

PUBLIC WATER SUPPLY DISTRICT #2 OF LINCOLN COUNTY, MISSOURI
BYLAWS

ARTICLE 1 - NAME

The name of this organization is the Public Water Supply District #2 of Lincoln County, Missouri, hereinafter referred to as "the District."

ARTICLE 2 - OBJECT

These Bylaws provide an outline of the policies, practices and procedures of the District. They are not intended to address every issue of importance but they do cover the most common operating concerns of the District.

ARTICLE 3 - MEETINGS

Section 1: General meetings. The District shall hold Board of Directors meetings on the first Tuesday of each month at 6:30 P.M. at the District office.

Section 2: District meetings. All District meetings are open to the public, unless the question of holding a closed meeting and the reason for the closed meeting shall be voted on in open session. Only those topics listed in Section 610.021, RSMo. will be topics for closed meetings.

Section 3: Closed meetings. In any closed meeting, the Board of Directors shall not discuss any other business that differs from the specific reasons used to justify such meeting, record, or vote.

Section 4: Documentation of meetings. During all Board of Directors meetings, detailed minutes shall be kept including the date, time, place, members present, members absent, and a record of all votes taken. When a roll call vote is taken, all votes shall be recorded and each "yea" or "nay" vote, or abstinence if not voting, shall be attributed to the individual member of the Board of Directors.

Section 5: Quorum. A simple majority of the members shall constitute a quorum at any meeting of the Board of Directors.

Section 6: Agenda. A tentative agenda and a meeting notice shall be posted in a conspicuous place for all open meetings of the Board of Directors. The agenda and notice shall set forth the issues to be discussed.

ARTICLE 4 - OFFICERS

Section 1: Officers. The officers of the District shall be as determined by the Board of Directors.

Section 2: Vacancies. Appointments to fill vacancies in the offices of the District shall be made by the Board of Directors.

Section 3: Reimbursement. The District shall reimburse officers and members of the Board of Directors for all actual and necessary District expenses. Before any reimbursements are made, the Board member requesting reimbursement shall present their request and supporting documentation to the Board for approval. Each officer or Board member shall abstain from voting to approve any reimbursements which would be made to that member.

ARTICLE 5 - PUBLIC ACCESS TO DISTRICT RECORDS

The District shall make available information to the public regarding access to public records. This information shall contain a contact person for the District, an address for mailing such requests and a cost for providing copies of these public records. The District shall charge a fee for providing these records, not to exceed the District's actual cost of document search and duplication.

ARTICLE 6 - BUDGETS, FINANCIAL STATEMENTS, AND RESTRICTED REVENUE

Section 1: Budget. The District shall prepare an annual budget which shall present a complete financial plan for the ensuing budget year. The budget shall comply with the requirements of Section 67.010, RSMo. It shall include separate revenue and disbursement estimates of ending available resources, a budget message and comparisons of actual revenues and disbursements for the two preceding fiscal years. The budget shall be approved by the Board of Directors.

Section 2: Financial Statements. The District shall submit annual financial reports to the State Auditor's office each year, as required by Section 105.145, RSMo.

Section 3: Annual Audits. The District shall obtain annual audits of the District's receipts and expenditures, as required by Section 247.080, RSMo.

Section 4: Separate accounts. The District shall establish separate accounts to fund the costs of operation and maintenance, depreciation, and necessary extensions and enlargements out of the net income and revenues arising from the operation of the waterworks and sewerage systems, as required by Section 247.130, RSMo.

ARTICLE 7 - BIDDING

The district shall establish formal bidding policies for major purchases in order to provide a framework for economical management of the District's resources and help ensure the District receives a fair value by contracting with the lowest or best bidder. Complete documentation of all bids and proposals shall be maintained by the District.

ARTICLE 8 - INTERNAL CONTROLS AND PERSONNEL

Section 1: Internal controls over receipts. All monies received by the District shall be recorded immediately upon receipt. Receipts shall be deposited intact and in the order received and recorded receipts shall be reconciled to bank deposits, including the composition of cash and checks received.

Section 2: Receipt deposits. In order to adequately safeguard receipts and reduce risk of loss or misuse of funds, all receipts shall be deposited daily or when accumulated receipts exceed \$100.00.

Section 3: Salary and Wage policy. Pay raises given to District employees shall be documented and approved by the Board of Directors.

Section 4: Employee time record policy. District employees shall be required to prepare time sheets to document hours actually worked, substantiate payroll expenditures and provide the Board with a method to monitor hours worked. The Board shall maintain and update a written personnel policy, which shall be distributed to all District employees, in order to ensure equitable treatment among employees and avoid misunderstandings.

Section 5: Licensed Certified Operator. A licensed certified operator shall be used for the water system in accordance with 10 CSR 60-14.020 and 10 CSR 60-14.010.

ARTICLE 9 - CAPITAL ASSETS

The District shall maintain capital asset records. These records shall include a detailed description of the asset including name, description, make and model number, if applicable, asset identification number, the physical location of the asset, and the date and method of disposition, if applicable. The District shall conduct annual physical property inventories and investigate any discrepancies and a report of same shall be prepared and presented to the Board of Directors at the first monthly meeting of the calendar year.

ARTICLE 10 - CONTRACT FOR PROVISION OF WATER AND SEWERAGE

The District shall have the power to enter into contracts and agreements for the provision of water and sewerage services. Signed, written and updated copies of all current contracts shall be maintained by the District at the District office.

ARTICLE 11 - AMENDMENTS

Section 1: Proposals. Amendments to the bylaws may be proposed by the Board of Directors.

Section 2: Procedures. A proposed amendment to the bylaws shall be voted upon by the Board of Directors. Written notice of the text of the amendment shall be posted in a conspicuous public place

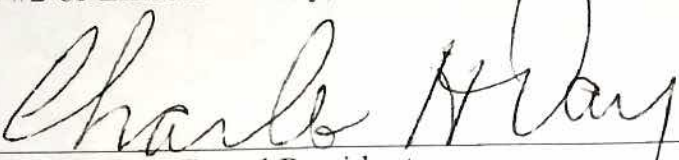
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at least one month before consideration.

Section 3: Adoption. If not otherwise specified, a proposed amendment becomes effective as soon as it has been approved by a majority vote of the Board of Directors.

On motion duly made, seconded and carried, these Bylaws are hereby adopted by the Board of Directors of Public Water Supply District #2 of Lincoln County, Missouri on this 5th day of December, 2006.

(SEAL)



Charlie Day, Board President

ATTEST:



Carolyn Cockrell, Board Secretary