

**BY-LAWS
OF
Marion Water Company
As Amended May 2021**

ARTICLE 1

General Purposes

The purposes for which this corporation is formed, and the powers which it may exercise are set forth in the articles of incorporation of the corporation

ARTICLE II

Name and Location

Section 1. The name of this corporation is the Marion Water Company.

Section 2. The principal office of this corporation shall be located in the Buckley community, County of Pierce, State of Washington, but the corporation may maintain offices and places of business at such other places within 50 miles of Buckley, WA as the Board of Trustees may determine.

ARTICLE III

Seal

Section 1. The seal of the corporation shall have inscribed thereon the name of the corporation, and the year of its organization.

Section 2. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced.

ARTICLE IV

Time of Existence and Fiscal Year

Section 1. The time of existence of the corporation shall be perpetual.

Section 2. The fiscal year of the corporation shall begin the First day of January in each year.

ARTICLE V

Membership

Section 1. Any bonafide owner of a farmstead or dwelling having reasonable accessibility to the source of and who is in need of having water supplied for household, livestock, garden, and other necessary purposes from the water system operated by the corporation, subject to Department of Health and Marion Water Company Water System Plan.

Section 2. Establishing membership begins at the time of payment of the membership fee and is immediately attached to the property address or parcel. Any subsequent property owner assumes the rights and responsibilities of membership as a result of the purchase.

ARTICLE VI

Customers

Section 1. Notwithstanding the foregoing, a new Customer class has been created. Eligibility shall be the residents of the Golden Valley Estates. The water service is assigned to and stays with the lot or Golden Valley management on sale of the lot.

Section 2. The demarcation point for the water is the meter. It is the customer's responsibility for the service line from the meter to the point of use. The then current occupant of each lot is responsible for the water bill for the water that is provided.

Section 3. A customer may not vote for trustees or on any other item that comes before the corporation, nor is a customer eligible to serve as trustee or an officer of the corporation. A customer is not entitled to the benefits of membership as set out in the rules and regulations for water service as adopted by the board of trustees.

ARTICLE VII

Meetings of Members

Section 1. The annual meeting of the members of this corporation shall be held in the Buckley Community, County of Pierce, State of Washington, in May of each year.

Section 2. Special meetings of the members may be called at any time by the action of the board of trustees and such meetings must be called whenever a petition requesting such meeting is signed by at least ten percent of the members and presented to the secretary or to the board of trustees. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted thereat except such as is specified in the notice.

Section 3. Notice of meetings of members of the corporation may be given by a notice mailed to each member of record, directed to the address shown on the books of the corporation, at least ten days and not more than 50 days prior to the meeting. Such a notice shall state the nature, time, place and purpose of the meeting.

Section 4. Eight members present constitute a quorum at any meeting of the corporation for the transaction of business. The voting powers of the members of this corporation shall be equal, each membership shall have one vote only.

Section 5. Trustees of this corporation shall be elected at the annual meeting of the members.

Section 6. The order of business at the regular meetings and so far as possible at all other meetings shall be:

1. Calling to order and proof of quorum
2. Proof of notice of meeting
3. Reading and action of any unapproved minutes
4. Reports of officers and committees
5. Election of trustees
6. Unfinished business
7. New business
8. Adjournment

ARTICLE VIII

Trustees and Officers

Section 1. The board of trustees of this corporation shall consist of seven people, all of whom shall be members of the corporation. At each annual meeting the members shall elect for a term of two years the number of trustees whose terms of office have expired. Odd years 3 trustees and even years 4 trustees are elected.

Section 2. The board of trustees shall meet within ten days after the annual election of trustees, and shall elect by ballot a president and vice president from among themselves, and a secretary-treasurer, each of whom shall hold office until the next annual meeting and until the election and qualifications of his successor unless sooner removed by death, resignation or for cause.

Section 3. If the office of any trustee becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, except by removal from office, a majority of the remaining trustees, though less than a quorum, shall, by a majority vote, choose a successor who shall hold office until the next regular

meeting of the members of the corporation, at which time the members shall elect a trustee for the unexpired term or terms, provided that in the call of such regular meeting a notice of such election shall be given.

