

**BY-LAWS  
OF THE  
\_\_\_\_\_ RURAL WATERWORKS & SANITATION ASSOCIATION, INC.**

KNOW ALL BY THESE PRESENTS:

THAT WE, the undersigned, of legal age and Filipino citizens, do hereby adopt the following By-laws:

**ARTICLE I - MEMBERSHIP**

**SECTION 1. Requirements for Membership** – any person of voting age, head of a household, and residing in any of the barangays which may hereafter be serviced by the system may become a members of the \_\_\_\_\_ Rural Waterworks & Sanitation Association, Inc. by:

- a) Filing a written application for membership.
- b) Agreeing to comply with and be bound by the Articles of Incorporation and the By-Laws.
- c) Paying the membership fee hereinafter specified.

**SECTION 2. Membership Certification** – Membership in the Association shall be evidenced by a membership certificate.

**SECTION 3. Membership Fee** – The membership fee shall be \_\_\_\_\_ Pesos (P\_\_\_\_\_).

**SECTION 4. Duties and Obligation of the Members** – Every bonafide member must :

- a) Obey and comply with this By-Laws.
- b) Attend all meetings and seminars called by the Board of Directors.
- c) Pay his dues and fees as they fall due.
- d) Adopt effective methods in the proper utilization of water and preventive maintenance of facilities.
- e) Help attain the aims and purposes of the association.

**SECTION 5. Rights of the Members** – Every bonafide member shall have the following rights:

- a) To vote
- b) To hold elective office
- c) To be informed of the affairs of the association
- d) To examine the association's books of accounts during office hours
- e) To avail of the services of the association's water system and facilities

**SECTION 6. Termination of Membership**

- a) Any member may withdraw from membership. The Board may, by the majority vote of all its members, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, By-Laws, or Rules and regulations or policies that may be adopted by the Board.
- b) The membership of a member who, for a period of six months after service is available to him, has not availed service may be cancelled by the Board.
- c) Any member whose membership has been terminated may be reinstated by the affirmative vote of a majority of all members of the Board.

## ARTICLE II - PROPERTY RIGHT AND LIABILITIES OF MEMBERS

**SECTION 1.** Property Interest of Members – The members are the joint owners of the association with their individual equity in its assets determined on the basis of their patronage.

**SECTION 2.** Non-liability for Debts of the Association – The private property of the member shall be exempted from execution for debts of the Association.

## ARTICLE III - MEETING OF MEMBERS

**SECTION 1.** Annual Meeting – The first annual meeting of the members shall be held immediately after the system is made operational and annually thereafter on \_\_\_\_\_ at such place within the service area of the association.

**SECTION 2.** Special Meeting – Special Meetings of the members may be called by resolution of the Board or upon a written request signed by at least 10% of all the members.

**SECTION 3.** Notice of Members Meetings – Written notice of the meeting shall be delivered not less than 10 days before the meeting. Broadcast media may be availed of.

**SECTION 4.** Quorum – A quorum for meetings of the association shall be one-half plus one of all the members.

**SECTION 5.** Order of Business – The Order of Business at each meeting of the members shall, as far as practicable, be as follows:

- a) Roll call and proof of quorum
- b) Proof of notice
- c) Reading of and action on the minutes of the last meeting
- d) Reports of officers and committees
- e) Unfinished business
- f) New business
- g) Election of directors and committee members
- h) Adjournment

**SECTION 6.** Voting – Each member shall be entitled to one vote. All questions are decided by a majority vote of the members present except as otherwise provided by this By-Law. Proxy voting or by mail shall not be allowed. Election of directors and committee members shall be secret ballot. All other matters may be decided by raising of hands.

## ARTICLE IV - BOARD OF DIRECTORS

**SECTION 1.** General Powers – The business and affairs of the association shall be carried on by the Board of Directors except such as by this By-Laws conferred upon to the Local Water Utilities Administration.

**SECTION 2.** Qualifications – No person shall be elected as Director unless he is a bonafide member of the association in good standing, of voting age and a resident of the barangays serviced by the system for at least six (6) months. No person shall be eligible to become or remain as Board members who:

- a) Holds an elective office in the government
- b) Had been convicted of a crime involving moral turpitude
- c) Had been terminated for cause.

