

**BYLAWS OF THE
WATER RESOURCES ASSOCIATION OF YOLO COUNTY
A California Non-Profit Mutual Benefit Corporation**

ARTICLE I

NAME AND DEFINITIONS

SECTION 1.01. NAME

The name of this corporation is the Water Resources Association of Yolo County (the "Association").

SECTION 1.02. DEFINITIONS

The meaning of the terms hereinafter set forth shall be the following:

- a. "Associate Member" means a nonvoting member of the Association;
- b. "Association" means the Water Resources Association of Yolo County;
- c. "Board of Directors" means the Board of Directors of the Association;
- d. "Budget" means the approved budget applicable to the expenses of the Association;
- e. "County" means the County of Yolo;
- f. "Fiscal year" means the fiscal year established by the Board of Directors;
- g. "Member" means a member of the Association; and
- h. "Steering Committee" means the group appointed by the Board of Directors to exercise those powers delegated to it by the Board of Directors. One or more Steering Committees may be appointed as needed.

ARTICLE II

OFFICE

SECTION 2.01. PRINCIPAL OFFICE

The location of the principal office for the transaction of the activities and affairs of the Association shall be designated by the Board of Directors from time to time.

ARTICLE III

POWERS, PURPOSES AND LIMITATIONS

SECTION 3.01. POWERS

The Association shall have the power on behalf of its Members to do any of the following:

- a. To coordinate the study and planning of water, drainage and flood control activities;

- b. To coordinate implementation of the Yolo Co- Water Resource Management Program;
- c. To encourage that environmental considerations are incorporated, into programs involving water, drainage and flood control;
- d. To coordinate the compilation and validation of water resource data and information;
- e. To discuss and develop consensus positions on issues related to water, drainage and flood control, including without limitation as those issues are affected by development proposals.
- f. To coordinate information on proposed water transfers;
- g. To coordinate state and federal programs with City or County programs concerning water, drainage and flood control;
- h. To incur debts, liabilities or obligations subject to limitations herein set forth; and
- i. To perform all acts necessary or proper to carry out fully the purposes of this agreement.

The Association shall not exercise within the boundaries of any Public Agency Member any power that is common to the power of the Public Agency Member without the prior consent of the Public Agency Member's representative on the Board of Directors.

Subject to the provisions and limitations of the California Nonprofit Mutual Benefit Corporation Law and other applicable laws, and any limitations of the Articles of Incorporation and of these Bylaws, the activities and affairs of the Association shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

SECTION 3.02. PURPOSES

The Association is a nonprofit mutual benefit corporation organized under the California Nonprofit Mutual Benefit Corporation Law. The purpose of this Association is to engage in any lawful act or activity for which a corporation may be organized under such law.

The specific purposes of this Association are to: (a) support the efforts of its members to obtain, protect and maintain a high quality water supply adequate for the present and future needs of Yolo County; (b) educate its members, governmental authorities and the public regarding all aspects of water use and water rights; and (c) provide a forum for the exchange of information between water purveyors.

SECTION 3.03. LIMITATIONS

Notwithstanding any other provision of these Bylaws, the Association shall not, except to an insubstantial degree, carry on or engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this Association, and the Association shall not carry on any other activities not permitted to be carried on by an association exempt from federal income tax under section 501(c) (4) of Internal Revenue Code of 1986, as amended, or corresponding provisions of any future united States Revenue Law ("Internal Revenue Code") .

With regard to campaign activity, the Association will not directly engage in supporting or opposing political candidates for office, although nothing in these Bylaws may prevent it from establishing and administering a political action committee under all applicable laws. The establishment or funding of a political action committee by the Association shall be from funds that are separate and apart from funding for other Association activities. No Member shall be required to participate in the funding of a political action committee without the Member's express consent.

