



**SPECIAL NOTICE REGARDING
CORONAVIRUS DISEASE 2019 (COVID-19)
AND PARTICIPATION IN PUBLIC MEETINGS**

On March 4, 2020, Governor Newsom declared a State of Emergency resulting from the threat of COVID-19. On September 16, 2021, Governor Newsom signed Assembly Bill No. 361 into law. Assembly Bill No. 361 amends Government Code section 54953(e) by adding provisions for remote teleconferencing participation in meetings by members of a legislative body, without the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions. The San Bernardino Valley Municipal Water District adopted a resolution determining, by majority vote, that, as a result of the declared State of Emergency, a meeting in person would present imminent risks to the health or safety of attendees. Accordingly, it has been determined that all Board and Workshop meetings of the San Bernardino Valley Municipal Water District will be held pursuant to the Brown Act and will be conducted via teleconference. There will be no public access to the meeting venue.

BOARD OF DIRECTORS WORKSHOP - TRES LAGOS
THURSDAY, APRIL 21, 2022 – 2:00 P.M.

PUBLIC PARTICIPATION

Public participation is welcome and encouraged. You may participate in the April 21, 2022, meeting of the San Bernardino Valley Municipal Water District online and by telephone as follows:

Dial-in Info: (877) 853 5247 US Toll-free

Meeting ID: 828 9058 7631

PASSCODE: 3802020

<https://sbvmwd.zoom.us/j/82890587631>

If you are unable to participate online or by telephone, you may also submit your comments and questions in writing for the District's consideration by sending them to comments@sbvmwd.com with the subject line "Public Comment Item #" (insert the agenda item number relevant to your comment) or "Public Comment Non-Agenda Item". Submit your written comments by 6:00 p.m. on Wednesday, April 20, 2022. All public comments will be provided to the Chair and may be read into the record or compiled as part of the record.

IMPORTANT PRIVACY NOTE: Participation in the meeting via the Zoom app is strongly encouraged. Online participants MUST log in with a Zoom account. The Zoom app is a free download. Please keep in mind: (1) This is a public meeting; as such, the virtual meeting information is published on the World Wide Web and available to everyone. (2) Should you participate remotely via telephone, your telephone number will be your "identifier" during the meeting and available to all meeting participants; there is no way to protect your privacy if you elect to call in to the meeting.



SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
380 E. Vanderbilt Way, San Bernardino, CA 92408

BOARD OF DIRECTORS WORKSHOP- TRES LAGOS

AGENDA

2:00 PM Thursday, April 21, 2022

CALL TO ORDER

1) INTRODUCTIONS

2) PUBLIC COMMENT

Any person may address the Board on matters within its jurisdiction.

3) DISCUSSION ITEMS

3.1 Tres Lagos Property Discussion (Page 2)

[Staff Memo - Tres Lagos Property Discussion](#)

[Vicinity Map - Tres Lago Property](#)

3.2 Consider Nominations of the Members for the Tres Lagos Mutual Water Company Board of Directors and authorize the CEO/General Manager to vote on behalf of the District at the Annual Shareholders Meetings (Page 5)

[Staff Memo - Consider Nominations of the Members for the Tres Lagos Mutual Water Company Board of Directors and authorize the CEO/General Manager to vote on behalf of the District at the Annual Shareholders Meetings](#)

[Amended Bylaws of Tres Lagos Mutual Water Company](#)

4) ADJOURNMENT

PLEASE NOTE:

Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the District's office located at 380 E. Vanderbilt Way, San Bernardino, during normal business hours. Also, such documents are available on the District's website at www.sbvmd.com subject to staff's ability to post the documents before the meeting. The District recognizes its obligation to provide equal access to those individuals with disabilities. Please contact Melissa Zoba at (909) 387-9228 two working days prior to the meeting with any special requests for reasonable accommodation.



DATE: April 21, 2022
TO: Board of Directors Workshop
FROM: Heather Dyer, CEO / General Manager
SUBJECT: Tres Lagos Property Discussion

Staff Recommendation

Staff recommends the Board of Directors participate in this workshop as an informative process, receive input from interested parties attending the meeting through public comments, and provide input on considerations for the future uses and next steps regarding the Tres Lagos Property.

