

**EAST DAVIESS COUNTY WATER ASSOCIATION, INC.
9210 STATE ROUTE 144
KNOTTSVILLE, KENTUCKY 42366
(270)281-5187**

September 1, 2009

Mr. Gerald Wuetcher
KY Public Service Commission
P.O. Box 615
Frankfort, KY 40602

RECEIVED
SEP 03 2009
PUBLIC SERVICE
COMMISSION

RE: Case No. 2009-00341
East Daviess County Water Association, Inc.
(Rates – Non–Recurring Charges)

Dear Mr. Wuetcher:

Please find enclosed two copies of the Articles of Incorporation for East Daviess County Water Association as requested for the above referenced case.

If you need any further information please let me know.

Sincerely,



Frankie Fulkerson, Manager

ARTICLES OF INCORPORATION
OF
EAST DAVIESS COUNTY WATER ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS:

We, whose names are hereto subscribed, acting as incorporators for the purpose of forming a nonprofit corporation under the provisions of Chapter 273 of the KRS, assuming and claiming all powers, rights, privileges and immunities granted or permitted bodies corporate under said laws, and do hereby adopt the following Articles of Incorporation:

ARTICLE I

NAME

The names of this corporation shall be EAST DAVIESS COUNTY WATER ASSOCIATION, INC.

ARTICLE II

REGISTERED OFFICE AND AGENT

The registered office of the corporation shall be at 208 B W. 3rd St. Owenboro, County of Daviess, State of Kentucky, the registered agent at such address is Gene Lanham.

ARTICLE III

PURPOSE

The purpose of the said corporation shall be to establish, develop and operate a complete water supply and distribution system by purchase, development, or otherwise to construct reservoirs or water towers, erect pumping machinery, lay water mains, pipes and hydrants; to furnish and sell water to members of the corporation, public bodies and local businesses, for fire protection, drinking and general farm and domestic use and collect payment for rental or sale of same and doing all things necessary, convenient and incidental thereto, and a complete sanitary and/or storm sewer collection system and treatment facilities by purchase, development, or otherwise to construct mains, submains, and laterals, treatment plant, lagoons, to furnish sewer service to members of the corporation, public bodies and local businesses, for sanitary and health protection and collect service payment for rental of same and doing all things necessary, convenient and incidental thereto.

ARTICLE IV

SEAL

This corporation shall have a seal, which seal shall contain the corporate name, Kentucky, and the words "corporate seal."

2. The Board of Directors shall fill vacancies occurring in its own membership by appointment of qualified members to hold office until the next annual meeting of the membership at which meeting a member shall be elected to fill the unexpired term.

3. A majority of the Directors must be present at a meeting to conduct the business of the corporation.

4. Until the first annual election, the following persons shall be Directors:

<u>NAME</u>	<u>ADDRESS</u>
Jerome Hamilton	R.R. # 2, Philpot, Kentucky
Paul Fullenwider	R.R. # 1, Maceo, Kentucky
J.T. Hagan	R.R. # 1, Philpot, Kentucky
Douglas Gipe	Route 1, Maceo, Kentucky
Georgia Petri	Route 1, Maceo, Kentucky

and the following persons shall be Officers:

<u>Jerome Hamilton</u>	President,
<u>Paul Fullenwider</u>	Vice President,
<u>Georgia Petri</u>	Secretary,
<u>Douglas Gipe</u>	Treasurer.

5. The Board of Directors shall have their annual meeting after the annual meeting of members hereinafter provided for, at a time and place to be designated by the President, and will elect from their own number a President, Vice President, Secretary and Treasurer. However, the offices of Secretary and

ARTICLE V

POWERS

The corporation shall have all powers provided by law.

ARTICLE VI

MEMBERSHIP

Persons may become members of the corporation as provided in the By-Laws.

ARTICLE VII

DURATION

The corporation shall have perpetual duration.

