

NORTH SPRINGBANK WATER CO-OP LIMITED BYLAWS

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1 Interpretation

1(1) In these Bylaws:

- (a) **"Act"** means the Rural Utilities Act of Alberta.
- (b) **"Annual General Meeting"** means the annual general meeting of the Association held in accordance with Section 2.
- (c) **"Association"** means the North Springbank Water Co-op Limited.
- (d) **"Board"** means the board of directors of the Association.
- (e) **"Class A Share"** means one (1) Class A voting share, costing \$10.00, in the Association's share capital, the holder of which shall be entitled to receive notice of, attend at and vote at any meeting of the Association.
- (f) **"Cost Contribution"** means a Member's allocated share of the original or additional water system construction cost and any future extensions.

- (g) **"Developer"** means a Member or Non-member who: (i) is subdividing a parcel of land into five (5) or more separate lots, which will be serviced by the Association, for the purpose of transfer or sale to third parties; and (ii) has entered into a water supply agreement satisfactory to the Association for such parcel of land.
 - (h) **"Emergency Expenditure"** means an unexpected expenditure that is required, as determined by the Board, to continue to provide potable water to all Members at all times.
 - (i) **"Member"** is a person meeting the requirements set forth in Section 17.
 - j) **"Membership Agreement"** means the agreement entered into by a new Member joining the Association, as described in section 17(1)(b).
 - (k) **"Minor Developer"** means a member who is subdividing a parcel of land into no more than 4 separate lots which will be serviced by the Association, and has entered into a water supply agreement for such parcel of land.
 - (l) **"Special General Meeting"** means a meeting with the Association called in accordance with Section 3.
 - (m) **"Special Resolution"** means a resolution passed in writing by the Members of not less than sixty-six and two-thirds (66 2/3 %) of the Members.
 - (n) **"Subdivision"** means a developed area where fifty percent (50%) or more of the land parcels have separate and unique registered land owners, of whom no less than **twenty (20)** are Members of the Association, and is an area the Board has approved, in its sole discretion, for supply of water units by the Association.
 - (o) **"Unit"** means one water service line connection per registered parcel of land. Water usage is in accordance with Alberta Environment rules and regulations and those of the Association.
 - (p) **"Voting District"** means each Subdivision, as each may be increased or reduced in size in accordance with these Bylaws and any other Voting District formed in accordance with these Bylaws, as more particularly set out in the Association's Policy Manual, which may be amended from time to time by the Board in its sole discretion.
 - (q) **"Qualified to be a Director"** means an individual who: (i) is a member; (ii) is in good standing with the Association, has no outstanding fees to be paid; and (iii) agrees to adhere to the Association's Code of Conduct as stated in the Policy Manual.
- 1(2)** Words importing the singular number include the plural and vice versa; words importing gender shall be interpreted to mean any or all genders; and words importing a person include an individual, partnership, association, body corporate, trustee, executor, administrator and legal representative.
- 1(3)** Reference to the words "Appendix", "Section" or "Schedule" herein refer to an Appendix, Section or Schedule of these Bylaws.

2 Annual Meetings

2(1) An Annual General Meeting of the Association must be held within one hundred and twenty (120) days after the conclusion of each fiscal year of the Association, on a day and at an hour and place decided by the Board.

2(2) The primary purpose of the Annual General Meeting of the Association is to do the following:

- (j) to review and approve the annual financial statements and other pertinent reports;
- (k) to appoint an auditor for the ensuing fiscal year; and
- (l) to elect directors.

3 Special General Meetings

3(1) A Special General Meeting of the Association may be called at any time by the Board when the Board considers it necessary or advisable.

3(2) The Board must call a Special General Meeting of the Association when requested to do so by at least twenty-five percent (25%) of all Members.

3(3) Subject to Section 3(4), a request under Section 3(2) must be made in writing and state clearly the nature of the business to be transacted at the meeting.

3(4) Where the Board receives a request in accordance with Sections 3(2) and 3(3), the following shall apply:

- a. if the Board does not issue a call for the meeting within fourteen (14) days from the day the Board receives the request; or
- b. if the meeting called is not to be held within sixty (60) days from the day the Board receives the request, the Members making the request, or any other group of Members constituting twenty-five percent (25%) of all Members, may call a meeting of the Association.

4 Notice of Meetings

4(1) The Board, or Members calling a General Meeting or Special General Meeting of the Association, must give at least fifteen (15) days' notice of a meeting:

- a. by mailing to each Member, at the Member's address last registered in the office of the Association, a notice stating the hour, date and place of the meeting; or
- b. by advertising the hour, date and place of the meeting in a newspaper circulating throughout the Association's locality; or
- c. by email

4(2) If the addition or repeal or amendment to any provision of these Bylaws or its memorandum of association is proposed to be discussed at a meeting, the intent of any such proposed change must be included in the Meeting Notice.

