

Whidbey Island Water Systems Association

A Non-Profit Corporation in Washington State

BYLAWS

(As approved by general membership March 21, 2018)

ARTICLE I

Offices

The principal office of the Association in the State of Washington shall be located at such Whidbey Island address as may be designated from time to time by the Board of Directors. The Corporation may have such other offices, as the Board of Directors may designate or as the business of the Association may require from time to time.

ARTICLE II

Association Business

The Association business shall consist of the following:

SECTION 1. Provide information focal point. Share between members sample government required statements, forms and reports; share between members technical and operating data from members and available from other sources. Provide a central focal point for Whidbey Island water information.

SECTION 2. Keep membership Informed. Keep membership current on government requirements of water purveyors and pending legislation impacting water purveyors. Keep membership informed on government and industry symposiums and technical and legislative meetings.

SECTION 3. Training. Provide a forum of training for member Water Operators, Board Members, and Owners.

SECTION 4. Provide action forum. Create a forum for political action and public information on Whidbey Island water issues.

SECTION 5. General. Other tasks as may be added or deleted by the Board of Directors or may be requested by a majority vote of the membership in attendance, having voting rights, at any regular or special meeting.

Article III

Rules of Order

The Rules contained in the most recent edition of Robert's Rules of Order, Revised, shall govern all meetings of members and Directors where those rules are not inconsistent with the Articles of Incorporation, Bylaws, or special rules of this corporation.

ARTICLE IV

Membership

SECTION 1. Membership Classes.

A. Purveyor. A purveyor shall be a member who supplies water to two or more Whidbey Island residences and will have full privileges, including one vote. Examples are: cities, towns, water districts, Group A and Group B water systems. Purveyors shall designate their voting member and an alternate to represent them at Corporation meetings. Both the voting member and/or alternate shall be a member or employee of that purveyor's system.

B. Non-purveyor. A non-purveyor shall be a member who is a single well owner and will have full privileges with no vote.

C. Associate. Associates shall consist of those who have water interests other than as a purveyor. Examples are: state-certified water system managers, satellite management agencies, water testing laboratories, water equipment suppliers and manufacturers, well drillers, septic system installers/plumbers/designers and individuals associated with government agencies. Associate members shall have full privileges with no vote.

SECTION 2. Membership Approval. The Board of Directors, by majority vote, shall approve all memberships.

SECTION 3. Membership Annual Dues.

A. Purveyor: Group A water systems (with more than 14 active hook-ups) shall pay two dollars (\$2.00) per active hook-up, not to exceed two hundred dollars (\$200).

B. Purveyor: Group B water systems (with more than two and less than 15 active hook-ups) shall pay twenty-five dollars (\$25).

C. Non-purveyor. Non-purveyors shall pay twenty-five dollars (\$25).

D. Associate. Associate members shall pay twenty-five dollars (\$25).

E. Annual dues are invoiced to members in January of each year and the amount of dues may be changed by majority vote of the members at the annual meeting, acting upon a recommendation by the Board of Directors.

SECTION 4. Assessments. Assessments may be charged as needed by a majority vote of the members at the annual meeting, acting upon a recommendation by the Board of Directors. .

SECTION 5. Members in Good Standing. Purveyors, Non-purveyors and Associates who have paid all dues and assessments shall be considered members in good standing.

SECTION 6. Certificate of Membership. A certificate certifying membership in the Corporation shall be in such form as shall be determined by the Board of Directors. Certificates shall be signed by the President and the Secretary or by such other officers authorized by law and by the Board of Directors.

ARTICLE V Meetings.

SECTION 1. General Membership Meetings. General membership meetings shall be held quarterly during the months of March, June, September and December. The December meeting shall be considered the official annual meeting at which time elections shall be held and the budget shall be presented for review and approval by the membership. The Board of Directors shall determine the place and time of all general membership meetings. The meeting Agenda shall be prepared by the President and provided to members at least two weeks in advance of each meeting. The Secretary will take the Minutes of the general membership meetings and present them for the approval of the members at the subsequent general membership meeting. The Secretary will retain the Agendas and approved Minutes of general membership meetings.

SECTION 2. Special Meetings. Special meetings may be called by the President with the approval of the Board of Directors or at any time upon written request of any Director or of one-fifth (1/5) or more of the members. It shall be the duty of the President to call a special meeting of the members to be held at such time as the President may fix, not less than 10 nor more than 35 days after receipt of said written request, and if the President shall neglect or refuse to issue such call, the Director or members making the request may do so. Special meetings shall not take the place of the regular annual meeting.

SECTION 3. Notice of Meetings. Except as may otherwise be required by statute, notice of time, place and purpose of each meeting of members, whether quarterly or special, shall be given at least 10 days before the day on which the meeting is to be held to each member of recorded entitlement to vote at such meeting. Notice may be made by delivering a written form to the member personally, by email, or by mailing to the member's address as it appears in the records of the corporation.

