

BY LAWS
LAKE FOREST WATER COOPERATIVE ASSOCIATION, INC.

Article I
Purpose and Operation

Section 1. Purpose

The purpose of this Association shall be to furnish water to the properties of its members, and in furtherance thereof to purchase, build, establish, own, operate, manage and control wells, pumps, water lines, meters, and any and all equipment necessary to establish and maintain a water system, and to do all things necessary, convenient or proper that may be incidental thereto, or connected therewith.

The Association shall be registered with the Wisconsin Department of Natural Resources (DNR) as a Non-Municipal Community Water System. The association will operate in compliance with Statute 185 of the Wisconsin State Statutes governing cooperatives.

Section 2. Definition of service unit

As used in the accompanying and incorporated Bylaws the term "service unit" shall mean a single dwelling or business unit which is served with water from the Association's equipment. A dwelling service unit can be a single family home, one unit of a duplex or triplex, one unit of a condominium, or one apartment in an apartment complex.

Section 3. Finances of operation

(1) To operate the water system the Association shall assess from each member a regular patronage contribution as a charge for the unmetered connection to the system of the service unit or units owned by said member. As used in the accompanying and incorporated ByLaws the term "charge" or "service charge" shall be used to refer to the patronage contribution made for the charged connection.

(2) The amount and frequency of charges and any late payment fees/penalties shall be determined by the Board. The total amount raised by the charges shall be sufficient to maintain and operate the pumping stations, to ensure sanitary and healthy water according to DNR requirements, to repair any breaks or leaks in the Association's water main and laterals, to cover administrative and other expenses necessary for the operation of the water system, and to contribute to the reserve fund described in Section 3.

(3) Any moneys remaining after the expenses delineated in Section 2 shall be used to maintain the reserve fund which is required by the DNR. Said fund shall be available to cover any extraordinary expenditures which are necessary for the continued supply of water to the serviced properties. In the case where the moneys available are insufficient to cover such expenditures the Association has the right to borrow a sufficient amount or to assess it from the membership. The amount from each member shall be proportionate to the interest pertaining to said member as defined in Article II, Section 2.

Section 4. Liability of Association

No claims by members or customers of the water system shall be allowed against the Association or its Officers, Directors, agents or contractors on account of the interruption of the water supply caused by the breaking of pipes or machinery or by the stoppage for repairs or by

stoppage or recession of flow or on account of fire or other emergency, nor shall any claims be allowed for any consequential or indirect damages, including but not limited to loss of profits, caused by the breaking of any pipe or machinery, by any contamination arising in the water supplied, or by any other reason.

Section 5. Ownership of system components

The water lines (main and public laterals) of the water system, as delimited in Appendix A, are the property of the Association. The lines and valves leading from the lines of the Association to the service unit(s) owned by a member are the property of the member who shall have full responsibility for the cost of repairs or replacements thereto. Said member shall also be responsible for the costs of any modification of the lines of the Association necessitated by work on the lines or valves of said member.

Article II Membership

Section 1. Basis of membership

Any person or business entity shall become a member in the Association upon connecting a new service unit to the Association's water system or by purchasing a service unit which has already been connected to the Association's equipment.

Section 2. Property rights of members

(1) As used in the accompanying and incorporated ByLaws the property rights of a member are expressed by the term "interest." Interest is accrued by a service unit from the patronage contributions made in payment for the charges billed for the unmetered connection of said service unit to the Association's water system. The interest pertaining to a service unit is determined by calculating the ratio of the charge billed for said unit to the sum of the charges billed for all service units connected to the system. The interest pertaining to a member is the interest pertaining to the service unit or units owned by said member.

(2) Upon a transfer of title to a service unit connected to the Association's water system, membership in the Association based on the ownership of said service unit shall transfer to the successor in title upon the recording with the Register of Deeds of such ownership transfer. The interest pertaining to said service unit shall also transfer to said successor. If payment of the charge for the service unit is delinquent as defined in Section 4 then, until the delinquency is remedied, said successor shall not be considered a member in good standing and the Association shall have the right to disconnect the water service to said service unit.

(3) A member owning more than one service unit connected to the Association's equipment holds only one voting membership. However, the interest of said member in the Association's assets is the sum of the interests pertaining to the service units owned by said member.

Section 3. Joint ownership

Where a service unit is owned jointly by two or more persons or business entities there is only one voting membership. Said owners shall designate one owner for casting votes and participating in governance of the Association on behalf of said owners.

