BRITISH COLUMBIA

NUMBER: **S-38646**

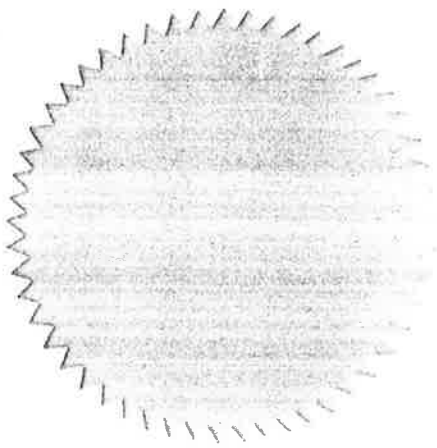
SOCIETY ACT

CERTIFICATE OF INCORPORATION

I Hereby Certify *that*

GARNETT WATER SOCIETY

has this day been incorporated under the *Society Act*



Issued *under my hand at Victoria, British Columbia*

on July 28, 1998

JOHN S. POWELL
Registrar of Companies
PROVINCE OF BRITISH COLUMBIA
CANADA

BRITISH COLUMBIA

File Number: S-38646

GARNETT WATER SOCIETY

I hereby certify that the documents attached hereto are copies of documents filed with the Registrar of Companies on July 28, 1998

JOHN S. POWELL
Registrar of Companies

Ministry of Finance and Corporate Relations

Corporate and Personal Properties Registries

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria B.C. V8W 9V3

Location:
Second Floor
940 Blanshard Street
Victoria

Form 3

SOCIETY ACT

CONSTITUTION

1. The name of the Society is GARNETT WATER SOCIETY.

2. The purpose of the Society is to supply well water to the members of the Society for domestic purposes as defined by the Water Act, R.S.B.C. 1996.

3. No part of any income of the Society shall be payable or otherwise available for the personal benefit of the members or directors.

4. In the event of dissolution or winding-up of the Society, all its remaining assets, after payment of liabilities, shall be distributed to one or more recognized charitable organization, which organizations are registered under the Income Tax Act of Canada

5. The provisions of clauses 3, 4 and 5 are unalterable.

SOCIETY ACT

BYLAWS OF GARNETT WATER SOCIETY

Part 1 – Interpretation

1.1 (a) in these bylaws, unless the context otherwise requires:

"Directors'" means the directors of the society for the time being;

"Land Owner" means any person or company who is registered at the Victoria Land Title Office as having a fee simple interest in land having its address on either Garnett Road or Balsam Drive, Cobble Hill, British Columbia;

"Society Act" means the Society Act of British Columbia from time to time in force and all amendments to it;

"Registered address" of a member means the member's address as recorded in the register of members;

"special resolution'" shall be a resolution of which 14 days notice has been given and which is passed by a 75% majority of those personally present and entitled to vote in accordance with these bylaws;

"Policy manual'" means that series of policies enunciated by the board of directors from time to time and styled "the policy manual";

"water community" means those parcels of land owned by members of the society and having street addresses on Garnett Road or Balsam Drive in Cobble Hill, British Columbia ;

(b) The definitions in the Society Act on the date these bylaws become effective apply to these bylaws.

1.2 Words importing the singular include the plural and vice versa, and words importing a male person include a female person and a corporation.

Part 2 – Membership

2.1 The members of the society are each of the applicants for incorporation of the Society and any Land Owner admitted into membership in accordance with these bylaws until the applicant of the Land Owner, as the case may be, ceases to be a member.

2.2 A Land Owner, or in the case of a corporate owner, one of the directors of the corporation, may apply to the directors for membership in the society as a voting member and on acceptance by the directors and payment of the membership fee is a member, PROVIDED HOWEVER that where the registered owner owns more that one property in the water community, that owner is only entitled to one membership, and provided further that if more than one Land Owner is registered in the Land Title office as a owner of a parcel of land within the Water Community, the directors shall not admit more that one such Land owner as a member of the Society.

