August 30, 2026

BYLAWS
OF
THREE LAKES WATER ASSOCIATION

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. Name of Corporation: The name of this corporation is the Three Lakes Water Association.

Section 2. Location of Corporation: The principal office of this corporation shall be located at 17503 58th St SE, Snohomish, WA 98290, State of Washington, but the corporation may maintain offices and places within or without the state as the board of trustees may determine.

ARTICLE III – Corporate Formalities

Section 1: Corporate Seal: No corporate seal is maintained for the conduct of business.

Section 2. Electronic Signatures and Records: The corporation is authorized to use electronic signatures and to maintain records in electronic form, in accordance with the Washington Nonprofit Corporation Act (Chapter 24.03A RCW) and the Uniform Electronic Transactions Act (Chapter 1.80 RCW). Electronic signatures shall be as legally binding as original signatures for all corporate purposes except as otherwise required by law. The board of trustees shall adopt policies governing the use of electronic signatures and the retention of electronic records.

Section 3: Notices. Notices or communications may be provided to members using electronic transmission to the members' email addresses shown in the corporation's record of members or mail. A member may opt out of receiving notice by electronic transmission by delivering a formal written notice to the secretary of the corporation. The corporation may in its discretion provide notices or communications to members or trustees using one or more communication methods authorized under applicable law. The secretary of the corporation shall periodically review and update the record of members and trustees to reflect any changes in the members' or trustees' contact information. Member email addresses shall be considered confidential information and will not be disclosed by the corporation without authorization of the member.

ARTICLE IV - Fiscal Year

The fiscal year of the corporation shall begin the first day of July.

ARTICLE V - Membership

Section 1. Eligibility: The holders of membership certificates of this corporation as evidenced by the records of the corporation are its members. Any bona fide landowner of a property having reasonable accessibility to the source of, and who are in need of having water supplied for domestic, livestock, garden, industrial, and commercial purposes from the water system constructed, maintained and operated by the corporation, and located within the Retail Service Area of the Corporation as such is declared in its most recent Water System Plan, will be admitted to membership upon subscribing for and otherwise acquiring a membership certificate; provided that no person otherwise eligible shall be admitted to the corporation if the capacity of the corporation's water system is exhausted by the needs of its existing members, unless a proposed new member is purchasing a property presently served by the corporation and when the seller is retaining their membership because of other property or properties they may own that is presently served by the corporation. In addition, owners of property outside the Corporation's retail service area (but that may otherwise be served by the Association's water system) may become a member and have their property served by the Corporation, upon mutual agreement between the Corporation and the adjacent water purveyor to provide such service. Charter members shall be those members who hold membership certificates of record in the corporation as evidenced by the records of the corporation on the date of completion of construction of the initial or primary system, as determined by the board of trustees. New memberships issued to other than charter members will require the payment of applicable fees and charges, including service installation charges as determined by the board of trustees.

Section 2. Classes of Membership: There shall be three classes of memberships: Users, Charter part-time users, and Non-users with unoccupied property. Each member of this corporation, regardless of class of membership shall be entitled to one, but no more than one, vote at meetings of the members. A membership may have multiple listed members and collectively they represent a single member in matters of voting. A member may own more than one membership certificate, but such multiple ownership does not grant any greater voting rights beyond a single membership.

Section 3. Transfer of Membership: Each membership is located at a specific service connection along the water distribution main line. Should a property be sold or otherwise transferred, the right of membership shall automatically pass to the new owner, provided the transferring member is free from indebtedness to the corporation and the new owner executes the then-current water users or membership agreement.

Section 4. Member Records: The corporation shall maintain a complete and accurate membership record, which may be kept in electronic form. The record shall include each member's name, service address, mailing address, email address (if provided), phone number, membership class, and date of membership issuance or transfer. Members shall promptly notify the corporation's secretary of any change in contact information.

ARTICLE VI - Membership Certificates

Section 1. Non-Stock: This corporation shall not have capital stock, but its capital shall be represented by membership certificates.

