



**AMENDED AND RESTATED  
BYLAWS OF THE  
MOUNTAIN VIEW - EDGEWOOD  
WATER COMPANY**

**AS OF FEBRUARY 15, 2017**

**ARTICLE I  
MISSION AND GOAL; OFFICE AND AGENT**

**Section 1. Mission and Goal.** The mission of Mountain View - Edgewood Water Company ("Water Company") is to ensure public health and protection of property by providing sufficient quantities of safe and economical water for drinking, domestic use and fire protection. The Water Company's goal is to provide Members with economical water service that meets or exceeds all water quality standards, maintaining policies and practices that benefit the health and welfare of the community well into the future. Membership in the Water Company conveys the right to water service in accordance with the Water Company's Articles of Incorporation, these Bylaws, and the rules and regulations of the Water Company.

**Section 2. Registered Office; Registered Agent.** The Water Company's registered office shall be at 11610 32nd St E, Edgewood, WA 98372 or at such place in Washington as the Water Company's Board of Directors ("Board") may establish from time to time. The Water Company's registered agent shall be the Person serving as its office manager, or such other Person(s) as the Board may appoint from time to time. The registered agent's business office shall be identical with the registered office. The registered agent shall consent in writing to appointment and the consent shall be filed with Washington's Secretary of State.

**ARTICLE II  
MEMBERSHIP**

**Section 1. Definitions.** The following definitions shall apply to these Bylaws.

- "Eligible Property" means a legally-recognized tax parcel of real property within the geographical area served by the Water Company that has reasonable access, as defined by the Water Company's access guidelines as amended from time to time, to the water mains of the Water Company.
- "Fee Schedule" means the schedule of Membership costs, connection fees, transfer fees and other costs the Board requires in connection with Membership in the Water Company, as the Board shall amend such Fee Schedule from time to time.
- "Membership" means the right associated with an Eligible Property to obtain water from the water mains of the Water Company and to vote on certain matters affecting the Water Company, all pursuant to these Bylaws.
- "Member" means the Owner of the Membership associated with the Eligible Property; a Member owning more than one Eligible Property may own more than one Membership.
- "Owner" means the Person holding legal title to the Eligible Property and/or Membership.
- "Person" means an individual or an entity recognized under Washington law that has the power to hold legal title to Eligible Property and a Membership.

**Section 2. Membership Eligibility.** An Owner of an Eligible Property may acquire a Membership subject to the terms and conditions of these Bylaws. All Memberships shall be associated with Eligible Property. The Board shall from time to time establish rules and policies concerning Membership eligibility consistent with these Bylaws.

**Section 3. Membership Purchase.** Any Person who is the Owner of an Eligible Property may purchase a Membership in the Water Company. The Owner must purchase a Membership directly from the Water Company and shall associate such Membership with an Eligible Property. The Water Company's records for each Membership shall include the street address and parcel number of the Eligible Property then served by the Membership. If there is no street address, the parcel number alone shall suffice.

**Section 4. Membership Transfer.** A Member must be the Owner of a Membership associated with Eligible Property. A Member shall not sell, transfer or convey any Membership to any other Person unless that Person is also the Owner of an Eligible Property with which such Membership shall become associated. A Membership transfer may occur only in connection with real estate sales and only if the transfer is recorded with the Water Company within thirty (30) days of the transfer date. Membership transfers connected to real estate sales are recorded at the time of escrow using the Water Company's escrow transfer application form. The selling Member shall initiate the transfer process, regardless of whether the sale goes through escrow. The new Owner shall then become a Member of the Water Company, and shall be responsible for payment of all charges accrued against the Membership before and after transfer.

**Section 5. Loss of Eligibility.** The Board may cancel any Membership upon refunding any purchase price paid to the Water Company if the point of service is too remote to be reached by the Water Company's system, as the Board shall determine at its sole discretion. The Board may also discontinue eligibility for water and cancel any Membership if the Member refuses to comply with the Water Company's Articles of Incorporation, Bylaws, Fee Schedule and policies including, without limitation, the requirements of the Articles and the Bylaws that all Memberships must be associated with Eligible Property.

