

By-Laws Of
WESTPORT WATER ASSOCIATION

ARTICLE I

General Purpose

That purpose for which this association is formed and the powers which it may exercise are set forth in the articles of incorporation of the association.

ARTICLE II

Name and Location

- Section 1. The name of the association is Westport Water Association, a cooperative non-profit.
- Section 2. The principal office of this association shall be located in the community of Westport, County of Clatsop, State of Oregon, but the association shall maintain offices of business at such other places within or without the state as the board of directors may determine.

ARTICLE III

Seal

- Section 1. The seal of the association shall have inscribed thereon the name as the association, the year of its organization and the words, Non-Profit Association, Oregon.
- Section 2. The secretary of the association shall have custody of the seal.
- Section 3. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE IV

Fiscal Year

The fiscal year of the association shall begin the first day of July each year.

ARTICLE V

Membership

- Section 1. The holders of membership certificates of this association are its members. Any bona fide owner or occupant of a farmstead or dwelling, any bona fide owner or operator of an industrial installation or commercial establishment, and any bona fide public or non-profit institution having reasonable accessibility to the source of and who is in need of having water supplied for domestic livestock, recreational, garden, industrial, recreational and commercial purposes from the water system operated by the association and who receives the approval of the board of directors may be admitted to membership upon subscribing for or otherwise acquiring a membership certificate, and by signing such agreements for

the purchase of water as may be provided and required by the association: provided that no person otherwise eligible shall be permitted to subscribe for or acquire a membership certificate of the association if the capacity of the association's and Wauna Water District's water system is determined to be insufficient in meeting the needs of its existing members, as determined by the Board of Directors of WWA and Wauna Water District.

Section 2. When holders of mortgages [for purposes of this section, "holders of mortgages" shall include beneficiaries of trust deeds] on properties of members, which properties are served by the association, give notice in writing to the association of the existence of such mortgages, then holders of said mortgages shall receive copies of all communications sent by the association to the members on those properties the mortgage exists. If the holders of these mortgages by purchase at a foreclosure sale through voluntary conveyance by the owner obtain the property, they shall be admitted to membership in the association, provided they agree to purchase water from the association. People who purchase property from mortgage holders who have thus acquired title to the property shall also become a member of the association if they sign the agreement mentioned in Section 2 C of Article VI of the By-Laws. If a sale is held when the mortgage is foreclosed, the purchaser shall be entitled to become a member of the association if they sign the above-mentioned agreement. If a property is sold in more than one parcel, the board of directors shall determine which parcel shall entitle the owner thereof to membership in the association.

Section 3. In case of death of a member, or if a member ceases to be eligible to hold membership as provided in Section I, or willfully fails to comply with these By-Laws and other requirements, or willfully obstructs the purposes and proper activities of the association, the association, through the board of directors, may elect to purchase their membership certificate and terminate their membership upon tender to them or their heirs or local representatives of the fair book value of their membership certificate as determined by the board of directors, together with any dividends due and unpaid, less any indebtedness then due from them to the association. Any member whose membership is so terminated for causes other than that of ceasing to be eligible may appeal from the action of the board of directors to a vote of the members at the next regular meeting of the members or special meetings of the members called for such purposes.

ARTICLE VI

Membership Certificates

Section 1. This association shall not have capital stock, but its capital shall be represented by membership certificates.

Section 2. The membership certificate shall be issued to each holder of fully paid membership and shall be numbered consecutively in accordance with the order of issue. Each membership certificate shall bear on its face the following statements:

- a. This membership certificate: No._____, is issued and accepted in accordance with and subject to the conditions and restrictions stipulated in the articles of incorporation and By-Laws and amendments to same of the Westport Water Association.

- b. Transfers of membership certificates shall be made only upon the books of the association, only to person's eligible to become members, only with the approval of the board of directors, and only when the member transferring is free of indebtedness to the association.
 - c. No member of this association shall be entitled to more than one vote at meetings of the members. Every member upon becoming a member of this association agrees to sign such agreement for the purchase of water from the association as may from time to time be provided and required by the association and agrees in case they desire to dispose of their membership certificate, to first offer the same to the association at its fair book value and they will make no offer of assignment or sale of the same unless the association shall fail after 30 days' notice in writing to purchase the membership certificate.
- Section 3. Each member agrees to sign such water user's agreement as the association shall from time to time provide and require.

