

ORCHARD BEACH COMMUNITY GROUP INC.

BYLAWS

First Revision 2010

Second Revision – May 2020

Third Revision – Member comments July-2020

DRAFT

Revisions based on member
comments

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ORCHARD BEACH COMMUNITY GROUP BYLAWS

Orchard Beach Community Group Inc. (OBCG) is a not-for profit Washington Corporation located in Grapeview, County of Mason, and State of Washington that is the owner of a Group A water system (“Water System”) - **Id # 64031Q** that serves the Orchard Beach community and also carries out other community-based activities.

ARTICLE ONE PURPOSE

The purpose of the Orchard Beach Community Group (OBCG) is to own and maintain the Water System, to improve it as needed and operate it in accordance with applicable county and state regulations, in order to provide access to a reliable, safe water supply for its members. The members may present other projects relating to safety and community wellbeing and direct the board to action by 2/3 majority vote to promote the general interest and welfare of the Orchard Beach Community.

ARTICLE TWO SCOPE

The OBCG is responsible to maintain the Water System’s infrastructure in county right of way and up to and including the meter at members’ properties, to carry out regular testing and reporting of water quality in compliance with regulatory requirements, and to develop and implement plans to ensure the Water System is sustained on behalf of the membership, including ensuring adequate funds for operation and capital improvements. These bylaws follow, comply with, and may not supersede state law, [RCW 24.03](#), governing nonprofit corporations

ARTICLE THREE MEMBERSHIP

Membership is voluntary and open to landowners (or their legally designated representatives) of property/properties or lots that are of record in Mason County and included in the Water System service area, specifically from 10 E Orchard Beach Drive to 380 E Orchard Beach Drive and up to 291 E Orchard Beach Road.

Qualifications for Membership

Membership is granted based on the following conditions:

- Ownership of property within the Water System service area
- Availability of authorized service connections under laws governing water rights and water systems
- Landowner compliance with bylaws and regulatory requirements relating to water conservation, cross-section control and other practices intended to protect the Water System and the community’s interest in the Water System, including water rights.¹

¹ See Article 12, page 13 – water use

- Landowner timely payment of connection or reconnection charges; annual charges; charges for capital improvement or other special charges approved as part of the budget; and other fees, assessments and penalties.

ARTICLE FOUR

COMMUNITY WATER INFRASTRUCTURE OWNERSHIP AND MAINTENANCE

Orchard Beach Community Group collectively owns the well, water lines, and associated infrastructure and facilities up to and including meters at member's properties. OBCG will install meters, maintain, repair or replace them upon normal wear and tear²; regularly read meters and record usage, in gallons. Usage will be monitored by the Executive Committee and supply use data on an as-needed basis to the appropriate regulatory agencies.

Records of water usage for an individual member are available to that member upon written request to the Secretary/Treasurer. Records of overall water use by the community are available to any member upon written request.

Routine maintenance of meters is performed under the guidance of the Orchard Beach Community Group. Defective service meters will be replaced by a licensed and bonded water technician. Connection points (shutoff valves) and meter boxes must be clearly marked by members and accessible for monitoring by OBCG. No debris, vehicle, fencing or landscaping may impede access to the meter or its approach from the street.

In the event of non-emergency repairs to the Water System or repairs on member property that may affect member water use, the Executive Committee will work with the member to establish timelines and water shutoff parameters needed to complete repairs. Members agree to allow access to private property by OBCG or its designee if reasonable attempts to reach the member are unsuccessful to resolve a water-related issue.

ARTICLE FIVE

MEMBER RESPONSIBILITIES

Members shall—

Install, own, and maintain and repair all water-related infrastructure on the member's side of the meter in a manner that is compliant with building code and plumbing code requirements and other applicable laws and regulations.

Provide and maintain current contact information to the Secretary/Treasurer, including any changes in email, phone, mailing address, or ownership in order to ensure OBCG can reach the member in the event of a service outage, billing issue, meeting notice, or other matter affecting the member.