Section 4. Service charge delinquency

Should any member be delinquent for a period of 6 months in payment of the water service charge billed by the Association said member shall not be considered a member in good standing and shall lose the right to vote and participate in governance. However, the interest pertaining to said member will be retained. Said membership shall be restored to good standing when the amount in arrears and any late fees/penalties are paid. The Association shall have the right to disconnect the water service to the service unit(s) of a member not in good standing. Any disconnection shall follow the rules and regulations of the State of Wisconsin and other governing authorities. The Association shall also have the right to bring suit against the delinquent member to recover the charges in arrears and to file a lien against the title of the service unit(s) for which the membership was issued.

Article III Membership Meetings

Section 1. Annual Meeting and General Membership Meetings

At least once a year, and no later than the third quarter of the year there shall be one (1) Annual Meeting of the general membership to be held at a time and place designated by the Board of Directors. Special meetings of the general membership may be called by the Board of Directors when necessary and at a designated location. Notice of all meetings shall be given to all members at least one (1) week in advance. Failure to receive such notice shall not affect the validity of such meetings or the proceedings thereafter. Any meeting may be held by remote participation as provided by law.

Section 2. Voting

Each member in good standing shall have one vote. Membership votes on any matter, including election or removal of directors, may be submitted by mailed paper ballot or by electronic means as provided by law.

Section 3. Quorum

A quorum at a member meeting shall be 10 percent of the first 100 members plus 5 percent of additional members. Less than a quorum at any meeting shall have the power to adjourn and reconvene until a quorum shall be present. All action shall be by a majority of those present at any meeting, unless otherwise provided by law or by these Bylaws.

Section 4. Officers Presiding at Meetings

The President, or if absent, the Vice-President, shall preside at the meeting of the Association. The Secretary shall take minutes. If such officers are not present, their functions may be performed by any of the members present as chosen by the members in attendance.

Section 5. Order of Business

The order of business at the Association meetings shall be determined by the President. Members can submit items of business to the Secretary or President prior to or at the meeting.

Article IV Board of Directors

Section 1. Purpose, Powers, and Membership

The Association shall be administered by the Board of Directors, hereinafter referred to as the Board. The members of the Association shall elect seven (7) members to serve on the Board. Any member of the Association in good standing shall be eligible to serve on the Board. The Association may also permit one outside director as provided in SS 185.31(1)(b).

Section 2. Duties

The duties of the Board of directors shall be: 1) to manage the operation of the water system, 2) to execute the administrative duties of the Association and to conduct its business at meetings, 3) to call the general meeting of the membership, held on an annual basis, 4) to perform other such duties as the membership of the Association shall decide and 5) to appoint standing and ad hoc committees of the Association as needed.

Section 3. Nominations

The President and Board shall nominate individuals willing to serve on the Board at least one month in advance of the designated Annual Meeting. After securing the consent of each person nominated, the Secretary will record all nominations.

Section 4. Elections

The Directors for the next term shall be elected at a designated Annual Meeting or through a ballot distributed by mail or online to all members in good standing as described in Article IV, Section 2. Write-in candidates will be accepted at the Annual Meeting or on a distributed ballot. Elected Directors shall take a position on the Board immediately upon the conclusion of the elections and each Board member shall turn over to her/his successor in office all properties and records relating to that position within 30 days after the election.

Section 5. Regular Meetings

The Board shall meet by end of the first quarter of each year, and as deemed necessary throughout the year, not to be fewer than two (2) meetings a year. The Secretary or President shall give at least three (3) days notice to all members of the Board before each meeting. Failure to receive such notice shall not affect the validity of such meeting or the proceedings thereat.

Section 6. Quorum

Presence of four (4) members of the Board shall constitute a quorum. Less than a quorum at any meeting shall have the power to adjourn and reconvene until a quorum shall be present. All action shall be by majority of those present at any meeting, unless otherwise provided by law or by these Bylaws.

Section 7. Vacancies

In case of a board vacancy, the Board president may select someone to fulfill the role, approved by a majority vote of the remaining members of the Board. Any person so elected shall serve until the next annual election.

Section 8. Reports of Members

At each Annual Meeting or ballot distribution, before the election of new officers, the Board shall submit a statement of the affairs and the financial condition of the Association. Officers shall also make reports in response to questions from the members at other general membership

meetings.

