

## AMENDED BY-LAWS JULY 22, 2017

### TIMBERLAND ACRES DOMESTIC WATER IMPROVEMENT DISTRICT

A WATER DISTRICT ESTABLISHED AND DECLARED TO BE ORGANIZED ON THE 5<sup>TH</sup> DAY OF NOVEMBER, 1979.

#### PREAMBLE:

These by-laws are established as written documentation of the rules and regulations which will guide and determine the proper actions and decisions in the operation of the organization.

These by-laws became effective at 12:01 a.m. on the 11<sup>th</sup> day of April, 2009, and have been amended on November 11, 2011, July 28, 2012, July 23, 2016, and July 22, 2017.

#### SECTION I - GENERAL POWERS AND RESPONSIBILITIES

- A. The business and affairs of the District shall be managed by the Board of Directors within the structure set forth by these by-laws and A.R.S. Title 38, Chapter 3, Article 3.1 addressing public meetings and proceedings and in accordance with the Open Meeting Law and Roberts Rules of Order Parliamentary Procedures.
- B. The Water Board shall be responsible for reporting the status of the District to the property owners by quarterly meetings or special meetings.
- C. The Board of Directors shall consist of a minimum of three (3) members. A quorum of two (2) is required in a three (3) member board.
- D. No public business shall be conducted without a quorum and the Open Meeting Law must be observed.
- E. Daily operation/repairs/maintenance of the system does not require a quorum vote in order to keep the system in operation.
- F. The Water Board shall adopt internal rules of organization.
- G. The Water Board shall have the authority to hire employees, subcontractors, and enter into contracts for the District. The water board shall decide at a regular or special meeting if an advertisement for bids should be employed for work to be performed or products to be purchased. There is no specific dollar amount that will require a bid. The water board will decide as to the amount and type of work.
- H. The Water Board shall develop a budget for the next fiscal year. That budget shall be presented to the District membership before the end of the current fiscal year. The new annual budget shall be made available at least thirty (30) days before going into effect.
- I. A property owner within the District is considered a voting member.

- J. Water Board members and the Secretary of Affairs shall serve as volunteers and cannot perform any function and receive monetary payments, but will be offered water service without charge. This service may also be offered to others in the district for services performed for the district at the direction of the water board. This is a courtesy extended to the Board members and the Secretary of Affairs for the voluntary service performed on behalf of the District. Any member of the Board or the Secretary of Affairs may have this courtesy withdrawn at any time through a quorum vote in executive session for failing to fulfill their duties or for missing two consecutive meetings. These individuals may also be reimbursed for expenses incurred while engaged in official business of the District as authorized by the Board

## SECTION II - DISTRICT BOARD MEMBERS /ELECTIONS/ TERMS OF SERVICE/ RESIGNATIONS

- A. All current property owners who are qualified electors of the District are eligible to serve. Water Board members shall be elected by the qualified electors of the District. If only one person files, or no person files, a nominating petition for an election to fill a vacancy, Navajo County Elections may cancel the election for the position or positions and appoint a qualified elector to fill the vacancy. Each Water Board member shall hold office for a term of four (4) years.
- B. A Water Board member may resign at any time by giving written notice to the remaining members. Such resignation shall take effect at the time specified therein; if no time is specified, then it will take effect upon receipt of the resignation by the Board chairperson. Acceptance of such resignation shall not be necessary to make it effective. If a vacancy in the Board occurs due to death or disability, the Board members shall appoint a qualified elector of the District to fill the office for the remaining portion of that term. The Water Board will accept written applications to fill vacancies following the notice to the Board chairperson. At conclusion of such term, a qualified election shall take place.

## SECTION III BOARD MEETINGS

- A. The Water Board shall meet on a quarterly basis, normally on the fourth (4th) Saturday of the month following the end of a quarter.
- B. Meeting notices will be posted 24 hours in advance, according to statute, at various locations throughout the Timberland Acres area, listing time and agenda of the meeting. A 24 hour notice or longer is required for special meetings.
- C. Meetings will be conducted in a public building located in the Timberland Acres area.

## SECTION IV BOARD OFFICERS AND THE SECRETARY OF AFFAIRS

- A. A quorum shall consist of 2/3 members then in office, and any meeting of 2/3 will constitute a meeting of the Water Board. The Water Board may adopt rules, regulations, and policies provided they are consistent with the by-laws or County statutes. The Water Board will annually select a chairperson from among its members.
- B. Officers will consist of a chairperson, secretary, and treasurer.

- C. The chairperson shall be the administrative officer of the district. The chairperson shall be responsible for setting up Water Board meetings, chairing the meeting and distribution of agenda/supporting materials to other Board members and subscribers. The chairperson may sign and execute in the name of the District, any instrument or document necessary to carry out the policies of the District.
- D. The secretary shall be responsible for taking minutes of the Board meetings, and shall read these minutes at the next regularly scheduled Board meeting.
- E. The treasurer shall be responsible for the charge and custody of all funds and securities of the District. Treasurer will keep and maintain adequate and correct accounts of the District properties and business transactions. Treasurer will deliver interim statements of the condition of finances of the District to the Water Board or property owners upon request, including a full financial report to any property owner. Treasurer will receive and give receipt for moneys due and payable to the District, and assist in the development and creation of budgets for the District.
- F. An independent audit will be conducted annually by a CPA or a qualified member of the district and presented to the membership annually.
- G. The Secretary of Affairs acts as a liaison between the Board members and directs communications and information to the Board to insure no violation of the Arizona Open Meeting Laws. This individual is not a Board member.

#### SECTION V INDEMNIFICATION

- A. The Water Board or District shall have the power to purchase or procure insurance. Such a bond will cover each member of the Water Board for a minimum of \$10,000.

#### SECTION VI WATER DISTRIBUTION

- A. No water shall be supplied or sold to any entity outside of the District boundaries without a 90% approval vote of property owners in a special meeting of the District.
- B. Water distribution and district requirements for using water will be annotated in the contract that all new members must sign.

#### SECTION VII MISCELLANEOUS

- A. The fiscal year of the District shall begin on July 1, and end on June 30, of each year as required by Navajo County.
- B. Any amendments to the by-laws must be approved by a majority of property owners at a Water Board meeting where a quorum of Water Board members is present.
- C. Subcommittees may be appointed by the chairperson to help solve a problem, investigate, or serve in any capacity so requested. The committee shall dissolve when the objective is met.
- D. Copies of the approved by-laws shall be available on request, and will be posted on the Timberland Acres website.