

ALPINE LAKES RANCH WATER COMPANY INC  
BY-LAWS  
AS AMENDED February 2020

ARTICLE I – OFFICES

The principal office of the Alpine Lakes Ranch Water Company, Inc, hereafter referred to as “Corporation”, in the state of Colorado with a mailing address of P.O. Box 3220, Pagosa Springs, CO 81147. The Corporation may have such other offices, either within or without of the State of incorporation as the Board of Officers/Directors may designate or as the business of the Corporation may require from time to time.

ARTICLE II – MEMBERS

A. Annual Meeting

The first annual meeting of the Members was held on the 4<sup>th</sup> of July, 1998, for the purpose of electing Directors and the transaction of such other business as may come before the meeting. In subsequent years, the annual meeting shall be in conjunctions with the ALRPOA annual meeting. The Board will maintain a separate meeting agenda as well as meeting minutes, this will be reported on the ALRWATCO website. (Revised April 2018 by Motion of the BOD)

B. Special Meetings

Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President/Director or by the Officers/Directors, and shall be called by the President/Director at the request of the Members of not less than 25 percent of all Members of the Corporation entitled to vote at the meeting.

C. Place of Meetings

The Officers/Directors may designate any place, either within or without the State unless otherwise prescribed by statute, as the place of meeting for any annual meeting or for any special meeting called by the Officers/Directors. A waiver of notice signed by all Members entitled to vote at a meeting may designate any place, either within or without the State, unless otherwise prescribed by statute, as the place for holding such meeting. If no designation is made, or if a special meeting is otherwise called, the place of meeting shall be the President/Director’s home.

D. Notice of Meeting and Membership

Written or printed notice stating the place, day and hour of the meeting and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten, and not more than fifteen days before the date of the meeting, either personally, by US mail, or by electronic means (Email and/or web posting) by or at the direction of the President/Director, or Secretary, or the Officers/Directors or other persons calling the meeting, to each Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the Member at the address as it appears on the books of the Corporation, with postage thereon prepaid. If notice is delivered electronically (Email) to the email address on record for the property owner, such notice shall be deemed delivered if no email failure message is returned. Each lot owner in the Alpine Lakes Ranch Sub division, shall be entitled to one vote for each lot owned. (Revised Oct 30, 2015 by motion of BOD)

#### E. Closing of Transfer Books or Fixing of Record Date

For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or in order to make a determination of Members for any other purpose, the Officers/Directors of the Corporation may provide that the corporate books shall be closed for a stated period but to not exceed, in any case, twenty days. If the corporate books shall be closed for the purpose of determining Members entitled to notice of or to vote as a meeting of Members, such books shall be closed for at least ten days immediately preceding such meeting. In lieu of closing the membership books, the Officers/Directors may fix in advance a date as the record date for any such determination of Members, such dates in any case to be not more than thirty days and, in case of a meeting of Members, not less than ten days prior to the date on which particular action requiring such determination of Members is to be taken. If the corporate books are not closed and no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members, the date on which notice of the meeting is mailed, shall be the record date for such determination of members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this section, such determination shall apply to any adjournment thereof.

#### F. Voting Lists

The Officer/Director or agent having charge of the corporate books for Members of the Corporation shall make, at least three days before such meeting of Members a complete list of the Members entitled to vote at each meeting, or any adjournment thereof; arranged in alphabetical order, with the address of and the number of votes held by each, which list, for a period of three days prior to such meeting, shall be kept on file at the principal office of the Corporation and shall be subject to inspection by any Member at any time during usual business hours. Such record shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time. The original membership book shall be the prima facie evidence as to who the Members are entitled to examine such lists or transfer books or to vote at the meeting of the Members. The voting lists will be one and the same as Alpine Lakes Ranch POA, to be maintained by the POA Secretary. No Member who is delinquent in paying annual assessments, water usage fees, or any Water Company special assessment(s), shall be able to vote at the annual Water Company meeting until their account is paid in full. (Revised Oct 30, 2015 by Motions of BOD)

#### G. Quorum

At any meeting of Members twenty-five percent (25%) of the lots owned by the Members of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum of Members. If less than said number of lots are represented at a meeting, a majority of lot owners so represented may adjourn the meeting from time to time without further notice. (Revised Feb 21, 2020 by Motion of BOD)

