

**AMENDED  
BYLAWS  
OF  
CAMANO COOPERATIVE  
WATER & POWER COMPANY  
(November, 2022)**

<b>Article I – Corporation Name and Address</b>	<b>2</b>
<b>Article II – Shareholders: Meetings &amp; Rights</b>	<b>2</b>
<b>Article III – Trustees</b>	<b>5</b>
<b>Article IV – Officers</b>	<b>8</b>
<b>Article V – President</b>	<b>9</b>
<b>Article VI – Vice-President</b>	<b>9</b>
<b>Article VII – Treasurer</b>	<b>9</b>
<b>Article VIII – Secretary</b>	<b>11</b>
<b>Article IX – Office Manager</b>	<b>12</b>
<b>Article X – Shares, Certificates, Meters and Rates</b>	<b>13</b>
<b>Article XI – Miscellaneous</b>	<b>17</b>
<b>Article XII – Operation and Maintenance of Property</b>	<b>18</b>
<b>Article XIII – Amendments</b>	<b>20</b>
<b>Article XIV – Extensions of the Water System</b>	<b>21</b>

**ARTICLE I**  
**CORPORATION NAME AND ADDRESS**

Section 1. This Corporation shall be known as the Camano Cooperative Water and Power Company (“the Corporation”).

Section 2. The mailing address shall be 994 S Gary Lane, Camano Island, WA. 98282. Copies of financial records and all documents pertaining to the Corporation will be retained at this address.

Section 3. The object of the Corporation is as set forth in the Articles of Incorporation.

**ARTICLE II**  
**SHAREHOLDERS: MEETINGS & RIGHTS**

Section 1. An annual meeting of the Shareholders shall be held in each fiscal year.

Section 2. A Shareholder is eligible to vote if he/she is: a) registered in the records of the Corporation as the owner of a Share in the Corporation; and b) has no delinquent assessments or charges.

Section 3. The annual meeting of the Shareholders shall be held at a predetermined location on Camano Island. The annual meeting will be held on the third Saturday in the month of November of each year at 10:00AM. Notice of the annual meeting shall be sent to each shareholder’s mailing address as it appears on the records of the Corporation by first class mail at least ten days prior to the meeting. Shareholders shall be responsible for ensuring the accuracy of their registration and mailing address as it appears on the records of the Corporation.

Section 4. Special meetings of the Shareholders may be called at any time by an action of the Board of Trustees (“Board”) or upon written request to the President or by two-thirds of the Trustees or by the majority of the Shareholders eligible to vote, provided the purpose



for such special meeting is contained in the request. Such special meetings shall be called by the Secretary, indicating time, location and specific purpose, no less than ten days or more than thirty days after receipt of such request. The notice of such meeting will be sent by first class mail at least ten days prior to the date of said meeting to each Shareholder to the mailing address of the Shareholder as it appears on the records of the Corporation. The Secretary must make available to ten or more Shareholders jointly making a written request for a special meeting, the list of Shareholders' names and addresses so that they may canvass other Shareholders in order to satisfy the majority requirements at the Trustees' approval. If the Secretary shall neglect or refuse to issue such a call that fulfils the above requirements, then the Board or the Shareholders making the request may do so at the Corporation's expense. Attendance at a Shareholder meeting by a Shareholder shall, as to that Shareholder, constitute a waiver of all deficiencies in the manner by which the meeting notice was provided.

Section 5. At all meetings of Shareholders, Shareholders holding five percent of eligible shares, either attending in person or represented by proxy in writing, shall constitute a quorum for any and all purposes, including the election of trustees under the guidelines set forth in the Bylaws.

Section 6. The President, or in his/her absence, the Vice President, or in the absence of the President and Vice President, the Treasurer, or in their absences, the Secretary shall call the meeting of the Shareholders to order and shall act as the presiding officer thereof.

Section 7. The Secretary of the Corporation shall keep the minutes at all meetings of the Shareholders, and in the absence of the Secretary, the presiding officer shall appoint another trustee to assume these duties.

