

**HATCH VALLEY DOMESTIC WATER IMPROVEMENT DISTRICT**  
**PO BOX 271**  
**PEACH SPRINGS, AZ 86434**  
**hatchvalleydwid@yahoo.com**

**By-Laws**

As adopted by the Hatch Valley Domestic Water Improvement District Board of Directors – Amended on July 16, 2024

***Article 1. Name, Address, Mission Statement***

1. The name of the district shall be Hatch Valley Domestic Water Improvement District, hereafter referred to as HVDWID, which may be used in all contracts to which HVDWID is a party and in all other documents having legal significance and by which HVDWID shall be known in all proceedings.
2. The principal place of business of the district shall be in the unincorporated areas of Truxton, Arizona in Mohave County, Arizona. The board may in its discretion open and maintain other offices of the district within the service area of the district. The physical address for HVDWID is 12350 N. Molthan Lane, Truxton, Arizona. All correspondence and bill payments should be mailed to: PO Box 271, Peach Springs, Arizona 86434.
3. The mission of HVDWID is to serve and provide the residents of the community of Truxton, Mohave County, Arizona, with efficient and safe domestic water at a reasonable cost.

***Article 2. Membership***

1. Requirements: Any person, firm, association, corporation, or body politic or subdivision thereof may become a member of the District by making an application for membership therein, agreeing to purchase water from the District as needed, agreeing to comply with and be bound by the by-laws of the District and any rules and regulations lawfully adopted by the Board, and by paying any membership fees hereinafter specified; provided, however, no applicant shall become a member until accepted for membership by the President of the board, no member may hold more than one membership in the District.
2. Membership Certificates: Membership in the District shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the Board. Such certificates shall be signed by the President and Secretary of the District. No membership certificate shall be issued for less than the membership fee fixed in these by-laws, nor until such membership fee has been fully paid. In case a certificate is lost, destroyed, or

mutilated, a new certificate may be issued therefore upon such uniform terms and indemnity of the District as the Board may prescribe.

3. Joint Membership and Conversion Thereof: A husband and wife shall have a joint membership and, subject to their compliance with the requirements set forth in Article 2, may be accepted for such membership. The term "member" as used in these by-laws shall be deemed to include a husband and wife holding a joint membership, and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect to the holders of a joint membership shall be as follows:
  - a. The presence at a meeting of either or both shall be regarded as the presence of one member, and shall have the effect of revoking a proxy executed by either or both and of constituting a joint waiver of notice of the meeting;
  - b. The vote of either separately or jointly shall constitute one joint vote, but in the event of disagreement between husband and wife who are both present at a meeting, the joint membership shall be deemed to have abstained from voting;
  - c. A proxy executed by either or both shall constitute one joint proxy;
  - d. A waiver of notice signed by either or both shall constitute one joint waiver;
  - e. Notice to either shall constitute notice to both;
  - f. Expulsion of either shall terminate the joint membership;
  - g. Withdrawal of either shall terminate the joint membership; and
  - h. Either but not both may be elected or appointed as an officer or director, provided that the person meets the qualifications for such office.

Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be surrendered, and shall be reissued in such manner as shall indicate the changed membership status; provided, however, that the estate of the deceased shall not be released from any debts due the district.

4. Membership and Service Connection Fees: The District shall establish a membership fee and a service connection charge, which fee and charge may from time to time be altered or amended in light of changing circumstances. It shall be permissible for the Board to set a lesser fee or charge for charter members than for subsequent applicants for membership. The district shall not serve water to premises not owned or occupied by the legal owner.
5. Termination of Membership: Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds of all of the directors, expel any member who fails to comply with any of the provisions of the

By-Laws, rules, or regulations lawfully adopted by the Board, but only if such member shall have first been given written notice by the Secretary or Book Keeper of the District that such failure makes him or her liable to expulsion and such failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by a majority vote of the Board or a majority vote of the members of the district at any annual or special meeting, subject to any conditions which may be imposed pursuant to these By-Laws or any rules or regulations adopted by the Board, provided that the cause for which such member was expelled shall have been entirely purged previous to such reinstatement. In addition, membership will be nullified immediately with no written notice if member has failed to pay their water bill for 6 consecutive months or more. If the nullified member requests to be reinstated, the nullified member would have to pay any arrearages, a new deposit of which amount the board may adjust at its discretion, and a reconnect fee before water service is resumed and membership is reestablished.