2.3 Every member must uphold the constitution and comply with these bylaws.

2.4 The amount of the membership dues shall be in accordance with the policy manual.

2.5 A person ceases to be a member of the society:

(a) by delivering his or her resignation in writing to the secretary of the society or by mailing or delivering it to the address of the society;

(b) on his or her death or, in the case of a corporation, on dissolution;

(c) on being expelled;

(d) when that person is no longer the principal owner of; or

(e) on failing to pay dues, assessments, charges or costs in breach of the terms for payment as provided in the policy manual.

2.6 (a) A member may be expelled by a special resolution of the members passed at a general meeting;

(b) The notice of special resolution for expulsion must be accompanied by a brief statement of reasons for the proposed expulsion;

(c) The person who is the subject of the proposed resolution for expulsion must be given opportunity to be heard at the general meeting before the special resolution is put to a vote.

2.7 All members are in good standing except a member who has failed to pay his or her current annual membership fee, or any other subscription or debt due by the member to the society, and the member is not in good standing so long as the debt remains unpaid.

2.8 A member not in good standing is redeemed after payment of overdue account or charges.

2.9 No article of the constitution and no provision in these Bylaws is to be construed as requiring the Society to accept the application of a person for membership in the Society if the Society has available at the time of receiving the person's application:

(a) a supply of well water adequate only, in the opinion of the directors, for domestic purposes of the current members of the Society; or

(b) a system, including but not limited to pumps, tanks, pipes, conduits, valves and other works for distributing and controlling distribution of water, adequate only, in the opinion of the directors, for the provision of water to the then current members of the Society.

Part 3 – Meetings of Members

3.1 General meetings of the society must be held at the time and place, in accordance with the Society Act, that the directors decide.

3.2 Every general meeting, other than an annual general meeting, is an extraordinary general meeting.

3.3 The directors may, when they think fit, convene an extraordinary general meeting.

3.4 (a) Notice of a general meeting must specify the place, day and hour of the general meeting and, in case of special business, the general nature of that business.

(b) The accidental omission to give notice of a meeting to, or the non-receipt of a notice by, any of the members entitled to receive notice does not invalidate proceedings at that meeting.

3.5 The first annual general meeting of the society must be held not more that 15 months after the date of incorporation and after that an annual general meeting must be held at least once in every calendar year and not more than 15 months after the holding of the last preceding annual general meeting.

Part 4 – Proceedings at General Meetings

4.1 Special business is:

(a) all business at an extraordinary general meeting except the adoption of rules of order, and

(b) all business conducted at an annual general meeting, except the following:

i) the adoption of rules of order
ii) the consideration of the financial statements
iii) the report of the directors
iv) the report of the auditor, if any,
v) the election of directors,
vi) the appointment of the auditor, if required,
vii) the other business that, under these bylaws, ought to be conducted at an annual general meeting or business that is brought under consideration by the report of the directors issued with notice convening the meeting.

4.2 (a) Business, other than the election of a chair and the adjournment or termination of the meeting, must not be conducted at a general meeting at a time when a quorum is not present;

(b) If at any time during a general meeting there ceases to be quorum present, business then in progress must be suspended until there is a quorum present or until the meeting is adjourned or terminated;

(c) A quorum is a minimum of three directors and three voting members present or a greater number that the members may determine at a general meeting.

4.3 If within 30 minutes from the time appointed for a general meeting a quorum is not present, the meeting, if convened on the requisition of members, must be terminated, but in any other case, it must stand adjourned to the same day in the next week, at the same time and place, and if, at the adjourned meeting, a quorum is not present within 30 minutes from the time appointed for the meeting, the members present constitute a quorum.

4.4 Subject to bylaw 4.5, the president of the society or one of the other directors, must preside as chair of the general meeting.

4.5 If at a general meeting:

(a) there is no president or other director present within 15 minutes after the time appointed for holding the meeting, or

(b) president and all the other directors present are unwilling to act as the chair,

the members present must choose one of their number to be the chair.