Section 8. The Corporation shall hold elections for open Trustee positions at the annual meeting.

(1) At the annual meeting of the Shareholders, the Shareholders eligible to vote shall elect Trustees for expiring or vacant Trustee positions.

(2) The notice of the annual meeting shall include a list of the Board positions including the names of incumbent Board members and the terms of each position.

(3) At the annual meeting, one ballot shall be issued to each Shareholder of record eligible to vote present in person regardless of the number of Shares owned by the Shareholder.

(4) The notice of the annual election shall also include a proxy statement for those Shareholders who do not plan to attend the annual meeting. Shareholders voting by proxy shall:

(a) Have one vote per Shareholder regardless of the number of Shares owned by the Shareholder.

(b) Vote their Shares by delivering or mailing a duly executed proxy statement to the Shareholder to whom they are giving their proxy voting rights. Shareholders may grant proxy voting rights to any attending Shareholder including Trustees.

(5) In the election of Trustees, whether at the annual or at a special meeting of the Shareholders, every Shareholder of record entitled to vote shall have the right to one vote for each open position regardless of the number of Shares owned by the Shareholders. Cumulative voting is not permitted.

(6) Each Shareholder shall have the right to one vote regardless of the number of Shares owned in any matter which comes before the membership.

(7) Mailed proxies must be in the form provided by the Corporation, executed by either the Shareholder or their authorized attorney, and must be postmarked no later than five days prior to the November annual meeting to



be duly certified by the Secretary. Proxies may also be brought to the meeting where they will be exchanged for ballots but must be delivered to the Secretary at least 30 minutes prior to the time the meeting is scheduled to start.

### **ARTICLE III TRUSTEES**

Section 1. The corporate powers, business and property of the Corporation shall be exercised, conducted, managed, and controlled by a Board of either five or seven trustees (“Board”), at the discretion of the Board, as defined and limited by the Bylaws.

Section 2. To be eligible for election to the Board the nominee must have a residence served by the Corporation and if the nominee has a second residence it must be within one hundred miles by road of Camano Island. All nominees must be active shareholders, in good standing with no overdue assessments or charges and of lawful age.

Section 3. Trustees shall serve three-year terms. Board positions shall be numbered 1 through 5 or 7 and each candidate shall run for a numbered position. Board positions shall be for three-year terms beginning January 1<sup>st</sup> following election and ending December 31 three years later. Positions one (1), four (4) and seven (7) were elected at the annual meeting in 2007 and shall be reopened in 2010 and for each three-year cycle thereafter. Positions two (2) and five (5) shall be elected at the annual meeting in 2008 and shall be reopened in 2011 and for each three-year cycle thereafter. Positions three (3) and six (6) shall be elected at the 2009 annual meeting and again in 2012 and for each three-year cycle thereafter.

Section 4. The Board is authorized to fill a vacancy on the Board or officer position that may occur due to death, resignation or removal. The new appointee's tenure ends at the end of the year of appointment. The appointee's name may be nominated for the vacant position, and if elected by the majority of the Trustees voting on the question, shall serve the remainder of the vacant term.

Section 5. The regular meetings of the Board shall be held once in each month at such time and place as the Board may determine. Such monthly meetings are open to any Shareholder who may wish to attend. If a Shareholder wishes to have an issue discussed by the Board they shall advise the Secretary five days in advance of the meeting. Attendance by a Shareholder does not give him or her voting rights at a Trustees' meeting.

Section 6. Special meetings of the Board of Trustees can be called at any time on the order of the President or the order of the majority of Trustees. All Trustees must be advised verbally, by mail or by e-mail in a reasonable time to be able to attend.

Section 7. A majority of the Trustees shall constitute a quorum for the transaction of the Corporation's business.

