

DRY CREEK WATER ASSOCIATION, INCORPORATED BY-LAWS
3671 Edgewood Drive, Port Angeles, Washington 98363
(360) 452-2780 * (360) 417-5034 FAX

ARTICLE I

General Purposes

The purposes for which this Corporation is formed and the powers which it may exercise are set forth in the Articles of Incorporation of the Corporation.

ARTICLE II

Name and Location

Section 1. The name of this Corporation is the Dry Creek Water Association, Incorporated.

Section 2. The principal office of this Corporation shall be located in the area of Dry Creek, County of Clallam, State of Washington, but the Corporation may maintain offices and places of business at such other places within or without the state as the Board of Trustees may determine.

ARTICLE III

Seal

Section 1. The seal of the Corporation shall be inscribed thereon the name of the Corporation, the year of its organization, and the words, "Non-Stock Corporation, Washington."

Section 2. The Secretary-Treasurer or Manager of the Corporation shall have custody of the seal.

Section 3. The seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise.

ARTICLE IV

Fiscal Year

The fiscal year of the Corporation shall begin the first day of July in each year.

ARTICLE V

Membership

Section 1. The holders of membership certificates of this Corporation are its members. There shall be two classes of membership: primary user and secondary user.

Section 1.1 Primary User Members. Any bona fide occupant of a farmstead or rural residence having a reasonable accessibility to the source of and who are in need of having water supplied for single family residential domestic, farmstead, livestock, lawn and garden uses from the water system constructed, maintained, and operated by the Corporation, and who receives the approval of the Board of Trustees may be admitted to membership as a primary user upon subscribing for and otherwise acquiring a membership certificate and by signing such agreements for the purpose of water as may be provided and required by the Corporation; providing that no person otherwise eligible shall be admitted to the Corporation if the capacity of the Corporation's water system is exhausted by the needs of the existing members, unless a proposed new member is purchasing a property presently served by the Corporation. This use must be for residential personal use only and not associated with any business or commercial use, either profit or non-profit, except as described in this section. Primary Members with additional dwelling units will pay an additional monthly general facility charge, for each unit.

Section 1.2 Secondary User Members. Any person or entity having a reasonable accessibility to the source of, and who are in need of having water supplied for industrial, commercial and business purposes from the water system constructed, maintained, and operated by the Corporation and who receives the approval of the Board of Trustees may be admitted to membership as secondary user upon subscribing for or otherwise acquiring a membership certificate and by signing such agreements for a purchase of water as may be provided and required by the Corporation; provided that no person otherwise eligible shall be admitted to the Corporation if the capacity of the Corporation's water system is exhausted by the needs of its existing members unless a proposed new member is purchasing a property presently served by the Corporation. As used herein the terms industrial, business, and commercial shall include any non-residential use. There shall be a water meter base rate charge associated with the level of service provided to each secondary member. In addition, there will be an added general facility charge calculated by multiplying the number of extra dwelling units by the appropriate Equivalent Dwelling Unit adjustment factor in the table below.

Single-family residence	1.0 EDUs/unit
Commercial/industrial	1.0 EDUs/unit
Apartments/condominiums	0.90 EDUs/unit
Recreational vehicle park	0.50 EDUs/unit (occupied or not)
Transitory living units	0.40 EDUs/unit

Applicants for Secondary User Member status shall complete a Timely and Reasonable Water Service Association Application and submit a non-refundable fee with the application. There shall be 60 day (maximum time) review period time frame for review of secondary user member applications, which shall begin on the date the completed application and fee are received by the Association Manager in the Association office.

Section 1.3 Conversions from Primary User to Secondary User Membership. A member may convert their primary user membership to secondary user membership upon application to and approval of the Board of Trustees; by signing such agreements for the purchase of water as may be prescribed by the Board of Trustees and by paying a fee equivalent to the difference between the amount originally paid for their primary user membership and the current cost of a secondary user membership. Disposal of memberships refer to Article VI, Section 2 (c).

