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AUBURN WATER SYSTEM, INC.:
RESOLUTION NUMBER 2-2016-1

A RESOLUTION FORMALLY AMENDING THE RULES AND REGULATIONS OF
AUBURN WATER SYSTEM, INC.

WHEREAS, the Board of Directors of the Auburn Water System, Inc. desires to formally amend the Rules and Regulations of Auburn Water System, Inc. to clarify and amend the Classifications of Service, now therefore

BE IT RESOLVED by the Board of Directors of Auburn Water, System, Inc. as follows:

The Rules and Regulations as attached to the By-Laws of Auburn Water System, Inc. are hereby amended as follows:

Section 2 of the Rules and Regulations entitled: CLASSIFICATION OF SERVICE is hereby amended as follows:

New Construction/Premises under Construction: This category applies strictly to those properties in which a developer or builder requests installation of a new water tap and intends to use the services provided by Auburn Water System, Inc. during the pendency of construction/development of the real property and prior to occupancy.

Residential: This category applies strictly to a single-family dwelling or to each residential unit in a mobile home park, duplex or multiple dwelling building.

Dormant Residential: This category applies to accounts which qualify for the Residential classification and for which the member does not require active service but wishes to retain the existing tap and meter for the future provision of water service. Meters servicing Dormant Residential accounts shall be locked off by the System but shall be otherwise maintained and monitored by the System in a condition satisfactory to render water service to the Member upon request. Dormant Residential accounts shall be charged a monthly readiness to serve charge as established in the annual rate schedule and shall be further subject to meter activation and deactivation fees as established in the annual rate schedule.

Commercial: This category applies to all services not classified as Residential or New Construction/Premises under Construction.

A new section entitled: TERMINATION OF SERVICE is hereby added after Section 13 with all sections thereafter renumbered accordingly:

TERMINATION OF SERVICE

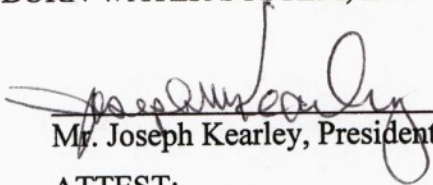
This provision was adopted by the Board of Directors on February 15th, 2016 and shall take effect on January 01, 2017.

Any connection, tap or meter which is not specifically associated with an existing member account maintained by a Member in good standing in one of the categories of service as identified in Section 2 hereof, is hereby declared to be an inactive connection. Inactive connections require the expenditure of System resources and therefore place an undue burden on the members of the System. The System shall regularly audit its accounts to identify Inactive connections. Once identified, the System shall make reasonable efforts to locate the last known Member associated with that connection and/or the owner of the real property serviced by the Inactive connection and advise said Member or owner of the intention to terminate service. If the appropriate party fails to take action to establish an account within the appropriate service category within 06 months of the first reasonable efforts to locate the responsible party, said connection shall be noticed for termination. The intention to terminate the connection shall thereafter be published in the agenda of a regular or special meeting of the Board of Directors and upon a vote of a majority of the members of the Board, said connection shall be terminated. Once terminated, any new service request to replace the terminated service shall be subject to the fees and conditions of any comparable new tap request.

This Resolution shall be effective as of the date of execution below except as provided above.

APPROVED AND ACCEPTED this 15th day of February, 2016.

AUBURN WATER SYSTEM, INC.


Mr. Joseph Kearley, President of the Board

ATTEST:

CORPORATE SEAL:


Mr. Tim Bryant, Corporate Secretary