Section 8. The powers of the Trustees shall include without limitation the power and authority to:

- (1) Set Corporate policy and procedures.
- (2) Determine the price of Shares, rates, charges and fees for domestic water service and all other services and commodities provided by the Corporation.
- (3) Establish rules for the Corporation's operations consistent with the Bylaws.
- (4) Hire, or authorize the President to hire, legal counsel, accountants and bookkeepers, and other professionals and contractors as may be in the best interests of the Corporation.
- (5) Operate, maintain, repair and replace the Corporation's water system, buildings, equipment and facilities, enter into contracts and agreements and pay all expenses related thereto, whether for operating or capital purposes



and do all things necessary to carry out such purposes, including all things incidental thereto.

- (6) Sell Shares in the Corporation and enter into agreements for water service or future water connections as long as sufficient capacity in the Corporation's wells, water rights, storage and other parts of the Corporation's water system is available or will be constructed or made available as part of such agreements. No person or entity shall receive or obtain water from the Corporation or rights to receive water from the Corporation except in strict accordance with these Bylaws and rules and policies of the Corporation as they may change from time to time.

Section 9. All meetings of the Corporation shall substantially be governed by Roberts Rules of Order 10<sup>th</sup> Edition, unabridged, or later.

Section 10. Indemnification of Trustees and Officers. Each Trustee or Officer now or hereafter serving the Corporation, and each person who at the request of or on behalf of the Corporation is now serving or hereafter serves as Trustee or Officer, and their respective heirs, executors and administrators shall be indemnified by the Corporation to the fullest extent provided by law against all cost, expenses, judgements, and liabilities, including attorneys' fees, reasonably occurred by or imposed upon any of them in connection with or resulting from any claim, action, suit, or proceeding in which any of them is or may be made a party by reason of being or having been such Trustee or Officer, or by reason of any action alleged to have been taken or omitted by as such Trustee or Officer at the time, PROVIDED that any such action against the Trustee or officer is based on an act or omission undertaken (or not undertaken) in good faith and in a manner such one reasonably believed to be in or not opposed to the best interest of the Corporation. The termination of any action, suit, or proceeding by judgement, order, settlement, or 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 said person reasonably believed to be in or not opposed to the best interest of the Corporation. The foregoing right of indemnification shall not be exclusive of other rights to which such Trustee or Officer may

be entitled as a matter of law. The Board of Trustees may obtain insurance on behalf of any person who is or was a Trustee, Officer, employee, or agent against any liability arising out of such person's status as such, whether or not the corporation would have power to indemnify such person against such liability.

Section 11. Remuneration of Trustees. Trustees will be entitled to a token stipend as compensation for time and travel to monthly and special meetings and time spent on Corporation business. The Board will determine the amount of said stipend which may not exceed a nominal fee per meeting. If the stipend should be increased, it shall be recorded in the minutes of that meeting. Further, the President, Vice President, Treasurer and Secretary expend time and effort to perform their duties as described below. Therefore, reasonable remuneration will be set by the Trustees and recorded in minutes of their meeting. Stipends and remuneration will be paid or cause to be paid quarterly by the Treasurer.

Section 12. Removal of Trustee. Any trustee may be removed by the vote of two thirds of the Shareholders voting at a special meeting called for that purpose. Upon such removal, a vote of the Shareholders at said meeting may at once be taken to fill such vacancy or vacancies. Notice for a special meeting for such purpose shall include written charges and a response by the trustee.

#### **ARTICLE IV**

#### **OFFICERS**

Section 1. The executive officers of the Corporation shall be a President, a Vice President, a Treasurer and a Secretary.

Section 2. All executive officers shall be elected from the members of the Board of Trustees by a majority vote of said Board at the December Board meeting each year. Said officers shall hold office for one year unless vacated as outlined in Section 4 of Article III.



## **ARTICLE V**

### **PRESIDENT**

Section 1. The President shall be the chief executive officer of the Corporation. He/She shall preside at all meetings of the shareholders and of the Board of Trustees. The President shall have general charge and authority over the daily operation and business of the Corporation and of its employees and shall perform all duties necessary in the performance of that position. He/she will provide the Secretary with the annual letter as part of the notice sent to the shareholders announcing the annual meeting. This notice will include an agenda of special subjects that need be presented to the shareholders. Obligations and/or contracts beyond usual daily expenses required to properly maintain the water system must be first authorized by the Board of Trustees. All deeds, bonds and similar instruments including certificates of water shares, must be signed by both the President and the Secretary. The President shall also be responsible for other duties as assigned by the Board.