#### H. Proxies

At all meetings of Members, a Member may vote by proxy executed in writing by the Member or by his duly authorized attorney in fact. Such proxy shall be filed out with the Secretary of the Corporation before or at the time of the meeting and shall state the extent of authority, to whom the authority shall be granted therein and the specific time period for which the proxy is granted. (Revised Oct 30, 2015 Motion of BOD)

#### I. Voting

1. One vote shall be allowed for each lot within Alpine Lakes Ranch Subdivision.
2. There shall be one vote for each lot regardless of multiple or undivided ownership of a lot. The Corporation shall be entitled to rely upon the vote of any Member, owned by multiple owners, duly cast at a property called meeting with a quorum, regardless of any conflict among the owners of such lots. Upon the demand of any member, the vote for Officers/Directors shall be by a majority vote; all other questions

shall be decided by majority vote except as otherwise provided by the Certificate of Incorporation of the Laws of this State.

#### J. Order of Business

The order of business at all meetings of the Members, shall be as follows:

1. Roll Call
2. Proof of notice of meeting or waive of notice
3. Acceptance of approved prior meeting
4. Reports of Officers
5. Reports of Committees
6. Election of Officers/Directors
7. Unfinished Business
8. New Business
9. Adjournment

#### K. Informal Action by Members

Unless otherwise provided by law, any action required to be taken at a meeting of the Members, or any other action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

### ARTICLE III- BOARD OF OFFICERS/DIRECTORS

#### A. General Powers

The business and affairs of the Corporation shall be managed by its Board of Officers/Directors. The Officers/Directors shall in all cases act as a Board, and they may adopt rules and regulations of the conduct of their meetings and the management of the Corporation, as they may deem proper, consistent with these Bylaws and the laws of this State.

#### B. Number, Tenure, and Qualifications

1. The number of Officers/Directors of the Corporation shall be no more than seven (7) and no less than three (3). Each Director shall hold the position for a period of three years or as designated by the BOD, there will be one or more Director's elected annually for a designated term at the annual meeting of the Members and until their successor shall have been elected or assumes their office. (Revised August 2018)
2. Only Owners (or in the case of an Owner who is an entity organized pursuant to Colorado law, a representative of the owner eligible to vote and otherwise in good standing, may be elected or appointed to fill a vacancy on the Board of Directors. Employees or contractors of either WATCO or the POA shall not be eligible to serve on the board of directors. (Motion of BOD Apr 20, 2011) (Revised Apr 9, 2013 by Motion of BOD)

#### C. Regular Meetings

A regular meeting of the Officers/Directors shall be held without other notice. The Officers/Directors may provide by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

#### D. Special Meetings

Special meetings of the Officers/Directors may be called by or at the request of the President/Director or any

two Officers/Directors. The person or persons authorized to call a special meeting of the Officers/Directors may fix the place for holding any special meeting of the Officers/Directors called by them.

#### E. Notice

Notice of any special meeting shall be given at least five days previous thereto by written notice delivered personally, by facsimile, mailed, or electronically (Emailed) to each Officer/Director at their business or residence address. If mailed, such notice shall be deemed to be delivered when deposited into the United States mail so addressed, with postage thereon placed. If notice be given by facsimile or Email, such notice shall be deemed to be delivered when telephone confirmation of the fax is received or if by Email is not returned as undeliverable. Any such delivery confirmation or failure shall be noted in the corporate records. The attendance of an Officer/Director at any meeting shall constitute a waiver of notice of such meeting, except where an Officer/Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

#### F. Quorum

At any meeting of the Officers/Directors, there shall constitute a quorum for the transaction of business, but if less than said number is present at a meeting, a majority of the Officers/Directors present may adjourn the meeting from time to time without further notice.

#### G. Manner of Acting

The act of the majority of the Officers/Directors present at a meeting at which a quorum is present shall be the act of the Officers/Directors.

#### H. Newly Created Officerships/Directorships and Vacancies

Newly created Officerships/Directorships resulting from an increase in the number of Officers/Directors and for vacancies occurring in the Board for any reason except the removal of Officers/Directors without cause may be filled by a vote of a majority of Officers/Directors then in office. An Officer/Director appointed to fill a vacancy caused by resignation or death hold office for the unexpired term of their predecessor.

#### I. Removal of Officers/Directors

Any or all of the Officers/Directors may be removed for cause by a majority vote of the Members or by action of the Board. Officers/Directors may be removed without cause only by a majority of vote of the Members.