Section 2. Issuance: The membership certificates shall be issued to each holder of a fully paid membership and shall be numbered consecutively, in accordance with the order of issue. Certificates may be issued in paper or electronic form, or both, at the discretion of the board of trustees. The board shall adopt a records policy governing the format and retention of membership certificate records. Each membership certificate shall state: (a) that it is issued and accepted subject to the articles of incorporation and bylaws; (b) that transfers may only be made on the books of the corporation upon surrender of the certificate and satisfaction of membership eligibility requirements; (c) that each membership can be represented by a single named member for voting regardless of the number of named members on the certificate, and (d) member is entitled to one vote at meetings of the members regardless of the number of memberships owned; (e) that every member upon becoming a member of this corporation agrees to sign such agreement for the purchase of water from the corporation as may from time to time be provided and required by the corporation.

ARTICLE VII - Member Meetings

Section 1. Annual Meeting: The annual member meeting of this corporation shall be held in the County of Snohomish, State of Washington, at time and date in the month of October as determined by the board of trustees. Annual meetings may be held in person, by remote means (including video or telephone conference), or in a hybrid format combining both, as determined by the board.

Section 2. Special Member Meetings: Special member meetings 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 (10%) of the members and presented to the secretary or board. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted at such meeting except as is specified in the notice. Special meetings may be held in person, remotely, or in a hybrid format as determined by the board.

Section 3. Notice of Meetings: Notice of member meetings must be given to each member of record, to the contact information shown upon the books of the corporation, at least twenty (20) days and no more than sixty (60) days prior to the meeting. Such 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 as such meeting.

Section 4. Quorum and Voting: The members of the corporation shall have the right to vote on the board of trustees to represent them in governing the corporation and to approve or disapprove of changes to the bylaws, or on matters as stated elsewhere in these bylaws. The method of voting (in person, remote, electronic) for such matters shall be determined by the board for each member meeting or action without meeting. For member meetings, the minimum quorum requirement shall be the members present, which shall constitute a quorum. For any action of voting by electronic ballot without a meeting, a minimum of fifteen (15) electronic ballots received is required to meet the quorum requirements. The voting powers of the members of this corporation shall be equal: each member shall have one vote only, and only one member can represent a membership regardless of the number of members listed on the membership certificate.

Section 5. Election of Trustees: Trustees of this corporation shall be nominated as defined in Article VII, Section 6 and elected at the annual member meeting, unless otherwise appointed per Article VIII.

Section 6. Trustee Nomination: Nominations for the trustee position can occur in two ways: floor nomination by members present if the annual meeting is being held in person or remotely, and in advance by providing written nominations to the secretary. Members shall be permitted to nominate a member to fill a trustee position using a nomination form provided by the secretary of the corporation. The nomination form shall include, but not be limited to, requests for the following information: the nominating member's name and contact information; the nominee's name and contact information; a statement from the nominating member why they are nominating the nominee; the nominee's consent and acceptance of the nomination; the nominee's statement on why members should support their candidacy; and the nominee's disclosure of any known conflicts of interest, if any. The completed nomination form will be posted on the Corporation's online communication channel(s) as prescribed by the board for member consideration after being reviewed by two trustees assigned by the board to conduct the review and who are not up for election. The reviewing trustees may elect not to post nomination forms that are determined to be inaccurate or misleading in nature or contain offensive or other unprofessional statements. A nomination form not approved for posting does not affect the ability of the nominee to be nominated from the floor at the annual meeting if is being held in person or remotely. All nominees, whether from the floor or identified in advance through the nomination process, are required to be present at the annual meeting if the meeting is held in person or remotely to be eligible for election, and at such time nominees will be given an opportunity to make a statement regarding their candidacy at the annual meeting.

Section 7. Member Attendance At Regular Board Meetings: Members may attend regular board meetings in the format they are conducted. Regular board meetings may be held in person, by remote means (including video or telephone conference), or in a hybrid format combining both, as determined by the board.

Section 8. Order of Business: The order of business at regular member and regular board meetings shall be as outlined below although the order of business may vary after the call to order and verification of quorum. All meetings shall be conducted in accordance with Robert's Rules of Order.

- Call to order, verification of quorum, approval of agenda.
- Standing and Consent Agenda Items such as unapproved board meeting minutes.
- Reports of officers, committees, and management.
- Unfinished business.
    - Board Meetings: work in progress on matters brought before the board of trustees
- New business.
    - Member Meetings: voting on business before the membership (election of trustees, bylaw changes, etc.)
    - Board Meetings: new matters requiring board of trustee's attention
- Executive Session for confidential and legal matters
- Adjournment.