**Article 3: Billing, Purchase and Use of Water, Termination of Service, Deposit Forfeiture, Delinquent Customer Accounts**

1. Billing and Payment: Meters are read between the 26<sup>th</sup> of the month, if not sooner, and the 1<sup>st</sup> of the following month. Bills may be mailed or can be put in the payment drop box at the mail boxes in Truxton and Bridge Canyon (payment box will be checked daily) or paid by VENMO between the 1<sup>st</sup> and 5<sup>th</sup> of the month. Payment in full is due upon receipt of the bill. The bill will become delinquent on the 25<sup>th</sup> of the month. **A \$10.00 late fee will be assessed on the 27<sup>th</sup> of each month on balances greater than \$15.00** if payment is not received by the water company via post office box by the 25<sup>th</sup> of the month, **regardless of the date written on the check**. If payment is still not received by the 1<sup>st</sup> of the next month, a termination notice will be sent, giving the customer 10 days to pay the bill, **plus the late fee**, or contact the water company in writing. If on that date payment has not been received and the customer has made no contact, service will be disconnected without further notice. If disconnected, all arrearages plus penalties and a \$40 reconnection fee must be paid in full before the water service is reconnected, at our earliest convenience. HVDWID offers the option of having an average monthly bill based on yearly usage rates. Automatic payments would need to be set up through the customer's financial institution and would need to be received by the due date. Unusual or extreme circumstances; restricted access by owner negligence i.e. weeds/aggressive dogs, parking on top of the meter box will result in a higher-than-average estimate of your bill until the issue is resolved and the balance would be due by the due date. Accounts will be reviewed yearly in October and any credits will be applied then.
2. Purchase and Use of Water: Each member shall purchase from the district all water used on the premises specified in his or her application for membership and shall pay therefore monthly rates which shall from time to time be fixed by

the Board; provided, however, that the Board may limit the amount of water which the district shall be required to furnish to any one member. Each water user shall pay to the district a specified minimum amount per month regardless of the amount of water consumed, to be from time to time fixed by the Board. Each member shall also pay all amounts owed to the district as and when the same shall become due and payable.

3. There will be no drilling of personal or commercial use wells permitted within the water district, unless approved by the DWID consulting engineer Inspection: Consulting Engineer's Inspection Fees; A consulting engineer retained by the DWID, shall, in addition to reviewing the preliminary and final engineering design report and plans for conformance the DWID's operating standards and procedures, and at the option and direction of the DWID, inspect the water system improvements to verify that such improvements conform to the developers plans, specifications, and engineering design report; and conform to the DWID's operating standards and procedures. If written operating standards and procedures are not available, the developer shall proceed at the direction of the DWID'S operator and the developer shall record minutes of all phone calls, meetings, and emails to support the development of the plans and specifications and shall include all correspondence within the design report. All fees charged by the consulting engineer shall be paid by the developer. Consulting engineer fees shall be paid within 30 days of invoicing. ALL lawyer fees incurred will be paid by developer.

4. Termination of Service:

- a. Termination notices requirements:

1. HVDWID will not terminate service to any of its customers without providing advance written notice to the customer of the district's intent to disconnect service, except under those conditions specified where advance written notice is not required.

2. Such advance written notice shall contain, at a minimum, the following information:

- a. The name of the person whose service is to be terminated and the address where service is being rendered.

- b. The Commission rule or regulation that was violated and explanation thereof or the amount of the bill which the customer has failed to pay in accordance with the payment policy of the district, if applicable.

- c. The date on or after which service may be terminated.

d. A statement advising the customer to contact the district at a specific address or phone number for information regarding any deferred payment or other procedures which the district may offer or to work out some other mutually agreeable solution to avoid termination of the customer's service.

e. A statement advising the customer that the district's stated reason for the termination of services may be disputed by contacting the district at a specific address or phone number, advising the district of the dispute and making arrangements to discuss the cause for termination with a responsible employee of the district in advance of the scheduled date of termination. The responsible employee shall be empowered to resolve the dispute and the district shall retain the option to terminate service.

b. Timing of terminations with notice:

1. HVDWID will give at least 10 days advance written notice prior to the termination date.
  2. Such notice shall be considered to be given to the customer when a copy thereof is left with the customer or posted first class in the United States mail, addressed to the customer's last known address.
  3. If after the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor arrangements made with the district for the payment thereof or in the case of a violation of the district's rules the customer has not satisfied the district that such violation has ceased, the district may then terminate service on or after the day specified in the notice without giving further notice.
  4. Service may only be disconnected in conjunction with a personal visit to the premises by an authorized representative of the district.
  5. The district shall have the right (but not the obligation) to remove any or all of its property installed on the customer's premises upon the termination of service.
5. Deposit Forfeiture: Customers who have incurred more than two late fees due to payment not being received by the 25<sup>th</sup> of the month will not be eligible for a deposit refund. This does not apply to customers who have already received their deposit refund. Special circumstances may be discussed at the monthly board meeting and decided upon by the board members.

