

BYLAWS OF
REESEDALE MUTUAL WATER COMPANY
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ARTICLE I

SHAREHOLDERS' MEETINGS

SECTION 1: PLACE OF MEETINGS

All meetings of the shareholders shall be held at the office of the corporation in the State of California, as may be designated for that purpose from time to time by the Board of Directors.

SECTION 2: ANNUAL MEETINGS

The annual meeting of the shareholders shall be held on the 20th day of March, in each year, if not a legal holiday, and if a legal holiday then on the next succeeding business day, at the hour of 10 o'clock A.M., at which time the shareholders shall elect by plurality vote a Board of Directors, consider reports of the affairs of the Corporation, and transact such other business as may be properly brought before the meeting.

SECTION 3: SPECIAL MEETINGS

Special meetings of the shareholders, for any purpose(s) whatsoever, may be called at any time by the President, or by the Board of Directors, or by any two or more members thereof, or by one of more shareholders holding not less than 1/10 of the voting power of the Corporation.

SECTION 4: NOTICE OF MEETINGS

Notices of meetings, annual or special, shall be given in writing to shareholders entitled to vote by the Secretary or the Assistant Secretary, or if there be no such officer, or in case of their neglect or refusal, by any other shareholder.

Such notices shall be sent to the shareholder's address appearing in the books of the Corporation or supplied by them to the Corporation for the purpose of notice, not less than seven days before such meeting.

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in case of an original meeting save, as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting other than by announcement at the meeting at which such adjournment is taken.

SECTION 5: CONSENT TO SHAREHOLDERS' MEETINGS

The transactions of any meeting of shareholders, however called and noticed, shall be valid as though had a meeting duly held after regular call and notice, If a quorum be present, either in person or by proxy, and if either before or after the meeting, each of the shareholders entitled to vote not present in person or by proxy, sign a written waiver of notice or a consent to the holding of such meeting. Or an approval of the minutes thereof. All such waivers, consents, or approval shall be filed with the Corporation. Records are made as a part of the minutes of the meeting.

Any action which may be taken at a meeting of the shareholders may be taken without a meeting if authorized by a writing signed by. All the holders of shares who would be entitled to vote at a meeting for such purpose. And filed with the secretary of the Corporation.

SECTION 6: QUORUM

The holders of a majority of the shares entitled to vote thereat present in person or represented by proxy, shall be requisite and shall constitute A quorum at all meetings of the shareholders for the transaction of business, except as otherwise provided by law, by the Articles of Incorporation, or by these Bylaws. If, however, such majority shall not be present or represented at any meeting of the shareholders, the Shareholders entitled to the vote thereat, present in person, or by proxy shall have power to adjourn the meeting from time to time until the requisite amount of voting shares shall be represented. At such adjourned meeting at which the requisite amount of voting shares shall be represented, any business may be transacted which might have been transacted at the meeting as originally notified.

SECTION 7: VOTING RIGHTS- CUMMULATIVE VOTING

Only persons' in whose name shares are entitled to vote stand on the stock records of the corporation on the day of any meeting of shareholders. Unless some other day is fixed by the Board of Directors for the determination of shareholders of record, then on such other day shall be entitled to vote at such meeting. Every shareholder entitled to vote shall be entitled to one vote for each of such shares and shall have the right to accumulate his votes as provided in section 2235, Corporations Code of California.

SECTION 8: PROXIES

Every shareholder entitled to vote or to execute consents may do so either in person or by written proxy, executed in accordance with the provisions of section 2225 of the Corporation's Code of California and filed with the Secretary of the Corporation.

ARTICLE II

DIRECTORS-MANAGEMENT

SECTION 1: POWERS

Subject to the limitation of the Articles of incorporation of the Bylaws and of the Laws of the State of California, as to action to be authorized or approved by the shareholders. All corporate powers shall be exercised by or under the authority of, and the business and affairs of this corporation shall be controlled by a Board of Directors.

SECTION 2: NUMBER AND QUALIFICATION

The authorized number of directors of the corporation shall be 3 until changed by amendment to the articles of incorporation or by an amendment to this Section 2., Article II, of these Bylaws adopted by the vote or written ascent of the shareholders entitled to exercise the majority of the voting power of the Corporation.

SECTION 3: ELECTION AND TENURE OF THE OFFICE

A change of or addition to the directors or water officers shall be elected by the current board members. Their term of office shall begin immediately after the election. Their term will continue until duties are neglected and the remaining Board Members deem them unsuitable for the position or a written request for leave of office is submitted and accepted by the rest of the Board.

SECTION 4: VACANCIES

Vacancies in the board of Directors may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until his successor is elected at an annual meeting of Shareholders or at the special meeting called for that purpose. The shareholders may at any time elect a director to fill any vacancy not filled by the directors and may elect an additional director at the time of the meeting at

which an amendment of the bylaws is voted. Authorizing an increase in the number of directors.

A Vacancy or Vacancies shall be deemed to exist in case of the death, resignation, or removal of any Director, or if the Shareholders shall increase authorized number of Directors but shall fail to at the meeting at which such increase is authorized or at an adjournment. Thereof to elect the additional directors so provided for, or in case the shareholders fail at any time to elect the full member of authorized Directors.

If the board of Directors accepts the resignation of a Director rendered to take effect at a future time, the remaining Board members have power to elect a successor to take office when the resignation will be become effective.

SECTION 5: REMOVAL OF DIRECTORS

The entire Board of Directors or any individual director may be removed from office as provided by section 810 of the Corporation's Code of the State of California.

SECTION 6: PLACE OF MEETINGS

Meetings of the Board of Directors shall be held at the office of the Corporation in the State of California, as designated for that purpose from time to time by resolution of the Board of Directors or written consent of all the members of the Board. Any meeting shall be valid, wherever held, if held with the written consent of all members of the Board of Directors given either before or after the meeting and filed with the Secretary of the Corporation.

SECTION 7: ORGANIZATION MEETINGS

The Organization meetings of the Board of Directors shall be held immediately following the adjournment of the annual meeting of the Shareholders.

SECTION 8: OTHER REGULAR MEETINGS

Regular meetings of the Board of Directors shall be held on the first Monday of each month. If said day shall fall upon a holiday, such meetings shall be held on the next succeeding business day. Thereafter, no notice need be given of such regular meetings.

SECTION 9: SPECIAL MEETINGS-NOTICES

Special meetings of the board of directors for any purpose(s) shall be called at any time by the President or if he is absent or unable or refuses to act, by any Vice President or by any two Directors.

Written notice of the time and place of special meetings shall be delivered personally to the directors or sent to each Director by letter or by telegram. Charges prepaid addressed to him at his address as it is shown upon the records of the corporation, or if it has not so shown on such records, or if it is not readily ascertainable, at the place in which the meetings of the directors are regularly held.

In each case such notice is mailed or telegraphed, it shall be deposited in the United States Mail or delivered to the Telegraph Company in the Place in which the principal office of the corporation is located at least 48 hours prior to the time of the holding of the meeting. In case such notice is delivered as above, provided it shall be so delivered at least 24 hours prior to the time of the holding of the meeting. Such mailing, telegraphing, or delivery as above provided shall be due legal and personal notice to such Director.

SECTION 10: WAIVER OF NOTICE

When all the directors are present at any Directors meeting, whoever called or noticed and signs a written consent thereto on the records of such meeting, or if a majority of the Directors are present, and if those not present, sign in writing a waiver of notice of such meeting, whether prior to or after the holding of such meeting, which said waivers shall be filed with the Secretary of the Corporation. The transactions thereof are valid as if had at a meeting regularly called and noticed.

SECTION 11: NOTICE OF ADJOURNMENT

Notice of the time and place of holding an adjoining meeting need not be given to Absent Directors if the time and place is fixed at the meeting adjourned.

SECTION 12: QUORUM

A majority of the number of Directors, as fixed by the Articles or Bylaws, shall be necessary to constitute a quorum for the transaction of business and the action of majority of the Directors present at any meeting at which there is a quorum when duly assembled is valid as a Corporate act, provided that the

minority of the Directors, in the absence of a quorum, may adjourn from time to time, but may not transact any business.

ARTICLE III

OFFICERS

SECTION 1: OFFICERS

The officers of the corporation shall be a President of Vice President and Secretary and a Treasurer. The Corporation may also have at the discretion of the Board of Directors, A Chairman of the Board, and or more additional Vice Presidents, one or more assistant Secretaries, one or more assistant Treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this article. One person may hold two or more offices.

