

2013
FEE SCHEDULE

BORREGO AIR RANCH
MUTUAL WATER AND IMPROVEMENT
COMPANY

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I. FEE SCHEDULE

This document provides a summary of the Fees and Billing Schedules for the various services and assessments of the Borrego Air Ranch. It is updated and published annually by the Board of Directors. The Fees and Assessments summarized in this document are set by the Board of Directors on an annual basis within the authorities established by the By-Laws of the Borrego Air Ranch Mutual Water and Improvement Company (ByLaws VII-10).

II. WATER SERVICE INITIAL CONNECTION

A one-time fee will be assessed to each parcel for initial connection to the Borrego Air Ranch Mutual Water Service. This fee will cover the costs of acquiring and installing the water meter, meter box, gate valve, and lateral to the Company pipeline. It is the policy of the Borrego Air Ranch Mutual Water and Improvement Company that all water meters used at the Borrego Air Ranch shall be the property of the Company (ByLaws VII-11). At the discretion of the Board of Directors, privately owned meters may be turned over to the Company. In such cases, and after inspection and acceptance, the Board may waive part or all of the Water Service Initial Connection Fee.

1. The fee for Water Service Initial Connection will be **\$500** per service connection. This fee is to be paid at the time application for service is made.

III. WATER SERVICE

There will be a monthly minimum on all service connections. This monthly fee will be charged for each connection to the Company distribution system where a water meter is in place. Shareholders may request that their service be suspended and the Water Service Provision Fees will be suspended. (Note: At the discretion of the Water Manager, the water meter may be removed when service is suspended.) There will be a Service Reactivation Fee to reestablish water service, whether or not the meter is removed, whenever service is reactivated.

1. Water Fees will be billed Quarterly on the 1st of January, April, July, and October. These fees will become delinquent 30 days from the date of mailing of the bills.
2. The first 2000 cu. ft. of water provided per month will be billed at the rate of **1.50 cents** per cubic foot.
3. The balance of any water provided per month will be billed at the rate of **1.60 cents** per cubic foot.
4. The minimum Water Service Provision Fee will be **\$90** per quarter.

IV. WATER SERVICE REACTIVATION

There will be a Service Reactivation Fee to reestablish water service for each parcel whenever water service is suspended at the request of a Shareholder.

1. The fee for Water Service Reactivation will be **\$200**. This fee is to be paid at the time application for reactivation is made.

V. ASSESSMENTS

The Board of Directors is granted authority by the By-Laws of the Company to determine what part of the revenue of the Company will be raised by assessments, and what part by fees, and to fix what amounts or items shall be charged to current operating expense, and what to permanent additions or betterments (ByLaws VII-10).

A. ANNUAL ASSESSMENT

The annual assessment for the current fiscal year will be \$1200. The assessment may be paid annually, semi-annually or monthly. This fee will become delinquent over 60 days from the date due.

B. SPECIAL ASSESSMENTS

From time to time, as events dictate, the Board may establish a special assessment. This normally will be done when critical needs surface and the accounts of the Company are not sufficient to cover expenses.

VI. SHARE TRANSFER

No transfer of the shares of the Company will be made on the books of the Company while any assessment, charge or toll remains unpaid (ByLaws VI-4).

1. A fee of \$25 per share will be charged to transfer shares on the books of the Company. This fee will be collected at the time of request for transfer (ByLaws VII-5).

VII. PENALTIES

1. The Board of Directors has the authority to impose and enforce the collection of a penalty of \$50 for each violation of the Rules and Regulations of the Company. This fee will be due 10 days after service of written notice (ByLaws VII-7) and will become delinquent after 30 days.

VIII. DELINQUENCY INTEREST

1. Interest will be collected on delinquent fees, assessments and penalties at the rate of 10% per year (ByLaws VII-6).

IX. GARBAGE COLLECTION

Garbage collection will be provided by Dumpster to all residents. To encourage use of this service and to help keep the Air Ranch free of any trash build up, the cost of this service will be paid out of the annual assessment.