

BYLAWS of COALBY DOMESTIC WATER COMPANY

ARTICLE I

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 COALBY DOMESTIC WATER COMPANY.

Section 2. The principal office of this corporation shall be located near the town of Cedaredge, County of Delta, and State of Colorado.

ARTICLE III

Seal

Section 1. The Seal of the corporation shall have inscribed thereon the name of the corporation, the year of its organization and the words, "Corporation Not For Profit".

Section 2. The secretary of the corporation shall have custody of the seal.

Section 3. The seal may be used for causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE IV

Fiscal Year

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

ARTICLE V

Membership

Section 1. Every person (which word as used herein includes any legal entity) who is a record owner of a fee interest, or having a substantial possessory interest, in a property served by the water system may become a member of the corporation upon signing such applications and agreements for the purchase of water as may be provided and required by the corporation and upon the payment of such membership and connection fee as may be imposed by the Board of Directors. A single membership may be issued to all persons owning or having a substantial possessory interest in the property. At the time of application for membership, the applicant shall identify, by address or legal description, the property to be served. The service connection for that membership may not be used upon any other tract of land than that so identified. The Board of Directors shall cause to be issued appropriate certificates of membership provided that membership shall not be denied because of applicant's race, color, creed or national origin. Membership may be denied if capacity of the corporation's water system is exhausted by the need of its existing members or if the proposed use of the applicant is such that it would interfere with existing uses previously authorized by the Board of Directors.

Section 2. Only one household or business shall be allowed for each connection. Any structure which contains a kitchen shall be considered a household. When more than one person holds the interest in a property served, the vote shall be exercised by the person in whose name the certificate is registered or by such person as the several persons may designate.

Section 3. Membership shall be transferable, but the transfer will be effective only when noted on the books of the corporation and only by deed with the parcel of real estate to which the membership is assigned. Such transfer will be made only to a person who obtains a qualifying interest in the property. A member shall transfer his membership in the corporation to his successor in interest as part of the transaction whereby he disposes of his interest to said property. The purchase price for such transaction shall be deemed to include payment for the membership in the corporation. The secretary, upon request, will make note of such transfer upon the records of the corporation and shall issue a new certificate to the successor in interest of the previous existing member. The aforementioned transfer shall be deemed to include only the right of the successor to receive domestic water from the company and those associated membership benefits as specifically called out in the Bylaws. Such sale/transfer shall not include the use or relocation of any company owned equipment, and the successor (new member) shall be expected to reimburse the company for all expenses (if any) related to

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installation and initiation of water service in accordance with established bylaws and company rules and regulations.

Section 4. When membership in the corporation is not transferred, it shall terminate upon the disposition or other termination of the member's interest in the property regardless of whether or not the certificate is surrendered to the corporation. Membership also may be terminated by action of the Board of Directors where the use of the property is changed so as to materially increase the amount of water consumed to the prejudice of other existing members or to the prejudice of the orderly operation of the system.

Section 5. The termination of the membership of any member shall not disqualify for membership any other person who has or obtains an interest in the property of the terminated member and who otherwise meets the requirements of these Bylaws.

Section 6. In the event a member's property interest is divested other than by voluntary means, such member's membership will pass to the trustee, receiver, executor or the like, who will be entitled, either in person or through a designated representative, to exercise all the rights incident to such membership but subject to such duties and liabilities also applicable to the membership. The trustee, receiver, executor or the like may terminate such membership by written notice to such effect delivered or mailed to the secretary of the corporation. Upon the final disposition of such property rights, the owner thereof shall be entitled to membership in like manner as if the membership had been transferred to him by the original member as set forth in Section 3 above.

Section 6.5. In the event that a membership is terminated involuntarily pursuant to the provisions of this Article, the membership is forfeit and all legitimate debts due and owing to the corporation are waived.

Section 7. The corporation will transfer the membership only if all charges and/or assessments are paid.

Section 8. If it is to the benefit of both the Member and the Corporation, the Board of Directors may rescind a membership and return a portion of the value of the membership to the owner.