#### J. Resignation

An Officer/Director may resign at any time by giving written notice to the Board, the President/Director or the Vice President/Director of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof the Board or such Officer/Director, and the acceptance of the resignation shall not be necessary to make it effective. (Revised Oct 30, 2015, BOD)

#### K. Compensation

No compensation shall be paid to the Officers/Directors, as such, for their services, unless by resolution of the Board a fixed sum. Expenses for actual attendance at each regular or special meeting of the Board may be authorized by resolution. Nothing herein contained shall be constructed to preclude any Officer/Director from serving the Corporation in any other capacity and receiving compensation therefor. (Revised Feb 21, 2020 by BOD)

#### L. Presumption of Assent

An Officer/Director of the Corporation who is present at a meeting of the Officers/Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless their dissent shall be entered in the minutes of the meeting or unless they shall file their written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by certified mail, return receipt requested, to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to an Officer/Director who voted in favor of such action. (Revised Oct 30, 2015 BOD)

#### M. Executive and Other Committees

The board, by resolution, may designate from among its members an executive committee and other committees, each consisting of three or more Officers/Directors. Each such committee shall serve at the pleasure of the Board.

### ARTICE IV – OFFICERS

#### A. Number

The number of Officers of the Corporation shall be no more than seven (7) and no less than three (3). The Officers of the Corporation shall be President/Director, Vice-President/Director, and Director's At-large. Each Director shall hold the position for a period of three years, there will be one or two (2) Director's elected annually for a three-year term at the annual meeting of the Members; however, in no case should the majority of the board either be leaving the board or running for reelection in any given year. The Board shall adjust term lengths as necessary to accommodate this goal. The first BOD meeting after the annual meeting the BOD will elect the Directors to their positions (President, Vice President, and At-large Director). Nominally, the President will be on their third year on the Board and the Vice President will be on at least their second year on the Board. (Revised Feb 21, 2020 by BOD)

#### B. Election and Term of Office

The Officers/Directors of the Corporation shall be elected at the annual meeting of the Water Company by the Members. Each Officer/Director shall hold office until their successor shall have been duly elected or assumed their position or until their death or until they shall have been removed in the manner hereinafter provided.

#### C. Removal

Any Officer/Director or agent elected by the Members or appointed by the Officers/Directors may be removed by the Members or Officers/Directors whenever in their judgment the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

#### D. Vacancies

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Officers/Directors for the unexpired portion of the term.

#### E. President/Director

The President/Director shall be the principal executive officer of the Corporation and subject to the control of the Officers/Directors, shall in general supervise and control all of the business and affairs of the Corporation. They shall, when present, preside at all meetings of the Members and of the Officers/Directors. They may sign, with the Secretary/Bookkeeper or any other proper Officer/Director of the Corporation thereunto authorized by

the Officers/Directors. Any deeds, mortgages, bonds, contracts, or other instruments which the Officers/Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Officers/Directors or by these Bylaws to some other Officer/Director or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President/Director and such other duties as may be prescribed the Officers/Directors from time to time. (Revised Feb 21, 2020 by BOD)

#### F. Vice President

In the absence of the President/Director or in the event of their death, inability or refusal to act, the Vice President/Director shall perform the duties of the President/Director, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President/Director. The Vice President/Director shall perform such other duties as from time to time may be assigned to him/her or by the Board.

#### G. Secretary

The position of Secretary shall keep the minutes of the Members, and Officers/Directors meetings in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these Bylaws of as required by law, be custodian of the corporate records and of the seal of the Corporation and keep register of the post office address of each Member which shall be furnished to the Secretary by such Member, have general charge of the books of the Corporation and in general perform all duties incident to the office of Secretary and such duties as from time to time may be assigned to them by the President/Director. The Secretary shall be entitled to rely upon the corporate records and the addresses registered therein for all purposes including any and all notices in these Bylaws. The Secretary shall report to the President/Director. (Revised Feb 21, 2020, by BOD)

#### H. Treasurer and Bookkeeper

1. Treasurer: The Treasurer shall, in conjunction with the President/Director, supervise and control all financial affairs of the Corporation. The Treasurer shall oversee the work and pay of any/all contractors and laborer's and ensure proper 1099/Tax reporting occurs. The Treasurer will also act as the signature on all financial filings for Federal, State, and local authorities including but not limited to tax returns. (Revised Feb 21,2020 by BOD)

2. Bookkeeper: The position of Bookkeeper shall be a paid position, non-voting, non-elected position. The position will be under the direction/supervision of the Treasurer and will receive any and all assignments by the President/Vice President. (Revised Oct 2015, Aug 2018 by BOD)

#### J. Salaries

No salaries shall be paid to any Officer/Directors unless approved by a majority vote of the Members held at an annual meeting of the Members. The salaries of any Officer/Director shall be fixed from the time to time by the Members and an Officer/Director shall not be prevented from receiving such salary by reason of the fact that they are also an Officer/Director of the Corporation.