Summary

The District purchased 1,658 acres of unentitled land from the Orange County Flood Control District through a public auction for \$32.5 million, or approximately \$19,600 per acre. Escrow officially closed on the property in late February 2022. The Board is asked to discuss possibilities and opportunities for the site, project ideas, potential partnerships, and provide direction to staff on next steps. The workshop is also an opportunity for the Board to receive feedback and ideas regarding potential uses of the land from the public through our public comment process.

Background

Earlier this year, the District acquired through public auction, 1,658 acres of undeveloped land located at the base of the San Bernardino mountains, bordering the National Forest and Mill

Creek in the City of Highland (Attachment 1). The District identified the land purchase as financially and operationally advantageous based on the location of the land respective to future water district infrastructure needs and the large amount of endangered species habitat present on the site, which is required by federal and state permits to build our local water supply projects.

The Board of Directors is asked to discuss the various opportunities for the site, including the District's future water infrastructure needs, mitigation land needed to satisfy permit requirements for the Upper Santa Ana River Habitat Conservation Plan, additional opportunities for conserved open space and habitat preservation, and possible educational components that could be located on the property focused on watershed health and sustainability, forest headwaters protection and wildfire resilience. Staff will also recommend next steps for the Board's consideration.

Fiscal Impact

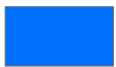

The future fiscal impact of this item is currently undetermined. Once the direction of the Board is determined, an estimate of the fiscal impact will be developed.

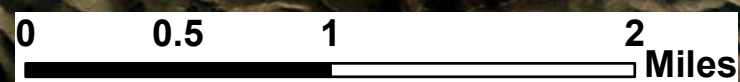
Attachment:

Vicinity Map - Tres Lago Property

Vicinity Map
Tres Lagos Property



 Valley District Pipelines
 Tres Lagos Property





DATE: April 21, 2022

TO: Board of Directors' Workshop

FROM: Wen Huang, Chief Engineer/Deputy General Manager

SUBJECT: Consider Nominations of the Members for the Tres Lagos Mutual Water Company Board of Directors and authorize the CEO/General Manager to vote on behalf of the District at the Annual Shareholders' Meetings

Staff Recommendation:

Staff recommends the Board of Directors nominate up to four (4) District representatives to fill the vacant positions of the Tres Lago Mutual Water Company (Company) Board of Directors and authorize the CEO/General Manager to vote on behalf of the District at the Company's Annual Shareholders' Meetings.

Summary

As part of the District's acquisition of the 1,658-acre land in the City of Highland in late February 2022, Valley District becomes the majority shareholder of the Tres Lagos Mutual Water Company (TLMWC). An annual shareholders' meeting is currently being scheduled for the week of April 25, 2022 with the election of Board of Directors being one of the business items for consideration. The Board of Directors of the Company currently consists of five (5) members, of which four (4) positions are either vacant or occupied by the staff of the Local Sponsors (three flood control districts) that need to be filled.

Background

Earlier this year, the District acquired, through public auction, 1,658 acres of undeveloped land located at the base of the San Bernardino mountains, bordering the National Forest and Mill Creek in the City of Highland. The District was able to secure this site as a potential location for future water infrastructure and endangered species habitat that is required by federal and state permits to build local water supply projects. As part of the acquisition, Valley District becomes the majority shareholder of the TLMWC.

In accordance with the Amended TLMWC By-Laws (attached), the Board of Directors consists of 5 members. Of the 5 current members, of which four (4) positions are either vacant or occupied by the staff of the Local Sponsors (three flood control districts) that need to be filled. Staff recommends that the Board of Directors nominate up to four (4) representatives of the District to be considered to fill the vacant positions of the TLMWC Board of Directors and authorize the CEO/General Manager to vote on behalf of the District at the TLMWC's Annual Shareholders' Meetings.

Fiscal Impact:

There is no fiscal impact for the nominations.

