

**KENO WATER COMPANY
BY-LAWS**

1. PURPOSE:

A. The purpose of this association is limited to the continuation and operation of the water system and properties located in the Fifth Addition to Klamath River Acres in the vicinity of Keno, Klamath County, Oregon.

B. All persons whose deed or contract includes ownership of a right to receive a proportionate part of the water from said water system and who do or could receive water therefrom are members of this association.

C. The operation of the association shall be cooperative in character and conducted without profit in money.

2. MEETINGS:

A. A majority of members shall constitute a quorum at any meeting. Voting for all purposes shall be by majority vote of the members present at a meeting. Each property owner shall be entitled to one vote at meetings of the association. If property is co-owned, there shall be one vote only for that property. An annual meeting will be held on the Fourth Monday of each May at which the affairs of the association will be reviewed.

B. As far as possible all members shall be given one week notice of any special meetings of the association. A special meeting may be called by any officer or any 5 ownerships using water, in writing, specifying the date, time, place, and purpose of the special meeting.

3. BOARD OF DIRECTORS:

A. The Board of Directors shall consist of seven members, and one alternate member, elected by the membership. They shall not be related by bloodlines or through marriage. They must be property owners in the area serviced by the corporation and a user of the services of the Keno Water Company. They may not be employed in, or related by bloodlines or through marriage to an individual who, in any capacity receives a monetary remuneration from the association. They must be of good fiscal standing with the Keno Water Company.

B. TERMS OF OFFICE: Each Board Position term of office will be for three years.

C. Three officers of the association will be selected from this board. They will be Chair, First Vice-Chair, and Second Vice-Chair.

D. DUTIES OF THE OFFICERS:

1. Officers will serve a one year term.
2. The CHAIR shall preside at all meetings of the corporation and conduct them in accordance with the rules adopted. The Chair shall enforce due observance of the adopted rules, decide all questions of order, sign all official documents, act as Chair of the Board of Directors in a non-voting capacity, except in the case of a tie when the Chair will cast the deciding vote. The Chair shall act as supervisor of all office staff. In the absence of the first vice-chair, the Chairman shall act as supervisor of the maintenance staff.
3. The FIRST VICE-CHAIR will assume the duties of the Chair in his\her absence. The Vice-Chair shall arrange appropriate meeting places for all Board Meetings and General Meetings. The First Vice-Chair shall act as supervisor of all maintenance staff. In the absence of the Chairman, the First Vice-Chair shall act as supervisor of the office staff. The First Vice-Chair will be authorized to act as a co-signatory on routine financial matters.
4. The SECOND VICE-CHAIR will assume the duties of the First-Vice Chair in his\her absence, and will act as Recording Agent in the absence of the Recording Agent. The Second Vice-Chair will be authorized to act as a co-signatory on routine financial matters.
5. The ALTERNATE Board Member will act in a non-voting capacity with the exception of voting as a regular Board Member in the event of the absence of a regular Board Member when a quorum is required. The ALTERNATE Board Member will, upon appointment by the Chairman, assume the responsibilities of a Board Member in the event of a resignation previous to the expiration of the regular Board Member's term of office.

E. MEETINGS:

1. Board meetings will normally be held on the Fourth Monday of each month. A quorum will consist of FIVE Board Members, including the Chair. All meetings will be open to the General Membership.
2. The Office Manager will serve as a recording agent for the Company. He\she shall keep a record of the proceedings of all meetings, maintain a roll of all corporation members, carry on all correspondence, read communications at each meeting, notify members of future meetings. It shall be the duty of the Office Manager to keep and maintain the legal documents.

4. RULES AND REGULATIONS:

RULE #1: Jurisdiction of the Commission: None.

RULE #2: Definitions:

- a. "COMPANY" shall mean the Keno Water Company.
- b. "APPLICANT" shall mean any person, business, organization that owns property located within the water system and who applies for service from the Company, or for service at the same or different location after service has been discontinued, except as noted in the definition of "Customer".
- c. "CUSTOMER" shall mean any person, business or organization who has applied for, been accepted and is currently receiving service. A customer who voluntarily discontinues service and subsequently requests service at the same or different premises within 20 days after discontinuance retains customer status.
- d. "RESIDENTIAL PREMISES" shall mean any dwelling and its land, and may be a house, apartment, cottage, cabin, mobile home or trailer house.
- e. "MAIN" shall mean the pipe, preferably four inches or larger in diameter, laid in the street, alley or other right of way, for the distribution of water to customers. It shall not include service lines.
- f. "SERVICE LINE" shall mean the pipe, valves, stops, fittings, meter and meter box, if any, laid from the main to the property line of the premises served.
- g. "CUSTOMER LINE" shall mean the pipe, stops, fittings leading from the property line to the building served, excluding the meter and meter box.

