

Krista Mutual Water Company Bylaw Vote

Krista Mutual Water Company and our attorney have reviewed our Bylaws and felt that they needed updating to meet the current world of water, business and grants. We are needing 50% of the shareholders to vote for the new bylaws to take effect. The old bylaws are available on our website for your review at <https://kristamutualwater.com/>. Attached you will find the new bylaws, the agenda for our meeting and the ballot/proxy for your vote. If you have any questions, please call the office at 661-245-5613.

We are planning to hold a Special Shareholders Meeting on **8-28-2023 at 1:00PM** for anyone that has questions. You will also be able to submit your vote at that time to approve the Amended Bylaws.

If you are unable to attend the meeting but would still like to vote to approve the change, please fill out the attached ballot and submit it to the office before **8-28-2023 at 1:00PM**.

If you are unable to attend the meeting but would like to have a proxy vote on your behalf, please complete the attached proxy and deliver it to our office no later than **8-28-2023 at 1:00PM**.

If there are not enough Votes the board will adjourn to September 25th at 1:00pm at our office.

Location: 3534 Mt. Pinos Way, Frazier Park, Ca 93225

OR

Via: Zoom.com Id# 853 6091 9766 Phone #669-900-9128

Krista Mutual Water Company

Board of Directors

KRISTA MUTUAL WATER COMPANY
SPECIAL MEETING OF THE SHAREHOLDERS

Date: August 28, 2023

Time: 1:00 p.m.

Location: 3534 Mount Pinos Way, Frazier Park, Ca 93225

Via: Zoom.com Id# 853 6091 9766

Phone #669-900-9128

Board of Directors

Sandi McElhenney – President

Jonathan Paley - Treasurer

Richard Dickerson – Secretary

General Manager

Pamela Jarecki 245-5613

Assistant General Manager

Brenda Fessia

Distribution Operator

Golden Empire Water – Mario Cervantes

AGENDA

1. **CALL TO ORDER**
2. **APPROVAL OF NEW BYLAWS FOR KRISTA MUTUAL WATER COMPANY**
3. **OTHER BUSINESS**
4. **ADJOURNMENT**

Next board meeting is right after this Special Meeting of the Shareholders and the one after that is September 25, 2023 in the office or on Zoom. If you have any questions, please call (661) 245-5613.

BYLAWS OF KRISTA MUTUAL WATER COMAPNY

ARTICLE I. GENERAL

Section 1.01. Name

The name of this Corporation is Krista Mutual Water Company (“Company”).

Section 1.02. Offices

The principal office for the transaction of the business of the Company is hereby fixed and located at 3534 Mt. Pinos Way, Frazier Park, Ca 93225, County of Kern, California 93225. The Board of Directors is hereby granted full power and authority to change said principal office from one location to another in the County of Kern. Any such change shall be noted on the Bylaws opposite this section, or this section may be amended to state the new location.

Branch or subordinate offices may be established by the Board of Directors at any time at any place or places where the Company is qualified to do business.

Section 1.03. Purpose

The objects and purposes of the Company shall be to develop, distribute, supply, and deliver water for domestic and irrigation uses or any one of such uses to its shareholders at cost, and to no one except its shareholders, or to the State or any agency or department thereof, or to any school district, or to any other mutual water company at cost. The Company shall be authorized to do whatever may be deemed necessary, conducive, incidental, or advisable to accomplish and promote said objects or purposes, including, but not limited to:

- (a) Constructing, leasing, maintaining, and operating water system facilities;
- (b) Acquiring, owning, leasing, or developing water, water rights, or water bearing lands;
- (c) Paying all taxes, utilities, charges, assessments by which to further the objects and purposes; and
- (d) to do any other act or thing in any way connected with the foregoing or related to the objects and purposes of the Company.

ARTICLE II. SHAREHOLDERS

Section 2.01. Shareholders

(a) Shareholders of the Company shall be limited to the owner or owners of a lot or parcel of real property that is a part of the service area of Company as set forth in subdivision maps, tract 3463, filed in the Office of the County Recorder of Kern County, California.

(b) A purchaser of any lot or parcel of land under contract shall be deemed to be an owner for the purpose of these Bylaws. A lot or parcel of land held as community property shall qualify the owners thereof for one (1) share certificate only in the Company. As to any lot or parcel of land held in joint tenancy, tenancy in common, or in the name of a partnership or in any other way, only one (1) person of any number of such co-owners shall be a shareholder of this Company. Such co-owners shall be required to designate in writing to the Company who shall represent them at Company meetings.