## **ARTICLE VI**

### **VICE PRESIDENT**

Section 1. The Vice President shall be vested with all the powers and shall perform all the duties of the President, in case of the absence or disability of the President.

Section 2 The Vice President shall have such powers and shall perform such other duties that may be assigned to him/her by the President.

## **ARTICLE VII**

### **TREASURER**

Section 1. The Treasurer shall be responsible to ensure that all financial transactions pertaining to the Corporation are accurately recorded and will retain in the Corporation's office copies of all reports and accounting statements concerning the financial condition of the Corporation. With the approval of the Board, an accounting firm may be retained to

advise on standard accounting practices required for monthly and annual operating statements, for issuing an annual balance statement and for all governmental reports. The Treasurer cannot delegate his/her responsibility to review and verify monthly reconciliations for all checking, saving, or other accounts involving the Corporation's monies.

Section 2. The Treasurer shall keep, or cause to be kept, full and accurate accounts of all receipts and disbursement in forms consistent with generally accepted accounting practices (GAAP). The Treasurer shall receive and deposit, or cause to be received and deposited, all monies and other valuables of the Corporation, in the name and to the credit of the Corporation, in such depositories as may be designated by the Board of Trustees. The Treasurer shall disburse, or cause to be disbursed, the funds of the Corporation as may be directed by the Board of Trustees, requiring proper vouchers, purchase orders, time cards or similar documents showing purpose for such disbursements. All bank checks issued by the Corporation shall require the signature of two Trustees. One of those signatures shall be the President's or the Treasurer's and the other may be any Officer or Trustee appointed by the President and the Treasurer.

Section 3 The Treasurer shall render, or have rendered, to the President and to the Board of Trustees whenever they request, the accounting of all transactions made by or for the Treasurer, and of the financial condition of the Corporation.

Section 4. The Treasurer shall execute, with the President, in the name of the Corporation, all deeds, bonds, and similar instruments authorized by the Board to be executed. The Treasurer shall be the custodian of the corporate seal of the Corporation and, when so ordered by the Board of Trustees, shall affix the seal to required documents.

Section 5. The Treasurer shall keep in a secure place the Share certificates, transfer file, Bylaws and the Articles of Incorporation.

Section 6. The Treasurer shall have the financial statements of the year ending September 30 reviewed by a Certified Public Accountant at the Corporation's expense



prior to the annual meeting of shareholders. The operating report (profit & loss statement) and the annual balance sheet for that year will be made available to all shareholders attending the annual meeting. If the CPA making the review finds substantive discrepancies, errors or weaknesses in the accounting system used in the Corporations internal controls, the annual report shall include those findings.

Section 7. The Treasurer will send, or cause to be sent, water charges and all other invoices and will keep accurate records of monies paid and/or still due. When necessary, late charge notices will be sent, and the Board of Trustees informed when further action may be required. The Treasurer will send, or cause to be sent, regular water consumption notices and charges for excess water on a schedule set by the Trustees.

Section 8. In the event the Treasurer refuses or is unable to provided financial reports and/or records of receipts and disbursements as reasonably requested by the Board, the Board must, to protect the interest of the Corporation, receive from the Treasurer's possession all records pertaining to the Corporation. Such records may then be delivered to the outside accounting service in order to verify the information that they have previously received in order to provide the shareholders true and accurate statements.

## **ARTICLE VIII SECRETARY**

Section 1. The Secretary shall keep the minutes of all meetings and retain records of such meetings as a permanent history of the Corporation. Motions passed or approved by the Trustees shall appear in said minutes. Additionally, the Secretary shall assure that the Corporation is properly registered with the Washington Secretary of State and that the Corporation has all other licenses and permits required by state or local laws and/or regulations.