ARTICLE VII

Meetings and Members

- Section 1. The annual meeting of the members of this association shall be held in the month of August, at a date and time to be determined by the board of directors, in Westport, County of Clatsop, State of Oregon, not more than 60 days after the close of the fiscal year.
- Section 2. Special meetings of the members of the association may be called at any time by the secretary upon the request of the board of directors or upon the filing of a petition with the secretary, which is signed by at least 10% of the members of the association. 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 association may be given by a notice of electronic and or, mailed to each member of record, directed to the address shown upon the books of the association at least ten days prior to the meeting. Such a notice shall state the nature, time, place, and purpose of the meeting, but no failure or irregularity of notice of any annual meeting, regularly held, shall affect any proceedings taken thereat.
- Section 4. The members present at any meetings of the members shall constitute a quorum at any meeting of the association for the transaction of business. The voting powers of the members of this association shall be equal, each member shall have only one vote, and no voting by proxy shall be allowed.
- Section 5. Directors of this association 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 the meetings shall be:

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

ARTICLE VIII

Directors and Officers

Section 1. The board of directors of this association shall consist of 5 members, all of whom shall be members of the association. Three directors for a term of two years and two directors for a term of three years. Each director shall hold office until their successor has been elected and qualified and entered upon the discharge of their duties. When membership is held by more than one individual. e.g. a husband and wife, any one individual may be a director, but not more than one per membership certificate.

Section 2. The board of directors shall elect by ballot at the Annual Membership Meeting a President and Vice President, and Secretary- Treasurer from among themselves, each of whom shall hold office until the next annual meeting and until the election and qualifications of their successor unless sooner removed by death, resignation or for cause.

Section 3. If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, except removal from office, a majority of the remaining directors, through less than a quorum, shall by majority vote, choose a successor who shall hold office for the unexpired term of the director whose place they fill. The disqualification of a director as a member of the association shall operate to disqualify them as a director and to create a vacancy in the office of director.

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

Section 5. Compensation of officers may be fixed at any regular or special meetings of the members of the association. Directors shall receive no compensation for their services as such.

Section 6. Any member bringing charges against an officer or director shall file them in writing with the secretary of the association and the secretary shall immediately notify the officer or director of the charges filed against them. The officer or director may then file with the secretary a statement giving concisely their defense against the charges made. The board of directors shall take the matter up at its next regular meeting and take such action as it deems to be for the good of the association. If the charges were accompanied by a petition requesting the removal of the officer or director, signed by ten percent of the members, and

are filed with the secretary at least fourteen days previous to any general or special meeting, the secretary shall prepare and mail each member with the regular notice a ballot calling for a vote upon the removal of the officer or director. Accompanying the notice and ballot the secretary shall enclose a statement giving the charges against the officer or director, and at the request of the accused officer or director, the secretary shall enclose with this statement to each member a copy of the written defense as filed. By a vote of the majority of the total membership present or represented by ballot the association may remove the officer or director and fill the vacancy.

Section 7. In accordance with Oregon law, the board of directors is authorized to conduct voting by electronic mail [email] under these Bylaws. Such calls of vote are to be reserved for issues of importance that cannot wait for a future or specially called meeting. This may arise, for example, in the event a quorum is not present at a formal meeting, or in the event that Board action is considered desirable at a time between regularly scheduled meetings. In such cases, all board directors have the right to submit a vote within a specific time period [no less than 48 hours, and no more than 7 calendar days]. A director may change the vote anytime up to the stated deadline. Vote by email shall be conducted in the following manner:

- a. The president or any two directors may request a vote via email. Directors shall have 3 options regarding their vote; [1] vote to pass the motion; or [2] vote to reject the motion, or [3] abstain/fail to respond. The email notice must describe the proposed action and when it will be effective.
- b. A simple majority of all board directors is required to pass the vote.
- c. All directors must have access to email, and it is the responsibility of each director to inform the President and Secretary of the correct email address for the purposes of correspondence and email voting.
- d. A record of the notice and email vote shall be kept in the minutes of the Association.

