



Dear New Member,

Welcome to Ames Lake Water Association. The Association is a not-for-profit cooperative governed by a seven member Board of Directors, which is elected by the 1159 members. Enclosed you will find information about your new membership. Once a year we hold an annual meeting, and all members are encouraged to attend. You will receive advance notice by mail.

Our water is pumped from deep wells within our service area and is part of the region's overall water supply. The amount we can pump from our wells is regulated by the State. Please conserve this valuable and limited resource we all share.

Points of interest for new members:

- Water meters are read once a month at the end of each month.
- You will receive a bill for the month's usage within about ten days after meter reading.
- Payments are due by the 5th of the month after you get your bill.
- **We are unable to accept credit or debit cards. To set up for automatic withdrawals from your bank account or to make one-time manual payments please visit www.ameslkwater.org. If you use your bank's automatic bill payer, they will print and mail a check. Please allow 5-7 days for this process.**
- Outdoor watering can be expensive! Our billing for water consumption is on an incline block scale. This means the more water you consume, the more you pay per gallon. This is to encourage conservation. Most households use around 6,000 gallons per month for domestic use. See the enclosed fee schedule.
- A water operator is on call 24 hours a day, seven days a week for bona fide emergencies. If you have a water emergency, please call the office and you will be referred to an on-call water operator who will assist you.
- Our office is located in the Gordon Construction Building at 33404 SE Redmond-Fall City Road, Suite 120, in downtown Fall City. Office hours are Monday through Thursday 9am - 2:30pm, Friday 9am - 12:30pm.
- Mailing address: ALWA, P.O. Box 691, Fall City, WA 98024
- Further information is available on our website: www.ameslkwater.org

Please complete the enclosed Water Use Data Sheet and return in the enclosed envelope as soon as possible. We cannot open your new membership without it.

If you have any questions or concerns, please call our office at (425) 222-7003.
Once again, welcome to the Ames Lake Water Association!

David Hoffmann – President

Jack Praino - Vice President

**AMES LAKE WATER ASSOCIATION
Fee Schedule Effective 11/11/14**

RESIDENTIAL & IRRIGATION WATER USE FEE SCHEDULE:				MONTHLY FEES:	
Tier	Gallons From	To	Price per 100 gallons		
1	0	2,000	Included in Base	BASE FEE:	
2	2,001	5,000	\$0.40	Without Cross Connection Control:	
3	5,001	7,500	\$0.50	(Standard 5/8 x 3/4" Meter): Base 1:	\$ 9.00
4	7,501	10,000	\$1.75	(1" Meter): Base 2:	\$12.00
5	10,001	15,000	\$3.50	With Cross Connection Control:	
6	15,001	25,000	\$6.00	(Standard 5/8x3/4" Meter): Base 3:	\$14.00
7	25,001	35,000	\$8.00	(1" Meter): Base 4:	\$17.00
8	35,001	45,000	\$10.00	AMORTIZATION:	\$13.00
9	45,001	55,000	\$12.00	DEPRECIATION:	\$15.00
Excess of 55,000 Gallons			\$14.00	Water Loss Adjustment Rate: \$0.50 per 100 gallons	
<p>Bulk Water Rate: A once per year Bulk Water Rate is available for specific large volume purchases (swimming pool, etc.) during the period of October through April. The ALWA Office (425) 222-7003 must be contacted a minimum of 7 days in advance for the Bulk Water purchase and sale is subject to Staff determination of water availability. - \$100 Meter Reading Service Fee and Bulk Water at \$1.50/100 gallons.</p>					
TAXES: Taxes/monitoring fee on base fee and water use: 6%					
BUSINESS OFFICE FEES:					
Certificate of Water Availability (only available to members)					\$ 100.00
Cross Connection letters:#1 is N/C; #2 is \$25; #3 is \$25; #4 is a shut off notice					\$ 25.00
Delinquent interest (begins accruing on unpaid balance after 90 days)					8% per annum
Delinquent notice fee					\$ 25.00
Late fee (accrues on current charges)					10%
Membership transfer fee					\$ 75.00
NSF check or Debit charge					\$ 50.00
Renter transfer fee					\$ 50.00
Request by lending institutions for information					\$100.00
Shut off notice fee (Failure to respond incurs turn off/turn on fees as well.)					\$ 25.00
Membership Application Fee					\$100.00
ONE TIME DEVELOPMENT FEES:					
Membership					\$2,000.00
Storage					\$ 600.00
General Facility					\$13,000.00
Mainline extension costs per Developer Extension Agreement					
WATER SERVICE & METER INSTALLATION FEES:					
Minimum Service Installation or Relocation Fee	Option A: Inspection fee when member hires a licensed and bonded contractor, provides and installs specified materials, decommissions old service line in the case of relocation, and administers project.				\$ 500.00
	Option B: ALWA installs or relocates service, and decommissions old service if necessary. Cost plus 15%				(\$1,000 deposit required)
Meter Drop (where meter setter and box already installed) (Price the same for both 5/8x3/4 & 1" meter)					\$ 350.00
Meter Drop (where meter setter and box needs to be installed) (Price the same for both 5/8x3/4 & 1" meter)					\$1,000.00
Water Service turn off, turn on, or special read	Normal Business Hours				\$ 25.00
	After Hours				\$ 100.00
Deliberate unlocking, or breaking into service (fine minimum)					\$ 250.00
Clearing around meter box (per occurrence)					\$ 35.00
Miscellaneous Field Service Labor					\$ 65.00/hr



