

MADERA VALLEY WATER COMPANY

SHAREHOLDER INFORMATION

November 2024

SHAREHOLDER INFORMATION

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MADERA VALLEY WATER COMPANY

18454 ROAD 26, MADERA, CALIFORNIA 93638-0299

OFFICE (559) 674 -2407 • FAX (559) 674-3633

WEB [WWW.MADERAVALLEYWATER.COM](http://www.maderavalleywater.com) • EMAIL [MADERAVALLEYWATER@MVWC.NET](mailto:maderavalleywater@mvwc.net)

OFFICE INFORMATION

Madera Valley Water Company
18454 Road 26
Madera, CA. 93638-0299

Phone: (559) 674-2407
Fax: (559)674-3633
e-mail: maderavalleywater@mvwc.net
www.maderavalleywater.com

Office Hours are Monday through Friday 8:00 am to 5:00 pm.
The after hours answering service can be reached at the regular office phone number.
There is a payment drop slot in front of the office.

BOARD OF DIRECTORS

Mike Dinis
Randy Huckabay (Chairman of the Board)
Greg Potter
Joseph Rios
Lynda Schafhauser

CORPORATE OFFICERS

Lynda Schafhauser President
Carolyn Cervantez Secretary

PAID STAFF

Gregory E. Rodgers General Manager
Carol Cervantez Office Manager
Christina Huerta Office Assistant
Victoria Soria Office Assistant
Rodney E. Smith Maintenance Superintendent
Michael Smith Maintenance Lead Person
Josue Martinez Maintenance Person

"Water conservation saves \$ and resources!"

WELCOME TO MADERA VALLEY WATER COMPANY

Welcome to our growing community. As a property owner, you now own one share in this mutual water corporation which entitles you to water service on your lot. The share, which is appurtenant to the title of property in the Madera Valley Water Company service area, passes from landowner to landowner automatically. When you purchased your lot, you should have received a stock certificate which the seller signed over to you. If you did not receive this, please contact our office and we will help you acquire a stock certificate. The stock certificate should be kept with your title papers as it is an important legal document.

All shareholders of Madera Valley Water Company are responsible for payment of all charges, assessments, penalties, etc., levied by the Madera Valley Water Company Board of Directors in order to operate the company and maintain its facilities. We sincerely hope you will take an active interest in your water company.

The information in this booklet has been compiled for your benefit as a shareholder and consumer of water from this mutual benefit nonprofit corporation. Please read it carefully and save it for future reference. All monies are put back into the water system by way of replacing existing facilities, additions to the system (i.e., drilling of new wells), administration of the company, and everyday expenses (i.e., power, supplies, insurance, maintenance, etc.).

Regular meetings of the Board of Directors are held at the business office at 18454 Road 26 on the Wednesday immediately following the first Monday of each month. If the day so designated is a legal holiday, the regular meeting will be held on the day after the holiday. The meetings begin at 6 p.m. and all shareholders are encouraged to attend.

At the request of members of the Board or the President, staff meetings may be called at any time.

If you have any questions, please feel free to call the office between 8 a.m. and 5 p.m., Monday through Friday, at (559) 674-2407. For emergencies, we have a 24-hour answering service for your convenience.

BRIEF HISTORY OF MADERA VALLEY WATER COMPANY

Madera Valley Water Company was incorporated November 30, 1956 in the state of California and was managed by Rusco Industries in Los Angeles. Any shareholder who had improved his property by building a residence on it did not pay for water until July 1977.

At that time, Rusco Industries appointed the largest stockholder of the company, Mr. Alfred Cane, to its Board of Directors. They had depreciated the value of Madera Valley Water Company and had no use for it any longer. All the Los Angeles members of the Board of Directors then resigned, leaving the company in the hands of Mr. Cane.

Mr. Cane appointed Mr. Herman Kophoff and Mr. M. Rader Roberts to the Board of Directors. The summer of 1977 was a very tumultuous time for the shareholders residing in the service area as many changes took place. Charges were determined for water usage and new water connections and various other fees were instituted. Several meetings were held on front lawns, in living rooms and across kitchen tables. Many of the shareholders were involved in trying to establish some organization and order to the company that had been literally dropped in their laps. There were no records to speak of from Rusco Industries that would help identify the location of water lines, valves, fire hydrants, etc.

This huge puzzle began to be pieced together bit by bit. Volunteers dedicated many hours of their time walking main water lines, typing endless drafts of information to be sent out to all 2075 shareholders, organizing an accounting system, and informing contractors of the new regulations and company specifications.

Little by little, things started to fall into place. The business office opened its doors in January 1978. We rented the front desk at Glen Freeman Realty until we could find a place to call our own. In May 1978, we moved to a location at the corner of 6th and A Streets in downtown Madera. In August 1986 we moved into our present location at 18454 Road 26. The new building had been paid for by our shareholders through a building fund assessment.