Section 2.02. Eligibility to be a Shareholder and to Hold Share Certificates

All persons who become owners of lots or parcels of property, as defined, and described in Section I of this Article, shall by reason of such ownership become a shareholder of the Company, and be issued one (1) stock certificate of shares upon their purchase of said lot or parcel of property.

Section 2.03. Voting Rights of Shareholders

Each shareholder shall be entitled to one vote for each share certificate. No distinction shall exist between the shares except that a shareholder be in good standings to vote their share certificate. Company shall have one class of shareholder only, and the property, voting, and other rights, interests, and privileges of each shareholder shall be equal.

Section 2.04. Termination

The Board of Directors may, by affirmative vote of two-third of all members of the Board, suspend or expel a shareholder for cause after an appropriate hearing and by majority vote of those present at any regularly constituted meeting, and may cancel the stock certificate of any shareholder who becomes in default in the payment of assessments for the period fixed in these Bylaws.

Section 2.05. Reinstatement

Upon the written request signed by a former shareholder and filed with the Secretary, the Board of Directors may reinstate such former shareholder upon such terms as the Board of Directors may deem appropriate, including payment of a reconnection fee set by the Board.

Section 2.06. Transfer of Shares

Shares in this Company are transferable or assignable only with the transfer or assignment of the lot or parcel of land to which it attaches. No share shall be transferred until all assessments, water charges, or other indebtedness of the transferring share to the Company have been paid in full. No transfer of a share shall be binding upon the Company unless and until duly entered upon its books. The party requesting transfer of a share shall present the Company with such certificate either of the conveyance to him of the land described in the certificate, showing the same to be duly recorded, or a written statement from a reputable title company showing that he is the owner of the land to which the share is appurtenant. The Board may determine such additional terms and conditions of transfer of a share and surrender of water rights accruing therefrom.

Section 2.07. Rights and Liabilities

No shareholder of the Company shall have any right, title, or interest in or to any property or assets of the Company, except upon its dissolution.

The private property of the shareholder shall be exempt from execution or other liability for any debts of the Company's and no shareholder shall be liable or responsible for any debts or liabilities of the Company to the maximum extent allowed by law.

Section 2.08. Grant of Easement

Each shareholder, as a condition of being a shareholder, shall at the time of issuance of share and acceptance thereof, or at any time thereafter upon request grant to the Company or shall grant the right of ingress and egress to such shareholder's appurtenant property for the purpose of connecting and shutting off water furnished by Company and for the purpose of repairing, replacing, or maintaining Company water lines and facilities.

ARTICLE III. SHAREHOLDER MEETINGS

Section 3.01. Place of Meeting

The Board of Directors may designate any place within the State of California as the place of meeting for any annual meeting or for any special meetings. If no designation is made, the place of meetings shall be the principal office of the Company's but if all members of the Board of Directors meet at any time and place within the State of California, and consent to the holding of a meeting before or after the meeting,

such meetings shall be valid without call or notice, and at such meeting any company action may be taken. Meetings may be held by audio or video conference in accordance with applicable law.

Section 3.02. Annual Meeting

The annual meeting of Shareholders shall be held on the 3rd Sunday of April of each year for the purpose of electing directors, passing upon reports for the previous fiscal year, and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. If the day fixed for the annual meeting falls on a legal holiday, such meeting shall be held on the next succeeding Sunday. Failure to hold the annual meeting at the designated time shall not cause a forfeiture or dissolution of the Corporation, and in the event of such failure, the annual meeting shall be held within a reasonable time thereafter.

Section 3.03. Special Meetings.

Written notice stating the place, day, and hour of the meeting, and, in case of a special meeting or annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) days nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon his default, by any Director or by the persons calling the meeting, to each shareholder. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at his address as it appears on the records of the Company, with postage thereon prepaid. The failure of any shareholder to receive notice of an annual or special meeting of the shareholders shall not invalidate any action that may be taken by the shareholders at any such meeting.

Section 3.04. Quorum

Twenty per cent (20%) of the shareholders shall constitute a quorum. If less than a quorum is present in person at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice.

