

**BYLAWS OF SUGARLOAF WATER ASSOCIATION**

**ARTICLE I**

General Purposes and Organization

This corporation is organized under the provisions of Section 101 et seq. of Title 13-B of the Maine Revised Statutes of 1964, as amended, for the purpose of forming a non-profit water association.

**ARTICLE II**

Name and Location

The name of this corporation is Sugarloaf Water Association. The principal office of this corporation shall be located in the Town of Carrabassett Valley, in the County of Franklin, and State of Maine.

**ARTICLE III**

Seal

The seal of this corporation shall be circular in form, bearing the inscription:

Sugarloaf Water Association  
1992

**ARTICLE IV**

Fiscal Year

The fiscal year of the corporation shall begin each year on the 1<sup>st</sup> day of July and end with the 30<sup>th</sup> day of June of the following year.

**ARTICLE V**

Members

SECTION 1: Membership in this corporation shall be open to Sugarloaf Mountain Corporation, other commercial users, and condominium or homeowners associations, or owners of residential real estate (hereinafter persons) who are not members of

condominiums or homeowners associations connected to water service in the area designated in Exhibit A of these Bylaws.

SECTION 2: Each person qualifying for membership shall furnish that person's name, or in the case of a condominium or homeowners association an individual designated to represent it, mailing address, property description, and a written request for membership to a Board of Trustees of the corporation. This person will be admitted to membership upon approval by the Board of Trustees. The members of the corporation as of the date of adoption of these bylaws shall be the members as recognized by the chairman of the organizational meeting of the corporation held on Saturday, April 18, 1992. A copy of that membership list is attached hereto as Exhibit B.

SECTION 3: Assessments shall be set by the Board of Trustees in accordance with the AWWA guidelines: "Rate Design for Small Utilities" and further subject to the following:

- (a) Capital Assessments to members with commercial users, will be determined based on the proportion of that members metered water usage during the previous fiscal year to the total water usage of the association during the same period, adjusted for estimated uncontrolled water loss.
- (b) Capital Assessments to members with solely residential users will be determined in the sole discretion of the Board of Trustees based on the total number of bathrooms and kitchens, total number of plumbing fixtures, and/or the total number of bedrooms contained in the property for each member.
- (c) Impact fees or connection fees shall be assessed for new members and users based on the estimated amount of existing investment per unit and/or the estimated additional investment required to service the new users.
- (d) Period User Assessments to members with commercial users will be determined based on the proportion of that member's metered water usage during the prior fiscal year to the total usage of the association during the same period, adjusted for estimated uncontrolled water loss. For new members with commercial users, such assessments will be determined based on the judgment of the Board of Trustees and upon prior experience for similar properties.
- (e) Periodic User Assessments to members with solely residential users will be determined in the sole discretion of the Board of Trustees based on the total number of plumbing fixtures, the total number of

bedrooms, contained in the property of each member, or the metered water usage of each member and/or a combination of any or all of the above factors.

All assessments will be due and payable upon receipt of any invoice from the association. Failure to pay any assessment within sixty days for the invoice date shall result in the termination of membership and suspension of service to that member.

SECTION 4: Although membership is open to any owner of real estate connected to water service in the area designated in Exhibit A of these Bylaws, voting at meetings of members shall be restricted as follows:

- (a) Sugarloaf Mountain Corporation and other commercial users shall be entitled to a certain percentage of the total number of member votes on an annual basis equivalent to the percentage of their metered water usage during the previous fiscal year to the total water usage of the association during the same period.
- (b) Each condominium or homeowners association is entitled to the number of votes equal to the number of whole residential units in said condominium or homeowners association.
- (c) Each homeowner, not a member of a condominium or homeowners association, shall be entitled to one vote.

## **ARTICLE VI**

### Meeting of Members

SECTION 1: The annual meeting of the members of this corporation shall be held in the Town of Carrabassett Valley, in the County of Franklin, and the State of Maine, at 2:00 pm on the Saturday of Columbus Day weekend in October of each year.

SECTION 2: Special meetings of the members may be called at any time by action of the Board of Trustees or on written petition of fifty percent of the members of the corporation. It shall be the duty of the secretary/clerk to call or give notice of such meetings within thirty days after demand is made by fifty percent of the membership of the corporation.

SECTION 3: Notice of meetings to members of the corporation will be given by a notice mailed to each member of record, directed to the address shown upon the books of the corporation, at least fourteen days prior to the meeting. The notice shall state the time, the place and the purpose of the meeting and

shall contain complete disclosure information regarding the matters to be voted upon.

Failure or irregularity of notice of any annual meeting shall not affect the proceedings or actions taken at said annual meeting.

SECTION 4: Fifty percent of the membership votes of the corporation represented in person or by proxy shall constitute a quorum at any meeting of the members.

SECTION 5: Each member may vote their designated number of votes either in person or by proxy executed in the manner prescribed by law. Members with more than one vote will be entitled to split their votes for or against a specific matter being voted upon, at their sole discretion.

SECTION 6: Subject to Article VII, Section 1, Trustees of the corporation shall be elected for three-year terms at the annual meeting of the members by a majority of the votes entitled to be cast by the members present at the meeting at which a quorum is present. In the event of a vacancy in the office of trustee, a new trustee may be elected to serve the balance of the term at any annual or special meeting by a majority of the votes entitled to be cast by the members present at a meeting at which a quorum is present.

