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AUBURN WATER SYSTEM, INC.

RESOLUTION NUMBER 2-2016-3

**A RESOLUTION FORMALLY ESTABLISHING THE POLICY OF AUBURN
WATER SYSTEM, INC., WITH REGARD TO SYSTEM ASSETS LOCATED ON
PRIVATE PROPERTY.**

WHEREAS, the Board of Directors of the Auburn Water System, Inc. ("AWS") desires to formally establish a policy governing the installation and maintenance of System assets on private property, now therefore

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

Unless and until amended, revoked or replaced by the Board of Directors, the following shall be the policy of AWS with regard to System assets on private property:

POLICY REGARDING SYSTEM ASSETS ON PRIVATE PROPERTY

It is the policy of AWS that all System assets be maintained on property owned by AWS or on property or right-of-way owned by a county, municipality or other public entity. System assets shall only be installed on private property when, in the sole and exclusive determination of AWS, no feasible alternative exists, and when the property owner has granted a satisfactory perpetual generic easement for the purpose of installation and maintenance of utilities or a satisfactory perpetual easement has been granted specifically to AWS for the purposes of installing and maintaining utilities.

It is further the policy of the Board that existing System assets located on private property not in compliance with the above policy be identified, and when, in the sole and exclusive determination of AWS, it becomes practicable and cost feasible, be relocated to public property or right-of-way. When in the sole and exclusive determination of AWS, said assets cannot be feasibly relocated, a satisfactory perpetual easement shall be obtained from the property owner authorizing access to said assets.

The General Manager shall be empowered to authorize the installation of a replacement water line from the new meter to the old meter location provided that the property owner first executes an appropriate agreement holding AWS harmless and accepting ownership of the replacement service line.

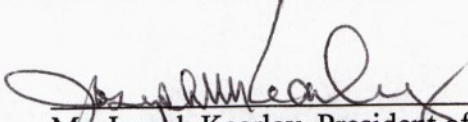
If a property owner fails or refuses to provide a written easement pursuant to the above policy, the General Manager shall be empowered to authorize the abandonment of the System assets and relocation of any impacted meters back to the nearest public property or right-of-way and require that the property owner install infrastructure necessary to connect to the relocated meter.

Nothing in the above policy shall be construed as waiving or relinquishing any existing easement or right of access held by AWS by prescription or otherwise.

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

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

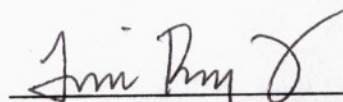
AUBURN WATER SYSTEM, INC.



Mr. Joseph Kearley, President of the Board

ATTEST:

CORPORATE SEAL:



Mr. Tim Bryant, Corporate Secretary

