

April, 2016

## **BY-LAWS OF MAURY MUTUAL WATER COMPANY**

### **ARTICLE I**

#### **ORDER OF BUSINESS**

The Following order shall be followed at all meetings of this company:

1. Roll call.
2. Reading of minutes of last meeting and any special meeting.
3. Application for membership.
4. Report of president.
5. Report of treasurer.
6. Report of standing committees.
7. Report of special committees.
8. Unfinished business.
9. New business.

At the annual meeting also the following:

10. Election of one trustee for five years.
11. Election of trustee to fill vacancy if one exists.

### **ARTICLE II**

#### **ANNUAL MEETING**

The annual meeting of this company shall be held once a year on a day between January 1 and April 1, the date to be selected at the discretion of the Board of Trustees. Notice of time and place of such meeting shall be mailed to each member at least fifteen (15) business days prior thereto.

### **ARTICLE III**

#### **SPECIAL MEETINGS**

Section 1. Special meetings of this company shall be called by the president at the written request of not less than 25 percent of the members in good standing, or by a majority of the trustees.

Section 2. Written notice of the time, place and purpose of any special meeting shall be mailed to each member at least fifteen (15) days prior to said meeting.

## **ARTICLE IV**

### **QUORUM**

Five or more members, either in attendance or by written proxy, together with a majority of the Board of Trustees, shall constitute a quorum at any annual or special membership meeting of the company.

## **ARTICLE V**

### **VOTING**

A member shall be entitled to one vote at all meetings, regardless of the number of shares held by the member. Voting may be in person at the meetings or by authorized written proxy received by the president prior to the meeting. Proxies must be signed to be valid. Any previously authorized proxy may be rescinded by the grantor if he or she is in attendance. Any member who is more than three (3) months in arrears in payment for water service shall not be entitled to vote at any meeting of the company. A majority vote of all members represented at any meeting either in person or by proxy shall be required on each issue or matter voted upon.

## **ARTICLE VI**

### **ELECTION OF TRUSTEES**

At the first annual meeting in March 1953, five (5) trustees were elected by ballot, one for one year, one for two years, one for three years, one for four years and one for five years. Each year thereafter one trustee shall be elected to serve for a period of five years to succeed the trustee whose term has expired. Any trustee may be removed by a two-thirds vote of the members in attendance, in person or by proxy, at any annual meeting or any special meeting called for that purpose.

Whenever a vacancy shall occur in the Board of Trustees, it shall be filled by the remaining members of the Board, who shall appoint a member in good standing in the company to serve as a Trustee until the next annual meeting, when a member shall be elected to serve the remainder of the unexpired term.

## **ARTICLE VII**

### **OFFICERS**

The officers of this company shall consist of a President, a Vice President, a Secretary, and a Treasurer. These officers shall be elected by a majority vote of the members of the Board of Trustees, from among their own number, at the first meeting of the Board following each annual meeting.

**ARTICLE VIII**  
**TRUSTEE'S VETO POWER**

The trustees shall have power to veto any resolution passed by a majority of the company present and voting at any meeting. If notice of such veto is not announced at the meeting at which such resolution passed, then notice in writing shall be mailed to all members within ten (10) days after such veto. The resolution so voted may again be submitted at a special meeting, called for that purpose, and if then passed by two-thirds of the members present and voting, it shall be mandatory upon the Trustees to carry out the provisions of said resolution provided.

**ARTICLE IX**  
**DISBURSEMENTS**

All disbursements shall be made by check, signed by the Treasurer and one of the other officers, except that the Board may, at its option, authorize the Treasurer to pay regular monthly operating expenses which are less than a Board specified amount.

**ARTICLE X**  
**POWER OF TRUSTEES**

The Board of Trustees shall have power and authority to do all things necessary for the management of, to conduct the business of, and accomplishment of the purposes of the company, including all powers vested in trustees or directors as provided in the Uniform Business Corporation Act, with the exception that the Board of Trustees must secure the consent by majority vote of members present at a meeting called pursuant to Article II or Article III before the Board of Trustees may engage in a capital improvement program in excess of \$30,000.00

**ARTICLE XI**  
**MEMBERSHIP**

A person, natural or artificial, shall become a member of the company for the purpose of obtaining water service upon the acceptance of an application by the Board of Trustees and upon the payment of a membership fee established by the Board, and upon payment of any additional connection cost which the Board determines to be necessary. Thereafter, a member shall pay such reasonable dues, charges, and assessments as may from time to time be fixed by the Board of Trustees.

The Board of Trustees is authorized to reject any application for membership when it shall have determined that the supply of water available in the main, at the property applied for, is not sufficient to provide service without diminishing the supply of water to the existing members.

Such membership shall be attached to a specifically described real property to be set forth in the application and shall entitle the owner thereof to water service only upon the property described.

Said membership shall be transferable only upon the passing of title to the real property to which it is attached, and upon the passing of the title, the membership shall automatically follow such title and vest in the grantee, devisee, or assignee, provided, however, in the event of division of any property to which any such membership shall be attached, the owner of such membership shall elect and designate to which portion of such divided property it shall thereafter be attached.