Section 1.4 Upgrading meter service to larger meter service. A member may convert their secondary user memberships to larger meter service upon application to and approval of the Board of Trustees; by signing such agreements for the purchase of water as may be prescribed by the Board of Trustees and by reimbursing the Corporation for the full cost associated with upgrading their larger meter service.

Section 1.5 Any member that is not in compliance with Section 1.1 and Section 1.2 of these by-laws may be assessed an additional monthly fee as determined by the Board of Trustees.

Section 2. In case of the death of a member or if a member ceases to be eligible to hold membership or willfully fails to comply with these By-laws and other requirements by the Corporation or willfully obstructs the purposes and proper activities of the Corporation, the Corporation through the Board of Trustees may elect to purchase membership certificate and terminate membership upon tender to member's heirs or legal representatives for the amount of the original purchase price paid minus the membership installation cost to the Corporation for membership certificate, along with any indebtedness then due from the membership to the Corporation. In the event a member becomes ineligible or attempts to transfer interest in the Corporation without any attempt to make the transfer of membership on the books of the Corporation as provided herein, the Corporation may treat the membership as terminated and cancel the membership certificate without any tender of the original purchase price paid to the Corporation for said membership. Any member, whose membership is terminated for cause other than that of ceasing to be eligible, may appeal from the action of the Board of Trustees to a vote of the members at the next regular meeting of the members or special meeting of the members called for such purpose.

Section 3. A membership may be held as joint tenants with right of survivorship. In the event the membership is held as joint tenants with right of survivorship and in the event of the death of either, the Corporation through its Board of Trustees may not purchase the membership by reason of that death and the survivorship shall be considered the owner of the membership.

ARTICLE VI

Membership Certificates

Section 1. This Corporation shall not have capital stock, but its capital shall be represented by membership certificates.

Section 2. The membership certificates shall be issued to each holder of a fully paid membership and shall be numbered. Each membership certificate shall bear on its face the following statements:

- a. This membership certificate number ___ is issued and accepted in accordance with and subject to the conditions and restrictions stipulated in the Articles of Incorporation, By-laws, and amendments to the same of the Dry Creek Water Association, Incorporated.
- b. Transfers of membership certificates shall be made only upon the books of the Corporation, only to persons eligible to become members, only with the approval of the Board of Trustees, and only when the member transferring is free from indebtedness to the Corporation. A transfer fee will be assessed per membership upon approval of the Board of Trustees. If a membership certificate is transferred into a family trust by the current family without a sell transaction, there will not be a transfer fee charged by the Corporation. All transfer of membership certificates shall be approved by the Board of Trustees.
- c. Each membership of this Corporation shall be entitled to one vote at meetings of the members. There shall be no voting by proxy. Every member upon becoming a member of this Corporation agrees to sign such agreements for the purchase of water from the Corporation as may from time to time be provided and required by the Corporation and agrees in case member desires to dispose of membership certificates, to first offer the same to the Corporation at the amount of the original purchase price paid to the Corporation minus the membership installation costs and that member will make no offer of assignment or sale of the same unless the Corporation shall fail after thirty (30) days' notice in writing so to purchase the membership certificate. This provision does not apply to disposal of memberships as a result of annexation. Those provisions are outlined in interagency agreements between the Association and the City of Port Angeles.
- d. When a membership is owned jointly with right of survivorship or in any other form of common ownership, the co-owners shall have one vote and only a single owner or co-owner may vote at the meetings of the members.

Section 3. Membership herein permits members to the use of water provided by the Corporation. Membership does not grant ownership in the Corporation nor in Corporation property including water. These by-laws shall not be construed grant an ownership interest based upon membership. Water provided by the Corporation shall be for member use only. No member of this Association has the right to sell or give away water to other individuals/dwellings or businesses. Your water service may be shut off and/or your membership may be terminated by the Board of Trustees if you are in violation of these By-laws.

