

**BYLAWS OF
WATER UTILITY ASSOCIATION OF ARIZONA, INC.**

Adopted April 7, 2016

SECTION I - OFFICES

1.1 The registered office of the corporation shall be the office of its statutory agent. The corporation may have or maintain other offices, within or without the state of Arizona, as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

1.2 The corporation shall have and continuously maintain in the State of Arizona a registered office, and a registered agent whose office is identical with such registered office, as required by A.R.S. § 10-3501. The registered office in the state of Arizona and the address of the registered office may be, but need not be, identical with the principal office, and may be changed from time to time by the Board of Directors.

SECTION II - MEMBERSHIP

2.1 Membership qualifications, obligations and privileges shall be as provided herewith:

Utility Member: A operating water utility who, having indicated an interest in the purpose of the organization, expresses a desire to affiliate. Utility Members shall have one vote each. Votes are limited to one (1) per utility organization under common control regardless of the number of separate utility companies controlled or the number of individuals from that utility in attendance.

Associate Member: A major manufacturer or vendor of products normally used in the water utility business; an organization or individual relied upon by the Association or its Members for professional assistance, including but not limited to, attorneys, accountants, consultants or insurance companies. Associate Members shall have no vote.

Affiliate Member: An individual whose knowledge and accomplishments in the field of water supply and/or water utility management entitle him to special recognition by the Association. An Affiliate Member shall have rights and privileges equal to an Associate Member.

2.2 Membership Acceptance and Revocation. All membership applications shall be deemed approved upon receipt, unless within 60 days of receipt the Board of Directors rejects the membership application. Any membership may be revoked by the Members or the Board of Directors, with or without cause, at the Annual Meeting or at any meeting of the Board of Directors noticed for such purpose.

SECTION III - DUES/REGISTRATION

- 3.1 Dues. The dues of this Association shall be payable at a rate to be determined and set from time to time by a majority vote of the Board of Directors.
- 3.2 Registration Fees. All Members or guests of Members desiring to participate in any function sponsored by the Association shall register and pay registration fees in the amount and manner determined by the Board of Directors.

SECTION IV - DIRECTORS

- 4.1 Number and Election. The Board of Directors shall consist of a maximum of fifteen (15) Directors with voting rights ("Voting Directors") and any number of additional non-voting Directors ("Non-Voting Directors") authorized pursuant to Section 6.4 of these Bylaws. The actual number of Voting Directors currently authorized shall be determined by the Board of Directors from time to time. The Voting Directors, except such Voting Directors as may be appointed pursuant to Section 4.5 of these Bylaws, shall be elected by the Members at their Annual Meeting.
- 4.2 Qualification. A Voting Director must be a representative of a Utility Member.
- 4.3 Term. Each Voting Director shall hold office for a three (3) year period or until a successor is elected and qualified, or until such Voting Director's earlier resignation or removal. One-third, or as close thereto as is practical, of the Voting Directors shall stand for election at each Annual Meeting. Non-Voting Directors shall serve as designated by the Board of Directors, or until such Non-Voting Directors earlier resignation or removal.
- 4.4 Removal and Resignation. Any Director may be removed, either with or without cause, at any meeting of the Board of Directors or of the Members noticed for that purpose.
- Any Director may resign at any time by giving written notice to the Board of Directors or to the President, or to the Secretary of the Association. Any such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- 4.5 Vacancies. A majority of the Voting Directors then in office, though less than a quorum, or a sole remaining Voting Director may fill vacancies and newly created directorships. A Voting Director so chosen shall hold office for the unexpired term and until a successor is elected and qualified, or until such Voting Director's earlier resignation or removal.
- 4.6 Powers. The Board of Directors, by action of the Voting Directors as authorized herein, shall manage the business of the Association and may exercise all powers of the Association and do all lawful acts and things permitted by statute or by the Articles of Incorporation. The Voting Directors shall elect Officers of the Association and conduct any other business properly brought before the Board of Directors.

4.7 Place of Meetings. The Board of Directors of the Association may hold its meetings either in or out of Arizona.

4.8 Regular Meetings. The Board of Directors may hold regular meetings with or without notice to the Members at the times and places determined by the Board of Directors.

4.9 Special Meetings. The President or the Secretary may, and on written request of three (3) Voting Directors shall, call special meetings of the Board of Directors on not less than one day's notice to each Director personally or by email or telephone, or on not less than ten (10) days' notice to each Director by mail.

