

Heritage Point Water Board Bylaws

Article 1 - General Purposes - The Heritage Point Water Works is a Division of the Heritage Point Association, which is a Virginia Non-Stock Corporation. The purposes for which the Corporation was formed, and the powers which it may exercise, are set forth in the Articles of Incorporation and by-laws of the Heritage Point Association, Inc. The purpose of the Heritage Point Water Works is to provide safe, dependable and affordable drinking water to the residents of the Heritage Point community.

Article 2 - Heritage Point Water Board

Section 1. General Powers - The affairs of the Heritage Point Water Works, shall be overseen by a Water Board composed of five (5) Members, who will autonomously conduct their duties and supervise the Water Works Executive who will manage and operate the Water Works for the benefit of its Customers.

Section 2. Composition of the Board - The five Water Board members (WBM) shall be appointed by the Heritage Point Association Board of Directors. WBM do not have to be Members/lot Owners of the Heritage Point Association.

Section 3. Term - The term for Water Board Members will be 3 years on a staggered basis. The term of Water Board Members will begin on July 1. There is no limit on the number of terms a Water Board Member can serve. The initial Water Board Members and their terms are:

Ray Hays - term is 1 year , expires 6/30/2001

Kathy Jackson - term is 2 years, expires 6/30/2002

Dave Hall - term is 2 years , expires 6/30/2002

Doug Anderson - Term is 3 years, expires 6/30/2003

E.J. Rackle - term is 3 years, expires 6/30/2003

Section 4. Officers and Election - At each annual meeting of the Water Board, a Chairman, Vice-Chairman and Secretary will be elected to serve until the next annual meeting of the Water Board. A Treasurer will be elected (or appointed from outside the Water Board) to serve at the pleasure of the Board.

A. Chairman - The Chairman shall preside over all meetings of the Water Board, call special meetings of the Water Board and perform all acts and duties usually performed by a presiding officer, including signing all documents. The Chairman may also perform other duties as are authorized by the Water Board.

B. Vice Chairman - In the absence of the Chairman or in the event of his inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman; and, when so acting shall have powers of and be subject to all the restrictions upon the Chairman and shall perform such other duties as from time to time may be assigned to him by the Water Board.

C. Secretary - The Secretary shall be responsible for the minutes of the meetings of the Water Board and see that all notices of meetings are given as required by these by-laws.

D. Treasurer - The Treasurer shall:

- Maintain the financial records of the Water System.
- Maintain a register of the name and address of all customers of the Water Works.
- Cause all funds to be deposited to the credit of the Water Works and cause the funds of the Water Works to be disbursed, when such disbursement shall have been duly authorized. The funds of the Water Works shall be deposited in such bank or trust company, and checks drawn

against such funds shall be signed in such manner, as may be determined from time to time by the Heritage Point Board of Directors.

- In general, perform all the duties incident to the office of the Treasurer and such other duties as may be assigned him by the Water Board. The fiscal year of the Water Works shall begin the first day of July in each year and terminate on the last day of June of each year.
- Be Bonded in such sum and with such surety as the Heritage Point Board of Directors shall deem necessary and advisable. In addition, all other persons having signature authority on Water Board accounts, shall be Bonded.

E. Assistant Secretary - The Water Board may appoint an Assistant Secretary, who shall not be a member of the Water Board. The Assistant Secretary will perform such secretarial duties as the Water Board may require.

Section 5. Removals and Vacancies - The Heritage Point Board of Directors may, at any time, appoint and replace members of the Water Board, as it deems necessary. A vote of a majority of the Heritage Point Board of Directors is required for removal of a WBM. A WBM removed from office may request, in writing, to have a hearing before the Heritage Point Board of Directors. The WBM shall be informed in writing of the reasons for his/her removal and shall have the opportunity to be heard in person.

If the Heritage Point Board of Directors fails to appoint WBM to fill expiring terms on the Water Board, the subject Member's term is automatically renewed for 3 years. If the position of a WBM becomes vacant the Heritage Point Board of Directors appoint a successor, who shall hold the position for the un-expired term.