RULES & REGULATIONS Revised April 4, 2010

These Rules and Regulations are set forth in accordance with Article V, Section 1(d) of the By-Laws and may be revised, amended or terminated at any time by action of the Board of Directors ("Board").

1. APPLICATION FOR SERVICE:

Each prospective member requesting water service shall sign the Association's required membership application form and provide additional information applicable to the proposed service as may be requested by the Association. Credit references may also be requested. Becoming a member of the Association constitutes agreement and acceptance of the Association's Rules, Regulations, rates and charges.

2. MEMBERSHIP/FEES/DEPOSIT:

Payment of storage, installation of service, source, membership, area wide, general facility, water line extension costs if applicable, and all other fees due as a condition of receiving water service shall be paid prior to installation and provision of water service.

A deposit may be required from new members as security for payment of water service or other charges. This deposit may also be required from existing members who fail to maintain a satisfactory payment record.

3. CHANGE OF OCCUPANCY:

When a change of ownership or of legal responsibility takes place on any premises being served by the Association, notice of such change shall be given to the Association within a reasonable time prior to such change. The outgoing member will be held responsible for all services supplied until: a storage fee as determined by the Board [if not already paid] is received, a transfer fee and any unpaid water service billings are received and applied to the transferring member's account.

4. RATES AND CHARGES:

The Association's rates and charges may be described in a fee schedule that may be adopted or amended by the Board from time to time. The rates may include amounts for employee and equipment use for services not normally rendered by the Association. If the Association incurs out-of-pocket costs in providing such services, such costs may be charged as well, along with a reasonable percentage for overhead and administration.

5. MEMBER'S PIPING AND EQUIPMENT:

Members shall be responsible for all piping and equipment located on the member's side of the water meter. Member plumbing shall be installed in accordance with applicable plumbing codes. The Association reserves the right to refuse or discontinue service to a member where such plumbing or equipment is in hazardous condition, or not in conformity with lawful codes and local regulations, or when the continuation of service could jeopardize the water system. It shall be the member's responsibility to provide:

- a) suitable protective equipment such as relief valves, pressure reduction valves, turnoffs, check valves, and whatever other items may be necessary to protect their plumbing and improvements,
- b) booster pumps to increase pressure if needed, and
- c) backflow prevention devices.

6. MEMBERS' RESPONSIBILITY FOR THEIR PIPING AND EQUIPMENT:

Members shall be solely responsible for the maintenance and safety of their plumbing and equipment and the Association shall not in any way be liable for accidents or damages occurring to the member, or to third parties because of contact with, or failure of, any portion of a member's plumbing and equipment.

7. MEMBERS' RESPONSIBILITY FOR ASSOCIATION'S PROPERTY:

It shall be the responsibility of the member to take all reasonable and proper precautions to prevent damage to the Association's property and facilities, including, but not limited to meters, water lines, water mains and appurtenances, hydrants, blow-offs, pump stations, reservoirs, fencing and gates. In the event that the Association's property is damaged because of the member, or the member's independent contractor, then the Association may collect from the member the cost of repairs or replacements.

8. RIGHT TO ACCESS:

The Association shall have access to all water meters for meter reading, maintenance, repairs and replacements. The Association may use any means required to protect its employees and agents from injury while accessing, repairing, replacing or reading meters and appurtenances.

9. SYSTEM DISTURBANCES:

Water service shall not be utilized by any member in such a manner as to cause disturbances or pressure fluctuations to other members of the Association. In the event that any member use is detrimental to the service of other members of the Association, that member may be required to discontinue the use or, if directed by the Association, to install, at personal expense, appropriate regulative equipment.