We have grown from approximately 75 homes in 1977 to 1,957 at the present time. We have drilled several new wells since then, added a 1.5 million gallon overhead water storage tank, and we have worked diligently to keep up on regular maintenance of the water system while working to replace the aged water lines. Thanks to many hours of volunteer help in the early years of this water system and a dedicated staff as the system grew, we have kept the shareholders supplied with good, clean and safe water. Until January 1984, we had a staff of two paid employees: one in the field and one in the office. At present, we have a staff of nine paid employees. Our Board of Directors consists of five members, and we have three Officers; President, CFO. and Secretary. There is Board of Directors meeting held each month on the first Wednesday after the first Monday of the month at 6:00 pm at our office. We are quite proud of the fact that we have accomplished so much in a relatively short period of time with so little to work with in the beginning.

We sincerely hope that you, as a part owner of this company, will take an active interest in what Madera Valley Water Company is striving to accomplish for the preservation of safe drinking water in the present and in the future for generations to come.

RATE SCHEDULE – Revised November 1, 2024

WATER RATES

Flat	\$119.00 Per Month for each house/dwelling on property.
Metered	\$84.95 Per Month + \$1.50 per 1,000 gallons for each house/dwelling on property.

UNIMPROVED PARCELS OR DISCONNECTED/DISCONTINUED SERVICE

Improved Lots w/ Service disconnected/discontinued	\$ 41.47 Per Month for each house/dwelling.
Unimproved Lots	\$ 41.47 Per Month (billed quarterly)

NEW CONNECTION FEES (Residential) for each dwelling unit on property

Water Connection (Typical)	\$ 4,057.00 Additional work and materials at actual cost.
1 -1/2" Badger Meter Assembly ¹	\$ 943.00 or actual cost at the time of installation.
New Share Assessment	\$ \$6,593.38 + \$41.47/month thereafter
New Connection Assessment ²	\$ Amount determined at time of application. ²

NEW CONNECTION FEES (Commercial)

Water Connection (Typical)	\$4,857.00 Additional work and materials at actual cost.
1-1/2" Badger Meter Assembly ¹	\$ 943.00
1-1/2" Backflow Assembly	\$1,200.00

ACCOUNT FEES/CHARGES

New Account Setup Fee	\$ 162.00
Recorded deed (if not provided)	\$ 45.00
Filing/Release of Lien	\$ 225.00/\$225.00
Late Charge per Month on Delinquent Accounts (Improved)	\$ 25.00
Late Charge per Month on Delinquent Accounts (Lots)	\$ 1%
Return Check Charge Each Time Check is Returned by Bank	\$ 35.00
Delivery of 24 Hour Notice	\$ 25.00
Disconnect/Reconnect of Water Service	\$ 250.00/\$250.00
Deposit ³	\$ 250.00 or as determined by the Company.
Backflow Assembly Testing	\$ 40.00
Upgrade connection to current standards/re-tap	Actual Time/Material Cost
Backhoe	\$ 80.00 Per Hour (One Hour Minimum)
Service Call - Business Hours	\$ 50.00 Per Hour per employee (One Hour Minimum)
Service Call - After Hours	\$ 75.00 Per Hour per employee (Two Hour Minimum)
Water Main Shutdown for Neglect or Damage to MVWC	\$ 5.00 Per Minute
Data Research	\$ Actual Time/Material Cost

FEES RELATED TO NON SHAREHOLDER REQUESTS FOR WORK (Hourly billing done in ¼ hour increments.)

General Manager	\$ 89.00 Per Hour
(All other company personnel at respective cost.)	
Company Board Member	\$ 95.00 Per Hour
Engineering Charge	\$225.00 Per Hour
Legal Counsel Charge	\$240.00 Per Hour
Accounting Charge	\$350.00 Per Hour

OTHER

The company will bill the actual cost of any other service provided by company relating to the delivery of water to any shareholder/shareholders property or for damage caused or interference with the Company's water system by any shareholder or any person, including but not limited to, any agent, representative, lessee, tenant, or other person acting on behalf of shareholder or using shareholders property.

¹ Or other meter as determined by the Water Company at the time of application for service/connection.

² For parcels within the Company's service area (parcels with shares issued prior to an application for service/connection) which are undeveloped or otherwise have not previously connected to the Water Company's water system, the amount of the assessment shall be the same as a to a New Share Assessment as described above minus any assessments, fee, rate or charge paid to date related to that parcel plus any applicable fees, late charges, delinquent charges, interest, or other charges, as determined by the Company at the time of application for new service/connection.

³ The Company may require a deposit for water service as determined necessary by the Company pursuant to the Company's policy related to deposits.

SUMMER WATERING SCHEDULE
March 1 through October 31

If the last number of your address is even (0,2,4,6,8)

Your watering days are Tuesday and Saturday

If the last number of your address is odd (1,3,5,7,9)

Your watering days are Wednesday and Sunday

Water before 11:00 a.m. and after 11:00 p.m.

NO WATERING ON MONDAYS, THURSDAYS, AND FRIDAYS

WINTER WATERING SCHEDULE
November 1 through February 28

If the last number of your address is even (0,2,4,6,8)

Your watering day is Saturday

If the last number of your address is odd (1,3,5,7,9)

Your watering day is Sunday

Water before 11:00 a.m. and after 11:00 p.m.