ARTICLE VI

Membership Certificates

Section 1. This corporation shall not have capital stock. Membership in the corporation shall be represented by Membership Certificates. Such certificates shall represent the right to use and enjoy the benefits of the corporation's water supply system upon the payment of necessary assessments, if any, and of reasonable charges based upon such use, provided such use and enjoyment are consistent with the rules, regulations, and contracts affecting the same as may, from time to time, be prescribed by the Board of Directors.

Section 2. A Membership Certificate of the corporation shall be issued to each holder of a fully paid membership, numbered consecutively in accordance with the order of issue and shall be in the form as follows:

"This is to certify that _____ is a member of the _____ (name of corporation), a corporation without capital stock, organized under the laws of the State of Colorado with its principle place of business at _____, Colorado and is entitled to all the benefits and subject to all the rules and regulations of the association, including liability for assessments, as provided in its Certificate of Incorporation and Bylaws.

The holder hereof is entitled to one vote held in the affairs of the association.

IN WITNESS WHEREOF _____ (name of corporation) has caused this Certificate to be signed by its duly authorized officers and sealed with its corporate seal this _____ day of _____, 20__.

President

Secretary

Transferable only on the approval of the Board of Directors."

Section 3. Purchase of a company approved water tap (and related membership in the Coalby Domestic Water Company) shall entitle the member to the opportunity to receive domestic water from the company as well as all other membership benefits associated therewith as specified in the Bylaws specifically including one (1) vote per water tap held. Upon payment of the water meter installation fee, the member shall receive use of a water meter to be located (at the discretion of the company) in near proximity to said members property and that portion of the company main water line determined (again at the discretion of the company) to best service that property. Installation of the aforementioned meter shall be accomplished by the company. Should it be necessary or desirable (at the option of the company) to cross a county right-of-way, the company reserves the right to choose to perform and/or to contract for the requisite piping and related excavation works, all expenses for which, including any permit costs or fees, shall be considered to have been included in the water meter

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installation fee paid by the member. The water meter itself (and all associated system valves and appurtenances, if any) shall remain the property of the company, who shall then be responsible for upkeep and repair, including all costs related thereto. Purchase of a tap and related membership shall also constitute a grant of a limited easement from the member to the Company for the purpose of access to the meter and all related valves and appurtenances and a reasonable area surrounding same for the purposes of repair, maintenance and replacement.

ARTICLE VII

Meeting of Members

Section 1. The annual meeting of the members of the corporation shall be held at a designated place in the town of Cedaredge, County of Delta, State of Colorado, on a Saturday evening in the month of June of each year, and must not be held on a legal holiday. The specific Saturday in question in the month of June will be decided on annually by the Board of Directors, in order to generally avoid holiday weekends such as Memorial Day Weekend and Father's Day weekend. Notice thereof must be mailed to each member not less than twenty (20) days in advance of the annual meeting date set for that year.

Section 2. Special meetings of the members may be called at any time by the action of the Board of Directors, and such meetings must be called whenever a petition requesting such meeting is signed by at least twenty-five (25) percent of the members and presented to the Secretary or to the Board of Directors. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted thereat except as specified in the notice. All members of the corporation shall be notified of the date, time and place of any special meeting not less than twenty (20) or more than thirty (30) days prior to such meeting.

Section 3. Notice of all meetings of members of the corporation shall be given in writing mailed by first class mail to each member of record and directed to the address shown upon the books of the corporation. Such notice shall state the nature, time and purpose of the meeting and contain standardized corporation proxy forms.

Section 4. The presence at a meeting of members entitled to cast in their own right or by proxy twenty-five (25) percent of the total number of votes shall constitute a quorum. Such proxies may be general or restrictive, and only members in attendance may vote a proxy. Proxies held by members, entitled to vote in their own right at a meeting of the corporation, may be used to constitute a quorum of twenty-five (25) percent of the membership. All proxies shall be in writing and filed with the Secretary, or other assigned representative of the corporation, no later than the time set forth for the opening of an annual or special meeting. Only members in attendance may vote a proxy. Proxies shall not be valid beyond eleven (11) months from the date of the annual meeting nor after termination of a member's MEMBERSHIP CERTIFICATE. Proxies must specifically designate the name of an individual member authorized to cast that proxy vote at the meeting. All proxies that have not so designated a specific member by name when received, even though properly authorized/signed by the absent member, shall not be considered for the purpose of voting or for establishing a quorum.

