



**Amended  
BY-LAWS**

OF THE

**TRES PIEDRAS MUTUAL DOMESTIC WATER  
CONSUMERS ASSOCIATION**

REVISED EDITION

APRIL 11, 2002



## Preface

This April 11, 2002 Revised Edition of the TRES PIEDRAS MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION BY-LAWS (short titles: TPMDWCA, the Association, TP Water Association or Tres Piedras Water Association), is a consolidation of Amendments in an easy-reading edition of the original By-Laws duly adopted December 6, 1963.

All Amendments adopted since 1963 have been incorporated into this text with references to the dates of the Amendments, if any. The certified copies of the Original Document and the original amendments are to remain on file with the Secretary/Treasurer of the Association. This edition, as well as the certified copies of the original are/will be filed with the State of New Mexico Public Regulations Commission in Santa Fe, New Mexico in accordance with the laws of the State.

Current Board of Directors:

President: Ken Nelson

Vice-President: Sam Taylor

Board Member: Duke Cozart

Board Member: Arturo Valdez

Board Member: Paul Otero

Secretary/Treasurer: Mary Roberts

**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 Certificate of Incorporation of the Association.

**ARTICLE II**  
**Seal**

The seal of the Association shall have inscribed thereon the name of the Association, the year of its organization and the words, "Non-Stock Association, New Mexico."

**ARTICLE III**  
**Fiscal Year**

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

**ARTICLE IV**  
**Membership**

SECTION 1. Bona fide occupants and residents within and about the community of Tres Piedras, County of Taos, State of New Mexico who desire services and can legally and feasibly be served must be approved by the Board of

Directors after applying for membership and paying a fee in the amount of Three-Thousand-Five-Hundred Dollars and No/100ths (\$3,500.00), which amount shall increase to Four-Thousand and No/100ths Dollars (\$4,000.00) for the sale of Membership number 171 and shall increase by Five-Hundred and No/100ths Dollars (\$500.00) with the sale of each additional ten (10) memberships, so that Membership number 181 shall cost Four-Thousand-Five-Hundred and No/100ths Dollars (\$4,500.00) and Membership number 191 shall cost Five-Thousand and No/100ths Dollars (\$5,000.00) and so on. Memberships shall only be sold for use within the Service Area Boundaries of the Association except by a resolution of the Board of Directors of the Association. The Service Area is described as follows:

Beginning at the NW corner of sect. 10, Twp.28 N, Range 9E; proceeding in a southerly direction along the west section line of sects. 10, 15, 22, 27 and 34 to the SW corner of sect. 34; thence proceeding in an easterly direction along the south section lines of sects. 34, 35 and 36 to the west bank of Aguaje de la Petaca; thence proceeding in a northerly direction along the west bank of the Aguaje de la Petaca through sects. 36, 25, 26, 23, 14 and 11 to its junction with the north section line of sect. 11; thence proceeding in a westerly direction along the north section line of sect. 11 and 10 to the starting point, all within Twp. 28 N, Range 9 E, located in Western Taos County and Eastern Rio Arriba County, New Mexico, U.S.A..

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. (NOTE: The original fee for membership was \$60.00. This fee was increased to \$110.00 on March 11, 1971. A further increase to \$500.00 for residential memberships and \$1,000.00 for commercial memberships was approved by the General Membership of the TPMDWCA on July 2, 1987. This amendment also described Service Area Boundaries which limited memberships to the described area. The Association had a loan from FmHA at that time and the FmHA supervisor, Bill Culbertson, declared that the area description was, "discriminatory," and requested that the Service Area be deleted, which was accomplished at the General Membership Meeting of July 5, 1990. The Service Area was readopted by the General Membership on July 22, 1999 with the following explanation:

In recent years we have paid all federal loans and are no longer under federal supervision. Because our water supplies are limited, our membership ever growing and numerous instances of hauling water to non-members have occurred, it was decided that, to maintain our future, we needed to rein in the growth of our water community to the immediate area around the intersection of Highways 64 and 285, an area already set-up for on-line distribution of water services. This amendment gives us a Service Area that we feel we can serve with efficiency and supervision.