Section 2. The Secretary shall serve all notices required announcing regular or special meetings. The Secretary will communicate, when required, with shareholders as well as

outside individuals and companies requiring non-restrictive information of Corporation matters. If a dispute arises that cannot be resolved by the Secretary, then it will be referred to the President and/ or Board of Trustees for resolution. The Secretary will issue or cause to be issued, required legal documents and liens. The President and the Treasurer will provide the material required of them to the Secretary to include in the annual meeting notices.

Section 3. The Secretary will maintain, or cause to be maintained, an up-to-date listing of the Shareholders including certificate numbers, parcel numbers, addresses of property and mailing addresses of owners of said property. The Treasurer will advise the Secretary if water bill invoices or other billings to shareholders indicate an address change. Both the Corporation's data base and the meter records must be updated at this time.

Section 4. In the event of the absence, disability or refusal of the Secretary to send requested notices; the President may authorize another person to do so.

Section 5. The Secretary shall: 1) receive, or cause to be received, all correspondence directed to the Corporation; 2) distribute to the appropriate officers; and 3) send replies as required.

Section 6. The Secretary along with the President shall sign all certificates for shares in the Corporation.

## **ARTICLE IX OFFICE MANAGER**

Section 1. The Office Manager shall perform most of the day-to-day duties associated with the administration of the Corporation. The Office Manager shall support the officers and members of the Board in carrying out their responsibilities as Trustees of the Corporation but this does not diminish any of the responsibilities of the officers or other Trustees as described in this document.



Section 2. The Office Manager will consult with the officers to address difficult situations and to assist with any problems. If disputes are raised by shareholders and/or vendors, or if questions of interpretations of these Bylaws or Corporation policies cannot be resolved by the Office Manager, such matters may be referred to the President who may present them to the Board. During months of peak activity, the Treasurer and Secretary are expected to assist the Office Manager when necessary.

Section 3. The Office Manager's duties and responsibilities include; billing and collecting water charges, preparing financial reports, paying vendors, payroll, taxes, maintenance of financial systems, dealing with customers, attending Board meetings, providing necessary information to the Corporation's accountants, interfacing with the water management company and other vendors, overseeing state loans and other duties that may be necessary to conduct the business of the Corporation.

## **ARTICLE X**

### **MEMBERS, SHARES, CERTIFICATES, METERS AND RATES**

Section 1. Eligibility; Issuance of Shares, Terms. This Corporation shall have one class of members. Each member who meets all requirements for membership may purchase one Share in the Corporation for each tax parcel in the Corporation's approved service area owned by the member at the price determined by the Board. Only owners and contract purchasers of real property in the Corporation's approved service area are eligible to purchase Shares and become members of the Corporation. Shares of the Corporation shall be issued only when:

- (1) There is sufficient water capacity and connections available in its water system to serve the new member and the Corporation is not prohibited from granting new connections by any regulatory limit on such connections.

- (2) The price of the Share is paid in full and the requirements of these Bylaws and the Rules adopted by the Board have been satisfied.

Each Share in the Corporation, whether Active or Inactive, represents one Equivalent Residential Unit ("ERU") of water capacity in the Corporation's water system. The Board may establish Rules for tax parcels that need multiple ERU's. The water capacity of an ERU shall be as determined by the Board. Each Share whether Active or Inactive shall be registered to the particular tax parcel for which the Share is purchased, and shall be appurtenant such tax parcel, and may not be separated from, sold, transferred or conveyed separately from such tax parcel; provided, the Board is authorized to make Rules regarding the sale or disposition of Inactive Shares purchased in the past which are no longer needed by the Shareholder.

Section 2. Share Certificates. Share certificates shall be in a form determined by the Board. All original Share certificates shall be signed by the President or the Vice President, and by the Secretary, and shall be kept in a register at the Corporation's office. Shareholders are entitled to a copy of their Share certificates. Shareholders' who received their original Share certificate shall surrender the certificate to the Corporation when the Shareholder's property is sold, transferred, or conveyed, indorsed in blank, and accompanied by an assignment of certificate in a form provided by the Corporation which has been executed by the Shareholder. In the case of lost or destroyed certificates, a new certificate shall be issued only after the receipt of an affidavit that is satisfactory to the Board of Trustees, indemnifying the Corporation and all persons against loss as a consequence of the issuance of such new certificates.