ARTICLE VIII

BOARD OF DIRECTORS

1. The affairs of this corporation shall be managed by a Board of five (5) Directors to be elected by and from the members thereof and shall serve for three years and until their successors are elected. The size of the Board may not be changed except by amendment to these articles. At the first annual election, three Directors shall be elected for a term of one year; one Director shall be elected for a term of two years; one Director shall be elected for a term of three years. Thereafter Directors shall be elected for terms of three years.

Treasurer may be combined into one office.

6. The Board of Directors shall have other meetings as provided in the By-laws.

ARTICLE IX

MEETINGS

1. The annual meeting of the members of this corporation for the purpose of electing directors and transacting such other business as may properly come before it at such time, shall be held on the third Monday in March of each year at the time and place specified by the Board of Directors.

2. Special meetings of the members of this corporation may be called by the President at any time or place within the county upon giving to each of the members a notice in writing mailed to his postal address as it appears in the corporation records at least ten (10) days prior to such meeting; and such meetings shall be called by him at any time upon written demand of the majority of the directors, or of any twenty-five (25) members, and in case of his neglect or refusal to call such meetings, such directors or members shall unite in calling such meetings, which shall be the same as though called by the President. If the purpose of the meeting is to amend the articles, then the notice of meetings signed by the Secretary shall set forth the proposed amendment in substance. Articles may be amended by a two-

thirds vote of the members present at such a meeting or voting by proxy.

ARTICLE X

INCORPORATORS

The names and addresses of the incorporators are:

<u>NAME</u>	<u>ADDRESS</u>
Paul Fullenwider	R. R. #1, Maceo, Kentucky
J.T. Hagan	R. R. #1, Philpot, Kentucky
Jerome Hamilton	R. R. #2, Philpot, Kentucky
Gene Lanham	208B West Third Street, Owensboro, Ky.
Calvin Ray Robinson	210 West Third Street, Owsboro, Ky.

ARTICLE XI

BY-LAWS

The corporation may make and amend By-Laws at its pleasure through its Board of Directors.

IN WITNESS WHEREOF, we have hereunto subscribed our names this seventh day of May, 1970.

Paul Fullenwider

J.T. Hagan

Jerome Hamilton

Gene Lanham

Calvin Ray Robinson

STATE OF KENTUCKY)

COUNTY OF DAVIESS)

On this 7th day of May, 1970, before County,
personally appeared Paul Fullenwider, J.T. Hagan, Jerome Hamilton,
Gene Lanham and Calvin Ray Tobinson the me known to be the persons
named in and who executed the foregoing instrument, and acknow-
ledged that they executed the same as their voluntary act and
deed.

(SEAL)

Betty Joyce Bruts
Notary Public; Kentucky at Large

B Y - L A W S

O F

EAST DAVIESS COUNTY WATER ASSOCIATION INC., NONPROFIT CORPORATION

ARTICLE I

GENERAL PURPOSES

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

ARTICLE II

NAME AND LOCATION

Section 1. The name of this corporation is East Daviess County Water Association, Inc.

Section 2. The principal office of this corporation shall be located at the 208B W. Third St., Owensboro, Ky., Daviess County, Kentucky, but the corporation may maintain offices and places of business at such other places within the state as the board of directors may determine.

Section 3. The registered agent of the corporation is Gene Lanham 208B W. Third St., Owenboro, Kentucky 42301.

ARTICLE III

SEAL

Section 1. The seal of the corporation shall have inscribed thereon the name of the corporation, State of Kentucky, and corporate seal.

Section 2. The secretary 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 corporation shall begin the first day of January in each year.

ARTICLE V

MEMBERSHIP

Section 1. The holders of membership certificates of this corporation are its members. Any bona fide occupant of a dwelling, farm, or other property, including schools, churches, community and eleemosynary organizations, and where otherwise necessary by contract with said organization, corporation, etc., having reasonable accessibility to the source of and who is in need of having water supplied for domestic, livestock, and other purposes from the water system operated by the corporation and who receives the approval of the board of directors may be admitted to membership upon subscrib-

ing for or otherwise acquiring a membership certificate and by signing such agreements for the purchase of water as may be provided and required by the corporation; provided that no person otherwise eligible shall be permitted to subscribe for or acquire a membership of the corporation if the capacity of the corporation's water system is exhausted by the needs of its existing members. The membership fee shall be \$6.00.