On July 11, 1993, the fee for a Residential Membership was raised to \$1,000.00 and for a Commercial Membership to \$2,500.00, approved by the General Membership. Fees of \$2,500.00 for a Residential Membership and \$5,000.00 for a Commercial Membership were approved by the

General Membership on August 15, 1996. At the General Membership Meeting of July 22, 1999 at which there was a quorum in attendance, the Membership approved by a majority vote to do away with Residential and Commercial Memberships and make one Membership Category to be known as a General Membership. All members holding Commercial Memberships were given two General Memberships for the Commercial Membership. Membership prices were raised to \$3,000.00 to be increased to \$3,500.00 when ten more memberships had been sold and so on as described above. This is the historical development of the Membership, Section 1, as it currently stands.)

SECTION 2. All applications for membership shall be passed on by the Board of Directors. Applications for or subscriptions to membership in the Association shall be in the form approved and provided by the Board of Directors.

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 used upon the number of service connections with the distribution system of the Association.

SECTION 4. Each member shall be entitled to one vote only. Voting by proxy will not be permitted. Voting by mail will be permitted as provided in the following section.

SECTION 5. At any time that a schedule of matters proposed to be present for action at a meeting of the members is definitely known in advance of such meeting, the Secretary/Treasurer shall send to each of the members a copy of such proposed schedule with notice of said meeting. Any member who is not present and voting at such meeting may cast his/her vote on all matters in the proposed schedule by mailing such vote to the Secretary/Treasurer in such time that it is received not later than the time of the holding of the meeting, as specified in the notice thereof. All such votes by mail so received will be counted in the same manner and to the same effect as votes cast in person by members in attendance at the meeting. Also, all such votes cast by mail shall be counted in the same manner and to the same extent as votes cast in person in determining whether or not there is a quorum for the transaction of business at the meeting, but in no event shall the voters casting their ballots by mail be counted in determining a quorum as set out in Section 4 of Article V herein.

## **ARTICLE V**

### **Meetings of Members**

SECTION 1. The ANNUAL MEETING of the members of the Association shall

be held at the Village of Tres Piedras, County of Taos, State of New Mexico, at an hour decided by the Board of Directors, on the first Thursday of the month of July, if not a legal holiday, and if so, on the following Thursday.

SECTION 2. SPECIAL MEETINGS of the members of the Association may be called at any time by the President, or upon resolution of the Board of Directors, upon written petition to the President of the Board signed by ten percent (10%) of the members. The purpose of the 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 may be given by a notice mailed 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 a notice shall state the nature, place and purpose of the meeting.

SECTION 4. Twenty percent (20%) of the total membership of the Association shall constitute a QUORUM at any meeting of the Association for the transaction of business.

SECTION 4. 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 VI**

### **Directors**

SECTION 1. FUNCTIONS of the BOARD of DIRECTORS: The business and affairs of the Association shall be managed by a board of five (5) directors. The functions of such Board shall include (1) the selection of 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, including a written notice regarding past and intended future year's business of the Association mailed to the last known address of each member of the Association not less than once per year (NOTE: The last phrase, from, "including..." was added by Amendment on July 2, 1987.); (5) the causing of audits to be made at least once each year and reports thereof to be made in writing, including a statement of the amount of business transacted with members, the balance sheet and the income and expenses to the annual membership meetings, provided that such audits will be made at the end of each fiscal year by an experienced bookkeeper or accountant who shall not be an officer or director, except where the annual business amounts to less than Ten-Thousand and no/100ths (\$10,000.00) the audit may be preformed by an auditing committee of three who shall not be directors, officers or employees; (6) the studying of the requirements of members and promoting good membership relations; (7) the prescribing of the form of membership certificates; and (8) the establishment of water charges and the levying of assessments and the enforcement and collection thereof in accordance with the provisions of the By-Laws and the laws of the State of New Mexico.

SECTION 2. ELECTION and TERM of BOARD MEMBERS: The first Board of Directors consisting of those named in the Certificate of Incorporation shall serve for ninety days and until the successors are chosen and have qualified. At the first annual meeting of the members two directors shall be elected for a term of one year, two directors shall be elected for a term of two years and one director shall be elected for a term of three years. At each annual meeting thereafter the members shall elect for a term of three years the number of directors whose terms of office have expired.

SECTION 3. The Board of Directors shall meet as soon as possible after the holding of the annual election of directors and in any event within ten (10) days of that time and shall elect by ballot a President and Vice-President from among themselves and a Secretary/Treasurer who need not be a director. Each of the officers so elected shall hold office until the next annual meeting and until the election and qualification of his/her successor unless sooner removed by death, resignation or the members.