10. INTERRUPTION OF SERVICE:

The Association will use reasonable diligence to provide an adequate supply of water for normal household use. If the supply is interrupted for any cause, the Association shall not be liable for personal injuries, loss or damage resulting therefrom, nor will such failure constitute breach of agreement for service. The Association shall have the right at any time to temporarily suspend service for the purpose of making repairs or improvements to the system. When practical, members affected will be notified in advance.

11. NOTICE OF TROUBLE:

In the event that service is interrupted or not satisfactory, or any hazardous condition is known to exist, it shall be the obligation of the members to notify the Association of such condition.

12. METER LOCATIONS:

Meters will be installed by the Association in locations determined by the Association.

Only Ames Lake Water Association personnel are authorized to turn on / off a member's service at the meter. Unauthorized connection to or use of a water service is not allowed and may cause a fine, per fee schedule, to be assessed to the member. It is the member's responsibility to advise all contractors and subcontractors working for members of the rules and regulations established by the Association.

13. METER READING:

The Association will use reasonable efforts to read meters on a monthly basis. If, for any reason, a reading cannot be obtained for any particular period, the billing may be based on an estimated water use and reconciled at the next available reading.

14. SECONDARY WATER SOURCE:

No member shall connect their service line, plumbing or any appurtenance with any other water source.

15. DISCONTINUANCE OF SERVICE BY THE ASSOCIATION:

The Association may refuse to connect or may disconnect service for violations of any of its Rules & Regulations, for failure to pay charges for water service when due, for failure to pay other amount due under the Association's fee schedule, for theft, for illegal diversion of water, for failure to pay any indebtedness to the Association, or damages to Association's property. Except when public health is at risk, the Association shall provide a member with reasonable notice of a proposed disconnection of service. The disconnection of service for any of these causes does not release the member from any obligation to pay for services received, or for other charges that may accrue after disconnection.

16. EXTENSION POLICY:

In order to receive water service, a member must extend an Association water main to the far end of the member's property at the sole cost of the member pursuant to a developer extension agreement duly approved by the Board. Developer extension agreements shall contain terms and conditions to ensure the proper installation of mains pursuant to designs and specifications approved by the Association's engineer. Members may be reimbursed for an equitable portion of the cost of a main extension if another member is permitted to connect to the portion of a main installed by a member. Reimbursement agreements are subject to Board approval on a case by case basis. The Association may agree, on a case by case basis, to install main extensions in which case the benefited members, as determined by the Board, shall pay the actual cost along with a reasonable percentage for overhead and administration thereof, including a factor for interest, or a charge based on a Board adopted rate in lieu of the actual cost. Costs related to responding to and reviewing a request for main extension shall be paid by the requesting party.

17. TAX FEE:

The amount of any tax imposed by any municipality, county, federal, state or other governmental taxing body upon the Association or upon its property, revenue or income may be apportioned by the Board among the various classes of service furnished and shall constitute an additional charge to any amounts which may be billed to any member under any fee schedule or special contract. The amount of such fee, if imposed, shall be set forth in the Association's fee schedule.

18. FIRE HYDRANTS:

The use of fire hydrants shall be made available for the purpose of fire protection. Fire hydrants will not be used by anyone for the withdrawal of water, training or practicing fire fighting without the prior approval of the Association. **UNAUTHORIZED USE OF FIRE HYDRANTS SHALL CARRY A MINIMUM FINE PER OCCURRENCE.** Members providing information to the Association leading to the arrest or fine collection regarding unauthorized use of hydrants may be offered a reward.

19. MONTHLY BILL:

The Association may issue billings on a monthly basis. If a member directs issuance of a billing to a tenant or third party, the member shall nevertheless be responsible for all amounts billed.

20. TRANSFER FEE:

The Association may charge a fee for transferring memberships which is to be paid by the seller.

21. SERVICE INSTALLATIONS:

Water service connections and relocations shall be charged based on rates set forth in the Association's fee schedule or actual cost for non-standard installations. Temporary meters may be installed subject to the approval of the Association's manager for existing or new service connections. A fee shall be charged for this service.

22. ANNUAL MEETING NOTICE:

The Auditor's report, annual financial report and the minutes of the annual meeting shall be sent to the membership in the annual meeting notice.

23. STORAGE FEE:

A storage fee of \$250 from all members who have not previously paid a storage fee shall be paid by all members who have not paid the storage fee at any time during their period of owning the membership; however, it must be paid no later than the date of transfer of the membership. Members issued new memberships shall be required to pay a storage fee at the same time that membership fees are due.

24. MEMBERSHIP DELINQUENCY:

In cases where delinquent charges against a non-user membership exceed the original cost of the membership, the membership shall revert back to the Association and thereupon, all rights of the person or firm holding the membership pertaining to the Association shall cease. The Association shall provide not less than thirty days advance notice of the reversion. A member receiving such notice shall be entitled to present any defenses to the reversion to the Board at a regular meeting of the Board

25. TURN ON/TURN OFF FEE:

A fee may be imposed on members that request their water service be turned off or turned on.

