

LA LUZ MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION & MUTUAL SEWAGE WORKS
ASSOCIATION

BY-LAWS

APPROVED AND UNANIMOUSLY ADOPTED AT A
GENERAL MEMBERSHIP MEETING HELD ON

TBD

CHERI MOORE- PRESIDENT

MICHAEL GUTIERREZ- VICE PRESIDENT

CAROL GARCIA-TREASURER

VAN STRATTON-SECRETARY

TONY ODGEN- WORKS SUPERVISOR

DEFINITIONS

1. **SERVICE CONNECTION:**
The point where Residence or Business line ties into the LLMDWCA & MSHA water system.
2. **ASSESSMENT & METER:**
The price set by the Board for a Membership and meter in order for the service to be provided.
3. **MEMBERSHIP:**
The status given to a person who has paid the fees set by the Board.
4. **MEMBER:**
A person in good standing with the Association by having complied with all its requirements.
5. **RESIDENCE:**
The place where one actually resides within the boundaries of the Village of La Luz.
6. **COMMERCIAL USERS:**
Any Member who operates a business within the Association boundaries and uses Association water in their business, i.e. irrigation-flooding
7. **JOINT OWNERSHIP OF MEMBERSHIP CERTIFICATE:** A Membership may be owned by more than one Member. Regardless of the number of names appearing on a Membership Certificate only one vote will be permitted on items requiring a vote of the Association Members. No fractional voting of a Membership will be permitted.

ARTICLE I

Name and Boundary

The corporate name, the objects and purposes, and the principal place of business of this Association shall be stated and provided in the Certificate of Incorporation of the Association. The Geographical area served by the Association shall never be decreased in size from that area that would be represented by exterior boundary lines drawn that would include all properties being presently served. Prior to an extension of the area served by the Association the water capacity supply will be evaluated for the needs of the current Membership (as described in Article IV, Section 1), after notice as is provided in these by-laws, notification will be provided to the entire membership prior to the annual meeting, and at the annual meeting a vote will be held by the membership. A majority vote will be and a majority vote will be need to pass.

ARTICLE II

Seal

The Association may adopt a corporate seal. If so adopted, the seal will be inscribed with the name of the Association and the year of establishment.

ARTICLE III

Fiscal Year

The fiscal year of the Association shall begin the first day of January for each year, starting January 1, 1993.

ARTICLE IV

Membership

Section 1. Bona Fide owners of property within the community of La Luz, County of Otero, State of New Mexico, who are in need of water for domestic purposes and are approved by the Board of Directors, may be admitted to Membership upon application and payment of the Membership fee and other related fees set by the Board. No new application for Membership shall be approved under this Section if the capacity of the Association's water system is needed to supply the needs of the current Membership. The installation of the water service line is limited within a 30 feet maximum from the main to the meter can.

Section 2. All applications for Membership will require approval by the Board of Directors. Application for Membership in this Association shall be on the approved form.

Section 3. Each Member shall be entitled to only one vote. Voting by proxy will not be permitted. Absentee voting by mail will be permitted as provided in the following section.

Section 4. Members shall be notified in through the La Luz Mutual Water Association website, water bills, and/or by members signing up for text messages or emails of any and all meetings to include the agenda and any matters to be voted upon. Any member, who cannot attend the meeting, may cast a vote by mail. Ballots can be picked up at the office, or Member can call in and request that the ballot be mailed to them. Said votes must be received by the LLMDWCA & MSWA office prior to the meeting. All votes mailed to the LLMDWCA & MSWA office will be held in a locked ballot box and counted in the same manner and to the same effect as votes cast in person by Members attending the meeting.

Section 5. MEMBERSHIP ELIGIBILITY: Anyone purchasing property within the Association boundaries and desiring to have water furnished by the Association, must own a Membership in the Association. The name or names on the Membership shall be the same as on the property deed when possible.

Normal procedure in case of a property within the Association boundaries being sold would be for the Membership associated with that property to be transferred to the new owner. If the Membership is not transferred within 90 days for any reason, the new owner must obtain a new Membership.

The previous Membership, owned by someone no longer living within the Association boundaries, shall revert back to the Association after a period of one year from the date the property is sold, or foreclosed upon. The Membership will revert back to the Association with no proceeds to the previous or new owners. The Association will attempt to notify the previous Member of this pending action by certified mail to the last address on the Association records.

Section 6. SALE OF MEMBERSHIP: All fees and assessments must be paid up to date. Membership may be sold from one Member to another Member as long as the Association is made aware of this and the proper transfer documents are filed and

approved by the Board to make it official. A bill of sale does not obligate the Board of Directors to automatically approve a transfer of ownership.

ARTICLE V

Meetings of Members

Section 1. The annual meeting of the Members of this Association shall be held in La Luz, County of Otero, State of New Mexico, on the fourth Saturday of January. If that Saturday is a legal holiday, then the meeting will be on the following Saturday. Time is to be set by the Board and notification will be provided to the Members as described in Article IV, Section 4.

