

AMENDED AND RESTATED
BY-LAWS

OF

LEE HAMMOND WATER USERS
COOPERATIVE ASSOCIATION, INC.

ARTICLE I

NAME, OBJECTS, PURPOSES, AND PRINCIPAL PLACE OF BUSINESS

The corporate name, the objects and purposes, and the principal place of business of the Association shall be as stated and provided in the Articles of Incorporation of the Association.

ARTICLE II

SEAL

The seal of the Association shall have inscribed thereon the name of the Association.

ARTICLE III

FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January of each year.

ARTICLE IV

MEMBERSHIP

Section 1. Bona fide occupants and residents within and in the vicinity of the community of Bloomfield, County of San Juan, New Mexico, being reasonably accessible to the system of the Association, who are in need of water for domestic purposes, and who are approved by the Board of Directors, may be admitted to membership upon application therefore and the payment of a membership fee in an amount set by the Board of Directors. No application for membership shall be approved under this Section if the capacity of the Association's water system is exhausted by the needs of its existing members. In the event of a shortage of water, the Association shall take appropriate measures to provide additional water to meet the needs of the Association.

Section 2. All applications for membership shall be approved by the Board of Directors. Application for membership to the Association shall be in the form approved and provided by the Board of Directors. Membership shall not be denied because of the applicant's race, color, religion, national origin, sex (including pregnancy), age (40 or older), ancestry, disability, serious medical condition, sexual orientation, gender identity, or spousal affiliation.

Section 3. The rights, privileges and obligations of all members of the Association shall be equal, provided that a member's right to delivery of water and the amount thereof shall be based upon the number of service connections with the distribution system of the Association.

Section 4. Each member / a landowner shall be entitled to one vote only, no matter how many services they own. Voting by mail shall be allowed as provided. In order to vote, the member's account must be in good standing with the Association.

ARTICLE V

MEETINGS OF MEMBERS

Section 1. The annual meeting of the members of the Association shall be held in San Juan County, State of New Mexico, on the second Tuesday of March, at the designated Association facilities selected by the Board of Directors.

Section 2. Special meetings of the members of the Association may be called at any time by the President, upon resolution of the Board of Directors, or upon a written petition to the President of the Board, signed by ten (10%) percent of the members. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted thereat, except such as is specified in the notice.

Section 3. Notice of meetings of members of the Association, both annual and special, by a notice on the monthly bills prior to the meeting mailed and/or emailed to each member of record, directed to the address shown upon the books of the Association, at least ten (10) days prior to the meeting. Such notice shall state the time, place, and purpose of the meeting. It shall also be posted at the office and on the website of the Association.

Section 4. The President of the Association may declare a quorum at any meeting of the members of the Association for the transaction of business.

Section 5. The order of business at the regular membership meetings, and so far as possible at other meetings, shall be:

- (1) Calling to order and proof of quorum.
- (2) Proof of notice of meeting.
- (3) Reading and action of any approved minutes.
- (4) Election of Directors.
- (5) Unfinished business.
- (6) New business.
- (7) Adjournment.

ARTICLE VI

DIRECTORS

Section 1. FUNCTIONS OF THE BOARD OF DIRECTORS.

The business and affairs of the Association shall be managed by a Board of at least seven (7) directors. The functions of such Board shall include:

- (1) The selection and delegation of authority to officers necessary for the management of Association business;
- (2) The determination of policies for guidance of the management of the Association;
- (3) The control of expenditures by authorizing budgets;
- (4) The keeping of members fully informed of the business of the Association;
- (5) The causing of audits to be made as is necessary. The person doing the audit shall not be an officer or director of the Association. The audits are to be presented to the Board of Directors at a reasonable time frame following the end of the fiscal year;
- (6) The studying of the requirements of members and promoting good membership relations;
- (7) The prescribing of the form of membership certificates;
- (8) The establishing of water charges and the levying of assessments and the enforcement and collection thereof, in accordance with the provisions of these By-Laws, suitable uniform rules and regulations and the laws of the State of New Mexico.

Section 2. VACANCIES.

If the office of a director, or an officer's position on the Board of Directors, becomes vacant by reason of death, resignation, retirement, disqualification, or otherwise, except removal from the office, a majority of the remaining Directors shall by a majority vote, choose a successor who shall hold office until the next election of the Association. At which time the membership shall elect a Director for the unexpired term or terms, providing that, in the call of such regular meeting, a notice of such election shall be given.