Section 3.05. Voting

Each shareholder shall be entitled to only one (1) vote upon each matter submitted to a vote at a meeting of the shareholders. All questions shall be decided by a vote of a majority of the shareholders voting thereon in person, except as otherwise provided by law, the Articles of Incorporation, or these Bylaws. The manner of voting may be by ballot, mail, or any reasonable means provided in these Bylaws and amendments thereto or as directed by the Board of Directors.

Only those shareholders in good standing may vote at meetings. "Good standing" means that a shareholder's service has not been shut off or terminated.

Section 3.06. Proxies

Shareholders may vote by proxy as permitted by law.

Section 3.07. Record Date and Closing Shareholder Certificate Book

The Board of Directors may fix a time, in the future, not exceeding thirty (30) days prior to the date of any meeting of the shareholders, or the date for any other action affecting the shareholders as a record date for the determination of the Shareholders entitled to notice of and to vote at such meeting, or entitled to receive the benefit of any such other action and in such case only a shareholder of record on the date so fixed shall be entitled to notice of and to vote at such meeting or to receive such benefit, as the case may be, notwithstanding any transfer of any stock certificates on the books of the Company after any record date fixed as aforesaid.

Section 3.08. Informal Action

Any action required by law to be taken at a meeting of the shareholders, or any action which may be taken at a meeting of shareholders, may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all the shareholders entitled to vote with respect to the subject matter thereof.

ARTICLE IV. DIRECTORS

Section 4.01. The General Business of the Company

The general business of the Company shall be managed by a Board of Directors of the Company which shall exercise all of the powers of the Company except such as are by law, the Articles of Incorporation, or these Bylaws conferred upon or reserved to the shareholders.

Section 4.02. Number, Tenure, and Qualifications

The number of directors shall be three (3). Each director shall be elected for a one (1) year term. Directors will be elected by a majority vote of the shareholders present at the election meeting. Each member of the Board of Directors must be a qualified shareholder of the Company.

Section 4.03. Vacancies

(a) Vacancies may be filled by a majority of the remaining Directors, though less than a quorum, or by the sole remaining Director, and each Director so elected shall hold office until a successor is elected at an annual meeting of Directors.

(b) The shareholders may elect a Director or Directors at any time to fill any vacancy or vacancies not filled by the Directors. If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board or the shareholders shall have power to elect a successor to take office when the resignation is to become effective.

Section 4.04. Place of Meeting

The Board of Directors may designate the place of meeting within the State of California as the place of meeting for any regular or special meeting. If no designation is made, the place of meeting shall be the principal office of the Company; but if all members of the Board shall be present at any time and place and consent to the holding of a meeting before or after the meeting, such meeting shall be valid without call or notice, and at such meeting, any-Company action may be taken.

Section 4.05. Organizational Meeting

Immediately following each annual meeting of shareholders, the Board of Directors shall hold a regular meeting for the purposes of organization, election of officers, and transaction of other business. Notice of such meeting is hereby dispensed with.

Section 4.06. Regular Meetings

By the December regular meeting, the Board shall set the regular meeting dates for the next year, and such dates shall be posted on the Company website. Notice of all such meetings is hereby dispensed with; provided Company shall comply with the Mutual Water Company Open Meeting Law.

Section 4.07. Special Meetings

(a) Special meetings of the Board may be called by the President or if he or she is absent or unable or refuses to act, by the Treasurer, or by any two (2) Directors. Notice of any special meeting shall be given at least four (4) days previously thereto by written notice sent by mail or email to each Director at the address/email as shown by the records of the Company, or 48 hours for notice delivered personally or by telephone. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid.

(b) Any Director may waive notice of any meeting either before or after said meeting in writing. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting unless specifically required by law or by these Bylaws.

Section 4.08. Quorum

A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 4.09. Action

The act of a majority of the Directors present at which a quorum is present shall be the act of the Board of Directors, unless the act of the greater number is required by law or by these Bylaws.

Section 4.10. Notice of Adjournment

Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time place be fixed at the meeting adjourned.

Section 4.11. Waiver of Notice

The transaction of any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the Directors not present signs a written Waiver of Notice or a consent to holding such a meetings or if an approval shall be filed with the Corporate records or made a part of the minutes of the meeting.

Section 4.12. Adjournment

A quorum of the Directors may adjourn any Directors' meeting to meet again at a stated day and hour provided, however, that in the absence of a quorum, a majority of the Directors present at any Directors' meeting, either regular or special, may adjourn from time to time until time fixed for the next regular meeting of the Board.