RULE #3: APPLICATION FOR SERVICE:

- a. Application for water service must be made for each individual premises served, identifying the applicant, the premises to be served, the billing address if different, the type of use to which the water is to be put, and agreeing to conform to the Rules and Regulations of the Company as a condition for receiving such service. The applicant shall, at this time, pay any scheduled fees or deposits.

- b. All property owners will sign an Application for Service prior to connecting service for rental properties. Separately, all tenants will sign an Application for Service. The Property Owner will be responsible for payment of any water service billings left unpaid by the tenant. Failure to pay by the landlord will result in disconnection of service and refusal of service to subsequent tenants until the account is reconciled."

RULE #4: CHANGE IN IDENTITY OR USE:

An application must be made to and approved by, the Company upon a change in the identity of a customer at any premises, or the type of use to which the water is put.

RULE #5: SERVICE FEE:

No deposits will be required of those customers of Snowgoose Water Company at the time of transferring ownership to the Keno Water Company. All applicants applying for service after August 1, 1997 will be required to pay a new service fee as listed on Schedule No. 2.

RULE #6: CONNECTION CHARGE:

An applicant requesting permanent water service at a premises not previously supplied with permanent water service by the Company shall be required to pay the service line connection charge listed on Schedule No. 2.

5. TYPES OF SERVICE:

RULE #7: TYPES OF USE:

No differentiation is to be made for different types of use.

RULE #8: SEPARATE CONTROL OF SERVICE:

All premises supplied with water will be served through service lines so placed as to enable the Company to control the supply to each individual premises using a valve placed within and near the line of the street\Company right of way, or at the meter.

RULE #9: MULTIPLE RESIDENCES:

There are no multiple residences allowed to be built in the area served by the system.

6. REFUSAL OF SERVICE:

RULE #10: COMPANY FACILITIES:

The Company shall not accept an application for service or materially change service to an applicant for service to an applicant or customer, if, in the best judgement of the Company, it does not have adequate facilities to render the service applied for, or if the desired service is of a character that is likely to unfavorably affect service to other customers.

RULE #11: CUSTOMER FACILITIES:

The Company shall refuse to serve an applicant or customer whose facilities do not comply with applicable plumbing codes or, if in the best judgement of the Company, are of such a character that safe and satisfactory service cannot be given.

RULE #12: CUSTOMER ACCOUNTS:

The Company may refuse to serve an applicant or customer until receipt of full payment of overdue amounts or other obligations related to a prior account of the applicant with the Company. The Board of Directors may direct that a lien be applied to any property delinquent in payment of overdue accounts or assessments, with application of interest and appropriate charges as allowed by law. The Board of Directors may elect to require Pre-Payment for monthly service by any customer late or delinquent in payment of their account.

RULE #13: APPEAL:

If service is refused, the Company shall inform the applicant or customer of the reasons and of the Company's appeal and complaint process.

7. METERS:

RULE #14: METER SETTINGS:

All meters shall be set at convenient locations, accessible to the Company and subject to its control. The meter will normally be placed in a meter box or vault between the street curb and the property line. Each meter box or vault shall be provided with a suitable cover.

RULE #15: CONVERSION TO METERED SERVICE:

Service has already been converted to metered service.

RULE #16: METER TESTING:

A customer may request the Company to test the service meter. Such a test shall be made within 20 working days of the receipt of such a request at no charge to the customer. Test results shall be given to the customer. If a customer requests a meter test more often than once in any twelve month period, the deposit listed on Schedule No. 2 may be required of the customer to recover the costs of the test. If the meter is found to register more than 2% fast under conditions of normal operation, the utility shall refund the deposit to the customer.

8. BILLING:**RULE #17: DUE DATES\LATE PAYMENT CHARGE:**

Bills are due and payable when rendered by deposit in the mail or other reasonable means of delivery. Meters shall be read at monthly intervals, and the bill rendered immediately thereafter, except when inclement weather conditions prevent, then billing will be at the minimum rates until such time as access to meters is available to the Company.