26. RESUMPTION OF SERVICE FEE:

In cases where a member's water service has been discontinued for non-payment, a fee will be imposed for resumption of service.

27. UNAUTHORIZED TURN ON:

In cases where a member deliberately breaks, unlocks or turns on their water service without the permission of the Association, a fine will be imposed by the Board.

28. MEMBER AGREEMENT:

On becoming a member of the Association, the member automatically agrees to be bound by the terms and conditions of these Rules and the Articles of Incorporation and By-Laws of the Association as they may be changed from time to time. In the event of non-payment of any amount due the Association, the Association shall have the right to disconnect service following reasonable notice and to execute and record with the King

County Dept. of Records & Elections a lien on the member's real property that receives or is designated to receive water service from the Association. This lien shall provide for recovery of a reasonable sum for attorney's fees, and court costs in the event of foreclosure.

29. RIGHT OF APPEAL:

Any Association member may appeal a disputed decision to the Board. A written appeal must be received in the Association office for placement on the agenda of the next Board of Directors meeting at least ten (10) days prior to the meeting date.

30. CERTIFICATES OF WATER AVAILABILITY:

Repealed, see Rule 47.

31. MEMBER LISTS:

A list of member names and addresses is not to be made available to individuals or firms in any form unless required by law.

32. LENDING INSTITUTION REQUESTS:

A fee request (paid in advance) is required of lending institutions wanting statements of Association's status, type or organization, etc.

33. NSF FEE:

A fee shall be charged to cover the cost of NSF (insufficient funds) and closed account returned checks.

34. LATE & DELINQUENT FEES:

Failure to pay a bill when due will result in a one-time 10% fee of the unpaid amount. After ninety (90) days, delinquent interest shall be charged at 8% per annum on the entire amount due. A fee shall be charged to recover the cost of sending out delinquent notices.

35. AREA WIDE FEE:

The Board may adopt an area wide fee to be charged to all new members to cover the cost of Association improvements.

36. CONFLICT OF INTEREST:

A Director is prohibited from engaging in any of the following acts:

- a) Receiving, directly or indirectly, compensation (other than normal Board fees) from the Association;
- b) Having a beneficial interest, directly or indirectly, in any contract involving the purchase or sale of goods or services from or to the Association; or
- c) Employing or using any person, property, money or credit of the Association for the benefit of himself or another.

37. BILL ADJUSTMENTS:

All requests for bill adjustments shall be submitted in writing to the Board for consideration. Leak adjustment requests are governed by a separately adopted Board policy.

38. COMMERCIAL RATE:

A commercial rate may be adopted by the Board to apply to commercial users.

39. IDENTIFICATION:

All employees of the Association shall, when inside the service area of the Association and conducting Association business:

- a) Travel in a vehicle clearly identified with "Ames Lake Water Association",
- b) Wear a brightly colored vest, shirt, jacket, etc., identified with "Ames Lake Water Association" and
- c) Carry a laminated Ames Lake Water Association photo ID card with a current photo and showing the expiration date of the card. The cards will be issued for one year at a time.

40. MEMBERSHIPS:

Memberships, applications for membership and places on a membership waiting list shall be appurtenant to the parcel of land for which the application is made or the membership is issued and shall, upon application to and approval by the Association, transfer to the transferee of the parcel that is vested with record title. Memberships, applications for membership and places on a membership waiting list shall not otherwise be sold, transferred, or assigned and the Association shall have no obligation to honor any attempt to sell, transfer or assign such rights.

Notwithstanding any rule restricting or prohibiting the transfer of Association memberships, a member may transfer a non-user or non-participating membership back to the Association. If the Association's Board determines that it is in the best interests of the Association to reacquire a non-user or non-participating membership, the Association may pay, in consideration of the transfer, an amount equal to the cost of a new membership pursuant to the fee schedule in effect at the time of the transfer or such lesser amount that may be agreed upon by the parties; provided, however, any amounts owing to the Association from the transferring member shall be deducted from the amount paid.

41. CLASSES OF MEMBERS:

Members of the Association shall consist of users and non-users. Users are members that have a parcel connected to Association's water system. The term "connected to" means that a meter has been installed for use by persons residing upon the parcel. Non-users are persons (and other entities) that have been issued a membership but have not been issued a water meter. The Association may charge users and non-users as set forth in the Association's fee schedule.