Section 3. Definitions:

- (1) "Share" and "Water Share" shall mean a share in the Corporation.
- (2) "Active Water Share" or "Active Share" shall mean Water Shares issued by the Corporation that are registered to tax parcels that have a water meter and receive domestic water from the Corporation.



(3) "Inactive Water Share" or "Inactive Share" shall mean Shares issued by the Corporation that are registered to tax parcels that have no water meter and do not receive domestic water from the Corporation.

(4) "Capital Assessment" shall mean an assessment for capital purposes levied on the holders of Active and Inactive Shares by a vote of the Shareholders of the Corporation in accordance with these Bylaws.

(5) "Rules" shall mean the rules, resolutions, and policies adopted by the Board.

(6) "Shareholder" shall mean a person or entity registered on the books of the Corporation as the owner of a Share in the Corporation.

#### Section 4. Share Transfers.

(1) Shares are transferred automatically from the Shareholder to the Transferee when a tax parcel to which a Share is registered and appurtenant is sold, transferred, or conveyed and the transferring Shareholder and Transferee have fully complied with these Bylaws and applicable Rules. Transferees shall provide the Corporation with proof of the property transfer and sign an application in a form provided by the Corporation as a condition to receiving water service. The transferring Shareholder and the Transferee shall be liable for all amounts owed the Corporation at the time of such sale, transfer or conveyance and shall ensure such amounts are paid in full before the Share transfer occurs. The Corporation shall have no obligation to provide water service to the Transferee until:

(a) All amounts owed the Corporation by the transferring Shareholder are paid in full;

(b) The Transferee has executed a new application with the Corporation; and

(c) Both parties have complied with all requirements of these Bylaws and applicable Rules.

Any attempt to transfer a Share without full compliance with this Section 4., is void, and the Corporation is authorized to shutoff water to any tax parcel to which the Share is registered, and to exercise all other powers it may have under these Bylaws and applicable Rules.

(2) The obligations of the transferring Shareholder under these Bylaws and Rules adopted by the Board including the obligation to pay the Corporation all amounts owed at the time a Share is transferred shall remain in full force and effect until such amounts are paid in full.

(3) Transferees shall pay a fee to the Corporation in conjunction with a Share transfer in an amount set by the Board.

Section 5. Shareholder Rights and Responsibilities. Shareholders registered on the books of the Corporation, whether the Share held is Active or Inactive, are entitled to the rights and privileges incident to the ownership of such Shares under these Bylaws and Rules adopted by the Board. Such Shareholders shall perform and comply with all of the obligations of Shareholders under these Bylaws and Rules adopted by the Board, including the payment of all rates, charges, assessments and other costs. For clarity, members holding Inactive Shares are subject to the same rates, charges, assessments and other costs as members holding Active Shares, including Base Charges levied on a per Share basis, except that Shareholders of Inactive Shares shall not be subject to charges for water consumed because the tax parcels registered to such Shares have no connection to the Corporation's water system.



Section 6. Inactive Shares. The Corporation may request any Inactive Water Share Shareholder in arrears to the Corporation for one year or more to surrender their Inactive Shares and receive the difference between the amount originally paid for the Shares surrendered and the outstanding balance due the Corporation in cash. The Corporation shall retain the rights to acquire or redeem Inactive Shares contained in previous Bylaws in effect before these Bylaws were adopted.

Section 7. Miscellaneous.

(1) Notwithstanding any term to the contrary in these Bylaws, the Board may but shall not be required to authorize connections for temporary or permanent water service outside the approved service area of the Corporation and the sale of Shares for such purposes, on terms and conditions it may determine which shall be otherwise consistent with these Bylaws.