**SECTION 3. Election of Tenure**

- a) The persons named as Board Members in the Articles of Incorporation shall compose the Interim Board until the first annual meeting
- b) During the first annual meeting, the regular board members shall be elected to office, one third of whom shall serve for a term of one year, the next one third for term of two years and the next for a term of three years.

**SECTION 4. Nomination** – At least 30 days before the annual meeting, it shall be the duty of the Board to appoint Committee on Election consisting of at least three members. No member of the Board shall serve on such committee. The committee shall:

- a) Accept nominations and report the same to the Board at least 15 days before the annual meeting.
- b) Post the nomination at the principal office of the association.
- c) Supervise the conduct of election in accordance with established election rules
- d) Canvass the results of voting and certify the returns in writing
- e) Proclaim the winning candidates.

Nothing herein contained shall prevent additional nominations from the floor of the annual meeting.

**SECTION 5. Complaint Against Board Members** - Any bonafide member of the association may bring and action against any member of the Board of Directors by filing a sworn statement with the Board Secretary together with a petition signed by at least 5 members of the Association. The board of Directors shall call for a special meeting of the members of the association to consider the charges. An affirmative vote of at least two-thirds of all the members of the association shall be required to remove the director in question.

The director against whom the charges have been brought shall be informed in writing of the charges against him at least 10 days before the meeting. He shall have the opportunity to be heard in person or by counsel and to present or confront witnesses during the meeting. The person or persons who bring the charges shall have the same opportunity.

**SECTION 6. Vacancy** – The remaining members of the Board of Directors, by a majority vote, shall fill any vacancy occurring therein due to death, incapacity, disability, removal, resignation or other causes, from among nominees who shall serve for the unexpired portion of the term.

**SECTION 7. Compensation** – Board members shall not receive any salary for their service. They may, however, be reimbursed for actual expenses while carrying out or transacting official business of the association as duly approved by the Board.

**ARTICLE V - MEETING OF BOARD**

**SECTION 1. Regular Meeting** – A regular meeting of the Board shall be held once a month at the principal office of the association at such time as designated by it.

**SECTION 2. Special Meeting** – A special meeting of the Board may be called by the Chairman or by any three Board members. Notice of meeting shall be served on Board members at least five (5) days before meeting.

**SECTION 3. Quorum** – A majority of the members of the Board shall constitute a quorum and every resolution approved by the majority of the quorum duly assembled shall be a valid corporate act.

## ARTICLE VI - MEETING OF BOARD

**SECTION 1. Regular Meeting** – A regular meeting of the Board shall be held once a month at the principal office of the association at such time as designated by it.

**SECTION 2. Special Meeting** – A special meeting of the Board may be called by the Chairman or any three Board members. Notice of meeting shall be served on Board members at least five days before the meeting.

**SECTION 3. Quorum** – A majority of the members of the Board shall constitute a quorum and every resolution approved by the majority of the quorum duly assembled shall be a valid corporate act.

## ARTICLE VI - OFFICERS

**SECTION 1. Number** – The officers of the Association shall be a Chairman, Vice Chairman, Secretary, Treasurer and such other officers as may be determined by the Board from time to time.

**SECTION 2. Election and Term of Office** – The officers shall be elected by ballot by and from among the Board of Directors at the meeting held immediately after the annual meeting of the members.

**SECTION 3. Chairman** – The Chairman shall preside at all meetings of the Board of Directors, but may relinquish the chair to any member present. He shall perform all duties incident to the office of the Chairman and such other duties as may be prescribed by the Board from time to time.

**SECTION 4. Vice Chairman** – In the absence of the Chairman, or in the event of his inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman.

**SECTION 5. Secretary** – The Secretary shall attend all meetings of the Board of Directors, record all the proceedings thereat; keep safe the seal, by-laws, and other documents of the association and give notice of all meetings of the Board. In the absence of the Chairman, Vice Chairman, he shall call to order all such meetings and preside thereat until a temporary presiding officer is chosen.

**SECTION 6. Treasurer** – The Treasurer shall be responsible for:

- a) Assuring proper custody of all funds and securities of the association.
- b) Assuring the proper receipt of the issuance of receipts for monies due and payable to the association in such bank as shall be selected by the Board in accordance with the requirements of the Local Water Utilities Administration.
- c) Such other duties as from time to time may be assigned to him by the Board.

