

Schedule 3

Standard By-laws

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Interpretation

- 1** In these By-laws, "board" means the board of directors of the association.

First general meeting

- 2** The first general meeting of the association must, within 2 months after the date of the incorporation of the association, be held on a day and at an hour and place decided by the provisional board.

Annual meetings

- 3(1)** Annual meetings of the association must, within 120 days after the conclusion of each fiscal year of the association, be held on a day and at an hour and place decided by the board.

- (2)** The primary purpose of the annual meeting of the association is to do the following:

- (a) to review and approve financial and other pertinent reports;
- (b) to appoint an auditor for the ensuing year;
- (c) to elect directors.

Special general meetings

- 4(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.

- (2)** The board must call a special general meeting of the association when requested to do so by at least 25% of the members.

(3) A request under subsection (2) must be in writing and state clearly the nature of the business to be transacted at the meeting.

(4) Where the board receives a request in accordance with subsections (2) and (3);

(a) if the board does not issue a call for the meeting within 14 days from the day of receiving the request, or

(b) if the meeting called is not to be held within 60 days from the day of the board receiving the request, the members making the request, or any other 25% or more of the members, may call a meeting of the association.

(5) Where a special general meeting has been called under subsection (2), a subsequent special general meeting may not be called within a 24-month period following that special general meeting if the nature of the business to be transacted at the subsequent special general meeting is the same or similar in nature to the business that was transacted at the initial special general meeting.

Notice of meetings

5(1) The board or members calling a general meeting of the association must give at least 10 days' notice of the meeting

(a) by mailing to each member of the association, at the member's address last registered in the office of the association, a notice stating the hour, day and place of the meeting, or

(b) by advertising the hour, day and place of the meeting in a newspaper circulating throughout the association's locality.

(2) If the addition or repeal of or amendment to any provision of the By-laws of the association or its memorandum of association is to be proposed at the meeting, the intent of the proposed change must be included in the notice of meeting.

Quorum

6(1) Subject to subsection (2), at a meeting of the association, not less than 10% of the members of the association constitutes a quorum.

(2) If the association has a membership of more than 500 members, not fewer than 50 members constitute a quorum at a meeting of the association.

(3) If at the time appointed for any general meeting of the association a quorum is not present,

(a) in the case of a meeting called by members, the meeting is dissolved, and

(b) in the case of a meeting called other than by members, the chairman of the meeting may call for a resolution to the effect that those present at that time constitute a quorum and be empowered to transact the business to be brought before the meeting.

(4) If the resolution referred to in subsection (3)(b) is passed by a majority vote of members present and recorded in the minutes, the meeting may then proceed and those members present constitute a quorum.

Voting and order of business

7(1) At a general meeting of the association, a majority vote of the members casting votes may decide all questions, except when an extraordinary resolution is required.

(2) Subject to section 17(3) and (4), each member in good standing has one vote on any question.

Composition and election of board

8(1) The board is to consist of an odd number of directors, not being fewer than 5.

(2) Notwithstanding subsection (1), if an association has fewer than 50 members, the board is to consist of an odd number of Directors, not being fewer than 3.

(3) 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.

(4) Candidates for election to the office of director must be nominated openly at a general meeting of the association.

(5) At the first general meeting of the association,

(a) there is to be elected to hold office until the first annual meeting of the association

(i) 1/3 of the total number of directors to be elected, or

(ii) if 1/3 of the number referred to in subclause (i) is not a whole number, the next highest whole number;

(b) there is to be elected to hold office until the 2nd annual meeting of the association

(i) 1/2 of the remaining number of directors to be elected after applying clause (a), or

(ii) if 1/2 of the remaining number referred to in subclause (i) is not a whole number, the next highest whole number of directors;

(c) there is to be elected to hold office until the 3rd annual meeting of the association the remaining number of directors to be elected after applying clauses (a) and (b).

(6) Subject to subsection (5), the term of office of a director is 3 years.

(7) Retiring directors are eligible for re-election.

Powers and duties of board

9(1) The board is to direct and supervise 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 a general meeting.

(2) The board may appoint an executive committee from among its number and prescribe the committee's duties.

Meetings of board

10(1) Immediately after the first general meeting of the association and, subsequently, at the first meeting of the newly elected board after each annual meeting of the association, the board is to meet and elect from its own number

(a) a chairman or president, and

(b) a vice-chairman or vice-president,

and any reference in these By-laws to the chairman or vice-chairman is to be read as also referring to a president or vice-president respectively.

(2) At each meeting at which a chairman is elected, the board must appoint

(a) a secretary and a treasurer, or

(b) a secretary-treasurer having the duties of both secretary and treasurer.

(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.

(4) The board must hold a meeting not less than once every 3 months as required by the Act and, subject to subsection (1), the board may hold other meetings on days and at places and times decided on by the board.

(5) The chairman must call a special meeting of the board on the written request of a majority of the directors or if the chairman considers it to be necessary.