**Section 6. Membership Water Service.** Membership in the Water Company shall entitle the Eligible Property to metered water service from the mains of the Water Company.

**Section 6.1.** Except as the Board may otherwise determine in individual cases or as otherwise provided in the Fee Schedule, water service shall be limited to one (1) metered service for each Membership. Each Membership shall service only a single parcel including, without limitation, condominiums, town homes or any other structure or land assigned a parcel number by Pierce County.

**Section 6.2.** Each single residential metered water service may service multiple structures on the Eligible Property for which the Membership is issued. However, water shall not be diverted from one Eligible Property to provide water or water service to a commercial or domestic structure on another parcel, whether or not such parcel is an Eligible Property.

**Section 6.3.** The Board shall determine Membership and fees in individual cases not covered by these Bylaws, and the Board's decision shall be final.

**Section 7. Fees and Costs of Membership and Service Costs.** The unit price for Membership is published in the Fee Schedule. Commercial and public metered water service and multi-residential metered water service activities shall pay additional surcharges as determined in the Fee Schedule. Different base rates and additional fees, including (a) a connection fee which shall include, without limitation, a meter assembly and service to the property line and (b) transfer fee, may apply, as published in the Fee Schedule.

**Section 8. Rights and Privileges.**

**Section 8.1.** No Person shall be a Member of this Water Company until all fees associated with the Membership are paid in full. Nor shall any Person have the right to vote at Annual Meetings and Special Meetings (as defined below) of Members meeting except those registered in the records of the Water Company as fully-paid Owners of Memberships.

**Section 8.2.** The Water Company shall ordinarily issue Memberships in the name of the Owner of the Eligible Property as reflected in Pierce County real property records; provided, however, the Board shall have discretion as to the name in which a Membership is issued in the case of marital communities, tenancies in common or other forms of co-ownership of Eligible Property. At Annual Meetings and Special Meetings, each Membership shall have one vote; a Member owning more than one Membership shall have one vote for each Membership owned.

**ARTICLE III  
TIME, PLACE AND MANNER OF MEMBERS MEETINGS**

**Section 1. Annual Meeting.** The annual meeting of the Members of the Water Company ("Annual Meeting") shall be held in October of each year on a date set by the Board.

**Section 2. Special Meetings.** A majority of the Board may at any time call special meetings of the Members ("Special Meetings").

**Section 3. Notice of Meetings.** Written notice bearing the time and place of the Annual Meeting and any Special Meetings shall be mailed to each Member at such Member's address as shown in the records of the Water Company at least ten (10) but no more than thirty (30) days prior to the date of the Meeting. Special Meetings notices shall state the purpose of every Special Meeting. No business shall be transacted at a Special Meeting except as specified in the notice.

**Section 4. Quorum.** For Annual Meetings or Special Meetings that include published issues requiring a vote, Members owning five percent (5%) of the total Memberships shall constitute a quorum. This five percent (5%) shall be counted from Members who have voted.

**Section 5. Mail Voting Required.** Members shall vote by mail to elect Directors and act on any other business submitted to them by the Directors. Members may return completed ballots by mail, by personal delivery or any other method resulting in the the Water Company's receipt of the ballot. Members voting by mail are counted as part of the meeting quorum. The Board shall establish appropriate procedures for numbering and verifying ballots in connection with determining a quorum and voting.

**Section 6. Place of Meeting.** Water Company meetings shall be held at a place selected by the Board from within the area served by the Water Company.

**Section 7. Meeting Procedure.** The order of business at Annual Meetings and Special Meetings shall be established in an agenda prepared and mailed in advance of the meeting.

**Section 8. Rules of Order.** Robert's Rules of Order, Revised shall govern all meetings.

#### ARTICLE IV

##### ELECTION AND REMOVAL OF DIRECTORS

**Section 1. Number and Qualification of Directors.** There shall be seven (7) members of the Board ("Directors") of the Water Company. Each Director must be and remain a Water Company Member. A Director who no longer owns Eligible Property shall immediately resign, or may be removed, from the Board. Each Director's term shall be three (3) years. A Director may be re-elected.