All bills become delinquent if not paid within 20 days of the transmittal of the bill. (OAR 860-21-125 requires a minimum of 15 days.) If permitted to become delinquent the late payment charge listed on Schedule No. 2 shall be applied to the unpaid amounts carried forward to the next month's billing. Water service may be terminated after notice as provided in RULE 29: TURNING WATER OFF\RECONNECTION FEE.

RULE #18: INFORMATION:

All bills shall state the delinquent date of the bill and the type of rate schedule or schedule number under which the bill was computed. All metered bills shall show the reading of the meter at the beginning and end of the period of service to which the bill applies, the dates of the meter readings, the amount of water consumed, and any other information necessary to the computation of the bill. However, when there is good reason for so doing, estimated bills may be submitted.

RULE #19: RETURNED CHECK CHARGE:

The returned check charge listed on Schedule No. 2 shall be billed for each occasion a customer submits a check for payment which is not honored, for any reason, by a bank or other financial institution. The Board of Directors may elect to require payments in the form of cash, certified check or money order from any customer who submits a dishonored check.

RULE #20: PRORATING OF BILLS:

Initial and final bills will be prorated according to the number of days service was rendered and on the basis of a thirty-day month.

RULE #21: ADJUSTMENTS OF BILLS:

When an under or over-billing occurs, the Company shall provide written notice to the customer detailing the circumstances, period of time, and the amount of the adjustment. If it can be shown that the error was due to some cause, the date of which can be fixed, the over or undercharge shall be computed back to such date. If no date can be fixed, the Company shall refund the overcharge or rebill the undercharge for no more than six months usage. In no event shall an over or under-billing be for more than three years usage. No billing adjustment shall be required if a meter registers less than a 2% error under conditions of normal operation. When a customer is required to repay an under-billing, the customer shall be entitled to enter into a time payment agreement without regard to whether the customer already participates in such an agreement. If the customer and the Company cannot agree upon payment terms, the Commission shall establish terms and conditions to govern the repayment obligation. The Company shall provide written notice advising the customer of the opportunity to enter into a time payment agreement and of the appeal and complaint process.

RULE #22: VOLUNTARY DISCONTINUANCE:

Except for emergencies, a notice must be given to the Company five days in advance and payment in full of all arrears must be made should a customer desire discontinuance of service. Until receipt of notice, the customer shall be held responsible for all service rendered. Those customers desiring to turn water off while on vacation will be charged as listed in Schedule No. 2.

9. RESPONSIBILITIES OF COMPANY AND APPLICANT OR CUSTOMER:

RULE #23: SERVICE LINES:

The Company will make all connections to its mains and will furnish, install, maintain, and own all service lines from the main to the property line. The Company shall also furnish, install, maintain, and own curb stop, meter, and meter box. Broken meters shall be repaired or replaced within 30 days of discovery at no charge to the customer.

RULE #24: CUSTOMER LINES:

The Customer shall own and maintain the customer line, promptly repairing all breaks and leaks. The Company shall not be responsible for any damage or poor service due to inadequacy of the customer line or any portion of the customer's plumbing.

RULE #25: FLAT RATE CUSTOMERS:

There are no flat rate customers.

RULE #26: PERMIT REQUIRED FOR CONNECTION WORK:

No person shall be allowed to make connections with the mains, or to make any alterations to service lines, or to turn a curb stop off of on to any premises, without permission of the Company.

RULE #27: ACCESS TO COMPANY PROPERTY:

Customers shall provide access during reasonable hours to Company owned service lines that extend onto the premises of the customer, for the purposes of reading meters, maintenance, or removal of Company property at the time service is to be terminated.

Any association member shall have access to all company records, with the noted exceptions, when request for same is made through a current member of the Board of Directors. Exceptions: (1) Confidential Personnel Records (2) Application and Payment Records of Association members.

RULE #28: TROUBLE CALL:

The trouble call charge listed in Schedule No. 2 may be billed whenever a customer requests the Company to visit the customer's premises to remedy a service problem and the problem is due to the customer's facilities.

RULE #29: TURNING WATER OFF\RECONNECTION CHARGE:

When an applicant or customer fails to comply with the Company's rules and regulations, or permits any bill or charge to become delinquent, the Company shall give five days written notice before water may be shut off (OAR 860-21-505 requires a minimum of five days). The notice shall state the reasons for shut off, the earliest date for shut off, and shall inform the applicant or customer of the Company's appeal and complaint process. Service shall not be restored until the rules and regulations are complied with or payment is made in amounts overdue, and the additional reconnection charge listed on Schedule No. 2 is paid for the expense of turning water off and on.