SECTION 4. COMPENSATION of OFFICERS: The members of the Board of Directors shall receive no compensation for their services as Directors. The Secretary/Treasurer shall be paid for his/her services on a contract basis as fixed at any regular or special meeting of the members of the Association.

SECTION 5. MEETINGS of the BOARD of DIRECTORS: In addition to the annual meeting, the Board shall hold meetings at such regular intervals as the Board may determine. A majority of the Board present in person at any meeting shall constitute a quorum for the conduct of business thereat.

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 Certificate of Incorporation. If the Association shall at any time borrow or receive by way of grant any property of the United States, through any of its agencies, the Board of Directors shall pursue such management methods, including accounting and audits, as such agency may require.

SECTION 7. VACANCIES: When any vacancy shall occur among the members of the Board of Directors by reason of death, resignation or because such vacating director has ceased to be a member of the Association, such vacancy shall be filled by the remaining Directors by the selection of a member of the Association who shall serve as a director until the election of directors at the next ensuing annual meeting of members.

SECTION 8. 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 two-thirds of the members of the Association present at any annual meeting, or at any special meeting called for the purpose, provided that a majority of the total members shall be present at such meeting. The Director or Officer shall be informed in writing of the charges against him/her at least ten days before such meeting and at such meeting shall have the right and opportunity to be heard in person or by council and to present witnesses in his/her behalf. Contract workers 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 at all meetings of the Board of Directors. He/she shall execute membership certificates, notes, bonds, mortgages, contracts and other instruments on behalf of the Association. He/she shall be an ex-officio member of all standing committees and he/she shall have such powers and shall perform such other duties as may be properly required of him/her by the Board of Directors.



SECTION 2. DUTIES of the VICE-PRESIDENT: The Vice-President shall, in the absence or disability of the President, or in the event of his/her death, resignation or removal from office, perform and discharge the duties and exercise the powers of the President, provided that in the event of a vacancy in the Office of President the Board of Directors may elect from themselves a new President to fill the un-expired portion of the President's term.

SECTION 3. DUTIES of the SECRETARY/TREASURER: The Secretary/Treasurer shall keep a record of the proceeding of the Board of Directors and shall keep the books and records of the Association and the seal of said Association and shall attest the signature of the officials of the Association executing documents on behalf of the Association, shall collect all assessments and moneys due the Association and deposit the same in the depository designated by the Board of Directors and make a report of the business transacted by him/her annually or oftener if so requested by the Board of Directors or the President. The Secretary/Treasurer shall be covered in the performance of his/her duties by a surety bond in an amount to be determined by the Board of Directors. The premium for such bond shall be paid by the Association.

SECTION 4. OTHER AGENTS and CONTRACT WORKERS: The Board of Directors may appoint, in addition to the officers above named, other agents or contract workers who may be necessary to superintend the water system of the Association and its construction, maintenance and repair. Such agents or contract workers 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 and the division of such waters among said members. Such agents or contract workers shall be paid for the performance of their duties according to their contracts in amounts 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 the Association, with the exception of Special Use Permits approved and issued by the Board of Directors to non-members. (NOTE: The exception was added as an amendment approved on July 15, 1996.) If any member needs and desires service connections with the system in excess of one, such excess connections shall be made only upon application to and approval by

the Board of Directors and upon payment of Five Hundred and no/100ths Dollars (\$500.00) for each such connection in excess of one. (NOTE: This amount was changed by an Amendment on July 2, 1987. The original amount was \$60.00) No service connections in excess of one for any member shall be approved or made pursuant to this section when the full capacity of the Association's system is needed to supply the existing connections.

SECTION 2. The Board of Directors shall establish a minimum water charge and a charge for water used in excess of the minimum as determined by meters placed in service lines supplying the members. The established minimum water charge shall apply to each service connection. Annually the Board of Directors shall increase or decrease the established minimum water charge and the rate of charge for water in excess of the minimum as the Board determines to be proper based upon expenses of operation and maintenance and repayments of indebtedness during the preceding year and the anticipated cost of such items during the coming year.

SECTION 3. If at any time within the 90 days prior to the end of any fiscal year it appears in the judgment of the Board of Directors that the amount derived or which will be derived from the collection of water charges during any fiscal year will be insufficient to pay when due all costs incident to the operation of the Association's system and the payment of debts of the Association, the Board shall make and levy an assessment reasonably expected to be collected from water charges to fully pay when due all costs of operation, maintenance, replacement and repayments of indebtedness, or other expenses, for the year's operation. A proportionate amount of the necessary total of such assessments levied in any year shall be levied against each member in an amount which bears the same relation to the total assessment as the number of service connections with the system of the Association.

