

**Bylaws**  
**Of**  
**Mossy Head Water Works, Inc.**

**Article I**

**General Purposes**

The purposes for which this corporation is formed, and the powers which it may exercise are set forth in the articles of incorporation of the corporation.

**Article II**

**Name and Location**

Section 1. The name of this corporation is **Mossy Head Water Works, Inc.**

Section 2. The principal office of this corporation shall be located in the Village of **Mossy Head**, County of **Walton**, and State of **Florida**.

**Article III**

**Seal**

Section 1. The seal of the corporation shall have inscribed thereon the name of the corporation, the year of its organization and the words, "Corporation **Not for Profit.**"

Section 2. The secretary of the corporation shall have custody of the seal.

Section 3. The seal may be used for causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

**Article IV**

**Fiscal Year**

The fiscal year of the corporation shall begin the **1<sup>st</sup>** day of **October** in each year.

**Article V**

**Membership**

Section 1. Membership will be limited to those who obtain the organization's services, acquire a tangible interest in its assets in proportion to the business done with the organization and have a voice in its management.

Section 2. Every person(which word as used herein includes any legal entity) who is a record owner of a fee or undivided fee interest, or having a substantial possessory interest, in a property served by the water system may

become a member of the corporation and upon signing such application/agreements for the purchase of water as may be provided and required by the corporation and upon the payment of such connection fee as may be imposed by the board of directors provided that only one membership at a time may be held for each property served. A single membership may be issued to all persons owning or having a substantial possessory interest in the property. Only one membership may be held with respect to property at one time. The board of Directors shall issue membership, provided that membership shall not be denied because of the applicant's gender, race, color, creed, or national origin. Membership may be denied if capacity of the corporation's water system is exhausted by the need of its existing members, or, if the proposed use of the applicant is such that it would interfere with existing uses previously authorized by the board of directors.

- A. A substantial possessory interest is one where the person or persons have a legal right to control and occupancy of a property but do not have the legal or the equitable ownership of the property. It may be under a lease or similar right to possession.
  - 1. Before membership is allowed to one or more persons claiming such an interest, the corporation will endeavor to obtain application/agreement for membership from the owner of such property.
  - 2. Where membership is granted to one or more persons having a substantial possessory interest, the corporation as a condition to the membership may require such applicant to post such collateral or bond as the directors determine necessary to fully protect the corporation from any additional risk that may be involved to the corporation by reason of the lack of legal ownership in the applicant.

Section 3. Each member shall have only one membership. Each membership application/agreement shall represent one vote. When more than one person holds the interest in a property served, the vote shall be exercised by the person in whose name the application is registered or by such person as the several persons may designate, but in no event shall more than one vote be cast with respect to any property.

Section 4. Membership shall terminate upon the disposition or other termination of the member's interest in the property, regardless of whether or not the application/agreement is surrendered to the corporation. Membership also may be terminated by action of the board of directors where the use of the property is changed so as to materially increase the amount of water consumed to the prejudice of other existing members or to the prejudice of the orderly operation of the system.

Section 5. Termination of membership will not result in forfeiture of the former member's rights and interest in the organization's assets and he will not be precluded from receiving his proportionate share of any subsequent distribution of such assets by the organization.

Section 6. The termination of the membership of any member shall not disqualify for membership any other person who has or obtains an interest in the property of the terminated member and who otherwise meets the requirements of these bylaws.

Section 7. In the event a member's property interest is divested other than by voluntary means, such member's membership will pass to the trustee, receiver, executor, or the like who will be entitled either in person or through a designated representative to exercise all or the rights incident to such membership, but subject to such duties and liabilities also applicable to the membership. The trustee, receiver, executor, or the like, may terminate such membership by written notice to such effect delivered or mailed to the secretary of the corporation. Upon the final disposition of such property rights, the owner thereof shall be entitled to membership in like manner as if the membership had been transferred to him by the original member as set forth in Section 3 above.

