



City Council Workshop

Wednesday, May 19, 2021 at 6:30 pm

MEETING LOCATION: 520 N. Commercial Ave

(Council Chambers)

Council Meeting will be broadcast on Facebook Live

Click here to visit our: [Facebook Page](#)

- 1. Audit Report/ Budget Discussion**
- 2. Hilands Pond Dredging**
- 3. 501c3 Formation**

Attachments:

- **Draft-501c3 Bylaws** (City_of_Sedgwick_Community_Development_501c3_-_Bylaws_Draft.pdf)

- 4. Utility Line Connection Policy**

Attachments:

- **Draft-utility line connection** (UTILITY_SYSTEM_EXTENSION_AND_CONNECTION_POLICY-SEDGWICK_-_REVISED_EDITION__2.pdf)

Contact: Janise Enterkin (janise@cityofsedgwick.org 316-772-5151) | Agenda published on 05/14/2021 at 3:06 PM

CITY OF SEDGWICK COMMUNITY ECONOMIC DEVELOPMENT CORPORATION

BYLAWS

ARTICLE I. Name and Duration.

- A. The name of this corporation shall be "CITY OF SEDGWICK COMMUNITY ECONOMIC DEVELOPMENT CORPORATION", hereinafter referred to as the "Corporation".
- B. The duration of this Corporation shall be perpetual.

ARTICLE II. Purposes.

- A. This corporation is organized exclusively for charitable purposes as described in Section 501(c)(3) of the Internal Revenue Code of 1954, or as such section may be amended or the corresponding provisions of any future federal tax laws, and specifically to further the economic development of the City of Sedgwick, Kansas and its environs, and promoting and assisting the growth and development of business concerns, including small business concerns, retail, manufacturing, and service in said area. The primary objectives of the corporation shall be to create wealth, facilitate private investment and to benefit the community as measured by increased employment, payroll, business volume, housing starts, sales tax income, county tax base (property taxes), and similar factors. Secondary objectives shall be: To select deteriorating areas in City of Sedgwick, and to encourage economic development and industrial expansion in such targeted areas and thereby encourage employment opportunities for residents of such area, and particularly low-income individuals residing therein. The corporation shall also increase access to opportunities, goods, and services for all citizens and businesses and to assist in removing obstacles to progress. Also, to provide educational and training opportunities, in business development, marketing, finance, or any other subject area that advances the underlying objectives of the corporation. Further, to take a position by majority vote of the board of Directors on issues within the community that will influence economic development in any way.
- B. The corporation is intended to be not for profit under the laws of the United States and the State of Kansas.
- C. The term for which the corporation shall exist is in perpetuity.
- D. The Corporation shall not have the authority to issue capital stock.

ARTICLE III. Offices, Records, Seal.

- A. **Principal Office.** The principal office of the Corporation in the State of Kansas shall be in the City of Sedgwick, Counties of Harvey and Sedgwick. The Corporation may have such other offices, either within or without the State of Kansas, as the Board may determine or as the affairs of the Corporation may

require from time to time. The Corporation shall have and continuously maintain in the State of Kansas a registered office and a registered agent whose office is identical to such registered office as required by the Kansas Statute. The registered office may be, but need not be, identical to the principal office in the State of Kansas and the address of the registered office may be changed from time to time by the Board.

- B. **Records.** The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board and each committee of the Board. The Corporation shall keep at its principal office a record of the name and address of each Director.
- C. **Seal.** The Board shall adopt, and may alter at its option, a corporate seal, which shall have inscribed thereon the name of the Corporation and the words "Corporate Seal - City of Sedgwick Community Economic Development Corporation". The corporate seal may be used by causing it, or a facsimile thereof, to be impressed or affixed or to be in any other manner reproduced.

ARTICLE IV. Membership.

- A. The Founding Members of the Corporation shall be the individuals listed on the Articles of Incorporation as the Incorporators. Founding Members shall be exempt from No Duplicate Position Clause.
- B. The Founding Members shall be the only members of the Corporation until the Corporation's Annual meeting on the ____ day of _____ 2021.
- C. At the Corporation's Annual meeting on the ____ day of _____ 2021 the founding members shall elect by a two-thirds vote new members of the Corporation.
- D. Membership shall be reviewed and subject to a retention vote each year requiring a two-thirds vote and any new members are subject to election by the same two-thirds vote.
- E. To be eligible for membership the entity must have a material interest in and be committed to the advancement of the Corporation's purpose.
- F. All Founding Members shall resign after the election of new members.
- G. All Members shall each have one vote, except for the selection of Directors, as specified in Article V.
- H. A resignation from Membership shall be presented to the Board of Directors but shall not relieve any Member from any liability for any dues, assessments or other obligations to the Corporation which are unpaid at the time such resignation is filed, or which may arise prior to the acceptance of the resignation.
- I. Membership of the Corporation shall be non-transferable.

- J. The Board of Directors (the "Board") may take any action which is permitted or required to be taken by members of a corporation not for profit under Kansas law by the affirmative vote of a majority of the entire Board, without the necessity of any prior action by the Board which would have otherwise been required by law for such action if there were members entitled to vote on such action.

ARTICLE V. Board of Directors.

- A. **Composition of the Board.** The Board shall be composed of two (2) Elected Directors and seven (7) Appointed Directors, there shall be a total of nine (9) Directors, or such other number as may be from time to time designated in this Article V Subpart A of the Bylaws, which number may be increased or decreased (but not less than three nor more than fifteen in number) from time to time by amendment to these Bylaws.

