

**RULES AND REGULATIONS**  
**OF**  
**PLACITAS TRAILS WATER COOPERATIVE**

**February 2006**

**These rules and regulations** are issued in compliance with the bylaws of the Cooperative, and are designed to govern the supplying and taking of services rendered by the Cooperative. They are subject to change from time to time to ensure the proper management of the Cooperative. If a provision of the rules and regulations should conflict with a provision of the bylaws, the bylaw provision will prevail. Should there be a difference of opinion, within the membership of the Cooperative, as to the meaning of any rule or regulation, the decision of the board of directors, as to the meaning of said rule or regulation, shall decide the matter.

**APPLICATION FOR MEMBERSHIP/WATER SERVICE**

1.A. Application for Membership/Water Service. Water service will be available subject to the availability of water capacity as provided by the Cooperative's bylaws. Application for membership shall be made as provided for by the Cooperative's bylaws. All persons wishing to obtain membership/water service from this Cooperative must be lot owners within the service area and shall follow the "application process" in 1.B. below.

1.B. Application Process. To obtain membership/water service the applicant must provide the following:

- q Application for Water Service providing basic information on the designated meter, its location and who is responsible for the bill for it, which information will be used for billing. (Meter Information Sheet)
- q Water Users Agreement with right of way/easement, if necessary. (Subscription for Membership)
- q Payment of non-refundable membership fee, installation fee, and/or other applicable fees established by the Cooperative. (See FEE SCHEDULE below).
- q Proof of property ownership and compliance with applicable state and federal environmental criteria affecting water quality.

Incomplete applications may be grounds for denial of service. A membership fee must accompany the Application. Water Service will not be available until these forms have been completed, approved by the Cooperative and all applicable fees have been paid in full.

<b>Membership Fee:</b>	<b>See Fee Schedule below.</b>
<b>Meter Installation Fee:</b>	<b>See Fee Schedule below.</b>
<b>Other applicable fees or costs</b>	<b>See Fee Schedule below.</b>

1.C. Application Approval. Upon submitting a Meter Information Sheet, Subscription for Membership, Water Contract and payment of a membership fee, the board or designee shall promptly review and make its decision on the application. If application is disapproved, the membership fee shall be refunded. Once approved the membership fee is non refundable.

**WATER SERVICE**

2.A. Water Service Ready to be Connected. Water service connection will be available when the property owner has completed the application process, the Cooperative has approved the application and all applicable fees have been paid in full. At which time, a Membership Certificate will be issued to the new member and a

certified operator or an approved licensed contractor at the main water line easement will place a metering facility. Violation of this policy will result in cancellation of membership and payment of any federal and/or state fines in case the water system gets contaminated.

2.B. Water Service Ready to Use: Minimum Charge. Water services shall be considered ready to use when the Cooperative maintains the water supply at the point of delivery in readiness for the member's use, regardless of whether or not the member makes use of it; and charges shall be made for services as of this date.

All Cooperative members are subject to at least the minimum water charge as long as water service is connected and/or ready to use. Failure to pay for minimum water service within the time provided herein and after due notification by the Cooperative shall be grounds for a penalty and/or disconnection of service.

**Minimum Charge:** See Fee Schedule below.  
**Water Usage:** See current Rate Schedule attached.  
**Transfer Fee:** See Fee Schedule below.

2.C. Legal/Illegal Water Service Connection. Water service shall consist of facilities to supply water at normal operating pressure of the system to one residence at the meter. If your lot is located at a high point and water pressure is inadequate, the member is responsible for obtaining and installing an additional pressure pump at his/her residence. Water service is for the sole use of the member, his agent or tenant at the location requested, and does not permit the transfer or cross-connection of water by any means to another dwelling. Multiple connections are prohibited by Cooperative and are unfair to the members of the Cooperative. A representative of the Cooperative shall have the right at all reasonable hours to enter upon member's premises for the purpose of inspection and enforcement of this provision. A violation of this policy is grounds for a penalty specified below (See PENALTIES) or disconnection of service or both.

2.D. Connection to Private System. There shall be no physical connection between any private water system/well and the water system of the Cooperative. A representative of the Cooperative shall have the right at all reasonable hours to enter upon member's premises for the purpose of inspection and enforcement of this provision. Violation of this provision is cause for disconnection of a member's water service. If a backflow prevention valve is installed, the member will pay for all expenses incurred.

2.E. Continuity of Service. The Cooperative will make all reasonable efforts to supply continuous, uninterrupted service. However, it shall have the right to interrupt service for the purpose of making repairs, connections, extension, or for other necessary work. Effort will be made to notify members who may be affected by such interruptions, but the Cooperative will not accept responsibility for losses, which might occur due to such necessary interruptions of service or shortage of water supply.

2.F. Post Type Frost-Free Faucet: Post type frost-free faucet should be checked annually. Leaks occur very frequently with this type of faucet.

2.G. Property Owner Shut-Off Valve: Each new connection is required to have a shut-off valve installed at the property owner's expense at the same time the meter is installed.

### **THE METER/METERING FACILITIES**

3.A. Metering of Water Service. Water service will be metered to each individual dwelling. Several dwellings shall not be connected to one meter. Metering facilities shall be installed by the Cooperative or an approved licensed contractor.

3.B. Metering Facilities/Tampering: Metering facilities shall be installed and maintained by the Cooperative and shall be paid for by the member. Tampering with meter facilities is a violation of this Cooperative property and may be penalized by the board or prosecuted in court.

3.C. Location of Metering Facilities: Metering facilities shall be located at the main line or member's property line. Should the location be within the member's property, he/she shall grant the Cooperative an easement of right-of-way and the right of ingress and egress at all times to said property for the purposes of reading, servicing or removing the metering facilities.