Section 9. Action Without Meeting by Ballot: The corporation, as determined by the board, may take any action that may be taken at any regular or special member meeting without meeting using electronic ballot of the members in accordance with RCW 24.03A.480.

ARTICLE VIII - Trustees and Officers

Section 1. Election of Trustees: The board of trustees of this corporation shall consist of seven members, all of whom shall be members of the corporation. Each membership interest of the corporation can be represented by only one member as a Trustee even though multiple members may be named on the membership certificate. The qualifications for a Trustee are: (a) being a member in good standing for the past twelve (12) months; (b) not employed by the corporation; and (c) not in a family relationship with an employee or existing trustee. A member in good standing means a member that is not indebted to the corporation and is free of conflicts of interest. Trustees' positions are staggered three (3) year terms and are elected to either a full term of three (3) years or to fill a vacant trustee position prior to completing a three (3) year term. The trustee-elect receiving the most votes shall take the longest term available. In the event of a tie, the tie will be resolved as determined by policy established by the board. The board shall sequence the terms to ensure two or three trustees are up for election each year using the terms established by the secretary using the 2025 annual meeting as the base year.

Section 2. Election of Officers: The board of trustees shall meet within twenty (20) days after the annual election of trustees and elect from among themselves by ballot or hand vote the officers of the board by majority vote: president, vice president, secretary, and treasurer, each of whom shall hold office until the next annual meeting and until the election and qualification of their successor in such office unless sooner removed from the board or the office by death, resignation or for cause, or completion of their term as a trustee. The board shall elect replacement officers from among themselves in the same manner if an office is vacated by death, resignation or for cause. If the office is vacant due to an open trustee position, such officer election shall take place once a quorum of open trustee positions are filled by appointment or election as described below.

Section 3. Board Vacancies: If any trustee position becomes vacant prior to the end of the term by reason of death, resignation, or by removal from the position by the trustees or members as described below, the remaining trustees shall elect from the members of the corporation, by ballot or hand vote majority, a new trustee who shall fill the vacated position until the next annual meeting of the members of the corporation, at which time the members shall elect a trustee for the unexpired term, provided that in the call of such an annual meeting a notice of such election shall be given.

Section 4. Board Quorum: A majority (being four or more trustees) of the board of trustees shall constitute a quorum at a meeting of the board.

Section 5. Compensation: Compensation of officers and trustees may be fixed at any meeting of the corporation.

Section 6. Removal of Trustees or Officer: Trustees or officers may be removed for cause or by a vote of the members.

a. For Cause: Cause for removal from the position of trustee, or from an office while not affecting one's position as a trustee, is determined by the board. The trustee against whom such charges have been presented shall be informed, in writing by certified mail, of such charges at least twenty-one (21) days prior to any meeting to be held regarding removal from a board office or trustee position and shall have the opportunity at that meeting to be heard in person or be represented by counsel and to present witnesses. The board of trustees shall have the same opportunity. The notice shall indicate if the proposed action is to remove the trustee from the board office or from the position as a trustee. If the removal of a trustee is approved, such action shall also vacate any board office held by the trustee.

b. By Members: Trustees may be removed by members from their trustee position in the following manner. Any member or trustee (acting as a member) may present charges against a trustee by filing them in writing with the secretary of the corporation. If presented by a member or trustee (acting as 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 annual or special meeting of the members and shall be effective if approved by a vote of a majority of the members if a quorum is established. The trustee against whom such charges have been presented shall be informed, in writing delivered by certified mail, of such charges at least twenty-one (21) 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. The member or members presenting such charges against a trustee shall have the same opportunity. If the removal of a trustee is approved, such action shall also vacate any board office held by the removed trustee.

Section 7. Conflict of Interest: Each trustee and officer has a duty to act in the best interest of the corporation. A trustee or officer who has a direct or indirect financial interest in a matter before the board shall (a) promptly disclose the nature of such interest to the board, (b) recuse themselves from discussion and voting on the matter, and (c) not use their position to influence the outcome. The board shall document all disclosed conflicts and recusals in the minutes. The board shall adopt a written Conflict of Interest Policy, which shall be reviewed no less than on an annual basis.