B. **Term of Office.**

1. One-half (1/2) of the Elected Directors shall be elected annually to serve a two (2) year term. The term of each Director shall commence on the first day of the first month immediately following their election by the Board at the annual meeting and shall not end until their successor is duly elected and qualified. Persons elected to the Board pursuant to an increase in the number of Directors of the Board shall serve for such period as the resolution increasing the Board shall so designate. Persons elected to the Board at other than an annual meeting of the Corporation shall take office immediately upon election.
2. Elected Directors shall be eligible to serve a two (2) year term and shall be eligible to serve three (3) Elected Director terms.
3. Appointed Directors shall be appointed to serve a three (3) year term and shall be eligible to serve three (3) Appointed Director terms.
4. The term of an Elected Director shall commence on the first day of the first month following the annual meeting at which the Appointing Directors are declared by the Board.

C. **Selection and Election of Directors.**

1. **Nominating Committee.** The Executive Committee shall, no later than July 1 of each year, appoint a Nominating Committee of not fewer than three (3) members of the Board. At the annual meeting of the Board, the Nominating Committee shall recommend candidates for the Board no fewer in number than one-half (1/2) of the total number of elected Directors.
2. **Election.** One-half (1/2) of the total number of Elected Directors shall be elected by a majority of the Directors present at the annual meeting of the Board.

3. **Appointment.** For each three-year funding cycle of the Corporation, the three Members pledging the largest contributions to the Corporation shall be the Appointing Entities for the duration of that three-year funding cycle. The largest contributor shall appoint three Appointed Board members; the next two largest contributors shall each appoint two Appointed Board members.
 4. **No Duplicate Positions.** No employee or representative of a contributing corporation shall be eligible to serve as an Appointed Director or Elected Director.
 5. **Conflict of Interest.** A Conflict of Interest Statement must be executed and on file with the Corporation prior to a Director assuming their position on the Board. The Conflict of Interest Statement will be adopted and approved for use by a majority vote of the Board, at any time there is a change made to the Conflict of Interest Statement, all Board members will execute and deliver such Statement to the Corporation.
- D. **Ex-officio Directors.** The Executive Committee shall have the right to appoint not more than three (3) other persons to serve as ex-officio members of the Board for one (1) year terms. Ex-officio members of the Board will have no voting privileges.
- E. **Vacancies.** In the event of a vacancy of an Elected Director on the Board caused by death, resignation, removal, or otherwise, the Nominating Committee shall, at a meeting of the Board subsequent to the creation of the vacancy, recommend a candidate to fill the vacancy. The majority of the remaining Directors present at that meeting shall elect the new Elected Director. In the event of a vacancy of an Appointed Director on the Board caused by death, resignation, removal, or otherwise, the Appointing Member shall choose either the nominated person or make nomination back to the Board of Directors, and specifically, the Board of Directors shall appoint to the Board the person nominated to the Board by the Membership position that is vacant. Such appointed person shall remain in office until the next Annual Meeting at which time the Membership shall elect Directors as provided in Section 2 hereof. The new Director shall serve the unexpired portion of the term of the replaced Director.
- F. No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of his term of office. All Members and all Directors presently serving have and do hereby consent to the change in the composition of the Board of Directors and the terms of office as provided herein.
- G. **Resignation.** Any Director may resign at any time by giving written notice to the Chair or Vice Chair. Such resignation shall take effect at the time specified therein or, if not time is specified, at the time of acceptance thereof as determined by the Chair or the Board.

H. **Removal.**

1. Any one or more of the Directors may be removed, either with or without cause, at any regular or special meetings of the Board, by a vote of two-thirds (2/3) of the elected Directors then in office.
2. A Director who is absent without sufficient cause from three (3) consecutive meetings of the Board may, at the option of the Board, be considered to have resigned, which said vacancy shall be filled as in the case of other vacancies as provided in these Bylaws.

I. **Compensation.** Directors as such shall not receive any salaries for their services, but by resolution of the Board may be reimbursed for expenses for attendance at each regular or special meetings of the Board, but nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving reasonable compensation therefor.

J. **Duties and Powers of the Board.** The property, business and affairs of the Corporation shall be controlled, conducted, and managed by the Board. The Board shall have and is invested with all and unlimited powers and authorities, except as it may be expressly limited by law, the Articles of Incorporation, or these Bylaws, to supervise, control, direct and manage the property, affairs and activities of the Corporation, to determine the policies of the Corporation, to do or cause to be done any and all lawful things for and on behalf of the Corporation, to exercise and cause franchises, and to seek the effectuation of its objects and purposes; provided, however, that (i) the Board shall not authorize or permit the Corporation to engage in any activity not permitted to be transacted by the Articles of Incorporation, or by a nonprofit corporation organized under the laws of the State of Kansas and exempt from taxation under §501(c)(3) of the Internal Revenue Code as is now exists or may hereafter be amended; (ii) none of the powers of the Corporation shall be exercised to carry on activities, other than in an insubstantial part of its activities, which are not in themselves in furtherance of the purposes of the Corporation; and (iii) all income and property of the Corporation shall be applied exclusively for its purposes.

ARTICLE VI. Meetings of the Board.

A. **Annual Meetings.** The annual meeting of the Board shall be held on the second Tuesday of October of each year, at such place and time as the Chair of the Board may determine. Regular meetings of the Board may be held at such time and place as shall, from time to time, be determined by resolution of the Board or by written consent of the members thereof.

B. **Special Meetings.** Special meetings of the Board may be called by or at the request of the Chair or any four (4) Directors. The persons authorized to call a special meeting of the Board may fix any place, either within or without the State of Kansas, as a place for holding a special meeting of the Board called by them.