Section 3. ELECTION AND TERM OF BOARD MEMBERS.

Section 3.5. The Board of Directors shall meet as soon as possible after holding the election of directors and every year after the annual meeting to elect by ballot from among themselves, a President, a Vice-President and a Secretary-Treasurer. Each of these officers shall hold office until the next year and until the election and qualifications of a successor unless

sooner removed by death, resignation or for cause.

The Board of Directors of the Association shall consist of at least seven (7) members, whose terms of office shall run for four (4) years, all of whom shall be members of the Association. These Directors shall be elected in the manner and the terms running in the following manner: at two year intervals, four (4) directors will commence for a four-year term; two years later, three (3) more directors will commence for a four-year term. The original board will be made up of the members of both Lee Acres and West Hammond boards of directors that choose to serve, for the terms they were originally elected for and until the next election.

Section 3.1. The alternating schedule will allow for continuity of leadership. No board member shall hold office for more than two (2) consecutive terms for which they are elected. No officer will hold any office for more than eight (8) consecutive years. In the event a member of the Board of Directors becomes a paid employee of the Association, he / she must resign as a director.

Section 3.2. Prospective candidates must notify the manager at the office of the Association that they would like to stand for election at least 30 days prior to the annual membership meeting in any odd year. Such persons must be a member, in good standing of the Association and must state their name and mailing address.

Section 3.3. Candidates will have their names appear on the ballot by a random drawing conducted by the President and one (1) other board member. The ballots will be placed in a locked box as soon as they are received. The President will be the only one with the key to the locked box. All unused ballots will be destroyed, if any.

Section 3.4 The Board of Directors will open and count the ballots at the annual meeting. Voting by mail is allowed. Voting in person is also allowed up until the beginning of the annual meeting.

Section 4. COMPENSATION OF DIRECTORS.

The members of the Board of Directors shall receive no compensation for their services as Directors.

Section 5. MEETINGS OF THE BOARD OF DIRECTORS.

The Board shall hold meetings at such regular intervals as the Board may determine. A majority of four (4) Board members or one half plus one if there are more than seven board members, present at any meeting shall constitute a quorum to conduct and vote on all business decisions. A board member can attend and vote at regular meetings by telephonic and is not allowed to miss more than three (3) meetings including telephonic attendance per year.

Section 6. POWERS OF THE BOARD.

The Board of Directors shall have the general power to act for the Association in any manner not prohibited by Statute or by the Articles of Incorporation. If the Association shall at any time borrow or receive by way of grant any property of the United States or the State of New Mexico, through any of their agencies, the Board of Directors shall pursue such management methods, including accounting and audits, as such agency may prescribe.

Section 7. REMOVAL OF DIRECTORS AND OFFICERS.

Any director or officer of the Association may be removed from office with or without cause by a vote of not less than a quorum of the Board of the Association present at any meeting, or at any special meeting called for that purpose. The director or officer shall be informed in writing of the charges against them at least ten (10) days before such meeting; and at such meeting, shall have the right and opportunity to be heard in person or by counsel and to present witnesses on their behalf. Employees or agents, other than directors and officers, may be removed from office or employment at any time by action of the Board of Directors.

ARTICLE VII

OFFICERS

Section 1. DUTIES OF THE PRESIDENT.

The President shall preside over all meetings of the Association and the Board of Directors, shall call special meetings of the Board of Directors and perform all acts and duties usually performed by an executive and presiding officer. The President shall sign all membership certificates, other instruments and any business operating correspondence on behalf of the Association. The President shall be an ex-officio member of all standing committees and shall have such powers and shall perform such other duties as may be properly required by the Board of Directors.

Section 2. DUTIES OF THE VICE-PRESIDENT.

The Vice-President, in the absence or disability of the President, shall perform the duties of the President. However, in case of death, resignation or disability of the President, the Board of Directors may declare the office vacant and elect a successor to fill the unexpired portion of the President's term.

Section 3. DUTIES OF THE SECRETARY-TREASURER.

The Secretary-Treasurer shall perform the following functions:

- (1) Present the previous year Audit at the Annual meeting. Perform such other duties

and functions as may be required by the Board of Directors or the President.

Section 4. OTHER EMPLOYEES OR AGENTS.