Keep easements in county right of way abutting property lines free and clear of personal property, fencing, debris or organic material that obstruct access to OBCG water lines and meters.

² See article 10, preventing leaks or damage on member properties

Ensure open and safe access to OBCG Executive Committee members or designated personnel to enter member-owned lots as necessary to identify and assess conditions that may be affecting the OBCG Water System or water usage.

Take steps to protect the community's shared water rights. Waste of water is prohibited by state law. Conserve water when possible and comply with requirements established by the Executive Committee to ensure protection of the water rights.

ARTICLE SIX OFFICERS

Officers

Officers are the President, two Vice President(s), Secretary/Treasurer.

The President is responsible for general oversight of OBCG business, presides over all meetings and shall have such other powers and duties as may be prescribed by the members at an annual meeting or special meeting or by the Executive Committee.

The Vice-President(s) presides over all meetings of the members and the Executive Committee in the absence of the President and shall have such other powers and duties as may be prescribed by the Executive Committee, including assisting the President and other Executive Committee Officers with specific tasks or projects as necessary.

The Secretary/Treasurer is responsible for preparation of budget, tax and regulatory compliance reports; preparation and distribution of minutes of meetings, correspondence, compliance reports to regulatory agencies, and notices to members.

ELECTION AND TERMS

Officers must be members in good standing and are elected to serve staggered three-year terms. The Offices of President and Vice President may not be vacant at the same time. Only one owner of a property may serve as an officer. If a family owns multiple properties, each property owner may serve as an officer provided that each officer represents a single membership. Any professional or familial relationships between officers should be disclosed at the time of the election of the officers. For the purposes of Executive meetings, a quorum cannot be composed solely by the members of a single family.

The election of terms of the Officers shall rotate every three years beginning as follows:

President: 3-year term beginning 2021

Vice President (Position 1): 3-year term beginning 2022³

Vice President (Position 2) 3-year term beginning 2023

Secretary/Treasurer: 3-year term beginning 2023

³ Prior to revision three of these bylaws, this position was known as Trustee.

Term Limits

No person may serve in the same role for longer than two consecutive terms. Upon reaching the end of the second term, they may be voted to a different office or step down for a minimum of one year. In the event there are no other candidates for the role, the membership may suspend the term limit rule until such a time that a candidate becomes known

Election of Officers will be conducted at the annual meeting. Candidates may be nominated by members via email or mail to the Secretary/Treasurer at least 30 days prior to the annual meeting. Notice of known candidates will be included in the notice of the annual meeting provided to members. Nominations may also be made by any member present at the annual meeting.

All nominations will be subject to a second at the annual meeting to qualify for a vote by the members.

In the event of more than two candidates for any position, a plurality of votes will determine the outcome.

Officers will take office on date of the annual election, immediately following the end of the meeting, and shall familiarize themselves with Water System regulations and OBG regulatory status in a timely manner after taking office.

Ethical obligations of officers

All Officers must perform their duties in an ethical manner and in conformance with these bylaws and all applicable laws and regulations and must always act in the best interests of the community by promoting cooperation among community members and by furthering the community's shared interests and goals.

Exemption from base water charge

The office of President, Vice President(s) and Secretary/Treasurer are exempt from the annual base charge for one (1) metered connection. All officers will be billed for water usage for any metered property when it exceeds the allotted base amount. Additional lots owned by officers are not exempt from the base charge and will be billed consistent with the approved schedule of tiered water rates.

Removal

An Officer may be removed, with or without cause, by an affirmative vote of the majority of members at any meeting of the general membership, including special meetings held for this purpose.

Vacancies

If an Officer position becomes vacant prior to the expiration of the term, the Executive Committee shall fill the vacancy by appointment until the next annual meeting; at which time an election will be held for the unexpired term. The President may not conduct the duties of the Secretary.