ARTICLE IX - Duties of Trustees

Section 1. Board Powers and Authority: The board of trustees, subject to restriction of law, the articles of incorporation, or these bylaws, shall exercise all 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 (to be exercised by motion or resolution approved or adopted by a majority vote of the trustees) in respect to the matters of the corporation and as hereinafter set forth:

a. Membership: To pass the qualifications of members in accordance with Article V and to cause to be issued appropriate certificates of membership.

b. Personnel: 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 bylaws, fix their compensation and pay for faithful services.

c. Borrowing: To borrow from any source, money, goods or services and to make 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. Rules and Regulations: 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 for the breach thereof.

e. Financial Reviews and Audits: To engage the services of a Certified Public Accountant (CPA) at least annually to review or compile the financial statements of the corporation, as those terms are defined by the CPA profession. Engage the services of a CPA to audit, at least every three (3) years, the financial practices and statements of the corporation. The level of service shall be at the discretion of the board of trustees. The report prepared by the CPA shall be provided to the members of the corporation within sixty (60) days of its availability.

f. Rates and Charges: To fix the rates and charges to be paid by each member for services rendered by the corporation to the member, the time of payment, and the manner of collection.

g. Bonds: To require all officers, agents and employees charged with responsibility for the custody of any 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.

h. Banking and Funds: To select depositories of the funds of the corporation, to determine the manner of receiving, depositing, and disbursing the funds of the corporation, and to prescribe methods of payment and related authorizations. At a minimum, all expenditures or transfer of funds out of the control of the corporation shall be approved by the board and executed by two or more trustees. The board shall adopt a written Investment and Banking Policy governing how reserve funds may be held and invested, limiting instruments to FDIC-insured deposits, U.S. government securities, and money market funds unless otherwise approved by the board.

i. Assessments: To levy assessments against the membership certificates of the corporation and to enforce the collection of such assessments in accordance with Article XI, Section 5.

j. Committees: The board of trustees may establish standing and ad hoc committees as needed to assist with corporation business. These committees shall be composed of corporation members and if available, unpaid volunteers with special technical skills. Committee minutes and a list of those people's names on committees shall be maintained by the secretary of the corporation.

k. Governance: To act in the long term interest of members in structuring governance and putting options before the members of ways to meet water service needs.

l. Signatories: To authorize individual trustees and employees to sign documents for business matters consistent with Washington laws governing non-profit corporations. Officers shall have signatory duties directly related to their duties as an officer.

m. Mutual Aid Agreements. The board of trustees is authorized to enter into mutual aid and emergency interconnection agreements with neighboring water utilities, public utility districts, or municipalities for the purpose of providing or receiving emergency water supply. Any such agreement shall be reviewed by legal counsel prior to execution and shall be reported to the membership at the member meeting.

n. Emergency Powers: In the event of a declared emergency affecting the water system — including but not limited to contamination events, infrastructure failure, natural disaster, or imminent public health threat — the president, or in the president's absence the vice president, may take immediate action necessary to protect the water system and public health without a prior board vote. The president shall notify all trustees within twenty-four (24) hours of any emergency action taken and shall convene a special board meeting within seven (7) days to ratify, modify, or reverse such action. Emergency actions shall be documented in the minutes. The board shall also have such other emergency powers provided for in RCW 24.03A.145 that are not inconsistent with these bylaws.

ARTICLE X - Duties of Officers

Section 1. Duties of President: The president shall: (a) plan, call and preside over all meeting of the corporation and the board of trustees; (b) sign membership certificates and other official corporate documents not assigned to other officers, and sign any other papers as authorized by the board; (c) present the budget in draft form prior to the start of each fiscal year and final by calendar year end for board approval; (d) manage board and governance processes; (e) perform all duties as may be consistent with the executive role or as prescribed by the board of trustees.

Section 2. Duties of the Vice-President: The following duties shall be accomplished by the vice president or be accomplished under their direction; (a) In the temporary absence of the president, the vice president shall perform the duties of the president; and (b) shall perform such duties as may be prescribed by the board of trustees.