Section 2. Special meetings of the Members of the Association may be called at any time by the President of the Board of Directors, or upon resolution of the Board of Directors, or upon written petition to the President of the Board and signed by (5%) five percent of the members. The purpose of such special meeting shall be stated in the notice. No other business shall be conducted at that meeting.

Section 3. Notice of annual and special meeting of Members of the Association will be given by a notice mailed to each Member of record, directed to the address shown on the books of the Association, at least ten (10) days prior to the meeting. The notice shall state the nature, time, place and purpose of the meeting.

Section 4. Five (5) percent of the total Members of the Association shall constitute a quorum at any Annual or Special meeting for the transaction of business.

Section 5. Meetings shall be conducted by Roberts Rules of Order. The order of business at the annual meeting and where applicable at all other meetings shall be:

- (1) Calling to order and proof of quorum
- (2) Proof of Notice of Meeting
- (3) Reading of and action to approve minutes
- (4) Reports of officers and committees
- (5) Election of Directors
- (6) Unfinished business
- (7) New Business
- (8) Adjournment

ARTICLE VI

Directors

Section 1. FUNCTIONS OF THE BOARD OF DIRECTORS: The business and affairs of the Association shall be managed by a Board of five (5) directors. The functions of the Board shall include:

- (1) Selection of and delegation of authority to officers necessary for management of Association business;
- (2) Determine policies for guidance of the management of the Association;
- (3) Control of expenditures by authorizing budgets;
- (4) Keep Members fully informed of the business of the Association;
- (5) The Board may request independent review as deemed necessary and written reports provided at the Membership annual meeting. This will include financial reports and statement of activities. An independent accountant, who is not an officer, director or employee of the Association, will make the review. The Board may request audits as deemed necessary.
- (6) Prescribe the form of Membership Certificates;
- (7) Establish water charges, levy assessments, and enforce collection procedures
- (8) Designate the officers and/or employees of the Association that have authority to sign checks.

Section 2. DIRECTORS: TERMS, NOMINATIONS AND ELECTION. The Directors shall be chosen from the members of the Association that reside within the boundaries of the Association. The Directors will serve staggered terms of four years. Elections for Directors shall be held biennially. Elections will alternate to elect two (2) Directors on one even numbered year, to elect three (3) Directors on the following even numbered year. The Directors so elected shall assume office on the first day of March following their election. Nominations will be made at the annual membership meeting. If there is only one (1) nominee per position, the motion to accept will be made at the annual membership meeting. If there is more than (1) nominee, Written ballots will be prepared and mailed to each member on record. Ballots will be returned, with a signature and some

form of identification attached to the ballot, these will be tallied on a day in February and at a place to be determined at the annual meeting. Each Members vote is determined as one (1) vote, see definition of Member.

Section 3. THE BOARD OF DIRECTORS shall meet as soon as possible after each biennial election, and in any event no later than the twelfth (12th) day of March, to elect by ballot a President, Vice President, Secretary, Treasurer and Works Supervisor.

Section 4. MEETINGS OF THE BOARD OF DIRECTORS: In addition to the annual meeting, the Board shall hold meetings at such regular intervals as the Board may determine, not less than monthly. A majority of the Board present at any meeting shall constitute a quorum for the conduct of business.

Section 5. POWERS OF THE BOARD: The Board of Directors shall have the general power to act for the Association on any matter not prohibited by Statute or by law. If the Association shall at any time borrow or receive by way of grant, any property of any governmental body through any of its agencies, the Board of Directors shall pursue such management methods, including accounting and audit as such agency may prescribe.

Section 6. VACANCIES: When a vacancy occurs among the Members of the Board of Directors by reason of death, resignation, or because the vacating Director has ceased to be a Member of the Association, the vacancy shall be filled by the remaining Directors by selecting a Member of the Association to serve as a Director until the next annual Membership meeting. A new Director shall be elected to serve the remainder of the term at that meeting.

Section 7. REMOVAL OF DIRECTORS AND EMPLOYEES. The Director shall be informed in writing of the charges and pending removal action against him at least ten (10) days prior to the meeting where this action is scheduled to take place. That Director shall have the right and opportunity to be heard in person or by counsel, and to present witnesses.

Employees or agents may be removed from office or employment at any time by Action of the Board of Directors.

Any Director who misses two (2) consecutive meetings of the Board of Directors, after having received proper notice, shall be automatically deemed to have resigned unless he has been excused from at least one of those meetings by one of the Board of Directors.

ARTICLE VII

Officers

Section 1. DUTIES OF THE PRESIDENT:

The President shall preside at all meetings of the Board of Directors. The President shall sign Membership certificates, notes, bonds, mortgages, contracts, and other instruments on behalf of the Association and shall be an ex officio Member of all standing committees and have such other duties as may be properly required by the Board of Directors. The President will vote on any motion when necessary to break a tie vote.

Section 2. DUTIES OF THE VICE- PRESIDENT:

In the event of the temporary absence of the President, the Vice President will preside at Board meetings and perform all the duties the President would have done if not absent. In the event of a more permanent absence of the President, such as by disability, death, resignation or removal from office, the Vice President will fulfill the office of President until the Board of Directors elect from among themselves a new President. This new President will then fill the unexpired portion of the outgoing President's term. The Vice President's duties shall include other functions as may be required by the Board of Directors.