Conflict of Interest

Whenever an officer has a financial or personal interest in any matter coming before the board, the affected person shall fully disclose the nature of the interest. The minutes of meetings at which such votes are taken shall record such disclosure and rationale for voting outcome. For the purposes of this provision, the term "interest" shall include personal interest, interest as officer, member, or beneficiary of any concern and having an immediate family member who holds such an interest in any concern.

Executive Committee

The Executive Committee includes OBCG Officers, namely the President, two Vice Presidents and Secretary/Treasurer, Executive Committee members serve on a voluntary basis. The President is chair of the Executive Committee and an ex-officio member of any other committees appointed by the Board.

Powers and Duties

The Executive Committee shall take action as needed to protect the interests of the OBCG and to carry out the purposes of the organization.

The Executive Committee is responsible for preparation of a report on the prior years' operations and budget, regulatory compliance; reports of any unusual incidents such as major leaks, improvements, compliance issues; and recommendations for improvements to operations and facilities. The Executive Committee is responsible for preparation of an annual operating budget, including justifications for new or unusual expenditures, a plan for needed capital improvements and associated costs, and potential sources of funding, which may include grants, increased member charges, or special assessments.

The Executive Committee may appoint a non-voting advisor (or advisory group) and authorize the appointee(s) to perform specific tasks related to the operation of the Water System. Those appointed may be asked to attend meetings of the Executive Committee.

Other duties include but are not limited to contracting with a licensed and bonded water repair professional in an emergency; decisions to shut off service or assess penalties for noncompliance with these bylaws; and approval or new memberships, suspension of membership, and addressing hardship circumstances. OBCG water rights may not be transferred, sold or otherwise conveyed to any person or entity outside the established boundaries of the service area.

Officers will follow a communication chain of command to ensure clear and transparent communication of leadership of the communities' interest and any concerns that may arise from a member. The President will ensure all officers are informed of meetings and agendas. Any item for discussion will be sent to the President for inclusion in the agenda one week in advance of the scheduled meeting.

ARTICLE SEVEN MEETINGS AND VOTING

Executive Committee Meetings

The Executive Committee meets as needed but no less than twice yearly to conduct the business of OBCG. One meeting must be held between 60 days but no later than 30 days prior to the annual meeting to prepare an agenda for the annual meeting, set the annual fee schedule, prepare financial reports and budget proposals, accept nominations for upcoming elections, and approve notices and reports to members.

Binding decisions may not be made without the approval of a majority of all of the members of the Executive Committee.

Executive Committee board meetings are not open to the general public, unless invited or authorized to attend by a majority of the Executive Committee in a vote taken prior to the date of the meeting. Meetings are posted on the OBCG information board for informational purposes. Any members may request to attend the Executive Committee meeting by contacting the president within seven (7) days prior to the meeting. Minutes of Executive Committee meetings are available to the members upon request.

Annual Meeting

The Annual Meeting will be held during the month of June. In the event of unforeseen events that preclude a meeting, the meeting may be scheduled at another time within the year, but no later than October 1st. The meeting time, date and location of the annual meeting shall be posted on the community information board, and the Secretary/Treasurer will notify all members of the meeting via email/mail at least 20 days prior to the annual meeting. To the extent possible, an agenda will be sent to all members. Nonmember landowners may attend the annual meeting as non-voting guests.

Whenever possible, the annual meeting will include the option to attend via electronic means⁴. Members who call in or attend via online will be counted as part of the quorum.

Active members, those eligible to be a member, their spouses, partners, or significant other and any individuals specifically invited by the Executive Committee may attend the annual meeting or any special meeting called for the full membership.

Any member may submit topics to the Executive Committee in writing for consideration at the annual meeting. Suggestions or requests for inclusion in the agenda submitted no less than 60 days prior to the annual meeting will be considered by the Executive Committee for inclusion in the annual meeting.

The Executive Committee will present a financial report and a report on system operations and compliance for the prior year, along with proposed budget and capital improvements program for the coming year. Capital improvements requiring outside financing such as loans or grants which require repayment by members over a period of years will be described and a financing plan proposed. A report of all repairs performed to the wells and associated infrastructure including pumps or storage, water mains will be provided.

