

AMENDED BY-LAWS
OF
SAN CRISTOBAL MUTUAL DOMESTIC
WATER CONSUMERS ASSOCIATION

ARTICLE I

Section 1. The name of the Association shall be the San Cristobal Mutual Domestic Water Consumers Association.

Section 2. The location of the Association shall be San Cristobal, New Mexico.

Section 3. The purpose of the Association shall be to supply domestic sanitary water to as many families as possible, in accordance with applicable rules and regulations of the State Engineer and State Board of Health.

ARTICLE II

Section 1. The fiscal and accounting year of the Association shall be from January 1 to December 31.

ARTICLE III

Membership

Section 1. Eligibility. Any person who owns a house or property in the community of San Cristobal may become a member by applying for membership to the Board of Directors and upon being approved, by paying the current membership fee set by the Board of Directors. A property owner need not be a resident of the community at the time application for membership is made, but should intend to reside in the community in the future.

Section 2. Membership shall not be denied because of the applicant's race, color, creed, national origin or sex.

Section 3. Membership may be denied or terminated if the Association is unable to deliver water to the applicant or member, or if the capacity of the Association's water system is exhausted by the needs of its existing members and if the Association is unable to acquire additional facilities to accommodate new members.

Section 4. The rights, privileges and obligations of all members of the Association shall be equal. Each member's right to delivery of water shall be proportionate to the number of active memberships provided water by the Association.

Section 5. Each member shall be entitled to one vote. Voting by proxy shall not be permitted.

Section 6. Membership Fee.

- A. The membership fee for those who signed as Charter Members of the Association on or prior to September, 1974, shall be \$101.00. This amount is due and payable to the Association prior to the time the water is turned on. The Board may, for good cause shown, allow monthly payments by the member.
- B. After the system is in operation, membership fees shall be set periodically by the Board of Directors. The Board shall have the right to raise membership fees, as deemed necessary.
- C. Payment of the membership fee shall entitle the member to one "tee" or connection from the main line, ten feet (10') of connecting pipe, a meter, meter can, and yoke. Any cost incurred by the Association while making the connection, over and above the value of the membership fee, shall be borne by the member.

D. The membership fee shall not be refundable.

Section 7. If a house or property provided water by the Association is sold, the new owners shall be offered membership in the Association, subject to payment of the applicable membership fee and any outstanding amount owed to the Association by the previous member.

Section 8. Monthly Rates.

- A. The Board shall employ a meter reader to read all meters.
- B. Each member shall be billed monthly. It shall be the responsibility of each member to pay his/her monthly bill directly to the Treasurer of the Association by the 20th day of each month.
- C. In the event of an undiscovered leak on a member's line, that member's average monthly bill, based on the previous twelve months usage, shall be charged plus 50% of the overage. This will be effective for one billing cycle only. An exception shall be made during the winter months when the meters are not read. The charge then shall be the average usage as determined above, plus 25% of the overage. No penalty shall be charged for payment in installments of the overage only, provided the bill is paid in full within six months of the date incurred.
- D. Penalties for failure of a member to pay water charges shall be:
 - 1. Nonpayment within 10 days of the due date will be subject to a 10% penalty for the delinquent amount.

2. Nonpayment within 30 days from the due date shall be sufficient for the Board to discontinue service and turn off the water to that member, and remove the meter.
3. A fee, in an amount to be set periodically by the Board, will be charged for reconnection of the service.

ARTICLE IV

Section 1. Violations and fines.

- A. The proper use of domestic water from the underground dam shall be subject to the rules and regulations set by the Board for the Association, and any misuse of the water shall be considered a violation for which fines may be imposed by the Board. No member may sell water from the system, tamper with a meter, or misappropriate water in any manner.
- B. The following fines may be imposed by the Board for any violation of rules and regulations:
 1. First offense: \$50.00 fine.
 2. Second offense: \$75.00 fine, and the water shall be shut off.
 3. Third offense: \$100.00 fine, and the membership shall be terminated.
 4. The above fines may be increased at the Board's discretion.
 5. Any member whose water has been shut off for a violation shall be required to pay the plumbing fee for shutting off and turning on the water.