**Section 2. Nomination, Election, and Term of Directors.** At least sixty (60) days before each Annual Meeting, the Board shall appoint from among the Members an Election Committee of not less than three (3) nor more than six (6) persons composed of Directors and non-Directors ("Election Committee"). The Election Committee shall solicit nominees from the Members for Board positions.

**Section 2.1.** An incumbent Director of the Water Company who wishes to run for re-election shall advise the Board, which shall place that Director's name on the ballot as a candidate, whether or not the Election Committee has nominated that Director.

**Section 2.2.** Any individual Member in good standing may have his or her name placed on the ballot as a Board candidate by submitting his or her name to the Board in writing at least thirty (30) days before the Annual Meeting.

**Section 2.3.** No Water Company employee may run for or serve as a Director.

**Section 2.4.** Ballots shall be mailed to the Members at least ten (10) days before the Annual Meeting and shall be returned and in the hands of the Water Company no later than the call to order by the President (as defined below) at the Annual Meeting. The Election Committee shall count the ballots and verify the quorum. Those candidates receiving the most votes shall fill the Board positions. In the case of tie votes, the winner shall be determined by lot. A person elected to the Board through this process shall take office at the first Board meeting held in the month following the Annual Meeting.

**Section 3. Resignation.** A Director may resign at any time by delivering written notice to the President or the Secretary. A resignation is effective when the notice is delivered unless the notice specifies a later effective date.

**Section 4. Vacancies on the Board.** If the office of any Director becomes vacant because of death, resignation, retirement, ineligibility, or is otherwise unoccupied for any other reason except removal from Board pursuant to Article IV, Sections 5.1 through 5.4 of these Bylaws, the remaining Directors shall by majority vote elect a successor who shall hold office until the next Annual Meeting, at which time the Members shall elect a Director for the unexpired term

**Section 5. Removal from Board.** A Director may be removed from the Board only in accordance with the procedures set forth in this Section 5.

**Section 5.1.** Any Member wishing to remove a Director shall file with the Board, and provide to the Director that the Member wishes to remove ("Targeted Director"), a written statement of the reasons supporting removal of the Targeted Director, along with a petition requesting a hearing on such statement and signed by Members owning at least five percent (5%) of the Memberships of the Water Company.

**Section 5.2.** Within thirty (30) days after the filing of the statement and petition, the Board shall call a Special Meeting of the Members. The Targeted Director and the Member or Members requesting the Targeted Director's removal shall have the right to appear at the Special Meeting to be heard in person or by counsel and to present witnesses.

**Section 5.3.** Within five (5) days after the Special Meeting, ballots shall be prepared and mailed to the Member owning each Membership of record as shown in the Water Company's records. Completed ballots must be returned within ten (10) business days after the date of mailing. The Election Committee shall count the ballots and verify the quorum, which shall be the Members owning at least five percent (5%) of the total Memberships.

**Section 5.4.** If, by simple majority of a quorum, the Members approve removal, the Targeted Director shall be removed from the Board and the Board position shall remain vacant until the next Annual Meeting, at which time the Members shall elect a new Director to fulfill the time remaining in the three-year term.

**Section 5.5.** The Board may also remove a Director from the Board by a unanimous affirmative vote of the Directors other than the Director being removed at any Special Directors Meeting called for that purpose.

#### ARTICLE V

##### DUTIES OF DIRECTORS

**Section 1. Authority and Powers.** The management of the affairs, property and interests of the Water Company shall be vested in the Board. In addition to the powers and authorities expressly conferred upon it by these Bylaws and by the Articles of Incorporation, the Board may exercise all such powers of the Water Company and do all such lawful acts as are not prohibited by statute or by the Articles of Incorporation or these Bylaws, except such as are required by law or these Bylaws to be executed by the Members. The Board may make and enforce such rules and regulations governing the use and operation of the water system and of water facilities as the Directors consider to be in the best interest of the Water Company and its Members as provided in these Bylaws and the applicable statutes and regulations of the state of Washington, including without limitation Washington Administrative Code 246-290-490, and any amendments to any thereof. Such rules and regulations shall bind all Members.