4.6 (a) A general meeting may be adjourned from time to time and from place to place, but business must not be conducted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place;

(b) When a meeting is adjourned for ten days or more, notice of the adjourned meeting must be given as in the case of the original meeting;

(c) Except as provided by in this bylaw, it is not necessary to give notice of an adjournment or of the business to be conducted at an adjourned general meeting.

4.7 (a) A resolution proposed at a meeting need not be seconded, and the chair of a meeting may move or propose a resolution;

(b) In case of a tie vote, the chair does not have a casting or second vote in addition to the vote to which he or she may be entitled as a member.

4.8 (a) A member in good standing present at a meeting of members is entitled to one vote.

(b) Voting is by show of hands.

(c) A voting member may appoint another registered owner (a second principal of the voting member's property) a proxy in his/her stead.

4.9 A corporate member may vote by its authorized representative, who is entitled to speak and vote, and in all other respects exercise the rights of a member, and that representative must be considered as a member for all purposes with respect to a meeting of the society.

Part 5 – Directors and Officers

5.1 (a) The directors may exercise all the powers and do all the acts and things that the society may exercise and do, and that are not by these bylaws or by statute or otherwise lawfully directed or required to be exercised or done by the society in a general meeting, but subject, nevertheless to

i) all laws affecting the society,
ii) these bylaws, and
iii) rules, not being inconsistent with these bylaws, that are made from time to time by the society in a general meeting

(b) A rule, made by the society in a general meeting, does not invalidate a prior act of the directors that would have been valid if that rule had not been made.

5.2 (a) The officers of the society are the president, secretary and treasurer.

(b) Subject to Bylaw 5.2 (d), the directors of the society are the officers together with two additional directors, or such, greater number of additional directors as the society may determine at a general meeting.

(c) One person may be known as the secretary/treasurer, may hold the offices of secretary and treasurer concurrently.

(d) If a secretary/treasurer holds office, the directors of the society are the officers together with three additional directors, or such greater number of additional directors as the society may determine at a general meeting.

5.3 (a) The directors must retire from office at each annual general meeting when their successors are elected;

(b) Separate elections must be held for each office to be filled;

(c) An election may be by acclamation, otherwise it must be by ballot;

(d) If a successor is not elected, the person previously elected or appointed continues to hold office.

5.4 (a) The directors may at any time and from time to time appoint a member as a director to fill a vacancy in the directors;

(b) A director so appointed holds office only until the conclusion of the next annual general meeting of the society, but is eligible for re-election at the meeting.

5.5 (a) If a director resigns his or her office or otherwise ceases to hold office, the remaining directors must appoint a member to take the place of the former director;

(b) An act or proceeding of the directors is not invalid merely because there is less than the prescribed number of directors in office.

5.6 The member may, by special resolution, remove a director, before the expiration of his or her term of office, and may elect a successor to complete the term of office.

5.7 A director must not be remunerated for being or acting as a director, but a director must be reimbursed for all expenses necessarily and reasonably incurred by the director while engaged in the affairs of the society.

Part 6 – Proceedings of Directors

6.1 (a) The directors may meet at the places they think fit to conduct business, adjourn and otherwise regulate their meeting and proceedings, as they see fit;

(b) The directors may from time to time set the quorum necessary to conduct business, and unless so set the quorum is a majority of the directors then in office;

(c) The president is the chair of all meetings of the directors, but if at a meeting the president is not present within 30 minutes after the time appointed for holding the meeting, the directors present may choose on of their number to be he chair at the meeting.

(d) A director may at any time, and the secretary, on the request of a director, must, convene a meeting of the directors.

6.2 (a) The directors may delegate any, but not all, of their powers to committees consisting of the director or directors as they think fit;

(b) A committee so formed in the exercise of the powers so delegated must conform to any rules imposed on it by the directors, and must report every act or thing done in exercise of those powers to the earliest meeting of the directors held after the act or thing has been done.

6.3 A committee must elect a chair of its meetings, but if no chair is elected, or if at a meeting the chair is not present within 30 minutes after the time appointed for holding the meeting, the directors present who are members of the committee must choose one of their number to be the chair of the meeting.