A member may relinquish his or her membership to the Board of Trustees and be reimbursed at a price of \$7000 less any delinquencies or other assessments owed to the corporation and excluding any connection costs that may have been incurred.

## **ARTICLE XII**

### **SERVICE**

One membership as herein referred to shall entitle such member to water for one dwelling unit on the property described in the membership application. Water service shall be through a three-quarter (3/4) inch water meter, unless the Board of Trustees specifically approves a meter of greater capacity. The terms and conditions of such capacity variance shall be at the discretion of the Board of Trustees.

Water for uses considered accessory to residential, including but not limited to family gardening, lawn watering, and livestock watering, shall be allowed provided the Board of Trustees may require the curtailment of such accessory uses if adequate water supplies for residential purposes becomes diminished or unavailable.

The Board of Trustees from time to time may find it necessary to restrict water usage for the good of the mutual membership or in the event that a State or local agency should require the restriction of water usage. Water conservation allotments could be assigned, if needed, to reduce an individual usage or reduce usage by the membership at large. And in such cases should a member violate the assigned allotment on more than one occasion, the Board of Trustees may restrict water flow to the individual meter or shut the water flow off for given periods of time should the usage be in violation of the terms of membership or be illegal.

All water services shall be metered and members are required to pay such fees, costs, and charges for water services as determined necessary by the Board of Trustees to meet the financial obligations of the company.

Allowable property usage is determined by King County Zoning Code. Maury Mutual Water Company is not responsible for enforcing King County Zoning; however in the interest of supporting legal property usage by our members, the Board will forward concerns regarding land use violations on property within our system to King County Department of Development and Environmental Services.

### **ARTICLE XIII**

#### **SELLING WATER PROHIBITED**

No person holding a membership from this company shall be entitled to sell water for any purpose without first securing a permit from the Board of Trustees. In the case of an emergency the Company may sell or otherwise provide water to non-members.

In case of violation of the Article, the property owner shall be notified by registered mail demanding that he cease; and if he shall not do so within the ten (10) days after the date the notice is mailed to him, the Company shall have the right to shut off the water to the property involved. The water will be turned on promptly when the property owner has ceased such violation and when arrears, if any, plus interest and late fees are paid prior to turning on the water. The Board of Trustees will apply a fee consistent with the fee schedule for such purpose. The Trustees will determine a fee schedule for the purpose of turning on said water and can adjust the schedule once each calendar year as they deem appropriate.

For water shortage emergencies the Trustees can deem it advisable to buy or sell water (other than with the issuance of a water share). Any agreement must ensure that the membership has all priority rights to the availability of our own water sources and further, any contracts must have cancellation clauses sufficiently broad to protect the ongoing flow of water to the membership.

### **ARTICLE XIV**

#### **PAYMENT**

All charges for water shall be due and payable to the Treasurer on the last day of the month for the preceding period (such period to be determined by the Board of Trustees). If any water charge or assessment is not paid within fifteen (15) days after its due date, it shall become delinquent and the water shall be shut off from the premises of said member (after he has been notified by mail and given ten (10) days from the date of the notice to pay the delinquency). The water service shall not be restored again until all arrears, if any, plus interest and late fees are paid prior to turning on the water. The Trustees will determine a fee

schedule for the purpose of turning on said water and can adjust the schedule once each calendar year, as they deem it appropriate.

The Board of Trustees shall have the right to cancel any membership held but not in use, when the member fails to pay any assessment, membership fee, or other charges, authorized by the Board. In the event the Board cancels a held membership for such non-payment, the Board will reimburse the member for the amount of the membership paid, less the amount of any delinquency. The membership will then revert to the Board for reissue under the terms of the bylaws. Such action by the Board shall be preceded by written notification to the member. The written notification shall state the amount owed to the company and the reason the amount is owed. The notice shall also advise the member that he/she has thirty (30) days to correct the delinquency in order to avoid cancellation.

## **ARTICLE XV AMENDMENT**

These bylaws may be amended at any annual meeting of the members, or at any special meeting called as herein provided; if a quorum be present, by two-thirds vote of those members (present in person or by proxy at such meeting), provided notice in writing of such proposed amendment has been given to all members at least ten (10) days prior to such meeting.

## **ARTICLE XVI INDEMNIFICATION**

The Board of Trustees of the Maury Mutual Water Company shall have no personal liability to the company or its members for monetary damages for conduct as a trustee provided that such provision shall not eliminate or limit the liability of a trustee for acts or omissions that involve intentional misconduct by a trustee or a knowing violation of the law by a trustee, or for any transaction for which the trustee will personally receive a benefit in money, property, or services to which a trustee is not legally entitled. No such provision may eliminate or limit the liability of a trustee for any act or omission occurring before the date when such provision becomes effective.

Personal liability of the trustees shall be limited to the full extent of the law including any change that might occur in the law in the future.