Section 4. If, by temporary shortage of supply or for the purpose of making repairs, extensions, connections or placing or replacing meter, or for any reason beyond the control of the Association, it becomes necessary to shut off water in a main or service, the Association will not be responsible for any damages resulting therefrom. The Association will not be responsible for damages caused by discolored water or unsatisfactory water service which may be occasioned by cleaning of pipes, reservoirs or standpipes, or the opening or closing of any valves or hydrants.

ARTICLE VII

Meetings of Members

Section 1. The annual meeting of the members of this Corporation shall be held in September of each year.

Section 2. Special meetings of the members may be called at any time by the action of the Board of Trustees and such meetings must be called whenever a petition requesting such meeting is signed by at least ten (10) percent of the members and presented to the Secretary-Treasurer of the Corporation or to the Board of Trustees. The purpose of every special meeting shall be stated in the notice thereof and no business shall be transacted except as is specified in the notice.

Section 3. Notice of meetings of members of the Corporation may be given by a notice mailed to each member of record, directed to the address shown upon the books of the Corporation at least ten (10) days prior to the meeting. Such a notice shall state the nature, time, place, and purpose of the meeting but no failure or irregularity of notice of any annual meeting regularly held shall affect any proceedings taken thereat.

Section 4. The members present at any meetings of the members shall constitute a quorum at any meeting of the Corporation for the transaction of business. The voting powers of the members of this Corporation shall be equal. Each member shall have one (1) vote only and no voting by proxy shall be allowed.

Section 5. Trustees of this Corporation shall be elected at the annual meeting of the members.

Section 6. The order of business at the regular meeting and as possible at all other meetings shall be:

1. Calling to order and proof of quorum.
2. Proof of notice of meeting.
3. Reading and action of any unapproved minutes.
4. Reports of Officers and committees.
5. Election of Trustees.
6. Unfinished business
7. New business.
8. Adjournment.

ARTICLE VIII

Board of Trustees and Officers

Section 1. The Board of Trustees of this Corporation shall consist of seven (7) members, all of whom shall be members of the Corporation. The Trustees named in the Articles of Incorporation shall serve until the first annual meeting of the members and until their successors are elected and have qualified. At the first annual meeting of the members, three (3) Trustees shall be elected for a term of one (1) year, two (2) Trustees shall be elected for a term of two (2) years, and two (2) Trustees shall be elected for a term of three (3) years. At each annual meeting thereafter, the members shall elect for a term of three (3) years the number of Trustees whose terms of office have expired.

Section 2. The Board of Trustees shall meet within ten (10) days after the first election and within ten (10) days after the annual election of Trustees and shall elect by ballot a President and Vice President from among themselves and a Secretary-Treasurer, each of whom shall hold office until the next annual meeting and until the election and qualification of the successor unless sooner removed by death, resignation or for cause.

Section 3. If the office of any Trustee becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, except by removal from office, a majority of the remaining Trustees, though less than a quorum shall by a majority vote, choose a successor whom shall hold office until the next regular meeting of the members of the Corporation, at which time the members shall elect a Trustee for the unexpired term, provided that in the call of such regular meeting a notice of such election shall be given.

Section 4. A majority of the Board of Trustees shall constitute a quorum at any meeting of the Board.

Section 5. Compensation of Officers may be fixed at any regular or special meeting of the members of the Corporation. Board of Trustees shall receive no compensation for their services as such.

Section 6. Officers and Trustees may be removed from office in the following manner. Any member, Officer or Trustee may present charges against a Trustee or Officer by filing them in writing with the Secretary-Treasurer of the Corporation. If presented by a member, the charges must be accompanied by a petition signed by ten (10) percent of the members of the Corporation. Such removal shall be voted on at the next regular or special meeting of the members and shall be effective if approved by a vote of two thirds of the members present at the meeting at which a majority of the members are present. The Trustee or Officer against whom such charges have been presented shall be informed, in writing, of such charges five (5) days prior to the meeting and shall have the opportunity at such meeting to be held in person or by counsel and to present witnesses and the person or persons presenting such charges against the member shall have the same opportunity. If the removal of a Trustee is approved, such action shall also vacate any other office held by the removed Trustee in the Association. A vacancy in the Board thus created shall immediately be filled by a vote of a majority of the members present and voting at such meeting. A vacancy in any office thus created, shall be filled by the Trustees from among their number so constituted after the vacancy in the Board has been filled.