Section 9. Committees

The Board shall establish committees to address specific issues as needed.

Article V Officers

Section 1. Number and Designation

The officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer.

Section 2. Elections

The officers shall be elected by the Board of Directors for a term of one (1) year. They shall be elected at the first meeting held by the Board after the annual election of the Board. Any member of the Board shall be eligible to serve as an officer. The Secretary and Treasurer need not be members of the Board or of the Association, and the two positions may be filled by one person. Officers shall be eligible for reelection, and they shall hold office until their successors are duly elected.

Section 3. Vacancies

A vacancy in the office of the President shall be filled automatically by the Vice-President and that resulting vacancy in the office of Vice-President shall be filled by a current member of the Board. If there's an officer vacancy, the Board will be responsible for filling it.

Any vacant office shall be filled for the unexpired term at the Board meeting at which the vacancy occurs or, if the vacancy occurs between meetings, at the next Board meeting.

Section 4. Duties and Responsibilities of Officers

The President shall preside at all general membership meetings and meetings of the Board of Directors; shall have general supervision over the affairs of the Association and over the other officers; and shall perform all duties as are incidental to the office. In the absence or disability of the President, these duties shall be performed by the Vice-President. The President is also able to carry out duties of the Secretary or Treasurer when required.

The Secretary shall issue notices of all general membership meetings; shall attend and keep minutes of the same; shall have charge of all Association books, records, membership lists and papers; and shall perform all other duties as are incident to the office.

The Treasurer shall have custody of all money and securities of the Association. The Treasurer shall keep regular books of accounts and shall submit them, together with all vouchers, receipts, records and other papers to the Board for examination and approval as often as the Board may require. The Treasurer shall sign all checks of the Association, and shall perform all other such duties as are incident to the office. The President can also sign checks and other financial instruments as needed.

Section 5. Officers of Meetings

The President, or if absent, the Vice-President shall preside at Board meetings. The Secretary

shall take minutes. If such officers are not present, their functions may be performed by any of the Board members present as chosen by the Board members in attendance.

Section 6. Order of Business

The order of business at the meetings of the Board shall be determined by the President. Additional items of business shall be specified by the Board members attending.

Article VI Public Action and Representation

No member may represent him or herself as speaking in the name of the Association unless so authorized by the Board pursuant to majority vote on an appropriate resolution, or by direct authorization by a resolution passed at a general membership meeting.

Article VII Parliamentary Authority

The rules contained in Roberts Rules of Order, Revised (latest edition) shall govern the Association meetings. <https://www.robertsrules.org/>

Article VIII Amendments

Amendments to these Bylaws may be made by a simple majority of those members voting at any annual, regular, or special membership meeting, provided the proposed amendments have been set forth in the notice of such meeting.

Article X Severability

If any part, term or provision of the accompanying and incorporated ByLaws is held to be illegal, is in conflict with any law or regulation, or is otherwise invalid, the remaining portion or portions shall be considered severable and not be affected by such determination, and the rights and obligations of the members and other parties shall be construed and enforced as if the ByLaws did not contain the particular part, term or provisions held to be illegal or invalid.

Article IX Dissolution

(1) A resolution to dissolve the Association and to schedule connection of the service units of the Association to the water system of the Madison Water Utility (MWU) may be considered at a membership meeting. The notice of meeting shall set forth the procedures and provisions of the proposed dissolution, the distribution of funds and the transition to the MWU. Approval of the resolution shall require not less than a three-fourths (3/4) majority vote of members in good standing present at said meeting, whether or not a quorum is present.

(2) The dissolution of the Association shall not occur until after all service units of the Association have been connected to the water system of the MWU. Until said dissolution all service units of the Association and the memberships based on said units shall remain within the Association.

(3) All properties of the Association shall be sold, any debts and obligations shall be settled and the equipment of the Association shall be removed or secured at the expense of the Association

according to the requirements of the Wisconsin Department of Natural Resources and other governing agencies.

(4) After the final winding up of the affairs of the Association, as defined in Section 3, all remaining dollars amounts shall be distributed to each member of the Association in proportion to the interest (as defined in Article II Section 2 (1)) pertaining to said member at the time of the winding up. If the service charge billed to a member is in arrears then the amount in arrears shall be deducted from the amount distributed to said member.

(5) If for whatever reason funds remain after the distribution to members, all such funds shall be distributed to one or more non-profit organizations to be determined by the Board of the Association, in its sole discretion.