- C. **Notice of Meetings.** Notice of any special meeting shall be given at least two (2) days previously thereto by written notice of the date, time, place, and purpose of the meeting delivered personally, by mail, e-mail, facsimile, or other form of wire or wireless communication to each Director at their address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a postage prepaid sealed envelope so addressed. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.
- D. **Quorum.** A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.
- E. **Manner of Acting.** At all meetings of the Board each Elected Director and Appointed Director is to have one (1) vote. The act of the majority of the Directors present shall be the act of the Board, unless the act of a greater number is required by law or these Bylaws.
- F. **Action by Consent.** If a majority of the Directors acting without a meeting shall severally or collectively consent in writing, including consent by signed facsimile, to any action to be taken by the Directors, such consent shall have the same force and effect as a majority vote of the Directors duly called and held. Any certificate in respect of action taken by written consent of a majority of the Directors shall state that such action was taken in accordance with this Bylaw and the same has the same force and effect as a majority vote of Directors at a meeting duly called and held. The existence of one or more vacancies on the Board shall not affect the ability of the Directors in office to act by majority written consent as provided herein.
- G. **Meetings by Telephone.** Members of the Board of Directors of the Corporation, or any Committee designated by such Board, may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear one another, and such participation in a meeting shall constitute presence in person at the meeting. Minutes shall reflect action taken at such meeting.

ARTICLE VII. Officers.

- A. The Officers of the Corporation shall be the Chair of the Board, a Vice-Chair, a Secretary, and a Treasurer.

B. **Qualifications.** All Officers, except the Secretary, shall be serving on the Board at the time of election and during their term of office.

C. **Election and Terms of Office.**

1. **Election.** The Officers of the Corporation, except the Secretary, shall be elected annually at the annual meeting of the Board. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. New offices may be created and filled at any meeting of the Board. Each Officer shall hold office until their successors have been duly elected and shall have qualified.

2. **Slate of Officers.** Immediately following the election and appointment of Directors at the annual meeting of the Board, the Nominating Committee shall submit to the Board a slate of Officers as above prescribed. Said Officer shall be elected by a majority of the Directors present at the annual meeting of the Board.

3. **Removal.** Any Officer may be removed at any regular or special meeting of the Board by a vote of the majority of all Directors currently serving in office, but such removal shall be without prejudice to the contract rights, if any, of such Officer.

4. **Resignation.** Any Officer may resign at any time by giving written notice to the Chair. Such resignation shall take effect at the time specified therein or, if no time is specified, at the time of acceptance thereof as determined by the Chair of the Board.

5. **Vacancies.** Vacancies in any office shall be filled by election of the majority of the Directors. The Nominating Committee shall, at a meeting of the Board subsequent to the creation of the vacancy, recommend a candidate to fill the vacant office. The new Officer shall serve the unexpired portion of the office in which the vacancy was created.

6. **Compensation.** Officers as such shall not receive any salaries for their services, but by resolution of the Board may be reimbursed for expenses for attendance at each regular or special meeting of the Board or any other actual expenses incurred by reason of representing the Corporation, but nothing herein shall be construed to preclude any Officer from serving the Corporation in any other capacity and receiving reasonable compensation therefor.

7. **Bond.** The Board may, by resolution, require the Officers and agents of the Corporation, or any one of them, to give bond to the Corporation in sufficient amount and with sufficient surety to secure the faithful performance of their duties and to comply with such other conditions as the Board may from time to time require.

ARTICLE VIII. Duties and Officers.

A. Chair.

1. The Chair of the Board ("Chair") shall serve as the chief elected Officer of the Corporation and as its official spokesperson. The Chair shall be an ex-officio member of all committees of the Corporation and shall see that all orders and resolutions of the Board are carried into effect and, in general, shall discharge duties as are ordinarily and customarily incumbent upon this office.
2. The Chair shall be the principal executive Officer of the Corporation and shall, in general, supervise and control all the business and affairs of the Corporation. The Chair may sign, with the Secretary or any other proper Officer of the Corporation authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws or by statute to some other officer or agent of the Corporation, and, in general, he/she shall perform all duties incident to the office of Chair and such other duties as may be prescribed by the Board from time to time.

B. Vice Chair.

1. In the absence of the Chair or in the event of his/her inability or refusal to act, the Vice Chair shall perform the duties of Chair and when acting shall have all the duties and powers of and be subject to all the restrictions upon the Chair. The Vice Chair shall perform other such duties as from time to time may be assigned to him/her by the Chair or by the Board.

C. Treasurer.

1. The Treasurer shall have the custody of all funds and securities of the Corporation and shall keep full and accurate accounts, receipts and disbursements in books belonging to the Corporation, and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation, in such depositories as may be designated by the Board.
2. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board, making proper vouchers for such disbursements, and shall render to the Board of Directors at the meeting of the Board, or as it may require or request, an account of all transactions and of the financial status of the Corporation
3. The Treasurer, in general, shall perform all duties as from time to time may be assigned to him/her by the Chair or by the Board.

D. Secretary

1. The Secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order. of all meetings of Members, with the time and place of holding, whether regular or special and if special how authorized, the notice thereof given, the names of those present at Directors' meetings and the proceedings thereof.
2. The Secretary shall keep, or cause to be kept, at the principal office or at the office of the Corporation's transfer agent, a Membership ledger, showing the names of the Members and their addresses.
3. The Secretary shall give, or cause to be given, notice of all the meetings of the Board of Directors required by these Bylaws or by law to be given and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.
4. The Board shall appoint an ex officio Member to fill part or all the duties of Secretary.

ARTICLE IX. Employees of the Corporation. The Board shall employ persons to fill executive, administrative and professional positions which it deems necessary or desirable to carry out the purposes of the Corporation. The Board or an executive employed shall oversee all employees and shall be responsible for the performance of such employees. Compensation for employees shall be such as the Board shall from time to time determine.

ARTICLE X. Committees.