ARTICLE IX

Duties of Directors

Section 1. The board of directors, subject to the restrictions of law, the articles of incorporation, or these By-Laws, shall exercise all of the powers of the association, and without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board of Directors shall have, and are hereby given, full power and authority [to be exercised by resolution adopted by a majority vote of all members by the Board of Directors] in respect to the matters and as hereinafter set forth.

- a. To pass upon the qualifications of members, and to cause to be issued appropriate certificates of membership.
- b. To select and appoint all officers, agents or employees of the association, or remove such officers, agents or employees of the association 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.

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- c. 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.
- d. 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 association and the guidance and control of its officers, contractors, agents, and employees, and to prescribe adequate penalties for the breach thereof.
- e. To order, at least once each year, an audit of the books and accounts of the association by a competent public auditor or accountant. The report prepared by such auditor or accountant shall be submitted to the members of the association at their annual meeting.
- f. To fix the charges to be paid by each member for the services rendered by the association to them, the time of payment and the manner of collection.
- g. To select one or more banks to act as depositories of the funds of the association and to determine the manner of receiving, depositing, and disbursing the funds of the association and 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 president. The president shall preside over all meetings of the association and the board of directors, call special meetings of the board of directors, perform all acts and duties usually performed by an executive and presiding officer, and sign all membership certificates as such other papers of the association as he may be authorized or directed to sign by the board of directors, provided the board of directors may authorize any person to sign any or all checks, contracts and other instruments in writing on behalf of the association. The president shall perform such other duties as may be prescribed by the board of directors.

Section 2. Duties of the vice-president. In absence or disability of the president, the vice-president shall perform the duties of the president, providing however that in the case of death, resignation, or disability of the president, the board of directors may declare the office vacant and select a successor.

Section 3. Duties of the secretary-treasurer. The secretary-treasurer shall keep a complete record of all meetings of the association and the board of directors and shall have general charge and supervision of the books and records of the association. They shall sign all membership certificates with the president and such other papers pertaining to the association as they may be authorized or directed to do so by the board of directors. They 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 this office to the members at the annual meeting. They shall keep the corporate seal and membership certificate records of the association, and date of issuance,

surrender, cancellation or forfeiture. They shall make all reports required by law and shall perform such duties as may be required of them by the association or board of directors.

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Upon the election of a successor, the secretary-treasurer shall turn over to them all books and other property belonging to the association they may have in their possession. They shall also perform such duties with respect to the finance of the association as may be prescribed by the board of directors.

ARTICLE XI

Benefits and Duties of Members

Section 1. The association 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 pipeline or lines to the property line of each member of the association, at which points, designated as delivery points, meters to be purchased, installed, owned and maintained by the association shall be placed. The cost of the service line or lines from the main distribution pipeline or lines, of the association to the property line of each member shall be paid for by the association. The association will also purchase and install a cut-off valve in each service line from its main distribution line or lines, such a cut-off valve to be owned and maintained by the association and to be installed on some portion of the service line owned by the association. The association shall have the sole and exclusive right to use such cut-off valve and to turn it on and off.

Section 2. Each member shall be entitled to one initial service line from the association's water system at a fee to be determined by the board of directors via resolution which may be changed from time to time at the discretion of the board of directors. Service lines in excess of one will be charged additional fees as determined by the board of directors. No new service line or change in an existing service line may be made which will interfere with an existing service line or the delivery of water therein. Each service line shall connect with the association's water system at the nearest available place to the place of desired use by the member. If the association's water system shall be of sufficient capacity to permit the delivery of water through a service line at that place without interfering with the delivery of water through a prior service line. If the association's water system shall be inadequate to permit the delivery of water through a service line installed at such place without interfering with the delivery of water through a prior service line, then such service line shall be installed at such a place as may be designated by the association. Each member will be requested to dig or have dug a ditch for the connection of the service line or lines from the property line of the member to their dwelling or other portion of their premises and will be required to purchase and install the portion of service line or lines from their property line to the place of use on their premises and will also be required to purchase and install the portion of the service line or lines from their property line to the place of use on their premises and to maintain such portion of such service line or lines which shall be owned by the member, at their own expense, provided that the association may, if the board of directors so determine, purchase the pipe and install such portion of such service line or lines, the cost of which will, however, be paid for by the individual member.