Attachments:

1. Amended Bylaws of Tres Lagos Mutual Water Company

TRES LAGOS MUTUAL WATER COMPANY

**San Bernardino County
RECORDED DOCUMENT # 91-390512**

***AMENDED BYLAWS
OF
TRES LAGOS MUTUAL WATER COMPANY***

AMENDED BYLAWS OF TRES LAGOS MUTUAL WATER COMPANY
A CORPORATION

Article I

NAME

The name of this corporation is and shall be the Tres Lagos Mutual Water Company and for convenience shall be referred to hereinafter as the "Company".

Article II

OFFICES

Section 1. Principal Office: The principal office for the transaction of the business of the Company is hereby fixed and located at 9115 Sapphire Street, Mentone, CA 92359 in the County of San Bernardino, State of California. The Board of Directors is hereby granted full power and authority to change said principal office from one location to another in said County. Any such change shall be noted on the bylaws opposite this section, or this section may be amended to state the new location.

Section 2. Other Office: Branch or subordinate offices may at any time be established by the Board of Directors at any place or places where the Corporation is qualified to do business.

Article III

OBJECTS AND PURPOSES

The objects and purposes of the Company shall be to develop, distribute, supply and deliver water for domestic,

municipal 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 foregoing objects and purposes; and 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 IV

SHAREHOLDERS

Section 1. Shareholders: Shareholders of the Company shall be limited to the owner or owners of one (1) lot or parcel of real property within the area to be served by the

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Company, and described in the Articles of Incorporation. This property is located generally in Sections 9 and 16 Township 1 South, Range 2 West, San Bernardino Base and Meridian, County of San Bernardino, State of California.

For the purpose of these bylaws, lots shall consist of those lots described and set forth in subdivision maps from time to time filed in the Office of the County Recorder of San Bernardino County, California, including property within the area described above; lots resulting from the further subdivision of any lot set forth and described in any subdivision maps filed at this time; and each unit of any community or condominium, or other cooperative type of multiple living facilities now existing or that may be constructed within said area.

A purchaser of any lot or parcel of land under contract shall also be deemed to be an owner for the purposes 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, which share shall be in the name of the manager of the community property. 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 owners shall be a shareholder of this Corporation.

Section 2. Eligibility for Holding Stock: All persons who become owners of lots or parcels of property, as defined and described in Section 1 of this Article IV shall, by reason

of such ownership become shareholders of the Company and be issued one (1) share certificate in the Company for each lot or parcel so owned. In addition, the Board of Directors or the Company is empowered to consider special circumstances from time to time not covered herein and based on such circumstances issue shares and determine eligibility for becoming a shareholder.

Section 3. Voting Rights: Each shareholder shall be entitled to one vote for each share certificate held on each matter submitted to vote of the shareholders. No distinction shall exist between the shareholders except that a shareholder must be in good standing in order to vote the share certificate held. Shareholders may cumulate their votes for directors as provided in the Corporations Code.

Section 4. Termination: The Board of Directors may by affirmative vote of two-thirds (2/3) of all members of the Board, suspend or expel a stockholder for cause after an appropriate hearing and by majority vote of those present at any regularly constituted meeting, and may cancel the share certificate of any shareholder who becomes in default in the payment of assessments for the period fixed in Article XIV of these bylaws.

Section 5. Resignation: Any shareholder may cancel his share or shares by filing a written cancellation with the Secretary but such cancellation shall not relieve the shareholder so cancelling of the obligation to pay any dues, assessments, or other charges theretofore accrued and unpaid.

Section 6. Reinstatement: Upon the written request signed by a former shareholder and filed with the Secretary, the Board of Directors may reinstate such former shareholder's share upon such terms as the Board of Directors may deem appropriate.

Section 7. 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.

Section 8. Rights and Liabilities: No shareholder of the Corporation shall have any right, title, or interest in or to any property or assets of the Corporation, except upon dissolution. The private property of the shareholders shall be exempt from execution or other liability for any debts of the Corporation and no shareholder shall be liable or responsible for any debts or liabilities of the Corporation.

