

VERMILLION BASIN WATER DEVELOPMENT DISTRICT

BY-LAWS

ARTICLE I

PRINCIPAL OFFICE

The principal office of the Vermillion Basin Water Development District shall be at Centerville, South Dakota, provided that the location of such principal office may be changed by amendment to these by-laws by action of the Board of Directors.

JURISDICTION

The Water Development District is comprised of all of Clay and Turner Counties: and all municipalities that are wholly or partially within the included area or that are contiguous to the included area.

ARTICLE II

OFFICIAL SEAL

The Vermillion Basin Water Development District shall have a seal which shall have inscribed thereon the name of the water development district. Said seal shall be used and custody established as directed by the Board of Directors.

ARTICLE III

SECTION 1 - MEETINGS

There shall be 12 regular meetings of the Board of Directors each year. These meetings shall be scheduled on the third Wednesday of the months January through December, at a place and time to be specified by the Board of Directors. The Board of Directors by majority vote at a prior regular meeting may cancel any regular meeting or change the place, date, or time of such meeting. Notice of such regular meeting shall be mailed by the Secretary, or other designated official to each director at least ten days before each meeting, providing that, in lieu of written notice, the Secretary, or other designated official may give notice by telephone if made at least three days prior to the meeting. In the case of telephone notice, at least two-thirds of the directors shall assure the Secretary, or other designated official, of intention to attend the meeting. Unless otherwise specified by the Board, regular meetings shall be open to the public.

A majority of the Board of Directors shall constitute a

quorum. "Robert's Rules of Order" as interpreted by the Chairman shall govern all meetings of the Board of Directors.

SECTION 2 - ANNUAL MEETINGS

The annual meeting shall be held in January of each year, at which annual and fiscal year reports shall be submitted to the Board of Directors and election of officers held by the Board of Directors. This meeting shall be open to the public.

SECTION 3 - SPECIAL MEETINGS

Special meetings of the Board of Directors may be scheduled by the Chairman, or upon request of three directors to the Secretary. Directors shall be notified of the place, date, time, and purpose of such special meetings in the same manner as in the case of regular meetings, provided that the directors, by consent of three directors and attempted notification of all directors, may hold a special meeting at any place, date, and time, including use of telephone conference calls.

ARTICLE IV

VOTES AND PROXY

Each director shall be entitled to one vote on all matters requiring a vote at meetings of the Board of Directors.

A director may designate a representative to attend Board meetings, provided that such representative shall not be entitled to cast the vote of the director he represents nor to sit as an officer of the Board. Such person whom a director may designate to represent him/her at a Board meeting shall present a written authorization from the director to represented. An individual who represents a director shall not draw per diem nor expenses.

ARTICLE V

VACANCIES

Vacancies, which may occur on the water development district Board of Directors, shall be filled by elective action of the remaining directors from among candidates proposed by nominating petitions signed by at least twenty-five registered voters in the director area for which the vacancy exists.

The director must reside in and be an owner of real property in the director area to be represented, if elected.

A Resolution declaring a vacancy on the Board of Directors and the length of time open for accepting nomination petitions of candidates for filling the vacancy shall be published in at least one newspaper of wide circulation with the director area for which the vacancy exists. Such notification shall be published

at least 20 days prior to the time petitions will no longer be accepted. Nominating petitions are to be presented to the principal office of the water development district or to the Board of Directors at a board meeting.

ARTICLE VI

OFFICERS-TERMS OF OFFICE-DUTIES

Section 1 - Officers

At the annual meeting in January of each year the Board of Directors shall elect a chairman, vice-chairman, and secretary from among their membership, who shall hold office until the next annual meeting of the water development district or until their successors have been elected. Also, the directors shall appoint a treasurer who may or may not be a director and who shall serve at the pleasure of the Board of Directors or until his/her successor is appointed. Said treasurer shall be bonded in such amounts and with such sureties as the directors shall specify and conditioned on faithful performance of the treasurer's duties. Said chairman, vice-chairman, secretary and treasurer shall constitute the officers of the Board of Directors provided that the treasurer, if not a director, shall have no voting privileges. The officers shall also constitute the Executive Committee.

Section 2 - Terms of Office

All officers of the Board of Directors shall be elected to terms of one year, such term to begin immediately upon election at the annual meeting and to terminate immediately upon election of a successor.

Section 3 - Duties

(a) The Chairman shall preside at meetings of the Board of Directors. She/he shall execute contracts and other instruments on behalf of the Board and otherwise represent the Board. She/he shall determine the need for and call special meetings of the Board. She/he may sign vouchers for disbursement of water development district funds. She/he may perform such other duties as prescribed by the Board of Directors.

(b) The Vice-Chairman shall, in the absence or disability of the Chairman, perform the duties and exercise the powers of the Chairman. She/he may perform other duties as prescribed by the Board of Directors.

(c) The Secretary shall provide ten days notice, if by mail, of Board of Directors meetings or three days notice if by telephone; shall keep the minutes of the Board of Directors meetings; shall attest to documents reflecting Board of Directors actions as required and may perform such other duties as may be prescribed by the Board of Directors.

(d) The Treasurer shall have custody over all funds and

securities of the water development district and shall give bond, in such sum and with such sureties as the Board of Directors may prescribe, conditioned upon the faithful performance of the duties of his/her office. She/he shall keep accurate accounts of the receipts and disbursements in the books of the water development district. She/he shall deposit such monies as may come to the water development district in depositories designated by the Board of Directors. She/he shall prepare and may sign vouchers and distribute warrants and checks in payment of proper claims against the water development district. She/he shall prepare and submit periodic financial statements and reports of the accounts of the water development district. She/he shall perform such other duties as the Board of Directors may prescribe.

ARTICLE VII

WATER DEVELOPMENT DISTRICT ELECTIONS

Section 1 - Initial Terms

Directors shall initially serve for staggered terms of two or four year terms as designated by the Board of Water and Natural Resources.

Section 2 - Subsequent Terms

Directors thereafter shall be elected to four year terms at subsequent general elections to succeed those directors whose terms expire at the end of the year in which the election is held.

ARTICLE VIII

AUTHORIZATION FOR EXPENSES

Directors shall be entitled to compensation for any business, or for attendance at any meeting, authorized by the Board wherein such meeting, or business, relates to or is associated with water development district affairs. Compensation may include per diem, and other expenses, at a rate established by Board and payable in accordance with the Board's current reimbursement resolution.

ARTICLE IX

AMENDMENTS

These by-laws may be amended at any regular meeting of the Board of Directors by a favorable vote of at least two-thirds of those directors present and voting. Proposed amendments to these by-laws shall be submitted to the Secretary by a director, or reviewed at a Board of Directors meeting, at least twenty-five

days prior to the regular meeting at which such proposed amendments are to be considered by the Board of Directors. A copy of the proposed amendment(s) shall be sent to each director by the Secretary, or other designated official, at least fifteen days prior to the meeting at which such amendment(s) are to be considered by the Board of Directors.