RULE #30: UNAUTHORIZED RESTORATION OF SERVICE:

After the water has been shut off at the meter, if it should be turned on by any person not authorized by the Company, the water service line may be disconnected. Service shall not be restored until all arrears, all costs of service disconnection and reconnection, and the reconnection charge listed on Schedule No. 2 are paid in full.

RULE #31: SHUT OFF FOR REPAIRS:

The Company shall have the right to shut off the water supply temporarily for repairs or other necessary purposes. The Company shall use all reasonable and practicable measures to notify the customer in advance of such discontinuance of service except in the case of emergency repairs. The Company shall not be liable for any inconvenience suffered by the customer or damage to his property arising from such discontinuance of service.

RULE #32: SPRINKLING:

Special restrictions on sprinkling and other outside uses may be prohibited entirely in cases of emergency or water shortage to maintain services for domestic purposes.

RULE #33: DAMAGES:

Should damage result to any of the Company's property from molesting or willful neglect by the customer, or to a meter or meter box located in the customer's building from molesting or willful neglect by any person, the Company will repair or replace such equipment and may bill the customer for the costs incurred.

RULE #34: CROSS CONNECTION\BACK FLOW PROTECTION:

1. In compliance with ORS 333-61-070 new service connections must install an approved back flow protection device prior to receiving service.
2. All back flow protection devices will pass periodic inspection.
3. Any service connection which fails to install an approved back flow protection device upon notification by Company or which does not pass a periodic inspection will receive thirty days notice of discontinuance of water service and will, after such notice, be denied service by the Keno Water Company until they are in compliance with ORS 333-61-070.

KENO WATER COMPANY**SCHEDULE NO. 1**

Dated: 1 August 1997

RESIDENTIAL METERED RATES

AVAILABLE TO: CUSTOMERS IN KENO, OREGON

APPLICABLE TO: RESIDENTIAL PREMISES ONLY

RATES: MONTHLY USE
\$20.00 plus \$1.00 per 1,000 gallons

KENO WATER COMPANY

SCHEDULE NO. 2

Dated: 1 August 1997

MISCELLANEOUS SERVICE CHARGES

This schedule lists the miscellaneous service charges that are included in the Company's By-Laws (refer to the appropriate rule for an explanation of charges and conditions under which they apply):

NEW SERVICE FEE: (Rule #5)	\$50.00
CONNECTION CHARGE FOR NEW SERVICE: (Rule #6)	\$500.00
Standard 3\4" service	
*Note: Applicant to pay from meter to dwelling	
EXPANSION OF SERVICE AREA:	
Applicant will pay total installation cost and	
deed the new system, up to the Company provided	
meter, to the Keno Water Company.	
METER TESTING:	
First Test within 12 month period:	No Charge
Second Test within 12 month period:	\$20.00
LATE PAYMENT CHARGES: (Rule #17)	\$10.00
RETURNED CHECK CHARGE: (Rule #19)	\$20.00
Second Returned Check within 12 months:	\$50.00
VACATION TURN OFF\ON: (Rule #22)	\$20.00
TROUBLE CALL CHARGE: (Rule #28)	\$20.00
RECONNECTION CHARGE: (Rule #29 & Rule #30)	\$20.00
UNAUTHORIZED RESTORATION: (Rule #30)	Actual Costs
DAMAGE\TAMPERING CHARGE: (Rule #33)	Actual Costs

8084

KENO WATER COMPANY

SCHEDULE NO. 3

Dated: 1 August 1998

BOARD OF DIRECTORS

<u>POSITION</u>	<u>NAME</u>	<u>TERM EXPIRES</u>
CHAIR:	Jerry Novak	May 1999
FIRST VICE-CHAIR:	John Perkins	May 1999
SECOND VICE-CHAIR:	Paula Daniels	May 2000
MEMBERS:	Archie Chance	May 2001
	Lindsey Dike	May 1999
	Angela Gutermuth	May 2001
	Jess Patterson	May 2000
ALTERNATE:	Don "Rick" Rickert	May 2001

STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the _____ day
 of _____ March A.D., 1999 at 10:08 o'clock _____ A. M., and duly recorded in Vol. _____ M99
 on Page 8072
 by _____ Linda Smith, County Clerk

FEE

\$65.00

Return: Keno Water Co.
 Box 771
 Keno, Or. 97627