Section 4.13. Mutual Water Company Open Meeting Law

All meetings of the Board shall be held in conformance with the Mutual Water Company Open Meeting Law (Corporation Code section 14305) as may be amended from time to time.

ARTICLE V. OFFICERS

Section 5.01. Generally

The officers of the Company shall be a President, Secretary, Treasurer, and other such officers as may be appointed in accordance with the provisions of Section 2 of this Article. One person may hold two or more offices, except those of President and Secretary. An officer may delegate his or her duties to such designee as approved by the Board of Directors.

Section 5.02. Election and Term of Office

The officers of the Company shall be elected annually by the Board of Directors at the first regular meeting of the Board of Directors following the annual election of the Directors. If election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New officers may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have-been duly elected and shall have qualified

Section 5.03. Vacancies

A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5.04. Terms of Employment

(a) The Board of Directors may appoint, employ, terminate, discharge, fix the compensation, and provide for the duties and powers of such officers, agents, and employees, including removal with or without cause, as in the sole judgment of the Board shall be advisable subject to the provisions of this Article and the provisions of written contracts of employment, if any. Said compensation for officers and employees shall not be excessive and shall be both adequate and reasonable.

(b) Any officer may resign at any time by giving written notice to the Board, or to the President or Secretary of the Company. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; the acceptance of such resignation shall not be necessary to make it effective. Such resignations shall be governed by the terms of the employment agreement, if any.

Section 5.05. President

The powers and duties of the President are as follows:

(a) Be the principal executive officer of the Company and, unless otherwise determined by the members of the Board, shall preside at all meetings of the shareholders and the Board;

(b) Sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Company or shall be reserved by the Board of Directors as from time to time be authorized by the Board of Directors;

(c) In general, perform all duties incident as may be prescribed by the Board from time to time.

Section 5.06. Secretary

The duties of the Secretary are as follows:

(a) Keep the minutes of the meetings of the shareholders and of the Board in one or more books provided for that purpose;

(b) See that all notices are duly given in accordance with these Bylaws or as required by law;

(c) Be custodian of the corporate records and of the seal of the Company, and affix the seal of the Company to documents, the execution of which on behalf of the Company under its seal is duly authorized in accordance with the provisions of these Bylaws;

(d) Keep a register of the names and post office addresses of all shareholders;

(e) Have general charge of the books of the Company;

(f) Keep on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Company containing all amendments thereto (which copy shall always be open to the inspection of any shareholder, and at the expense of the Company, forward a copy of the Bylaws and all amendments thereto to each shareholder); and

(g) In general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board or the President.

Section 5.07. Treasurer

The duties of the Treasurer are as follows:

(a) Have charge and custody of and be responsible for all funds and securities of the Company;

(b) Be responsible for the receipt of, and the issuance of receipts for all moneys due and payable to the Company from any source whatever;

(c) In general, perform all the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him by the Board or the President.

Section 5.08. Subordinate Officers

The Board of Directors may appoint such other officers as the business of the Company may require including but not limited to assistant secretaries and assistant treasurers, each of whom shall hold office for such period, have authority and perform such duties as are provided in the Bylaws or as the Board may from time to time determine.

ARTICLE VI. COMMITTEES

The Board of Directors may designate one or more committees and establish the rules applicable to such committee(s).

ARTICLE VII. SEAL

The Corporate seal of the Company shall be in the form of a circle and shall have inscribed thereon the name of the Company and the words "Corporate Seal" "California".

ARTICLE VIII. FINANCIAL MATTERS

Section 8.01. Contracts

Except as otherwise provided in these Bylaws, the Board may authorize any officer, officers, or employees to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Company, and such authority may be general or confined to specific instances.

Section 8.02. Checks, Drafts, Etc.

All checks, drafts, or other orders for payment of money, and all notes, bonds, or other evidence of indebtedness issued in the name of the Company shall be signed by two (2) of the President, Treasurer, Secretary, General Manager, and Assistant General Manager, unless otherwise expressly authorized by the Board.

Section 8.03. Deposits

All funds of the Company shall be deposited from time to time to the credit of the Company in such bank or banks as the Board may designate.

Section 8.04. Fiscal Year

The fiscal year of the Company shall begin on the first day of January of each year and shall end on the last day of December.

Section 8.05. Gifts

The Board of Directors may accept on behalf of the Company any contributions, gifts, bequests, or devises for the general purposes, or any special purposes of the Company.

