

Initiative For Member Action

2026 Update and Modernization of Association Bylaws

Special Member Meeting – August 2026

Frequently Asked Questions

- 1) Why is this important to me as a member?
 - a) The bylaws of Three Lakes Water Association, a private, member-owned non-profit corporation, require any bylaw revisions to be approved by the membership.
 - b) Bylaws are generally the foundational rules the association sets to govern itself within the context of WA State Laws such as RCW 24.03A (WA Non Profit Corporation Act).
 - c) As an owner you have an ownership interest in the association that delivers your water services. There are approximately 890 Member owners of the association.
 - d) It is in your interest to ensure the resources and assets of the association are managed well. Poor management will result in higher water rates, incidences of health related issues with water, and less ability to confront the replacement challenges of aging infrastructure, some of which was installed in the 1960s.

- 2) Why is the board updating the bylaws?
 - a) Our bylaws have not been updated in a major way since 2014 while changes in technology, regulation and in the economic environment that we operate in. As such, our bylaws contain obstacles to taking advantage of new technology that may offset cost increases required to operate the association.
 - b) We are modernizing the governance processes to ensure clarity for trustees, provide specific guardrails for financial controls, promote independent, objective decision making, and empower the board to drive efficiencies across the association's activities.
 - c) The association needs "tools" to be more efficient to address the challenges of rising costs and aging infrastructure in a water service area facing minimal growth in members. More members would allow costs to be divided among more members and thus per-member costs would be driven down.

- 3) Where do I find the materials regarding the proposed 2026 bylaws and the original bylaws?
 - a) All materials regarding this Special Member Meeting are posted on the Association website.
 - b) Listed below are the materials available

- i) Special Meeting Announcement
 - ii) Sample Ballot
 - iii) Summary slide deck that summarized the process and ballot items
 - iv) 2026 Bylaws Document
 - v) 2026 Bylaws Document with Annotations
 - vi) This FAQ document

- 4) Do the proposed bylaws changes affect how I get my water service?
 - a) No, water service is not impacted by the bylaw revisions.

- 5) Will the new bylaws raise the cost of water for my home or business?
 - a) No, the bylaw revisions are expected to provide the board and general manager greater flexibility in operating more efficiently. There are many revisions related to using digital technology to streamline processes, communications, record keeping, etc.
 - b) Operating more efficiently enables us to offset cost increases we are experiencing in the delivery of water services to you. Operating more efficiently reduces or delays water rate increases and allows more funds to be reserved against infrastructure replacement needed over the next 10 years.

- 6) Are my rights as a member being changed?
 - a) Not in a material way. We have added the ability to attend member and regular board meetings remotely and vote remotely once the capability is established. We have replaced proxy voting with the remote voting capability to allow members to participate more conveniently. We added the ability for members to nominate trustees in advance so that the membership can make more informed decisions on trustee candidates. We have also introduced qualifications for trustees which include being in good standing with the association and preventing conflicts of interest. We are introducing this to ensure your association governed by an independent and objective board of trustees, free of conflicts of interest, and without motive to act adversely to member interests.

- 7) What is changing that impacts me directly as a member?
 - a) For most existing members, no change will be noticed until your house or business is sold/transferred, and you will see the introduction of digital signatures, records, member certificates.
 - b) New members will experience the new process upon becoming a member.

8) What will I vote on?

- a) The board has broken out the changes into eight areas for you to express your views on the changes. The breakout was designed around groupings of revisions that belonged together for the most part.
- b) For a description of the breakout, please see the companion document in slide form that summarizes the ballot items and the related revisions. Additionally, the board has prepared a copy of the proposed bylaws with annotations on the changes so you can see.
- c) You will vote **For** or **Against** the revisions on each of the eight ballot lines. If you vote **For** the item the revisions will be adopted. If you vote **Against** the item, the text will be reverted to the original text in the 2014 document for that area.

9) What is the board recommending?

- a) The board unanimously recommends a vote **For** all change proposals put before the membership.
- b) A vote for all items will help the Association confront the challenges of rising costs, aging infrastructure in an environment where we cannot grow to spread our costs over more members

10) What if I support some of the changes but not all?

- a) As described previously, the board has decided that eight areas of the revisions can be voted **For** or **Against**. If you are against the proposed change for that line item, then it is your right as a member to express that view by voting.