Section 3. Each member shall be entitled to purchase from the association pursuant to such agreements as may from time to time be provided and required by the association, such water for domestic livestock, garden, industrial, recreational, and commercial 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 directors. Each member shall be entitled to have delivered to them through a single service line only such as may be

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necessary to supply the needs of the persons residing in a single dwelling and of the livestock owned by such persons and to irrigate a garden of not to exceed one-quarter acre or such water as may be necessary to supply industrial, recreational, or commercial needs of the member. The water delivered through each service line shall be metered and the charges for such water shall be determined separately, irrespective of the number of service lines owned by a member.

Section 4. In the event the total water supply shall be insufficient to meet all the needs of the members or in the event there is a shortage of water, the association may prorate the water available among various members on such a basis as is deemed equitable by the board of directors, and may also prescribe a schedule of hours covering use of water for gardening or recreational purposes by particular members and require adherence thereto, or prohibit the use of water for garden or recreational purposes; providing at any time the total water supply shall be insufficient to meet all the needs of all the members for domestic, livestock, garden, commercial, recreational, and industrial purposes, the association must first satisfy all of the needs of all of the members for domestic purposes before supplying any water for livestock, commercial, recreational, and industrial purposes and must satisfy all of the needs of all of the members for both domestic and livestock purposes before supplying any water for garden, commercial, recreational, and industrial purposes.

Section 5. The board of directors 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 specific quantity of water, such flat rate 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 the member, shall fix the date for payment of such charges, and shall notify each member of the amount of such charges, and dates for the payment thereof. A member to be entitled to the delivery of water shall pay such charges at the office of the association at or prior to the dates fixed by the board of directors. The failure to pay water charges duly imposed shall result in the automatic imposition of the following penalties:

- a. Non-payment for sixty days after due. The water shall be cut off from the delinquent members property, three business days after placement of water shut off notice.
- b. Membership in the association shall be terminated and the membership certificate purchased as provided for in Article V, Section 3 of these By-Laws, unless determined otherwise by a vote of the board of directors.

Section 6. The board of directors shall be authorized to require each member to enter water users' agreements which shall embody the principles set forth in the foregoing sections of this article.

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

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of the fiscal year, after paying the expenses of the association for operation and otherwise and setting aside reserves for the depreciation on all buildings, equipment and office fixtures and such other reserves as the board of directors may deem proper and after providing for payments on interest and principal of obligations and amortized debts of the association, 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 association and for such purposes as the board of directors may determine to be for the best interest of the association. The said surplus and or any portion thereof may from time to time, at the discretion of the board of directors, be distributed to the members as provided in the By-Laws, on the basis of the assessment and charges made and levied against and paid by such members during the year.

ARTICLE XIII

Amendments

Section 1. These By-Laws may be repealed or amended by a vote of a majority of the members present at any regular meeting of the association, or any special meeting of the association calling for that purpose, except that the members shall not have the power to change the purpose of the association so as to decrease its rights and powers under the law, of the state, or to waive any requirements of bond or other provision for the safety and security of the property and funds of the association or its members, or to deprive any member of rights and privileges then existing, or so to amend the By-Laws as to effect a fundamental change in the policies of the association. Notice of any amendment to be made at a special meeting of the members must be given at least ten [10] days before such meeting and must set forth the amendments to be considered.

Westport Water Association Board of Directors:

President: _____

Vice-President: _____

Board Member: _____

Board Member: _____

Board Member: _____

Revision Date: _____