ARTICLE IX. SHAREHOLDER CERTIFICATES

Section 9.01. Stock Certificates

Stock certificates of the Company shall be issued in such forms as the Board of Directors shall designate and shall be issued over the signatures of the President and Secretary. A certificate book shall be maintained which shall contain a margin on which shall be shown the number, date, and name of the shareholder, as set forth in the corresponding certificate.

Section 9.02. Fractional Certificates

Stock certificates of the Company shall be appurtenant to the lots and real property as the same are described and set forth above in Article IV of these Bylaws and shall not be transferable except with the conveyance of the lot or other real property for which said certificate is issued. No fractional certificates shall be issued. Such conveyance shall effect the transfer of the certificate appurtenant to that particular lot or real property to its purchaser.

Section 9.03. Transfer or Assignment of Certificates

Stock certificates of the Company are not transferable or assignable, except as specifically provided in these Bylaws or law.

ARTICLE X. ASSESSMENTS

Section 10.01. Assessment of Shares

Assessments may be levied on shares as authorized by Corporation Code section 14300, et seq, as amended or in any successor statute, including for the installation, maintenance, and improvement of the water system used or owned by the Company from time to time as deemed necessary. Any such assessments shall be delinquent thirty (30) days from the date of the call therefor, mailed postage prepaid from the office of the Company to such shareholders at their addresses on file with the Secretary.

Section 10.02. Penalties on Delinquent Assessments; Forfeiture of Stock

Delinquent assessments shall be subject to such penalties as may be fixed by the Board. Failure of any shareholder to pay any assessments when due may, in the discretion of the Board, constitute a termination of the right to use water from the Company system up to and including forfeiture of the shareholder's stock in Company, as authorized by applicable law. However, the defaulting shareholder shall be entitled to a hearing before the Board at a time and place to be fixed by the Board, and the decision of the Board at any such hearing shall be final.

ARTICLE XI. OPERATION OF WATER SYSTEM

Section 11.01. Employees

The Board may hire and fix the compensation for employees and independent contractors of the Company from time to time.

Section 11.02. Water System Operator

(a) The Board of Directors shall appoint a water system operator, whose duties include, but are not limited to:

- (i) Supervising and assisting in the installation pipelines, water connections, and other works of the Company; and
- (ii) Supervising the distribution of water.

(b) The water system operator shall render a report to the Board annually (or oftener if so required) setting forth the result of Company operations and shall perform such other duties as the President or Board may require.

Section 11.03. General Manager and Assistant General Manager

(a) The Board may appoint and fix the compensation of a General Manager. The duties of the General Manager shall include all day-to-day operations of the company and any others set by the Board.

(b) The Board may appoint and fix the compensation of the Assistant General Manager whose duties shall include set by the Board or General Manager.

Section 11.04. Rules and Regulations

The Board of Directors shall make and adopt such rules and regulations not inconsistent with law, the Articles of Incorporation, or these Bylaws as it may deem advisable for the management of the business and affairs of the Company.

ARTICLE XII. MISCELLANEOUS

Section 12.01. Accounting System and Reports

The Board shall cause to be established and maintained, in accordance with generally accepted principles of accounting, an appropriate accounting system and books of accounts.

Section 12.02. Inspection of Company Records

The stock certificate book, the books of account, the Bylaws, and the minutes of the proceedings of Shareholders and Directors and of the executive, if any, and other committees of the Directors shall be open to inspection upon the written demand of any Shareholder at any reasonable time, and for a purpose reasonably related to his interest as a Shareholder, and shall be exhibited at any time when required by the Board of Directors at a Shareholders meeting, as required by law. Such inspection may be made in person or by an agent or attorney and shall include the right to make extracts. Demand of inspection other than at a shareholder meeting shall be made in writing upon the President, Secretary, or General Manager, if any, of the Company.

Section 12.03. Reports to Shareholders

Annual reports, as required by law, will be given to shareholders, and in any event, the Board of Directors may cause to be sent to the shareholders annual or other periodic reports in such form as may be deemed appropriate by the Board.

Section 12.04. Construction and Definitions

Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the California Corporation Code shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the masculine gender includes the feminine and neuter, the singular number includes the plural number, and the plural number includes the singular, and the term person includes corporations as well as natural persons.

