Removal.* Any Pparticipating Mmember may bring charges against a Ddirector by filing charges in writing with the District office, together with a petition signed by at least fifteen percent (15%) of the certified Pparticipating Mmembers requesting the removal of the Ddirector for the reasons contained in the written charges. The Ddirector against whom the charges have been brought shall be informed in writing of the charges at least thirty-one (31) days prior to the Aannual or Sspecial meeting at which the charges are to be heard in person or by counsel and to present evidence in respect to the charges; and the person or persons bringing the charges against him/her shall have the same opportunity. If no Aannual Mmeeting is to be held within 31 days of the filing of charges, a Sspecial Mmeeting of the members shall be called to consider the charges according to Article VII of these Bylaws. The question of removal of the Ddirector shall be voted upon at the next Aannual or Sspecial meeting of the members and any vacancy created by the removal may be filled by Bboard of Ddirectors according to this Article IX.

Formatted: Font: Italic

Formatted: Font:

## ARTICLE X DUTIES OF DIRECTORS

**Section 10.1:** The ~~board-of-directors~~Board of Directors, subject to restriction of law, these bylaws, and ~~board~~Board policies and shall exercise all of the powers of the District without prejudice to or limitation upon their general powers. It is hereby expressly provided that the ~~board-of-directors~~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~~Board. These powers shall be in addition or supplemental to the powers granted in Chapter 61-35 of the North Dakota Century Code and are to:

1. Select and appoint the Manager and any agents or consultants of the District, remove the Manager and any agents or consultants of the District, prescribe their duties and designate their powers as may not be inconsistent with these bylaws, fix their compensation, and pay for ~~faithful~~services.
2. Borrow from any authorized source, money, goods or services and make and issue notes and other negotiable or non-negotiable instruments evidencing indebtedness of the District, make and issue mortgages, deeds of trust, pledge of revenue, trust agreements, security agreements and financing statements, and other instruments evidencing a security interest in the assets of the District, and do every act and thing necessary to effectuate the same.
3. Order, at least once a year, an audit of the books and accounts of the District by a certified public accountant.
4. Fix and alter the charges to be paid for each ~~benefit-unit~~Benefit Unit by Pparticipating ~~member~~Members for services rendered by the District to the Pparticipating ~~member~~Member, including connection fees where such are deemed to be necessary by the ~~director~~Directors, fix and alter the method of billing, time of payment and manner of connection. The ~~board~~Board may establish one or more classes of Pparticipating

- ~~member~~Members or ~~benefit-unit~~Benefit Units. All charges shall be uniform and non-discriminatory within each class of ~~P~~participating ~~member~~Members or ~~benefit-unit~~Benefit Units.
5. Levy assessments and late payment penalties against the ~~P~~participating ~~member~~Members of the District and enforce collection of such assessments by the suspension of water services or other legal methods.
  6. Select one or more federally insured financial institutions to act as depositories of the funds of the District and determine the manner of receiving, depositing, and disbursing the funds of the District and the form of checks and the person or persons by whom the same shall be signed, with the power to change banks and the persons or persons signing checks.
  7. Require all officers, agents and employees charged with responsibility for the custody of any of the funds of the District to give adequate bonds, the cost of which is to be paid by the District.

#### ARTICLE XI DUTIES OF OFFICERS

**Section 11.1:** Duties of President. The president shall preside over all meetings of the District and the ~~board-of-directors~~Board of Directors, call special meetings of the ~~board-of-directors~~Board of Directors, set agendas for all meetings, perform all acts and duties usually performed by an executive and presiding officer and sign all papers of the District as he/she may be authorized or directed to sign by the ~~board-of-directors~~Board of Directors. The ~~board-of-directors~~Board of Directors, by resolution, may authorize a person other than the president to sign any or all checks, contracts, and other instruments on behalf of the District. The president shall perform other duties as may be prescribed by the ~~board-of-directors~~Board of Directors.

**Section 11.2:** Duties of Vice-President. In the absence or disability of the president, the vice-president shall perform the duties of the president. In the case of death, resignation or disability of the president, the ~~board-of-directors~~Board of Directors may declare the office vacant and elect his or her successor. The vice-president shall perform other duties as may be prescribed by the ~~board-of-directors~~Board of Directors.

