

MINUTES OF THE ANNUAL MEETING OF  
THE SHAREHOLDERS OF THE CEDARPINES PARK MUTUAL  
WATER COMPANY ON JULY 30, 1983

A regular meeting of the Shareholders of the Cedarpines Park Mutual Water Company was held Saturday, July 30, 1983, at 1:30 P.M., at the Crestline-Lake Arrowhead Water Agency, 24116 Crestforest Drive, Crestline, CA. Thirty seven Shareholders were present.

M Clark Fisher, President of the Company, called the meeting to order and led the audience in the salute to the Flag.

President Fisher introduced himself, the Directors, (Joan Brewer, Bud Middleworth, Gary Remmers, and Tom Sutton); the employees of the Company, (General Manager Gary Forth, Secretary/Treasurer Lois Barker, and Field Asst. Roy Smith (absent)).

President Fisher informed the Shareholders that according to Company Bylaws, 20% of the total number of shares issued and in good standing must be represented to conduct a legal meeting. The Water Company has issued 3923 shares, therefore, 785 shares are required for a quorum. Represented at this meeting are 833 shares, just by proxies. We have a quorum. All proxies given to Board members or employees are voted with the majority vote of the Shareholders attending the annual meeting.

The Minutes of the 1982 Annual Meeting were APPROVED by the Shareholders as read by Director Sutton.

President Fisher informed the Shareholders that (1) we now have 657 metered services, (2) from May 1982 thru May 1983 our customers have used 23,181,000 gallons of water, (3) in the last fiscal year we sold 80 new shares and completed 70 stock transfers, (4) new shares cost \$125 each and all Shareholders must have the correct number of shares for all the land they own in Cedarpines Park, (5) 28 Shares belonging to 8 Shareholders were cancelled on 7/26/83 for nonpayment of the current assessment, (6) the cost of a new share has remained \$125 since 1979, (7) the \$15 annual assessment has not increased since 1978 and (8) your cost of water has not increased since May of 1978.

Vice-President Brewer informed the Shareholders that (1) a copy of all the Minutes of Board meetings are available for review at the office, (2) when the Secretary is gone, whether on vacation, sick leave, snow days, or holidays, the office is closed, but emergency calls left on the recorder will be answered, (3) between 1924 and the late 1960's shares were sold where no water service was available. When we receive service requests from those shares, we can only tell those Shareholders that we cannot serve their lots at this time but we try to upgrade and expand our water lines as time and money become available, (4) regular Board meetings are usually held the fourth Tuesday evening of each month at 7:30 P.M. at the Company office, (5) Shareholders are welcome at the regular monthly Board meeting.

General Manager Forth informed the Shareholders that (1) the two-thirds new, 126,000 gallon water tank in Ferncrest was purchased for \$40,500 while a totally new tank would have cost \$70,000, (2) our total water storage is now 1,138,000 gallons, (3) 1300' of 6" PVC water pipe was installed on East Buckthorne, (4) on the West Buckthorne and Fern Canyon Project, 2600'

of pipe has been installed with 2200' more pipe to be installed this year along with the necessary hydrants, (5) we are continuing to change out all old water meters with new meters that register more accurately and can be read easier, (6) retaining walls will be built for the Sawpit tanks, (7) Section 2.16 of the Company Rules and Regulations will be amended to read : The Board of Directors of the Cedarpines Park Mutual Water Company recommends that you do not use the water system as a primary electrical ground on residential and commercial electrical services. The primary ground shall be a driven rod as approved by the San Bernardino County Building and Safety Department. This change is for everyone's safety since many of the Company water lines are plastic and are a poor ground for an electrical service.

Director Remmers informed the Shareholders that the Insurance Service Offices reviewed our water system. The information is given to fire insurance companies who in turn rate our area for the cost of fire insurance. Since we have improved our system with more hydrants, more water storage, and larger water lines, we may be given a 6 or 7 fire rating instead of our current 8. That could mean lower cost for our fire insurance. Please check with your insurance agent.

Director Middleworth informed the Shareholders that (1) average daily consumption is 80,000 gallons and current water storage is 850,000 gallons, (2) to conserve water, you may place a plastic bottle of water in your toilet tank, (3) watering roads for dust control is prohibited, (4) CLAWA now charges \$480 per acre foot of water whereas we can produce an acre of water from our wells for \$65.00.

President Fisher opened nominations for Directors.

ME Timrott, 3 shares, nominated Tom Sutton. John Herrmann, 1½ shares, nominated Gary Remmers. There being no further nominations, nominations were closed.

Tom Sutton stated he has lived in Cedarpines Park for 8 years and has served on the CSA#18 Road Commission, and is the District Manager of the Crestline Sanitation District.

Gary Remmers stated he has lived in Cedarpines Park for 2½ years and works for Alpine Real Estate.

Since there are only two candidates for the two positions, a voice vote was taken. The Shareholders APPROVED Tom Sutton and Gary Remmers as Directors of the Cedarpines Park Mutual Water Company, each to serve a term of three years.

Walter Slike, 1 share, stated he had four lots on Crestforest Drive. Only one lot has one share and he has asked to buy additional shares and was told they were not available.

President Fisher responded that there was no water line available for Mr Slike's property at this time, therefore, he was not sold the additional shares.

John W Herrmann, 1½ shares, stated he felt any problems with the Water Company should be handled by the Shareholder elected Board. Any

complaints should be given to the Board and all Shareholders should work with the Board.

Scott Barker, 12 shares, stated an unsigned letter was left at the Cedarpines Park Post Office and sent to the Board of Directors, stating that not all Shareholders have the correct number of shares as stated in the Bylaws. He asked if the Water Company had an estimate of the number of shares that were needed to be sold to Shareholders to bring them in compliance with the Bylaws.

President Fisher stated the letter was received just prior to the regular July Board meeting and needs to be reviewed more fully by the Board.

Secretary Barker stated a rough estimate of metered accounts showed a possible 300 new shares needed by Shareholders.

ME Timrott, 3 shares, stated that the Board in 1980 knew there was a problem with the shares. A motion was passed to review the number of shares of each account upon a transfer request. If shares are needed, they must be purchased before we will transfer the shares to the new owner. He felt if additional shares are needed on vacant land, many property owners may just decide not to pay the money and let their shares go back to the Company.

Secretary Barker stated it was advisable for all Shareholders with vacant land to purchase any additional shares necessary as the old, original share date determines the cost of a water meter installation.

Walter Slike, 1 share, stated he is willing to buy any additional shares as necessary, as having shares does improve the value of the lots.

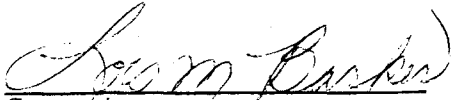
Director Remmers stated that shares do not make a lot worth more, only water service availability does.

Scott Barker, 12 shares, stated it was his understanding of the Bylaws that Shareholders are in violation of the Bylaws if they do not have the correct number of shares on their property. The Bylaws do not distinguish selling shares where there is service available or where there is no service available.

Gregory Rice, 8 shares, stated the share problems should be rectified by the Board.

JS Brattain, 1 share, asked what the fire department would do if, in an emergency, Burnt Mill Canyon was not passable. He used that road today and it is in bad shape. Director Middleworth stated a complaint has been registered from Chief Barnes to the Forest Service, who is responsible for taking care of most of Burnt Mill Canyon Road.

There being no further business to come before the Board, the meeting adjourned at 2:30 P.M.

  
Secretary