(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.

(7) A notice given under subsection (6) must be given to each director

(a) by mailing the notice to the director's address at least 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 director's residence, to any adult person there, not less than 24 hours prior to the meeting.

(8) Notwithstanding 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.

Proceedings at board meetings

11(1) A majority of the directors constitutes a quorum for the transaction of business at a meeting of the board.

(2) The chairman may vote on any question, but having done so, the chairman does not have a casting vote in the event of a tie.

(3) If there is not a majority in favour of a motion, the motion is lost.

(4) At the meeting of the board held before the annual meeting of the association, the directors are to adopt a report covering all the activities of the association for the preceding year for presentation to the annual meeting.

Vacating director's office

12(1) Where a director fails to attend 3 consecutive meetings of the board of which the director has been duly notified, the director's office may be declared vacant by the board if the director's absence has not been explained to the satisfaction of the board.

(2) Where

(a) a director, or

(b) a corporation whose representative is a director, ceases to be a member of the association, the office of that director is to be declared vacant by the board.

(3) Where a director's office is vacated under this section, the board may forthwith fill the vacancy in accordance with the Act.

Corporate seal

13(1) The association is to have a corporate seal in a form approved by the board.

(2) The seal is not to be affixed to any documents except those kinds of document that are authorized by resolution of the board as documents to which the seal is to be affixed.

(3) The use of the seal must be authenticated by the signature of a director, the secretary or some other person authorized by the board.

Execution of certain documents

14 The board may authorize by a motion of the board the persons who have signing authority for the cheques, notes, bills of exchange and other financial documents of the association.

Fiscal year

15 The fiscal year of the association is the year beginning on January 1 and ending on the following December 31 unless otherwise provided for by supplemental by-law.

Auditor

16(1) No person holding office in or employed by the association is eligible to be appointed as the auditor of or to perform any of the duties of the auditor of the association.

(2) The auditor is to be appointed by resolution passed at an annual meeting of the association or at a special general meeting of the association called for that purpose.

(3) Where

(a) the reserve account of the association exceeds \$100 000 and is administered by the association, or
(b) the operating revenues of the association exceed \$100 000,
the auditor must be a member in good standing of an association of accountants recognized by the Director.

Membership

17(1) On the approval of the board, a person may become a member of the association if that person

(a) owns or has an interest in land,
(b) enters into a contract with the association for the provision of utility service to that land and for the payment of the required contribution to construction and extension of works costs, if any, and
(c) pays the membership fee.

(2) Subject to subsection (1), a person who is 16 years of age or older may become a member as provided for under the Act.

(3) Subject to subsection (1), 2 or more persons who own or have an interest in land, jointly or in common, may jointly become a member, and in that case

(a) the rights of a member to receive notices, to attend meetings of the association and to be a director is vested
in only one of those persons, and

(b) those persons must, in accordance with subsection (6), furnish the association with a designation of one of themselves as the person who is to have those rights of membership.

(4) Subject to subsection (1), a corporation may be a member of the association.

(5) Where a corporation becomes a member of the association, the corporation must, in accordance with subsection (6), furnish the association with a designation of a person who is to be the corporation's representative with the right to attend meetings of the association, to vote and to be a director.

(6) A designation under subsection (3) or (5)

(a) must be in a form acceptable to the association,

(b) must be furnished to the association at the time the utility service contract is executed, and

(c) may be changed from time to time by a like designation.

(7) A member withdrawing from the association is entitled to be repaid the member's membership fee, but any contribution by the member toward construction and extension of works costs becomes and remains the sole property of the association.

Expulsion of members

18(1) The board may expel any member from the association for actions that in the board's opinion are harmful to the association or for failing to patronize the business of the association to a minimal amount.

(2) On expelling a member, the board shall return to that person the person's membership fee.

(3) Before ordering the expulsion, the board must invite the member to attend a board meeting at which the reasons for the expulsion are to be discussed and the member allowed to present the member's arguments against expulsion.

(4) The board must forthwith give written notice of an expulsion order to the member whose expulsion has been ordered.

(5) A member whose expulsion has been ordered may, within 14 days from the day of receiving notice of the expulsion, give written notice to the board of the member's intension to appeal the expulsion to the next general meeting of the association.

(6) Where an expulsion is appealed to a general meeting of the association, the association may confirm the expulsion or order the reinstatement of the former member.

Security

19(1) This section applies only to an association that owns works.

(2) The association shall at all times maintain theft insurance or fidelity insurance against loss or damage caused by officers, employees and directors who carry out the functions of employees.

(3) The association shall at all times maintain general liability insurance in an amount not less than \$2 000 000 inclusive per occurrence insuring against bodily injury, personal injury and property damage, including loss of use of property.

(4) In this section, "theft insurance", "fidelity insurance" and "general liability insurance" have the meaning given to them by the by the *Classes of Insurance Regulation* (AR 121/2001).