5 Quorum for Association Meetings

- 5(1) Subject to Section 5(2), at any meeting of the Association, not less than ten percent (10%) of the Members shall constitute a quorum at any meeting of the Association, provided that there are at least two (2) Members present from each Voting District.
- 5(2) If the Association has a membership of more than five hundred (500) Members, not fewer than fifty (50) Members shall constitute a quorum at any meeting of the Association.
- 5(3) If a quorum, as defined in Section 5(1) or 5(2), is not present at any Special General Meeting:
 - a. in the case of a meeting called pursuant to Section 3(4), the meeting shall be dissolved; and
 - b. in the case of any other meeting, the chairperson of the meeting may call for a resolution to the effect that those Members present at that time, if there are 2 members from each voting district, shall constitute a quorum and be empowered to transact the business of such meeting.
- 5(4) If the resolution referred to in Section 5(3)(b) is passed by a majority vote of those Members then present and recorded in the minutes, the meeting may then proceed and those Members present shall constitute a quorum.

6 Voting and Order of Business at a Meeting of the Association

- 6(1) Subject to Section 5, at a Special General Meeting of the Association, a majority vote of the Members casting votes may decide upon all matters presented for resolution of the Members at such meetings, except where a Special Resolution is required.
- 6(2) Each Member in good standing is entitled to one (1) vote on any matter put before the Members at any meeting of the Members.
- 6(3) A Developer is entitled to only one (1) vote, for so long as such Developer continues to own at least one (1) parcel of land. Upon the sale of the Developer or Minor Developer's last lot or parcel in accordance with Section 20(3) herein, such Developer shall no longer have a vote with respect to such Subdivision.
- 6(4) The Association may only be dissolved or reorganized at an Annual General Meeting or a Special General Meeting by Special Resolution, and only if sixty six and two thirds percent (66 2/3%) affirmative vote is carried.
 - (a) In the event the membership votes to dissolve the Association, all funds remaining in the final account will be divided by the number of water units owned on the system. The owner(s) of said units will receive the resulting dollar amount regardless of what they may have originally paid for the unit.
- 6(5) At an Annual General Meeting or Special General Meeting, the Association may, by Special Resolution do the following:
 - a. Membership vote to accept Bylaw revisions as developed by the Board of Directors and vetted by the Director of Water and Sewer Co-operatives prior to its presentation to the membership.

(b) authorize non-Emergency Expenditures exceeding \$100,000.

6(6) At any Annual General Meeting or Special General Meeting of the Association, the order of business for any such meeting may include, but is not limited to:

- calling of the meeting to order by the chairperson;
- minutes of the preceding meeting;
- business arising from the minutes
- reports of officers and Board;
- reports of standing committees;
- reports of special committees;
- motion for approval of Board activity;
- reports of the auditor;
- nomination and appointment of auditor;
- budget presentation & approval;
- unfinished business;
- new business;
- nomination and election of directors; and
- adjournment.

6(7) Members wishing to introduce new business or a motion at an AGM must provide the Board with this information no less than 20 business days prior to the scheduled AGM. All members will subsequently be provided with this information through the distribution of the AGM Information Package.

7 Composition and Election of Board

7(1) The Board is to consist of an odd number of directors, not being fewer than five (5) and no more than nine (9).

7(2) The Board shall consist of one Member representing each Voting District. Should the creation of a new Voting District subsequently cause an even number of directors, an additional director shall be elected from the five original Voting Districts as further outlined in the Association's Policy Manual, to give an odd number of directors.

7(3) Subject to Sections 7(2) and 7(4), any Member in good standing or the representative of a corporation that is a Member in good standing is eligible to be elected as a director.

7(4) Candidates for election to the office of director must be nominated openly at an Annual General Meeting or Special General Meeting.

7(5) Should the Board of Directors create a new Voting District, Members of such Voting District shall nominate a director to the Board at the next Annual General Meeting.

7(6) The term of office of a director is three (3) years.

7(7) Election of director shall take place at each Annual General Meeting and all the directors then in office whose three (3) year term expires within the next year shall retire but, if qualified, shall be eligible for re-election. Subject to Section 7(11) hereof, the number of directors to be elected at any such meeting shall be the number of directors retired at

such meeting, unless the directors otherwise determine. The election shall be by resolution. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

7(8) A director ceases to hold office when he dies; his office is declared vacant by the Board pursuant to Section 12 hereof; he ceases to be qualified for election as a director; or his written resignation is sent or delivered to the Association, or, if a time is specified in such resignation, at the time so specified, whichever is later. When a director ceases to hold office, the Association may, by resolution passed at a Special General Meeting specifically called for such purpose, fill such vacancy, or failing which such vacancy may be filled by the Board with such individual as the Board approves of in their discretion, but always subject to the requirements of Section 7(2) hereof, to hold such office until the next annual meeting.

7(9) **R e s c i n d e d 2 0 2 2**

7(10) A candidate nominated for the office of director must agree to candidacy for director.

7(11) At the Annual General Meeting of the Association, each retiring director shall be replaced by a director elected by the Members of the specific Voting District represented by such retiring director.

7(12) A director may serve three (3) consecutive terms before retiring for the minimum of one (1) term.