Section 2. In case of the death of a member or if a member ceases to be eligible to hold membership as provided in Section 1., or willfully fails to comply with these by-laws and other requirements, or willfully obstructs the purposes and proper activities of the corporation, the corporation, through the board of directors, may elect to purchase his membership certificate and terminate his membership upon tender to him or his heirs or legal representatives the membership fee of \$ 6.00 less any indebtedness then due from him to the corporation. Any member whose membership is so terminated for cause other than that of ceasing to be eligible may appeal from the action of the board of directors to a vote of the members at the next regular meeting of the members or a special meeting of the members called for such purpose.

ARTICLE VI

MEMBERSHIP CERTIFICATES

Section 1. This corporation shall not have capital stock, but its capital shall be represented by membership certificates.

Section 2. The membership certificates shall be issued to each holder or fully paid membership and shall be numbered consecutively, in accordance with the order of issue. Each membership certificate shall bear on its face the following statements:

- A. This membership certificate, No. _____, is issued and accepted in accordance with and subject to the conditions and restrictions stipulated in the articles of incorporation and by-laws and amendments to the same of the East Daviess Water Association, Inc. _____.
- B. Transfers of membership certificates shall be made only upon the books of the corporation, only to persons eligible to become members, only with the approval of the board of directors and only when the member transferring is free from indebtedness to the corporation.
- C. No member of this corporation shall be entitled to more than one vote at meetings of the members or to hold more than one of the membership certificates of the corporation. Every member upon becoming a member of this corporation agrees to sign such agreement for the purchase of water from the corporation as may from time to time be provided

and required by the corporation.

Section 3. All transfers of membership certificates shall be made upon the books of the corporation upon the surrender of the certificates covering the same by the holders thereof or by their legal representative but only with the approval of the board of directors and only to persons eligible to become members and only when the transferring member is free from indebtedness to the corporation.

Section 4. Each member agrees to sign such water user's agreements as the corporation shall from time to time provide and require.

ARTICLE VII

MEETINGS OF MEMBERS

Section 1. The annual meeting of the members of this corporation shall be held at the Maceo, Kentucky Public School at 7:30 o'clock p.m., on the third Monday in March of each year, if not a legal holiday, on the next business day following.

Section 2. Notice of meetings of members of the corporation may be given by a notice mailed to each member of record, directed to the address shown upon the books of the corporation, at least ten days prior to the meeting. Such a 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 3. The members present at any meeting of the members shall constitute a quorum at any meeting of the corporation for the transaction of business. The voting powers of the members of this corporation for the transaction of business. The voting powers of the members of this corporation shall be equal, each member shall have one vote only, and voting by proxy shall be allowed.

Section 4. Directors of this corporation shall be elected at the annual meeting of the members.

Section 5. 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 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

ARTICLE VIII

BOARD OF DIRECTORS

1. The affairs of this corporation shall be managed by a Board of five (5) Directors to be elected by and from the members thereof and shall serve for three years and until their successors are elected. The size of the Board may not be changed except by amendment to these articles. At the first annual election, three Directors shall be elected for a term of one year; one Director shall be elected for a term of two years; one Director shall be elected for a term of two years; one Director shall be elected for a term of three years. Thereafter Directors shall be elected for terms of three years.

2. The board of directors shall meet within ten days after the first election and within ten days after the annual election of directors and shall elect by ballot a president, and vice-president from among themselves, and a secretary-treasurer, each of whom 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.

3. Special meeting of the board of directors may be called at any time by the president, or any two directors, on not less than twenty-four hours notice previous to the meeting. Notice of special meeting of the board of directors shall be given as provided in Article VII, Section 2 of these by laws. Any meeting at

which all directors are present shall be legal without notice or waiver. Any director or officer may waive any notice required to be given under these by-laws. Presence of a director in person shall constitute waiver by him of notice of a director's meeting.

