**To the members of the Palomar Mountain Mutual Water Co., Inc**

The State of California is now overseeing our mutual water company [PMMWCo, Inc] instead of San Diego County. The rules are stricter, and paperwork has increased dramatically. Although the State has not requested it yet, one of the things that needed upgrading was our Bylaws. We are encumbered with some issues in the old version that are hampering the running of the Company. With the help of our lawyer, Michael Friedrichs, we have revised the bylaws. We currently need a 2/3 majority of our voting power to approve changes. This means you all must vote.

Enclosed please find a copy of the revised bylaws. A redline version of the bylaws that shows all changes can be found on our website*,* [***www.palomarmountainwater.com***](http://www.palomarmountainwater.com). If you do not have access to a computer, you can request a copy by contacting **Linda Thorne [760-468-7119, *lindathorne92060@ gmail.com].***

Note: this is a 24-page document and is burdensome to mail.

**Summary of major changes to the BYLAWS:**

Section 1.1 Corporate powers: Incur indebtedness up to $100,000 instead of $50,000 without the prior approval of the membership**.**

Section 1.4: Qualifications: Board members’ terms are for three years. After three years they can run again instead of having to take off eleven months before running again. All members in good standing can run for the Board. Elections are held at the Annual Meeting of Members.

Section 5.6 Quorum for the Annual Meeting. Twenty percent of the shares are necessary for a quorum vote instead of a majority of the company's voting power. Previously we needed 40%. We have had trouble in recent years getting enough members to respond by proxy or attend the Annual Meeting. Therefore, we have not been able to have a legal business meeting.

Section 5.11: Meeting electronically. The meetings of the Board of Directors or Annual Meetings can be held electronically.

Section 6.2: Issuance. One water share certificate shall be assigned for each parcel number [APN] held by a member, although some parcels may have several shares. Note: Previously written share certificates may have more than one parcel number. These old shares will not be reissued until the property sells.

Article VIII: Amendments to the Bylaws. Amendments recommended by the board, with reservations, must be approved by a majority of the voting power by a duly held meeting at which a quorum is present, or by written letter or email.

**The Board of Directors**