ARTICLE IV

MEMBERSHIP AND ORGANIZATION

SECTION 4.01. QUALIFICATIONS AND RIGHTS OF MEMBERSHIP

a. Voting Members. A voting member of the Association shall be limited to a public agency that is authorized to purvey water ("Public Agency Member"), including without limitation, the County, a city, water district, water conservation and flood control district or a reclamation district. Each Member shall execute this Agreement and be responsible for paying its share of Association expenses as determined by the Board of Directors.

b. Nonvoting Associate Member. A nonvoting Associate Member, which need not be a public agency, shall be subject to approval for membership by the Board of Directors with rights and duties as determined by the Board of Directors, and shall pay an annual membership fee as determined by the Board of Directors.

SECTION 4.02. BOARD OF DIRECTORS

The business of the Association shall be administered by the Board of Directors.

Each Public Agency Member, acting through the chief administrative official of the Member, shall appoint one representative and up to two alternates to the Board of Directors. An alternate shall assume all rights of the director representing the appointing Member and shall have the authority to act in the absence of the director or in the event the director has a conflict of interest that precludes participation in any decision-making process of the Board of Directors. The representative for a Member that is governed by elected officials shall be an elected official. Alternate representatives need not be elected officials.

The chairman of the advisory committee referred to in section 4.07 shall serve as an ex officio nonvoting member of the Board of Directors, but shall not be counted for purposes of determining the existence of a quorum.

SECTION 4.03. MEETINGS

Meetings of the Board shall be held at the principal office of the Association or at such other place as has been designated by the Board, or by any Director or Officer of the Association authorized by the Board to make such design. The Board shall hold an annual meeting during the

month of January in each year. This meeting shall be for the purpose of organization, election of officers and the transaction of other business.

The Board of Directors shall meet at such other times as it may designate from time to time. Regular, adjourned and special meetings shall be called and held in the manner as provided in chapter 9, of division 2, title 5 of the Government Code of the State of California, the "Brown Act" (commencing at section 54950).

SECTION 4.04. QUORUM

A majority of all the members of the Board of Directors shall constitute a quorum and shall be required for the Association to take action, except where different voting requirements are provided for in this Agreement.

SECTION 4.05 POWERS AND LIMITATIONS THEREON

All the power and authority of the Association will be exercised by the Board of Directors, subject however, to the rights reserved by the Members herein set forth, provided however, that the Board of Directors may delegate such powers and authority to "the Steering Committee as it may determine.

SECTION 4.06 MINUTES

The Board of Directors shall cause minutes of all of its meetings to be kept in accordance with the Brown Act.

SECTION 4.07 OFFICERS AND COMMITTEES

a. Officers. There shall be selected from the membership of the Board of Directors a chairman and a vice chairman. The Board of Directors shall appoint a secretary who may be but is not required to be a member of the Board of Directors. The secretary shall be responsible for keeping the minutes of all meetings of the Board of Directors. The Board of Directors shall appoint a treasurer who shall be the depository of funds and shall have custody of all money of the Association, from whatever source. The Board of Directors shall also appoint an auditor.

All officers shall serve at the pleasure of the Board of Directors. The person or persons who have charge of any funds of the Association shall be bonded and the amount of their bond shall be designated in the applicable budget and thus fixed.

All of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension, relief, disability, worker's compensation, and other benefits that apply to the activity of officers, agents or employees of any of the Members when performing their respective functions shall apply to them to the same degree and extent while engaged in the performance of any of the functions and other duties under this Agreement. None of the officers, agents or employees appointed by the Board of Directors shall be deemed by reason of their employment

by the Board of Directors to be employed by any of the Members or by reason of their employment by the Board of Directors to be subject to any of the requirements of such Members.

b. Committees. The Board of Directors may appoint one or more Steering Committees to carry out designated functions. Other committees may be appointed as needed. The Board of Directors shall establish an Advisory Committee composed of representatives from interested organizations. The Board of Directors will confirm nominations by interested organizations and appoint for one year terms with the opportunity for reappointment for successive terms. In order to limit the Advisory Committee to a manageable size {e.g., 15 to 20 members), representation on the Advisory Committee will be limited to identifiable organizations. The Board of Directors may suggest that several identifiable organizations that have similar interests select one representative for the Advisory Committee.