NO WATERING MONDAYS THROUGH FRIDAYS

RESTRICTIONS

1. The application of potable water to outdoor landscapes in a manner that causes runoff into non-irrigated areas, adjacent property, private or public sidewalks, roadways, parking lots, or structures.
2. The use of a hose that dispenses potable water to wash a motor vehicle or any other permitted use except where the hose is fitted with an automatic shutoff-type nozzle or device attached to it that causes it to cease dispensing water immediately when not in use.
3. The application of potable water to any hard surface including, but not limited to, driveways, sidewalks, or asphalt.
4. The use of potable water in a fountain or other decorative water feature except where the water is used in a recirculating system.
5. The application of potable water to outdoor landscapes during and up to 48 hours after measurable rainfall.
6. Using water in any manner which causes waste.

Maintenance: Shareholders shall maintain all pipes, faucets, sprinklers, valves, or other facilities in a manner to prevent water leaks, waste or flooding.

FAILURE TO COMPLY WITH THESE REGULATIONS
WILL RESULT IN THE FOLLOWING ACTION

1st Citation	2nd Citation	3rd Citation	4th Citation
Written Warning	\$50.00 Fine	\$75.00 Fine	\$100.00 Fine

5th Citation

\$500.00 Fine - and you will be required to post a \$2,500.00 cash bond with Madera Valley Water Company and to replenish it as violations occur and funds are withdrawn. Any additional violations will result in a \$500.00 fine to be withdrawn from the \$2,500.00 cash deposit required to continue service. Installation of a water meter and/or water restriction device at shareholder's expense may also be imposed. If no citations are incurred for a period of 12 consecutive months the balance of a posted bond will be refunded. If water service is discontinued due to nonpayment, the 12 month probation period will not begin until service has been restored.

THIS WATERING SCHEDULE AND WATER CONSERVATION POLICY IS ENFORCED YEAR ROUND. VIOLATIONS ARE ACCUMULATED ON AN ANNUAL BASIS BEGINNING ON JANUARY 1 OF EACH YEAR AND ENDING ON DECEMBER 31 OF EACH YEAR. IF YOU ARE RENTING YOUR HOUSE IT IS YOUR RESPONSIBILITY AS A SHAREHOLDER TO PROVIDE YOUR TENANTS WITH THIS INFORMATION. AS A SHAREHOLDER YOU ARE ULTIMATELY RESPONSIBLE FOR THE WATER SERVICE AND ANY BILLING.

Due to the nature of this corporation, Madera Valley Water Company is not legally permitted to use public funds to contribute to any charities or soliciting agencies.

UTILITY EASEMENT/RIGHT OF WAY POLICY

A significant portion of the Company's water mains and pipelines are located on Shareholder property within easements or other rights-of-way in favor of the Company. In the event that Company must perform maintenance or repairs on such pipelines located within easements or other rights-of-way on Shareholder property, Company shall, except in the case of an emergency, attempt to contact the Shareholder at least seven (7) days prior to any work being performed on Shareholders property. In the event of an emergency, Company will provide Shareholder with as much notice possible that work will be performed on Shareholder's property. When performing maintenance or repairs on the Company's distribution system or other facilities located within a right-of-way or easement located on Shareholder's property the Company will make a reasonable effort to return the property to the condition it was in prior to the Company performing work, however, Company shall not be responsible for damage to any improvements made within the right-of-way by Shareholders which includes, but is not limited to, walls, fences, trees, landscaping, sheds, driveways, or any other improvements made within the Company easement or right-of-way. This includes improvements that must be removed by the Company to access its pipeline or facilities."

Do not put any type of building, fence, trees, concrete, asphalt or any other type of permanent structure within the utility easement. Do not park vehicles or store items within the utility easement. Madera Valley Water Company will exercise the right of way on existing utility easements adjoining or imposed on any property within our jurisdiction. Madera Valley Water Company will not be responsible for the loss or injury of any animal. If you have any questions about utility easements contact our office at (559)674-2407.

PROPERTY LOCATION AND NOTIFICATION

Madera Valley Water Company will locate our main distribution water lines and your service line shut off valve. This is a free service if done during normal business hours. We require a minimum of 24 hours notice prior to this service. Madera Valley Water Company property will be marked with paint on the ground or a painted stake. A 24-inch margin on either side of the mark will be recognized by the shareholder/contractor. Charges will be imposed when work performed has damaged Madera Valley Water Company property within that 24-inch margin. If you damage the main distribution lines or the service line shut off valve you are responsible for the cost of repairs.

Call Underground Service Alert (USA) at 1-800-642-2444 before beginning any construction which could result in damage to underground water lines. You can be held liable for up to \$10,000.00 in fines for failure to contact USA prior to construction not only for damage to our water lines or any other underground utilities.

Should water service have to be turned off for non-emergency reasons, the shareholder must notify Madera Valley Water Company at least 24 hours prior to the time of anticipated shut-off.

We do not locate, nor are we responsible for the service line which runs from the service line shut off valve to your building (home, office).

FIRE PROTECTION

Madera Valley Water Company has red fire hydrants in our water service area. The fire department is the only agency allowed to use water from our system at no charge. Please report any tanker trucks loading water from fire hydrants illegally. Remember, you pay for the water they steal!