Section 5. Directors of this corporation shall be elected at the annual meeting of the members as provided in Article VIII, Section 1. No Cumulative voting shall be allowed.

Section 6. The order of business at regular meetings shall be:

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

ARTICLE VIII

Directors and Officers

Section 1. The Board of Directors of this corporation shall consist of five members, all of whom shall be members of the corporation. The directors named in the Articles of Incorporation shall serve until the first annual meeting of the members and until their successors are elected and have been qualified. At the first annual meeting of the members two directors shall be elected for a term of one year, one director for a term of two years and two directors for a term of three years. At each annual meeting thereafter the members shall elect for a term

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of three years the number of directors whose terms of office have expired. Each director shall hold office for the term for which he is elected and until his successor shall have been elected and qualified.

Section 2. The Board of Directors shall meet within ten days after the annual election of directors and shall elect a president and vice president from among themselves and a secretary and treasurer who need not be members, each of whom shall hold office until the next annual meeting and until the election and qualification of his 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 by removal from 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 regular meeting of the members of the corporation, at which time the members shall elect a director 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 Directors shall constitute a quorum at any meeting of the Board. The affirmative vote of the majority of the directors at a meeting at which a quorum is present shall be the act of the Board. Any director may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 5. Compensation of officers may be fixed only at any regular or special meeting of the Board of Directors. Directors shall receive no compensation for their service as such.

Section 6. Officers and directors may be removed from office in the following manner: Any member, officer, or director may present charges against a director 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 twenty-five (25) percent of the members of the corporation. Such removal shall be voted on at the next regular or special meeting of the members and shall be effective if approved by a vote of a majority of those voting if a quorum is present. The director or officer against whom such charges have been presented shall be informed in writing of such charges at least twenty (20) 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 director is approved, such action shall also vacate any other office held by the removed director in the corporation. A vacancy in the Board thus created shall immediately be filled by a vote of a majority of the members present and voting at such meeting. A vacancy in any office thus created shall be filled by the Board of Directors from among their number so constituted after the vacancy in the Board has been filled.

Section 7. As long as a Director is acting within the scope of their official function as director, they shall not have any personal civil liability for any act or omission resulting in damage or injury. It is the purpose of this section to limit the personal liability of Directors of the corporation to the fullest extent possible by law as provided in the Colorado Revised Statutes including, but not limited to, C.R.S. 7-40-104, 70-126-103 and 13-21-115.7.

ARTICLE IX

Duties of Directors

Section 1. The Board of Directors, subject to restrictions of law, the Articles of Incorporation, and these Bylaws, shall exercise all the powers of the corporation; 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 in respect to the matters as hereinafter set forth to be exercised by resolution duly adopted by the Board:

a. To approve membership applications and to cause to be issued appropriate certificates of membership. The Board may make binding commitments to issue Membership Certificates and to permit the connection of properties to the system in the future in cases involving proposed construction or may issue such certificates prior to the commencement of the proposed construction.

b. To select and appoint all agents or employees of the corporation, remove such agents or employees of the corporation, prescribe such duties and designate such powers as may be consistent with these Bylaws, fix their compensation, and pay for faithful services.

c. To borrow from time to time, on behalf of the corporation, from a financially sound institution or agency, sums of money for such period or periods of time, upon such terms, rates of interest and amounts as may, to the corporation in its discretion, seem advisable; to execute notes or agreements in

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the forms required by said source in the name of the corporation for the payment of any sums so borrowed; and to pledge or mortgage any of the bonds, stocks or other securities, bills receivable, warehouse receipts or other property, real or personal, of the corporation; the aforementioned actions to be for the purpose of securing the payment of any moneys so borrowed, to endorse said securities, and/or to issue the necessary powers of attorney and to execute loan, pledge or liability agreements in the forms required by said source. However, in no case shall the corporation make any commitment on any of the above or enter into any agreement or contract with any individual, partnership, corporation, or other agency that would result in a commitment of funds, materials, or work of value that is in excess of fifty thousand dollars (\$50,000.00), excepting Federal, State, or local Government mandated expenditures and/or for emergency repairs needed to ensure continued services to the members, without a prior approval vote of the majority of the entire membership. The corporation may call for a special meeting of the membership in accordance with Article VII, Section 2 of these Bylaws for the specific purpose of obtaining this required approval.