### ARTICLE V – CONTRACTS, LOANS, CHECKS, AND DEPOSITS

#### A. Contracts

The Board may authorize any Officer/Director, agent or agents to enter into any contract with a third party or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. (Revised Feb 21, 2020 by BOD)

**B. Loans**

No loans shall be contracted on behalf of the Corporation and not evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

**C. Checks, Drafts, ETC.**

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such Officer/Director or Officers/Directors, agent or agents of the Corporation and in such manners as shall from time to time be determined by resolution of the Board.

**D. Deposits**

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select.

**ARTICLE VI-FISCAL YEAR FOR MEMBER REPORTING**

The fiscal year of the Corporation shall begin on the first day of July through the last day of June effective 2011. The Corporation reports to the Internal Revenue Service by calendar year. (Changed from Calendar year to fiscal year on Sep 26, 2010, by BOD, Revised Feb 21, 2020 by BOD)

**ARTICLE VII – SEAL**

The Board shall provide a corporate seal, which shall be circular in form and shall have inscribed thereon the name of the Corporation, state of incorporation, year of incorporation and the words, “Corporate Seal”

**ARTICLE VII – WAIVER OF NOTICE**

Unless otherwise provided by law, whenever any notice is required to be given to any Member of Officer/Director of the Corporation under the provisions of these Bylaws or under the provisions of the Articles of Incorporation, a waiver thereof in writing, signed by the person/persons entitled to such notice, whether before or after the time stated therein, shall be deem equivalent to the giving of such notice.

**ARTICLE IX – AMENDMENTS**

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board of Officers/Directors at any regular, special, or annual meeting of the Board of Officers/Directors, subject to the rights of the members to reject or ratify the Bylaws so adopted, at any subsequent annual meeting, special meeting, or mail vote of the members.

**ARTICLE X – MEMBERS’ PRE-EMPTIVE RIGHT**

Members of the Corporation shall have no pre-emptive voting rights.

**ARTICLE XI – REGULATION OF WATER-DISTRIBUTION and USE**

**A. General Assessments**

1. All lots shall be assessed the ordinary and necessary expenses required or incurred for the processing, treatment and delivery of the water, consistent with these Bylaws, rules and regulation of the Corporation, court decrees, and order of the Division Engineer.
2. All lots within the Alpine Lakes Ranch Subdivision shall be assessed for the purpose of investment, maintenance, repairs, construction, and improvements of an and all facilities required for investment, treatment, maintenance and delivery of water consistent with these Bylaws and rules and regulations, for advocacy and protection of lot owners’ interest (including reasonable attorney’s fees) and payment of any

indebtedness and interest incurred by the Corporation as long as all of such expenses are for the common benefit of the Members and in furtherance of corporate purposes stated in the Articles and these Bylaws. General assessments shall be levied in proportion to the number of lots. (Revised July 1, 2009 by MOD and after review of Attorney Larry Holthus)

3. Assessments shall be approved by the Board at an annual meeting or at a special meeting called for that purpose, by majority vote of the Board present, either in person or by proxy, provided that a quorum is represented in the voting.
4. Notice of an assessment shall be given each Member by the Treasurer of the Corporation, stating the amount of the assessment and its due date. Such notice shall be in writing and shall be either delivered to the Member in person or mailed to them at their address as contained in the Corporation books. A minimum of 30 days' notice of a levy of assessment shall be given. (Revised Oct 30, 2015 by BOD)
5. Assessments shall bear interest at 12 percent per annum from the date payment was due. Interest may be waived by the Board for good cause.
6. In the event any assessment or water usage fee is not paid in full within the mentioned time of notice a \$50.00 late fee will apply. The Member will be subjected to a notice and filling lien, in the event an Intent-to-Lien Notice is conveyed to a member of a \$75.00 fee. A \$20 fee will be also be charged to that Member for preparation and mailing. In the event a lien is filed, the Member will be responsible to pay any legal fees and or any fees for the purpose of collection not to exceed 50% of the total amount to be collected. In addition, for each lien filed the Member will pay a \$175 lien preparation/filing/release fee to the Alpine Lakes Ranch Water Company, Inc. (Revised Oct 30, 2015, Aug 2018, Feb 21, 2020 by BOD)
7. A lot will be subject to water meter removal or precluded from water meter installation under the following circumstances:
  - a. Unpaid Assessment(s)
  - b. Where there exists a lien for non-payment or assessment(s) and all fees associated with that lien. The lot will remain excluded from the main water system and water meter installation until all assessment debt, past and present, is paid to the water company in full.
  - c. Additional causes for removal of a meter are in Article XII, Section 3. (Revised Feb 21, 2020 by BOD)