6.4 The members of a committee may meet and adjourn as they think proper.

6.5 For a first meeting of directors held immediately following the appointment or election of a director or directors at an annual or other general meeting of members, or for a meeting of the directors at which a director is appointed to fill a vacancy in the directors, it is not necessary to give notice of the meeting to the newly elected or appointed director or directors for the meeting to be constituted, if a quorum of directors is present.

6.6 A director who may be absent temporarily from British Columbia may send or deliver to the address of the society a waiver of notice, which may be by letter, telegram. Telex or cable, of any meeting of the directors and may at any time withdraw the waiver, and until the waiver is withdrawn,

i) a notice of meeting of directors is not required to be sent to that director, and

ii) any and all meetings of the directors of the society, notice of which has not been given to that director, if a quorum of the directors is present, are valid and effective.

6.7 (a) Questions arising at a meeting of the directors and committee of directors must be decided by a majority of votes;

(b) In the case of a tie vote, the chair has a second or casting vote.

6.8 A resolution proposed at a meeting of directors or committee of directors need not be seconded, and the chair of a meeting may move or propose a resolution.

6.9 A resolution in writing, signed by all the directors and placed with the minutes of the directors is as valid and effective as if regularly passed at a meeting of directors.

Part 7 – Duties of Officers

7.1 (a) The president presides at all meetings of the society and of the directors.

(b) The president is the chief executive officer of the society and must supervise the other officers in the execution of their duties.

7.2 Another officer or director must carry out the duties of the president during the president's absence.

7.3 The secretary must do the following:

(a) conduct the correspondence of the society
(b) issue notices of meeting of the society and directors
(c) keep minutes of all meetings of the society and directors
(d) have custody of all record and documents of the society except those required to be kept by the treasurer
(e) have custody of the common seal of the society (if any),
(f) maintain the register of members

7.4 The treasurer must:

(a) keep the financial record, including books of account, necessary to comply with the Society Act and

(b) render financial statements to the directors, members and others when required.

7.5 (a) The offices of secretary and treasurer may be held by one person who is to be known as the secretary/treasurer;

(b) If a secretary/treasurer holds office, the total number of directors must not be less that three or the greater number that may have been determined under bylaw 5.2(b).

7.6 In the absence of the secretary from a meeting, the directors must appoint another person to act as secretary at the meeting.

Part 8 – Borrowing

8.1 In order to carry out the purposes of the society the directors may, on behalf of and in the name of the society, raise or secure the payment or repayment of money in the manner they decide, and, in particular but without limiting that power, by the issue of debentures.

8.2 A debenture must not be issued without the authorization of a special resolution.

8.3 The members may, by special resolution, restrict the borrowing powers of the directors, but a restriction imposed expires at the next annual general meeting.

Part 9 – Policy Manual

9.1 The directors shall maintain and update as required a Policy Manual for the orderly management of the society's affairs. The directors may adopt such rules, regulations and policies including amounts for water rates, connection fees, delinquent fee charges and water usage.

Part 10 – Notices to Members

10.1 A notice may be given to a member, either personally or by mail to the member at the member's registered address.

10.2 A notice sent by mail is deemed to have been given on the second day following the day on which the notice was posted, and in proving that notice has been given, it is sufficient to prove the notice was properly addressed and put in a Canadian post office receptacle.

10.3 (a) Notice of a general meeting must be given to every member shown on the register of members on the day notice is given;

(b) No other person is entitled to receive a notice of a general meeting.

Part 11 – Bylaws

11.1 On being admitted to membership, each member is entitled to, and the society must give the member without charge, a copy of the constitution and bylaws of the society.

11.2 These bylaws must not be altered or added to except by special resolution.

Changes resolved at the annual general meeting dated October 20, 2004.

Phyllis Hood
President

Barbara Phillips
Secretary

Elaine Forrest
Treasurer

Alan Case

Steve Kraus

Revised/Approved October 20, 2004

FORM 4

SOCIETY ACT

List of First Directors of GARNETT WATER SOCIETY.