Meetings are guided by Robert's Rules of Order, to ensure fair and consistent processes.

⁴ Note: internet service is not-reliable at Orchard Beach and may become intermittent or unstable for remote attendees.

Approval of the annual budget, fee schedule and capital improvement plans and assessments will be by majority vote of members present at the annual meeting. Approval of unknown and substantial purchases or repairs beyond budgeted expenses during the year, require the officers to communicate to the membership in advance of any non-critical expense.

Meeting notes will be taken by the Secretary/Treasurer, documenting input from members and actions that need to be taken. Minutes, fee schedules and assessment notices will be mailed to all members within 60 days following the meeting.

Special Meetings

Any member, including a member of the Executive Committee, may request a special meeting in writing to the Executive Committee. The Executive Committee will decide whether such a meeting should involve the committee only or the full membership. Notice of the meeting shall be provided to the members at least 20 days in advance of the meeting; if the President, or in his/her absence the Vice President, deems the meeting to be an emergency, notice will be provided as possible.

Meetings are guided Robert's Rules of Order, to ensure fair and consistent processes.

Meeting notes will be taken by the Secretary/Treasurer, documenting input from members and actions that need to be taken. Minutes, fee schedules and assessment notices will be mailed to all members within 60 days following the meeting.

Voting

All OBCG members are eligible to cast votes at member meetings. One vote may be cast per metered connection to the Water System. Members may designate a person to vote in his or her place at a meeting of the general membership by notifying the board by sending written notice to the Secretary/Treasurer seven (7) days in advance of any meeting of the membership to include in the meeting minutes. However, proxy votes may not be counted in determining whether a quorum is present.

A quorum for transaction of business at member meetings shall be a minimum of 10 members in attendance. If a quorum is not present at a meeting of the members, any decision requiring a vote from the members will be decided by a majority of those present and communicated to the full membership for comment. All decisions will become binding after 20 days unless reversed by a supermajority (2/3rds) of the membership.

ARTICLE EIGHT SERVICE CONNECTIONS

Water connections may not be shared across legally defined property boundaries to serve more than one property. A single metered water connection may only provide water to one legally defined lot or parcel that includes one permitted dwelling and/or any additional dwelling unit(s) (ADU) (residential, vacation or guest house) as defined by the Mason County Planning Department. In the event that two adjacent lots exist that are consolidated for tax purposes, a single connection may serve both properties provided properties have common ownership. In the event that such property

is sold, the connection will remain tied to the property closest to the connection for the water system. The remaining property may join the water system based on availability of an open connection. No connection may serve two separate owners.

As requested by the Executive Committee, members must present confirmation to the Executive Committee that they follow the county definition of an “ADU”.

Water connections are continuous and active regardless of usage. To preserve membership, all payments and assessments must be paid in a timely manner and apply to all members regardless of property use or activity.

Notwithstanding the number of dwellings on a parcel that are served by a single connection, water usage is limited to such usage rates defined for each metered connection as determined by the Executive Committee to be consistent with state and local laws and will be charged for water use consistent with the approved rate structure for a single connection. Annual fees and usage tier rates are approved at the annual meeting of the members.

OBCG members may not provide ongoing water service to any other party. Guests and visitors using recreational vehicles or trailers may access water from the hosting member. All water use is subject to the fee and use schedule and requirements.

Transfer or sale of service/membership

Members are not authorized to pro-rate or sell any portion of current year fees or charges to a new owner; in the event of sale or transfer of ownership, members remain responsible for any outstanding charges due to OBCG.

Members must advise OBCG Secretary/Treasurer of pending sales of properties. OBCG will contact new owners at the time of sale to inform them of the terms of Water System membership, provide a copy of the by-laws that govern membership and to update ownership and contact information for the affected property. Any sale or transfer of ownership will be assessed a new member fee of \$100.00 to cover new account administrative costs. If there are outstanding repairs, unpaid fees, assessments or other improvement costs required, those must be completed, and all fees and assessments and improvement costs paid in full before the new owner will be admitted to the system.