## **ARTICLE VII**

### Trustees and Officers

SECTION 1: The Board of Trustees of this corporation shall consist of seven members: two elected by Sugarloaf Mountain Corporation and other commercial users and five elected by homeowners associations and owners of residential real estate; all of whom shall be designated representatives of the members of the corporation. The first Board of Trustees was elected at the organizational meeting of the corporation held on Saturday, March 21, 1992. In accordance with the provisions of Section 406(2) of Title 13-B of the Maine Revised Statutes of 1964 the following trustees were appointed: Richard Campbell, Robert Gotschall, and Thomas Hildreth were awarded three-year terms; John Parker and David Pierce were awarded two-year terms: and Robert Turner and Thomas Santanell were awarded one-year terms. The terms of Robert Turner and Thomas Santanell shall be considered to terminate as of the date of the first annual meeting. The remaining terms of John Parker and David Pierce shall be considered to expire one year from the date of adoption of these bylaws or as of the date of the second annual meeting, whichever comes later. The terms of Richard Campbell, Robert Gotschall and Thomas Hildreth shall be considered to terminate two years after

the adoption of these bylaws or as of the date of the third annual meeting, whichever comes later. At each annual meeting, trustees will be elected, as is necessary to replace trustees whose terms have expired, or who have resigned, to serve for three-year terms.

SECTION 2: The Board of Trustees shall meet immediately after the annual election of trustees and shall elect a president, a vice-president, a treasurer and a secretary/clerk, each of whom shall hold office until the next annual meeting and until the election and qualification of a 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, a majority of the remaining trustees shall choose a successor who 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.

SECTION 4: The majority of the Board of Trustees shall constitute a quorum at any meeting of the trustees.

SECTION 5: Officers and trustees shall receive no compensation for their services as such. They may be separately compensated for other services rendered to the corporation or for out of pocket expenses incurred in performance of their duties.

## **ARTICLE VIII**

### Duties of Trustees

As stated in the Act, all of the affairs of the corporation shall be managed by the Board of Trustees. Without limiting the generality of the foregoing, it is hereby expressly provided that the Board of Trustees shall have the following powers and duties:

- (a) 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 affairs of the association and the guidance and control of its officers and employees, and to prescribe appropriate penalties for the breach thereof.
- (b) To fix the charges to be paid by members for services provided by the corporation, including user assessments, capital assessments and impact fees and to establish the time of payment and manner of collection of these charges, including interest thereon.

- (c) To develop and approve an annual operating budget for the corporation and to monitor actual financial results compared to final budget.
- (d) To contract for services necessary to the operations of the corporation.
- (e) To determine the terms and conditions under which services will be rendered by the corporation to members and lots lying within the territorial limits of the corporation's service area as set forth in Section 1 of the Act.

## **ARTICLE IX**

### Duties of Officers

SECTION 1: President. The president or his designee shall preside over all meetings of the corporation and the Board of Trustees, call special meetings of the Board of Trustees and perform all acts and duties usually performed by an executive and presiding officer. The president shall perform such other duties as may be prescribed by the Board of Trustees.

SECTION 2: Treasurer. The treasurer shall have charge of the financial books and records of the corporation and shall render a report of the financial condition of the corporation and a copy of the approved budget for the ensuing year to the members prior to the annual meeting.

SECTION 3: Secretary/Clerk. The secretary/clerk shall keep a complete record of all meetings of the corporation and of the Board of Trustees and shall have general charge and supervision of all books and records of the corporation aside from financial records. This officer shall serve all notices required by law and by these bylaws, shall have custody of the corporate seal and membership certificate records of the corporation, shall have power to affix the corporate seal to any papers requiring a date of issuance, surrender and cancellation of memberships, and shall perform any further duties as may be prescribed by the Board of Trustees.

SECTION 4: Other Officers. The Board of Trustees may create other officers of the corporation and define the duties of these officers.

## **ARTICLE X**

## Indemnification

SECTION 1: General Indemnification. The corporation shall, to the full extent of its power to do so provided by law, including without limitation Section 714 of title 13-B of the Maine Revised Statutes of 1964, as amended, and laws supplemental thereto or amendatory thereof, indemnify any person who was or is a Trustee, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a Trustee, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorney's fees, judgments, fines and amount paid in settlement actually and reasonably incurred by him.

SECTION 2: Special Indemnification. Nothing contained in Section 1 of this ARTICLE X shall prevent the corporation, by indemnifying any person, including without limitation a Trustee, officer, employee or agent of this corporation, in any particular case if in the judgment of the corporation such indemnification should be made.

## **ARTICLE XI**

### Amendments

These bylaws must be amended by a vote of a two-third's (2/3) majority of the total votes of the Corporation at any annual or special meeting of the corporation called for that purposes, provided that notice of the amendment has been given at least fourteen days before such meeting, setting forth the amendments to be considered.

## **ARTICLE XII**

### Dissolution of Corporation

Upon the dissolution of the corporation or the termination of its activities, the assets of the corporation remaining after payment of all of its liabilities shall be distributed exclusively to its members based on the ratio of each individual member's user assessment during the previous fiscal year to the total user assessments of the association during the same period.