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Section 6. Compensation - The Heritage Point Board of Directors will decide the amount of compensation, if any, to be paid to the WBM. Actual reasonable expenses of any WBM incurred in the business of the Water Board may, with the approval of the Heritage Point Board of Directors, be paid to him.

Article 3 - Meetings

Section 1. Annual and Regular Meetings - The Water Board will meet annually, immediately following the appointment of WBM by the Heritage Point Board of Directors, for the purpose of reorganizing the Water Board and such other business as is required. There shall be no less than two other Regular meetings of the Water Board upon call by the Chairman of the Water Board (CWB). Written notice will be mailed by the Secretary of the Water Board to each WBM, at the address shown on the books of the Water Board, no less than ten (10) days prior to the date of any Annual or Regular meeting of the Water Board.

Section 2. Special Meetings - The Water Board will meet upon call by the Chairman or a majority of the Members of the Water Board. Notice of all Special meetings shall be at least seven (7) days prior to the date of the meeting.

Section 3. Quorum - Three Members of the Water Board constitute a quorum for the transaction of business at any meeting.

Section 4. Voting - All matters presented to an Annual, Regular or a Special meeting of the Water Board shall be decided by a majority vote of the whole board (three (3) members).

Section 5. Attendance - Whenever a Member of the Water Board has been absent from three (3) successive Water Board meetings, the Member shall be subject to removal from office. The Member shall contact prior to the Water Board meeting the Water Board Chairman and give a reason for such absence. The Water board Chairman shall notify the Heritage Point Board of Directors when a Member has been absent from three (3) successive Water Board meetings, at which time the Member may be removed from office by a majority vote of the Heritage Point Board of Directors.

Article 4 – Duties of the Water Board - In general the Water Board shall set goals and policies designed to achieve the objectives and purposes of the Water Works. The Water Board shall also approve plans and programs designed to achieve the objectives and purposes of the Water Works. In addition, the Water Board is responsible for the keeping of a systematic record of the Water Works finances and the proceedings of the Water Board.

Specifically; The Water Board shall:

- Develop and keep updated a Comprehensive Business Plan for the Water Works.
- Approve an annual budget for the Water Works and Approve the Rates and other fees charged to the Heritage Point Water Works Customers and approve and review expenditures required to operate the Water Works.
- Hire/appoint and fire an executive to manage and operate the Water Works.
- Report to the Heritage Point Board of Directors:
- Annually on the Managerial and Technical operation of the Water Works.
- Semi-annually (April and November) on the financial condition of The Water Works.
- Make all its books and records available to the Heritage Point Board of Directors or its agents.
- Inform the Heritage Point Board of Directors before making capital improvements, borrowing money or entering into long term contracts.
- Serve in a fiduciary capacity in relation to the Heritage Point Board of Directors.
- Maintain liability insurance and fidelity bonds.
- Provide for the dissemination of information, including the annual Consumer Confidence Report, to customers and to the public generally as may be needed to provide suitable publicity for the work and status of the Water Works.
- Designate committees as nessacery.
- Abide by all rules and regulations of the Virginia Department of Health and the EPA.

Article 5 - Power To Amend - The Heritage Point Association Board of Directors shall have the power to amend and repeal these By-laws of the Water Works by a two-thirds vote (six 6) of all the Directors.

Article 6 - Notice And Waiver Of Notice - Any notice required to be given by these By-laws may be given by mail, fax, or electronic mailing (email) the same to the person entitled thereto at his address as shown on the Water Work's books and such notice shall be deemed to have been given at the time of such mailing or faxing or by electronic mailing (e-mail). Any notice, required to be given by these By-laws, may be waived by the person entitled to such notice. The Heritage Point Water Work's principal address shall be determined by the Heritage Point Water Board.

Certificate Of Adoption - The above and foregoing By-laws were duly and regularly adopted as the By-laws of the Water Works on the 22nd day of April, 2001 by a two-thirds vote of the Heritage Point Association Board of Directors.

The Heritage Point Directors voting yes were:

Ray Hays
Kathy Jackson
Vonnie Long
John McDaniel
Bob Prescott
Gene Rackle
Richard Rau

The Heritage Point Directors absent were:

Dick Zamjohn
George Currie

E. J. Rackel Date 4-22-2001
President / Heritage Point Association