ARTICLE XIII. DISSOLUTION

In the event of dissolution of the Company, after all of the Company's debts and liabilities have been paid or provided for, the Company's property and assets shall be distributed in accordance with applicable law.

ARTICLE IX. AMENDMENTS

Section 14.01. Amendment and/or Repeal of the Bylaws

Except as otherwise provided by law or by the Articles of Incorporation, new Bylaws may be adopted, or these Bylaws may be amended or repealed by the vote or the written assent of a majority of shareholders present and voting at a duly called shareholder meeting.

Section 14.02. Bylaw Amendments by the Board of Directors

Subject to the right of shareholders to adopt, amend, or repeal Bylaws, as herein provided, the Bylaws, other than a Bylaw or amendment thereof changing the authorized number of Directors, may be adopted, amended, or repealed by the Board of Directors.

Section 14.03. Reserve Fund

The Directors shall adopt a rate structure, including assessments, adequate to establish a reasonable reserve for the replacement of the facilities. Unimproved property within the area served shall bear an appropriate share of the costs of maintaining such a reserve.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of Krista Mutual Water Company, a California Corporation; and
2. That the foregoing Bylaws comprising of _____ (___) pages constitute the Bylaws of said corporation as duly adopted at a meeting of the Board of Directors thereof duly held in [location] on [date].

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the Seal of said corporation this [date].

[name], Secretary

ATTACHMENT 1 – OPEN MEETING LAW

Corporations Code § 14305

Mutual Water Company Open Meeting Act

(a) (1) This section shall be known and may be cited as the Mutual Water Company Open Meeting Act.

(2) This section shall only apply to a mutual water company that operates a public water system.

(b) (1) (A) A board of directors of a mutual water company shall allow an eligible person to personally attend a meeting of the board, if the eligible person gave the board at least 24 hours advance written notice of his or her intent to personally attend the meeting.

(B) Notwithstanding any other law, the board of directors may use teleconferencing to provide any eligible person access to the meeting that otherwise would be denied attendance at a meeting of the board for failure to provide this notice, or because the number of eligible persons having already provided notice of attendance exceeds the room capacity of the place of the meeting described in the notice issued pursuant to subdivision (f). The teleconferenced meeting or proceeding shall comply with this section and all other applicable provisions of law relating to a specific type of meeting or proceeding conducted by a mutual water company. If the board uses teleconferencing, the board shall provide to an eligible person attending a meeting by teleconference, before the meeting begins, an electronic copy or photocopy of all documents not related to an executive session to be discussed at the meeting. A board of directors of a mutual water company shall not prohibit an eligible person from attending a meeting of the board either in person, so long as the eligible person has complied with the notice requirement of paragraph (A), or by teleconference except as provided by paragraph (2). A board of directors may allow an eligible person to attend the meeting personally in lieu of using teleconferencing pursuant to this paragraph.

(C) For purposes of this subdivision, the term “teleconference” means, to the extent it is technologically feasible, any electronic means, that includes either audio or video or both, that allows an eligible person to hear a meeting and verbally interact with the board, including, but not limited to, a telephone, cellular telephone with speaker phone technology, or computer, or a device using internet-based video or audio conference technology.

(2) A board of directors of a mutual water company shall only meet in executive

session during a meeting. A board may prohibit an eligible person from attending an executive session to consider pending or potential litigation, matters relating to the formation of contracts with third parties, including matters relating to the potential acquisition of real property or water rights, member or shareholder discipline, personnel matters, or to meet with a member or shareholder, upon the member or shareholder's request, regarding the member or shareholder's payment of assessments, as specified in Section 14303.

(3) The board of directors of a mutual water company shall meet in executive session, if requested by a member or shareholder who may be subject to a fine, penalty, or other form of discipline, and the member shall be entitled to attend the executive session.

(4) An eligible person shall be entitled to attend a teleconference meeting, as specified in paragraph (3) of subdivision (o), or the portion of the teleconference meeting that is open to eligible persons and shall be entitled to attend with or without fulfilling the notice requirement in paragraph (1). The teleconference meeting or portion of the meeting that is open to eligible persons shall be audible to the eligible person in a location specified in the notice of the meeting.

(c) Any matter discussed in executive session shall be generally noted in the minutes of the meeting at which the executive session occurred.

(d) The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the board of directors of a mutual water company, conducted on or after January 1, 2014, other than an executive session, shall be available to eligible persons within 30 days of the meeting. The minutes, proposed minutes, or summary minutes shall be provided to any eligible person upon request and upon reimbursement of the mutual water company's costs for providing the minutes.