New Connections

An application for new service connection must be submitted to the Executive Committee providing the lot and/or parcel number, name of the landowner, name of developer (if different), planned use of the property, plan of water infrastructure on the property, contractor name and contact information, owner contact information and alternative contact information, timeline and plan.

Water service is not guaranteed. The Executive Committee will evaluate water availability and will respond within 20 days to all requests submitted by potential members or Mason County for a Determination of Water Adequacy.

If the Executive Committee determines that water is available to serve a new connection and the applicant has provided adequate information, it will notify the property owner by mail whether and under what conditions the application for membership has been approved. If approved, water service will be initiated by OBCG upon payment of the connection fee and the current year's base charge.

Disconnection/opt out by members

Membership is voluntary and may be discontinued by the property owner upon 20 days' notice to OBCG to physically disconnect the service and close out the accounts, and confirmation of payment in full of the current year's annual base charge and other pending charges. Any unpaid fees or past due assessments (assessment balances will be prorated) will be due upon notice of intent to disconnect. Uncollected fees will be assigned by lien to the property.

Members are advised that, should they voluntarily end their service, there is no guarantee or preference for them to be reconnected. Reconnection will be dependent on regulatory requirements including water rights, current pending requests, past history of the account and other considerations by the Executive Committee.

Discontinuing Service by OBCG

OBCG may disconnect a service for the following reasons: nonpayment, damage to the system, illicit or illegal connections, gross waste of water, cross contamination that is not remedied immediately upon discovery, and other circumstances in which the Executive Committee determines that disconnection is warranted in view of the potential health, welfare, or financial harm caused by continuing service.

In the event of OBCG being aware of any of these circumstances, the following written notice of noncompliance and potential shut off will be sent to the noncompliant member by certified mail:

The Executive Committee finds that *[reason for shut-off]* constitutes grounds for discontinuation of service to your property. If, within 20 days of the date of this notice, you have not *[description of bylaw violation]* the service to your property will be shut off.

In the event of returned or undeliverable mail, service may be disconnected after two additional attempts are made to notify the property owner. In the event of ongoing harm creating an emergent situation threatening the Water System and the community, shut-off may be made without notice to the member.

If shut-off occurs, members have 90 days to file an appeal for service, provided all fees, costs and damages have been paid or repaired. After that period reconnection is not guaranteed, and no preference is given to members who have been disconnected for cause. Reconnection will be dependent on regulatory requirements including water rights, current pending requests, history of the account and other considerations by the Executive Committee. The Executive Committee reserves the right to hold the connection if the member submits a hardship letter and agrees to the terms of action as determined by the Executive Committee. "Hardship" may be due to illness or injury, change of employment status, loss of income, natural disasters, divorce, death or military

deployment. The Executive Committee will consider a claim of hardship but is not obligated to accept it.

If a water connection becomes available, the Secretary/Treasurer will mail or email as appropriate a notice of availability to all property owners within the boundaries of the defined limits of OBCG. Anyone within the boundaries may make application within 30 days of the date of notice to the Executive Committee. The Executive Committee will choose the successful application through a drawing. All other applications will be placed on a wait list.

ARTICLE NINE REPAIRS ON MEMBER PROPERTIES

If repairs to existing water infrastructure or new or replacement water infrastructure or facilities are planned to take place on member property, the member must notify the Secretary/Treasurer in writing (email or mail). The member must call local utilities (call 811) at least 3 days before undertaking the project. Any damage caused by such activity to the Water System is the responsibility of the property owner of record. If the meter, valve, box or main waterlines are damaged, OBCG will correct in accordance with governing agencies at the property owner's expense. OBCG will attempt to inform the property owner of the expense in a timely manner.