A. Executive Committee.

1. The Chair of the Board shall serve as Chair of the Executive Committee.
2. The Executive Committee shall be composed of the Chair, the Vice Chair and the Treasurer as voting members and the Secretary as a non-voting member.
3. The Executive Committee shall have and may exercise all the authority and power of the Board during the interval between Directors' meetings and except when action by the entire Board is specified by Kansas law.
4. The Executive Committee shall have and exercise all the powers of the Board, subject to such limitations as the laws of the State of Kansas, or resolutions by the Board, or the Articles of Incorporation, or the Bylaws may impose, and shall have the power to affix the seal of the Corporation to all documents which it may deem to require same to be affixed.
5. The Executive Committee shall be accountable for its actions to the Board. All action taken by the Executive Committee shall be subject to revision, alteration or change by the Board, providing that the rights of third persons shall not be affected thereby.

6. The Executive Committee shall have the power to make rules and regulations for the conduct of its business. A simple majority thereof shall constitute a quorum.
 7. The Executive Committee shall keep a complete record of its activities and regularly report them to the Board at every meeting thereof.
 8. The Executive Committee may determine the time and place for its meetings and the notice necessary therefor.
- B. **Other Committees.** The Chair shall from time to time appoint such standing or special committees as are authorized by the Board. Each committee shall consist of such number of persons as the Board deems advisable. All acts of such committees shall be subject to approval by the Board. All committees shall exercise such powers and perform such duties as the Board may from time to time determine.

ARTICLE XI. Checks, Deposits, and Funds.

- A. **Contracts.** The Board may authorize any Officer or Officers, agent or agents, or employees to enter into any contract or to execute and deliver any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances.
- B. **Proxy.** Unless otherwise ordered by the Board, the Chair shall: (i) have full power and authority to act and vote in the name and on behalf of the Corporation at any meeting of the Shareholders of any corporation in which the Corporation may hold shares, and at any such meetings shall possess and may exercise any and all rights and powers incident to the ownership of such shares; and (ii) have full power and authority to execute in the name and on behalf of the Corporation proxies authorizing any suitable person(s) to act and to vote at any such meeting of the Shareholders of any other corporation in which the Corporation may hold shares, and at any such meeting the person(s) so designated shall possess and may exercise any and all rights and powers incident to the ownership of such shares.
- C. **Loans.** No loan shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.
- D. **Checks, Drafts, and Other Orders.** All checks, drafts, or other orders for the payment of money, notes, and other evidence of indebtedness issued in the name of the Corporation shall be signed by such Officer or Officers, agent, or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board. In absence of such determination by the Board, such instrument shall be signed by any two (2) Officers of the Corporation.

- E. **Deposits.** All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation with such banks, trust companies or other depositories as the Board may elect.
- F. **Investment Earnings.** The Corporation shall have the right and responsibility of using, retaining, investing and reinvesting all or any part of any security, monies, properties or funds acquired or held by it in whatever manner according to the judgment of the Board, without restriction of any kind, provided that the intent of the donor is honored and, provided further, that no action shall be taken by or on behalf of the Corporation if such action is a prohibited transaction which would result in the denial, suspension or revocation of the tax exempt status of the Corporation under the Internal Revenue Code as it now exists or may hereafter be amended.
- G. **Debts and Obligations, Creation of.** No debt or obligation whatsoever for the payment of money or other things of value shall be created or incurred by any Director, Officer, employee or agent of the Corporation, or other person, and no money shall be appropriated or paid out of the funds of the Corporation, and no contract or other act whatsoever of any Director, Officer, employee or agent of the Corporation, or other person, by the terms or result of which any debt or obligations whatsoever is created or attempted to be created, shall be in any manner binding upon the Corporation, unless the same be authorized by provision therefor in the budget of the Corporation, or unless the same is either authorized and directed or ratified by the Board in a regular or special meeting duly called and held stating that purpose.
- H. **Gifts.** The Board may accept on behalf of the Corporation any contribution, gift, bequest, or device for the general purposes or for any special purpose of the Corporation.

ARTICLE XII. Indemnification.

- A. The Corporation shall indemnify, to the full extent that it has the power to do so under the laws of the State of Kansas, any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, other than an action by or in the right of the Corporation by reason of the fact that they are or were a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorney fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit or proceeding if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interest of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. The termination of any action, suit or proceeding by a judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which they reasonably believed to be or not opposed to the best interest

of the Corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe their conduct was unlawful.

- B. The Corporation shall indemnify, to the full extent that it has the power to do so under the laws of the State of Kansas, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit, by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that they is or was a Director, Officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorney fees, amounts paid in settlement actually and reasonably incurred by him in connection with the defense or settlement of the action or suit if they acted in good faith and in a matter which they reasonably believed to be in or to the best interest of the Corporation, except that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in their performance or duty to the Corporation, unless and only to the extent that the court in which action or suit was brought determines upon application that, despite the adjudication of liability and in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.
- C. To the extent that a Director, Officer, employee, or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections A and B of this Article XII, or in defense of any claim, issue, or matter therein, they shall be indemnified against expenses, including attorney fees, actually and reasonably incurred by him/her in connection with the action, suit or proceeding.
- D. Any indemnification under Sections A and B of this Article XII, unless ordered by a court, shall be made by the Corporation only as authorized in the specific case upon determined that the indemnification of the Director, Officer, employee, or agent is proper in the circumstances because they have met the applicable standard of conduct set forth in this section. The determination shall be made by the Board by a majority vote of the quorum consisting of Directors who are not parties to the action, suit or proceeding, or if such a quorum is not attainable, or if attainable a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.
- E. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of the action, suit or proceeding as authorized by the Board in the specific case upon receipt and undertaking by or on behalf of the Director, Officer, employee, or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this section.
- F. The indemnification provided by this Article XII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any

provision of law, the Articles of Incorporation, Bylaws, or any agreement, vote of disinterested Directors, or otherwise, both as to action in their official capacity and their action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, Officer, employee or agent and shall inure to the benefit of the heirs, executors, personal representatives, and administrators of such a person.