d. To prescribe, adopt and amend, from time to time, such equitable uniform rules and regulations as, in its 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.

e. To submit to the members of the corporation, at their annual meeting, reports of operations and financial condition of the corporation, such reports to include a Statement of Income and Expenses for the past year and a Balance Sheet as of the end of the past year. These reports shall be accompanied by a Proposed Budget for the ensuing fiscal year. The Board may also order an opinion audit, a review, or a compilation of the corporation's financial reports by a competent public auditor or accountant. These reports and/or audits, reviews or compilations shall be made available as requested by the membership or in accordance with the requirements of other agreements.

f. To fix and alter the charges to be paid by each member for services rendered by the corporation to the member, including connection fees where such are deemed to be necessary by the directors, and to fix and alter the method of billing, time of payment, manner of connection, and penalties for late or non-payment of the same. The Board may establish one or more classes of users. All charges shall be uniform and nondiscriminating within each class of users.

g. 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 directors to so require.

h. 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, 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.

i. To levy assessments against the members of the corporation in such manner and upon such proportionate basis as the directors deem equitable and to enforce collection of such assessments by the suspension of water service or other legal methods. The Board of Directors shall have the option to suspend the service of any member who has not paid such assessment within sixty (60) days from the date the assessment was due, provided the corporation must give the member at least fifteen (15) days' written notice at the address of the member on the books of the corporation of its intention to suspend such service if the assessment is not paid. Upon payment of such assessments, any penalties applicable thereto, and a reconnection charge if one is in effect, service will be promptly restored to such a member.

j. The Board of Directors shall have the option to suspend the service of any member for non-payment of monthly usage charges as described in Article XI, Section 6b.

k. The Board of Directors shall have the option to suspend the service of any member who does not repair a leak as described in Article XI, Section 2.

l. In the event of scarcity of water or failure of supply for any reason, the Board of Directors shall have power to restrict and limit the use of water from said system in any way that the Board feels appropriate under the circumstances including, but not limited to, limiting the use of water to indoor household purposes only. Notice of the imposition of such restriction may be by phone or by written notice delivered or mailed by the Secretary and shall be effective until the members are notified otherwise. Enforcement of such a restriction shall be in accordance with a policy to be adopted by the Board of Directors

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 Directors, call special meetings of the Board of Directors, perform all acts and duties usually performed by an executive or presiding officer, and sign all Membership Certificates and such other papers of the corporation as he/she 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 corporation. The President shall perform such other duties as may be prescribed by the Board of Directors.

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 Directors may declare the office vacant and elect his/her successor.

Section 3. **Duties of the Secretary:** The Secretary shall keep a complete record of all meetings of the corporation and of the Board of Directors and shall have general charge and supervision of the books and records of the corporation. He/she shall attest the President's signature on all membership certificates and other papers pertaining to the corporation unless otherwise directed by the Board of Directors. He/she shall serve, mail, or deliver all notices required by law and by these Bylaws and shall make a full report of all matters and business pertaining to his office to the members at the annual meeting or at such other time or times as the Board of Directors may require. He/she shall keep the corporate seal and membership certificate records of the corporation, complete and attest all certificates issued, and affix said corporate seal to all papers requiring seal. He/she shall keep a proper membership record showing the name of each member of the corporation and the date of issuance, surrender, transfer, termination, cancellation, or forfeiture. He/she shall make 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 Directors. Upon the election of his successor, the Secretary shall turn over to him all books and other property belonging to the corporation that he/she may have in his/her possession.