SECTION 4. Quorum. At all regular and special meetings of members, the presence in person of one-fifth (1/5) of all voting members shall constitute a quorum for the transaction of business, and the vote of a majority of the members present constituting such quorum shall be binding upon all members of the corporation. In the absence of such a quorum, a majority of the members present, in person and entitled to vote, may adjourn any meeting from time to time but not for a period of more than 30 days at any one time until the quorum shall attend, provided that any meeting at which Directors are to be elected shall be adjourned only from day to day until such Directors have been elected, and provided, further, that those who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of electing Directors. No notice of any adjourned meeting need be given.

ARTICLE VI Voting

SECTION 1. Each Purveyor member in good standing shall have one vote in all corporation business.

ARTICLE VII Board of Directors

SECTION 1. Number, Term, Qualifications and Election. The number of Directors of the corporation shall be five (5). The term of office shall be three (3) years. The Directors shall be Purveyors and members in good standing and shall be elected by a majority vote of those eligible to vote and in attendance or by proxy at the annual meeting. Each Director shall hold office until the next annual meeting following the expiration of the term of office. Directors shall be elected to replace outgoing Directors at each annual meeting.

SECTION 2. Code of Ethics. Upon taking office, each Director shall sign the "CODE OF ETHICS" provided by the Secretary. The Secretary will retain the signed document.

SECTION 3. General Powers. The government of this corporation shall be in the Board of Directors, which Board shall be empowered to take any action, not inconsistent with statute or with the Articles of Incorporation or any amendment thereto, or with the Bylaws, which such Board deems to be in the best interests of this corporation. Among other things, the Board of Directors shall have the full power to establish reasonable rules and regulations for the use and protection of corporation property. Compliance with such rules and regulations to be a condition of continued membership in this corporation. Provided, however, that the Board of Directors shall make no change in policy with respect to the administration of the affairs of the corporation without approval, which may be by mailed or emailed ballot, of a majority of the corporation membership. Specific actions requiring such membership approval are not limited to, but do include, the following actions:

- A. Expenditures exceeding gross revenue from dues and assessments for a single service or item;
- B. Additions, deletions or changes to the corporation Bylaws;
- C. Sale or lease of corporation assets with a value exceeding \$200.00;
- D. Changes in the amount of annual dues or assessments. *

*NOTE: Except for changes in the amount of annual dues or assessments, membership approval of the above noted specific actions may be accomplished at any quarterly meeting of the members, voting upon a recommendation of the Board of Directors.

SECTION 4. Regular Board Meetings. The Board of Directors shall meet regularly once each month at a time and place agreed upon by them. The President will prepare and distribute Agendas in advance of regular Board meetings and the Secretary will prepare the Minutes of each meeting for approval by the majority of the Board at the subsequent meeting. The Secretary will retain the Agendas and the approved Minutes. The Board may provide, by resolution, the time and place for the holding of additional regular meetings.

SECTION 5. Special Board Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place for holding any special meeting of the Board of Directors.

SECTION 6. Special Meeting Notice. Notice of any special meeting shall be given at least one (1) week previous by written notice delivered personally or mailed or emailed to each director at his business address. If a Director receives a telephone message of a special meeting, he/she may agree to waive the written notice by verbal statement. Attendance of a Director at a 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 business because the meeting is not lawfully called or convened. Meeting notice shall contain the Agenda for the meeting.

SECTION 7. Quorum. Three (3) Directors in office at the time shall constitute a quorum for the transaction of Board business; and, except as otherwise required by statute or by the Articles of Incorporation or any amendments thereto, or by the Bylaws, the act of a majority of the Directors present shall be the act of the Board of Directors. In the absence of a quorum, no transactions of business shall take place, however one or two Directors may hold discussions and report such discussions and comments at the next meeting where there is a quorum.

SECTION 8. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 9. Action Without a Meeting. Any action that may be taken by the Board of Directors at a meeting may be taken without a meeting if a consent by phone or e-mail polling is taken and followed in writing, setting forth the action so to be taken, and signed before such action by all of the Directors, and postmarked or e-mailed within 24 hours.

SECTION 10. Vacancies. A vacancy occurring in the Board of Directors may be filled by a Purveyor member upon the affirmative vote of a majority of the remaining Directors, unless otherwise provided by law. Each person so appointed shall be a Director until the departed Director's successor is elected by the members at the next annual meeting or at a special meeting duly called for that purpose. Any Directorship to be filled by reason of an increase in the number of Directors may be filled by a majority vote from members authorized to vote at an annual meeting or special membership meeting. By a majority vote, Directors may declare a Directorship vacancy to exist upon any Board member having three unexcused absences from the Board of Directors meetings, or upon notification of the Board member's inability to continue serving.