#### B. Special Assessments

1. Special assessments may be levied against any Member's lot for costs incurred by the Corporation which does not benefit all members, such as cases where the Corporation must incur legal fees because of a bankruptcy, divorce, or property disputes involving Members and their lots. Cost shall include reasonable attorneys' fees incurred by the Corporation in transactions or disputes involving a member(s) property interests or disputes with a Member(s) and third parties which do not involve the common interest of the Corporation, subject to Colorado Law. (Revised Feb 21, 2020 by BOD)
2. The Alpine Lakes Ranch Water Company Board of Directors may assess a per tract fee when necessary to meet extraordinary expense(s).
  - a. In the event of an emergency (See Article XIV, paragraph 6) requiring immediate repair, the board may elect to conduct a special assessment, should repair estimates exceed 70% of the current reserves.
  - b. In the event of planned maintenance activities that would exceed 70% of the current reserves, the board shall conduct a special meeting of the membership (or at the annual meeting) to explain the expenses and special assessment; and allow for a 30-day comment period.



In either case, such an assessment shall not provide Alpine Lakes Ranch Water Company with more funds than necessary to meet the extraordinary unbudgeted expenses. The decision to proceed with a special assessment shall be at the sole discretion of the Board of Directors (Revised Dec 2016)

#### ARTICLE XII-NOTICE OF DISCONTINUANCE OF SERVICE

1. In the event any assessment is not paid within the time mentioned in the notice, the Member's lot shall be subject to a lock out from the water system. A reasonable fee will be charged for unlocking the system. After repayment has become overdue, a Director shall mail a second notice of assessment to the Member, stating the same facts as in the first notice, and giving notice that the lot will be locked out if payment is not made within thirty (30) days from the date that notice is mailed or delivered. The Corporation will not be held responsible for damage to real property or improvements to personal property due to discontinuance of service. The Directors shall use every reasonable effort to ensure that the member receives this notice. The name and address of the Member(s) as listed in the corporate books, shall be considered the address of the Member for notice purposes. (It is the duty of each member to keep their current address with the Secretary of the Corporation.) A certified mailing, return receipt requested, shall be sufficient for any notice required herein. (Revised Oct 30, 2015 by BOD)
2. The Corporation may deny all use of water to any Member whose assessments are in default. Failure to deny use shall not constitute a waiver of the right to do under a continuing default or subsequent defaults.
3. The Corporation has the responsibility to notify a Member in the event there is a suspicion of a leak, whether it is discoverable or not or extensive use is occurring. Such suspicion arises with the monitoring capabilities of the Corporation and its operators. The operator shall notify the BOD immediately of any suspected or confirmed leaks in writing. Notification of the suspected leak to the member will occur in person, if possible then in writing to the member at the Email address on file with the water company. In the event the member is unable to be contacted or fails to acknowledge notification of a potential leak, the BOD has the responsibility to discontinue service. (Added Feb 21, 2020 by BOD)

#### ARTICLE XIII-USE OF WATER

##### A. Term of Water Use

1. The term of these Bylaws shall be perpetual and shall continue to remain in full force and effect as long as the Corporation is functioning and operating as a water company servicing water uses.

##### B. Rates

1. Members shall be charged the rate as set forth by the Board of Officers/Directors of the Corporation at the initial or annual meetings.
2. As a condition of receiving a service line, Member agrees to abide by the Corporation's rate schedule, rules, terms, regulations, and Bylaws as amended.