SECTION 2: ELECTION

The officers of the corporation accept such officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this article shall be chosen annually by the Board of Directors and each shall hold his office until he shall resign, or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

SECTION 3: SUBORDINATE OFFICERS, ECT.

The Board of Directors may appoint such other officers as the business of corporation may require, each of whom shall hold office for such. Have such authority and perform such duties as are provided by the bylaws or as the board of Directors made from time to time determine.

SECTION 4: REMOVAL AND RESIGNATION

Any officer may be removed, either with or without cause, by a majority of the directors at the time and office, at any regular or special meetings of the Board, or, except in case of officer chosen by the board of Directors, by any officer upon whom such power of removal may be conferred by the board of Directors.

Any officer may resign at any time by giving his written notice to the Board of directors or to the President, or to the Secretary of the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein. The acceptance of such resignation shall not be necessary to make it effective.

SECTION 5: VACANCIES

A vacancy in any office because of death, Resignation, Removal, Disqualification, or any other cause shall be filled in the manner prescribed by the Bylaws for regular appointments to such office.

SECTION 6: CHAIRMAN OF THE BOARD

The Chairman of the Board, if there shall be such an officer, shall, if President, preside at all meetings of the Board of Directors, and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by the Bylaws.

SECTION 7: PRESIDENT

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairman of the Board. If there be such an officer, the President shall be the Chief Executive Officer of the Corporation, and shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and of the officers of the Corporation. He shall preside at all meetings of the Shareholders, and in the absence of the Chairman of the Board, or, if there be none, at all meetings of the Board of Directors, he shall preside at all meetings of the shareholders and be ex officio a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of management, usually vested of the office of President of a corporation, and shall have such other power and duties as may be prescribed by the Board of Directors or the Bylaws.

SECTION 8: VICE PRESIDENT

In the absence or disability of the President, the Vice President, in order of their rank, as fixed by the Board of Directors, or, if not ranked, the Vice president designated by the board of Directors, shall perform all the duties of the President, and when so acting, shall have all the powers of, and be subject to all the restrictions upon the President. The Vice President shall have such other powers and perform such other duties as from time to time that may be prescribed for them respectively by the board of Directors or the Bylaws.

SECTION 9: SECRETARY/TREASURER

The Secretary and Treasurer position may be held by one person and duties combined. Their duties are as follows; Keep or cause to be kept a book of minutes

at the principal office, or such other places as the Board of Directors may order of all meetings of Directors and Shareholders with the time authorized, the notice thereof given, and the names of those present at Directors meetings, the number of shares present or represented at shareholders' meetings, the number of shares present or represented at shareholders' meetings and the preceding thereof.

Keep and maintain or cause to be kept and maintained adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital surplus, and shares any surplus, including earned surplus, paid in surplus, and surplus arising from a reduction of stated capital, shall be classified according to the source and shown in a separate account. The books of account shall at all reasonable times be open to inspection by any director.

Deposit all monies and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors they shall disperse the funds of the Corporation as may be ordered by the Board of Directors, and shall render to the President and Directors, whenever they request it, an account of all of their transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the. Bylaws.

Receive water meter readings from individuals who volunteered to read them monthly. Should have all the meter readings by end of day on the 1st or by the 3rd of every month.

Record readings on worksheet and calculate billing charges. Enter readings and Charges on individual shareholders journals in the accounting book as well as in the QuickBooks account for the District. Charges are calculated as described in the Article regarding Rates.

Make up actual water bills from the journals or online using the QuickBooks methods provided. Address, stamp, and stuff envelopes for mailing. Usually, bills are sent out between the 5th and 15th of the month depending on when all the meter readings are recorded. Has the authority to buy postage stamps, envelopes, and other supplies necessary to perform the job.

Check Post Office Box 496 located on Lancaster Blvd. for any paid water bills or other correspondents such as the Edison bill, bank statements etc. This should probably be done every week. To 10 days, depending on the time of the year.

Accept all payments to the District made online, in person, by drop box, or received by mail. Bank deposits are usually made twice a month, but there are no set dates when this needs to be done and may be done at their discretion in a timely manner to complete the month's billing cycle.

Handling of Stock Certificates, new and transferred. When a property is sold, the escrow company will send out an information sheet to be filled out with the appropriate data. If no request is made by the escrow company a sample document may be sent to them. There will be a stock transfer fee of \$50. If no previous Stock Certificate is returned there will be a \$150 charge for a new one to be prepared.

Any other and all clerical duties required for the handling of business.

ARTICLE IV

EXECUTIVE AND OTHER COMMITTEES

The Board of Directors may appoint an Executive committee, and such other committees may be necessary from time to time, consisting of such manner of its members and with such powers as it may designate consistent with the Articles of Incorporation and Bylaws and the General Corporation Laws of the State of California, such committees shall hold office at the pleasure of the Board.

ARTICLE V

CORPORATE RECORDS AND REPORTS- INSPECTION

SECTION 1: RECORDS

The corporation shall maintain adequate and correct accounts. Books and records of its business and properties. All such books, records, and accounts shall be kept in their principal place of business in the State of California, as fixed by the Board of Directors from time to time.

SECTION 2: INSPECTION OF BOOKS AND RECORDS

All books and records provided for in section 3003 of the Corporations Code of California shall be open to inspection by the Directors and shareholders from time to time and in the manner provided in said section 3003.

SECTION 3: CERTIFICATION AND INSPECTION OF BYLAWS

The original or a copy of these bylaws, as amended or otherwise altered to date certified by the Secretary, shall be open to inspection by the shareholders of the Company as provided in section 502 of the Corporation's Code of California.

SECTION 4: CHECKS, DRAFTS, ECT.

All checks, drafts, or other orders for payment of money, notes or other evidence of indebtedness issued in the name or payable to the corporation shall be signed or endorsed by such person or persons in such manner as shall be determined from time to time by resolution of the Board of Directors.

SECTION 5: CONTRACTS, ECT. -HOW EXECUTED

The Board of Directors except, as in the Bylaws otherwise provided, may authorize any officer(s), agent(s), to enter into any contract or execute any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific circumstances. Unless authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement, or to pledge its credit or render it liable for any purpose or to any amount.

SECTION 6: ANNUAL REPORT

Upon the request of shareholders owning 1/10 of the outstanding stock, the Directors shall cause them to be sent to the shareholders not later than 120 days after the closing of the fiscal or calendar year. A balance sheet as of the closing date of such year, together with the statement of income and profit and loss for such year. These financial statements shall be certified by the President, Secretary, Treasurer, or a public account.

ARTICLE VI

CERTIFICATES AND TRANSFERS OF SHARES

SECTION 1: CERTIFICATES FOR SHARES

Certificates for shares shall be of such form and device as the board of Directors may designate, and shall state, the name of the record holder of the shares represented, thereby its number, date of issuance, the number of shares for which it is issued, the par value; A statement of rights, privileges, preferences, and restrictions, if any a statement to the redemption or the conversation, if any, a

statement of liens or restrictions upon transfer or voting, if any, if the shares be accessible or if assessments are collectible by personal action a plain statement of such facts.

Every certificate for shares must be signed by the president or a vice President and the secretary, or an assistant Secretary, or must be authenticated by facsimile of the signature of its President and the written signature of its secretary or an Assistant Secretary. Before it becomes effective every certificate for shares authenticated by a facsimile of a signature must be countersigned by a transfer agent or a transfer clerk and must be registered by an incorporated bank or Trust Company, either domestic or foreign, as registrar of the transfers. The shares of each certificate issued shall be opportune to the land for which it is issued, and there shall be no fractional shares issued. One share is to be issued for each half acre.

SECTION 2: TRANSFER ON THE BOOKS

Upon surrendered to the secretary or transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment, or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto cancel the old certificate and record the transaction upon its books.

SECTION 3: LOST OR DESTROYED CERTIFICATES

Any person claiming a certificate of stock to be lost or destroyed shall make an affidavit or affirmation of the fact and advertise the same in such a manner as the board of directors may require, and shall, if the directors will require, give the corporation a bond of indemnity. Inform and with one or more securities satisfactory to the Board, and at least double the value of the stock represented by a said certificate, whereupon a new certificate may be issued of the same tender and for the same number of shares as the one alleged to be lost or destroyed.