(2) The Corporation shall have no obligation to construct improvements or otherwise extend the Corporation's water system to any particular property. Such obligation shall rest solely with the Shareholder. The Corporation is authorized to make rules and establish requirements for such extensions as provided in these Bylaws.

## ARTICLE XI

### MISCELLANEOUS

Section 1. The fiscal year of the Corporation shall be from October 1<sup>st</sup> to September 30<sup>th</sup> of each calendar year.

Section 2. The Board shall not be empowered to sell or dispose of any property of the Corporation or of assets exceeding \$10,000 in value without the approval of the majority of shareholders voting in person or by proxy at an annual meeting or special meeting of Shareholders.

**ARTICLE XII**  
**WATER SERVICE, RATES, CHARGES AND ASSESSMENTS**

Section 1. Only Shareholders in the Corporation shall receive water service from the Corporation. Every Shareholder receiving water service provided by the Corporation shall:

- (1) Receive water only through a water meter provided by the Corporation;
- (2) Have one Share in the Corporation for each single family residence or Equivalent Residential Unit (ERU) in accordance with these Bylaws and applicable Rules; and
- (3) Shall pay the rates, charges and fees established by the Board and all assessments adopted in accordance with these Bylaws. Each Shareholder shall be fully responsible for the protection of their respective water meter against damage, loss, or destruction, and shall ensure that no obstruction will occur that would make the meter unreadable, inaccessible, inoperable, or cause the meter to malfunction.

Section 2. Water Rates. The Board shall, from time to time determine the amount of revenue necessary or advisable in its discretion to provide for the operating and capital needs of the Corporation. The Board shall determine the rates and charges and other costs (collectively "Rates") required to meet such needs, and levy, assess and collect the same from the Shareholders regardless of whether a Share held is Active or Inactive. Such Rates shall provide for, among other things, the maintenance, operation, repair and replacement of the Corporation's water system and include, without limitation amounts for working capital; for general operating reserves, for reserve replacement of facilities and equipment, for capital improvements and to make up any deficit of the operating expenses for any year. Such Rates may be in the form of Base Rates per Share and/or Water Consumption Charges for water consumed or such other form or format as the Board may determine. All said Rates shall be published on a rate schedule determined by the Trustees



Section 3. Special Assessments. The Board may, in addition, submit Special Assessments to be levied against Shareholders, whether Active or Inactive, for capital improvements or for emergency expenditures, to the Shareholders for approval at a special or annual Shareholder meeting. Such Special Assessments must be approved by a majority vote of those Shareholders present in person or by proxy at any meeting or by a majority vote of the Shareholders who vote in the election if mailed ballots are used for this purpose. The Board shall, as part of the proposal for a Special Assessment, specify: 1) the amount of special assessment to be paid by each Shareholder, which shall be uniform as to each Share held; 2) the manner of payment by the Shareholders and 3) the interest charge, if any, to be paid on an unpaid balance or deferred payments. Special Assessments adopted pursuant to this section shall be binding on the Shareholders.

Section 4. Payment. All Shareholders shall be obligated to pay the rates, charges, assessments and fees (collectively "Charges") invoiced by the Corporation determined by the Trustees pursuant to these Bylaws within 30 days of the date invoiced. Payments made later than such due date will be subject to a late payment fee determined by the Board. Interest at the rate of 12% per annum computed on a monthly basis on the full amount unpaid shall also be added to the balance due. Shareholders shall also pay all expenses of collection incurred by the Corporation in collecting such amounts, including attorney fees, whether or not suit is filed, those incurred in any mediation, arbitration, lien foreclosure, on appeal or in bankruptcy, and including the fees of any arbitrator or mediator (collectively "Collection Costs"). The Board shall use reasonable efforts to recover such all such amounts.

Section 5. Lien for Unpaid Charges. All Charges, together with all Collection Costs, shall constitute a lien against the real property to which the Shareholder's Share is registered. Such lien may be filed in the office of the Island County Auditor, and if filed shall contain the legal description of the real property against which the lien is filed, and all unpaid amounts due under this Article XII. The Corporation shall give notice of the filing of the lien to the delinquent Shareholder by mailing a copy of the lien claim to the Shareholder's last known address as shown on the Corporation's records. The amount of

any lien under this section shall include all rates, charges, fees, assessments, interest and Collection Costs accruing after the date the lien comes into existence.