3.D. Meter Accuracy: Service meters, where errors do not exceed twenty (20%) percent fast or slow, shall be considered as being within the allowable limits of accuracy for billing purposes.

3.E. Meter Testing: Meter testing may be requested by members up to two (2) times per calendar year and will be performed without cost to the member. If additional tests are requested with a one (1) calendar year period, the member will be charged for the cost of make the test unless the meter is not in compliance (see 3.D Meter Accuracy).

3.F. Meter Reading: Meters will be read by the Cooperative on a monthly basis. If a meter cannot be read, the Cooperative will bill the member for the amount of water used during the prior month as an estimate. If a meter reading can not be obtained for 3 successive months, then the member will be assessed a \$50.00 fee with a demand letter to correct the problem in addition to the water bill. At the 4<sup>th</sup> successive month when a meter can not be read, the water service will be terminated with the meter padlocked or removed. The member is liable for actual water used until an actual meter reading can be obtained. A member may dispute their water usage and request that the meter be re-read. If the re-read provides clear evidence of a miss-read, then the current month water bill may be adjusted and the member will not be charged with a re-read request. Upon the 3<sup>rd</sup> or more member re-read requests within a one (1) calendar year, then the member will be assessed a fee for the cost of the re-read. This fee is to be determined by a majority vote of the Board.

### **BILLING AND PAYMENT OF WATER SERVICE**

4.A. Billing of Water Service. All Cooperative members are subject to at least the minimum water charge as soon as water service is available, as defined in "Water Service". The Cooperative's accountant shall bill the membership monthly for water service from actual meter readings and/or at the rates set forth on the approved water rate schedule included with the Rules and Regulations. All water metered as used by the member shall be subject to the rate schedule, including water leaked from a member's line.

4.B. Payment of Water Service: Bills for water service are due and payable at the location indicated on the bill or at the location determined by the board of directors twenty days after the date of billing and become overdue 30 days after the date of billing.

4.C. Overdue Accounts: Overdue payments are subject to a late charge of \$10.00 plus 1.0 % per month. Failure to pay for water service may result in the meter being locked. See below.

4.D. Delinquent Accounts/Notification & Disconnection of Services: Nonpayment after 30 days from the due date (20 days after the date of billing) may result in the water being shut off from the customer's property, provided customer has been notified of delinquency by mail or posting on the property. All delinquent members will be notified by mail. The notification shall include the amount due and a due date ten days after the date of the notice. Failure to pay at the time specified in the notice shall result in water service being disconnected. To reinstate services a fee must be paid. SEE PAGE 4.

4.E. Negotiating Monthly Payment Schedule: (For members only) To avoid disconnection of services, the Board and the Member may negotiate a monthly payment schedule for the delinquent amount. Provided that at the time of the agreement, the member shall pay an initial deposit twenty-five (25%) percent of the overdue amount. If services are disconnected, the Board and the Member may still negotiate a monthly payment schedule for the delinquent amount. Services will be reinstated provided that the member pays the Reconnection Fee listed below and twenty-five percent (25%) deposit of the overdue amount.

4.F. Reconnection of Water Service: Any water service which has been disconnected due to a delinquent account or for other reasons, shall not be reconnected until the account has been paid current and the applicable Unlocked Meter fee listed below is paid in full. Subsequent delinquent incidents will result in an increased delinquent fee and will require a deposit.

4.G. Cancellation of Membership: . In the event a member has failed to pay all sums due the Cooperative within thirty (30) days after the due date, the Board of Directors shall have the authority to terminate the membership of any member, after thirty (30) days written notice of delinquency and demand for payment thereof, with notice of intent to terminate service, membership(s) upon failure to cure the delinquency, is mailed by certified mail, return receipt requested, to the member at the address in the Cooperative's records. Upon termination of membership, the Cooperative may place a lock or other device upon the service connection to prevent the unauthorized use of the Cooperative's systems.

4.H. Membership Reinstatement. Within one calendar year of the termination of membership(s), the member may reinstate. In order to reinstate the membership(s), the member shall pay the Cooperative the amount due at the time of cancellation of the membership(s), plus any intervening annual assessments, special assessments, or charges that have accrued since termination, plus interest in the amount of 1.0% per month, or the maximum amount permitted by law if less than 1.0% per month, plus a reinstatement fee, or as may be determined by resolution of the Board of Directors adopted prior to the delinquency precipitating the individual member's termination. The member's right to reinstatement shall be assignable to a subsequent owner of the member's lot or parcel of land to which the Membership(s) attached; however, the reinstatement right assigned shall not extend beyond the original member's one-year reinstatement period. After passage of one calendar year after termination of membership, the right to reinstate shall automatically, by operation of law, and without notice, cease to exist. Any owner of a lot or parcel of land upon which a Membership was terminated shall apply for new membership as provided in these Bylaws in order to receive a water connection to said lot or parcel of land.

### **FEE & PENALTY SCHEDULE**

The Board of Directors shall from time to time determine the fees and penalties applicable to its members for the various services. Taxes, if any will be in addition to the fees and penalties.

<b>Membership Fee:</b>	<b>\$ 3,000</b>
<b>Meter Installation:</b>	<b>Cost plus 10% administrative fee.</b>
<b>Water Usage:</b>	<b>See current Rate Schedule attached.</b>
<b>Reinstatement Fee (Membership):</b>	<b>\$ 300</b>
<b>Insufficient Funds (Bounced Check):</b>	<b>\$ 25</b>
<b>Membership Transfer Fee:</b>	<b>\$ 150</b>
<b>Meter Locked/Unlocked:</b>	<b>\$ 50</b>
<b>Reconnection Fee:</b>	<b>\$ 50</b>

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