Section 4. If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, except by removal from office, a majority of the remaining directors though not less than a quorum shall, by a majority vote, choose a successor who shall hold office until the next annual meeting of the members of the corporation, at which time the members shall elect a director for the unexpired term, or terms.

Section 5. A majority of the board of directors shall constitute a quorum at any meeting of the board.

Section 6. Compensation of officers may be fixed at any regular or special meeting of the members of the corporation.

Section 7. 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 at the next regular meeting or special meeting of the members and shall be effective if approved by a vote of a majority of the members. The director or officer against whom such charges have

been presented shall be informed, in writing, of such charges five 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 association. A vacancy in the board thus created shall be filled by the directors from among their number so constituted after the vacancy in the board has been filled.

ARTICLE IX

DUTIES OF DIRECTORS

Section 1. The board of directors, subject to the restriction of law, the articles of incorporation, or these by-laws shall exercise all of the powers of the corporation, and, without prejudice to or limitation upon their general powers, it is hereby expressly provided that the board of directors shall have, and hereby are given, full power and authority in respect to the matters and as hereinafter set forth:

- A. To pass upon the qualifications of members, and to cause to be issued appropriate certificates of membership.
- B. To select and appoint all officers, agents, or employees of the corporation or remove such agents or employees of the corporation for just cause, prescribe such duties and

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

- C. 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.
- D. To prescribe, adopt, and amend, from time to time, such equitable uniform rules and regulations as, in their 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.
- E. To order, at least once each year, an audit of the books and accounts of the corporation by a qualified auditor or accountant. The report prepared by such auditor or accountant shall be submitted to the members of the corporation at their annual meeting.
- F. To fix the charges to be paid by each member for services rendered by the corporation to him, the time of payment and manner of collection.
- G. 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.

- H. 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 of 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.

ARTICLE X

Section 1. Duties of the 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 membership certificates and such other 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. He shall sign all membership certificates with the president and such other papers pertaining to the corporation as he may be authorized or directed to do so by the board of directors. He shall provide a fidelity bond in an amount to cover an amount equal to the largest sum of money in his possession as Secretary-Treasurer at any one time. He shall serve all notices required by law and 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. He shall keep the corporate seal and membership certificate records of the corporation, complete and countersign all certificates issued and affix said corporate seal to all papers requiring seal. He shall keep a proper membership certificate record, showing the name of each member of the corporation and date of issuance, surrendered, cancellation or forfeiture. He shall make all reports required by law and shall perform such other duties as may be required by law and shall perform such other duties as may be required by him by the corporation or the board of directors. Upon the elec-

tion of his successor, the Secretary-Treasurer shall turn over to him all books and other property belonging to the corporation that he may have in his possession. He shall also perform such duties with respect to the finances of the corporation as may be prescribed by the board of directors.

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 property line of each member of the corporation, at which points, designated as delivery points, meters to be purchased, installed, owned and maintained by the corporation shall be placed. The cost of the service line or lines from the main distribution pipeline or lines of the corporation to the property line of each member shall be paid by the corporation. The corporation will also purchase and install a cut-off valve in each service line from its main distribution line or lines, such cut-off valve in each service line from its main distribution line or lines, such cut-off valve to be owned and maintained by the corporation and to be installed on some portion of the service line owned by the corporation. The corporation shall have the sole and exclusive right to use such cut-off valve to turn it on and off.

Section 2. Each member shall be entitled to not to exceed one service line from the corporation's water system, provided that the member shall be required to pay a fee of \$250.00 for each service line in excess of one. No new service line or change in an existing service line may be made which will interfere with an existing service line or the delivery of water therein. 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 shall be of sufficient capacity to permit the delivery of water through a prior service line. If the corporation's water system shall be 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 as may be designated by the corporation. Each member will be required to dig or 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 will also be required to purchase and install the portion of the service line or lines from his property line to the place of use on his premises and to maintain such portion of such service line or lines which shall be owned by the member, at his own expense, provided that the corporation may, if the board of directors so determine, purchase the pipe for and install such portion of such service line or lines, the cost of