4.10 Actions Without Meeting. Any action required by the Arizona General Corporation Law to be taken at any regular or special meeting of the Board of Directors of the Association, or any action which may be taken at any regular or special meeting of the Board or Directors of the Association, except an amendment to the Articles of Incorporation, approval of an agreement for merger or consolidation of the Association with other corporations, approval of the sale of all or substantially all of the assets of the Association, or a voluntary dissolution of the Association, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the actions so taken, shall be signed by a majority of the Voting Directors.

Prompt notice of the taking of corporate action without a meeting by less than unanimous written consent shall be given to those Voting Directors who have not consented in writing.

4.11 Quorum. A simple majority of the Voting Directors then constituting the voting members of the Board of Directors, but not less than five (5), present in person or by written proxy at a meeting of the Board of Directors shall be required for the purpose of transacting business of the Association. Every act or decision done or made by a majority of the Voting Directors present at the meeting shall be regarded as the act of the Board of Directors unless a greater number is required by law, the Articles of Incorporation or these Bylaws.

SECTION V - MEETINGS OF MEMBERS

5.1 Annual Meetings. The Annual Meeting of the Association shall be held each year on the date set by the Board of Directors. At such meeting, the Voting Directors shall be elected, reports of the affairs of the Association shall be considered, and any other business may be transacted which is within the powers or the Members.

Notice of each Annual Meeting shall be given to each Member entitled to vote, either by email or by mail or other means of electronic or written communication, addressed to each such Member at his address appearing on the books of the Association or as given by him to the Association for purpose of notice. All such notice shall be sent to each Member entitled thereto not less than ten (10) not more than fifty (50) days prior to each Annual Meeting. Such notices shall specify the place, the day, and the hour of such meeting and shall state such other matters; if any, as may be expressly required by statute.

5.2 Election of Voting Directors. The Board of Directors shall present a slate of Voting Directors to fill positions on the Board of Directors required for consideration by the voting Members at the Annual Meeting. The Board of Directors shall endeavor to establish a balanced Board makeup considering ownership, management, geography, gender and size of utility. The proposed slate of Voting Directors shall be presented to the voting Members with the opportunity to amend the slate as desired by a majority of the voting Members present. The slate presented will be elected upon majority vote of the voting Members present. Upon the request of any voting Member, each Voting Director shall be voted upon individually rather than as a slate.

5.3 Annual Meeting Called by Utility Member. In the event the Annual Meeting is not held in any thirteen (13) month period as prescribed in Section 5.1 above, then any Utility Member may call such Annual Meeting by providing notice thereof as set forth in Section 5.1, and at such meeting the Voting Directors may be elected and the Members may transact other business with the same force and effect as at an Annual Meeting duly called and held.

5.4 Other Meetings. The Board of Directors may call such other meetings of the Members as they deem necessary to conduct the business of the Association. Notice shall be as required for an Annual Meeting.

5.5 Special Meetings. The President or the Secretary shall, and on written request of three (3) Directors or ten percent (10%) of the Utility Members, call special meetings of the Members. Notice shall be as required for an Annual Meeting.

5.6 Place of Meetings. The Members of the Association may hold its meetings either in or out of Arizona at such location as determined by the Board of Directors.

5.7 Action Without Meeting. Any action required by the Arizona General Corporation Law to be taken at any annual, regular or special meeting of the Members of the Association, or any action which may be taken at any annual, regular or special meeting of the Members of the Association, except an amendment to the Articles of Incorporation, approval of an agreement for merger or consolidation of the Association with other corporations, approval of the sale of all or substantially all of the assets of the Association, or a voluntary dissolution of the Association, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the actions so taken, shall be signed by no less than a quorum of the Members eligible to vote on the matter. Prompt notice of the taking of corporate action without a meeting by less than unanimous written consent shall be given to those Members who have not consented in writing.

5.8 Quorum. Ten percent (10%) of members entitled to vote must be present in person in order to convene a meeting of the Members and transacting business of the Association. Every act or decision done or made by a majority of the Members present at the meeting shall be regarded as the act of the Members unless a greater number is required by law, the Articles of Incorporation or these Bylaws.