Article V

MEETINGS

Section 1. Place of Meeting: The Board of Directors may designate any place, either within or without the State of California as the place of meeting for any annual meeting or for any special meeting. If no designation is made, the place of meeting shall be the principal office of the Company; but if all the shareholders shall meet at any time and place, either within or without the State of California, 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 2. Annual Meeting: The annual meeting of the shareholders shall be held on the second Tuesday in the Month of March of each year, beginning with the year 1988 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 shall fall on a legal holiday, such meeting shall be held on the next succeeding business day. Failure to hold the annual meeting at the designated time shall not work a forfeiture of dissolution of the Corporation and in the event of such failure the annual meeting shall be held within a reasonable time thereafter.

Section 3. Special Meeting: Special meetings of the shareholders may be called by resolution of the Board of directors or by shareholders holding not less than one-tenth (1/10) of the total voting power, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided.

Section 4. Notice of Meetings: Written notice stating the place day and hour of the meeting and, in case of a special meeting or an 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 thirty-five (35)

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days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon 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 Corporation, 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 which may be taken by the shareholders at any such meeting.

Section 5. **Quorum:** A majority of the total number of shareholders (present in person or by proxy) shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present in person or by proxy may adjourn the meeting from time to time without further notice.

Section 6. **Voting:** Subject to the provisions of the General Corporation Law of the State of California, only persons in whose names shares entitled to vote stand on the stock records of the corporation on the day ten (10) days prior to any meeting of the shareholders shall be entitled to vote at such meeting. Such vote may be viva voce or by ballot. Upon demand made by a shareholder entitled to vote, a shareholder at any election for officers shall have the right to cumulate his votes as provided hereinabove. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected.

Section 7. Proxies: At any meeting of shareholders, a shareholder entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney in fact. No proxy shall be valid after 11 months from the date of its executions, unless otherwise provided in the proxy.

Section 8. 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 a 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 VI

DIRECTORS

Section 1. General Powers: The business and affairs 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 2. Number, Tenure and Qualifications: The number of directors shall be four (4). Each director shall hold office until the next annual meeting of shareholders and until his successor shall have been elected and qualified. The time of election shall be as specified by the Board of Directors and these bylaws for the annual meeting of shareholders. Directors will be elected by a plurality vote of the shareholders present at the election meeting. Votes

against a director or votes withheld shall have no legal effect.

Section 3. Vacancies: Vacancies may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until his successor is elected at an annual meeting of directors.

A vacancy or vacancies shall be deemed to exist in case of the death, resignation, or removal of any director, or if the authorized number of directors be increased, or if the shareholders fail, at any annual meeting of shareholders at which any director or directors are elected, to elect the full authorized number of directors.

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. Compensation and Fees: Directors and members of Committees may receive such compensation, if any, for their services, and such reimbursement for expenses as may be fixed or determined by the Board of Directors, but nothing contained herein shall be construed to preclude any director from serving the Company in any other capacity and receiving compensation therefor.

Article VII

MEETING OF DIRECTORS

Section 1. Place of Meeting: The Board of Directors may designate the place of meeting, either within or without 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 2. 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 the transaction of other business. Notice of such meeting is hereby dispensed with.

Section 3. Regular Meetings: Other regular meetings shall be held without notice on the Third Tuesday of each month at 7:00 o'clock P.M. on said day; provided should said day fall upon a legal holiday, then said meeting shall be held at the same time on the next day thereafter ensuing which is not a legal holiday. Notice of all such meetings is hereby dispensed with.

Section 4. Special Meetings: Special meetings of the Board may be called by the President, or if the President is absent or unable or refuses to act, by the Vice President or

by any two directors.

Notice of any special meeting shall be given at least four (4) days previously thereto by written notice delivered personally or sent by mail or telegram to each director at his address as shown by the records of the Company. 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. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. 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 5. 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 6. 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 a greater number is required by law or by these Bylaws.

Section 7. Notice of Adjournment: Notice of the time and place of holding an adjourned meeting need not be given to absent directors is the time and place be fixed at the meeting adjourned.