Section 3. Duties of the Secretary: The following duties shall be accomplished by the secretary, or be accomplished under the secretary's direction, however, where signatures are called for under these duties, only the secretary may sign on behalf of the corporation, or in the secretaries temporary absence, the president: (a) The secretary shall keep or direct a complete record of all meetings of the corporation and of the board of trustees; (b) shall have general charge and supervision of the books and records of the corporation including digital platforms, storage, and backup; (c) shall sign all membership certificates with the president and such other papers pertaining to the corporation as the secretary may be authorized or directed to do so by the board of trustees; (c) shall serve all notices required by law and by these bylaws and shall make a full report of all matters and these bylaws and shall make a full report of all matters and business pertaining to this office to the members at the annual meeting; (d) shall keep the membership certificates records of the corporation, complete and countersign all certificates issued; (e) shall keep a proper membership certificate record, showing the name of each member of the corporation and date of issuance, surrender, cancellation or forfeiture; (f) shall make all reports required by law and shall perform such other duties as may be required of them by the corporation or the board of trustees; (g) upon the election of their successor, the secretary shall turn over to the new secretary all books and other property belonging to the corporation that he/she may have in their possession; and (h) shall perform such duties as may be prescribed by the board of trustees.

Section 4. Duties of the Treasurer: The following duties shall be accomplished by the treasurer or be accomplished under the treasurer's direction: (a) shall keep the books and financial records of the corporation and make all collections of dues and water charges; (b) shall receive and disburse the funds of the corporation as hereinafter provided; (c) shall keep all money of the corporation deposited in the name of the corporation and make monthly reports to the board of trustees on finances; (d) shall ensure adequate controls for finances; (e) may be required to give acceptable bond, in such sum as the board may determine, premium to be paid by the corporation, for the faithful performance of their duties; And (h) shall perform such duties as may be prescribed by the board of trustees.

ARTICLE XI - Benefits and Duties of Members

Section 1. Infrastructure: The corporation shall 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 property line of each non-charter membership of the corporation, at which points, designated as delivery points, meters and shut off valves to be purchased, installed, owned, and maintained by the corporation shall be placed. For charter memberships, the cost of the service line from the main distribution pipe line or lines of the corporation to the property line of each charter membership shall be paid by the corporation, if installed with construction of the main distribution pipe. The corporation shall have the sole and exclusive right to use such shut-off valve to turn it off and on. The cost of all service lines installed after installation of the main distribution pipe line past a membership property shall be paid by the member desiring such installation. Service line connections shall be 5/8”x3/4" diameter (inside x outside) unless member requests and pays for the extra cost of larger service. Members shall be fully responsible for any damages or other consequences, whether to public or private property, or to the corporation water system as a result of the member’s operation of the corporation’s shut-off valve.

Section 2. Member Access to Water: 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 domestic, livestock, garden, industrial, and commercial purposes as a member may desire, subject, however, to the provisions of these bylaws and such rules and regulations as may be prescribed by the board of trustees.

Section 3. Service Line Requirements: No new service line or change in an existing service line may be made which will interfere with an existing line or the delivery of water therein. The corporation shall determine the location of the service line and determine if sufficient capacity exists to permit delivery of water or any interference with existing service lines. Each membership will be required to provide and maintain the necessary and desired plumbing connections from the individual service meter (corporation delivery point) to point of water use. Members shall install and maintain a private pressure reducing valve on their private service line to limit pressure to 80 pounds per square inch (psi) or lower as desired or otherwise required by local code.

Section 4. Water Shortage and Drought Response: The corporation shall maintain a Water Shortage Response Plan, adopted and updated by the board as part of the corporation’s Water System Plan, that defines at minimum three (3) shortage stages with corresponding conservation requirements and restriction measures. Upon determination by the board, or by the president in an emergency, that a water shortage condition exists, the board (or president acting under emergency authority) may declare a shortage stage and implement corresponding restrictions. The priority of water use during any shortage shall be as follows, in descending order: (1) domestic purposes, (2) livestock, (3) garden, industrial, and commercial purposes. Members shall be notified of any declared shortage stage within twenty-four (24) hours by the most expedient means available.

Section 5. Rates and Assessments: The board of trustees shall, as the board deems necessary, determine the assessments for debt repayment, capital infrastructure, fixed and variable water rates, and any fees and charges for services, methods and timing of payments due, and shall establish a monthly rate to be charged each user member thereafter for a specified quantity of water, such monthly rate to be payable irrespective of whether any water is used by a member during any month if service facilities are installed for such member. The failure to pay water charges and assessments duly imposed shall result in the automatic imposition of penalties established by Board policy, including but not limited to shutoff of water supply and revocation of membership.