Section 2. One membership entitles the member to the use of the water for domestic use only. "Domestic" use shall be distinguished from "commercial" use. The Board shall have the right to set a limit on the amount of water that may be consumed on

a monthly basis by each member of the Association. In times of drought or limited water, the Board shall have the right to prioritize the ways in which the water may be used, and confine all use to interior, household use only.

Section 3. Only one inch pipe (maximum diameter) off the main line shall be allowed for each member.

Section 4. Inspections.

- A. For the benefit of the Association and for the safety and general welfare of all members, routine inspections may be made before water is turned on and periodically by a committee authorized to make inspection of plumbing and all other apparatus pertaining to the use of water in the house such as condition of pipes, leaks, and irregularities for which each member shall be responsible.
- B. The Board will act upon the recommendations of the Inspecting Team to correct irregularities, to render advice to homeowners and to impose fines for violations.
- C. A member so fined may appeal to the Board and the Inspectors and shall be required to be present at a hearing in which the appeal shall be heard.
- D. If any member leaves the community for any extended period of time, s/he must have the water turned off, the pipe drained, and the system protected against freezing or any other damage and report his/her absence to the Secretary of the Board.
- E. All pipes must be laid a minimum of 42" deep.

ARTICLE V

Duration

Section 1. This Association shall exist for a period of one hundred (100) years.

Section 2. If any assets remain upon dissolution of the Association, they will be equally distributed to members according to the number of shares each possesses.

ARTICLE VI

Board of Directors and Officers

Section 1. Board of Directors. The Board shall be composed of a minimum of seven (7) members. Each board member shall be a member of the Association. Board members shall be elected at the annual meeting of the Board, by a majority of members present.

Section 2. Officers. The Officers of the Association shall be as follows: President, Vice-President, Secretary and Treasurer. Officers shall be elected by the members of the Board. The Vice-President shall automatically become President at the beginning of a new term of office.

Section 3. Duties of Officers.

A. The President shall preside at meetings, keep the Board informed of all affairs pertinent to the business of the Association, call special meetings, appoint committees with the consent of the Board, and act as an ex-officio member of all committees and see that the affairs of the Association are handled in a business-like manner.

B. The Vice-President shall preside in the absence of the President and shall perform the duties of the President when the President is absent.

- C. The Secretary shall keep a complete record of all meetings of the Association and shall have general charge and supervision of the books and records of the Association. S/he shall attest the President's signature on all the membership certificates, and all other papers pertaining to the Association. S/he shall serve, mail or deliver all notices required by law and by these by-laws and shall make a full report of all matters pertaining to this, to the members at the annual meeting or at such other time or times as the Board may require.
- D. The Treasurer shall collect all assessments and monies due to the Association, maintain appropriate checking and savings accounts, make deposits in accounts established and approved by the Board, make disbursements from said accounts, and report to the Board on business transacted and the financial condition of the Association. The Treasurer shall be bonded in an amount of \$3,000.
- E. The Officers shall be elected by the members of the Board of Directors at a meeting called within ten (10) days of the annual meeting at which they were elected. Officers shall serve until the following annual meeting.

Section 3. Compensation of Officers. The members of the Board and Officers shall receive no compensation for their service as Board members. The Treasurer shall be paid for his/her services at a rate to be fixed by the Board of Directors.

Section 4. In addition to the annual meeting, the Board shall hold meetings at such regular intervals as the Board may determine. A majority of the Board present at any meeting shall constitute a quorum for the transaction of business.

Section 5. Powers of the Board. The Board of Directors shall have the general power to act for the Association in any manner not prohibited by statute or by the Articles of Incorporation. If the Association shall, at any time, borrow, or receive by way of grant, any property of the United States, through any of its agents, the Board of Directors shall pursue and implement such management methods, including accounting and audits, as such Agency may prescribe.

Section 6. Vacancies.

- A. If the office of any Board member becomes vacant by reason of death, resignation, retirement, disqualification, or otherwise except by removal of office, a majority of the remaining directors, though less than a quorum shall by a majority vote choose a successor who shall hold office until the next annual meeting of the members of the Association at which time the members shall elect a Board member for the unexpired term of office.
- B. A Board member who fails to attend two consecutive meetings without advance explanation to the Secretary or President shall be automatically removed from office as a Board member and shall be so notified by the Secretary of the Board.