ARTICLE TEN PREVENTING LEAKS OR DAMAGE ON MEMBER PROPERTIES AND/OR IN COUNTY RIGHT OF WAY

Members should be aware of circumstances that may cause damage to water infrastructure, such as heavy equipment, digging, flooding, root damage, or other activities. Any observed or suspected water leaks, activities that may damage the Water System, or damage to the main line or on individual lots should be reported to the Executive Committee. If the problem is on a member property, members must initiate repairs in adherence with local codes and requirements.

Damage to valves, meters, meter boxes or community maintained lines will be made at the direction of the Executive Committee by a licensed, bonded water-system company or their qualified designee. When damage to the community system is caused by an act or negligence of the property owner it remains their responsibility to reimburse the OBCG for any expenses related to the repair or replacement of damaged water infrastructure.

When needed to protect the shared Water System and avoid exceeding OBCG water rights, the Executive Committee may order the shut off of water service at the meter until repairs can be made by the owner of record. A member whose water has been shut off in those circumstances must confirm completion of repairs by providing the receipt of services from the repair contractor to the Executive Committee prior to reconnection and pay a reconnection fee as provided in the schedule of fees and charges adopted by the Executive Committee.

The property owner is liable for all costs resulting from damage to the Water System or injury to other members or nonmember landowners as a result of inadequate maintenance or repairs.

ARTICLE ELEVEN

OTHER WATER SOURCES ON MEMBER PROPERTIES

If an existing source (well) will continue to be used for any purpose on a member's property, the member must provide evidence that no cross connections exist and that the well water is not allowed to serve as a potable source for any dwelling that is served by the community water system. For wells that have failed or are no longer required, the landowner must provide evidence that the well has been decommissioned consistent with state regulations.

ARTICLE TWELVE CHARGES AND FEES

Annual base charge

Each property owner connected to the Orchard Beach Community Group Water System shall pay an annual maintenance charge assessed in October of each calendar year. This charge is established and presented to the members at the annual meeting by the Executive Committee.

The fee schedule consists of:

- Fixed expenses, based on the requirements of the current approved Water System Plan (WSP) and a running 3-year average of actual known costs to run the system;
- Tier based water usage that aligns with State water use guidelines and annually agreed upon by the members.
- A calculated percentage amount to pay for unexpected repairs and maintenance expenses during the year.
- An agreed upon amount to build reserves as approved by the membership.

Usage above base charge

Gallons used above the base amount will be charged based on the established tiered structure approved as part of the budget, distributed annually as part of yearly billing notification, and documented in the community directory. The schedule is also available by contacting the Secretary/Treasurer. Water use above the allotted amount is subject to additional costs and penalties.

Special fees and penalties may be assessed for gross waste of water (as defined by the fee schedule) or water use that is inconsistent with or threatens compliance with OBCG's water rights. In the event of unknown leaks, these fees may be waived provided the member acts in good faith to repair and resolve the leak in an expedient manner.

Payment of charges and fees

For the annual charge, 50% of the annual base charge is due by October 31 and the remaining 50% payment due is by March 31 of the following year. Late payments will result in a late fee as listed in the fee schedule.

Charges for water use over the base amount will be billed quarterly based on completed meter readings from the prior period leading up to the end of the current quarter and are due upon receipt.

Payments not received per the agreed schedule will follow the process for non-payment. See “Discontinuing Service by OBCG” above.

Special Circumstances

Special considerations for hardship may be presented in the form of a hardship letter to the OBCG Executive Committee which has the option to allow payment of the annual charge and any additional fee(s) on an agreed-upon schedule that may vary from the above payment schedule. Hardship may be due to illness or injury, change of employment status, loss of income, natural disasters, divorce, death or military deployment, impacting the landowner’s ability to remain in the home.

SUPERCEDING EFFECT OF THESE BYLAWS

These Bylaws supersede all prior bylaws and are in effect as of the date below, having been approved by a majority of the currently active members at the annual meeting on [date]. These bylaws may be updated as required by addendum and amendment in whole or in part.

EXECUTED BY:

President _____

Vice President _____

Vice President _____

Secretary/Treasurer _____

Date _____