SECTION 4.08 ASSOCIATION COORDINATOR

The Association Coordinator shall be its chief administrative officer, shall serve at the pleasure of the Board of Directors and shall be responsible to the Board of Directors for the proper and efficient administration of the Association. In addition to other powers and duties herein provided, the Association Coordinator shall have the power:

- a. Under policy direction from the Board of Directors and in coordination with steering Committees and/or other Board committees, to plan, organize and direct all Association activities; and
- b. To authorize expenditures within the designations and to limitations of the approved budget.

ARTICLE V

BUDGETS AND PAYMENTS

Section 5.01 BUDGET

Within 60 days after the first meeting of the Board of Directors, and thereafter prior to the commencement of each fiscal year, the Board of Directors shall adopt a budget for the Association for the ensuing fiscal year.

SECTION 5.02 CONTRIBUTIONS FOR ASSOCIATION EXPENSES

a. The Board of Directors shall determine the contribution due from Members, Associate Members and members of the Advisory Committee to equitably allocate the cost of operating expenses of the Association.

b. The Association may provide credit towards a Member's contribution for those costs incurred for the Association, if approved by the Board of Directors.

c. Contributions or advances of funds and of personnel, supplies, equipment or property may be made to the Association by any Member, with the consent of the Board of Directors. Any such advance may be made subject to repayment as agreed to by the Member and the Board of Directors.

d. The agreements, debts, liabilities, and obligations of the Association shall not be those of the Members.

e. No Member shall be financially responsible for studies or projects of the Association except with the Member's consent.

f. Nothing shall prevent any Member from entering into an agreement to undertake and share in the cost of any authorized activity of the Member. The Association shall not be responsible for paying any costs incurred under such an agreement unless it consents in writing to do so.

g. Any Member that defaults in its obligation to payor advance any costs or expenses pursuant to the Agreement beyond 60 days after such amounts are due shall be deemed to have waived and relinquished any right it may have had to participate in the Association. In the event of such a default, the Board of Directors may terminate the Agreement as to the defaulting Member. A Member whose membership is terminated under this section shall be liable for payment of its share of debts, liabilities, and obligations of the Association incurred prior to the effective date of such termination. The remedies upon default provided by these Bylaws are not exclusive, and are in addition to any other rights and remedies which may be provided by law or equity. The privileges of an Associate Member may be terminated by the Board of Directors for nonpayment of fees.

h. Prior to expulsion, suspension or termination, the Member shall be given thirty days' notice thereof setting forth the reasons therefore. If requested by the Member, the Member shall be provided an opportunity to be heard, orally or in writing, by the Board of Directors not less than five days before the effective date of the expulsion, suspension or termination.

ARTICLE VI

ACCOUNTING AND AUDITS

SECTION 6.01 ACCOUNTING PROCEDURES

Full books and accounts shall be maintained for the Association in accordance with practices established by, or consistent with, those utilized by the Controller of the state of California for like entities.

SECTION 6.02 AUDIT

The records and the accounts of the Association shall be audited and copies of such audit reports shall be filed as required by law and each Member within six months of the end of the fiscal year under examination.

ARTICLE VII

LIABILITY OF BOARD OF DIRECTORS AND COMMITTEES

SECTION 7.01 INDEMNIFICATION

a. Right of Indemnity. To the full extent permitted by law, this Association shall indemnify its Directors, officers, employees and other persons described in Section 7237(a) of the California Nonprofit Mutual Benefit Corporation Law, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any "proceeding," as that term is used in such section and such person is or was a person described by such section. "Expenses," as used in this section, shall have the same meaning as in Section 7237(a) of the California, Nonprofit Mutual Benefit Corporation Law.