VALVE MARKERS

In the process of setting up a maintenance system for mainline valves, we have installed markers beside each valve. These markers are stenciled with information regarding the identification and maintenance of each valve. **Do not remove or destroy them** as these markers enable us to shut down water mains faster in emergency situations, therefore enabling us to maintain the water system more efficiently and effectively. Vandalism of company property should be reported at once.

SALE OF WATER

Madera Valley Water Company is a mutual benefit corporation which was organized for the purpose of delivering water to our stockholders, including works of conserving, testing and reclaiming water under Public Utilities Code #2725. Water will not be sold or delivered to any person other than a shareholder or his/her assignee. City, county, state and federal governments and/or other public agencies requiring temporary water from fire hydrants must obtain a permit from Madera Valley Water Company. The only exception to this would be in cases of an emergency, such as fire or earthquake.

1. Contractors must file an application for temporary meter use during the period of construction if the tap provided by Madera Valley Water Company is not used.
2. Third parties who need water for the use or benefit of a stockholder must have consent from Madera Valley Water Company and a copy of the paid connection application must be in the tanker truck and available for presentation upon request. Madera Valley Water Company will assign a specific fire hydrant to pull water from for a specified length of time.
3. Third parties who take water in an unauthorized manner and not for use or benefit of a stockholder are governed by California Penal Code #498 - it is a misdemeanor to take water without authorization or consent of Madera Valley Water Company. The party involved may be charged in a criminal complaint and court action could follow.

NEW CONNECTIONS AND SERVICE LINES

Main lines will be located free of charge with 24-hour notice. There will be a \$25.00 administrative charge plus time, materials and labor (or 10% of the total repair costs - whichever is greater) for removing, grading up or disk up any curb, meter or valve box or standpipes (faucets) and/or damage to Madera Valley Water Company property, including main lines. **Contractors will be held responsible for any negligence on the part of their employees or subcontractors.**

Madera Valley Water Company will **NOT** make any taps into "dead-end" lines. We will tap only "live" lines unless there is no other alternative. If a trench is dug to a dead-end line without consulting Madera Valley Water Company prior to digging and there is a live line bounding the property, the shareholder/contractor will be responsible for retrenching to the live line.

Shareholders must file an application for new connection service prior to pulling construction permits. After payment of Madera Valley Water Company fees, the service tap will be installed in a timely manner in accordance with Madera Valley Water Company's work-order schedule.

Service lines shall be installed per Uniform Plumbing Code and County of Madera requirements. Service line installation shall be inspected and approved by the building inspector prior to water turn-on. Water service piping materials shall conform to the requirements of the Uniform Plumbing Code. **Madera Valley Water Company is not responsible for the Shareholder's service line. The Shareholder's service line begins directly after the shut off corporation valve.**

TITLE 22 - ENVIRONMENTAL HEALTH 64644 (page 1739)

SERVICE CONNECTION PIPE

Service connection pipe and fittings shall be designed for cold water working pressures of not less than 150 psig (1,030 kPag). Copper tubing shall be commercial designation type K or L. Plastic tubing and fittings shall be product-tested and certified as suitable for use in potable water piping systems by the National Sanitation Foundation Testing Laboratory, the Canadian Standards Association Testing Laboratory or other testing agency acceptable to the Department.

NOTE: Authority cited: Sections 208 and 4010.1(h) Health and Safety Code. Reference: Sections 4010.1(h), 4012, 4013 and 4019, Health and Safety Code.

TAPS:

Taps will be made by Madera Valley Water Company personnel per Madera Valley Water Company standards and specifications. All taps shall be made according to the work-order schedule. After approval of service installation by the county building inspector, Madera Valley Water Company will require 24-hour notice for service turn-on. Each (improved) developed lot will have one water supply connection (tap) and the water is to be used exclusively for that individual lot.

Service lines connected to the tap assembly shall conform to Madera Valley Water Company standards and specifications.

Any damage or loss of Madera Valley Water Company property will result in administrative charges for the shareholder/contractor to cover the damage and/or loss incurred.

During the rainy season, the tapping schedule may be less frequent depending upon ground and weather conditions. Tapping will be performed only when the conditions permit. Any shareholder/contractor who believes conditions are favorable and insists on having the tap performed, when Madera Valley Water Company believes otherwise, will be required to sign a responsibility form which will make the shareholder/contractor responsible for reimbursing Madera Valley Water Company for any hardships encountered by poor ground or weather conditions, i.e., if the backhoe gets stuck, extra time to move backhoe in and/or out of tapping area, towing bills, equipment damage due to conditions, etc.

SUBSTANDARD TAPS

Madera Valley Water Company may require any shareholder with a substandard tap to upgrade such tap to Madera Valley Water Company standards and specifications. Upgrading will be accomplished at a rate which will be determined by the General Manager and will occur under the following circumstances:

1. A substandard tap is discovered at the time a shareholder's water service is discontinued for

nonpayment of charges.