Section 4. **Duties of the Treasurer:** The Treasurer or bookkeeper shall cause checks to be drawn for payment of the financial obligations of the corporation, which checks shall be signed by the President or Vice President of the Board of Directors in accordance with the signature cards on file with the corporation's bank of record. The Board of Directors may designate additional persons to be authorized to sign checks on behalf of the corporation with specific dollar limitations. He/she shall take all reasonable measures to secure the corporation against theft or loss of corporate funds or possibility of theft or loss of corporate funds and report the balance of all funds at all regular meetings of the corporation and Board of Directors. He/she shall also perform such duties with respect to the finances of the corporation as may be prescribed by the Board of Directors. The treasurer or bookkeeper shall make certain that all Coalby expenditures shall be handled and recorded in accordance with accepted accounting practices. The Board of Directors may, at the Board's discretion, collectively assume all responsibilities of the Treasurer including signatory rights provided corporate financial statements are reviewed and approved by the full Board at least quarterly.

ARTICLE XI

Benefits and Duties of Members

Section 1. The corporation will install, maintain, and operate a main distribution pipeline or lines from the source of the water supply in the general location in accordance with the preliminary map drawn by Alan McDermith, dated January 1973, or as modified by the present corporation engineer. Further mainline construction can be negotiated with the Board of Directors only if pipeline follows the public right-of-ways, but in no case to exceed a public right-of-way or easement signed by landowners. Any lines exceeding public right-of-ways or easements shall be metered at end of right-of-ways or easements. The corporation will purchase and pay for installation and maintenance of meters according to company specifications subject to reimbursement by the members as required in these bylaws and applicable corporation policies. Meter control, such as reading and servicing, will be done by the corporation. An inoperative meter will be cause for the meter reader to estimate amount based on prior usage.

Section 2. Each member will be required, at his own expense, to have a trench dug for the connection of the service line or lines from the main line to his dwelling or other portion of his premises and to purchase and have installed the portion of the service line from the main line to the place of use on his premises. The member

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will maintain such portion of such service line or lines, which shall be owned by the member at his own expense. In event of a leak in such service line, the member will repair it within ten (10) days, or the corporation shall have the authority to do so and add the cost to the member's monthly bill. The corporation may, if the Board of Directors so determines, purchase the pipe for and install such portion of such service line or lines, the cost of which will, however, be paid by the individual member. In addition, each member shall pay such connection charge, if any, as may have been imposed by the Board of Directors before such member will be entitled to receive water from the system.

Section 3. Each member may be permitted to have additional service lines from the corporation's water system, at the discretion of the Board of Directors, upon proper application therefore, and the tender of payment not to exceed the then existing membership fee and connection charge. The approval by the Board of Directors of additional service lines to an existing member may be made conditional upon such provisions as the Board of Directors determines necessary to protect the interest of other members and to allow for the orderly expansion and extension of the system to serve other property that may need service along the distribution lines of the system. Each service line shall connect with the corporation's water system at the nearest available place to the place of desired use by the member if the corporation's water system has sufficient capacity to permit the delivery of water through a service line at that point without interfering with the delivery of water through a prior service line. If the corporation's water system is inadequate to permit the delivery of water through a service line installed at such a place without interfering with the delivery of water through a prior service line, then such service line shall be installed at such place designated by the corporation. Any member wanting an additional service line to a temporary dwelling on his property, such as a trailer house or tenant house, shall be charged an additional one-half of his minimum monthly billing with no additional minimum gallons allowed. Service to a temporary dwelling cannot exceed three months of each year. After that date, a membership with connection fee and separate meter will be required.

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 corporation may pro-rate the water available among the various members on such basis as is deemed equitable by the Board of Directors and may also prescribe a schedule of hours covering use of water provided that if, at any time, the total water supply shall be insufficient to meet all of the needs of all the members for indoor and outdoor purposes, the corporation must first satisfy all of the reasonable needs of the members for indoor household purposes before supplying any water for outside usage of any sort. In the event of a shortage of water through lack of supply, broken or defective lines, or for any other reason, the corporation, in that event, shall have authority to cut off the supply of water, starting with the tap last installed in point of time, and continue to shut off taps in reverse order of their installation until a sufficient number shall have been shut off to issue an ample supply of water for those remaining.

Section 5. In the event of a water outage for any reason, the corporation shall not be liable for any damage done by the outage.