Section 8. Waiver of Notice: The transaction of any meeting of the Board of Directors, however called and noticed or wherever held, shall be a valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, either before of after the meeting, each of the directors not present signs a written Waiver of Notice or a consent to holding such meeting, or if an approval shall be filed with the Company records or made part of the minutes of the meeting.

Section 9. 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 the time fixed for the next regular meeting of the Board.

Article VIII

OFFICERS

Section 1. Generally: The officers of the Company shall be a President, Vice President, a Secretary and a Treasurer.

Section 2. Election and Term of Office: The officers of the Company shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New officer may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until the successor shall have been duly elected and shall have qualified.

Section 3. 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 4. Terms of Employment: 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.

Any officer may resign at any time by giving written notice to the Board, or to the President or to the Secretary of the Company. Any such resignation shall take effect at the date of 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. President: The powers and duties of the President are as follows:

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

(b) The President may 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 required by law to be otherwise signed or executed; and

(c) The President shall in general perform all duties incident as may be prescribed by the Board from time to time.

Section 6. Vice President: In the absence of the President, or in the event of the inability or refusal to act by the President, the Vice President shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions place upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him by the Board or the President.

Section 7. Secretary: The duties of the Secretary are as follows:

(a) The Secretary shall keep the minutes of the meetings of the members and the Board in one or more books provided for

that purpose;

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

(c) The Secretary shall 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) The Secretary shall keep a register of the names and post office addresses of all shareholders;

(e) The Secretary shall have general charge of the books of the Company;

(f) The Secretary shall 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 of all amendments thereto to each shareholder); and

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

Section 8. Treasurer: The duties of the Treasurer are as follows:

(a) The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Company;

(b) The Treasurer shall be responsible for the receipt

of, and the issuance of receipts for, all moneys due and payable to the Company and for the deposit of all such moneys in the name of the Company in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and

(c) The Treasurer shall 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 by the Board or the President.

Section 9. 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 such authority and perform such duties as are provided in the Bylaws or as the Board may from time to time determine.

Article IX

COMMITTEES

The Board of Directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, each of which shall consist of two or more directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board in the management of the Company; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board, or any individual director, of

any responsibility imposed by law.

Article X

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" and "California".

Article XI

FINANCIAL MATTERS

Section 1. Contracts: Except as otherwise provided in these Bylaws, the Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Company, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc.: All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Company shall be signed by such officer or officers, agent or agents, employee or employees of the Company and in such manner as shall from time to time be determined by resolution of the Board.

Section 3. 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 elect.

Section 4. Fiscal Year: The fiscal year of the Company

shall begin on the first day of January of each and every year and shall end on the last day of December.

Section 5. Gifts: The Board of Directors may accept on behalf of the Company any contribution, gift, bequest or devise for the general purposes, or any special purpose of the Company.

Article XII

SHARE CERTIFICATES

Section 1. Share Certificates: Share Certificates of the Company shall be in such forms as the Board of Directors shall designate and shall be issued over the signature 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 2. Shares Appurtenant: Share 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 3. Transferrable: Share certificates of the Company are not transferable or assignable except as

specifically provided in these Bylaws.

Section 4. Transfer Fee: All transfers of such certificates shall be subject to a transfer fee of Fifty Dollars (\$50.00) and to the payment of all indebtedness to the Company of the shareholder whose certificate is transferred.

Article XIII

ASSESSMENTS

Section 1. Assessments: Assessments for the installation, depreciation, maintenance and operation of the pipelines and water system owned by the Company may be levied by the Board on the shareholders from time to time as deemed necessary and 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 2. Delinquency: Delinquent assessments shall be subject to such penalties as may be fixed by the Board. Failure of any shareholder to pay any assessment when due may in the discretion of the Board constitute a forfeiture of the right to use water from the Company system. However, the defaulting member 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 XIV

OPERATION OF WATER SYSTEM

The Board of Directors shall appoint a water master, whose duties may include, but are not limited to: (a) supervising and assisting in the installation of pipelines, water connections and other works of the Company and (b) supervising the distribution of water. Subject to the approval of the Directors, the watermaster may employ such assistants as may be necessary. The watermaster shall render a report to the President and Directors annually setting forth the result of Company operations and shall perform such other duties as the President of the Board may require.