42. ONE CONNECTION PER MEMBERSHIP/ ERU:

Unless otherwise specifically agreed to in writing by the Association and duly approved by motion of the Board, a membership in the Association shall only entitle the membership holder the right to one connection for a single family residence or equivalent. One single family residence or equivalent means the average consumption of a single family residential home that is served by Association through a standard 5/8" X 3/4" water meter. The average annual water consumption by a single family residence that is connected to the Association's water system is hereby defined as an "equivalent residential unit" or "ERU."

43. ONE MEMBERSHIP FOR EACH PARCEL SERVED AND DEFINITION OF PARCEL:

Prior to receiving a service connection, the owner of a parcel of land eligible for service from Association must apply for a membership, execute all necessary documents and pay all fees required by the Association. No more than one membership may be issued for any one parcel. No more than one membership may be issued per home or ERU. No memberships may be issued for parcels proposed to be created by subdivision, partition or other legal or administrative process unless the Board specifically agrees in writing. The Board shall have discretion in negotiating the terms and conditions of any such agreement. An applicant shall not be entitled to receive water service until Association approves the application and issues a membership. A parcel shall be considered as a separately identified parcel of land as recorded in a duly approved plat map or equivalent with King County.

44. SERVICE CONNECTIONS:

Water received through a service connection and meter may only be used on the member's designated parcel and for the improvements and uses authorized thereon by the Association. Installation of service connections and meters shall not take place until receipt of all permits and approvals necessary to proceed with the physical improvements associated with the development.

45. SERVICE CONNECTION LINE AND METER SIZING, COMPONENTS, AND ADJUSTMENTS TO CHARGES BASED ON POTENTIAL SYSTEM DEMANDS:

- a) Initial Sizing. A member requesting a service connection shall be responsible for securing the services of a registered plumber or Registered Professional Engineer for determination of required service line and meter sizing in accordance with applicable plumbing.
- b) Modifications. Any changes in land use on a parcel with a service connection that will cause an increased water system demand shall be subject to reevaluation of meter size(s) and may require the Member to apply for a modification to the existing service or additional services, including payment of additional storage and general facility charges based upon the new meter size or number of meters required to provide the service. Approval of such modification shall be in the sole discretion of the Board and subject to the Association's Rules and Regulations.

46. APPLICATIONS FOR MEMBERSHIPS AND WAITING LIST:

The Association will issue memberships subject to the following:

- 1. Parcels eligible for water service must be located within the Association's water service area as determined by the East King County Coordinated Water System Plan or the Association's Water System Plan and have an existing and actual need for water service from Association or a need that is based on

development plans which the parcel owner intends to prosecute in good faith. If a parcel spans the Association's water service boundary, the Board may determine whether the parcel or a portion of the parcel is eligible for service.

2. Water service to a particular parcel is further subject to engineering, financial and legal feasibility with respect to the provision of water service and any conditions of service imposed by law, regulation and the Association's comprehensive plan and rules.
3. All applications for membership and service connections shall be presented in person at the Association office utilizing Association's forms and shall be accompanied by payment of all fees, complete and true information on the parcel and the improvements to be served (for non-single family applications, the information must include a description of the number of ERUs requested, the estimated size of the meter and estimated average daily use projections). In the event of applications relating to improvements other than a single family residence, a deposit to cover the Association's estimated engineering review costs that the Association expects to incur with its consulting engineer must also accompany the application. All such information is subject to verification by the Association. Fees due at the time of application are as follows: One Time Development Fees (Membership Fee, Storage Fee, and General Facility Fee), an application fee and such other fees as the Board may adopt from time to time; provided, that if no membership is immediately available, the applicant shall only be required to pay a membership application fee to be placed on a waiting list as provided in these rules. The deposit to cover engineering review costs must be supplemented, upon demand by the Association, by the applicant from time to time if it is consumed by engineering costs. All work on the application shall cease until the deposit is supplemented. The Association may reject incomplete or inaccurate applications and applications submitted for speculative or illegitimate purposes as determined by the Board.
4. In order for the Association to issue a membership for a parcel, the application must be complete, all One Time Development Fees and the deposit must be paid, and a membership must be available for issuance to cover the ERU's proposed by the application for membership. If no such membership is available, the Association shall deny the application and, the applicant may elect in writing to be placed on the Association's waiting list.
5. If the Association makes available additional memberships at a subsequent date, before considering new membership applications, the Association shall consider applicants for membership based on their respective order on the waiting list starting with the earliest application.
6. Issuance of memberships shall be on a first come, first served basis, meaning that an applicant that has fully performed the application procedures and paid all fees and deposit shall be considered for membership prior to the consideration of a subsequent application and payment. Once a membership is offered to an applicant, the applicant shall have seven (7) calendar days within which to accept the offer and to pay all applicable fees. If an applicant fails or declines to accept a membership if and when it is offered within such period, the offer shall be deemed to be rejected, the application and the applicant's place in line on the waiting list shall be cancelled, and the application shall be null and void.
7. The Association shall maintain a waiting list in the event there are insufficient memberships available to satisfy demand. The waiting list shall be maintained on a first in time, first in right basis. In order to be placed on the waiting list, an applicant must prepare, execute and submit an application for membership to the Association along with a non-refundable membership application fee.
8. Memberships, applications for membership and places on the waiting list shall be appurtenant to the parcel for which the application is made and shall, upon application to and approval by the Association, transfer to the purchaser of the parcel that is vested with record title. Memberships, applications and places on the waiting list shall not otherwise be sold, transferred or assigned and the Association shall have no obligation to honor any attempt to sell, transfer or assign such rights. In the event of cancellation, the application shall be removed from the waiting list and the applicant shall waive all rights associated with its position on the waiting list.
9. If an application for membership is withdrawn, invalidated, cancelled or voided at any time prior to the issuance of a membership, the membership application fee shall be forfeited in order to reimburse Association for its administration costs. Such fee shall also be forfeited in the event the applicant is offered a membership but declines to accept it.

