

B Y L A W S

OF

SOUTH DAKOTA ASSOCIATION OF SANITARY DISTRICTS

ARTICLE I. OFFICES

SECTION 1. Principal Office. The principal office of the Association shall be in the state of South Dakota and shall be located with the business residence of the President of the Association or at such place as shall be determined from time to time by the Board of Directors.

SECTION 2. Registered Office and Registered Agent. The location of the registered office and the name of the registered agent in the State of South Dakota shall be as determined from time to time by the Board of Directors pursuant to the applicable provision of law.

SECTION 3. Records. The Association shall keep correct and complete books and records of accounts and shall keep minutes of the proceedings of the membership meetings and the Board of Directors meetings and each committee having any of the authority of the Board of Directors. The Association shall keep at its registered office or principal office a record of the name and

address of each member and of each director.

SECTION 4. Seal. The Association may have a seal and such seal shall form a circle and shall have the words Corporate Seal - South Dakota on the outer circumference and the letters SDASD inscribed within the circle.

ARTICLE II. PURPOSES

Purposes Stated in Articles. The purposes of this Corporation shall be those non-profit purposes stated in the Articles of Incorporation as may be amended.

ARTICLE III. MEMBERSHIP

SECTION A. Active Members. Active membership shall consist of any organization operating as a Sanitary District in the State of South Dakota that has stated its eligibility and paid the membership fee.

Eligibility: Organizations operating as Sanitary Districts, that own or operate a sewer, water, or solid waste facility or service, or that are actively seeking to provide one or more of these services shall be eligible for membership upon approval of the Board of Directors.

Representation: Any member of the Governing Board, Clerk, Manager, Operator or benefited user of the sanitary district may be recognized as one of three

voting representatives as follows, and shall be designated by a letter from the member district. Membership in the Association shall entitle the sanitary district to three votes at any annual or special meeting of the membership. These three votes are to come from the following three areas involved in the operation of a sanitary district: a) board of trustees, b) manager or clerk, and c) operator. Sanitary districts that do not have managers, clerks or operators or have said manager, clerk or operator that cannot attend the membership meeting may fill these voting positions from among the trustees or from among the benefited users. Representation of a member district may be changed by written notification to the Association.

SECTION 2. Associate members. Associate memberships shall be held by businesses, persons or organizations directly interested in the good of the Association. Associate members shall have no vote and may not hold office.

SECTION 3. Membership fees. Fees for membership in the Association shall be established from time to time by the action of the membership at its annual meeting. (or by the Board of Directors at any meeting of the Board called for that purpose.) The membership shall have the power to rescind a change in membership fee at any annual

or special meeting of the membership.

ARTICLE IV. BOARD OF DIRECTORS

SECTION 1. Number of Board Members. There shall be a Board of Directors in which the government of the Association shall be vested. The Board of Directors shall consist of nine members to be elected by the membership of the Association at its annual meeting.

SECTION 2. Terms. The terms of the members of the Board of Directors shall be three years and three positions shall expire each year. The initial elected Board of Directors shall have three members which are elected for terms of three years, three which are elected for terms of two years and three which are elected for terms of one year. Thereafter, all positions shall be for terms of three years.

SECTION 3. Unexpired Terms. Any position on the Board which is vacated before the expiration of the term shall be filled by a majority vote of the remaining Directors from among the list of representatives of districts which are active members. This appointment shall expire at the next annual meeting of the membership.

SECTION 4. Process of Election of Directors. The election of Directors shall take place during the annual

meeting. A nominating committee, selected by the President, consisting of three active members of the Association shall place before the membership at the annual meeting a slate of three Directors (and additional names if vacancies have occurred) to be voted on by the membership. The membership shall have the right to add nominees from the floor. The ballot shall contain the names of all nominees and the highest three vote getters shall be elected. In the event of ties for the third position, additional ballots shall be cast to determine the highest vote getter for the position in question.

SECTION 5. Vacancies. There shall be declared an automatic vacancy in the position of any Director when such Director: a) is no longer officially recognized as an authorized representative to the Association by the authorizing Sanitary District; b) moves outside of the official service area of a member Sanitary District or no longer is employed by the Sanitary District; c) dies; d) resigns.

ARTICLE V. OFFICERS

SECTION 1. Number and Election. The officers of the Association shall be President, Vice President, Secretary and Treasurer. The officers shall be elected by the members of the Board of Directors from among the members of the Board of Directors by a majority vote.

SECTION 2. Time of Election. An organizational meeting of the Board of Directors shall immediately follow the annual meeting of the Association at which time the officers shall be elected.

SECTION 3. Term. The term of all officers shall be for one year.

SECTION 4. Vacancies. The Vice President shall assume the position of President in the event of a vacancy in that position. Vacancies in all other positions shall be filled by an election by the Directors from among the members of the Board of Directors.