Section 6. (1) Foreclosure of Lien. The Corporation is authorized to foreclose any lien authorized by these Bylaws at any time. Said lien shall be foreclosed in the same manner as a lien claim for labour and materials, as provided by RCW Chapter 60.04, except that the Trustees shall not be required to file the lien within the time limitation set forth in said RCW 60.04. In any such foreclosure, the Corporation shall be entitled to recover all Collections Costs, including the costs of filing, title insurance, and the costs of publication of notice.

(2) A suit against a delinquent Shareholder to recover a money judgement for unpaid charges shall be maintainable without or in addition to foreclosing a Corporation lien and shall not have the effect of waiving any lien rights the Corporation may have.

Section 7. Statement of Charges Due. The Trustees shall promptly provide or cause to be provided, any property owner that makes a request in writing with a written statement of his, hers or its unpaid rates and charges and/or special assessment, if any.

Section 8. Nothing in these Amended Bylaws is intended to or shall be construed to impair, reduce, or waive, in whole or in part, any existing lien, judgment, debt, liability or other obligation of any nature or description of any person or entity to the Corporation, including those existing on the date these Amended Bylaws are adopted.

### **ARTICLE XIII AMENDMENTS**

These Bylaws or any part thereof may be repealed or amended or new Bylaws may be adopted (collectively "Amendments") by the shareholders at any annual meeting of the shareholders or special meeting called for that purpose or by mail provided that the Amendments have been mailed to all shareholders of record at least 10 days prior to the meeting where the vote is held. Amendments must be approved by a two-thirds majority vote of those shareholders present in person or by proxy at any meeting or by a simple



majority vote if mailed ballots are used for this purpose. The method of voting will be at the discretion of the Board of Trustees.

#### **ARTICLE XIV**

#### **EXTENSIONS TO THE WATER SYSTEM**

The Board is authorized in Article III section (8) to adopt policies, rules, fees, agreements and other requirements and provisions and terms regarding extensions to the Corporation's water system. No shareholder or other person or entity shall make any extension of or connection to the Corporation's water system whatsoever except in strict accordance therewith.

No connection to the Corporation's water system or agreement for an extension to such system shall be authorized unless the Board has determined that sufficient capacity exists in the Corporation's wells, storage, transmission, pumping and other facilities, that the Corporation has sufficient water rights; that all required regulatory approvals have been or will be obtained, and that all requirements for such connections or agreements established by the Board have been fully satisfied and approved by the Board.

It is the policy of the Corporation that those seeking to construct extensions to the Corporation's water system shall be responsible for and pay all the costs of such extension, including without limitation all the Corporation's costs incurred in administering the extension, and all costs of engineering and legal services.

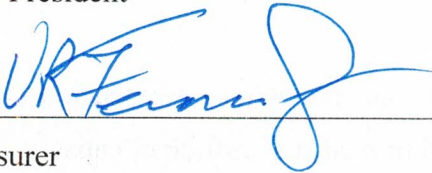
DULY PASSED AND ADOPTED by a vote of the members of the Corporation at the annual meeting held the 19<sup>th</sup> day of November, 2022. These Amended Bylaws shall be effective upon their adoption.



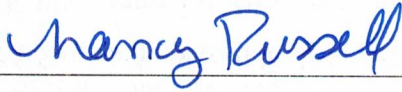
\_\_\_\_\_  
President



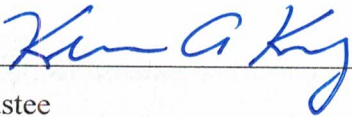
\_\_\_\_\_  
Vice-President



\_\_\_\_\_  
Treasurer



\_\_\_\_\_  
Secretary



\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Trustee

  
\_\_\_\_\_  
Trustee