**Section 2. General Standards for Directors.** A Director shall discharge the duties of Director; (a) in good faith; (b) with the care an ordinary prudent person in a like position would exercise under similar circumstances; and (c) in a manner that the Director reasonably believes is in the best interests of the Water Company.

**Section 3. Regular Directors Meetings.** Regular pre-scheduled meetings of the Board ("Regular Directors Meetings") may be held without notice at the Water Company's registered office or at such other place or places, either within or without the State of Washington, as the Board may designate. The first Regular Directors Meeting in the month following the Annual Members Meeting shall be the Board's annual meeting ("Annual Directors Meeting") at which the Board shall elect Officers (as defined below) and take such other actions as are common at an Annual Directors Meeting.

**Section 4. Special Directors Meetings.** The President (as defined below) or any three Directors may call special Board meetings ("Special Directors Meetings") (Annual, Regular and Special Directors Meetings, collectively, "Meetings") at any time by written notice. The President shall designate the times and places for Special Directors Meetings. The Secretary shall give the Directors at least twenty-four (24) hours notice of the date, time and place of all Special Directors Meetings.

**Section 5. Waiver of Notice.** A Director may waive any required notice orally or in writing. A Director's attendance at a Meeting shall constitute a waiver of any required notice of the Meeting unless the Director objects to the Meeting and does not assent to action taken at the Meeting.

**Section 6. Quorum.** A majority of the full Board shall be necessary at all Meetings to constitute a quorum for the transaction of business. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Directors present is the act of the Board, except as otherwise provided in these Bylaws.

**Section 7. Registering Dissent.** A Director who is present at a Board Meeting at which action is taken is deemed to have assented to such action unless the Director's dissent or abstention from the action is entered in the Meeting minutes. A Director who voted in favor of the action may not dissent.

**Section 8. Action by Directors Without a Meeting.** Any action that may be taken at a Board Meeting may be taken without a meeting if all Directors sign one or more written consents setting forth the action taken, either before or after the action, and deliver them to Board for inclusion in the Water Company's records. Subject to appropriate safeguards, consents transmitted by facsimile or by e-mail shall be valid. Action taken under this Section 8 is effective when the last Director signs the consent, unless the consent specifies a later date.

**Section 9. Participation by Means of Communications Equipment.** Any or all Directors may participate in a meeting of the Board by the use of any means of communication by which all Directors participating can hear each other.

**Section 10. Committees.**

**Section 10.1.** The Board may create one or more committees as needed. Each committee shall consist of one or more Directors, together with such other individuals, if any, not serving as Directors as the Board shall approve, all of whom serve at the Board's pleasure. The Board shall specify the extent to which the committee may exercise the Board's authority.

**Section 10.2.** The creation of, delegation of authority to or action by a committee does not relieve the Board, or any individual Director, of any responsibility imposed by law upon the Board or an individual Director.

**Section 10.3.** Unless the Board otherwise provides, a majority of the committee shall constitute a quorum and the act of a majority of a quorum shall be the act of the committee.

**Section 11. Accounting.** The Board shall adopt such internal controls as may be essential to safeguard the operation of the Water Company. A certified public accountant selected by the Board shall audit the books of the Water Company annually.

**Section 12. Agents and Employees.** The Board shall provide for the selection, appointment and removal of all agents or employees of the Water Company. The Board shall prescribe such duties and delegate such powers as are consistent with these Bylaws.

**Section 13. Remuneration.** The Directors may, at the Board's discretion, receive reasonable compensation for their services as Directors. The Water Company may reimburse Directors for expenditures incurred on behalf of the Water Company. Directors may receive reasonable compensation for other services provided to the Water Company and not related to service as Directors; provided, however, a Director employed full-time by the Water Company shall resign, or may be removed, from the Board.

## ARTICLE VI

### ELECTION AND DUTIES OF OFFICERS

**Section 1. Election of Officers.** At the Annual Directors Meeting, the Directors shall elect from among themselves a President, Vice-President, Treasurer, and Secretary (collectively, "Officers"). The term of such Officers shall be one year or until their successors are duly elected.