Full Names	Resident Addresses
H. Harvey Baker	4077 Balsam Drive Cobble Hill, B.C., V0R 1L0
Elaine Forrest	4082 Balsam Drive Cobble Hill, B.C., V0R 1L0
James Saunders	4085 Balsam Drive Cobble Hill, B.C., V0R 1L0
Geraldine Craig	800 Garnett Road Cobble Hill, B.C., V0R 1L0
Don McIntyre	810 Garnett Road Cobble Hill, B.C., V0R 1L0

Dated July 15, 1998.

GARNETT WATER SOCIETY

by _____
Director

COLUMBIA and Corporate Relations
Corporate and Personal Property Registries

Telephone: (250) 356-8626
Hours: 8:30-4:30 (Monday-Friday)

2nd Flr. 940 Blanshard St.
Victoria

Mailing address:
P.O. Box 9431 Stn Prov Govt
Victoria BC V8W 9V3

NOTICE OF ADDRESS OF SOCIETY

Form 5
Sections 3 and 10 SOCIETY ACT

B Certificate of Incorporation No.

OFFICE USE ONLY-DO NOT WRITE IN THIS AREA

Freedom of Information and Protection of Privacy Act. The personal information requested on this form is made available to the public under the authority fo the Company Act. questions about the collection or use of this information can be directed to the Administrative Analyst, Corporate and Personal Property registries at (250) 356-0944, P.O. Box 9431 Stn Prov Govt. Victoria BC V8W 3E6.

A FULL NAME OF SOCIETY

GARNETT WATER SOCIETY

C The address of the society is:

c/o H. Harvey Baker
4077 Balsam Drive
Cobble Hill

Province: B.C.
Postal Code: V0R 1L0

D CERTIFIED CORRECT -

I have read this form and found it to be correct.
Signature of current Director, Officer or Society Solicitor.

Date Signed
Y M D

H. Baker

Director

1998/07/15

Garnett Water Society

Policy Manual

A) Board of Directors

1. The Board of Directors shall consist of five members, a president, treasurer, secretary and two members at large. The bylaws of the society stipulate that all directors must retire from office at each annual general meeting. As a matter of policy the membership should try to ensure that at least two directors to be elected at the general meeting should have served on the Board in the year before. There should be no limit on the number of times a director is re-elected.

2. On or before August 31 each year, the Board of Directors shall appoint a nominating committee consisting of three members of which two shall not be Directors. The duty of the committee is to nominate, at least five consenting voting members of the Society to be candidates to fill the vacancies on the Board for the next year following the Annual General Meeting.

B) Water Maintenance Committee

3. A committee of at least three should be appointed by the Board of Directors to undertake the regular operation of the water system such as system maintenance with at least one member being a Director. One committee member should be appointed System Manager and, at the discretion of the Board, the System Manager could receive remuneration, provided the manager is not a director.

4. The committee should refer any routine expenditure in excess of $500.00 to three of the Board of Directors for approval.

C) General Meetings

5. A general meeting of the membership of the society will be held annually on the third week of October at the discretion of the Board of Directors.

Revised/Approved October 20, 2004

6. Notice of the annual general meeting and an agenda for the meeting will be circulated to all voting members at least ten days prior to the annual general meeting. Similar notice will be given for any extraordinary meetings of the membership called by the Board of Directors.

7. Minutes of annual meetings or special general meetings to be circulated within three months of the meeting.

8. All general and special meetings of the Society will be governed according to Roberts Rules of Order.

D) Membership Dues

9. Membership dues were waived for founding members of the Society. All new accepted members will pay dues of $5.00, this being a one time non-refundable payment.

E) New Connections

10. All costs of the new connection, including necessary system upgrades and purchase and installation of a meter, will be the responsibility of the member or property owner at the new connection site.

11. A new connection will consist of a ¾ inch metered service terminated by a stainless-steel ball shut-off valve on or as near as possible to the road allowance at the property line of the new connection site.

12. If, in the view of the Society, the system is unable to adequately supply water to a request, the request for connection may be refused.