10. Unless the Association has otherwise entered into contractual arrangements providing different terms, the Association may cancel a membership and refund all fees paid less the sum of ten percent (10%) of such fees, which amount shall be retained by the Association as a non-refundable administrative fee, if a member does not install the service connection(s) and meter(s) applied for within two years from the date of issuance of the membership. The Association shall issue a written notice thirty days prior to taking such action. The member may request a hearing from the Board if it desires to contest the cancellation. After the hearing, the Board may cancel the membership unless the member shows good cause as to why it did not install the service connections and meters within such two year period and shows a credible plan to make such installations within a time to be determined by the Board, but not more than two years. If the member shows good cause and a credible plan, the Board may extend the date with respect to which the member shall install the service connections and meters for up to two additional years. The Board's determination in such matters shall be final and binding upon the member.
11. Upon cancellation of a membership, the number of ERUs associated with that membership shall automatically be deemed forfeited and waived and the former member shall have no rights to receive water from the Association.

47. CERTIFICATES OF WATER AVAILABILITY:

Certificates of Water Availability (C/A) will be issued only to members of the Association that have made full payment of all membership, storage and general facilities fees attributable to the Members' proposed use of the parcel and have paid a deposit sufficient to cover the Association's engineering costs in evaluating the member's proposed use of water. Requests for C/A's shall not exceed the number of requested ERUs applied for and granted with the membership application. Specific procedures pertaining to C/A's are as follows:

1. The C/A will be valid for a period of one year, expiring automatically unless the applicant applies for and receives, in writing as approved by the Board, an extension of the one year period prior to the date of expiration.
2. An extension of the C/A for not more than one year may be granted by the Board subject to the following. The applicant shall advise the Association of the need for an extension at least sixty (60) days prior to the date of expiration of the C/A, and shall present to the Association true, correct and verifiable documentation of the status of each jurisdictional review process and response by the applicant to all requests for information by the land use permitting jurisdiction(s) involved. The Member shall demonstrate just cause, as determined by the Board, with respect to its need for an extension. Factors considered by the Board in whether just cause exists shall include whether the member has demonstrated diligence in designing proposed improvements and in applying for and prosecuting all necessary building and land use permits. Written documents will be necessary to prove just cause. Extensions to a C/A will not be granted for delays caused by the applicant's failure to diligently pursue the proposed project, or for purposes of speculation or selling of the project or property.
3. Upon receipt of all permits and approvals necessary to proceed with the physical improvements associated with the development, the holder of a C/A shall, within 60 days of receipt of the last permit, apply to Association for a service connection, or if required, a developer extension agreement and pay all fees due for the proposed water main extension improvements at Association's rates then in effect.
4. All C/A's that expire shall become null and void and have no further force or effect. The member may have the right to reapply for a C/A if its membership remains in full force and effect and is not subject to cancellation pursuant to Rule No. 44.

BY-LAWS

AMES LAKE WATER ASSOCIATION

A Consumer Owned Cooperative Incorporated April 1969

Revised 09/13/2013

ARTICLE I

Membership

Section 1] Any bona fide owner of a parcel of land within the Corporation's service area as described in the Corporation's water system comprehensive plan having a reasonable accessibility to the distribution system, and who is in need of having water supplied for a legitimate and reasonable purpose may be admitted to membership upon subscribing for and otherwise acquiring a membership certificate pursuant to these By-Laws and subject to such terms and conditions as the Board of Directors ("Board") may determine and by signing such agreements for the purchase of water and installation of water system facilities as may be required by the Corporation; provided that no person otherwise eligible shall be admitted to the Corporation if the capacity of the corporation's water system is exhausted by the needs of the existing members. Every Member shall abide by the Bylaws, rules and regulations of the corporation.