**Section 2. President.** The President shall preside at all meetings of the Water Company Members and of the Board, shall see that the Bylaws are enforced and shall suggest such actions to the Board as the President deems in the best interests of the Water Company and its Members. The President shall possess power to sign all certificates, contracts and other instruments of the Water Company. The President shall perform all such other duties as are incident to the office of President or are properly required by the Board.

**Section 3. Vice-President.** In the President's absence or disability, the Vice President shall perform the duties and have the authority of the President. In the absence of both the President and the Vice President, the Secretary or Treasurer, if the Secretary is unable, shall preside. The Vice President shall also perform such other duties as are incident to the office of Vice President or are properly required by the Board.

**Section 4. Secretary.** The Secretary shall issue notices for all Meetings and keep a record of all meetings of the Board and of the Members. The Secretary shall oversee the corporate books and records, which shall be kept in the Water Company's office. The Secretary shall perform such other duties as are incident to the office or may be prescribed by the Board.

**Section 5. Treasurer.** The Treasurer shall have oversight responsibility for the funds and accounts of the Water Company, subject to the direction of the Board and the President. The Treasurer shall provide for the disbursement the funds of the Water Company in payment of the just demands against the Water Company or as may be ordered by the Board, ensuring taking proper vouchers or receipts for such disbursements. The Treasurer shall render to the Board, from time to time as may be required, an account of all transactions as Treasurer and of the Water Company's financial condition. The Treasurer shall perform such other duties incident to the office of Treasurer or as are properly required by the Board.

**Section 6. Vacancies; Resignation; Removal.** The Board may fill vacancies in any office at any Board Meeting. An Officer may resign at any time by delivering notice to the Board. Such notice shall be effective when delivered unless the notice specifies a later effective date. Any such resignation shall not affect the Water Company's contract rights, if any, with the Officer. By the affirmative vote of a majority of the Board, the Water Company may remove any Officer elected or appointed by the Board at any time, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Resignation or removal as an Officer shall not necessarily constitute resignation or removal from the Board.

**Section 7. Contracts.** The President or Vice-President, and the Secretary or such other agents or employees as the Board shall designate, including without limitation the General Manager, shall have authority to enter into agreements and execute instruments of conveyance, contracts and other documents on the Water Company's behalf as the Board shall direct.

## ARTICLE VII

### RULES AND REGULATIONS

**Section 1. Rules and Regulations.** The Board shall have the power to regulate and limit the number of taps that may be taken off each main line of the water system and shall make rules and regulations for the use of the water from the system, which rules and regulations the Board may amend from time to time.

**Section 2. Fees and Rates.** The Board shall from time to time, through the Fee Schedule and such other means as it deems appropriate, establish rates for water and regulations for the use of water, prescribe the method of collecting charges for water service, fix and determine water service charges, and provide for penalties for failure to pay water service charges.

## ARTICLE VIII

### CERTAIN LIABILITIES ELIMINATED; INDEMNIFICATION

**Section 1. Certain Liabilities Eliminated.**

**Section 1.1. Civil Liability.** Present and former Directors and Officers of the Water Company and those persons who become Directors and Officers in the future, and their marital communities, estates, heirs, executors and administrators (collectively "Released/Indemnified Parties"), shall not be civilly liable for any act or omission in the course and scope of their official capacities and their liability is eliminated to the maximum extent permitted by Washington law.

**Section 1.2. Personal Liability.** Personal liability of the Released/Indemnified Parties, including liability for monetary damages for conduct as a Director or Officer, is eliminated to the maximum extent permitted by Washington law; provided, however, that the preceding clause shall not eliminate or limit the liability of a Director or Officer for acts or omissions that involve intentional misconduct by a Director or Officer or a knowing violation of law by a Director or Officer, or liability of a Director or Officer for any transaction from which the Director or Officer will personally receive a benefit in money, property or services to which he or she is not legally entitled.

**Section 1.3. Maximum Elimination of Liability.** Without restricting or detracting from the scope of the elimination of liability stated above, the Released/Indemnified Parties shall have the benefit of the maximum elimination of liability (or limitation or reduction of liability if those are the maximum relief from liability permitted) which are contained in Revised Code of Washington, including RCW 4.24.264 and RCW 24.06.043, and any superseding statute or statutes.