2. A substandard tap is discovered where two homes are connected to the same tap; in this case, both homes will be required to have new taps installed.
3. A substandard tap is discovered when water is turned off due to a problem, i.e., a broken service line, digging up taps for location of shut-off valves or complaints of low water pressure.
4. A substandard tap is discovered where a house service is connected to a standpipe (except in the case of a 2 inch main line).

The cost of upgrading substandard taps will be the responsibility of the shareholder. In the event that a contractor is involved, it will be the responsibility of the shareholder to collect the fees from the contractor and forward payment to Madera Valley Water Company.

A one-month grace period from the time of notification will be given prior to upgrading a substandard tap except in the case of an emergency situation which makes upgrading absolutely essential. In such a case, the one-month grace period will follow after the tap has been made and prior to the time of billing in 30 days.

Shareholders will be permitted to make payment arrangements for upgrading substandard taps. These arrangements are not to exceed 120 days for payment in full. Unless prior arrangements have been made and approved by Madera Valley Water Company's General Manager, service may be discontinued at the end of the 120-day period. Service will be restored when payment in full, including applicable charges for discontinuance and restoration of service, is received.

Any objections, disputes or complaints must be made in writing during the one-month grace period and addressed to the Board of Directors, Madera Valley Water Company, 18454 Road 26, Madera, CA 93638-0299. The Board of Directors will make a decision regarding the matter at the next regular meeting of the board.

REPAIR BILLS

All bills for repairs, labor and materials, must be paid 30 days after rendering of bill. Service may be discontinued unless prior arrangements have been made.

Repair of contractor leaks will not be performed by Madera Valley Water Company, but the contractor may be charged for the time to locate the problem.

INSTALLATION OF COMMERCIAL, RESIDENTIAL WATER METERS, BACKFLOW PREVENTION DEVICES, AUTOMATIC SPRINKLER SYSTEMS AND ADDITIONAL FIRE HYDRANT PROTECTION.

Article XI 11.01 of the Madera Valley Water Company bylaws states, "The Board of Directors may require the installation of water meters on any water service." See current rate schedule.

Article XI Section 11.02 of the Madera Valley Water Company bylaws states, "All new nonresidential services shall be metered and the expense of such metering shall be the responsibility of the shareholder, in addition to the hook-on fee." Since 1992, California law requires **all** new construction to include water metering devices. This expense will be the responsibility of the shareholder. Metered water shall be paid for in arrears at a rate set by the Board of Directors. See current rate schedule.

Article XI 11.03 of the Madera Valley Water Company bylaws states, "Where the Board of Directors finds that it is in the interest of water conservation to do so, it may require the installation of a water meter. The expense of installing a meter shall be the responsibility of the shareholder, except that the Board of Directors may direct that Madera Valley Water Company bear part or all of such expense." See current rate schedule.

Article XI 11.04 of the Madera Valley Water Company bylaws states, "Shareholders may request the installation of a water meter. The expense of installing a meter shall be the responsibility of the shareholder, except that the Board of Directors may direct that Madera Valley Water Company bear part or all of such expense." See current rate schedule.

Madera Valley Water Company may require that a set of plans and specifications be submitted prior to construction for determining water use practices. Madera Valley Water Company personnel will inspect the premises every six months, and/or upon change in ownership, for review of water use practices. 04/09/03: If a shareholder requires special fire suppression, such as an automatic sprinkler system or an additional fire hydrant(s), the cost to support the additions, will be the responsibility of that individual shareholder. Any residence obtaining a conditional use permit, a business license from the City of Madera, City of Chowchilla or County of Madera, or any residence without the above which conducts a commercial business out of the residence must be inspected by Madera Valley Water Company personnel for the purpose of determining the use of water for any function of said business.

Madera Valley Water Company personnel shall determine the necessity of the installation of a 1 1/2" water meter and the cost shall be the responsibility of the shareholder. See current rate schedule.

The metering device shall be the property of Madera Valley Water Company, even though it may be located inside the shareholder's property, as it is installed in Madera Valley Water Company's easement. Any maintenance, repair and/or replacement of backflow protection devices are the sole responsibility of the shareholder.

Meter testing may be requested by the shareholder; the cost will be the responsibility of the shareholder. Should the meter prove to be defective, Madera Valley Water Company will assume responsibility for the cost of testing. The rate of such tests is to be set by the Board of Directors. See current rate schedule.

Metered water shall be paid for in arrears at a rate set by the Board of Directors. See current rate schedule.

All commercial lots shall have a backflow protection device installed unless otherwise authorized by the California Department of Health Services and/or California Department of Forestry and Fire Protection, local fire department and/or Madera Valley Water Company personnel. The expense of installation of the backflow protection device is the responsibility of the shareholder/contractor. See current rate schedule.

Some residences may require the installation of a backflow protection device; unless otherwise authorized by the California Department of Health Services and/or Madera Valley Water Company, the installation expense of such device shall be the responsibility of the shareholder. See current rate schedule.

Backflow protection devices will be tested by certified Madera Valley Water Company personnel at least once a year. The cost of testing and any repairs that are necessary shall be the responsibility of the shareholder.

