

TWIN LAKES CANAL COMPANY
DIVERSION POINT POLICY

As the board of directors of Twin Lakes Canal Company, we do hereby establish the following policy concerning diversion points on our irrigation system:

1. The company will not allow a diversion point of **less than ten (10) shares of water**. Small amounts of water are difficult to measure accurately and no meters exist that will provide measurement of water with debris in it.
2. **Stock transfers of less than ten shares** (or a stockholder who wants to transfer most of his water but keep less than ten shares for himself) **will only be approved** by the board if they are going through an existing diversion point or headgate with an appropriate measuring device. In such case, Twin Lakes will require a written agreement from the owner of the diversion point which grants approval for the small amount of shares to be taken through it.
3. Any stockholder desiring to install a **new diversion point** in the canal system shall be totally responsible for the cost of installation and maintenance of such diversion point. The board of directors must first give approval for such new diversion point. Some areas of the canal are too dangerous to allow alterations of the canal bank and this will be up to the board. The installation of any new diversion point will be under the direction of the company manager.
4. Whenever practical, screening devices shall be installed outside of the canal system, thus making it easier for the company to perform maintenance operations. The company may require that any screening devices in the canal system be removed by the stockholder when necessary to allow workers to clean the canals.
5. Stockholders shall install adequate screening devices which shall be approved by the company manager. This will allow the water to be properly screened so as to protect the water meter and keep it operating correctly.
6. Twin Lakes will provide the first meter for a diversion point. Any stockholder who makes a change in pipe size that would require a new water meter, or desires an additional meter, shall be liable for the costs of the new meter. The company shall determine the type and brand of meters that are acceptable and give approval as to how they should be installed. Once installed, maintenance of the meter will then be handled by the company workers.
7. This policy is in accordance with Idaho Code which describes the basis of our authority to require certain amounts of stock for a diversion point.

March 8, 1999