SECTION 4: TRANSFER AGENTS AND REGISTRARS

The Board of Directors may appoint one or more Transfer Agents or Transfer Clerks and one or more Registrars, which shall be. An incorporated bank or Trust Company, either domestic or foreign, and who shall be appointed at such times in places as the requirement of the corporation may necessitate and the Board of Directors may designate.

SECTION 5: CLOSING STOCK TRANSFER BOOKS

The Board of Directors may close the transfer books at their discretion for a period of not exceeding 30 days preceding any meetings, annual or special of the shareholders, or the day appointed for the payment of dividends.

ARTICLE VII

CORPORATE SEAL

The corporate seal shall be circular in form and shall have inscribed thereon the name of the corporation and the date of its incorporation, and the word “California.”

ARTICLE VIII

AMENDMENTS TO BYLAWS

SECTION 1: BY SHAREHOLDERS

New Bylaws may be adopted, or these bylaws may be repealed or amended at their annual meeting or at any other meeting of the shareholders. Called for that purpose by a vote of shareholders entitled to exercise a majority of the voting power of the corporation, or by written assent of such shareholders.

SECTION 2: POWERS OF DIRECTORS

Subject to the right of the shareholders to adopt, amend, or repeal bylaws, as provided in section one of this article. The Board of Directors may adopt, amend, or repeal any of these Bylaws other than a Bylaw or amendment thereof changing the authorized number of Directors.

SECTION 3: RECORD OF AMENDMENTS

Whenever an amendment or new bylaw is adopted, it shall be copied into the Book of Bylaws with the original bylaws and the appropriate place. If any bylaw is repealed, the fact of repeal with the date of the meeting at which the repeal was enacted or written assent was filled, shall be stated in said book.

ARTICLE IX

DISILLUSION

In the event of disillusion of the company by annexation to the Los Angeles County Water Works District, all excess monies will be applied against costs

related to the annexation including the proper compensations to any remaining Board Members.

ARTICLE X

BANKING

The Board of Directors have moved the checking and savings account of the company from the California Republic Bank East Lancaster branch to the Chase Bank Branch located on Lancaster Blvd.

ARTICLE XI

DESCRIPTION OF SERVICE

SECTION 1: WATER SUPPLY

The District will exercise reasonable diligence and care under normal operating conditions to deliver a continuous supply of water to the customer of reasonable pressure and avoid unnecessary shortage or interruption of the service.

SECTION 2: RIGHT OF DISTRICT TO TEMPORARILY SUSPEND SERVICE:

The District will not be held liable for interruptions of service, shortage or adequacy of supply, or any loss or damage caused thereby. The District shall have the right to temporarily suspend service to any customer whenever the District deems it necessary to do so, and the District should not be liable for any loss or damage caused thereby. The causes for temporary suspension of service will be removed by the District without unnecessary delay and with the least inconvenience to the customer.

SECTION 3: THE RIGHT OF THE DISTRICT TO DENY NEW WATER SERVICE

The District shall have the right to deny new water service to an applicant when, in the opinion of the District, the available water supply is inadequate to serve the domestic water supply needs of the water service applicant. Or the water system is inadequate to serve the domestic water service needs of the applicant. Or no water system exists.

Should, as part of the review of an application for water service, the District concludes one or more of the conditions above described exists, or some other

condition exist, limiting or restricting the district's ability to provide the adequate and proper water service. The District is to notify the applicant of these conditions should the applicant elect to enter into an agreement or statement whereby the applicant agrees in writing to finance the construction of the needed water system improvements to mitigate the problem. The District may thereafter provide water service upon completion of the improvements needed and acceptance thereof by the District.

SECTION 4: WATER QUALITY

Whenever domestic service is furnished, the District will endeavor to furnish at all times a safe and potable supply.

SECTION 5: CLASSES OF SERVICE

Water services provided by the district may be separated into the following classes, all of which, under normal conditions, are to be metered; Domestic, Public, and Fire Protection.

Permanent service will only be provided upon satisfaction of district requirements, including payment of applicable charges and installation and completion to the District's standards of all required facilities. Any service provided before the above requirements have been satisfied shall be temporary service and subject to discontinuance at any time.

The District may make various requirements of water service applicants that must be satisfied before permanent service will be provided, including that the applicant install and dedicate the proper facilities necessary to supply the applicant's property with proper and adequate water service from a water main fronting the property or providing service as approved by the District from a non-fronting water main.

The dDistrict provides no guarantees of Fire Protection services. Hydrants for County Fire services utilization are made available, and these hydrants are for emergency and R.M.W.C. use only.

ARTICLE XII

APPLICATION FOR SERVICE

SECTION 1: WATER SERVICE APPLICATION:

Each applicant for water service, both permanent and temporary, will be required to complete and sign an information sheet and application for new water service connection form provided by the District.

The applicant must also provide the following;

Names of applicant, property owner, tenant(s) or person to whom the water bill will be sent.

Addresses and telephone numbers of applicant, property owner, tenant, and person to whom the water bill is to be sent.

Location of proposed service address.

Property legal description and assessor's Parcel number.

Whether or not the premises have heretofore been supplied with water by the district.

Class of service.

Whether or not the applicant is the owner, or agent of the premises.

Agreement of the applicant to abide by all Rules and Regulations of the district.

Such other information as the district may reasonably require.

A map of the property if required by the District.

A copy of the document verifying ownership of property.

Proof of identification.

The application will be regarded as merely a written request for service and not binding upon the applicant to take the service. Neither will it bind the district to provide service. Before the District accepts an application, it must be signed by the owner of the premises or his authorized agent. If an authorized agent signs the application, they must file with the District evidence satisfactory to the District of his authorization to act for the owner.

In circumstances where the tenant will be billed instead of the landowner the owner (applicant) shall in the event of be held liable for any bills neglected by the tenant(s) of the property.

The District shall require that the applicant for water service either arrange for or pay the district to arrange for the installation, construction, replacement, or extension of water system facilities needed to provide domestic water service to the property.

A premises will not be served water unless the premises is addressed from the public way or easement of the District in which there exists a water main, except in the case of the corner parcel, of the District adequate to serve the supply needs of the premises and either the premises has a fee title frontage on that public way or easement of the district or legal ingress vehicular access improved for access by the fire Department or firefighting vehicle equipment.

The latter requirement may be waived by the District when in the opinion of the District, physical conditions are such that compliance would be impossible or would be determined by the District operations. The completion of the information sheet by the applicant for the water service shall be deemed to have been done in a truthful and reasonably complete manner.

SECTION 2: INDIVIDUAL LIABILITY FOR JOINT SERVICE

Two or more parties who shall join in one application for service shall be jointly liable thereunder and shall be billed by means of a single bill.

SECTION 3: LARGE INCREASE IN USE OF WATER

Customers making any change in operations on their premises resulting in a substantial change in the rates of water flow through the District's facilities shall immediately give the District written notice of the nature of the change.

SECTION 4: PAYMENT OF CHARGES

Payment of all required charges may accompany the meter or service installation application. However, all water service application charges must be paid prior to the installation of the first service connection.

ARTICLE XIII

CONTRACTS

SECTION 1: PRECEDENT FOR WATER SERVICE CONTRACT

Contracts will be required as a condition President to obtaining water service.

SECTION 2: PRIVATE CONTRACT WORK LETTER AGREEMENT

Water system installation work to be done by an applicant as a private contract with the completed facilities to be dedicated to the District shall be arranged and agreed upon between the applicant and the district by either a letter of agreement prepared in the office of the District and executed by both parties, or may be arranged and agreed upon by the applicant and District or by the applicant and approved contractor by signing an agreement to later be approved by the District prior to the start of construction.

SECTION 3: ENTIRE AGREEMENT

The contract constitutes the entire agreement between the parties and supersedes any online, oral, or written representations or agreements that may have been made by either party. The applicant represents that he or she has relied solely on his or her own judgment, experience, and expertise in entering into this agreement with the District.

SECTION 4: TIME

The applicant has a Max of 30 days to complete and sign the application. As well as giving all required documents stated above or the document will then be null and void. Upon which time there may be a secondary document processing fee charged to the applicant upon request for a second document to be procured.

ARTICLE XIV

NOTICES

SECTION 1: REGULATION SUBSTANCE FOR DISCONTINUANCE OR RESTORATION OF SERVICE ON WATER BILL

Information on Discontinuance and Restoration of Service will be printed on each bill for water service rendered by the District to it's customers.