Section 4. A majority of the board of trustees shall constitute a quorum at any meeting of the board.

Section 5. The President, Vice President and Secretary-Treasurer shall be compensated for official services to Marion Water Company at the rate of \$20.00 per hour. Each officer shall document his/her time and submit the same at a regular meeting of trustees for approval prior to payment. Any changes in rates of compensation to the officers shall only be approved by a vote of the members at the annual meeting. Trustees shall receive no compensation for their services as such.

Section 6: Officers and trustees may be removed from office in the following manner: any member, officer or trustee may present charges against a trustee or officer by filing them in writing with the secretary of the corporation. If presented by a member, the charges must be accompanied by a petition signed by ten percent of the members of the corporation. Such removal shall be voted on at the next regular meeting or special meeting of the members and shall be effective if approved by a vote of a majority of the members present. The trustee or officer against whom such charges have been presented shall be informed in writing of such charges five days prior to the meeting and shall have the opportunity, at such meeting to be heard in person or by counsel and to present witnesses; and the person or persons presenting such charges against him shall have the same opportunity. If the removal of a trustee is approved, such action shall also vacate any office held by the removed trustee in the association. A vacancy in the board thus created shall immediately be filled by a vote of a majority of members present and voting at such meeting. A vacancy in any office thus created shall be filled by the trustees from among their number so constituted after the vacancy in the board has been filled.

Section 7. Trustees and Officers shall rotate positions such that a new trustee will serve as a trustee prior to assuming officer responsibilities, starting with the Secretary/Treasurer position followed by the Vice President position and lastly President. This will maintain continuity of operations and an even flow of leadership of the corporation, while at the same time not burdening one person with responsibilities for years.

ARTICLE IX

Duties of Trustees

Section 1. The board of trustees, subject to the restrictions of law, the articles of incorporation, or these by-laws, shall exercise all of the powers of the corporation, and, without prejudice to or limitation upon their general powers. It is hereby expressly provided that the board of trustees shall have, and are hereby given full power and authority in respect to the matters and as hereinafter set forth:
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(a) To select and appoint all officers, agents or employees of the corporation or remove such agents or employees of the corporation for just cause, prescribe such duties and designate such powers as may not be inconsistent with these by-laws, fix their compensation and pay for faithful services.

(b) To borrow, from any source, money, goods or services and to make and issue notes and other negotiable and transferable instruments, mortgages, deeds of trust and trust agreements and to do every act and thing necessary to effectuate the same.

(c) To prescribe, adopt and amend, from time to time, such equitable uniform rules and regulations as, in their discretion may be deemed essential or convenient for the conduct of the business and affairs of the corporation and the guidance and control of its officers and employees, and to prescribe adequate penalties for the breach thereof.

(d) To order, at least once each year, an audit of the books and accounts of the corporation by a competent auditor or accountant. The report prepared by such auditor or accountant shall be submitted to the members of the corporation at their annual meeting. If however, the books and accounts are prepared by a certified public accountant, the income statement and the balance sheet will be accepted – if approved by a majority vote at the annual meeting – in lieu of the annual audit.

(e) To fix the charges to be paid by each member and customer for services rendered by the corporation to him/her, the time of payment and the manner of collection.

(f) To require all officers, agents and employees charged with responsibility for the custody of any of the funds of the corporation to give adequate bonds, the cost thereof to be paid by the corporation, and it shall be mandatory upon the trustees to so require.

(g) To select one or more banks to act as depositories of the funds of the corporation and to determine the manner of receiving, depositing and disbursing the funds of the corporation, the form of checks and the person or persons by whom the same shall be signed, with the power to change such banks and the person or persons signing such checks and the form thereof at will.

ARTICLE X

Duties of Officers

Section 1. Duties of the President. The president shall preside over all meetings of the corporation and the board of trustees, call special meetings of the board of trustees, perform all acts and duties usually performed by an executive and presiding officer, and sign all such papers of the corporation as may be authorized or directed to sign by the board of trustees, provided the board of trustees may authorize any person to sign any or all checks, contracts and other instruments in writing on behalf of the corporation. The president shall perform such other duties as may be described by the board of trustees.