Section 2] Memberships shall be transferable. The transfer will be effective only when noted on the books of the Corporation and upon approval by the Board. When an owner of a parcel for which a membership has been issued sells the parcel or it is otherwise transferred to a new owner, the Member shall transfer their membership in the Corporation to the new owner as part of the transaction whereby a transfer of interest in said property is made, provided the transferring Member is free from indebtedness to the corporation and the Board approves.

Section 3] Voting. No Member of this Corporation shall be entitled to more than one vote at meetings of the Members although it shall be impermissible for a Member to hold more than one of the membership certificates of the Corporation. With respect to memberships in which more than one person has an interest and with respect to entity owned memberships, one person shall be designated as the Member to vote the membership.

ARTICLE II

Membership Certificates

Section 1] This Corporation shall not have capital stock, but its capital shall be represented by membership certificates. The Corporation may issue memberships in certificateless form.

Section 2] The membership certificates shall be issued to each holder of a fully paid membership and shall be numbered consecutively, in accordance with the order of issuance. Each membership shall bear or be deemed to bear on its face the following statement:

- a. This membership certificate No.____, is issued in accordance with, and subject to, the conditions and

- b. restrictions stipulated in the Articles of Incorporation, By-Laws Rules and Regulations and amendments to same of the Ames Lake Water Association and any agreement entered into with the Association relating to the issuance of this certificate.

b. Transfers of membership certificates shall be made only upon the books of the Corporation, subject to the corporation's By-Laws and Rules, only to persons eligible to become members and only when the transferring member is free from indebtedness to the Association.

ARTICLE III

Meetings of Members

Section 1] The annual meeting of this Corporation shall be set at any convenient place, date and time in King County, Washington, by the Board of Directors.

Section 2] Special meetings of the members may be called at any time by the action of the Board of Directors or whenever a petition requesting such meeting is signed by at least ten percent of the Members and presented to the Secretary or to the Board of Directors. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted thereat except such as is specified in the notice.

Section 3] Notice of meetings of Members of the Corporation may be given by a notice mailed to each member of record, directed to the address shown upon the books of the Corporation, at least ten [10] days prior to the meeting except as otherwise provided herein. Such a notice shall state the nature, time, place, and purpose of the meeting. Notice of Member meetings may be provided by electronic means to any Member that consents to such form of notice in writing.

Section 4] Five percent (5%) of the Members shall constitute a quorum at any meeting of the Corporation for the transaction of business. The quorum shall be established by presence in person, by proxy or voting by mail.

- a. **Voting by Mail.** Voting by mail is authorized on all matters upon which Members may vote. Voting by mail shall be on ballots in the form and manner as determined by the Board. Such ballots shall be forwarded with the notice of meeting and delivered and filed with the Secretary at or before the meeting. The presence of a Member at the meeting shall revoke the ballot cast. For purposes of a quorum the casting of a ballot by mail shall constitute presence at the meeting.
- b. **Annual Meeting Report.** At least sixty days prior to the annual membership meeting, the Board shall mail a

written report to the Members signed by the President. The report will include the following:

1. Significant board action during the year.
2. Significant issues facing the Corporation.
3. Board seats up for election.
4. The date of the next membership meeting.

In addition the letter shall state that any Members wishing to submit any matter for vote at the annual meeting give the Secretary a written copy of the proposal together with arguments in its favor. The letter shall further state that any Members wishing to run for an expiring Board seat submit a biographical statement for inclusion in the next mailing. Material submitted by members must be received by the Secretary no later than forty days prior to the meeting.

c. Annual Meeting Second Report. At least fifteen days prior to the annual membership meeting, the Board shall mail to the Members a second meeting notice which includes the following:

1. Meeting agenda
2. Financial report
3. Statements by Board candidates
4. Message from the President
5. Message from the Manager
6. Matters presented for vote by Members, together with arguments which have been presented for and against.
7. A mail-in ballot

Section 5] Directors of this Corporation shall be elected at the annual meeting of the Members.

ARTICLE IV

Directors and Officers

Section 1] The Board shall consist of seven members, all of whom shall be Members of the Corporation. The terms of the Directors shall be staggered, with each Director serving a three year term.

Section 2] The Board of Directors shall meet within ten days after the first election and within ten days after the annual election of Directors and shall elect by ballot, from among themselves, a President, Vice-President, Secretary and Treasurer, each of whom shall hold office until the next annual meeting and until the election and qualification of a successor, unless sooner removed by death, resignation or for cause. The officers shall serve at the pleasure of the Board and may be removed and replacements elected as the Board may determine.