b. Approval of Indemnity. Upon written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Nonprofit Mutual Benefit Corporation Law, the Board shall promptly determine in accordance with Section 7237(e) of the California Nonprofit Mutual Benefit Corporation Law whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought is such as to prevent the formation of a quorum of directors who are not parties to such proceeding, the Board or the attorney or other person rendering services in connection with the defense shall apply to the court in which such proceeding is or was pending to determine whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met.

c. Advancement of Expenses. To the full extent permitted by law and except as is otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by these Bylaws shall be advanced by the Association prior to the final disposition of the proceeding upon receipt by the Association of an undertaking by or on behalf of such person that the advance will be repaid unless it is ultimately determined that such person is entitled to be indemnified by the Association therefore.

SECTION 7.02 INSURANCE

The Association shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, Directors, employees and other agents of the Association, against any liability asserted against or incurred by an officer, Director, employee or

agent in such capacity or arising out of the officer's, Director's employee's or agent's status as such.

ARTICLE VIII

RESCISSION, TERMINATION, WITHDRAWAL, ASSIGNMENT

SECTION 8.01 TERM

The Association shall continue until the Agreement is rescinded or terminated as herein provided, in compliance with applicable provisions of law.

SECTION 8.02 TERMINATION

The Agreement may be terminated and the Association dissolved by written consent of not less than two-thirds of the Members, except during the outstanding term of any Association indebtedness, in compliance with applicable provisions of law.

Within twenty-four months following creation of the Association, the Board of Directors shall vote on whether the Association should continue in existence. Each Member shall receive notice of this matter at least thirty days before the meeting. If at least $\frac{2}{3}$ of the members of the Board of Directors present vote to terminate the Association, proceedings shall be taken by the Association to dissolve.

SECTION 8.03 DISPOSITION OF PROPERTY UPON TERMINATION

Upon termination of this Agreement, any surplus funds shall be returned to the then Members in proportion to the contributions made.

SECTION 8.04 WITHDRAWAL

A Member may unilaterally withdraw from the Association without requiring termination of this Agreement, effective upon written notice to the Association, provided the withdrawing Member pays or agrees to pay its share of all debts, liabilities, and obligations of the Association incurred prior to the effective date of such withdrawal. A withdrawing Member shall not be entitled to a refund of contributions made to the Association unless the Board of Directors agrees to the contrary.

SECTION 8.05 ADMISSION OF NEW MEMBERS

A new Member meeting the qualifications set forth in section 4.01 may be approved at the discretion of the Board of Directors, subject to any terms and conditions approved by the Board of Directors, without requiring amendment of this Agreement.

SECTION 8.06 AMENDMENTS

These bylaws may be amended by unanimous vote of the members of the Board of Directors present, so long as notice of the substance of the proposed amendment was provided to all members of the Board of Directors at least thirty days before the meeting at which action on the amendment is taken.

SECTION 8.07 ASSIGNMENT; BINDING ON SUCCESSORS

Except as otherwise provided herein, the rights and duties of the members may not be assigned or delegated without the written consent of the Board of Directors. Any attempt to assign or delegate such rights or duties in contravention of the Agreement shall be null and void. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities, and other obligations of the Association then in effect. Subject to the foregoing, the Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Members hereto.

SECTION 8.08 INDEMNIFICATION

Each Member shall hold the other Members harmless from any and all claims, liabilities, or damages for injury incurred as a result of the negligent, intentional, willful, or malicious acts of the Member's officers, employees, or agents.

ARTICLE IX

CONSTRUCTION

Unless the context otherwise requires, the general provisions, rules of construction and definitions in the California Nonprofit Mutual Benefit Corporation Law (including the general provisions and definitions of the Nonprofit Corporation Law) shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular includes the plural and the plural includes the singular and the term "person" includes both a legal entity and a natural person.

If anyone or more of the provisions contained in these Bylaws or any application of the provisions shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions or the remaining applications will not in any way be affected or impaired.