(e) The pro forma budget required in Section 14306 shall be available to eligible persons within 30 days of the meeting at which the budget was adopted. The budget shall be provided to any eligible person upon request and upon reimbursement of the mutual water company's costs.

(f) Unless the bylaws provide for a longer period of notice, eligible persons shall be given notice of the time and place of a meeting as defined in subdivision (o), except for an emergency meeting, at least four days prior to the meeting. Notice shall be given by posting the notice in a prominent, publicly accessible place or places within the territory served by the mutual water company and by mail to any eligible person who had requested notification of board meetings by mail, at the address requested by the eligible person. Eligible persons requesting notice by mail shall pay the costs of reproduction and mailing of the notice in advance. Notice may also be given by mail, by delivery of the notice to

each unit served by the mutual water company, or, with the consent of the eligible person, by electronic means. The notice shall contain the agenda for the meeting.

(g) An emergency meeting of the board may be called by the chief executive officer of the mutual water company, or by any two members of the board of directors other than the chief executive officer, if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the board, and which of necessity make it impracticable to provide notice as required by this section.

(h) The board of directors of a mutual water company shall permit any eligible person to speak at any meeting of the mutual water company or the board of directors, except for any portion of a meeting that is held in executive session outside the presence of eligible persons. A reasonable time limit for all eligible persons to speak to the board of directors or before a meeting of the mutual water company shall be established by the board of directors.

(i) (1) Except as described in paragraphs (2) to (4), inclusive, the board of directors of the mutual water company shall not discuss or take action on any item at a nonemergency meeting unless the item was placed on the agenda included in the notice that was posted and distributed pursuant to subdivision (f). This subdivision does not prohibit an eligible person who is not a member of the board from speaking on issues not on the agenda.

(2) Notwithstanding paragraph (1), a member of the board of directors, mutual water company officers, or a member of the staff of the mutual water company, may do any of the following:

(A) Briefly respond to statements made or questions posed by a person speaking at a meeting as described in subdivision (h).

(B) Ask a question for clarification, make an announcement, or make a brief report on his or her own activities, whether in response to questions posed by an eligible person or based upon his or her own initiative.

(3) Notwithstanding paragraph (1), the board of directors or a member of the board of directors, subject to rules or procedures of the board of directors, may do any of the following:

(A) Provide a reference to, or provide other resources for factual information to, the mutual water company's officers or staff.

(B) Request the mutual water company's officers or staff to report back to the board of directors at a subsequent meeting concerning any matter, or take action to direct the mutual water company's officers or staff to place a matter of business on a future agenda.

(C) Direct the mutual water company's officers or staff to perform administrative tasks that are necessary to carry out this subdivision.

(4) (A) Notwithstanding paragraph (1), the board of directors may take action on any item of business not appearing on the agenda posted and distributed pursuant to subdivision (f) under any of the following conditions:

(i) Upon a determination made by a majority of the board of directors present at the meeting that an emergency situation exists. An emergency situation exists if there are circumstances that could not have been reasonably foreseen by the board, that require immediate attention and possible action by the board, and that, of necessity, make it impracticable to provide notice.

(ii) Upon a determination made by the board by a vote of two-thirds of the members present at the meeting, or, if less than two-thirds of total membership of the board is present at the meeting, by a unanimous vote of the members present, that there is a need to take immediate action and that the need for action came to the attention of the board after the agenda was posted and distributed pursuant to subdivision (f).

(iii) The item appeared on an agenda that was posted and distributed pursuant to subdivision (f) for a prior meeting of the board of directors that occurred not more than 30 calendar days before the date that action is taken on the item and, at the prior meeting, action on the item was continued to the meeting at which the action is taken.

(B) Before discussing any item pursuant to this paragraph, the board of directors shall openly identify the item to the members in attendance at the meeting.

(j) (1) Notwithstanding any other law, the board of directors shall not take action on any item of business outside of a meeting.

(2) (A) Notwithstanding any other provision of law, the board of directors shall not conduct a meeting via a series of electronic transmissions, including, but not limited to, electronic mail, except as specified in subparagraph (B).

(B) Electronic transmissions may be used as a method of conducting an emergency meeting if all members of the board, individually or collectively, consent in writing to that action, and if the written consent or consents are filed with the minutes of the meeting of the board. These written consents may be transmitted electronically.