Section 8. The corporation will not look to the successor in interest for the payment of any past due amounts. The corporation will seek collection only from the individual who incurred such charges or assessments or from the property itself if a judgment lien had been duly perfected against such property.

## **Article VI**

### **Membership Application/Agreement**

Section 1. This corporation shall not have capital stock. Membership in the corporation shall be represented by Application/Agreements. Such application/agreements shall represent the right to use and enjoy the benefits of the corporation's water supply system upon the payment of necessary assessments, if any, and of reasonable charges based upon such use, provided such use and enjoyment are consistent with the rules, regulations, and contracts affecting the same as may from time to time be prescribed by the board of directors.

## **Article VII**

### **Benefits and Duties of Members**

Section 1. The corporation will install, maintain and operate a main distribution pipeline or lines from the source of the water supply and service line from the main distribution pipeline or lines to the meter location of each member of the corporation. At which points, designated as delivery points, meters to be installed, owned and maintained by the corporation shall be placed. The corporation also may purchase and install a cutoff valve in each service line from its main distribution line or lines, such cutoff valve to be owned and maintained by the corporation and to be installed on some portion of the service line owned by the corporation. The corporation shall have the sole and exclusive right to use of such cutoff valve. However, the provisions of this section shall not be construed to require the acquisition or installation of meters or cutoff valves where the directors determine under the circumstances of the system and the nature of the membership that the use of either or both of such devices is impractical, unnecessary to protect the system and the rights of the membership, and/or economically not feasible.

Section 2. Each member will be required at his own expense to have dug a ditch for the connection of the service line or lines from the meter location to his dwelling or other portion of his premises, and to purchase and have installed the portion of the service line or lines from his meter location to the place of use on his premises. The member will maintain such portion of such service line or lines which shall be owned by the member at his own expense

Section 3. Each member may be permitted to have additional service lines from the corporation's water system in the discretion of the board of directors upon proper application. The approval by the board of directors of additional service lines to an existing member may be made conditional upon such provisions as the board of directors determines necessary to protect the interests of other members and to allow for the orderly expansion and extension of the system. Each service line shall connect with the corporation's water system at the nearest available place to the place of desired use by the member at such place designated by the corporation.

Section 4. Each member may be permitted to purchase from the corporation, pursuant to such agreement as may from time to time be provided and required by the corporation, such water as is needed by him for domestic, commercial, agricultural, industrial or other purposes as a member may desire, subject, however, to the provisions

of these bylaws and to such rules and regulations as may be prescribed by the board of directors. Each member shall be entitled to have delivered to him through his service lines only such water as may be necessary to supply the needs of each member, including his family, business, agricultural, or industrial requirements. The water delivered through each service line may be metered separately and the charges for such water may be determined separately, irrespective of the number of service lines owned by a member.

Section 5. In the event the total water supply shall be insufficient to meet all of the needs of the members or in the event there is a shortage of water, the corporation may prorate the water available among the various members on such basis as is deemed equitable by the board of directors. The Corporation may also prescribe a mandatory schedule of hours covering the use of water for commercial, agricultural or industrial purposes. The corporation must first satisfy all of the reasonable needs of the members for domestic purposes before supplying any water for livestock purposes. The Corporation must then satisfy all of the need of all the members for domestic and livestock purposes before supplying any water for commercial or industrial purposes. Where a member has more than one service line, the corporation may cut off the flow of water to the non-domestic service lines until such time as the supply of water from the system is sufficient to meet the needs of all of the members for domestic and livestock purposes. During such periods of shutoff of additional service lines there shall be no minimum fee charged to the members having such additional service lines and the cost, if any, of resuming the flow of water to such additional service lines shall be borne by the corporation.

Section 6. The board of directors shall, with the consent of the USDA Rural Development, determine all rates and fees.

## **Article VIII**

### **Meetings of Members**

Section 1. The annual meeting of the members of this corporation shall be held at the Village of **Mossy Head**, County of Walton, State of **Florida**, at **7:00** o'clock **P.M.**, on the **first Monday** in **October** of each year. The place, day, and time of the annual meeting may be changed to any other convenient place, day and time in the county by the board of directors giving notice thereof to each member not less than then (10) days in advance thereof.