##### C. Service Connections

1. The Corporation will install service pipes of suitable capacity from its water lines to the curb or property line of Member's property that is suitable on a public street, highway, alleyway, utility easement or road adjoining where Corporation has water mains, all of such facilities are to be maintained by the Corporation. (Revised Feb, 21 by BOD)
2. Members shall pay the Corporation a fee for making a service connection. (Revised Oct 30,2015 by BOD)

3. Members will install that proportion of the service line inside of the curb or property line at Member's expense. The material and construction thereof shall meet the Corporation's specifications and are to be approved by the Corporation. Materials furnished by the Member and the construction of such service line shall be at all times be and remains the sole property of the Member and when necessary, shall be maintained and repaired by the Member at the Member's expense.

#### C. Meter Installations

1. All Members shall be required to have a water meter installed in order to access the ALR water system. The Corporation and only the Corporation shall install and supply water meters. The cost of the water meter and installation shall be the responsibility of the Member. All meters shall become the property of the Corporation upon installation.
2. If any Member is determined to be accessing the ALR Water System by other means, such Member will be prosecuted to the full extent of the law. (Added Feb 21, 2020 by BOD)

#### D. Billing and Shut-off for Non-Payments

1. Water bills will be rendered periodically based upon meter readings during the preceding period and shall be due and payable to Alpine Lakes Ranch Water Company, Inc., P.O. Box 3220, Pagosa Springs, CO 81147, within 30 days after being mailed or Emailed to the Member. If bills become delinquent, the Corporation may shut off the service and require that all delinquent amounts be paid in full before service is restored. A reasonable fee may be charged to restore service.
2. The Corporation may have the additional right to shut off service or to remove meter to any Member for violation of any rule, regulation, or Bylaw of the Corporation and/or maintenance purposes. (Revised Feb 21, 2020 by BOD)
3. If the Corporation disconnects a Member's water service, at the Member's request, the Corporation may charge a \$75.00 reconnection fee, or such other fee set by the Board of Directors. In addition, if the corporation disconnects water service form a Member due to delinquent payment of water bills or for violation of rules and regulations of the Corporation, the Corporation shall charge a \$250.00 re-connection fee, or such fee set by the Board of Directors at the annual meeting. (Revised Oct 20, 2015 by BOD)

#### E. Late Payment of Water Bills

1. In the event a total payment of the Member's bill is not received by the Corporation by the due date set forth on the billing statement, a late payment charge of \$50.00 will be added to the outstanding amount and notice shall be given to the Member of their delinquent payment. If the delinquent payment is not made including the late charge fee within 45 days of the original billing date, notice of discontinuance of water service will be given and water service may be discontinued within 48 hours, unless the total payment balance is paid in full. (Revised Feb 19, 2015 by BOD)

#### F. Access to Property

1. Members agree to allow Corporation access to read meters and service Member's water lines.

#### G. Inoperative Meters

1. In the event Member's meter shall become inoperative, a bill will be submitted for the estimated amount of water usage from the last meter reading date, based upon the best information and data available for fairly computing the bill for such period.

#### H. Inspection

1. The Water Company or their agent or employees, shall have the right to access easements for the purpose of installing equipment, inspecting, servicing, repairing, and maintenance of the water system infrastructure that includes, but is not limited to water meters, pipes, storage tanks, hydrants, flush outs, water lines, water and air pressure control valves, pump houses, and other mechanical devices.

#### I. Winter Freezing

1. Members agree to take precautions against winter freezing. If the Member's premises are unoccupied during sub-freezing temperatures, Member agrees that the water system shall be properly drained and maintained. If Customer's premises are occupied during severe cold weather, an adequate amount of water should be allowed to run to provide circulation.
2. In no event shall the Corporation be responsible for damage of any nature, regardless of costs of private water lines connected to Corporations' mains. The Corporation shall take all reasonable precautions to prevent the mains from becoming frozen and will be cooperative with all Members on unexpected occasions when possible disaster threatens water lines due to extremely low temperatures and deep frost conditions.

#### J. Water Restrictions

1. In the event of a regional drought or other recognized menace; the Corporation reserves the right to restrict the use of water without discrimination, at any time.

#### K. Emergency Location and Repair

1. In the event that damage to any water line and loss of water service due to water line locations and emergency location repairs associated with damaged mains by contractors and/or replacement of an inoperable main, main sections, or lines, shall be charged to the Member and shall be paid forthwith.

#### L. Attorney Fees

1. In the event of violation of these Bylaws, Member agrees to pay in addition to any other costs and expenses due, a reasonable attorney fees.