- G. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him/her and incurred by him/her in any such capacity, or arising out of their status as such, whether or not the Corporation would have the power to indemnify him/her against such liability under the provisions of this Article XII.

ARTICLE XIII. Miscellaneous Provisions.

- A. **Fiscal Year.** The fiscal year of the Corporation shall be from July 1 to June 30.
- B. **Waiver of Notice.** Whenever any notice is required to be given pursuant to these Bylaws, the Articles of Incorporation or the corporation laws of the State of Kansas, a written waiver thereof, signed by the person or persons entitled thereto, whether before or after the time started therein, shall satisfy such requirement of notice.
- C. **Books and Records.** All financial records, except those which must be kept longer to conform with regulations of governmental agencies or specific rulings of the Board, may be destroyed after five (5) years from their original dates.
- D. **Audit and Reporting.** All regular and special bank accounts and funds of the Corporation shall be audited at the end of each fiscal year by a Certified Public Accountant or internal audit committee as assembled by the executive committee and confirmed by a majority vote of the Board. A copy of the Audit will be provided to the Members within thirty (30) days of its completion, and the Board of Directors may cause to be sent to the Members reports in such form and at such times as may be deemed appropriate by the Board of Directors.
- E. **Review.** The Bylaws shall be reviewed on a periodic basis by such committee as the Board so designates, at intervals not to exceed every five (5) years. Such committee shall recommend to the Board any changes it deems advisable.
- F. **Inspection of Bylaws.** The Corporation shall keep in its principal office for the transaction of business the original or a copy of these Bylaws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Members at all reasonable times during ordinary business hours.
- G. **Other Matters.** Wherever not otherwise provided in these Bylaws, the internal affairs of the Corporation shall be governed by the procedures established by the laws of the State of Kansas.

H. **Property and Net Earnings.** No part of the property or net earnings of the Corporation shall be distributed to, used for, or inure to the benefit of any Director, Officer, contributor or other private individual having directly or indirectly a personal interest in the activities of the Corporation, except that nothing herein shall prevent the payment of reasonable compensation for services rendered to or for the Corporation in pursuit of any of its purposes, including, but not limited to, attorneys and accountants, such compensation to be fixed by the Board. Notwithstanding any other provision of these Bylaws, the Corporation shall not carry on any activity not permitted to be carried on by an association exempt from federal income tax under §501(c)(3) of the Internal Revenue Code, as it now exists or may hereafter be amended.

ARTICLE XIV. Amendments. These Bylaws may be altered, amended, supplemented, or repealed and new Bylaws may be adopted at any meeting of the Board by an affirmative vote of not less than a majority of the Directors present at such meeting. Any proposed amendment to the Bylaws shall be sent to the Directors at least two (2) days prior to the Board meeting at which time the amendments will be considered, delivered personally, or sent by mail, e-mail, facsimile, or other means of wire or wireless communication to each Director at their address as shown by the records of the Corporation.

ARTICLE XV. Termination. In the event of the termination and dissolution of this corporation, or in the event it shall cease to carry out the objects and purposes herein set forth, after paying or making provisions for the payment of all liabilities of the Corporation, all the business, property, and assets of the corporation shall go and be distributed to such nonprofit charitable corporation, municipal corporation, or corporations, as may be selected by the Board of Directors of this corporation so that the business properties and assets of this corporation shall then be used for, and devoted to, the purposes of the public good, and that shall at that time qualify as an exempt organization or organization under Section 501(c)(3) of the Internal Revenue Code of 1953, or as such section may be amended, or the corresponding provision of any future federal tax laws. In no way, shall any of the assets or property of this corporation, or the proceeds of any of the assets or property, in the event of dissolution, go or be distributed to members, either for the reimbursement of any sums subscribed, donated, or contributed by such members, or for any other such purpose. Any such assets not so disposed of shall be disposed of by the District Court of City of Sedgwick, Kansas exclusively for such purposes to such organization or organizations as the Court may determine, which are organized and operated exclusively as identified above.

ARTICLE XVI. Enactment. These Bylaws shall be effective immediately following their adoption by a majority vote of the Board present at the meeting at which said Bylaws are adopted.

IN WITNESS WHEREOF, The City of Sedgwick Community Economic Development Corporation has caused these Bylaws to be adopted and executed in its name by its Chair and its Secretary this _____ day of _____, in the year _____.

CITY OF SEDGWICK COMMUNITY ECONOMIC DEVELOPMENT CORPORATION

, Chair

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

I am the duly elected and acting Secretary of the City of Sedgwick Community Economic Corporation.

WITNES WHEREOF, I have hereunto subscribed my name and affixed the seal of said corporation this ____ day of May 2021.

, Secretary

DRAFT

CITY OF SEDGWICK UTILITY SYSTEM EXTENSION AND CONNECTION POLICY

Subject: <u>Guidelines, Policies and Procedures for Utility System Extension and Connection</u>	Effective Date:
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The City of Sedgwick City Council, in conjunction with the City Administrator, desire to develop certain general guidelines, policies, and procedures for use in the process of utility system extensions and connections. The Sedgwick City Council and City Administrator desire that such guidelines be fairly, consistently, and equitably administered and therefore adopt the following policy and procedures toward that end.

PURPOSE

The purpose of this policy is to provide an equitable mechanism by which the City of Sedgwick can plan and extend city-owned utilities, specifically, municipal potable water, reclaimed water, and sanitary sewer utility systems (Utilities) to serve the needs of the citizens of Sedgwick and those in the Sedgwick utility service area.

COVERAGE

This policy upon adoption by the City Council shall be applicable to all areas within Sedgwick's utility service area. All new development connecting to the City utility system shall have access to potable water and sanitary sewer in accordance with the most recent version of the City of Sedgwick, Code of Ordinances.