Section 6. Water User's Policy: The board of trustees shall be authorized to adopt, and update from time to time in their discretion, a water user's policy which shall embody the principles set forth in the foregoing sections of this article, other policy adopted by the board and applicable local, state and federal regulations applicable to customers of potable water systems.

Section 7. Cross Connection Control: Members shall comply with the corporation's Cross Connection Control Program. The failure to do so will result in the automatic imposition of the following remedies and penalties: (1) Non-compliance will result in the water being shut off from the member's property; and (2) In the event it becomes necessary for the corporation to pull the meter and cancel members share due to non-compliance, a certified letter will be sent to that effect. The membership interest will be reinstated when compliance is met and any past due charges, including costs for pulling meter and reinstalling meter is paid.

Section 8: Member Emergency Notification: The corporation shall establish and maintain a member notification system capable of reaching all members by mail and by electronic means (email, text, or automated telephone) for time-sensitive notices including boil-water advisories, service interruptions, contamination events, and declared shortage stages. The board shall adopt a Member Communications Policy specifying notification timelines and responsible officers.

ARTICLE XII - Reserve Funds and Distribution of Surplus

Section 1: Reserve Fund Requirements: The corporation shall maintain the following reserve funds: (a) an Operating Reserve sufficient to cover a period of forward budgeted operating expenses; (b) a Capital Replacement Reserve, funded in accordance with the corporation's most recent Capital Improvement Plan or Water System Plan; and (c) a Debt Reserve to meet each fiscal years debt payment obligations. The board shall review reserve fund adequacy annually and adjust rates or assessments as necessary to maintain minimum reserve levels.

Section 2. Surplus: 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 operational and otherwise, and after setting aside reserves for depreciation an 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. The said surplus fund or any portion thereof may, from time to time, at the discretion of the board of trustees, be distributed to the members as provided in the bylaws, on the basis of the assessments and charges made and levied against and paid by such members during the year.

Section 3. Any part or the whole of such apportionment may be credited at the discretion of the board of trustees, to the indebtedness of the members should any exist, and in such case the members shall be notified in writing of the amount so applied.

ARTICLE XIII — Data Privacy and Technology

Section 1. Member Data Privacy: The corporation shall collect and retain only such personal information from members as is necessary for the operation of the water system and the administration of membership. Member information shall not be sold, shared, or disclosed to third parties except as required by law, in connection with the operation of the water system, or required by Chapter 24.03A RCW for such disclosure.

Section 2. Records Retention: The board shall adopt a Records Retention Policy specifying the retention period for each category of corporate record (financial, membership, board minutes, regulatory filings, etc.) in accordance with applicable law. Records may be maintained in electronic form provided that adequate backup and security measures are in place.

Section 3. Cybersecurity: The corporation shall maintain reasonable security measures to protect member data and operational systems, including any SCADA or remote monitoring systems used in water system operations. The board shall designate a trustee or officer responsible for overseeing cybersecurity practices and shall review security measures at least annually.

Section 4. Online Payments and Electronic Billing: The corporation is authorized to accept payments by electronic means including online payment portals, ACH transfer, and credit or debit card with fees and as determined by the board. The board may offer electronic billing in lieu of paper billing to members who consent. Any payment processing vendor must be approved by the board and must maintain security standards appropriate for handling financial transactions.

ARTICLE XIII - Amendments

Section 1. These bylaws may be repealed or amended by a vote of a majority of the members present, after meeting a quorum of members, at any annual or special member meeting of the corporation, except that the members shall not have the power to change the purpose of the corporation so as to decrease its right and powers under the laws of the state, or to waive any requirement of bond or other provision for the safety and security of the property and funds of the corporation or its members, or to deprive any members of rights and privileges than existing, and such amendments are in compliance with RCW 24.03A.695 (bylaw amendments requiring member approval). Notice of any amendment to be made at any meeting of the members must be given at least twenty-eight (28) days before such meeting and must set forth the amendments to be considered. At a meeting where changes to these bylaws are to be considered by vote, the board of trustees may consider if any non-substantive changes to the proposed revisions are to be made prior to the vote. Any vote regarding bylaw changes shall be only for approval or rejection of the changes as presented.