**Section 11.3:** Duties of the Secretary. The secretary shall cause a complete record of all meetings of the District and of the ~~board-of-directors~~Board of Directors to be made and shall have general charge and supervision of the books and records of the District and attest the president's signature on all documents. The secretary is authorized to authenticate the District's records. The secretary may delegate or assign the Secretary's duties to District staff or other parties whose duties are subject to oversight by the secretary.

**Section 11.4:** Duties of the Treasurer. The treasurer shall have charge and custody of all funds and securities, receive and give receipts for monies due and payable, deposit all such monies in depositories as shall be selected, and in general perform all duties incident to the office of treasurer.

**ARTICLE XII  
RIGHTS AND DUTIES OF PARTICIPATING MEMBERS**

**Section 12.1:** The District shall furnish, subject to the limitation set out in rules and regulations, and these bylaws and those hereinafter provided for, such quantity of water as the ~~P~~participating ~~member~~Member may desire in connection with his/her property as described in a water users agreement required by the District.

**Section 12.2:** The ~~P~~participating ~~member~~Member will grant the District, its successors or assigns, a perpetual easement in, over, under, and upon their property with the right to construct, erect, install, and lay pipelines and thereafter use, operate, inspect, repair, maintain, replace or remove, together with the right of ingress and egress over adjacent land for the purpose of installing and maintaining water pipelines and appurtenant facilities. At the Districts discretion, such easement may provide for exclusivity.

**Section 12.3:** The District shall not be liable for damages of any kind whatsoever resulting from water or the use of water on ~~P~~participating ~~member~~Member's premises or property unless such damage results directly from negligence on the part of the District. The District shall not be responsible for negligence of third persons or forces beyond the control of the District resulting in any interruption of service, nor shall the District be liable for damage of any kind whatsoever resulting from snow melt or rain water run-off, or act of God.

**Section 12.4:** The District does not have the ability to provide sufficient water or pressure to be relied upon by the participating user for fire protection purposes and the District shall not be liable for the failure of the water system or the District to provide pressure to the ~~P~~participating ~~member~~Members for fire protection purposes.

**ARTICLE XIII  
RULES AND REGULATIONS**

**Section 13.1:** The ~~board of directors~~Board of Directors shall have the authority to adopt rules and regulations for the conduct of the business affairs of the District and to amend such rules and regulations as long as the rules and regulations are not contrary to state or federal law or regulation or the bylaws of the District. The District shall provide a copy of the rules and regulations to each ~~P~~participating ~~member~~Member.

**ARTICLE XIV  
AMENDMENTS**

**Section 14.1:** These bylaws may be repealed or amended by a vote of a majority of the ~~P~~participating ~~member~~Members present at any regular meeting of the District or at any special meeting of the District called for that purpose. So long as indebtedness is held by or guaranteed by USDA Rural Utilities Service and/or other lending agencies or their successors or assigns, the ~~P~~participating ~~member~~Members shall not have the power to change the purposes of the District so as to decrease its rights and powers under the laws of this state, or to waive any requirements of bond or other provision for the safety and security of the property and funds of the District or its participating users, or so to amend the bylaws as to effect a fundamental change in the policies of the District without the prior

approval of the USDA Rural Utilities Service and/or other lending agencies, their successors or assigns, in writing.

**ARTICLE XV  
ASSUMPTION OF LIABILITIES**

**Section 15.1:** The District assumes and agrees to pay all debts, obligations and liabilities to its predecessor organizations, North Prairie Rural Water District and North Central Regional Water District, in the same manner as if the District had originally incurred the debt, obligation or liability.

**ARTICLE XVI  
DIRECTORS' AND OFFICERS' LIABILITY REIMBURSEMENT**

**Section 16.1:** Each officer, ~~director~~Director, staff member or person serving on a committee of the District shall be indemnified by the District against all costs and expenses actually and necessarily incurred by him or her in connection with the defense of any action, suit or proceedings in which he or she is made a party by reason of being or having been a ~~director~~Director, officer, staff member or committee representative of the District, whether or not he or she continues to be such at the time of incurring the cost or expense, except in relation to matters as to which he or she shall be adjudged in such action, suit or proceedings to be liable for gross negligence or intentional misconduct in the performance of his or her duties as such officer, ~~director~~Director, staff member or committee representative. The right of indemnification in this section shall not be exclusive of other rights to which any officer, ~~director~~Director, staff member or committee representative shall be entitled as a matter of law. The foregoing shall not preclude the collection of insurance benefits that may be available.

DATED: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
President