Article XV

MISCELLANEOUS

Section 1. Rules and Regulations: The Board of Directors shall have power to 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.

Section 2. Accounting System and Reports: The Board shall cause to be established and maintained, in accordance with generally accepted principles of accounting, and appropriate accounting system and books of account.

Section 3. Record Date and Closing of Share Certificate Book: The Board of Directors may fix a time, in the future, not exceeding 30 days prior to the date of any meeting of

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 on shareholders 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 share certificates on the books of the Company after any record date fixed as aforesaid.

Section 4. Inspection of Company Records: The share certificate book, the books of account, the Bylaws, and the minutes of proceeding 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 the interest as a shareholder, and shall be exhibited at any time when required by the demand at any shareholders meeting of ten per cent of the shareholders represented at the meeting. 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 shareholders meeting shall be made in writing upon the President, Secretary or General Manager, if any, of the Company.

Section 5. Reports to Shareholders: Annual reports are required by law, if any, 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.

91-390512

Section 6. Construction and Definitions: Unless the context otherwise requires, the general provisions, rules of construction, and definitions contained in the California General Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the foregoing, the singular number includes the plural number and the plural number includes the singular, and the term person includes corporation as well as a natural person.

Article XVI

DISSOLUTION

In the event of the dissolution of the Company, each shareholder shall receive his pro rata portion of the Company property and assets after all of the Company's debts and liabilities have been paid or provided for.

Article XVII

AMENDMENTS

Section 1. 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 shareholders entitled to exercise a majority of the voting power of the Company.

Section 2. Subject to the right of shareholders to adopt, amend or repeal Bylaws, as hereinabove provided, 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.

91-390512

CERTIFICATE OF ADOPTION OF AMENDED BY-LAWS

ADOPTION BY DIRECTOR(S).

The undersigned person(s) are the duly elected Director(s) of the above-named corporation hereby adopt the same as the Amended By-Laws of said corporation.


Executed this 6 day of December, 1988.


President

THIS IS TO CERTIFY:

That I am the duly-elected, qualified and acting Secretary of the above-named corporation; that the foregoing Amended By-Laws were adopted as the Amended By-Laws of said corporation on the date set forth above by the duly elected directors of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this 6 day of December, 1988


Secretary

(SEAL)

Resolution 19-02
Amendment to Bylaws

WHEREAS, Article XVII, Section 1 provides that the shareholders of the Tres Lagos Mutual Water Company ("Company") may amend the Company Bylaws by majority vote; and

WHEREAS, the Company sought to amend the Articles of Incorporation and Bylaws on March 12, 2013, to increase the number of directors;

WHEREAS, as set forth in the Recitals of Resolution 19-01, the Secretary of State rejected said amendments as being untimely; and

WHEREAS, in conjunction with the passage of Resolution 19-01 to amend the Articles of Incorporation, the Company also seeks to amend the Bylaws to increase the number of directors from four to five; and

WHEREAS, the Company sought to amend the Bylaws through the adoption of Resolution 18-01 at the meeting of its shareholders on March 28, 2018; and

WHEREAS, Resolution 18-01 specified that insurance be obtained for the Company, how shares are to be transferred, and provided for the Company's indemnification of shareholders and Board of Directors; and

WHEREAS, Resolution 18-01 was not passed because a majority of shareholders were not present at the meeting for the purpose of establishing quorum; and

WHEREAS, the Company desires to establish a telephonic, video, and electronic process by which shareholders may participate in meetings for the purpose of establishing quorum and voting; and

WHEREAS, the Company seeks to ratify all past actions taken by the shareholders and the Board of Directors; and

NOW, THEREFORE, BE IT RESOLVED, that the shareholders hereby approve the amendment of Article V by the addition of the following as Section 9:

Section 9. Electronic Attendance of Meetings: Any meeting, regular or special, may be held by telephone conference or similar communications equipment, such as web-based video conference, so long as all shareholders participating in such meeting can hear one another. Such participation constitutes presence in person at such meeting.