6. Delinquent Customer Accounts: Prior customers who move back into the water district must pay any delinquent amounts owed from prior accounts before water service will be started. In addition, any past customers with prior delinquent accounts must provide a deposit of \$150.00 before water service will be started. The deposit will only be refundable should the customer not incur more than two late fees or should said customer move out of the water district with a zero balance on their account.

#### ***Article 4: Assessment of Members***

1. The private property of the members shall be exempt from the debts of the district but members shall be subject to assessments as provided in these By-Laws. In the event that the revenues of the district are insufficient for such purposes, the Board may levy pro-rata assessments upon the membership to the extent necessary to maintain the property of the district in good condition and to meet the outstanding obligations of the district as they mature. Members who do not pay such assessments within a reasonable time after they are levied are subject to termination of membership by the Board.

#### ***Article 5: Meetings***

1. Annual Meeting: The annual meeting of the membership of the district shall be at such place in the unincorporated community of Truxton, Arizona as shall be designated in the notice of the meeting, for the purpose of electing board members, passing upon reports for the previous fiscal year, and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting.
2. Regular Meetings: A regular meeting of the board shall be held monthly at such time and place in the unincorporated community of Truxton, Arizona, as the board may provide by resolution.
3. Special Meetings: Special meetings of the members or the board may be called by resolution of the Board, by the President, upon a written request signed by any three directors or by the Secretary upon receipt of the written request of ten percent of the members. Special meetings of the members or the board may be held at any place within the unincorporated community of Truxton, Arizona, specified in the notice of the special meeting.
4. Notice of Meetings: Written or printed notice stating the place, day, and hour of the meeting, and, in the case of a special or annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be posted not less than 24 hours prior to the meeting in two public places within the community. The meetings shall be

held at the Music Mountain Bible Chapel 12476 Byers Street in Truxton, Arizona, or at the physical address posted on the notice and agenda of the meeting. All meetings must have a quorum of at least three board members in order to conduct business.

5. Quorum: A quorum at any annual meeting shall consist of ten percent of the members of the district present in person at the meeting. Ten percent of the membership present in person or fifty percent of the membership present in person and by proxy combined shall constitute a quorum at a special meeting. Even if a quorum is present, if the number of members present in person at any meeting is so low that in the opinion of a majority of those present it is unrepresentative of the district membership, the meeting may be adjourned from time to time without further notice, except that the Secretary or Book Keeper shall publish notice thereof at least one time at least three days before the reconvening of the adjourned meeting.
6. Voting: Each member or director shall be entitled to only one vote. All questions shall be decided by a vote of a majority of the members voting thereon in person or by proxy, except as otherwise provided by law or these by-laws. Cumulative voting shall not be allowed.
7. Proxies: A member or director may vote by proxy executed in writing by the member. Such proxy shall be filed with the Secretary or Book Keeper before or at the time of the meeting. No proxy shall be valid at any meeting commenced more than sixty days from the date of its execution. No proxy shall be valid unless it shall designate the particular meeting at which it is to be voted, and no proxy shall be voted at any meeting other than the one so designated or any adjournment of such meeting. A member may designate as his proxy only another member or an adult relative living in the same household with such member, and no person may hold more than three proxies at any meeting. The presence of a member at a meeting shall revoke any proxy theretofore executed by him or her, and such member shall be entitled to vote at such meeting in the same manner and with the same effect as if he had not executed a proxy.
8. Order of Business: The order of business at the meeting shall be essentially as follows:
  - a. Call to order.
  - b. Report as to which members are present in person in order to determine the existence of a quorum, and which members are represented by proxy.
  - c. Call to the public.
  - d. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereof.

- e. Presentation and consideration of reports of officers, directors, and committees.
- f. Nomination of new directors at Annual Meeting and election of new directors at regular meeting following Annual Meeting.
- g. Unfinished business.
- h. New business.
- i. Adjournment.