Section 7. Removal of Board Members and Officers. Any Board member or Officer of the Association may be removed from office with or without cause, by a vote of not less than two-thirds of the members of the Association present at any annual meeting or at a special meeting called for that purpose. The Board member or Officer shall be informed in writing of the charges against him/her at least ten days in advance of such meeting and at such meeting shall have the right and opportunity to be heard in

person or by counsel and present witnesses on his/her behalf. Employees or agents of the Board of Directors or Officers may be removed from office or employment at any time by action of the Board of Directors.

Section 8. Other Employees or Agents. The Board of Directors may appoint in addition to the officers named above, any employee who may be necessary to superintend the water of the Association, its construction, maintenance and repair. Such employee may be authorized by the Board of Directors under its direction and pursuant to its rules and regulations to provide for the delivery of water to the members of the Association. Such agents or employees shall be paid compensation for performance of their duties in an amount to be determined by the Board of Directors.

ARTICLE VII

Water Charges, Assessments, Distribution of Water

Section 1. Water shall be delivered only to users who are members of the Association.

Section 2. The Board of Directors shall establish a rate schedule to be charged the members for service provided by the Association. The established rate schedule shall apply to each membership. The Board of Directors shall renew the established rate schedule annually, or more frequently if warranted, to assure that sufficient income will be generated for the coming year to cover anticipated expenses. This shall be determined by the previous year's actual expenses and the estimated budget for the coming year.

Section 3. Assessments. If at any time within ninety days prior to the end of the fiscal year, or sooner, it appears in the judgement of the Board of Directors that the amount derived, or which will be derived, from the collection of water charges during

any fiscal year will be insufficient to pay when due all costs incident to the operation of the Association's system and the payment of all debts of the Association, the Board shall make and levy an assessment against the members of the Association so that the total amount reasonably expected to be collected shall be sufficient to fully pay when due all costs of operation, maintenance, replacement and repayments or indebtedness, or other expenses of the year's operation. A proportionate amount of the necessary total of such assessments levied in any year shall be levied against each member in an amount which bears the same relation to the total assessment as the number of memberships serving such member bears to the total number of memberships within the Association.

Section 4. The Board of Directors shall have the authority to sell the membership of any member in the event of non-payment of water charges or assessments owing by said member within 30 days after demand for payment by mail, properly addressed to such delinquent member. In the event a membership is sold for non-payment of water charges or assessments, the sale shall constitute a complete forfeiture of any and all rights to said membership and the proceeds of such sale.

Section 5. The Board of Directors shall have the right to institute rationing of water in the event there is insufficient water to meet the demand of member users. The Board shall also have the right to prioritize the uses to which water may be applied in the event of water shortages, and to provide that only interior household use may be allowed. In the event of rationing or prioritization of water uses, members shall be notified by mail, and thereafter any violation shall be subject to the section herein on violations and fines.

ARTICLE VIII

Section 1. Form of Certificate. The Board of Directors shall determine the form of membership certificate and the same shall be signed by the President and his signature attested by the Secretary.

Section 2. Membership Book. As part of the records of the Association there shall be kept a membership book, which shall contain a list of the certificates of membership which have been issued, noting the number of the certificate, the date thereof, and the name and address of the person(s) to whom issued.

ARTICLE IX

Meetings

Section 1. An annual membership meeting shall be held in January of each year at which seven (7) Board members shall be elected. The date and place of meeting shall be set by the Board of Directors, and notice thereof shall be given to the members of the Association.

Section 2. Special membership meetings may be called by the Board of Directors upon ten (10) days notice. Upon receiving a written request for a special membership meeting signed by twenty percent (20%) of the members, the Board of Directors shall call a special meeting of the members.

Section 3. A special meeting of the Board of Directors shall be called within ten (10) days by the President upon receiving a written request signed by two (2) members of the Board of Directors.

ARTICLE X

Amendments

Section 1. These By-laws may be amended at a regular meeting of the membership or at a special meeting called for the special purpose upon thirty (30) days notice at which regular or special meeting at least twenty percent (20%) of the members are present and by a vote of two-thirds of those present at such meeting.

Date Adopted:

08/25/01

Attest:

[Signature]

President

[Signature]

Secretary