NOW, THEREFORE, BE IT RESOLVED, that the shareholders hereby approve the amendment of Article VI as follows:

The number of directors shall be five (5).

NOW, THEREFORE, BE IT RESOLVED, that the shareholders hereby approve the amendment of Article XIII by the addition of the following as Section 8 (d) and (e):

(d) To the fullest extent allowed by California law, the Company shall defend, indemnify and hold harmless, its Board, each member of the Board, its shareholders, officers, employees, agents and persons formerly occupying such positions, against all costs and expenses reasonably incurred by or imposed upon them in connection with or resulting from any action, suit, or proceeding to which they may have been made a party by reason of their being or having been a member of the Board, shareholder, officer, employee, and/or agent, including but not limited to, any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative, but except in relation to such matters as to which they have finally been adjudicated in such action, suit, or proceeding to have acted in bad faith and to have been liable by reason of willful misconduct or willful negligence in the performance of their duty as a member of the Board, shareholder, officer, employee, and/or agent. Costs and expenses of actions for which this Section provides indemnification include among other things, attorneys' fees, damages, and reasonable amounts paid in settlement.

(e) The Treasurer shall have the power to purchase and maintain insurance on behalf of the Company, its Board, each member of the Board, its shareholders, officers, employees, agents and persons formerly occupying such positions against any liability asserted against or incurred by such parties in such capacity or arising out of their status as the Board, each member of the Board, its shareholders, officers, employees, agents and persons formerly occupying such positions.

BE IT FURTHER RESOLVED, that the shareholders hereby approve the amendment of Article XII of the Bylaws by the addition of the following as Section 5:

Section 5. Transfer of Certificates: Following the payment of the Transfer Fee, the shareholder transferring the share shall either return the share certificate(s) to the Secretary or sign an affidavit, under penalty of perjury, in a form approved by the Company's legal counsel, disclaiming any and all interest in the share(s) to the Company. Upon the receipt of the affidavit or share certificate(s), the Secretary may issue share certificate(s) upon close of escrow to the purchaser of a lot or parcel or upon completion of the transfer to the transferee.

BE IT FURTHER RESOLVED, that the shareholders do hereby ratify and affirm each and every action undertaken by on behalf of the Company wherein said shareholders have full knowledge of said action and which has been fully and accurately stated and explained to the shareholders.

BE IT FURTHER RESOLVED, that all other provisions of the Bylaws as adopted shall remain in effect and the foregoing amendments shall be incorporated into the Bylaws of

the Tres Lagos Mutual Water Company upon passage by the shareholders, in accordance with Article XVII, Section 1 of the Bylaws.

PASSED AND ADOPTED this the ~~7th~~ day of ~~September~~ ^{September} 2019 by vote of the shareholders of the Tres Lagos Mutual Water Company.

CERTIFICATE OF ADOPTION OF AMENDMENT TO BY-LAWS

ADOPTION BY SHAREHOLDER(S)

The undersigned person(s) are the shareholders of the above-named corporation and hereby adopt the Amendment to By-Laws of said corporation.

Executed this 17TH day of SEPTEMBER 2019



Javier Santillan

Print Name

Print Name

JACK D. BOYD



Print Name

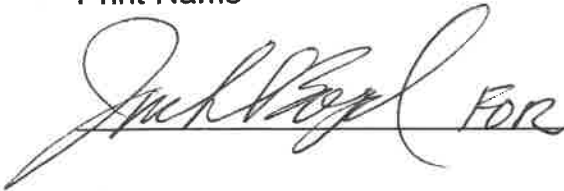
Print Name



BILLY W. SIMMONS

Print Name


Print Name



BARRY COGBILL

Print Name

Print Name



Print Name

Print Name

THIS IS TO CERTIFY:

That I am the duly elected, qualified and acting Secretary of the above-named corporation; that the foregoing Amendment to By-Laws were adopted on the date set forth above by the shareholders of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal
this 17th day of SEPTEMBER 2019.

Michael J. ...

Secretary

(SEAL)