GENERAL

All potable water and sanitary sewer utility (Utility) infrastructure, including facility upgrades and system improvements, new facilities and system extensions shall fully comply with all applicable City design standards and shall be designed and constructed in accordance with the City's existing codes and policies, as enumerated in the Sedgwick City Code and this Policy.

Requests for Utility extensions and/or connections shall be submitted to the City. Applications for Utility extensions shall be accompanied by engineering design plans sealed or stamped by a licensed Professional Engineer. All proposed potable water and, sanitary sewer extensions or facility upgrades shall be permitted by the City prior to construction.

All new individual connections to the Utility system whether in a new development applicant, existing development applicant, single owner or property applicant, or newly annexed area applicants shall **require the payment of development fees to reserve capacity in the respective Utility system.**

When tapping new mains under construction or active mains under warranty, developers shall be required to make their own Utility connections, and they are not required to pay Utility Connection Fees. In cases where developers must tap existing mains, the developer must submit an application to the City for advance review and approval requesting permission to connect to the City Utility system. Developers or contractors are not allowed under any circumstance to establish a connection to the City Utility system without the written consent of the properly delegated City staff.

All Utility easements required for system extensions or facility upgrades shall be dedicated to the City in accordance with the City's current Code requirements.

When a property that has been supplied by a well or alternate source of potable water requests a connection to the City water system, the well shall be completely disconnected from any structure connected to the City water system. Under no circumstance shall a well be connected to the City potable water system.

In the event that a sanitary sewer extension is installed within twenty-five (25) feet of a private well, the well shall be abandoned in compliance with State regulations and the property owner shall be required to connect to the City water system regardless of proximity to the nearest water main.

In the event that a resident requests sanitary sewer service only and the resident is not required to connect to the City water system, the resident will be required to install a meter on their well or other source of potable water for the purpose of sewer billing.

In order to minimize public health and safety risks, such as septic failure, well failure, inadequate water supply for fire protection or substandard water quality from well water, the City Council may order water or sanitary sewer utility extensions into unserved areas without a request of the property owners in the area.

FEES

Development Fees

Development fees provide a mechanism for the City to increase the capacity of the overall Utility system as new impacts are added. The City requires the payment of water and sewer water development fees for all new or existing

properties that intend to connect to the City utility system, regardless of their location or proximity to the City Limits. Payment of development fees shall be made to the City before a building permit is issued for new projects.

In older or previously established areas, the water and water development fees shall be due when a water meter is requested. For sewer connections, the sewer development fees shall be due when a plumbing permit is issued for the installation of the private, sewer service lateral. Requests for water and water meters and/or plumbing permits for private service lines shall be submitted to the City before private service lines are constructed.

The schedule of development fee rates will be available for public viewing at the office of the Inspections and Permits Department and on the City website. Development fee rates may be updated annually per the Sedgwick City Code allowing for fee adjustment by Resolution, and typically become effective on July 1 following adoption of the revised fees at the beginning of each calendar year. Payment of development fees is the only mechanism that reserves capacity in the Utility system for an individual requesting Utility service.

Development fees shall be due for all Utility connections to the City Utility system without exception, regardless of who makes the connection.

Existing customers who request a new potable water meter for the purpose of converting all an existing potable water secondary usage demand (with no new demand) to the new meter, shall not incur additional development fees. Utility connection fees shall be due for such irrigation meter installations.

Utility Connection Fees

Utility connection fees shall be collected in instances where a property owner has requested a connection to an existing or proposed utility main. The utility connection fees have been established to reimburse the City for expenses incurred while City staff members or staff otherwise under contract to the City make the requested utility connection(s). The schedule of "Utility Connection Fee" rates will be available for public viewing at the office of the Inspections and Permits Department. Utility Connection Fee rates may be updated annually in the "Utility Capital Improvements Budget Ordinance" and typically become effective on July 1 following adoption of the budget ordinance at the beginning of each calendar year.

For individual requests, the total amount due for the payment of utility connection fees shall be determined by the City after field evaluations are conducted by the Department of Public Works to assess which charges are applicable. Utility connection fees shall be paid to the City before a work order will be issued. The utility connection fees shall include tapping the Utility main and providing a utility service connection at the edge of the public right-of-way or easement. **For individual requests, all required site restoration work including pavement repair, curb and gutter repair, sidewalk repair and boring shall be included in the utility connection fee.**

For City funded projects constructed by outside contractors, utility connection fees will also be levied. The applicable utility connection charges for City funded projects will be the Utility “Full-Service Base Tap” charges as adopted annually by the City. For City funded projects, additional connection charges beyond the standard “Full-Service Base Tap” charges may be levied based upon the contracted unit costs.

UTILITY SYSTEM EXTENSION AND CONNECTION

Improvements to Existing Property

Any improvements to existing developed property within the corporate limits requiring either new or expanded well and/or septic capacity shall connect to the City Utility system when the property is adjacent to an existing water and/or sanitary sewer main. If there are no adjacent potable water and/or sanitary sewer mains available, the property owner may construct a private well and/or septic system, if approved by the City consistent with existing Code and applicable Harvey County requirements. If the application is not approved for a new or expanded well or septic system, the owner shall provide the required extension of the City utility to the property and shall connect to the new utility extension in accordance with current requirements of the City of Sedgwick Code.

Proposed New Development

The owner or developer of a parcel or tract of land is required, unless otherwise negotiated and approved in advance, by the Sedgwick City Code, to construct, at no expense to the City, all on-site Utility facilities. All Utility extensions shall be made at the sole expense of the Owner unless otherwise stated by written agreements with the City that are approved by the City Council.