Vacuum breakers shall be required on all swimming pools and on all landscaping systems, i.e., sprinkler systems and drip systems, in accordance with the Uniform Plumbing Code, Section 1003.

CROSS-CONNECTION CONTROL PROGRAM ORDINANCE

PURPOSE

The purpose of this ordinance is to protect the public water supply system from contamination due to potential and actual cross-connections. This cross-connection control program was established as required by state regulations. This ordinance is adopted pursuant to Title 17, Section 7583-7505, inclusive, of the California Code of Regulations entitled "Regulations Relating to Cross-Connections."

RESPONSIBILITY

The General Manager shall be responsible for implementing and enforcing the cross-connection control program. An appropriate backflow prevention assembly shall be installed by and at the expense of the water user at each user connection, where required, to prevent backflow from the water user's premises to the domestic water system. It shall be the water user's responsibility to comply with the Madera Valley Water Company requirements.

CROSS CONNECTION PROTECTION REQUIREMENTS

The type of protection that shall be provided to prevent backflow into the public water supply system shall be commensurate with the degree of hazard, actual or potential, that exists on the water user's premises. Unprotected cross-connections with the public water supply are prohibited. The type of backflow prevention assembly that is required includes: Air-gap Separation (AG) and Reduced Pressure Principle Backflow Prevention Assembly (RP) connection to premises with varying degrees of hazard are listed in Table 1 of Section 7604, Title 17 and the latest edition of the Uniform Plumbing Code. Situations that are not covered in Table 1 shall be evaluated on a case-by-case basis and the appropriate backflow protection shall be determined by the water supplier or health agency.

BACKFLOW PREVENTION ASSEMBLIES

Backflow prevention assemblies shall be installed by Madera Valley Water Company in a manner prescribed in Section 7603, Title 17. Location of the assembly shall be as close as practical to the user's connection. The Madera Valley Water Company shall have the final authority in determining the required location of a backflow prevention assembly.

DEVICE TESTING

Testing of backflow assemblies shall be conducted only by qualified testers and testing will be the responsibility of the water user. Backflow prevention assemblies must be tested at least annually and immediately after installation, relocation or repair. More frequent testing may be required if deemed necessary by Madera Valley Water Company. No assembly shall be placed back in service unless it is functioning as required. These assemblies shall be serviced, overhauled or replaced whenever they are found to be defective; all costs of testing, repair and maintenance shall be the responsibility of the shareholder. Approval must be obtained from Madera Valley Water Company prior to removing, relocating or replacing a backflow prevention assembly.

ADMINISTRATION

The cross-connection control program shall be administered by the General Manager. Madera Valley Water Company will establish and maintain a list of approved backflow prevention assemblies as well as a list of approved testers. Madera Valley Water Company shall conduct necessary surveys of water user premises to evaluate the degree of potential health hazards. Madera Valley Water Company shall notify users when an assembly needs to be tested. The notice shall contain the date when the test must be completed.

WATER SERVICE TERMINATION

When Madera Valley Water Company encounters water users who represent a clear and immediate hazard to the potable water supply which cannot be immediately abated, the procedure for terminating water service shall

be instituted. Conditions or water users which create a basis for water service termination shall include, but are not limited to, the following:

1. Refusal to install or test a backflow prevention assembly or to repair or replace a faulty backflow prevention assembly.
2. Direct or indirect connection between the public water system and a sewer line or septic system.
3. Unprotected direct or indirect connection between the public water system and a system or equipment containing contaminants.
4. Unprotected direct or indirect connection between the public water system and an auxiliary water system.

For condition #1, Madera Valley Water Company will terminate service to a water user's premises after proper notification has been sent. If no action is taken within the allowed time period, water service shall be terminated.

For conditions #2, #3 or #4, Madera Valley Water Company shall take the following steps:

1. Make reasonable effort to advise the water user of intent to terminate water service.
2. Terminate water service and lock service valve. The water service shall remain inactive until correction of violation(s) has been approved by Madera Valley Water Company.

EFFECTIVE DATE - APPROVED 2/8/89

This ordinance shall supersede all previous cross-connection control ordinances and/or policies and shall take effect immediately upon the date of its adoption at the regular meeting of the Board of Directors.

PROCEDURE FOR MAINLINE BREAKS

EQUIPMENT NEEDED

Sump pump, one backup sump pump, backhoe and truck with hand tools and supplies.

BACKHOE USE

All mainline breaks should be dug parallel to the broken line and along both sides. **Never** dig on top of the line. The minimum depth should be two feet below the main that is damage to avoid possible contamination.

PREVENTATIVE MEASURES

One of the most effective steps in disinfecting water mains is to do everything possible to prevent the exposed area from becoming contaminated. Keep as much outside material (dirt, mud, construction materials, animals, rodents, dirty water) out of the main that is being repaired.

DISINFECTION

All mainlines requiring repair should be disinfected with chlorine tablets or chlorine solution. Two chlorine tablets should be placed into the broken part of the main prior to repair. Where possible the chlorination unit at the nearest well site will be turned on to achieve a residual of one part per million per 24-hour period. All permanent attached fittings should be swabbed with chlorine solution before being installed.

