

SOUTH YELLOWHEAD WATER CORPORATION

BYLAW # 1

APPROVED March 24, 2002

AMMENDED _____,

SOUTH YELLOWHEAD WATER CORPORATION BYLAW # 1

1. NAME AND PURPOSE

- 1.1 The name of the Corporation shall be South Yellowhead Water Corporation (the Corporation).
- 1.2 The Corporation shall be registered under "The Non-Profit Corporations Act, 1995 (Sask)".
- 1.3 The Primary purpose of the Corporation is to build and operate a water distribution system. The Corporation may undertake other activities for the benefit of its members without restricting the generality of the above, these activities may include:
 - a) Representing the Corporation during any discussion or negotiations with Sask Water and/or the City of Saskatoon and/or future applicants for connection onto the pipeline;
 - b) Membership in the Saskatchewan Association of Rural Water Pipelines to ensure members are informed of current and proposed development which may have implications for the Corporation and its members; and
 - c) Cooperate with any investigation of water quality within the Corporation system.

2. FISCAL YEAR

- 2.1 The fiscal year of the Corporation shall end on December 31 in each year.

3. MEMBERSHIP AND FEES

- 3.1 The membership of the Corporation shall consist of one class of membership, with one vote per member.

- 3.2 Property owners or lessees with a water service connection to the Corporation's water line must hold membership in the Corporation and are entitled to name one member per curb stop.
- 3.3 Each member shall be entitled to all privileges of membership, including the right to vote at meetings of members.
- 3.4 Membership in the Corporation is transferable only with the sale or long term lease of the property, and new members must comply with membership requirements of the Corporation to retain access to the Corporation's water supply service, and any transfer of membership is subject to the approval of the Corporation.
- 3.5 Application for membership in the Corporation must be approved by vote of the Board of Directors.
- 3.6 The annual membership fee shall be \$20.00 per curb stop and is not refundable.
- 3.7 The initial property owners or lessees seeking a first water service connection must purchase a membership in the Corporation and pay a pro rata cost of the actual cost of water service connection.
- 3.8 Subsequent property owners or lessees seeking a first water service connection must purchase a membership in the Corporation, pay the cost of the water service connection and any extension of existing route, and will be charged a late comer fee of \$2,000.00 plus the cost of installation of a curb stop to serve the applicant's property.

- 3.9 A member with an existing water service connection may apply to the Corporation for additional water service connections. If approved, the member must purchase a share in the Corporation for each additional water service connection and pay the cost of each connection. The member will be charged a late comer fee. Normally only one water service connection per titled property will be approved.
- 3.10 The Corporation does not guarantee that additional supply or services may be available to late comers.
- 3.11 Failure of a member to abide by the bylaws, policies, procedures or regulations established by the Corporation, or to arrange for the payment of accounts when due, may result in water service being disconnected and may result in cancellation of membership, following a vote of members. The Directors may in the interim, if there is a breach of this section, suspend the supply of water service and membership rights appurtenant thereto.
- 3.12 Rates shall be billed in accordance with the billing schedule as outlined in approved Board policies in force from time to time.

4. MEMBERSHIP

- 4.1 Each member must own at least one membership in the Corporation.
- 4.2 The value of a membership shall be equal to the net assets of the Corporation divided by the number of memberships issued. The number of memberships to be issued shall be determined, from time to time, by the members of the Corporation.
- 4.3 Each member must agree to and sign a Subscriber Water Supply Agreement as approved by the membership subject to changes as may be deemed appropriate by the Board of Directors of the Corporation.

5. MEETINGS

- 5.1 An Annual Meeting of members shall be held within four months of the end of the fiscal year.
- 5.2 Special Meetings of members may be called by the President or by ten members. 5
- 5.3 Meetings of Directors may be held as required.
- 5.4 At least 15 days notice of time and place shall be given of all meetings.
- 5.5 Twenty-five percent (25%) of those eligible to attend and present shall constitute a quorum at all meetings. 1 member
- 5.6 Each member is entitled to one vote on any question.

6. DIRECTORS / OFFICERS

- 6.1 The Directors shall be responsible to the members for the management of the affairs of the Corporation.
- 6.2 The Directors of the Corporation shall consist of the following officers: President, Vice President, Treasurer, Secretary, and up to four members at large.
- 6.3 The Directors/Officers shall be elected at the Annual Meeting and shall hold office until the conclusion of the meeting at which their successors are elected.
- 6.4 Subject to 6.3, the term of office of a Director shall be two years. Directors may be re-elected to successive terms.
- 6.5 The members of the Corporation may, by resolution at a meeting called for that purpose, remove any Director(s) from office.

7. FINANCIAL DISCLOSURE / AUDIT

- 7.1 The Directors shall place before the members at every Annual Meeting:
 - i. Financial Statements for the preceding fiscal year;
 - ii. The Report of the Auditor, if any;
 - iii. Any further information respecting the financial affairs of the Corporation; and
 - iv. Any report of a "budget committee" which may be directed by resolution at an annual general meeting.
- 7.2 Subsequent to the Annual Meeting, the Directors shall distribute copies of the documents referred to in 7.1 to all members.
- 7.3 The members shall determine annually at the Annual Meeting if an audit is to be conducted in the ensuing year and will appoint an Auditor, if required.

8. RECORDS

- 8.1 The Corporation will maintain an adequate set of records at the registered office of the Corporation.
- 8.2 Records to be maintained include the articles of incorporation, the bylaws and amendments, the minutes of meetings and all resolutions, a register of members entitled to vote, a list of members, the financial records and members' accounts.
- 8.3 Members shall have access to all Corporation records upon giving reasonable notice.

9. POLICIES, PROCEDURES AND REGULATIONS

9.1 The Board of Directors may establish policies, procedures and regulations to ensure the efficient and harmonious design and management of the Corporation's water distribution system, or other activities, for the benefit of the members. Such policies, procedures and regulations may become additions, deletions or changes to the Corporation bylaws if considered necessary by the membership majority.

10. AMENDMENTS

10.1 All bylaw changes shall be approved by resolution at an Annual Meeting of the Corporation.

10.2 Notice of proposed bylaw changes shall be provided to members at least 15 days prior to the date of the Annual Meeting at which the proposed changes are to be presented.

11. LIQUIDATION

11.1 A resolution to dissolve the Corporation and/or to liquidate its assets may be presented by the Directors to the members at a Special Meeting called to debate such a resolution.

11.2 At least 60 days notice of a Special Meeting to debate a resolution to liquidate or dissolve the Corporation shall be given to all members.

11.3 A resolution to dissolve the Corporation must be approved by two-thirds (2/3) of the members of the Corporation.

11.4 Following liquidation and dissolution, according to the procedures of the Non-Profit Corporations Act, the assets of the Corporation shall be distributed to the members.

Adopted this _____ day of _____, 2002.