Section 7. Officers and Trustees that have four (4) or more unexcused absences from regular scheduled board meetings may be removed from office by the majority of the Board of Trustees.

ARTICLE IX

Duties of Board of Trustees

Section 1. The Board of Trustees, subject to restrictions of law, the Articles of Incorporation or these By-laws shall exercise all of the powers of the Corporation and within prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board of Trustees shall have and are hereby given full power and authority (to be exercised by resolution adopted by a majority vote of all the members) in respect to the matters and as hereinafter set forth:

- a. To pass upon the qualification of members and to cause to be issued appropriate certificates of membership.
- b. To select and appoint all Officers, agents or employees of the Corporation or remove such agents or employees of the Corporation for just cause, prescribe such duties, and designate such powers as may not be inconsistent with these By-laws, fix their compensation and pay for faithful services.
- c. To borrow from any source, money, goods, or services and to make and issue notes and other negotiable and transferable instruments, mortgages, deeds of trust, and trust agreements and to do every act and thing necessary to effectuate the same.
- d. To prescribe, adopt, and amend from time to time such equitable uniform rules and regulations as, in their discretion, may be deemed essential or convenient for the conduct of the business and affairs of the Corporation and the guidance and control of its Officers and employees and to prescribe adequate penalties for the breach thereof.
- e. To order, at least once a year, a compilation, review or audit of the books and accounts of the Corporation by a competent public auditor or accountant. The Internal Revenue Service report prepared by such auditor or accountant shall be submitted to the Board of Trustees of the Corporation at their monthly meeting after completion annually. The Board of Trustees or staff will compile a budget vs annual report and proposed budget to present at the annual shareholder's meeting.
- f. To fix the charges and fees to be paid by each member for services rendered by the Corporation, the time of payment and the manner of collection.
- g. To require all Officers, agents or employees charged with responsibility for the custody of any of the funds of the Corporation to give adequate bonds, the cost thereof to be paid by the Corporation and it shall be mandatory upon the Trustees to so require.
- h. To select one or more financial institutions to act as depositories of the funds of the Corporation and to determine the manner of receiving, depositing, and disbursing the funds of the Corporation and to form of checks and the person or persons by whom the same shall be signed with the power to change such financial institutions and the person or persons signing such checks and the form thereof at will.
- i. To levy assessments against the membership certificates of the Corporation and to enforce the collection of such assessments by the forfeiture of delinquent certificates. The Board of Trustees shall have the option to declare forfeited any membership certificate on which assessment has not be paid, at any time after ninety (90) days from the date the assessment was due, provided that the Corporation has given the members at least thirty (30) days' written notice at the address of the member on the books of the Corporation of its intention to forfeit the certificate if the assessment is not paid

ARTICLE X

Duties of Officers

Section 1. Duties of the President.

The President shall preside over all meetings of the Corporation and the Board of Trustees, call special meetings of the Board of Trustees, perform all acts and duties usually performed by an executive and presiding Officer, and sign all membership certificates and such other papers of the Corporation as he/she may be authorized or directed to sign by the Board of Trustees, provided the Board of Trustees may authorize any person to sign any or all checks, contracts, and other instruments in writing on behalf of the Corporation. The President shall perform such other duties as may be prescribed by the Board of Trustees.

Section 2. Duties of the Vice President.

In the absence or disability of the President, the Vice President shall perform the duties of the President provided; however, that in case of death, resignation or disability of the President, the Board of Trustees may declare the office vacant and elect a successor.