The developer shall provide all connections and extensions of the Utility facilities from the development, including all properties inside the development, to the existing Utility systems of the City in accordance with all applicable City standards, specifications and long-range master utility plans. All planned extensions of the City Utility systems shall have engineering design plans prepared and submitted to the City for review and approval prior to construction. No Utility facilities, extensions or connections shall be constructed without written approval and inspection by the City.

Utility System Extension and Connection Outside the City Limits

All applicants requesting utility connections outside of a jurisdiction’s City limits are required to submit a petition of annexation and/or annexation agreement.

A utility connection outside of a jurisdiction’s City limits will not be allowed until the City Council has adopted the ordinance of annexation or annexation agreement, except in

cases of emergency. The City Council, at its discretion, may incorporate additional requirements as conditions for adoption of the annexation ordinance.

Upon approval by the City Council, any connection and or extension shall be in accordance with Sections above.

If the applicant is allowed to connect to the Utility system before the annexation becomes effective, the applicant shall pay current outside utility rates until the property is incorporated into a jurisdiction's City limits. All utility rates are potentially updated annually and are available for public viewing.

CITY FUNDED UTILITY EXTENSIONS

Existing Developed Property

Owners of developed property inside the City limits with existing structures on their property, including newly annexed residents may petition the City for the extension of potable water and/or sanitary sewer mains funded by the City ***via the Capital Improvements Program***. In order to be considered for City funded potable water and sanitary sewer extension projects, the property owners must first meet the eligibility and minimum area requirements, defined below. In compelling cases, any or all of the eligibility or minimum area requirements may be waived.

Applicants who choose to request potable water only or sanitary sewer only may be required to request both water and sewer at the discretion of the City.

Factors that will be considered for approving City funded potable water and/or sanitary sewer extension projects are the size of the area, number of property owners requesting potable water and/or sanitary sewer connections, proximity to the existing City potable water and/or sanitary sewer system, buyout arrangements with the current service provider, funding limitations and the age of existing potable water and/or sanitary sewer facilities.

Eligibility Requirements

Property will not be considered for City funded potable water and sanitary sewer extension projects without meeting the following eligibility requirements.

- a. The property must be within the City's corporate limits.
- b. The property must be developed.
- c. The property must have a dwelling or other operational structure onsite.
- d. The property shall be subdivided in accordance with City zoning codes.
- e. The property shall not be undergoing rezoning.

f. Individual properties shall not be undergoing expansion or improvement.

Owners of eligible property may formally request potable water and/or sanitary sewer extensions by submitting a petition to the City.

Minimum Area Requirements

Property owners petitioning for City funded potable water, reclaimed water, and/or sanitary sewer service must meet the following minimum area requirements prior to submitting their petition.

a. The minimum area shall not be less than a street length between intersections and shall consist of at least 10-properties requesting potable water and/or sanitary sewer connections.

b. For potable water extension requests, the area shall extend to the nearest available City potable water main. In certain cases, it may not be possible to connect the proposed area to the closest potable water main because of access limitations. In these cases, the closest available potable water main along a passable alignment shall be considered.

c. For sanitary sewer extension requests, the area shall extend to the closest available existing sewer main within the same drainage basin as the area under consideration. For sewer construction, the closest available sewer main shall be one that is at a lower elevation than the proposed area and for which a route exists between the proposed area and the existing sewer main through which a sewer line can be constructed which meets all of the applicable requirements.

d. Additional requirements as recommended by the City.

The City may decide to increase the minimum area requirements based on the overall size and type of area under consideration for proposed utility extensions.

Petition Requirements for Potable Water and Sanitary Sewer Extensions

Petitions for City funded potable water and or sanitary sewer extensions shall satisfy the following criteria. Petitions that do not meet the following criteria will not be considered.

a. The petition must be signed by more than fifty (50%) percent of the owners of property adjacent to the proposed potable water and/or sanitary sewer extension(s) and those property owners shall own more than fifty (50%) percent of the road frontage along the alignment of the proposed extension(s). The proposed alignment must extend to the existing City potable water and/or sanitary sewer system.

b. If the property deed is registered in the name of one owner or spouse, then only that person's signature is required for the petition. If the property deed is registered in the name of multiple parties, then all owners' signatures are required as they are recorded on the property deed.

c. Property owners who own more than one property adjacent to proposed potable water and/or sanitary sewer extensions must sign the petition for each of their properties within the project area.

All petitions shall require language notifying the property owners of the following items:

a. A statement of the development fees in effect at the time of petition signing.

b. A statement of the connection fees in effect at the time of petition signing. .

c. A statement that all applicants registering on the petition will be required to pay their development fees and applicable connection charges prior to the City extending potable water, reclaimed water, and/or sanitary sewer mains.

d. A statement that all applicants registering on the petition will be required to dedicate any necessary easements, at no cost to the City of Sedgwick, for the water and/or sewer mains associated with the petition, prior to the City extending potable water, reclaimed water, and/or sanitary sewer mains.

d. All petitions shall be submitted to the City, ***to verify sufficiency prior to being considered for inclusion in the following Capital Improvement Budget.*** Only verified, sufficient petitions will be considered. After a petition has been deemed sufficient and the property owners have met all established requirements, the City will provide a Capital Improvements Request for the project and recommend approval of that request with the current year Capital Improvement Budget. If the improvements are ordered, City funding will be allocated with the approved Budget to complete the proposed work beginning July 1 of the budget year. The decision shall be final and rejected requests will not be reconsidered for 2-years after the first request was denied.

Implementation of City funded Potable Water and/or Sanitary Sewer Utility Extension Projects:

Upon final approval by City Council of the budget request, the City will prepare plans to extend potable water and/or sanitary sewer mains into the area requesting service.

Upon completion of the main line extension, property owners will be required to contact the City and request a service connection to each of the extended utilities. This request will require payment of all development fees and connection charges. Property owners will also be required to obtain a plumbing permit from the City prior to installing their private utility service lines.

