

**By-Laws
Of the
Board of Directors**

**Southwest Kansas
Groundwater Management District**

February 2005

ARTICLE I INCORPORATION

The Southwest Kansas Groundwater Management district No. 3 (the "district") was incorporated on March 23, 1976, under the provisions of the Groundwater Management district Act (the "GMD Act").

ARTICLE II STATUTORY AUTHORITY

The members of the district adopt these bylaws as specific standards and policies relating to the management of the district, under the authority granted in §82a-1028(n) of the GMD Act and under the Kansas general corporation code, with specific reference to K.S.A. §§17-6001, 17-6009 and 17-6101. As used in these bylaws, the term "member," whether singular or plural, is the same as the definition of "Eligible Voter" in the GMD Act in §82a-1021. The board of directors (the "board") has recommended the members adopt these corporate bylaws for the purpose of establishing principles relating to governance, conduct of corporate affairs and the rights and duties of members, directors, officers and employees, to the extent such principles are not specified in the GMD Act. As referred to in these bylaws the GMD Act comprises the statutes set out in Kansas Statutes Annotated (K.S.A.) §§82a-1020 through 82a-1040, inclusive, as the same may be amended from time to time. If any future amendment of or addition to the GMD Act establishes a law contrary to the principles contained in these bylaws, the GMD Act shall control.

ARTICLE III DIRECTORS

A. Representation.

The board comprises fifteen (15) persons as directors.

1. County representatives. Each of the twelve (12) counties located in whole or in part in the district shall be represented by one (1) director.
2. At-large representatives. Three (3) directors will be elected at large from the 12-county area to represent industrial, municipal and surface water use classifications.

B. Qualifications.

1. Member Status. Each director must be a member.
 - a. County Representative. In order for a nominee to qualify for

election as a director representing a county, the director must qualify as a member by reason of meeting either the land ownership or water use requirements of the GMD Act within the county of representation and reside in the county of representation.

- b. Industrial Representative. In order for a nominee to qualify for election as a director representing industrial water use, the director representing industrial water use must qualify as a member by reason of meeting the water use requirements of the GMD Act for an industrial water right within the district and reside in a county of the district. Stock water users qualify as industrial users.
 - c. Municipal Representative. In order for a nominee to qualify for election as a director representing municipal water use, the director representing municipal water use must be both an incorporated municipality within the district and qualify as a member by reason of meeting the water use requirements of the GMD Act for a municipal water right within the district and reside in a county of the district.
 - d. Surface Water Representative. In order for a nominee to qualify for election as a director representing surface water use, the director representing surface water use must qualify as a member by reason of meeting the land ownership or groundwater use requirements within the district, reside in a county of the district and be:
 - i. An owner of a surface water right within the district, or
 - ii. A shareholder of an owner of a surface water right within the district.
2. Designated Representatives. A director that is not a natural person shall issue a certificate in writing designating the natural person who shall act in a representative capacity as the agent for such director at all meetings and other functions of the board. The designated representative shall meet the residency requirements for the director position the agent represents.
 3. Disqualification. Each director, and each nominee for director, shall be subject to disqualification under any criteria recognized by the State of Kansas as disqualifying a person from serving in public office and / or as otherwise stipulated in these bylaws.

C. Elections; Terms of Office

A director shall serve for a term of three (3) years. An election of directors whose terms have expired shall be conducted at every annual meeting as required by the GMD Act. Voting shall be as provided by the GMD Act. Proxy voting is not

allowed. No person may vote to elect directors at the annual meeting, unless such person has registered as an Eligible Voter by filing a registration form provided by the district in the district's Office no later than 5 p.m., of the fifth day prior to the annual meeting. A director may be re-elected to any number of consecutive terms. The terms of five (5) directors will expire each year as follows:

<u>Expiring Terms</u>	<u>First Year of Expiration</u>
<u>County Representatives</u> Finney County Ford County Gray County Kearny County <u>At-Large Representatives</u> Surface Water	2004
<u>County Representatives</u> Hamilton County Haskell County Grant County Stanton County <u>At-Large Representatives</u> Municipal	2005
<u>County Representatives</u> Meade County Morton County Seward County Stevens County <u>At-Large Representatives</u> Industrial	2006