FLUSHING

After mainline breaks in the system, fire hydrants around the affected area will be flushed to clean out the distribution system. This will be **MANDATORY** for all breaks, with flushing a minimum of five to ten minutes being sufficient or until the water is clean and clear.

TESTING AFTER DISINFECTION

Two water samples should be taken in the general area of the mainline break and taken to a certified laboratory for bacteriological testing.

ARTICLE X - BILLING, DISCONTINUANCE OF SERVICE AND SETTLEMENT OF DISPUTES

Section 10.01 - Billing Period

The regular billing period will be monthly.

Section 10.02 - Fees for Service, Late Charges and Penalties

The Board of Directors may establish or amend, from time to time, by resolution the amount of the rates, fees, or charges to be charged for water service, fees for providing other services and any other fees including penalties and/or interest for w past due accounts. The Board of Directors may determine any adjustments to any finance or interest charges on delinquent accounts on unimproved lots. Advance payment of rates, fees, or charges by a Shareholder shall not fix or guarantee the rate, fee, or charge and Shareholder will be responsible to pay any increases as they become due and payable.

- a. The terms fees, rates and charges means charges for or related to the installation of facilities and/or operation and maintenance of the water system and any and all other charges arising from or relating to providing service to any parcel owned by a Shareholder. Said rates, fees, and charges may be set as authorized by these Bylaws or any other applicable statute or regulation.
- b. The phrase “arising from or related to service to the property” means all of the costs associated with making water service available to a parcel including, but not limited to, the costs of making water available to any parcel of land whether or not the Shareholder connects to the Company system or receives water delivery to the property. These charges include and are described herein as charges for the capacity, availability and delivery of water and all expenses related thereto. The Company water system is designed to have sufficient capacity to provide potable water and fire flow service to each parcel within its service area. The cost of developing sufficient capacity (such as maintaining/obtaining a sustainable water supply, wells, pumps and other facilities necessary to meet the capacity demands of all parcels within the area served by the Company) is and has been borne equally by all of the Shareholders. Summarily, the Company’s public water system is designed and constructed to make water available (through pipes or other facilities necessary to distribute water throughout the water system) to each parcel within the area served by the Company. Said costs of making water available to each parcel within the area served by the Company has and shall continue to be borne equally by all Shareholders. Finally, the costs associated with delivering water to each parcel served by the Company is borne equally by those Shareholders who receive delivery of water either as a flat rate or on a metered rate basis. As referenced above, capacity and availability charges are charges to all Shareholders whether or not the Shareholder is taking delivery of water and are also charged to any person seeking to add a parcel of land to the Company’s water system as a prerequisite to becoming a Shareholder at the time they request the issuance of a

share.

Section 10.03 - Assessment of Shares

The Board of Directors shall have the power to assess the shares of stock for the purpose of obtaining funds for the continued operation of the corporation and the improvement or replacement of its facilities. Shareholders must pay the assessed amount in a manner determined by the Board of Directors, and delinquent assessment payments will be processed and collected in the same manner as other past due charges under this Article X of these Bylaws.

SECTION 10.04 - Payment of Bills

Bills for water service shall be rendered at the end of each billing period to include the minimum charge for the following month. Bills shall be payable on presentation. On each bill for water service rendered by the Company shall be printed substantially the following:

"If this bill is not paid on or before the twenty-fifth day of the month in which the bill was sent, service may be discontinued. A reconnecting charge and penalties will be assessed and collected prior to renewing service following discontinuance."

SECTION 10.05 Service Discontinuance for Nonpayment

Service may be discontinued for nonpayment of bills on or before the twenty fifth day of the month during which the bill was sent. Prior to such discontinuance, the shareholder will be sent by first class mail final notice informing said shareholder that discontinuance will be enforced after seven (7) days if payment is not made within the time specified in said notice. The failure of the shareholder to receive said notice shall not affect the Company's power hereunder so long as notice is properly mailed to the billing address.

SECTION 10.06 Reconnection Charge

A reconnecting charge to re-establish service, plus penalties, will be assessed charged and collected prior to renewing service following discontinuance. The reconnecting charges shall be determined by the Board of Directors.

Section 10.07 - Unsafe Apparatus

Water service may be refused or discontinued to any premises where apparatus or appliances are in use which might endanger or disturb the service to other shareholders. When service is renewed after discontinuance, the Company may demand that any substandard connection be replaced by the Company with a standard connection as a condition precedent to re-establishing service. The cost of replacement of substandard connection shall be borne by the shareholder.

Section 10.08 - Use of Alternative Energy Sources or Extraordinary Appliances by Shareholders

Shareholders who utilize Company water as a part of any alternative energy source system, such as solar heating, or in any extraordinary appliance, such as pressure boilers or large capacity water heaters, do so at their own risk. The Company is not liable for any loss or damage which relates to or results from the use of its water in such systems.