Section 3. Duties of the Secretary-Treasurer.

The Secretary-Treasurer or Manager shall sign all membership certificates with the President and such other papers pertaining to the corporation as may be authorized or directed to do so by the Board of Trustees. Secretary-Treasurer perform such duties with respect to the finances of the Corporation as may be prescribed by the Board of Trustees.

ARTICLE XI

Benefits and Duties of Members

Section 1. The Corporation will install, maintain, and operate a main distribution pipeline or lines from the source of the water supply and service lines from the main distribution pipe-line or lines to the property line of each member of the Corporation, at which points, designated as delivery points, meters to be purchased, installed, owned, and maintained by the Corporation shall be placed. The cost of the service line or lines from the main distribution pipeline or lines of the Corporation to the property line of a member shall be paid by-the requesting member. The Corporation will supply and install a cut-off valve in each service line from its main distribution line or lines, such cut-off valve to be owned and maintained by the Corporation and to be installed on some portion of the service line owned by the Corporation. The Corporation shall have the sole and exclusive right to use such shut-off (curb stop) valve to turn it on and off.

Section 2. Each member shall be entitled to purchase from the Corporation, pursuant to such agreements as may from time to time be provided and required by the Corporation, such water for domestic, livestock, garden, industrial, and commercial purposes as a member may desire, subject however, to the provisions of these By-laws and such rules and regulations as may be prescribed by the Board of Trustees. Each "primary user" member shall be entitled to have delivered through a single basic service line only such water as may be necessary to supply the needs of the persons residing within a single farmstead or dwelling and of the livestock owned by such persons and to irrigate a garden. Each "secondary user" member shall be entitled to have delivered through a single basic service line only such water as may be necessary to supply the needs of the installation.

Section 3. Each member shall be entitled to service lines in excess of one basic service line for the purpose of serving the needs of the persons residing within a single farmstead or dwelling and of the

livestock owned by such persons and to irrigate a garden or for a single industrial or commercial installation, provided that the member shall be required to pay a membership fee. The water delivered through such additional service lines will be metered and the charges for such water shall be determined separately by the Board of Trustees.

No new service line or change in an existing service line may be made which will interfere with an existing line or the delivery of water therein without approval of the Board of Trustees. Member(s) or their contractor/agent whom alter the member's original service line between the Association's facilities to the customer shut off valve located outside the meter box, takes total financial and liability responsibility. The member will be held responsible by the Association.

Each service line shall connect with the Corporation's water system at the nearest available place as designated by the Corporation.

Each member will be required to install and connect member's service line after the Corporation's water meter assembly at their own expense.

Each service line shall be equipped with a pressure reducer unit and customer shut off valve installed by the Corporation and maintained and repaired by each individual member. Dry Creek Water Association will not be liable for failure to maintain this equipment, or any malfunction of the pressure reducer unit and customer shut off valve.

The installation and maintenance of any cross-connection which could endanger the water supply of the Corporation (any source of contamination such as a private well) is prohibited. Existing and future water service to any premises will not be allowed to exist by the Corporation, if a cross connection control assembly is not documented in writing to be permanently installed, maintained, and tested annually. Water service will be disconnected to any member that refuses admittance of Corporation personnel or subcontractor to their premises for the purpose of cross connection control. Water service will not be restored until such conditions or defects are documented to be correct. Each individual member will pay for all expenses incurred by the cross-connection assembly installation, maintenance, and repair. Members will abide by Resolution #2015-01 (Cross Connection Control Policy).

All members of the Corporation are responsible for water conservation.

Section 4. In the event the total water supply shall be insufficient to meet all the needs of the members or in the event there is a shortage of water, the Corporation may prorate the water available among the various members on such basis as is deemed equitable by the Board of Trustees and may also prescribe a schedule of hours covering the use of water and required adherence thereto, provided that if at any time the total water supply shall be insufficient to meet all the needs of the members for domestic, livestock, garden, industrial, and commercial purposes, the Corporation must first satisfy all the needs of the members for domestic purposes before supplying any water for livestock purposes and must satisfy all the needs of the members for both domestic and livestock purposes before supplying water for garden, industrial or commercial purposes.