#### M. Meter Reading and Water Loss

1. Meters will be read periodically by the Water Co. to determine usage.
2. It is the Members responsibility to turn their water off when not in residence on the ranch for more than three (3) days. This applies to all members having water taps, on properties with or without structures. If requested, the Water Co will turn meters off for the Members. The Water Co. is not responsible for any

damages incurred. Refer to Article X N, E3 for fees. (Revised Oct 30, 2015 and Oct 19, 2017 by BOD)

3. In the event that the water meter of a property owner or non-resident, determined not to be in residence for at least three (3) days is found in the ON position and as a result causes any damage to any Water Co. equipment or loss of water to the system, the Member will be charged for the water recorded on their meter and any related costs incurred by the Water Co. This applies to all members having water taps on properties with or without structures. In addition, should water hauling be required during the billing period when an incident occurs, the property owner will be billed at the "hailed water rate" for all water lost due to the incident; this lost will be determined by the Operator in Charge. All other water usage will be billed in accordance with the current rate schedule. The operator has the authority to turn the meter to the OFF position as a precaution. (Revised Oct 19, 2011; Nov 5, 2012; Oct 19, 2017; Feb 21, 2020 by BOD)

#### ARTICLE XIV-FINANCIAL CONTROLS

1. All expenses are by definition either "Ordinary" or "Extraordinary." "Ordinary" expenses are regular and recurring expenses that are incurred in the normal course of business and that fall within pre-specified limits. The board will, from time to time by majority vote identify the expenses and their acceptable limits, which fall into the category of "Ordinary." All other expenses are by definition "Extraordinary."
2. All "Ordinary" expenses may be discharged by check(s) signed by only one of the Board authorized signers except if check is paid to the order of the authorized signer. Any reimbursement will be reviewed by the BOD and will be included in the minutes or authorized at the time of initial approval. All "Extraordinary" expenses may only be discharged by check(s) signed by no less than two of the Board authorized signers. No payment shall be made without a detailed invoice or statement which should include, but not limited to: 1) date of service or purchase; 2) description of work or service performed, materials used, including quantities; 3) hours and dates worked. (Revised Dec 2016 by BOD)
3. A capital expenditure will be defined as one that will have a long term, five years or more, impact on the water system and under accepted accounting standards would normally be capitalized.
4. Requests for capital expenditures will be presented in detail to the Board for discussion in a regular or special meeting of the Board. It is recommended that any number of competing bids, accompanied by references, be included in the presentation. A majority vote of the quorum is required for approval of any capital expenditure. If the capital expense is greater than \$20,000 there may not be a vote for acceptance in the same meeting in which the item is first presented.
5. A majority vote of the quorum is required to spend funds from the cash reserve.
6. For the purpose of the Alpine Lakes Ranch Water Company Inc., an emergency is defined as any event which if not resolved in a timely manner will cause interruption of water supply to residents, and/or damage to the water system and/or compromises the safety or quality of the water supply.
7. In an emergency, as defined above, where the remedy is estimated to be less than \$1,000, the licensed operator may approve an 'in kind' expenditure. IN KIND is defined as 'the replacement of the existing part with the same part'. If the cost to remedy is greater than \$1,000 but less than \$5,000 approval by any one of the Board members is required before any expense may be incurred. All other expenses for emergency remedies should be approved by a vote of the Board. The votes need not be gathered in person, but

where possible, a witness should verify the vote.

8. At each regular Board meeting the Treasurer/Bookkeeper will provide each Board member with an accounting of all expenses incurred and/or discharged since the last Board meeting. The Board will review the accounting and approve. The Board will attest by documentation in the minutes that financial reports are true and accurate to the best of their knowledge. (Revised Dec 2016 by BOD)
9. From time to time, at the discretion of the Board, and upon the majority vote of the quorum, an independent review or a targeted partial review may be required. The approved review must be completed in a timely manner as specified in the suggested, duly seconded, and approved by motion vote. (Revised Dec 216 by BOD)
10. A budget for the following fiscal year should be approved by the Board and published by no later than the 1<sup>st</sup> of June of the current fiscal year. If the Board has not approved a new budget by this date, the current budget will be carried forward into the new fiscal year. (Revised Apr 20, 2011 by BOD)
11. Statements to property owners for the current fiscal year's water assessment shall be mailed or Emailed on the first weekday of that fiscal year. Reminder notices will be mailed out the first weekday of August to property owners who are delinquent in paying their water assessment.