D. Nominations.

The board of directors will solicit qualified nominees to be considered for election in advance of each annual meeting. Written statements of eligibility and intent to be nominated, signed by the nominee (the "Nomination") must be received in the district office no later than 5 p.m. of the 30th day preceding the annual meeting. If the 30th day preceding the annual meeting falls on a Saturday, Sunday, legal holiday, or a day the home office of the district is closed, the deadline to submit the Nomination will be no later than 5 p.m. of the next day the office is open for business. The board of directors will examine the Nominations and determine if the nominees are qualified. If qualified, the nominee's name will be placed on the ballot. If not qualified, then the nominee's name will not be placed on the ballot. If not qualified to be a nominee, then the applicant is not eligible to be a member of

the board of directors. Each nominee for director shall be ineligible to be on the ballot if they are disqualified under any criteria recognized by the State of Kansas as disqualifying a person from serving in public office and / or as otherwise stipulated in these bylaws. Nominations will not be accepted "from the floor" on the day of the meeting.

E. Conduct

Directors serve the public and constituents of the district, and as such are expected to maintain appropriate standards of conduct in the discharge of their responsibilities. Directors are further expected to promote and reflect the mission and goals and objectives of the district at all times.

F. Recall.

As elected public officials, directors shall be subject to recall as provided by the constitution and statutes of the State of Kansas.

G. Resignations

Any director may resign the elected office of director by filing a written statement of resignation with the Executive Committee. Any vacancy in the office of a director shall be filled as prescribed by the GMD Act.

H. Conflicts of Interest

A conflict of interest exists when any director attempts to contract with the district for any purpose including but not limited to: consultation purposes, lobbying efforts, facilitation endeavors, or district programs. This statement of what constitutes a conflict of interest is not exclusive.

**ARTICLE IV
OFFICERS**

A. Officers

The officers of the board of directors will consist of a President, a Vice-President, a Secretary, and a Treasurer. Officers will be elected by majority vote of the directors at the first regular meeting following each Annual Meeting. An officer may be re-elected to any number of consecutive terms.

B. President

The President shall act as the chairperson of the board, and preside at the

annual meetings, regular meetings, and special meetings.

The President will review and countersign the Executive Director's signature on the position descriptions for all staff positions. The President will approve the Executive Director's time reports and leave requests. The President will review and sign the Executive Director's position description, performance expectations, and performance evaluations.

The President shall appoint any other directors to committees to fulfill requirements as necessary. The President shall serve or nominate a chairman to serve a committee or accept any recommendations from a director(s). The President will be the liaison between the board of directors and the Executive Director in such matters as may be appropriate. The President, or the President's designate, will be the liaison between several directors in such matters as the President determines appropriate.

C. Vice-President

The Vice-president shall exercise all the powers and duties in the absence of the President and shall perform such other duties as assigned by the Executive Committee.

D. Secretary

The Secretary shall exercise all the powers and duties in the absence of the President and the Vice President. The Secretary shall act as the custodian of all legal records for the board of directors and shall perform such other duties as assigned by the Executive Committee.

The Secretary will countersign the President's signature for the Executive Director's requests for reimbursement of expenses.

E. Treasurer

The Treasurer shall exercise all the powers and duties in the absence of the President, Vice President, and Secretary. The Treasurer shall act as the custodian of all fiscal records of the board of directors and shall perform such other duties as assigned by the Executive Committee. The Treasurer shall serve on the Budget Finance Committee.

**ARTICLE V
COMMITTEES**

The standing committees of the board of directors are as follows:

Executive Committee

Policy Committee

Annual Meeting Committee

Finance Committee

Research & Development

ARTICLE VI EMPLOYEES – EXECUTIVE DIRECTOR

The Executive Director shall act as the administrative liaison between the board of directors and the district employees, and also as the representative of the district to its associated entities and the general public. The board of directors will establish the duties and responsibilities of the Executive Director. The board of directors will supervise the activities of the Executive Director; the Executive Director will supervise the activities of the district employees. The Executive Director will conduct the district's administrative and managerial business at the direction of the President and the whole board of directors.

ARTICLE VII MEETINGS

A. Annual Meetings of Members

Annual meetings of the members will be held to conduct the election of directors, the approval of the budget and any other business as is required by the GMD Act, and for such other business that may properly come before the meeting. Each Annual Meeting will be held in conjunction with and on the same day as the regularly scheduled March board meeting. Annual meetings will be held at suitable locations for the attendance of members and rotate among three locations designated as follows: Ulysses, beginning in 2005; Liberal, beginning in 2006; and, Cimarron, beginning in 2007.