**SECTION 7. General Manager**

- a) The management of the Association shall be vested in a General Manager who shall by the Board subject to LWUA approval. Specifically, he shall do the following:
  1. Direct the use of the association funds and properties in accordance with the objectives of the association.
  2. Prepare the budget of the association and submit the same to the Board of Directors for approval.
  3. Submit and annual report of the operations of the association to the Board of Directors for approval.
  4. Exercise direct management of the business of the association pursuant to the orders, resolutions and instructions of the Board and in his own discretion when the same is not limited by such orders, resolutions and instructions.

5. Conduct general supervision and control of all employees of the association and see that their respective duties are properly performed.
  6. Supervise the operation and maintenance of the Association's facilities.
- b) No incumbent member of the Board may hold or apply for the position of General Manager.

## **ARTICLE VII - NON-PROFIT OPERATION**

**SECTION 1. Interest or Dividends on Capital Prohibited** – The association shall at all time be operated in a non-profit basis. No interest or dividends shall be paid on any capital furnished by its patrons.

## **ARTICLE VIII - DISSOLUTION AND LIQUIDATION**

**SECTION 1. Dissolution** – The association may be dissolved voluntarily by resolution adopted by the affirmative vote of at least two-thirds (2/3) of all the members at an annual or special meeting or for any cause provided by law.

**SECTION 2. Order of Payment on Liquidation** – After dissolution, the assets of the association shall be used to pay liquidation expenses and all debts and any reserve therein shall be kept in trust with LWUA.

## **ARTICLE IX - SEAL**

**SECTION 1. Seal** – The Board of Directors shall provide a suitable seal for the association.

## **ARTICLE X - FINANCIAL TRANSACTIONS**

**SECTION 1. Contracts** – The Board may authorize any officer, agent to enter into contracts or execute and deliver any instrument in the name and on behalf of the association.

**SECTION 2. Withdrawal of Funds** – Withdrawal of funds of the association deposited in banks shall be made only on the signature of the General Manager to be counter-signed by the Chairman or the Treasurer.

**SECTION 3. Deposit** – All funds except cash shall be deposited from time to time to the credit of the association in such bank or banks as the Board may select subject to the approval of LWUA.

**SECTION 4. Water Sales** – Rates charged by the association for water services shall become effective only upon approval by LWUA.

**SECTION 5. Fiscal Year** – The fiscal year of the association shall begin on the first day of each year and shall end on the last day of the same year.

## **ARTICLE XI - MISCELLANEOUS**

**SECTION 1. Affiliation** – The association may upon authorization of the Board and approval by LWUA, affiliate with other associations having similar objectives as those of the association.

**SECTION 2. Audit** – The Board shall, after the close of each fiscal year, cause, to be made by a certified public accountant a full and complete audit of the accounts, books and financial condition of the association.

**ARTICLE XII – AMENDMENT**

**SECTION 1. Amendment** – This By-Laws may be revised, amended or repealed upon the affirmative vote of at least a majority of the members of the Association present at a regular or special meeting and, provided further that the notice of such meeting shall have contained a copy of the proposed revision, amendment or appeal.

**ARTICLE XIII – RULES AND REGULATIONS**

**SECTION 1.** – All rules and regulations, circulars and directives pertinent to Rural Waterworks and Sanitation associations issued by the LWUA are made part of this By-Laws.

We, the undersigned, constituting the majority of the members in meeting assembled by the \_\_\_\_\_ Rural Waterworks and Sanitation, Inc. do hereby assent to the foregoing and adopt the By-Laws of the Association; and in witness whereof, we have hereunto subscribed our names this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ at \_\_\_\_\_.

NAME	SIGNATURE
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**C E R T I F I C A T I O N**

We, the undersigned, Chairman and Secretary of the \_\_\_\_\_ Rural Waterworks and Sanitation Association, Inc., do hereby certify and attest respectively, that the By-Laws of the Association was adopted by the majority of its members in a meeting held on \_\_\_\_\_ at \_\_\_\_\_.

\_\_\_\_\_  
Secretary

Attested by:  
\_\_\_\_\_  
Chairman