The Board of Directors may appoint, in addition to the officers above named, other agents or employees which may be necessary to supervise the water system of the Association and its construction, maintenance and repair. Such agents or employees may be authorized by the Board of Directors under its direction, and pursuant to its rules and regulations, to provide for the delivery of water to the members of the Association. Such agents or employees shall be paid a compensation for the performance of their duties in an amount to be determined by the Board of Directors.

ARTICLE VIII

**WATER CHARGES,
ASSESSMENTS AND DISTRIBUTION OF WATER**

Section 1. Water shall not be delivered by the system of the Association, except to users who are members of this Association (or their designees). If any member needs and desires service connections with the system in excess of one, such member shall make an application for any such additional meter in writing to the Board of Directors. Upon approval by the Board, and upon payment to the Association by such member of any required fees according to the schedule adopted by the Board of Directors for each connection in excess of one, plus payment of costs of installation, such connection or connections shall be made by the Association. Each such additional connection shall be subject to the minimum water charge as adopted by the Board. No service connections in excess of one shall be approved for any member, or made pursuant to this section, when the full capacity of the Association's system is needed to serve the existing connections.

Section 2. The Board of Directors shall establish a rate schedule to be charged the members for services provided by the Association. The established rate schedule shall apply to each service connection. In case of contemplated changes in the rate schedule, the membership of the Association shall be notified at least ten (10) days prior to the meeting of the Board of Directors to consider such changes and the reasons therefore. Rates need to be reviewed and approved yearly.

Section 3. The Association, through its Board of Directors, shall have the right to terminate the supply of water to any member and user who fails to pay any billing within thirty (30) days after its due date. Notice of the termination shall be given to the delinquent member by the hanging of a notice tag ten (10) days prior to the termination of water. Delinquent accounts go with the property and have to be paid in full before property can be transferred.

ARTICLE IX

MEMBERSHIP CERTIFICATES

Section 1. FORM OF CERTIFICATE.

The Board of Directors shall determine the form of membership certificates and the same shall be signed by the President of the Board.

Section 2. MEMBERSHIP BOOK

As a part of the records of the Association, there shall be kept a Membership Book, which shall contain a list of the certificates of membership that have been issued, noting the number of the certificate, the date thereof, physical address of the meter, and the name and address of the person to whom issued. The certificate number shall be used as the permanent parcel/property or service number.

Section . TRANSFER OF MEMBERSHIP.

Certificates of Membership may be transferred and the transfer shall be noted on the books of the Association. A member may transfer his certificate to a party purchasing the land currently served by the water supply system of the Association as a matter of right and upon receipt of the applicable transfer fee and proof of ownership. Account must be current before being transferred. All transfers must be approved by the Board of Directors.

Section 4. EXPULSION.

A member may be expelled in the manner provided by the laws of the State of New Mexico under which the Association was formed and incorporated.

ARTICLE X

AMENDMENTS

These By-Laws may be repealed or amended by a vote of quorum of the Board members once a year at any regular meeting.

ARTICLE XI

DISTRIBUTION OF NET SAVINGS

Although the Corporation is a non-profit cooperative association for the mutual benefit of its members and is not intended to be operated in such a way as to accumulate funds in excess of those necessary for the operation, maintenance, and expansion of the water system, the Board of Directors shall, in accordance with the laws of the State of New Mexico, apportion such surplus funds among the members of the Association, on the basis of their patronage. However, before such distribution among the members, not less than ten percent (10%) of such surplus funds shall be placed in a fund to be used for the purpose of meeting contingent and unforeseen expenses, which shall be maintained and determined by the Board of Directors. Any excess over and above such total as so determined shall be distributed among the members as other excess funds, as above provided.

STATE OF NEW MEXICO)
) ss.
COUNTY OF SAN JUAN)

We hereby certify that the above and foregoing Amended and Restated By-Laws of Lee Hammond Water Users Association, Inc., consisting of eight (8) pages, this page included, are the By-Laws of this Association, adopted by the members thereof at a meeting held this March 2, 2021.

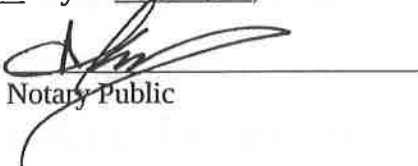


President



Secretary / Treasurer

Subscribed and sworn to before me this 16 day of March, 2021.


Notary Public

My Commission Expires:

Feb. 24, 2024