If a member fails to comply with proration or scheduled hours of use prescribed by the Board of Trustees, the Board of Trustees may impose such sanctions against the member, as the Board of Trustees deems appropriate including special charges or assessments and/or temporary termination of service.

Section 5. The Board of Trustees shall determine the flat minimum monthly rate to be charged each user member during the following calendar year for a specified quantity of water, such flat minimum monthly rates to be payable irrespective of whether any water is used by a member during any month, if service facilities are installed for such member and the amount of additional charges, if any, for additional water which may be supplied the members; shall fix the dates for the payment of such charges and the dates for the payment thereof. A member to be entitled to the delivery of water shall pay such charges to the Corporation prior to the dates fixed by the Board of Trustees. The failure to pay water charges duly imposed shall result in the automatic imposition of the following penalties:

- a. Nonpayment of thirty days after due. The water shall be cut off from the delinquent member's property. Members will be required to pay a penalty set by the Board of Trustees plus the full balance on a member's account before the water will be reconnected.
- b. Accounts that have a continuing outstanding balance for more than sixty days. Membership in this corporation may be terminated by the Board of Trustees, and the membership certificate will revert back to the Corporation.
- c. Accounts that have an outstanding balance at the end of each month will be assessed a late fee, as set by the Board of Trustees. This late fee will be charged to the member's account each month.
- d. The Board of Trustees shall have the authority to place a lien (or liens) against the shareholder's property for the amount due to the Corporation.

Section 6. The Board of Trustees shall be authorized to require each member to enter into water user's agreements, which shall embody the principles set forth in the foregoing sections of this Article.

Section 7. Fire hydrants throughout the district are owned and maintained by the Corporation unless it is on a private fire line. The Corporation provides water for fire protection only to its members. Any hydrant being used for any other purposes than fire protection may be considered theft from the Corporation. Hydrants will be purchased and installed by the requesting member(s) in accordance with the Corporation's standards upon approval of the Board of Trustees.

ARTICLE XII

Distribution of Surplus Funds

Section 1. It is not anticipated that there will be any net income. If there should be any, then at the end of the fiscal year, after paying the expenses of the Corporation for operation and otherwise, after setting aside reserves for depreciation on all buildings, equipment, office fixtures, and such other reserves as the Board of Trustees may deem proper and after providing for payment on interest and principal of obligations and amortized debts of the Corporation and after providing for the purchase of property supplies and equipment, the net earnings shall be accumulated in a surplus fund for the purpose of replacing, enlarging, extending and repairing the system and property of the Corporation and for such other purposes as the Board of Trustees may determine to be for the best interest of the Corporation. The said surplus fund or any portion thereof may from time to time, at the discretion of the Board of Trustees be distributed to the members as provided in these by-laws, on the basis of the assessments and charges made and levied against and paid by such members during the year.

ARTICLE XIII

Section 1. These By-laws may be repealed or amended by a vote of a majority of the members present at any regular meeting of the Corporation, or at any special meeting of the Corporation called for that purpose, except that the members shall not have the power to change the purposes of the Corporation so as to decrease its rights and powers under the laws of the state, or to waive any requirement of bond or other provisions for the safety and security of the property and funds of the Corporation or its members, or to deprive any member of rights and privileges then existing, or so to amend the By-laws as to effect a fundamental change in the policies of the Corporation. Notice of any amendments to be made at a special meeting of the members must be given at least ten days (10) before such meeting and must set forth the amendments to be considered.

BY-LAWS as amended September 18, 2023.
SIGNED BY KRISTINE KONOPASKI

Kristine Konopaski

Kristine Konopaski
Secretary-Treasurer of the Board