Section 3. DUTIES OF THE SECRETARY:

The Secretary shall keep the minutes of all meetings of the Board of Directors and shall perform such other duties that include signing of checks and any other functions as may be required by the Board of Directors.

Section 4. DUTIES OF THE TREASURER:

The Treasurer with assistance of the Manager and with the Board of Directors approval shall invest funds. The Treasurer's duties also include signing of checks and any other duties and functions as may be required by the Board of Directors. The Treasurer shall assure that all checks require two (2) signatories.

Section 5. DUTIES OF WORKS SUPERVISOR:

The Works Supervisor shall keep versed on ongoing projects and overall work being performed by the Association employees and shall make a report on the overall condition of the water system and business transacted periodically if so requested by the Board of Directors, and shall perform such other duties and functions as may be required by the Board of Directors.

Section 6. The Board of Directors may hire agents and/or employees to manage and superintend the water system of the Association during its construction, maintenance, repair and overall operation. These agents or employees shall be paid for performance of their duties in amounts determined by the board of Directors.

Section 7. BONDING REQUIREMENT:

Officers and employees, whose duties include handling Association funds and/or signing of checks, shall be bonded.

ARTICLE VIII

Water Charges and Distribution of Water

Section 1. ADDITIONAL MEMBERSHIPS:

Water shall only be delivered to Association members, except for Institutional Non-Member, as covered in Article IX, Section 6. Members desiring to own more than one Membership shall submit an application to the Board of Directors. The Board may decide to approve the sale of the extra Membership, if in their judgment the capacity of the Association's system to supply the existing Memberships is not jeopardized. If the application is approved, the Member is notified and applicable fees are then paid to conclude the sale of the additional Membership.

Section 2. The Board of Directors shall establish the rate to be charged for water usage by the Members. There will be a minimum monthly rate for a set amount of gallons of water used. The Board shall also establish a rate for water usage above the minimum amount. These rates shall apply equally to all the Membership. The Board shall review the rate structure annually, and decide if the rates should be increased or decreased, based on their best judgment to assure optimum operation of the system.

Section 3. The Board of Directors shall have the authority to repossess the Membership of any Member who is delinquent in payments due. The Association shall try to work out a payment plan with the Member. Consideration will be given to hardship cases. Adjustments may be made in the event of waterline breaks, etc. However, if after these goodwill efforts by the Association, the Member is still not forthcoming in full payment of the amounts due, the Board may decide to repossess the Membership, with no refund of monies to the Member. Further, the Board shall have the authority to shut off the water supply to that delinquent member.

Section 4. A standard charge will be made for the cost of the meter at the initial installation. This meter, however, will remain the property of the Water Association.

ARTICLE IX

MISCELLANEOUS

Section 1. FORM OF CERTIFICATE: The Board of Directors shall determine the form of Membership certificate, provided that the form of the certificate complies with the laws of the State of New Mexico.

Section 2. MEMBERSHIP BOOK: A Membership book will be kept as part of the Association records. This book will contain a list of Membership Certificates issued, by number, name and address of the Member and the date issued.

Section 3. REQUEST FOR REACTIVATION: Requests for reactivation of Membership will be regarded as a new application, subject to the same rules as a new application.

Section 4. NON- USE OF WATER BY A MEMBER: Non- use of water for continuous periods in excess of six (6) months will entitle the Member to a reduced rate after six months of non-use. The rate will be one-half (1/2) the normal current minimum fee as described in Article VIII, Section 2. The ½ rate ends as soon as there is water use. It is the responsibility of the member to notify the office. However, upon normal month readings if there is water usage the member will resume normal charges for use.

Section 5. LEGAL TAPS FROM SINGLE METER: Members will have the right to apply more than one connection to a single meter for the Member's own personal use

Section 6. USE BY INSTITUTIONAL NON- MEMBERS: The Association, through its Board of Directors, may enter into special service contracts with the Federal Government or the State of New Mexico, through their agencies, with County Government agencies, with School Districts, or with other Municipal Agencies. These special contracts may vary and deviate from the stipulations set forth in the approved rate schedule and the rules and regulations.

Section 7. RESELLING: Members are specifically prohibited from reselling Association water.

Section 8. METER RELOCATION: Relocation of meters may be made only if written notice is given to the Board of Directors and any cost incurred in relocation will be borne by the Member. New meter re locations must be approved by Operations.

Section 9. METERING EQUIPMENT ABUSE: Members whose meters are in need of replacement or servicing, and which show evidence of damage from misuse or tampering, may be charged a repair fee to be determined by the Board of Directors, but limited to the cost of the new equipment plus the installation fee.

ARTICLE X

Amendments

These By-Laws may be replaced or amended by vote of majority of Members voting at any special or general meeting called for that purpose, provided notice of the proposed renewal or amendment is incorporated in the notice of such meeting. The By- Laws should be reviewed once every two (2) years.