**Section 2. Indemnification.**

**Section 2.1. Indemnification.** The Water Company shall indemnify the Released/Indemnified Parties who hereafter become parties to, or are threatened with being made parties to, any threatened or pending suit or proceeding, whether civil or criminal, administrative or investigative, including any action, suit or proceeding by or in the right of the Water Company ("Pending Action") against personal liability for any of the following:

- i. Monetary damages for their conduct as Directors or Officers;
- ii. Judgments, fines, penalties, and amounts paid in a settlement or settlements arising from a pending action against them; and
- iii. Reasonable attorney fees, expenses and costs of litigation arising from any such Pending Action.

The above described right of indemnification shall be available to the Released/Indemnified Parties to the maximum extent permitted by Washington law.

**Section 2.2. Monetary Damages.** Under the rights granted above to the Released/Indemnified Parties to receive indemnification, the Water Company may, in advance of final determination of such a Pending Action, make payments to or for the benefit of the Released/Indemnified Parties of monetary damages as described above, as well as other judgments, fines, penalties, attorney's fees, expenses, and costs of litigation, to the maximum extent permitted by Washington law.

**Section 2.3. Benefits.** The benefits of this Article VIII shall extend to the estates, heirs, executors and administrators of the Released/Indemnified Parties.

**Section 2.4. Insurance.** Nothing in Section 1 or this Section 2 shall be construed to preclude the Water Company from purchasing and maintaining insurance for the benefit of the Released/Indemnified Parties (as well as its present and former employees and agents) against personal liabilities arising from their service to the Water Company, including liability for monetary damages and attorney's fees and costs and expenses of litigation, including personal liabilities arising from actions taken from such persons prior to the effective date of this Section 2. Such insurance coverage may provide broader coverage than the indemnity and right to reimbursement and/or advance payment provided under other sections of this Section 2. Nothing in Section 1 or this Section 2 shall be construed to make the obligations of an insurance carrier secondary to the obligations of the Water Company.

**ARTICLE IX  
AMENDMENTS**

**Section 1. By the Directors.** The Board may alter, amend or repeal these Bylaws, or adopt new bylaws, by vote of a majority of the Directors present at any Meeting.

**Section 2. By the Members.** The Members may also amend the Bylaws by petition signed by Members owning ten percent (10%) or more of the Memberships. The petition must be initially submitted to the Board at least three (3) months prior to the date set for the Annual Meeting. After the petition is submitted, the Board shall have two (2) months to consider the same. The Board shall then pass the petition, along with the Board's recommendation regarding the petition, to the Members at the next Annual Meeting. The amendment set forth in the petition shall be adopted if approved by the Members by two-thirds vote of those Memberships represented either in person or by mail-in ballot at the Annual Meeting. No changes to the Bylaws proposed by petition shall be permitted unless all Members have been notified in writing stating the date, time, and place of the meeting and the wording of the proposed change at least ten (10) but no more than thirty (30) days prior to the date of the Annual Meeting.

**ARTICLE X  
DISSOLUTION**

Upon the Water Company's dissolution, its assets shall be reduced to cash and distributed as follows: (a) secured indebtedness shall first be paid in accordance with the priority of lien thereof; (b) preferred indebtedness shall next be paid in the order of preference; (c) remaining indebtedness of the Water Company shall thereafter be paid, or, if the fund is not sufficient, the amount available shall be ratably applied; and (d) any remaining balance shall be distributed in equal shares to the Members.

**Adopted by the Water Company Board of Directors on February 15, 2017.**

BYLAWS OF THE  	Mt. View-Edgewood Water Company 11610 32 <sup>nd</sup> St E Edgewood, WA 98372 (253)863-7348 (253)863-0752 fax www.mtviewwater.com
--	--

Best Tasting Water Award -- 2008, 2017 & 2018

South Sound Subsection, Pacific Northwest Section, American Water Works Association

Best Tasting Water in the U.S.A. -- 2012

National Rural Water Association