SECTION 2: NOTICES TO CUSTOMERS

Notice from the district to a customer normally will be given in writing, either delivered to him or mailed to him at his last note address. Where conditions warrant and in emergencies, a written notice, hand delivered on premises, or verbal notice, or a notice by telephone to either customer, owner, or the occupant of the premises, as well as being left on near or under unusual entry door of the premises in a manner where any reasonable person would discover or notice, will be permitted and accepted.

SECTION 3: NOTICES FROM CUSTOMERS

A notice from the customer to the District may be given by them, or their authorized representative verbally or in writing at the District's operating office, or to any Water Officer. The notices may also be sent by mail to the P.O. BOX.

ARTICLE XV

SERVICE RULES

SECTION 1: DOMESTIC SERVICE

Each house or building under separate ownership must be provided with a separate service or connection(s). Two or more houses or buildings under one ownership and on the same lot or parcel of land may be supplied through one service connection or a separate service connection may be installed for each building at financial responsibility of the landowner.

SECTION 2: ONE SERVICE CONNECTION LIMITATION

The District reserves the right to limit the number of houses, buildings, or parcels under one ownership to be supplied by one service connection. The district will only allow more than one water meter to be served from a single service connection when the additional meter(s) are for; fire sprinkler system service, irrigation uses or for the purpose of serving a single residence, provided that the water demand does not exceed the capacity of the service connection.

SECTION 3: PROPERTY PARTITIONED AFTER SERVICE CONNECTION

When a property provided with the service connection is partitioned, the existing service connection, if any, shall be considered as being assigned to the lot or parcel of land nearest to the location of the meter and or service connection.

SECTION 4: ADJOINING PROPERTY SERVICE CONNECTION

A service connection shall not be used to supply an adjoining property of a different owner to supply property of the same owner on opposite sides of a public or private street, alley, or walk.

SECTION 5: DISTRICT WATER SERVICE LOCATION REQUIREMENTS

Each premises will only be served by the District in a District approved manner from a water meter located in the public way or easement of the District. Service to a premises for which application for water service has been made will be provided when the premises is addressed from a public way or easement of the District in which the District will have a water main at the time of commencement of service and either the premises has a fee title frontage on that public way or District easement has legal ingress-egress improved for vehicular access to said public way or District easement. This requirement may be waived by the District or an officer when in the opinion of the District or officer, physical conditions are such that compliance will be possible or would be detrimental to District operations.

The District may, as a condition of water main being extended in a public way or in an easement of the District, require the owner to improve the public way or easement by construction of District approved road improvements, including application of road surfacing where physical conditions exist in the opinion of the District, which necessitate the paving for the purpose of the district, maintaining the water main and food facilities appurtenant thereto. Said meter shall be located in the front of the premises. Should the District require, the applicant shall pay applicable charges and make arrangements with the District for the extension of the water main to serve the frontage of the applicant's premises. The District shall have sole discretion regarding requirements for extension and placement of public water mains, meters, and service connections that are needed for water service.

Where any premises is served by more than one service connection meter, there shall be installed and subsequently maintained by the applicant a check valve as approved by the District on each side of the service connections, except that where service connections are located between two main line control valves, in which case no check valves are required.

Each meter serving a customer's premises will be considered separately for billing purposes, and the readings of two or more readers will not be combined. All bills

pertinent to the parcel will fall under the responsibility of the landowner to be distributed to the proper parties. Where more than one tenant is using water services, all bills will be directed to the landowner, who will assume responsibility of paying said bills on time and will therein send chargeback notices to all tenants separately and at no extra cost for convenience or distribution. Methods may include adding the base rate charge to the tenants next month's rent or by separate bill that may not exceed the amount charged by the utility. Overage charges may be applied as necessary.

SECTION 6: FIRE HYDRANT TEMPORARY SUPPLY EQUIPMENT DAMAGE

If the equipment so furnished to be damaged through carelessness or abuse, the cost of repairing the same shall constitute a charge against the applicant. If any such equipment is removed from the fire hydrant other than by the district and not recovered by the district, the value thereof shall constitute a charge against the applicant.

SECTION 7: SERVICE CONNECTION AND METER INSTALLATION CHARGES

Where a bid or estimate is arranged for the installation of service, connection and or meter; Each charge shall be paid in advance by the applicant. The district reserves the right to require the applicant to pay a deposit amount equal to or greater than the estimated cost of installation of such service connection and or meter(s).

Where such charge is fixed, the District reserves the right to require the applicant to pay an amount in advance plus an additional charge equal to the estimated cost of the additional expense over the fixed charge for the installation of such service, connection and or meters where connection exists are not considered by the district to be normal installation conditions.

SECTION 8: SERVICE CONNECTION, SIZE, AND LOCATION

The District reserves the right to determine the size of service connection and its location in relation to boundaries of the premises to be served. Where possible, the customers piped to the curb should not be laid until the service connection is installed. In the event the customer's pipe is laid to the curb prior to the time of the service connection is installed, and its location at the curb does not correspond with that of the service connection at the curb, the customer must bear

the additional cost of connecting the service connection pipe with the customer's pipe.

SECTION 9: SERVICE CONNECTION, CURB STOP, OR VALVE

Every service connection installed by the District or required to be installed by the District may be equipped with a curb stop, or valve on the inlet side of the meter. Such valve or curb stop is intended for the use of the District and controlling the use of water through the service connection and or meter. If such curb stop, valve block, or seal of the District is damaged by the customer, the District has the right to charge the customer for such replacement.

Should the District have cause to terminate service to the premises, such will normally be done by placement of a District block on the water meter. Should the customer damage or remove the lock without approval of the District, the District may elect to remove the meter and or shut off the service at the water main. The owner of the premises will then be financially responsible for the cost of damages and legal action may be taken.

For convenience and safety, the customers pipes should have a hand operable valve placed at some known and accessible location between the meter and the building to control the supply to the building which should be placed at the same time a building or dwelling unit is constructed.

SECTION 10: ENGINEERING SERVICE CONNECTION AT TIME OF RENEWAL

When the District replaces the service connection in advance of paving or for any other reason. Such service connection may be enlarged upon the customer's request and at his expense. The District's estimated cost of which shall constitute an estimate or bid by the District's contractor of choice.

SECTION 11: MAITENENCE OF SERVICE CONNECTIONS, METERS, DETECTOR CHECK VALVES, AND HOUSINGS

Upon completion by the applicant's contractor, and acceptance by the district, all service connections, water meters, detectors, check valves, and housings from the main to the meter to the dwelling will be maintained by the owner.

SECTION 12: CUTTING, REFILLING, RAISING, LOWERING, OR RELOCATING WATER SERVICE CONNECTIONS, MAINS, ECT.

Any person, firm, or corporation making improvements or changes, including road repairs, necessitating the cutting, refitting, raising, lowering, or relocating of service connections, water mains, fire hydrants, meters, valves, or other parts of the water system shall identify. The District for all costs incurred by it in making such changes.

SECTION 13: NON-REFUND FOR SALVALGE VALUE OF WATER SYSTEM FACILITIES UPON DISCONNECTION AND ABANDONMENT

When any water system facilities, including meters and service connections, are disconnected and abandoned and recovered by the District. There is no refund nor any salvage value of said materials and apparatuses.

SECTION 14: SETTING OF METERS

The District will have authority of installation of meters unless installation by the applicant's contractor is authorized by the district.

For those installations made by private contractors on behalf of the applicant, the district has the right to require all construction plans for approval prior to the work start date.

SECTION 15: OWNERSHIP OF FACILITIES

The District is the owner of all meters and apparatuses incidental thereto. The facilities located downstream of the customer valve, including a post indicator valve and outside of the meter box or vault, are owned by and the responsibility of the customer to maintain or repair.

SECTION 16: CHARGE FOR SUBSTITUTION OF LARGER METER FOR DOMESTIC SERVICE

When an existing service connection is to be disconnected and removed from service and the meter thereon is recovered as part of responding to the customer's request. For a larger service connection and meter, the cost of a larger service, connection and meter shall follow the rules as prescribed elsewhere herein.

For a new service and meter, there is no salvage value of the recovered meter and fittings. At the option of the District, the applicant may be required to arrange for the installation of the larger service connection and meter by a private contractor

all at the expense of the applicant, including paying any applicable charges of the District and must be approved by the District prior to the construction start date.