Section 2. Special meeting of the members may be called at any time by the action of the board of directors and such meeting must be called whenever a petition requesting such meeting is signed by at least ten percent of the members and presented to the secretary or to the board of directors. The purpose of every special meeting shall be stated thereat except such as is specified in the notice.

Section 3. Notice of meeting of members of the corporation, both regular and special, shall be given by notice mailed by first-class mail to each member of record, directed to the address shown upon the books of the corporation, not less than then (10) nor more than forty (40) days prior to such meeting. Such a notice shall state the nature, time, place and purpose of the meeting, but no failure of irregularity of notice of any annual meeting, regularly held, shall affect any proceeding taken thereat.

Section 4. Members present and voting at any meeting shall constitute a quorum.

Section 5. Directors of this corporation shall be elected by ballot in the month preceding the annual meeting and be announced at the annual meeting.

Section 6. The order of business at the regular meetings and so far as possible at all other meetings shall be:

1. Calling to order and proof of quorum.
2. Proof of notice of meeting.
3. Reading and action on any unapproved minutes.
4. Reports of officers and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

## **Article IX**

### **Directors and Officers**

Section 1. The board of directors of this corporation shall consist of seven members, all of whom shall be members of the corporation. The directors named in the articles of incorporation shall serve until the first annual meeting of the members and until their successors are elected and have qualified. At each annual meeting, the members shall elect for a term of three years the number of directors whose terms of office have expired. Each director shall hold office for the term for which he is elected and until his successor shall have been elected and qualified.

Section 2. The board of directors shall, at the next regular board meeting, elect a president and vice-president from among themselves and a secretary-treasurer who need not be a member of the board of directors, each of whom shall hold office until the next annual meeting and until the election and qualification of his successor unless sooner removed by death, resignation, or for cause.

Section 3. If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification or otherwise, except by removal from office, a majority of the remaining directors, shall by a majority vote, 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 director for the unexpired term of terms.

Section 4. At least 4 or more directors present and voting shall constitute a quorum at any meeting of the Board.

Section 5. Compensation of officers may be fixed only at any regular or special meeting of the members of the corporation. Directors shall receive no compensation for their services as such.

Section 6. Officers and directors may be removed from office in the following manner: Any member, officer, or director may present charges against a director or officer by filing them in writing with the secretary of the corporation. If presented by a member, the charges must be accompanied by a petition signed by ten percent of the members of corporation. Such removal shall be voted on at the next regular or special meeting of the members and shall be effective if approved by a vote of a majority of those voting if a quorum is present. The director or officer against whom such charges have been presented shall be informed, in writing, of such charges at least twenty days prior to the meeting, and shall have the opportunity at such meeting to be heard in person or by counsel and to present witnesses; and the person or persons presenting such charges against him shall have the same opportunity. If the removal of a director is approved, such action shall also vacate any other office held by the removed director in the corporation. A vacancy in the board thus created shall immediately be filled by a vote of a majority of the members present and voting at such meeting. A vacancy in any office thus created shall be filled by the board of directors from among their number so constituted after the vacancy in the board has been filled.

Section 7. No employee of Mossy Head Water Works, Inc. or immediate family member thereof shall be a member of the Board of Directors.

## **Article X**

### **Duties of Directors**

Section 1. The board of directors, subject to restrictions of law, the articles of incorporation, and these bylaws, shall exercise all of the powers of the corporation, and, without prejudice to or limitation upon their general powers, it is hereby expressly provided that the board of directors shall have and are hereby given, full power and authority in respect to the matters as hereinafter set forth to be exercised by resolution duly adopted by the board:

1. To approve membership applications.
2. To select and appoint all agents or employees of the corporation, remove such agents or employees of the corporation, prescribe such duties and designate such powers as may not be inconsistent with these bylaws, fix their compensation and pay for faithful services.
3. To borrow from any source, money goods, or services and to make and issue notes and other negotiable or non-negotiable instruments evidencing a security interest in the assets of the corporation; and, to do every act and thing necessary to effectuate the same.
4. To prescribe, adopt, and amend, from time to time such equitable uniform rules and regulations as, in its discretion, may be deemed essential or convenient for the conduct of the business and affairs of the corporation and the guidance and control of its officers and employees, and to prescribe adequate penalties for the breach thereof.
5. To order, at least once each year, an audit of the books and accounts of the corporation by a competent public auditor or accountant. The report prepared by such auditor or accountant shall be submitted upon completion. Copies of such audits and budgets shall be available to any member upon request.
6. To fix and alter the charges to be paid by each member for services rendered by the corporation to the member, including connection fees where such are deemed to be necessary by the directors, and to fix and alter the method of billing, time of payment, manner of connection, and penalties for late or nonpayment of the same. The board may establish one or more classes of users. All charges shall be uniform and non-discriminating within each class of users.
7. To require all officers, agents and employees charged with responsibility for the custody of any of the funds of the corporation to give adequate bonds, the cost thereof to be paid by the corporation.
8. To select one or more banks to act as depositories of the funds of the corporation and to determine the manner of receiving, depositing and disbursing the funds of the corporation and the form of checks and the person or persons by whom the same shall be signed, with the power to change such banks and the person or persons signing such checks and the form thereof at will.

Section 2. The board of directors shall, with the consent of the USDA Rural Development, determine all rates and fees.

## **Article XI**

### **Duties of Officers**

Section 1. Duties of the President. The President shall preside over all meetings of the corporation and the board of directors, call special meetings of the board of directors, perform all acts and duties usually performed by an executive and presiding officer, and sign all papers of the corporation as he may be authorized or directed to sign

by the board of directors, provided that the board of directors may authorize any person to sign any or all checks, contracts and other instruments in writing on behalf of the corporation. The president shall perform such other duties as he may be prescribed by the board of directors.

Section 2. Duties of the Vice-President. In the temporary absence or short term disability of the President, the Vice-president shall perform the duties of the President. In the case of death, resignation or long term disability of the President, the board of directors may declare the office vacant and elect his successor.

Section 3. Duties of the Secretary-Treasurer. The Secretary-Treasurer shall keep a complete record of all meeting of the corporation and of the board of directors and shall have general charge and supervision of the books and records of the corporation. He shall attest the President's signature on all papers pertaining to the corporation unless otherwise directed by the board of directors. He shall serve, mail, or deliver all notices required by law and by these bylaws and shall make a full report of all matters and business pertaining to his office to the members at the annual meeting or at such other time or times as the board of directors may require. He shall keep the corporate seal and membership application/agreements of the corporation. He shall make all reports required by law and shall perform such other duties as may be required of him by the corporation or the board of directors. Upon election of his successor, the Secretary-Treasurer shall turn over to him all books and other property belonging to the corporation that he may have in his possession. He shall also perform such duties with respect to the finances of the corporation as may be prescribed by the board of directors.

## Article XII

### Dissolution of Corporation

Section 1. Upon dissolution, Ownership of the corporation shall revert to the County in which the Corporation is conducting its business upon retirement.

## Article XIII

### Amendments

These bylaws may be repealed or amended by a vote of at least 4 Board of Directors present at any meeting of the corporation. However, so long as any indebtedness is held by or guaranteed by USDA Rural Development, the Board of Directors shall not have the power to change the purposes of the corporation so as to decrease its rights and powers under the laws of the State, or to waive any requirement of bond or other provision for the safety and security of the property and funds of the corporation or its members, or so to amend the bylaws as to effect a fundamental change in the policies of the corporation without the prior approval of USDA Rural Development in writing.

We certify that the foregoing was amended by the \_\_\_\_\_ on \_\_\_\_\_.

Given under our hands and the Seal of the Corporation, this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_

Secretary

\_\_\_\_\_

President