13. All requests for inclusion in the Garnett Water Society water system are to be forwarded in writing to the Board of Directors who, together with the water maintenance committee, will review the implications for present members, water availability and volunteer work. Following this process, the request and recommendation will be forwarded to the membership for review.

F) Water Meters

14. The objective of the Society is to install water meters at each connection over the period 2003 to 2008. If there are technical problems that make installation of meters impossible at the property line or shut-off location then some alternative accessible location should be investigated for installation.

15. All installations, except for new connections, will be the financial responsibility of the Society and not the water user.

G) Schedule of Water Rates

16. The objective of water charges is to cover the yearly costs of the water system and to maintain a sufficient reserve to replace all or parts of the system as required. Insofar as possible water charges should be on the basis of volume of use, i.e. user pay, and not on fixed yearly charges. Hence, fixed charges to members should be kept low and all consumption should be paid for.

17. Furthermore water charges should be adjusted to reflect the adequacy of the contingency fund set aside for system replacement. Therefore charges will be adjusted downward when the contingency fund reaches what is considered adequate at about $25,000.00.

18. Fixed Charges

A. Metered Connections – All metered connections will have a fixed charge of $100.00 per year.

B. Un-metered Connections – All un-metered connections will have a fixed charge of $240.00 per year.

19. Consumption Charges – Metered connections – All metered connections will be charged for water usage as follows:

i. Basic Consumption – Winter (Sept 16 to May 14) – Total consumption of 29,800 cu ft (80 cu ft per day or about 500 gallons per day) will be charged at a rate of 0.4 of a cent per cu ft

ii. Basic Consumption – Summer (May 15 to Sept 15) – Total consumption of 9,840 cu ft (80 cu ft per day or about 500 gallons per day) will be charged at a rate of 0.4 of a cent per cu ft

iii. Excess Consumption – All water consumption above basic consumption amounts of 29,800 cu ft in winter and 9,840 cu ft in summer will be charged at a rate of 0.6 of a cent per cu ft

20. Billing will be done yearly by March 31. A 10% reduction of the yearly charge will be allowed for early payment before May 31.

21. An account is considered delinquent if it has not been paid within 90 days of the last billing date. When an account becomes delinquent the secretary will, within two weeks, send a registered letter notifying the member that disconnection will occur in 60 days if the account is not paid in full. In the event of a disconnection, there will be a reconnection fee of $100.00 in addition to the full amount of the delinquent account outstanding and will be paid prior to reconnection.

H) Water Restrictions

22. Water use restrictions, especially regarding garden and lawn watering, may be imposed at the discretion of the Board of Directors. Such restrictions would only be considered if there appears to be a supply or delivery problem of water for normal household use.

I) Winding Up of Society

23. In the event that the Society's affairs were to be wound up through sale of the assets or other cause, there will be substantial financial assets to dispose of. The Society's constitution states that these assets must be "distributed to one or more recognized charitable organization." The poiicy of the society is to make this distribution according to the wishes of each individual member unless a general meeting of the membership decides otherwise. Therefore the share of assets attributable of each member would be paid out to the charity of their choice.

As approved on November 19, 2003 by the General Membership and amended on October 20, 2004 by the General Membership.

Garnet Water Society
c/o 4097 Balsam Dr.
V0R 1L3

Water Invoice: 2008/09
30-Nov-09

John Eldridge & Monica Fiederer
1434 Mitchell St.
Victoria, BC
V8S 4R2

Water Rates: Fixed Charge				100.00
Meter Usage:	Sept./15/08 - Sept.14/09			
	Sept 17/08- May 15/09	968	0.004	3.87
	May 16/09 - Sept 15/09	2938	0.004	11.75
	Excess Usage	0	0.006	0.00
	Total Owing			115.62
	Rebate for payment before May 31, 2010			-10.00
	Net Owing after Rebate			105.62

Thank you,

Alan Case
Treasurer, Garnet Water Society
4097 Balsam Dr.
Cobble Hill, BC
V0R 1L3