SECTION 17: SUBSTITUTION OF SMALLER METER TO REDUCE MONTHLY MINIMUM CHARGE

When substitution of a smaller meter is requested by the customer to reduce the monthly minimum charge. Such a substitute will be made at the owner's expense. Smaller meters shall not exceed its rated capacity, and provided also that such capacity conforms with the requirements of the plumbing code, no credit for a larger meter, so removal will be allowed.

The allowable change in meter size shall not be less than 1 meter size smaller than the customer's house line size, except that in no case shall the meter size be reduced below the size determined by the application of rules in the mechanical or plumbing code.

If any changes are made with the District subsequent to the installation of a meter of the given size that will alter the service given or billing charges levied based on meter size, the customer shall be notified.

Billing of the customer's account will be on the less expensive service charge for the billing cycles following the District's receipt and approval of the customer's written application, regardless of whether their water meter has actually been physically exchanged or not by the District.

All requests for substitution of a smaller meter pursuant to this rule shall be in writing from the customer to the District by completing the required form "substitution for smaller size meter".

SECTION 18: REASON FOR FIRST METER OF SUBSTITUTED METER NOMENCLATURE

When a person becomes responsible for the payment of water bills for any premises served, the meter at that date installed or continued the service connection is in this rule designated as the "first meter" and any other meter installed on the same service connection to serve the same premises in substitution for a meter damaged in service is herein designated as "Any substituted meter".

SECTION 19: WATER SHUT-OFF NOTICE FOR METER REPLACEMENT

When a meter is replaced, a notice will be left on the premises notifying the consumer that the water is being shut off for work on the water meter.

SECTION 20: METER LOCATION AND CHANGE THEROF

When the location of a meter and or service is changed at the request of the owner of a premises, the cost of making such a change will be charged to the owner.

The location of a water meter for the new service of a relocated meter shall meet with the approval of the District. Where the owner of a premises makes any physical changes to his premises which result in the meter and service connection remaining at a location not acceptable to District standards, the District will either relocate the meter and service connection to an approved location at the expense of the owner or require the owner to relocate the meter and service connection at his expense and according to District standards. Including paying any applicable District charges.

When the District discovers that the owner has made changes in the location of the meter and or service connection without prior District approval, the District will require the owner to expose by excavation at his expense, all facilities from the meter to the main. The District will require the customer/owner to remove at his expense any facilities installed and or changes to the existing facilities which do not meet district specification standards.

SECTION 21: CUSTOMER ORDER FORM

No charge will be made for the mere turning on of the water supply upon opening of a new account for any kind of a service. A form of application provided by the District must be signed by the applicant. Such application shall be known as “water meter connection application” and shall contain the following provisions;

Applicants shall agree to accept the services applied for subject to the rules and regulations of the District, and to pay therefore at regular rates. Should the applicant subsequently cancel one or more of the items of service, such cancellation shall not change the effective terms of his application in respect to the remaining item or items of service. When a customer applicant has requested water

service to be initiated (TURNED ON) or discontinued (TURNED OFF), the District requires at least one working day advance notice.

The provisions of the application obligating the applicant to accept and pay for service shall remain in force until said notice is given and the customer is obligated to pay bills on the future date of receipt of said notice by the District.

Applicant shall further agree to assume all liability for any damage occurring on the premises served or elsewhere by reason of open faucets, faulty fixtures, or broken pipes at or after this time when the service is turned on, whether or not at the time of turn on there was a responsible person on the premises. Whenever there is a change in customer status through a change in ownership or tendency of the premises, the District shall be notified.

The customer order form will be furnished by the District to the new customer or the customer's agent or representative for the customer, if not the owner, to obtain the owner's signature. Should there not be a valid customer order form on file with the district, water service to the premises may be subject to discontinuance at the option of the District.

Service may be denied for a new application if he fails or refuses to provide necessary billing information such as the name of the previous owner, realtor or broker handling the transaction, or some responsible party who has managed or will manage the property, usually by form of Close of Escrow. Should the owner of the premises be designated by the customer order form at any time that the water bill is to be delivered to any other address, the District will endeavor to do so as of the next bill.

The customer order form, when filed with the District, is to be accompanied by a document verifying proof of ownership of the premises by the owner who signed the form. Should such document not be readily available, the District will accept temporarily in lieu a letter from a bank or escrow service company stating the name of the owner and the date ownership began. The property ownership document will then be filed with the District within 60 days, or the water service will be subject to discontinuance thereafter without further notice.

The proof of ownership documents shall be in the form of an acceptable title document. Should the District not receive the customer order form and the ownership verification document within the time period allowed, the District may

initiate service termination proceedings, including requiring payment of the reconnection and restoration charge with no further notice.

SECTION 22: USE OF WATER WITHOUT REGULAR APPLICATION FOR SERVICE

Any person, firm, or corporation taking possession of the premises where the water supply has been shut off must make a proper application to the district to have the water supply turned on. In the event the customer turns on the water supply or causes it to be turned on without first having made such application, will be held liable for all charges for the water service rendered, the amount thereof to be determined at the election of the District, either by the meter reading or on the basis of the estimated consumption for the length of time service was received by the customer without proper application.

SECTION 23: USE OF WATER WITHOUT PROPER APPLICATION FOR SERVICE

When the District finds that water is being used without proper application, including proper and valid documentation, the customer will be notified. And if application for such service is not made promptly thereafter, and the District immediately compensated for water already used, the supply will be shut off without further notice.

SECTION 24: DISCONTINUANCE OF WATER SERVICE

No charge will be made for shutting off the water supply or for reading the meter upon closing of the account. The District will, upon being notified by the customer to render a closing bill, endeavor to read the meter on the requested date. The water service will be discontinued upon the reading of the meter for a closing bill. Should a request for water service from a subsequent customer be received and be on file with the District the service will remain on.

SECTION 25: BILL RECIPIENT UNTIL DISCONTINUANCE OF WATER SERVICE

When a customer makes an application for water service for a specified premises, the bills for water service on such premises may continue to be rendered to such customer until he orders the service to such premises discontinued in writing.

SECTION 26: READING OF METER AND BILLING

Under ordinary conditions, the District will endeavor to read each continuous service meter monthly on approximately the same date of the month and a bill thereupon rendered showing the period covered by the meter reading, the amount of water used, and the total charges for the service rendered. Notice may be given by the District if large or unusual meter registration occurs, and upon request by the customer, the district will endeavor without charge to determine the cause of such large or unusual meter registration.

SECTION 27: MINIMUM WATER RATES

For a single dwelling under one meter 30,000 gallons a month will be allotted at a rate of \$60.

For a double unit dwelling under one meter 45,000 gallons a month will be allotted at a rate of \$75.

Overage rates for both will be \$1 per every 1,000 over the allotment.

The monthly meter fee is an additional \$20.

Yearly Vacant Land Stand-By charges are \$70.

All rates are subject to change with inflation and or meter or pressure size changes.

SECTION 28: BILLING FOR OUT-OF-ORDER METERS

If the meter is found to be out of order by the District, the charge for water will be based at the option of the District, either on the average for the comparable cycle for immediate prior years not to exceed three years, or on the pattern of consumption for the prior three billing cycles, or on the average consumption for a similar premises In the same cycle or comparable cycles.

SECTION 29: WATER METERS IN ACCESSIBLE LOCATIONS

When the meter is temporarily covered so that it cannot be read, an average bill or series of average bills will be rendered and the accumulated errors, if any in such average bill(s) will be adjusted when the meter is first read thereafter.

The District will determine the location for each new water meter installation in cooperation with the Application for water service subject to the meter being installed:

In a public way or in a water pipeline easement owned by the district, or in an easement dedicated to the district and in an accessible protected location so that it can be read easily and maintained.

Where a meter has existed for five years or more in an accessible location on private property without the customer objection to the location during that, it shall be deemed that the district has perfected a perspective right to the use of occupied area for the meter.

Should the customer take any actions such as fencing the meter so as to reduce the District's accessibility thereto, the District may move the meter to a more accessible location at the customer's expense. The charge therefore to the customer will be on the basis of an estimate of the cost. Should the customer not pay the charges within 30 days of being billed, therefore, the District may discontinue water service to the premises at any time after seven days' written notice to the customer.

SECTION 30: BILLING TO OWNERS AND APPLICANTS

Unless the applicant for water services specifies otherwise to the District, all bills would be mailed to him at the same address to which the water service is furnished.