SECTION 4. The Board of Directors shall have the authority to sell the membership of any member in the event of non-payment of any water charges or assessments owing by said member within thirty (30) days after demand for payment by mail, properly addressed to such delinquent member. In lieu of such sale of membership, the Board of Directors may purchase the membership on behalf of the Association at a price determined by the Board to be the fair value of the membership, provided that in the event of either a sale of the membership or the purchase thereof by the Association the proceeds shall be first applied to the payment of any indebtedness due the Association by the delinquent member.

SECTION 5. Notwithstanding the rights of the Association to terminate the membership of a delinquent member, as provided above, the Association, through its Board of Directors, shall have the additional rights to terminate the supply of water to the delinquent member from and after thirty (30) days after notice by mail of the delinquency. In the event of a delinquency the delinquent member shall pay the Tres Piedras Mutual Domestic Water Consumers Association all its expenses directly related to the collection of the delinquent amount, including reasonable attorney's fees. (NOTE: The last sentence was added by Amendment, dated July 2, 1987.)

## **Article IX Membership Certificates**

SECTION 1. FORM of CERTIFICATE: The Board of Directors shall determine the form of membership certificate and the same shall be signed by the President and his/her signature be attested by the Secretary/Treasurer who shall impress thereon the seal of the Association provided that the form of the certificate, in addition to any other matters required by the Board of Directors to appear therein, shall contain statements as required by the laws of the State of New Mexico.

SECTION 2. MEMBERSHIP BOOK: As part of the records of the Association there shall be kept a membership book which shall contain a list of the certificates of membership which have been issued, noting the number of the certificate, the date thereof, the number of service connections and the name and address of the person to whom issued.

SECTION 3. TRANSFER of MEMBERSHIP: Certificates of membership may be transferred and the transfer shall be noted on the books of the Association, provided that the right to the transfer of membership shall be subject to preference right of the Association to purchase such membership, as provided by the laws of the State of New Mexico, and also provided that the transferee shall be eligible for membership and shall be approved by the Board of Directors.

SECTION 4. TERMINATION of MEMBERSHIP: Upon the termination, cancellation or withdrawal of membership, a former member's rights and interest in the assets of the organization will not be forfeited. (NOTE: This section was added at the request of the Internal Revenue Service when the Association applied for 501(c)(12) Tax Exempt Status. The General Membership approved this change at the General Meeting of July 2, 1992.)

**ARTICLE X**  
**Distribution of Net Savings**

SECTION 1. Although this Association is a non-profit cooperative Association for the mutual benefit of its members and it is not intended to be operated in such a way as to accumulate funds in excess of those necessary for the operation of the system of the Association, at least once each year the Board of Directors, in the event it is determined that funds have been accumulated in excess of those necessary for the operations of the Association, shall apportion such surplus funds among the members and former members of the Association on the basis of their patronage during the year, provided, however, that 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 of the Association. (NOTE: In the foregoing sentence the words, "and former members," were added at the request of the Internal Revenue Service when the TP Water Association made application for 501(c)(12) Tax Exempt Status. This Amendment was approved by the General Membership and the General Meeting of July 2, 1992.) The total amount of such contingent fund at which it shall be maintained shall be determined by the Board of Directors. Any excess over and above such total as so determined shall be distributed each year among the members and former members (see note above), as other excess funds, as above provided.

SECTION 2. DISSOLUTION of this ASSOCIATION - DISSOLUTION of ASSETS: Upon this Association's dissolution, all assets remaining after payment of debts shall be distributed to members and former members in the direct proportion of the amount of their patronage with the Association, insofar as practicable. (NOTE: This section was added at the request of the Internal Revenue Service when the Association made application for 501(c)(12) Tax Exempt Status. The Amendment was approved at the General Meeting of July 2, 1992.)

**ARTICLE XI**  
**Amendments**

These By-Laws may be repealed or amended by a vote of the majority of members voting at any regular meeting or at any special meeting called for that purpose provided notice of the proposed repeal or amendment is incorporated in the notice of such meeting.

I, **Ken Nelson, President**, and I, **Mary Roberts, Secretary/Treasurer**, of the **Tres Piedras Mutual Domestic Water Consumers Association**, an Association existing under the laws of the State of New Mexico, hereby certify that the attached is a true and correct copy of the **By-Laws of the Tres Piedras Mutual Domestic Water Consumers Association**, together with all amendments thereto, as of **April 11, 2002**.