ARTICLE VI. DUTIES OF THE BOARD OF DIRECTORS

SECTION 1. The business and affairs of the Association shall be managed by its Board of Directors. The Board of Directors shall have all of the powers to supervise, control, direct, and manage the property, affairs and activities of the Association. The Board shall not have the power to amend the Articles of Incorporation of the Association, to amend the process by which the members select their Board of Directors, or to establish membership fees except as provided for in these bylaws. The Board shall determine the policies of the

Association and shall actively prosecute its corporate purposes and objectives. The Board shall have absolute discretion in the disbursement of its funds and the disposition of its property for the purposes set out in the Articles of Incorporation, and all income and property shall be applied only to the non-profit purposes as set out therein.

In addition to these general powers, the Board of Directors shall have the following specific powers:

- 1) To appoint an Executive Director
- 2) To determine major personnel, organization, fiscal and program policies
- 3) To determine rules and procedures for the functioning of the Board of Directors.

SECTION 2. The President shall have general supervision of the affairs of the Association, and shall be chairperson at all regular and special meetings of the membership and of the Board of Directors.

SECTION 3. The Vice President shall be responsible for the coordination of the annual conference. In the absence of the President, he shall perform the duties of the President.

SECTION 4. The Secretary shall prepare the business agenda of the meeting of the membership and of the Board

of Directors and shall record the proceedings thereof. He/she shall conduct the correspondence of the Association and keep a full record of the same and shall be custodian of the seal of the Association.

SECTION 5. The Treasurer shall have charge of the funds of the Association, shall pay bills against the Association and shall make a report of the expenditures of the funds of the Association at the annual meeting and at the regular meetings of the Board of Directors.

SECTION 6. The Board of Directors shall have the authority to appoint committees to carry out special activities of the Association.

X SECTION 7. Any officer or employee or agent of the Corporation may be removed or discharged by the Board of Directors whenever in its judgement the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person removed.

ARTICLE VII. MEETINGS

A. Membership:

SECTION 1. There shall be an annual membership

meeting to be held during the month of April or as established by the Board of Directors from time to time.

SECTION 2. Special membership meetings may be called by the President of the Association or by written petition of ten percent of the member districts.

SECTION 3. Annual membership meetings may be held at any place within or without the state of South Dakota.

SECTION 4. Special membership meetings may be held at any place within or without the state of South Dakota.

SECTION 5. Written or printed notice stating the place, day and hour of the annual or special membership meeting shall be delivered not less than fifteen days before the meeting and such notice may be delivered either personally or by mail. If mailed, such notice shall be deemed delivered when deposited in the United States mail addressed to the member at his/her address as it appears on the records of the Corporation with postage thereon prepaid.

SECTION 6. The members present at the annual or at any duly called special meeting shall constitute a quorum. A majority vote of the members present and voting shall decide the question.

B. Board of Directors Meetings:

SECTION 1. There shall be an organizational meeting of the Board of Directors immediately following the annual membership meeting at which time the officers of the Corporation shall be elected.

SECTION 2. The Board of Directors shall establish its schedule of meetings to meet the demands of the business of the Association. The Board of Directors may hold regular meetings at such time and place as may be determined from time to time by resolution of the Board.

SECTION 3. Special meetings of the Board of Directors may be held at any time and for any lawful purpose or purposes. Special meetings may be called by the President of the Board or by notice duly signed by the officer or by three directors calling the same and in the manner hereinafter provided. Written or telephonic notice shall be delivered not less than five (5) working days before the meeting.

SECTION 4. Meetings of the Board of Directors of the Corporation may be held at any place within or without the State of South Dakota as may be determined from time to time by resolution of the Board.

SECTION 5. Written or printed notice stating the place, day and hour of all regular meetings shall be delivered not less than fifteen (15) days before the day of the meeting, either personally or by mail, by or at the direction of the President or the directors calling the meeting, to each director. If mailed, such notice shall be deemed delivered when deposited in the United States mail addressed to the director at his/her address as it appears on the records of the Corporation with postage thereon prepaid.

SECTION 6. The presence of one-half of the members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such number is present, a majority of the directors present may adjourn the meeting from time to time without further notice. The act of a majority of the directors present at a meeting at which a quorum is present shall be valid as the act of the Board of Directors except in those specific instances in which a larger vote may be required by law, by the Articles of Incorporation or these Bylaws.

SECTION 7. Any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by all of the directors.

ARTICLE VIII. CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 1. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

SECTION 2. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority shall be confined to specific instances.

SECTION 3. All checks, drafts, or other orders for payment of money, notes or other evidence of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 4. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

SECTION 5. Any directors, officers, or employees handling money of the Corporation shall be bonded at the corporation's expense in such amounts as may be determined by the Board of Directors.

SECTION 6. The Corporation shall have an audit of its accounts at such time as determined by the Board of Directors. The audit shall be performed by a public accountant. ✓

ARTICLE IX. FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of October and end on the thirtieth day of September in each year. The Board of Directors shall have the paramount power to fix and from time to time change the fiscal year of the Corporation.

ARTICLE X. AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board of Directors at any regular or special meeting by the affirmative vote of a majority of the directors then in office except that, those areas of the Bylaws which are addressed to the membership shall only be altered, amended, or repealed and new Bylaws adopted by the membership, at any annual or

special meeting by the affirmative vote of a majority of
the members in attendance at such a meeting.