The District may, at its option and upon written request of the owner where the bill is designated, to be sent to a single tenant or an agent at an address different than the owner's address, may send to the owner a duplicate copy of any bills for the premises. Upon written request by the applicant or customer, the District will render up to triplicate billing for an account on a regular basis until notified to do otherwise.

SECTION 31: METER TESTS, CHANGES, AND RANGE OF ACCURACY

If a customer requests a test to be made of the accuracy of the water meter serving his premises, the district will make such tests at no cost to the customer unless such meter has been installed and or tested during the previous 12-month period.

If a customer requests a second test during any 12-month period and the first Test shows the meter to be registering the flow of water within the acceptable range of accuracy and the second test also shows the meter to be operating within the

acceptable range of accuracy, then said customer may be charged payable within 90 days after the second test.

Should the first or second test show the meter to be operating to be registering outside of the range of acceptable accuracy, no charge will be made to the customer.

In the event a water meter is exchanged at the request of the customer and the replaced meter is tested and found to be operating within accepted standards of accuracy as established in the standards of the American Water Works Association, no adjustment of the billing accrued prior to the date of installing the new meter will be made.

SECTION 32: PAYMENT OF WATER BILLS

All monthly bills for service through meters shall be due and payable upon presentation and shall become delinquent 30 days after the bill date and subject to a late fee.

SECTION 33: NOTICE FOR DELINQUENT WATER BILL

If any bill should be allowed to become delinquent, the water service may be discontinued without notice. The District may deny water service to an applicant. Should the applicant have a delinquent bill outstanding for this account or another account in this or another District.

SECTION 34: PROPERTY OWNER'S ULTIMATE RESPONSIBILITY FOR WATER BILL OR PROOF OF DEED TRANSFERENCE

Water bills may be addressed in the name of the property owner or the other person in possession of the property served or the applicant for water service. The addressee of the Water Bill shall be primarily responsible for payment thereof, but the District reserves the right to hold the property owner ultimately liable for water service furnished to the premises subsequent to the date of purchase by the owner.

All water bills sent to a tenant, lessee, or a person buying the property on term contract shall remain ultimately the owner's responsibility. Should the property under contract go into foreclosure, or should said contract be returned to the owner, such water bills shall ultimately remain the owner's responsibility.

"Date of purchase" will be defined as being the date of document transferring title to a parcel of property from the prior owner to a new owner. Date of closure of

escrow for transferring of title to a premises may be accepted by the District in lieu of the date of purchase. Changes in the name and reorganization of the companies owning property shall not be considered as being a change in ownership.

All Water bills incurred by the premises prior to a date of purchase shall not be the responsibility of the owner of the premises subsequent to the date of purchase.

SECTION 35: BILL FORM AND DELIVERY OF DELIQUENT NOTICES

The form of a bill shall be as prescribed by the District. Delinquent notices may be presented in sealed envelopes by first class mail to tenant and owner.

SECTION 36: BILLING INSTRUCTION AS TO LATE PAYMENT CHARGES ON SHUT-OFF NOTICES ON DELIQUENT ACCOUNTS

To bill a customer for water service. The district will render in writing a bill called a “water bill” or “invoice”. If payment of the water bill is not received by the District within 30 calendar days after the bill date of the bill will be considered to be delinquent and subject to a late fee.

Should the water bill become delinquent, the District will require payment of the full bill and may initiate termination of the service. Should service be discontinued, the District will not reinstate the water service until the full amount has been paid, including the applicable reconnection and restoration charge.

Should the District turn off a meter because of non-payment of a delinquent water bill or lack of proper application, the District is not responsible for damage to the customer’s premises that may result from service being discontinued. Should the water bill become delinquent, a final notice will be rendered which will be for the total amount due.

Water service may be discontinued on or any time after the date indicated on the final notice if the bill remains unpaid. Service may even be discontinued for nonpayment or other non-emergency conditions on Fridays, Saturdays, Sundays, holidays or the workday prior to a midweek holiday. Once a final notice has been issued, it is the responsibility of the owner or payer to assure payment is received by the District before the shut off date indicated in the final notice to avoid any discontinuance of water use regardless of the tenant neglecting said bill.

The District will endeavor but does not guarantee to restore service to accounts that have been shut off for non-compliance with the rules in the same business day,

provided the district requirements, IE payment of a delinquent account, have been satisfactorily completed in the district office by 3:00 PM of that business day.

If payment has not been received within the 30-day period, the bill may be subject to a late payment charge. The late payment charge is to defray the District's expense of taking the additional action to collect the water bill. Additional action may be both field and office action to collect the unpaid bill, or maybe office action only. Field action is defined as the effort made by field or office personnel to collect the bill.

The late payment charge may be collected at the time of additional action on the unpaid bill or will be added to the next water bill rendered to the customer. The late payment charge may be waived by the District, the basis for such being due to a change of ownership, tenancy, delayed receipt of payment beyond control of the customer, or the irregular presentation of the bill by the district, any of which may be determined by the District.

The District does not assume liability for the failure of the customer to receive or to understand the bills and notices rendered pursuant to this rule. Nor is any liability assumed for damage that may be done to the customer's premises because the water service thereto was discontinued because of the customer's nonpayment of the water bill. Also, no liability is assumed by the District where the customer has paid on the delinquent bill such that the District restores service to the customer's premises and damage may be done there too at the time of turn on. No liability is assumed by the district for damage done to a customer's premises when the District then turns the water on.

Where the service has been turned off, locked, discontinued or disconnected for violation of these rules and regulations for nonpayment of the water service bill, the District shall charge for the reconnection and restoration of service. The applicable restoration charge must be paid in full before the service is restored.

SECTION 37: OVERPAYMENT OF WATER BILLS

In the event of a payment being made by a customer in excess of the billed amount, the district will credit the amount of overpayment thereof upon the water bill next to ensuing after the District becomes aware of the overpayment to the premises in the name of the customer having made the payment.

SECTION 38: METER READ ERROR AND ADJUSTMENT

Adjustment may be made on water billing charges when subsequent meter readings or an analysis of the prior reading appears to indicate that the meter was previously read in error. Also, upon the customer's verified statement, a correction may be made as to previous opening or closing of billing date.

SECTION 39: BILLING UNIT ERROR ADJUSTMENT

Adjustments may be made on water billing charges when it is verified by the District that an error has been made in the number of billing units. It will not be required that the adjustment be retroactive for more than 12 months prior to the billing cycle during which the error was discovered.

SECTION 40: ERRONEOUS BILLING CHARGE ADJUSTMENT

If, due to any error or oversight, no billing charge or an Erroneous billing charge was made for water service furnished by a District, adjustments may be made by computing a corrected bill based on consumption as registered by the meter since the last reading and billing, estimated consumption on the premises, or consumption as registered by a meter.

The adjustments may include correction of the bill where the customer was billed on the incorrect billing schedule.

Erroneous billing may include lowering or raising of the original water billing. Adjustments may be made on water billing charges when it is verified by the District that an error has been made in the application of the water rate schedule for computing a water bill. Adjustments may be made retroactive for a period not to exceed 12 months from the time at which the error was discovered. The District will not pay interest on credit amounts, which are the result of retroactive adjustments due to incorrect billing. Should there have been several customers taking water service at the account for the period of the incorrect billings, the adjustment should only be made applicable to the period of the current customer. Not unless the adjustment represents a credit, then the District will endeavor to pay, respectively, the credit to several customers. However, the District shall be under no obligation to do so.

SECTION 41: NO ALLOWANCE FOR ON-SITE LEAKS

The District does not allow for any billing adjustments for water leaks that occur on the privately owned plumbing on the commercial customers' premises unless justified and approved by an officer of the District.

SECTION 42: OLD METER READING UPON REPLACEMENT

In the event the District replaces a meter with another meter for any reason, a water bill may be prepared on the base of consumption as registered by the prior meter from the date of the last regular meter reading until the date of removal plus the consumption registered by the present meter from the date of installation to the next regular meter reading date.

SECTION 43: FINANCE CHARGE ON UNPAID DELINQUENT WATER SERVICE BILLING

Should the District find, upon billing of the customer, that there is an unpaid delinquent balance on the account from a prior regular bill, the District may, in addition to all other herein, stated late payment and reconnection charges, apply an additional finance charge.

SECTION 44: CHARGE FOR DAMAGING METER, METER LOCK, METER SEAL, CURB STOP, VALVE, OR OTHER APPURTUANT FACILITY

Should a customer or other persons representing for a customer damage a meter, meter lock, seal, curb, curb, stop, valve, or other opportunity facility of the district, the district may elect to charge the customer for the repair or replacement of the damaged facility, to be at the cost of the repair.