Section 6. The Board of Directors shall, prior to the beginning of each calendar year, determine (a) 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 (b) the amount of additional charges, if any, for additional water which may be supplied the members. A member to be entitled to the delivery of water shall pay such charges at the office designated by the corporation 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. If payment is not received by the last day of the month following the end of the month in which the meters are read, or usage estimated, by the corporation, the member will be subject to a penalty of ten (10) percent of the delinquent account, which percent may be changed at the discretion of the Board of Directors.

b. If payment is not received by the last day of the month subsequent to a. above, this will result in the water being shut off from the member's property in accordance with item j under Section 1 of Article IX. Upon the payment by the delinquent member of past due water charges, penalties thereon, and any reconnection charge, such member shall be entitled to resumption of the water supply. During the time of such suspension of water to a member, such member shall have no right to vote in the affairs of the corporation.

c. Any member who tampers with any water meters shall be suspended from the use of water immediately and shall remain suspended until such time as the Board of Directors shall determine the damage and assess the penalty.

d. No member shall permit any other person or persons to take water away from his hydrants in amounts that would equal domestic use.

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e. When the delinquent account exceeds five hundred dollars, the Board of Directors may, at their discretion, initiate involuntary termination of the membership of that member. In no event shall the delinquency be permitted to exceed 180 days without action by the Board to initiate involuntary termination of the membership. The Board of Directors shall provide no less than twenty (20) days written notice to the member that the membership is to be terminated and thereby provide him an opportunity to cure the delinquency; however, the Board is not required to accept partial payments. Upon involuntary termination as described herein, any and all indebtedness of the member to the corporation shall be released and discharged.

Section 7. The Board of Directors shall be authorized to require each member to enter into water user agreements which shall embody the principles set forth in the foregoing provisions of these Bylaws.

ARTICLE XII

Distribution of Surplus Funds

It is not anticipated that there will be any surplus funds or net income to the corporation at the end of the fiscal year after provisions are made for the payment of the expenses of operation and maintenance and the funding of the various reserves for depreciation, debt retirement, and other purposes including those required by the terms of any borrowing transaction. In the event that there should exist such surplus funds or net income, they may be placed in an existing or new reserve account to be used for the early retirement of any outstanding indebtedness or be used for the improvement and/or extension of the corporate facilities as the Board of Directors may determine to be in the best interest of the corporation and to the extent not otherwise provided for by any contractual arrangement. The occurrence in subsequent fiscal years of surplus funds or net income above the requirements of the corporation as above mentioned including, if any, a reserve for improvements and extension of facilities shall be taken into consideration by the Board of Directors in determining the water rates to be charged the members.

ARTICLE XIII

Amendments

These bylaws may be repealed or amended by a vote of a majority of the members present at any regular meeting of the corporation, or at any special meeting of the corporation called for that purpose.

(Original adoption of Bylaws)

We certify that the forgoing Bylaws were duly adopted by the members and accepted, as revised by the Farmers Home Administration, by the Board of Directors on June 21, 1973 and that the same are in full force and effect and have not been amended.

Given under our hands and the seal of the corporation this 25th day of June, 1973.

Signed: (Georgia Peterson), Secretary

Signed: (Gerald G. Carson), President

NOTE: The issue of the Bylaws was approved by the membership on March 26, 2009. This issue incorporates the previous issue of June 25, 1973 and amendments duly adopted by the Board of Directors in accordance with Article XIII, dated 14 November 1974, 12 February 1976, 9 February 1984, 12 February 1987, 15 July 1997, 10 April 2001, 10 March 2005 and 7 April 2008.

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APPROVAL OF LAST ENACTED CHANGES


By the Board of Directors:

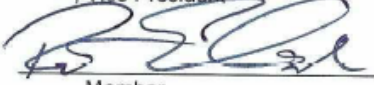
Date:

12/12/2024



President



Vice President


Member



Member


Member

Note: Changes were approved by membership vote on June 26, 2021.

NOTE: Article VII Meeting of Members Section 1 was changed by vote of the members at the 2021 Annual Meeting and was recorded in the annual meeting minutes that are located on the CDWC's google drive. The bylaw document was never signed by the 2021 board after the annual meeting. The 2024 – 2025 board signed in their place.