Section 5. The board of directors shall have the right in any calendar year to determine the flat minimum monthly rate to be charged each member for a specified quantity of water, such flat minimum monthly rate to be payable irrespective of whether any water is used by a member during any month, and the amount of additional charges, if any, for additional water which may be supplied the members, shall fix the date for the payment of such charges, and shall notify each member of the amount of such charges and the dates for the payment thereof, a member to be entitled to the delivery of water shall pay such charges at the office of 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. Non-payment within ten days from the due date will be subject to a penalty of ten percent of the delinquent account.
- B. Non-payment within thirty days from the due date will result in the water being shut off from the member's property.
- C. Non-payment for sixty days after original due date will allow the corporation, in addition to all other rights and remedies to purchase the member's membership certificate and terminate his membership, and, in such event the member shall not be entitled to receive, nor the corporation obligated to supply, any water.
- D. In the event it becomes necessary for the corporation to

shut off the water from a member's property, a fee of \$10.00 will be charged for the reconnection of the service.

Section 6. The board of directors shall be authorized to require each member to enter into water user's agreements which shall embody the principles set forth in the foregoing sections of this article.

Section 7. Membership may be cancelled and/or water service discontinued by the corporation for any violation of any rule, regulation, or condition of service and especially for any of the following reasons:

- A. Misrepresentation in application as to the property or fixtures to be supplied or use to be made of water.
- B. Resale or giving away of water.
- C. waste or misuse of water due to improper or imperfect service pipes and/or fixtures or failure to keep the same in a suitable state of repair.
- D. Tampering with meter, meter seal, service, or valves or permitting such tampering by others.
- E. Connections, cross-connections, or permitting the same, of any separate water supply to the premises which receives water from the corporation.

ARTICLE XII

DISTRIBUTION OF SURPLUS FUNDS

Section 1. It is not anticipated that there will be any net income. If there should be any, then at the end of any fiscal year, after paying the expenses of the corporation for operation and otherwise, and after setting aside reserve, for depreciation of all buildings, equipment, and office fixtures, and such other reserves as the board of directors may deem proper and after providing for payments on interest and principal of obligations and amortized debts of the corporation, and after providing for the purchase of proper supplies and equipment, the net earning shall be accumulated in a surplus fund for the purpose of replacing, enlarging, extending and repairing the system and property of the corporation and for such other purposes as the board of directors may determine to be for the best interests of the corporation. The said surplus fund or any portion thereof may from time to time at the discretion of the board of directors be applied to said debt of said corporation.

Section 2. Any part or the whole of such net income may be credited at the discretion of the board of directors to the indebtedness of the corporation, should any exist, and upon payment of all debts of the corporation, any surplus so remaining to be placed in a reserve account until such time as the board of directors shall deem sufficient for the needs of said corporation. Thereafter

the board of directors may reduce said water rates to meet the cost of operation only.

ARTICLE XIII

AMENDMENTS

These by-laws may be repealed or amended by a vote of a majority of the directors present at any regular meeting of the corporation, or at any special meeting of the corporation called for that purpose, except that the directors 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 to deprive any member of rights and privileges then existing, or so to amend the by-laws as to effect a fundamental change in the policies of the corporation. Notice of any amendments to be made at a special meeting of the directors must be given at least ten days before such meeting and must set forth the amendments to be considered.

Amendments to these by-laws must, and will have, prior approval of the lending institution, if an indebtedness is owed or outstanding, before they become effective.

IN WITNESS WHEREOF, we, the Board of Directors, have at the organization meeting on this 8th day of May, 1970, adopted the foregoing By-Laws.

BOARD OF DIRECTORS

Jerome Hamilton

J.T. Hagan

Lestor Dunaway

Paul Fullenwider

Yewell C Basham

I, Yewell Basham , Secretary of the East Daviess County Water Association, Inc., a Corporation existing under the laws of the State of Kentucky; hereby certify that the attached is a true copy of the By-Laws, together with all amendments thereto, as of the 8th day of May , 1970, which have been duly adopted.

Yewell Basham
Secretary

(SEAL)