Should the party causing the damage to be a customer of the district, the district may withhold further water service until the amount of the repair is paid or payment is assured by the customer or owner of the premises if the customer is not the owner, the charge will be made on an estimate of costs.

SECTION 45: CHARGE FOR REINSTALLING REMOVED METER AND/OR SERVICE CONNECTION WHEN SERVICE DISCONTINUED FOR NON-PAYMENT OF BILL

Where the District has had to remove the meter to discontinue service for non-payment of the bill by the customer, the District will reinstall the meter upon

payment of the appropriate charge. Should the district have to terminate service by disconnection of the service connection at the water main, there shall be a charge from the customer to reconnect the service. The charge is to be made based on an estimate of the cost of the work.

SECTION 46: TEMPORARY COURTESY TURN ON

The District will, at no direct charge to the customer account, turn on water service during your regular workday between 9:00 AM and 3:00 PM for the purposes of walkthrough inspection, providing there are no delinquent water bills and providing the District has received at least a 48-hour advance notice. The turn on will only be done at the request of the owner and or the owner's agent. The water service will only be left on for the time period of 9:00 AM to 3:00 PM in a single working day unless approval by an officer is received.

SECTION 47: SHUTTING OFF WATER SUPPLY FOR EMERGENCY REPAIRS OR FOR CHANGES, ECT, IN OR AFFECTING THE DISTRIBUTION SYSTEM

The District reserves the right, at any and all times to shut off the water for the repairing, extending, testing, maintaining, or replacing of water system facilities, including water mains, fire hydrants, water service connections, water meters, detector valves, or any other appurtenances.

SECTION 48: NOTICE OF SHUT OFF OF WATER SUPPLY

When the water supply is to be shut off for any of the above reasons, the District will make a reasonable effort to deliver a notice of the shutoff to the customer or to some responsible, interested person on the premises, but it does not assume liability for failure of the customer to receive or to understand such notice.

SECTION 49: PRESSURE, WATER SUPPLY CONTINUITY AND CUSTOMER'S WATER STORAGE FOR EMERGENCIES

The District will not be responsible for the maintenance of pressure, nor for the continuity of water supply, and the consumers dependent upon a continuous water supply should provide adequate storage for emergencies. Customers having water heaters or any other devices requiring a continuous water supply should take all necessary steps to prevent damage to or the causing of injury by such devices because of shutting off the water supply.

SECTION 50: UNCOLLECTIBLE BILLS

Delinquent, regular and closing bills for a premise where the ownership of the premises has subsequently changed, found to be uncollectible by the District, may be written off by the district as uncollectible. Before writing off uncollectible bills, the District will make a reasonable effort to collect the bill. For such accounts, the customer's name will be retained in the files of the Waterworks District. Should that party apply for water service subsequently, the District will then require payment of the unpaid bill.

SECTION 51: REFUSAL OF WATER SERVICE FOR NON-PAYMENT OF DELIQUENT WATER BILLS AND CHARGES

A new water service or renewal of a previously discontinued service may be refused by the District if the applicant owes delinquent water bills for any property served by the District. Upon making the delinquent payment plus any applicable charges for the bill being delinquent, service will then be provided to the applicant.

SECTION 52: COLLECTION ACTION UNDER CONDITIONS OF BANKRUPTCY, RECEIVERSHIP OR FORECLOSURE

Regular procedures of billing and collecting of water bills would be performed pertaining to property that may be in bankruptcy or receivership or undergoing foreclosure. If the service becomes subject to shut off due to non-payment of the bill collection, action will proceed as usual against the current owner or tenant, with the service being discontinued for nonpayment.

The service will be restored only upon receipt of payment of the delinquent bill and any applicable charges for the bill being delinquent. Payment will be accepted from the current owner or customer, or payer designated by the owner. The payment will also be accepted from the party foreclosing or the present tenants, provided such parties pay the entire amount of the unpaid bill and agree to pay any subsequent bills that may be incurred on the premises until the foreclosure is completed and title to the premises is transferred to a new owner by execution of a title change document.

SECTION 53: FORCED EVICTION OF TENANT OR LESSEE

The water service will not be turned off at the request of anyone solely for the purpose of forcing eviction of the tenant or lessee.

The water service will not be turned off at the request of the owner when the water bill account is current, but there is evidence that the premises is being occupied.

Water service will not be turned off at the request of local government agencies for the purpose of enforcing agency codes or purposes related thereto.

In those situations where an owner has allowed a bill to become delinquent and the premise is subject to discontinuance of water service, the District will allow the occupants of the premises to pay the bill in full to avoid shutoff.

SECTION 54: DAMAGE THROUGH LEAKING PIPES OR FIXTURE ON THE PREMISES SERVED

The District's control and responsibility end at the curb stop shut off or meter, and the District will in no case be liable for any damage caused by or in any way arising out of the running or escape of water from open faucets, burst pipes or faulty fixtures on the premises.

SECTION 55: ANGLE STOP TYPE CONTROL OR WHEEL OPERATED VALVE

Every service connection is equipped with an Angle stop type control valve on the inlet side of the meter, which may be used in emergencies by the customer when necessary to shut off the water supply for the entire premises. Upon receipt of oral or written requests, the District will, without charge, shut off the control valve for emergency purposes upon the understanding that the customer will turn on the water after repairs have been made. The District will endeavor to respond promptly to such oral or written requests received for action during the working day of district personnel. However, for such requests received during the non-working hours, the District will only respond when personnel and equipment are available to do so.

Beginning with all new and renewal Water Meter installations after September 1st, 1968, the outlet side of the water meter will be equipped with a hand wheel or lever operated valve for use of the customer to shut off the service to his premises.

SECTION 56: TAMPERING WITH DISTRICT PROPERTY

No person other than an authorized District employee shall, at any time or in any manner, operate or cause to be operated any valve in or connected with a water main, service connection or fire hydrant, or tamper or otherwise interfere with any water meter, detector, check valve, or other part of the water system.

SECTION 57: DAMAGE CHARGE FOR TAMPERING WITH DISTRICT PROPERTY

In the event a person, firm, or corporation for any reason digs out or uncovers a curb, lock, or wheel or level valve controlling a water supply or lifts or removes a meter cover or its centerpiece or causes any such act to be done, such person, firm, or corporation will be held liable for any injury or damage occasioned thereby resulting therefrom.

If any damage arises from tampering with any of the aforementioned equipment, a charge of not less than the amount of repairing the damage, including replacement costs of materials, will incur.

SECTION 58: WATER SERVICE PRESSURE

The customer may install, at his expense, pressure regulation equipment on his side of the meter to regulate the water pressure for his convenience, in addition to any equipment installed by the District. However, no such installations by the customer will be permitted within the District's water meter box.

SECTION 59: REMOVAL OF METER AND PAYMENT OR CHARGES OWING

Should the District have had to remove the meter to a premises for nonpayment of the water bill, the district may, before reinstallation of the meter, require payment of any owing, applicable amounts of the account, and may charge the customer for reinstallation of the water meter. The customer shall then (if not already done) complete and file a customer order form.

SECTION 60: THEFT OF WATER

Pursuant to County Urgency Ordinance #88-0130U. No person, company, corporation, or other agency shall take water from the District's water system without first obtaining permission to take water from the District's engineer or authorized representative and making payment for applicable processing and water supply charges of the District. For purposes of enforcement of this rule, no more than one violation per 12-month period per point of access to the District's water supply system will be deemed a violation of this rule.

SECTION 61: ISSUANCE OF CITATIONS

District employees designated by the Board of Directors shall be authorized to issue citations to individuals violating the District's regulations or ordinances. Such citations shall be personally served upon the person violating the regulations or ordinances of the District, or upon any employee, agent, representative thereof, and shall specify the regulation or ordinances violated, the dates of violation, the date of service citation, the person issuing citation, and the person receiving the citation.

SECTION 62: ATTORNEY/ COLLECTION FEES

To the extent allowed under applicable law, should it become necessary for the district to employ an attorney to enforce any of the rules, regulations, bylaws, contracts, or collection of costs, the prevailing party shall be responsible of all costs to the other.