SECTION VI - OFFICERS

6.1 Officers. The Officers of the corporation shall be a President, Vice President, a Secretary and a Treasurer.

6.2 Election. The Officers of the corporation, except such Officers as may be appointed in accordance with Section 6.5 of these Bylaws, shall be chosen annually by the Board of Directors at its first meeting after the Annual Meeting of Members.

6.3 Subordinated Officers, Etc. The Board of Directors may appoint such Officers, e.g. Executive Director, etc., as the business of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided by the Bylaws or as the Board of Directors may from time to time determine.

6.4 Officers as Directors. Unless qualified as a Voting Director pursuant to Section IV of these Bylaws, an Officer shall serve as a Non-Voting Member of the Board of Directors.

6.5 Removal and Resignation. Any Officer may be removed, either with or without cause, by the Board of Directors, at any regular or special meeting of the Board noticed for that purpose. Any Officer may resign at any time by giving written notice to the Board of Directors or to the President, or to the Secretary of the Association. Any such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6.5 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled by the Board of Directors. An Officer so appointed shall hold the position for the unexpired term and until a successor is appointed and qualifies.

6.6 President. The President, subject to such supervisory powers as may be given by the Board, shall have the general powers and duties of management, usually vested in the office of President of an Association, and shall have such other powers and duties as may be prescribed by the Board of Directors or the Bylaws.

6.7 Vice President. In the absence or disability of the President, the Vice President shall perform all the duties of the President, and when so acting shall have all the duties and powers of the President and be subject to all the restrictions upon the President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed for him respectively by the Board of Directors.

6.8 Secretary. The Secretary shall keep or cause to be kept, at the principal place of business of the Association or such other place as the Board of Directors may order, a book of minutes of all meetings of the Association, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at the Directors' meetings and the proceedings thereof.

6.9 Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association. The Treasurer shall cause, prior to the Annual Meeting but following the end of the calendar year, a review to be accomplished on the books and records. This review shall be presented to the Board of Directors. The books of account shall be at all reasonable times open to inspection by any Director and any Utility Member.

SECTION VII - COMMITTEES

7.1 Committees and Committee Members. The Board of Directors President may create any Committees deemed necessary to conduct the affairs of the Association. The Board of Directors shall appoint the Chair and an adequate number of members to serve on any Committee authorized.

SECTION VIII - INDEMNIFICATION

8.1 Indemnification of Officers and Directors. The Association shall indemnify as provided by Arizona General Corporation Law on indemnification, which law is incorporated herein by reference, any and all of its Directors and Officers or former Directors and Officers, against expenses incurred by them, including legal fees, or judgments or penalties rendered or levied against any such persons in a legal action brought against any such persons for actions or omissions alleged to have been committed by any such person while acting within the scope of his employment as a Director or Officer of the Association, provided that the Board of Directors shall determine, in good faith, such person did not act, fail to act, or refuse to act, willfully or with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action. The Association may purchase and maintain liability insurance on behalf of any or all such persons to the full extent permitted under the Arizona General Corporation Law.

SECTION IX - MISCELLANEOUS

9.1 Checks, Drafts, Etc. All checks, drafts or other orders of payment of money, notes or other evidence of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

9.2 Contracts, Agreements. Etc. - How Executed. The Board of Directors, except as otherwise provided in the Bylaws, may authorize any Officer or Officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the association, and such authority may be general or confined to specific instances; and, unless so authorized by the Board of Directors, no Officer, agent or employee shall have any power or authority to bind

the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or ton any amount.

9.3 Fiscal or Calendar Year. The fiscal year of the Association shall be the calendar year, or as otherwise designated and determined by the Board of Directors from time to time.

9.4 Construction and Definitions. Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the Arizona General Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine .and neuter; and the singular number includes the plural and the plural number includes the singular; and the term "person" includes a corporation as well as a natural person.

SECTION X - AMENDMENTS OF BYLAWS

10.1 Power of Directors. The Board of Directors shall have the power to amend, alter or repeal these Bylaws, or adopt new Bylaws.

10.2 Power of Members. The Utility Members shall have the power to amend, alter, or repeal these Bylaws and to adopt new Bylaws; from time to time, provided that notice of the proposal to make, alter, amend or repeal the Bylaws of this Association was included in the notice of the meeting at which such action takes place.

CERTIFICATION

I hereby certify that the foregoing Bylaws were adopted by the Utility Members of the Association at a meeting called for that purpose on the 7th day of April, 2016.

Secretary