Section 2. Duties of the Vice President. In the absence or disability of the president, the vice president shall perform the duties of the president: provided, however, that in case of death, resignation or disability of the president, the board of trustees may declare the office vacant and elect his successor.

Section 3. Duties of the Secretary-Treasurer. The secretary-treasurer shall have general charge and supervision of the books and records, corporate seal and of all member and board of trustees meeting minutes of the corporation. He/she shall sign with the president all such papers pertaining to the corporation as he/she may be authorized or directed to do by the board of trustees. He/she shall serve all notices required by law and by these by-laws and shall make a full report of all matters and business pertaining to his/her office to the members at the annual meeting. He/she shall have general charge and supervision of all reports required by law and shall perform such other duties as may be required of him/her by the corporation or the board of trustees. He/she shall also perform such duties with respect to the finances of the corporation as may be prescribed by the board of trustees.

ARTICLE XI

Member and Customer Benefits and Duties

Section 1. Becoming a member or customer of Marion Water Company constitutes agreement and acceptance of Marion Water Company By-Laws and Marion Water Company Rules and Regulations.

Section 2. The corporation will install, maintain and operate a main distribution pipe line or lines from the source of the water supply and service lines from the main distribution pipe line or lines to the meter of each member of the corporation, at which points, designated as delivery points, meters to be purchased, installed, owned and maintained by the corporation shall be placed. The cost of the service line or lines from the main distribution pipe line or lines of the corporation to the meter of each member shall be paid by the applicant. The corporation will also purchase and install a cut-off valve in each service line from its main distribution line or lines, such cut-off valve to be owned and maintained by the corporation and to be installed on some portion of the service line owned by the corporation. The corporation shall have the sole and exclusive right to use such cut-off valve to turn it on and off.

Section 3. Each member shall be entitled to purchase from the corporation, pursuant to such agreements as may from time to time be provided and required by the corporation, such water for household, livestock, garden and other necessary purposes as a member may desire, subject, however, to the provisions of these by-laws and to such rules and regulations as may be prescribed by the board of trustees. Each member shall be entitled to have delivered to him/her through a single service line through a meter only such water as

may be necessary to supply the needs of the persons residing, up to one dwelling, and of the livestock owned by such persons, to irrigate a garden, and other necessary purposes.

Section 4. In the event the total water supply shall be insufficient to meet all of the needs of the members or in the event there is a shortage of water, the corporation will pro rate the water available among the various members on such basis as is deemed equitable by the board of trustees, and may also prescribe a schedule of hours covering use of water, and require adherence thereto. Priority for the use of water shall be respectively in the order listed:

1. Household
3. Livestock
4. Garden
5. Other necessary purposes

Section 5. The board of trustees shall, prior to the beginning of each calendar year, determine the flat minimum monthly rate to be charged each member during the following calendar year for a specified quantity of water, such flat minimum monthly rate to be payable irrespective of whether any water is used by a member during any month, and the amount of additional charges, if any, for additional water which may be supplied to the member, shall fix the date for the payment of such charges, and shall notify each member of the amount of such charges and the dates for the payment thereof. A member to be entitled to the delivery of water shall pay such charges at the office of the corporation at or prior to the dates fixed by the board of trustees.

ARTICLE XII

Distribution of Surplus Funds

Section 1. It is not anticipated that there will be any net income. If there should be any, then at the end of the fiscal year, after paying the expenses of the corporation for operation and otherwise, and after setting aside reserves for depreciation on all buildings, equipment and office fixtures and such other reserves as the board of trustees may deem proper and after providing for payments on interest and principal of obligations and amortized debts of the corporation and after providing for the purchase of proper supplies and equipment, the net earnings shall be accumulated in a surplus fund for the purpose of replacing, enlarging, extending and repairing the system and property of the corporation and for such other purposes as the board of trustees may determine to be for the best interests of the corporation.

ARTICLE XIV

Amendments

Section 1. These by-laws may be repealed or amended by a vote of a majority of the members present at any annual meeting of the corporation, or at any special meeting of the corporation called for that purpose.