DONE at Tres Piedras, New Mexico, above date:

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Ken Nelson, President

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Mary Roberts, Secretary/Treasurer

Association Seal

(NOTE: The original By-Laws of the TPMDWCA were signed by Sam Armijo on December 2, 1963.)

**AMENDMENTS to the BY-LAWS**  
of the TRES PIEDRAS MUTUAL DOMESTIC WATER CONSUMERS  
ASSOCIATION  
Since July 2,1992

**ARTICLE IV, Section 1**

AMENDMENT I: Bona fide occupants and residents within and about the community of Tres Piedras, County of Taos, State of New Mexico who desire services and can legally and feasibly be served must be approved by the Board of Directors after applying for membership and paying a fee in the amount of One-Thousand and No/100ths Dollars (\$1,000.00) for a Residential Membership or Two-Thousand-Five-Hundred and No/100ths Dollars (\$2,500.00) for a Commercial Membership.

This Amendment received at least two-thirds (2/3) of the votes of the members at the Annual General Membership Meeting held on July 11, 1993 at which a quorum was present.

AMENDMENT II: Bona fide occupants and residents within and about the community of Tres Piedras, County of Taos, State of New Mexico who desire services and can legally and feasibly be served must be approved by the Board of Directors after applying for membership and paying a fee in the amount of Two-Thousand-Five-Hundred and No/100ths Dollars (\$2,500.00) for a Residential Membership or Five-Thousand Dollars and No/100ths Dollars (\$5,000.00) for a Commercial Membership.

This Amendment received at least two-thirds (2/3) of the votes of the members at the Annual General Membership Meeting held on July 15, 1995 at which a quorum was present.

**ARTICLE VIII, Section 1**

AMENDMENT: Water shall not be delivered by the system of the Association except to users who are members of the Association, with the exception of Special Use Permits by the Board of Directors to non-members.

This Amendment received at least two-thirds (2/3) of the votes of the members at the Annual General Membership Meeting held on August 15, 1996 at which a quorum was present.

**ARTICLE IV, Section 1**

AMENDMENT: Bona fide occupants and residents within and about the community of Tres Piedras, County of Taos, State of New Mexico who desire services and can legally and feasibly be served must be approved by the Board of Directors after applying for membership and paying a fee in the amount of Three-Thousand-Five-Hundred and No/100ths Dollars (\$3,500.00), which amount shall increase to Four-Thousand and No100ths Dollars (\$4,000.00) for the sale of Membership number 171 and shall increase by Five-Hundred and No/100ths Dollars (\$500.00) with the sale of each additional ten (10) memberships, so that Membership number 181 shall cost Four-Thousand-Five-Hundred and No/100ths Dollars (\$4,5000) and Membership number 191 shall cost Five-Thousand and No/100ths Dollars (\$5,000.00), and so on.

The Service Area Amendment was presented with the following Introduction:

In recent years we have paid all federal loans and are no longer under federal supervision. Because our water supplies are limited, our membership ever growing and numerous instances of hauling water to non-members have occurred, it was decided that, to maintain our future, we needed to rein in the growth of our water community to the immediate area around the intersection of Highways 64 and 285, an area already set-up for on-line distribution of water services. This amendment gives us a Service Area that we feel we can serve with efficiency and supervision.

This Amendment received at least two-thirds (2/3) of the votes of the members at the Annual General Membership Meeting held on July 22, 1999 at which a quorum was present.

These, then, are the Amendments to the By-Laws of the Tres Piedras Mutual Domestic Water Consumers Association as duly adopted by the Membership since July 2, 1992 as of April 11, 2002.

So attested by:

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Ken Nelson, President

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Mary Roberts, Secretary/Treasurer

On April 11, 2002 at Tres Piedras, New Mexico

**AMENDMENTS to the BY-LAWS  
of the TRES PIEDRAS MUTUAL DOMESTIC WATER CONSUMERS  
ASSOCIATION  
since July 22, 1999**

**Article V, Section**

AMENDMENT: Ten percent (10%) of the total membership of the Association shall constitute a QUORUM at any meeting of the Association for the transaction of business.

This amendment was unanimously approved by the members at the Annual General Membership Meeting held on August 25, 2011.

So attested by:

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Richard Wyse, President

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Mary Wyse, Secretary/Treasurer