Section 10.09 - Settlement of Disputes

a. When a dispute arises under this Article concerning non-payment of water bills or assessments, discontinuance of water service, or replacement of a substandard service, the shareholder may present the dispute to the Board of Directors at the next regularly scheduled meeting of the Board (or as soon as practicable), provided, however, that the shareholder make such request, in writing, to the General Manager and post a bond deposit with the Water Company in an amount equal to the disputed amount plus any amount

deemed necessary by the General Manager to cover the estimated costs to be incurred by the Company related to the dispute including, but not limited to, administrative, engineering, staff and legal costs, . If the bond deposit is posted prior to the discontinuance of service, said service shall not be discontinued until after the dispute is presented to the Board.

b. If any action is filed in any court of competent jurisdiction to resolve a dispute or enforce any right by or between the Water Company and a shareholder or shareholders, except as may be limited by the Corporations Code or any other applicable law, if the Water Company is the prevailing party, the Water Company shall be entitled to and the Board of Directors may assess, charge, or levy the shareholder(s) for all costs incurred by the Water Company in such action including, but not limited to, reasonable attorney's fees and expert witness fees. Such charges shall be billed and payable in accordance with the same policies and procedures as fees for water service.

BILLING OF SHAREHOLDERS

Madera Valley Water Company will bill for water usage in a continuous manner once a property is occupied. Upon sale of the property, the new shareholder takes responsibility for the payment of water usage. The only time a shareholder will not be charged for water usage is when the shareholder has requested the water be turned off and has paid the standard disconnection fee. The water service will be restored when the standard re-connection fee is paid in full.

DELINQUENT ACCOUNT POLICY

- 1) **BILLING:** Bills will be sent out by the first day of each month (or quarter for undeveloped lots) so that they are received on or around the third day of each month. Failure by the company to send bills out on the first day of the month will not change the due date of bills.
- 2) **LATE FEE:** Any bill not paid in full on or before the close of business on the 25th day of the month in which the bill is mailed, the shareholders account will be delinquent and a \$25 late fee will be added to the shareholders account, unless a waiver is granted by the General Manager or shareholder disputes the bill in accordance with section 10.09 of the bylaws. If the 25th day of the month falls on a weekend or holiday then the bills shall be due by the close of business the next business day.
- 3) **LATE NOTICE:** On or around the 8th day of the month (after accounts become delinquent) late notices will be sent out on accounts which are delinquent in an amount equal to or greater than the current monthly or quarterly billing rate as applicable.
- 4) **NOTICE OF LIEN:** If no payment is received or contact made with the office to make payment arrangements acceptable to the Company by the 15th of the month (in which the late notice is given), the Company will send the shareholder a 30 notice of intent to lien the property in accordance with section 14304 of the corporations code and the Company's procedures. If the shareholder disputes the charges that dispute must be processed in the manner provided for in the section 10.09 of the Company bylaws.
- 5) **RECORDING OF LIEN:** If no payment has been received or contact made with the office to make arrangements 30 days after the intent to lien has been sent a lien will be filed with the county with a copy sent to the shareholder and a \$225.00 charge for filing the lien is applied to the account.
- 6) **REMOVAL OF LIEN:** In order to have the lien removed all current charges and an additional \$225.00 charge for removing the lien must be paid.

7) LATE FEE WAIVER: If, under the circumstances the GM determines that a late fee should not be charged the GM may waive the fee. In considering whether or not to waive the fee the GM shall not consider the age, race, religion, gender identity, or sexual orientation of the shareholder or the shareholders tenants. Each circumstance is to be considered on a case by case basis and the waiver only granted for exceptional circumstances as determined by the General Manager. If a shareholder disagrees with the decision of the General Manager to either grant or deny a waiver than the shareholder may dispute the General Managers decision pursuant to Section 10.09 of the corporate Bylaws.

COMPLAINTS

Customers are requested to report any leaks, failure of delivery, or other matters requiring the attention of the maintenance superintendent to Madera Valley Water Company. All complaints for the attention of the Board of Directors must be in writing and must be filed with the General Manager. Said complaints will be addressed in the next regular meeting of the Board of Directors.

CHECKING AND SAVINGS ACCOUNTS

Signature cards are filed with the bank for payout of all funds. Checks are to be signed by any two of the following:

1. Director
2. President
3. Secretary/CFO
4. General Manager

An Operational Savings Account can be established for emergency expenditures, for which capital funds cannot be used.

All persons authorized to incur expenses on behalf of Madera Valley Water Company are instructed to submit receipts daily for timely reimbursement.

FISCAL YEAR

Madera Valley Water Company's fiscal year shall be November 1 through October 31.

SPENDING LIMITS

In the event of an emergency, \$10,000.00 may be spent with authorization of the General Manager and President without approval of the Board of Directors. In other areas, \$5,000.00 may be spent with the signatures of the General Manager and a second signature without approval of the Board of Directors.

REFUNDS FOR SALE OF PROPERTY

Refunds will be issued to shareholders on water bills as requested for amounts more than \$5.00 at the close of escrow after an analysis of the account is completed by Madera Valley Water Company. The refund will be mailed to a forwarding address. If the shareholder remains within Madera Valley Water Company's service area, no refund will be issued; instead, the credit will be transferred to the new account.

RETURNED CHECK CHARGES

A charge of \$35.00 will be applied to the account of an individual whose check is returned unpaid by their bank.