8 Powers and Duties of Board

8(1) The Board is to direct and manage the business of the Association, and may exercise all the powers of the Association that are not required to be exercised by the membership in an Annual General Meeting or Special General Meeting, as set out in section 2(2) and section 6, including without limitation:

- (a) the Board may appoint an executive committee, from time to time, from among its number and prescribe such committee's duties;
- (b) the Board shall ensure that all provincial and municipal statutes and regulations for the operation of a water co-operative and a water system, and these Bylaws are complied with;
- (c) the Board may review and approve a Member or non-Member's application to become a Developer on the terms and conditions set forth in a water service agreement that is negotiated and entered into to the satisfaction of the Board;
- (d) the Board may, at its sole discretion, approve the inclusion of a new Subdivision;
- (e) approve the inclusion of a new Subdivision to the Association and approve what Voting District the new Subdivision will be included into, or whether the new Subdivision will form a new Voting District, all as recommended by the Board;
- (f) the Board shall receive applications for new Member(s) and if approved, allocate the proposed Member to a particular existing Voting District if conditions for a new Subdivision have not been met;

- (g) notwithstanding Section 6(5)(b), the Board shall have the power to take whatever measures are deemed necessary in an emergency to ensure the integrity of the water system;
- (h) the Board shall have the power to determine and impose conditions for new Members in the Membership Agreement on an individual case-by-case basis;
- (i) the Board, subject to ratification at an Annual General Meeting or Special General Meeting, may decide to offer remuneration for services rendered by Members of the Board or other non-elected officials; and
- (j) the Board may create and amend statements of policy, including without limitation the Association's Policy Manual and the Association's Conditions to Supply Water Policy.

9 Protection of Directors and Others

- 9(1)** Every director and contracted personnel of the Association, in exercising his power and discharging his duties, shall act honestly and in good faith with a view to the best interests of the Association, and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or contractor, for the time being of the Association, shall be liable for the acts, receipts, neglects or defaults of any other director or contracted employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Association through the insufficiency or deficiency of title to any property acquired for or on behalf of the Association or for the insufficiency or deficiency of any security in or upon which any of the monies of the Association shall be placed out or invested or for any loss, conversion, misapplication or misappropriation of or any damage resulting with any monies, securities or other assets belonging to the Association or for any loss, damage or misfortune whatever which may in the execution of the duties of his respective office or trust or in relation thereof; provided that nothing herein shall relieve any director or contracted employee from the duty to act in accordance with the Act and the regulations or from liability for any breach thereof. The directors and contractors of the Association shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Association.
- 9(2)** The Association shall indemnify a director or contractor, former director or contracted employee, or a person who acts or acted at the Association's request as a director of a body corporate of which the Association is or was a shareholder or creditor, and his heirs, administrators, and other legal representatives, from and against all costs, charges and expenses that are reasonably incurred by him in respect of any action, suit or proceeding that is proposed or commenced against him, for or in respect of anything done or permitted by him in respect of the execution of the duties as director of the Association or as contracted employee, so long as: (a) he acted honestly and in good faith with a view to the best interests of the Association; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.
- 9(3)** The Association may also indemnify such person in such other circumstances as the Act or law permits or requires. Nothing in this Bylaw shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this Bylaw.

10 Meetings of Board

- 10(1)** At the first meeting of the newly elected Board held after the Annual General Meeting of the Association, the Board is to meet and elect from its own number:
- (a) a chairperson; and
 - (b) a vice-chairperson.
- 10(2)** At each meeting at which a chairperson is elected, the Board must also appoint
- (a) a secretary and a treasurer; or
 - (b) a secretary treasurer having the duties of both secretary and treasurer.
- 10(3)** The secretary and the treasurer or, where there is a secretary treasurer, the secretary treasurer, may, but need not, be a director or a Member.
- 10(4)** The Board must hold a meeting not less than once every three (3) months as required by the Act and, subject to section 10(1), the Board may hold other meetings on days and at places and times decided on by the Board.
- 10(5)** The chairperson must call a Special Meeting of the Board on the written request of a majority of the directors or if the chairperson considers it to be necessary.
- 10(6)** The secretary must give each director written notice of a Special Meeting:
- (a) stating the time and place at which it is to be held; and
 - (b) stating, in general terms, the nature of the business to be transacted at the meeting.
- 10(7)** A notice given under Section 10(6) must be given to each director:
- (a) by mailing or e-mailing the notice to the director's address at least five (5) days before the day on which the Special Meeting is to be held; or
 - (b) by personally delivering the notice to the director, or in the director's absence from the directors residence, to any adult person there, not less than twenty four (24) hours prior to the meeting.
- 10(8)** Notwithstanding anything else in this section, if all the directors are present at a director's meeting, it is deemed to have been properly called whether or not the notice of the meeting has been given or properly given.
- 10(9)** A director or any other person entitled to attend a meeting of the Board may participate in the meeting by means of telephone or other communication facilities, and all persons participating in such a meeting by telephone or other communication facilities is deemed to be present at the meeting.