B. Special Meetings of Members

The President, a majority of the board of directors or twenty (20) Eligible Voters may call a special meeting of the members at any location within the district, by giving notice not less than thirty (30) days in advance or the minimum time necessary to comply with the Kansas Open Meetings Act, whichever is less.

C. Regular Meetings of directors

Regular meetings of the board of directors will normally be conducted on the second Wednesday of every month at a place designated by the board of directors in advance. In the absence of any designation, regular meeting of the board of directors will be held in the district's statutory home office ("district Headquarters").

If for any reason business cannot be conducted during the regularly scheduled time, the President, or Executive Director may reschedule the meeting date and/or location for a subsequent date, or may waive the meeting entirely.

The President may select any legal method of voting in the conduct of action by the board of directors, including a vote by voice, show of hands, or paper ballot.

In the event a quorum is not available at a regular meeting of directors, the Executive Director is authorized to provide payment to accounts payable, and to conduct other such ministerial duties as are necessary to discharge the responsibilities of the district in the absence of the voting quorum.

D. Emergency Meetings of directors

In the case of a local, state, or national state of emergency, actual or imminent, that endangers the safety, health or welfare of persons within the district the President, a member of the Executive Committee, or otherwise three or more of the board of directors may call an emergency meeting of the board of directors within the district to conduct business relevant to the imminent emergency. Notice of the emergency meeting shall be given not less than four (4) hours in advance by telephone, fax machine, e-mail or any other means reasonably calculated to contact and inform the directors of the meeting. In cases of an emergency the board of directors may vote to take action in response to the emergency even if the requirement of a quorum is not met; provided, if a quorum is not present, no action requiring the vote of a majority of a quorum shall be taken until the proposed action is ratified either (1) during or following the meeting by the affirmative votes of the number of directors sufficient to constitute a majority of the board of directors, or (2) by a majority of a quorum at a subsequent meeting where the proposed action is properly before the meeting. Subject to paragraph F of this Article VII, any director unable to attend an emergency meeting may be contacted by interactive telecommunication for the purpose of casting a vote on any proposed action. Reasonable efforts shall be taken under the circumstances to inform the public of the meeting.

E. Special Meetings of directors

The President or a majority of a quorum of the board of directors may call a special meeting of the board of directors at any location within the district, by giving notice not less than three (3) days advance or the minimum time

necessary to comply with the Kansas Open Meetings Act, whichever is less.

The board of directors may entertain guests at special meetings for information and educational purposes to accommodate the schedules of such guests. Such meeting may be scheduled to accommodate out of town guests or speakers or host guests/organizations residing outside the district that are holding a meeting inside the district.

F. Meetings of directors by Interactive Telecommunication

Nothing in these bylaws prohibits any meeting by means of interactive telecommunications or other electronic means, subject to any requirements of the Kansas Open Meetings Act and other applicable law.

G. Meetings of Committees of directors

At no time shall the number of any committee exceed four (4) directors, which is less than a majority of a quorum of the board of directors. A voting quorum of the Executive Committee, or any other committee, shall consist of three (3) members.

H. No Proxies.

No director or member may vote by proxy at any meeting.

I. Meeting Order and Procedure.

Any dispute over meeting order and procedure shall be resolved by reference to the latest edition of Robert's Rules of Order, which shall govern the procedure for conduct of meetings, including the method or manner of voting, unless the board adopts an alternative procedure. No action shall be deemed invalid or unenforceable by reason of failure to follow Robert's Rules of Order.

**ARTICLE VIII
DECLARATION OF RIGHTS AND POWERS**

The board of directors retains the rights and powers granted in the Groundwater Management district Act as well as those delegated by the Chief Engineer of the Division of Water Resources (DWR), the Secretary of the Kansas Corporation Commission, and the Secretary of the Kansas Department of Health & Environment.

**ARTICLE IX
BYLAW AMENDMENTS**

These bylaws may be amended or repealed, and new bylaws may be adopted by a majority of the members present at any Annual Meeting. Written notice to adopt, amend, or repeal a bylaw must be provided to the Executive Committee at least sixty (60) days in advance of the Annual meeting at which a relevant action will be considered and published with the notice of the Annual Meeting.