

**Special Meeting of the Benefit Unit Holders  
of Rural Water District No. 2  
Miami County, Kansas  
August 8, 2011**

The special meeting of the Benefit Unit Holders of Rural Water District No. 2, Miami County, KS was held on Monday, the 8th day of August, 2011, at 7:00 p.m. at the District Offices at 25290 Harmony Road, Hillsdale, Kansas for the purpose of considering and voting upon the proposed bylaw revisions:

**RESOLUTION 2011-01**

In order to assure a responsive and stable Board of Directors that is representative of all participating member, the Board of Directors has determined it would be appropriate to amend the Bylaws of Rural Water District No. 2, Miami County, Kansas for the purpose of improving the annual meeting and nomination process used to fill vacancies on the Board of Directors and for the purpose of establishing mail balloting provisions for the election of directors.

NOW THEREFORE, BE IT RESOLVED that pursuant to Article 17, Section 1 of the Amended Bylaws of Rural Water District No. 2, Miami County, Kansas dated May 1996, the following amendments be approved by three-fourths of the participating member personally attending a special meeting of Rural Water District No. 2 to be called for the purpose of approving the same:

**PROPOSED AMENDMENTS**

Article 8 shall be amended by adding the following to Section 1:

"The purpose of this provision is to assure that at no time will more than one-third of the director positions have expired regular terms and be subject to election at an annual meeting."

Article 8 shall be amended by adding an additional Section 6 which shall read as follows:

"Section 6. Nominations for the expired regular terms of any director standing for election at an annual meeting (or special meeting called for the purpose of electing directors) shall be made as follows:

- (a) The Board of Directors shall nominate one nominee for each vacancy on the Board of Directors standing for election; in addition
- (b) Any participating member may submit one nomination for each vacancy on the Board of Directors standing for election. Such nominations shall be received in the office of the District on November 15 on a form proscribed by the Board of Directors, together with the signature of the nominator; in addition
- (c) No other nominations shall be allowed at any meeting called for the purpose of electing directors, except those made pursuant to (a) or (b) above."

Article 8 shall be amended by adding an additional Section 7 which shall read as follows:

"Section 7. After the receipt of all nominations which have been timely submitted, the nominees of the Board of Directors and up to a maximum of three nominees who shall have received the most nominations from participating members shall constitute all of the nominees for election as director."

Article 8 shall be amended by adding an additional Section 8 which shall read as follows:

"Section 8. Participating members shall be entitled to vote on any issue submitted for consideration, including the election of directors, at any annual or special meeting through mail-in balloting. The Board of Directors shall establish such policies and procedures from time to time to assure the integrity, validity, secrecy, timely tabulation and availability of a mail-in balloting process for use by participating members."

Directors present: James Dycus, Doug Hensley, Brad Ryckert, Alan Hire, James Bracken, Gary Guetterman, Mike McClurg, Rick Norland and Ron Flaigle.

Also present were Carl Hartley, legal counsel (and benefit unit holder), Jerry Bennett, general manager and Lana Kettler, business manager (and benefit unit holder).

Guest: There were ~~eleven~~<sup>twelve</sup> guests present. (9 benefit unit holders and 3 spouses)

Meeting was called to order by Chairman Jim Dycus at 7:00 p.m.

Chairman Dycus explained the proposed "Mail In Ballot Process" and "Bylaw Amendment".

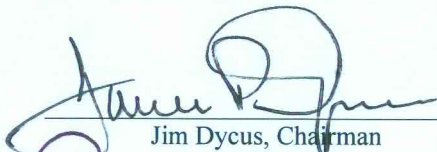
The floor was open for discussion. There was discussion on the amendment, the voting process from the benefit unit holders and board of directors.

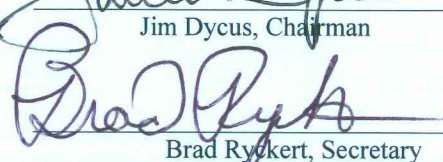
Chairman Dycus called for a vote. Voting was completed on written ballots and then collected by the Lana Kettler for tabulation. Chairman Dycus asked Brad Ryckert, director to tabulate the ballots. Chairman Dycus also asked if any additional benefit unit holders wanted to assist with the tabulation. There were no volunteers.

Chairman Dycus announced the voting results: 19 ballots were cast: 15 votes for approval of the proposed amendment and 4 votes against the proposed amendment. *1 vote/ballot was not cast.*

Gary Guetterman moved to adjourn the special meeting. Alan Hire seconded the motion. Vote: 19-0, motion carried. Meeting adjourned 7:30 p.m.

09/12/2011  
Date

  
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Jim Dycus, Chairman

  
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Brad Ryckert, Secretary