ARTICLE XVI

LOCAL SYSTEM IMPROVEMENT CHARGES

SECTION 1: CHARGES, NO EXISTING LOCAL SYSTEM

As a prerequisite to the receiving water service for each subdivision or parcel of land, the owner shall furnish and install the necessary local system improvements in accordance with plans and specifications prepared by or approved by the District or at the District's option. He may be charged for said improvements and paid to the District; the cost thereof computed at the rates.

SECTION 2: CHARGES, EXISTING LOCAL SYSTEM

Where an existing District water main fronts a parcel of land, not heretofore receiving water service a local system improvement charge shall apply, which must be paid before the water service is provided and also where a previously served parcel of land which had been developed for land use less than the allowed land use at said parcel and now said parcel is being redeveloped to the allowed land use level. The District shall make a local system improvement charge, with an exemption made for the previous land use level, which was less than the allowed land use.

ARTICLE XVII

TIME PAYMENTS FOR WATER SERVICE BILLING

Should the District find a reasonable basis exists to allow a customer to make time payments for an overdue account for water service, the District may do so upon written commitment by the customer to pay the overdue amount within a period of three to 12 months as determined by the District, and to pay in addition to the regular service billings during that time period in a timely manner. His written commitment shall be known as a “payment agreement” and must be signed by the owner of the premises. When the bill is in the tenant’s name, the payment agreement must be signed by both the owner and the tenant.

Should the customer not keep to the payment schedule set forth by the District and the payment agreement, the District will discontinue the water service without further notice thereafter. The customer must make full payment of all outstanding amounts before the water service is restored.

Time payment arrangements may not be allowed for any customer who has filed for bankruptcy, has been shut off for non-payment within the past two years, has paid a water bill with a check that has been returned by the bank for non-sufficient funds, has defaulted on previous payment arrangement, or is the occupant of a premises for which the water bill is in the name of and being sent to the owner.

Time payment arrangements can be made only on accounts with the billing status of “open”.

The District reserves the right to determine and establish the details on all payment agreements.

ARTICLE XVIII

INSPECTION OF PRIVATE CONTRACT WORK

SECTION 1: INSPECTION OF PRIVATE CONTRACT WORK

All construction work done by a private contract by an applicant, developer, or subdivider shall be inspected by the District before and during the construction to be considered for acceptance by the District.

The inspection of this work may be done by the District at cost to be paid by the applicant, developer, or subdivider. The District requires that the applicant pay the

inspection cost in full to the District prior to the start of any construction work. The inspection charge shall be based on the estimate of costs prepared by the District.

SECTION 2: TEMPORARY AND PERMANENT WATER SERVICE

Any water service rendered to a premises prior to full payment of all District charges, satisfaction of the District requirements and completion of any required private contract worked by an applicant, developer, or subdivider is subject to a discontinuance. The district will provide permanent water service to a premises upon all District charges having been paid, all requirements of the District having been complied with, and any private contract work having been completed and accepted by the District, including the obtaining of any needed easements or permits in favor of the District by the applicant, developer, or subdivider. Should the water system improvements required of the applicant, developer, or owner by the District not be completed and in service by the time occupancy is to have taken premises, the District may initiate water service termination proceedings.

ARTICLE XIX

RETURNED CHECKS

When payment by check is made to the District for water service or other services rendered or to be rendered and the check is returned from the bank to the District uncashed because of the lack of funds in the account of the payer or other reasons, there will be a charge for the check so returned to be determined by the District. Should the district receive a return check, the District may initiate water service termination proceedings, including requiring payment of the reconnection restoration charge.

Pursuant to section 1719 of the State of California Civil Code, the District may, in addition to all other charges and after the payer has been given written notice by certified mail and given 30 days thereafter in which to repay the return check, add a damage charge of trouble and the amount owing, but in no case less than \$100 and in no case more than \$500.

ARTICLE XX

DOMESTIC, COMMERCIAL, INDUSTRIAL, AND AGRICULTURAL WATER USE AND CONSTRUCTION SERVICES

SECTION 1: CONTRIBUTING FACTORS NEEDED FOR ADJUSTING WATER RATE

The District may, after an evaluation of fixed costs and expenses which routinely affect the operating costs of the District, administratively adjust the water rate schedule to reflect any changes in these costs and expenses.

Annually on or around July 1st, an officer shall review said fixed costs and adjust the District's water rate schedule to compensate for changes in operating costs as affected thereby. The adjusted rate shall be effective approximately 30 days after making the review and notifying the District's customers of the new schedule. The routine fixed costs and expenses are defined as follows; Cost of water purchased, cost of electrical energy, and other fuels, salary and wages, overhead costs, and any cost applied by the County of Los Angeles.

SECTION 2: LOCAL SYSTEM IMPROVEMENT CHARGE, WATER MAIN EXTENSION

All water main extensions shall be made at a charge to the applicant based on an engineering estimate of costs, or at the option of the District, the applicant may be required to arrange the installation of the extension by private contractor all at the expense of the applicant, including paying any applicable charges of the District. Credits may apply against the capital improvement charge for the value of the off-site portion of the water main and the value of the excess capacity of the water main at the option of the District.

SECTION 3: WATER SYSTEM ENGINEERING CHARGES

For the District to prepare plans and specifications of water mains and opportunities for the installation in the District by either a developer or by the District, at the expense of a developer in which facilities will become the property of the District. Upon completion of the installation, the charges shall be based on an engineering estimate of cost prepared by the District. The engineering charges must be paid by the developer prior to the start of plan and specifications preparation work by the District. The charges stated here do not include application processing for the installation of service connections and meters with the water

main. The service connection and meter installation work can only be included upon proper application and payment of the charges. Plans and specifications will be in a form for the developers' use and arranging for construction of water mains and appurtenances. Bidding documents and construction contract forms are not included. If needed by the developer these letter documents and forms must be provided by the developer and inserted by him in the set of plans and specifications.

For the District to check plans and specifications, review and process the environmental materials for the installation of water mains and appurtenances, including fire hydrant services, connections in the District, which plans specifications and materials prepared by an engineer retained by the developer and which facilities will become the property of the District upon completion of the installation, the charge shall be based on an estimate of cost prepared by the District.

For the District to inspect installation of water mains and appurtenances, including fire hydrant installations with the mains and where the installation work is being done by a contractor retained by the developer, the developer is to pay the cost thereof.

For the District to prepare and process the plans, specifications, and environmental materials for construction of waterwork facilities. Such as fire hydrant installations only, pumping plants, and reservoirs the charge shall be the estimated construction cost thereof.

For the District to check the plans and specifications and review the process of environmental materials for the construction of waterwork facilities such as fire hydrant installations only, pumping plants, and reservoirs, which plans were prepared by an engineer retained by a developer, the charge shall be based on an engineering estimate of costs prepared by the District.

For the district to inspect the construction of waterwork facilities other than water mains, the applicant is to pay the cost thereof.

All charges given are dependent on the developer furnishing to the District engineering plans for grading of roads in the development and for installation of other utilities and all substructures in the roads and providing all surveying.

For the District to review geological information and reports prepared for and submitted by the developer, there shall be a charge based on the engineering estimate of cost prepared by the District.

SECTION 4: RIGHT-OF-WAY CHARGES

For the District to process documents for the right-of-way, IE water pipeline easements needed for water main and appurtenances installations, and for quitclaiming of no longer needed easements when requested, including making title searches, preparing easement forms, approving the signed document, and recording the document, the charge is to be determined by individual circumstance.

The developer applicant is responsible for providing the legal description and a preliminary title report when the District elects to only require a dedication document grant of an easement of the charges to be decided by individual circumstance.

SECTION 5: INTERCONNECTION CHARGES

The District will supervise interconnections between the existing water system of the District and the addition to the system with the same procedure as any other construction mentioned in these rules and regulations for approval before start of construction begins.

THE ENTIRETY OF THESE BYLAWS HAVE BEEN REVIEWED, ACCEPTED,
AND WHERE NECCESARY REVISED BY THE BOARD MEMBERS OF
REESEDALE MUTUAL WATER COMPANY. A COPY OF THE ORIGIONAL
BYLAWS HAS BEEN KEPT FOR RECORDS. THESE BYLAWS WILL BE
REVIEWED FOR AMENDMENTS AND UPDATES WHERE DEEMED
NECESSARY.

BOARD MEMBERS OF REESEDALE MUTUAL WATER COMPANY

PRESIDENT – CHRISTOPHER COLEAL

VICE PRESIDENT- JOHN NORMAN

SECRETARY/TREASURER- KRISTY WILLIAMS