SECTION 11. Compensation. By resolution of the Board of Directors, each Director may be paid their expenses for activities undertaken with the approval of the Board and consistent with the purposes of the corporation. Examples include: reimbursement of fees for attendance at professional meetings and reimbursement for the cost of printing materials for distribution to the members. No salary shall be paid to Directors.

ARTICLE VIII

Officers

SECTION 1. Officers. The Officers of the corporation shall be a President, a Vice-President, a Secretary and a Treasurer. The positions of Secretary and Treasurer may be combined at the Board of Directors discretion. The Officers of the corporation are members of the Board of Directors and, as such, shall be paid no salary.

SECTION 2. Election and Term of Office. The Officers of the corporation shall be drawn from within the Board of Directors and shall serve a term of one year. Officers shall be elected by the Board at its first meeting after the annual general membership meeting in December. If the election of Officers is not held

at such meeting, it shall be held as soon thereafter as convenient.

SECTION 3. Removal. Any Officer may be removed by majority vote of the Board of Directors, whenever, in its judgment, the best interests of the corporation will be served thereby. Election or appointment of an Officer shall not of itself create contract rights, and such appointments shall be terminable at the will of the Board of Directors.

SECTION 4. Vacancies. A vacancy in the Board of Directors because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term by electing a Purveyor member of the corporation in good standing.

SECTION 5. President. The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise the business and affairs of the corporation. The President, when present, shall preside at all meetings of the general membership and of the Board of Directors. The President may sign with the Secretary certificates for members of the corporation for any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6. Vice- President. In the absence of the President or in the event of the President's inability or refusal to act, the Vice-President shall perform the duties of the President subject to all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 7. Secretary. The Secretary shall:

- A. Keep the Minutes of the proceedings of the corporation and of the Board of Directors.
- B. See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
- C. Be custodian of the corporation records;
- D. Keep a register of the contact information of each member.
- E. Perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors.

SECTION 8. Treasurer. The Treasurer shall:

- A. Have charge and custody of and be responsible for all funds and securities of the corporation;
- B. Receive and give receipts for moneys due and payable to the corporation from any source whatsoever;
- C. Deposit all such moneys in the name of the corporation in such bank, trust companies or other depositories as shall be selected by the Board of Directors.
- D. Supervise the performance of such financial accountants and / or bookkeepers as may be contracted with by the Board of Directors with the approval of the general membership.
- E. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his/her duties in such sum and with such sureties as the Board of Directors shall determine;
- F. Have general charge and custody of the financial records of the corporation.
- G. Perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors.

ARTICLE IX

Contracts, Loans, Checks and Deposits

SECTION 1. Contracts. The Board of Directors may authorize the President or another Officer to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation. Such authorization shall be reported to the general membership at the next quarterly meeting.

SECTION 2. Loans. No loans or evidences of indebtedness shall be contracted or issued on behalf of the corporation unless authorized by a resolution of the Board of Directors and approved by vote of two thirds of the general membership.

SECTION 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall require two signatures of the Board of Directors. Example: requests for reimbursements for expenses as authorized by these Bylaws.

SECTION 4. Deposits. All funds of the corporation not otherwise employed shall be deposited promptly to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE X

Fiscal Year

The fiscal year of the corporation shall begin on the first day of January and end on the thirty-first day of December.

ARTICLE XI

Indemnification

The corporation shall indemnify its Directors and Officers as follows;

A. Every Director or Officer of the corporation shall be indemnified by the corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed in connection with any proceeding to which they may be made a party, or in which they may become involved, by reason of their being or having been a Director or Officer of the corporation or is or was serving at the request of the corporation as a Director or Officer of the corporation or any settlement thereof, whether or not as a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in performance of duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the corporation.

B. The corporation shall provide to any person who is or was a Director or Officer of the corporation or is or was serving at the request of the corporation as a Director or Officer of the corporation the indemnity against expenses of suit, litigation or other proceedings that are specifically permissible under applicable law.

C. The Board of Directors may, at its discretion, direct the purchase of liability insurance by way of implementing the provisions of this Article.

ARTICLE XII

Amendments

These Bylaws may be amended, altered, or repealed by a majority vote of the members present at any quarterly meeting of the membership with a quorum in attendance or by proxy, or at any special meeting of the membership with a quorum in attendance or by proxy, if notice of the proposed alteration, amendment or repeal is contained in the notice of the quarterly or special meeting.

CERTIFICATION

We certify that we are Officers and members of the Board of Directors of the above named corporation and that we are authorized to execute these Bylaws on behalf of the corporation, the majority of whose members approved these Bylaws on March 21, 2018..

President _____ Date _____

Vice-President _____ Date _____

Secretary _____ Date _____

Treasurer _____ Date _____