Alignment and Location of Proposed Utility Mains

The City reserves the right to choose the alignment and location of the requested Utility mains. The City shall not be obligated to replace landscaping, irrigation systems, or any other privately owned obstructions within the existing right-of-way or Utility easement at the time of construction, nor will the City be obligated to compensate property owners for the removal of such obstructions.

Maximum Depth of Sanitary Sewer Mains

The City shall not be obligated to provide gravity sewer service to any structure at an elevation lower than 8-ft below the crown of the street directly adjacent to the structure. In these circumstances, property owners may be responsible for private pump station construction or other alternate methods as required to serve their property. In most cases, the City will not install sanitary sewer mains deeper than 8-ft unless the property owner(s) agrees to compensate the City for the added expense of installing the proposed main deeper than 8-ft. The City shall be solely responsible for quantifying the additional expense required for sanitary sewer installations deeper than 8-ft.

In isolated cases, the requested sanitary sewer connection may not be at a depth sufficient to provide gravity flow from the residence. In these cases, the property owners shall be responsible for installing private pumps and service lines as necessary to connect to the sewer service connection provided by the City. Should the property owner decide not to install a private pump station or alternate connection to the sanitary sewer system, the property owner shall be solely responsible for maintenance and repair of the existing septic or waste disposal system serving the property.

UTILITY SYSTEM INFRASTRUCTURE REIMBURSEMENTS

Proposed New Development

In instances where City funding is available for the types of Utility system extensions and facility upgrades that are beyond the scope of infrastructure required for a specific development project, the developer may enter into a reimbursement agreement or special assessment district designation with the City. Approval of facilities under reimbursement agreements shall be contingent upon receipt of all City and State approvals and the availability of sufficient potable water supply, reclaimed water supply and/or wastewater treatment capacity.

The extension of Utility systems beyond the needs of the development shall be accomplished by one or more of the following methods as recommended by the City staff or designated City Engineer for the project and approved by the City Council.

Oversize Reimbursement

Under this method, the developer shall be responsible for the full cost of installing Utility facilities within their own properties and for the connection of their system to the City's existing Utility system. The City may share in the cost of constructing oversized Utility facilities when larger sizes are required to serve other tracts outside of the tract being developed.

City reimbursement of developer funded Utility facilities will be made for the difference in cost between facilities required for the development and oversized facilities required by the City. The methodology of sizing facilities shall be as specified by the City's Engineer consistent with the City's Utility master plans and as approved by staff and the

City Council. In no instance shall the City of Sedgwick reimburse for Utility lines eight (8) inches or less in diameter.

Developer Funded Reimbursement Contracts

In instances where the City Council deems it beneficial to approve such a project, the developer may enter into a reimbursement contract with the City. Any reimbursement contract would provide for developer funding of the entire project with reimbursement to the developer for those costs in excess of the required payment of development fees, basic infrastructure necessary to serve the development and assessments where applicable. Reimbursements paid to the developer would come from development fees paid by other subsequent developing properties within the service area benefiting from the facility improvements. Any reimbursement contract shall comply with the provisions of this policy statement regarding the details and provisions of reimbursement contracts and shall be contingent upon approval by the City Council.

Reimbursement contracts may be made available as a funding alternative for developing properties within the Utility Service areas of the City and to intervening properties in the case of contiguous or island annexations.

Costs eligible for reimbursement under this concept shall include all off-site Utility facilities and on-site Utility facilities of a regional nature.

All reimbursement contracts shall be two party agreements between the City of Sedgwick and a developer or coalition of developers and shall be approved by the City Council prior to construction of the Utility facilities.

The term of any reimbursement contract shall run from the execution of the contract by all parties until the City's obligation for reimbursement has been met up to, but not exceeding a period of ten (10) years from the date of contract execution, whichever expires first. The contract may be terminated (at any time) by unanimous consent of all parties.

The developer shall prepay all development fees to the City, prior to award of any construction contract utilizing reimbursement funding. Only construction costs shall be eligible for reimbursement or fee credits.

The City shall make reimbursement payments to the developer on an annual basis from development fees collected within the service area benefited by the project. A map delineating the benefited service area from which development fees will be collected and reimbursed will be prepared by the City's Engineer for the project and made an exhibit to the reimbursement contract.

By entrance into a reimbursement contract, the City makes no guarantee as to the availability of water supply, reclaimed water supply and/or wastewater treatment capacity beyond that which would be available to any other developing properties.

It may be feasible in certain cases to utilize developer-funded, reimbursement contracts in addition to assessments to fully fund Utility extensions. In these cases, the City shall be responsible for the design, construction, easement acquisition and all approvals for the utility extension project and the following conditions shall apply:

- a. The developer shall prepay all development fees as previously stated.
- b. The developer shall remit to the City in one lump sum the difference between the total project cost derived from actual bid amounts plus a fifteen (15%) percent contingency and the prepaid development fees.
- c. The developer shall provide surety in the form of a cash bond. In lieu of a cash bond, an irrevocable letter of credit with no expiration date may be posted prior to award of the construction contract.
- d. Progress payments for the construction contract(s) shall utilize the prepaid development fees prior to drawing upon any letter of credit.
- e. Following completion of construction, the final project costs shall be calculated, as well as any applicable assessment fees, to determine the reimbursable amount.
- f. Following acceptance of the project(s) by the City, the letter of credit shall be released by the City of Sedgwick.

Developer Funded – No Reimbursement

In those instances where funding is not available under any other provisions of this policy statement, the developer shall fund the full cost of installing all Utility facilities and system extensions with no reimbursement. All facilities installed under this method shall fully comply with City design standards and all Utility master plans. No waivers shall be granted without the written consent of the City.

RELATED POLICY STATEMENTS

Reserved for other policy statements related to Utility Extensions.