#### ***Article 6: Directors/Election of Directors***

1. Directors: The business and affairs of the district shall be managed by a board of directors (not less than five, consisting of a President, a Vice-President, a Secretary/Treasurer, and two directors), which board shall exercise all of the powers of the district except those which are by law or by these By-Laws, conferred upon or reserved to the members of the district. The board of directors may only be made up of property owners of the district. The board of directors shall be elected for four-year terms, with terms of office staggered as three and two members elected at the Annual Meeting held on the second Tuesday of the month of April. A quorum of ten percent of the residents with an active water meter must be met when nominating directors or officers at the Annual Meeting. Each household shall only be entitled to one vote. In the event death, disqualification, or other inability to serve shall occur respecting any director, a replacement director shall be elected by the board at either a Special Meeting or the next regular meeting. The replacement director's tenure shall be equal to that of the director he or she replaced. Any member may bring charges against a director and, by filing with the Secretary such charges in writing, together with a petition signed by at least ten percent of the members, may request the removal of such director by reason thereof. Such director shall be informed in writing of the charges at least ten days prior to the meeting of the members at which the charges are to be considered, and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges, and the person or persons bringing the charges against him shall have the same opportunity, the persons bringing such charges at such meeting having the burden of proof and the burden to go forward with the evidence. The question of removal of such director shall be considered and voted upon at the meeting of the members and any vacancy created by such removal shall be filled as provided by the rules of these By-Laws. Directors shall not receive any salary for their services as directors.
2. Election of Directors: The board of directors shall elect directors at the next monthly meeting following the Annual Meeting. The members of the Board of Directors of the District shall be a President, a Vice-President, a Secretary/Treasurer, and two Directors. The President shall conduct the meetings. In the absence of the President, the Vice-President shall conduct the meetings. The board shall elect a Secretary/Treasurer who shall conduct meetings in the absence of the President and the Vice-President. The board



shall vote to employ a Manager, who may be but shall not be required to be a member of the district, to ensure meeting notices, minutes, and general correspondence is completed. The Manager shall also be charged with such duties as billing, accounts receivable and payable, banking, posting of termination notices, and any other such district business as shall come before him or her.

### ***Article 7: Duties of Officers/Directors/Manager***

1. President
  - a. Be the principal executive officer of the district and, unless otherwise determined by members of the Board, shall preside over all meetings of the members and directors
  - b. In general, perform all duties incident to the office of President and such other duties as may from time to time be prescribed by the board
2. Vice-President
  - a. In the absence of the President, or in the event of his or her inability or refusal to act, perform the duties of President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President
  - b. Perform such other duties as from time to time be assigned to him or her by the board, or as such may be required of his or her office in the absence of a manager
3. Secretary/Treasurer
  - a. Perform all duties incident to the office of Secretary/Treasurer and such duties as may from time to time be assigned to him or her by the board, or as such may be required of his or her office in the absence of a Book Keeper
4. Manager
  - a. Keep the minutes of the meetings in one or more books as provided for that purpose
  - b. See that all notices are duly given in accordance with these By-Laws or as required by law
  - c. Be custodian of the district's records and books
  - d. Keep a register of the names, post office addresses, and phone numbers of the members
  - e. Keep on file at all times a complete copy of the By-Laws containing all amendments thereto (which copy shall at all reasonable times be open to the inspection of any member), and at the expense of the district, forward a copy of the By-Laws and of the amendments thereto to each member who has in writing requested the same
  - f. Have charge and custody of and be responsible for all funds and securities of the district

- g. Be responsible for the receipt of and issuance of receipts for all moneys due and payable to the district, and for the deposit of all such money in the name of the district in such bank or banks as shall be selected by the Board

**Article 8: Disposition of Property**

1. The District may not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease of other disposition or encumbrance is authorized at a meeting thereof by the affirmative vote of not less than a majority of all of the members of the District, and unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the board, with or without authorization by the members of the District, shall have full power and authority to authorize the execution and delivery of mortgages or other security instruments pledging or encumbering any or all of the property, assets, rights, privileges, licenses, franchises, certificates, and permits of the District whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions the board shall determine, to secure any indebtedness of the District to the United States of America or any instrumentality or agency thereof; and provided further, that the board may, upon the authorization of a majority of those members of the District present at a meeting of the members thereof, sell, lease, or otherwise dispose of all or a substantial portion of its property to another District or to the holder or holders of any notes, bonds, or other evidences of indebtedness issued to the United States of America or any agency or instrumentality thereof.

**Article 9: Revenues**

1. All funds generated from the sale of water or special assessments against the lots within the district boundaries, shall be used for the operation, maintenance, upgrading, and debt payment of the water system to keep the rates as reasonable as possible. This is in accordance with the County Improvement District laws.

Hatch Valley Domestic Water Improvement District

By: \_\_\_\_\_  
Richard L. Schneider, President

Attest:

\_\_\_\_\_  
Vice-President

\_\_\_\_\_  
Secretary/Treasurer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director