(k) (1) An eligible person may bring a civil action for declaratory or equitable relief for a violation of this section by a mutual water company for which he or she is defined as an eligible person for a judicial determination that an action taken by the board is null and void under this section.

(2) Prior to the commencement of an action pursuant to paragraph (1), the eligible

person shall make a demand on the board to cure or correct the action alleged to be taken in violation of this section. The demand shall be in writing and submitted within 90 days from the date the action was taken. The demand shall state the challenged action of the board and the nature of the alleged violation.

(3) Within 30 days of receipt of the demand, the board shall cure or correct the challenged action and inform the demanding party in writing of its actions to cure or correct, or inform the demanding party in writing of its decision not to cure or correct the challenged action.

(4) Within 15 days of receipt of the written notice of the board's decision to cure or correct or not to cure or correct, or within 15 days of the expiration of the 30-day period to cure or correct, whichever is earlier, the demanding party shall commence the action pursuant to paragraph (1). If the demanding party fails to commence the action pursuant to paragraph (1), that party shall be barred from commencing the action thereafter.

(l) A board action that is alleged to have been taken in violation of this section shall not be determined to be void if the action taken was in substantial compliance with this section.

(m) The fact that the board of directors of a mutual water company takes subsequent action to cure or correct an action taken pursuant to this section shall not be construed as, or admissible as evidence of, a violation of this section.

(n) An eligible person who prevails in a civil action to enforce his or her rights pursuant to this section shall be entitled to reasonable attorney's fees and court costs. A prevailing mutual water company shall not recover any costs, unless the court finds the action to be frivolous, unreasonable, or without foundation.

(o) As used in this section:

(1) "Eligible person" means a person who is any of the following:

(A) A shareholder or member of the mutual water company.

(B) A person who is an occupant, pursuant to a lease or a rental agreement, of commercial space or a dwelling unit to which the mutual water company sells, distributes, supplies, or delivers drinking water.

(C) An elected official of a city or county who represents people who receive drinking water directly from the mutual water company on a retail basis.

(D) Any other person eligible to participate in the mutual water company's meetings under provisions of the company's articles or bylaws.

(2) "Item of business" means any action within the authority of the board, except those actions that the board has validly delegated to any other person or persons, officer of the mutual water company, or committee of the board comprising less than a majority of the directors.

(3) “Meeting” means either of the following:

time (A) A congregation of a majority of the members of the board at the same and place to hear, discuss, or deliberate upon any item of business that is within the authority of the board.

(B) A teleconference in which a majority of the members of the board, in different locations, are connected by electronic means, through audio or video or both. A teleconference meeting shall be conducted in a manner that protects the rights of members of the mutual water company and otherwise complies with the requirements of this title. The notice of the teleconference meeting shall identify at least one physical location so that members of the mutual water company may attend and at least one member of the board of directors or a person designated by the board shall be present at that location. Participation by board members in a teleconference meeting constitutes presence at that meeting as long as all board members participating in the meeting are able to hear one another and members of the mutual water company speaking on matters before the board.

(4) “Mutual water company” means a mutual water company, as defined in Section 14300, that operates a public water system, as defined in Section 14300.5.

KRISTA MUTUAL WATER COMPANY BALLOT TO APPROVE THE NEW BYLAWS FOR
KRISTA MUTUAL WATER COMPANY

Date: August 28, 2023

Time: 1:00 p.m.

3534 Mt. Pinos Way, Frazier Park, Ca 93225 and

Via: Zoom.com Id# 853 6091 9766 Phone #669-900-9128

BALLOT/PROXY

(PLEASE USE A PEN TO MARK YOUR BALLOT)

I/WE authorize my proxy to vote as follows (choose from one of the following 3 choices):

1. _____ **ABSTAIN** from voting 2. _____ **VOTE** at proxy holder's discretion 3. _____ **VOTE** as follows

I, _____ (print or type full name), am an owner
of the property served by the Krista Mutual Water Company at:

Address: _____

City: _____

Zip: _____

Lot: _____

We are property owner/members served by the Krista Mutual Water Company.

We **DO** APPROVE – the new bylaws for Krista Mutual Water Company

We **DO NOT** APPROVE – the new bylaws for Krista Mutual Water Company

Signature: _____

Date: _____

If there are not enough Votes the board will adjourn to September 25th at 1:00pm.