Section 3] If the office of any Director becomes vacant by reason of death, resignation, retirement, disqualification or otherwise except by removal from office, a majority of the remaining Directors, though less than a quorum shall, by majority vote, choose a successor who shall hold office until the next regular meeting of the members of the Corporation, at which time the members shall elect a

Director for the unexpired term or terms, provided that in the call of such regular meeting a notice of such election shall be given.

Section 4] A majority of the Board shall constitute a quorum at any meeting of the Board.

Section 5] Directors may be removed from office in the following manner: Any Member may present charges against an Officer by filing them in writing with the Secretary of the Corporation. The charges must be accompanied by a petition signed by ten percent of the Members of the Corporation. Such removal shall be voted on at the next regular or special meeting of the Members and shall be effective, if approved, by a vote of a majority of the Members present or voting by mail. The Director against whom such charges have been presented shall be informed, in writing, of such charges within five days, and shall have the opportunity at such meeting to be heard in person or by counsel and to present witnesses; and the person or persons presenting such charges against him shall have the same opportunity. If the removal of a Director is approved, such action shall also vacate any other office held by the removed Director in the Corporation. A vacancy in the Board thus created shall immediately be filled by a vote of a majority of the Members present and voting at such meeting. A vacancy in any office thus created, shall be filled by the Directors from among their number so constituted after the vacancy in the Board has been filled.

Section 6] To the extent authorized by law the Corporation shall indemnify any person made a party to any proceeding by reason of the fact that such person is or was a Director or Officer of the Corporation against judgments, penalties, fines, settlements and reasonable expenses actually incurred by such person in connection with such proceeding. Such reasonable expenses may be paid or reimbursed by the Corporation in advance of the final disposition of such proceeding; provided that no such indemnity shall indemnify any such person from or on account of acts or omissions of such person finally adjudged to be intentional misconduct or a knowing violation of law, or from or on account of any transaction with respect to which it was finally adjudged that such person was not legally entitled. The Board may at any time, approve indemnification of any other person which the Corporation has the power to indemnify under the law. The indemnification provided by this section shall not be deemed exclusive of any other rights to which a person may be entitled as a matter of law or by contract. Such indemnity shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of such person.

ARTICLE V

Powers and Duties of Directors

Section 1] The Board, subject to restriction of law, the Articles of Incorporation, and these By-Laws, shall exercise

all of the powers of the Corporation, and, without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board shall have, and are hereby given, full power and authority in respect to the matters hereinafter set forth to be exercised by resolution duly adopted by the Board:

a. To approve membership applications and membership transfers; to establish distinct classes of Members and to cause to be issued appropriate certificates of membership or memberships in certificateless form.

b. To select and appoint all agents or employees of the Corporation or remove such agents or employees of the Corporation, prescribe such duties and delegate such powers as are consistent with these By-Laws, fix their compensation and pay for faithful services.

c. To borrow from any source, money, goods, or services and to make and issue notes and other negotiable and transferable instruments, mortgages, deeds of trust and trust agreements, and to do every act and thing necessary to effectuate the same.

d. To prescribe, adopt and amend, from time to time, such equitable uniform rules and regulations as, in their discretion, may be deemed essential or convenient for the conduct of the business and affairs of the Corporation and guidance and control of its Officers and employees, and to prescribe adequate penalties for the breach thereof.

e. To order, at least once each year, an audit of the books and accounts of the Corporation by a committee of at least three [3] Members selected by the membership or by a competent auditor or accountant. The report prepared by said committee or auditor or accountant shall be submitted to the Members of the Corporation.

f. To fix and alter the charges to be paid by each Member for services rendered by the Corporation to the member, and to fix and alter the method of billing, time of payment, manner of collection, and penalties for late or nonpayment of the same. The Board may establish one or more types of Members.

g. To require all Officers, agents and employees charged with responsibility for the custody of any of the funds of the Corporation to give adequate bonds, the cost thereof to be paid by the Corporation, and to provide for adequate property and liability insurance including insurance covering director and officer indemnification obligations of the Association.

h. To approve or ratify all disbursements of Corporation funds; and to select one or more banks to act as depositories of the funds of the Corporation and to determine the manner of receiving, depositing and disbursing the funds of the Corporation and the form of checks and the person or persons by whom the same shall be signed so long as at least two Board authorized Directors sign checks, to utilize electronic banking services so long as prudent internal controls as determined by the Board are in place to include issuance of electronic fund transfers by at least one Board

authorized Director, with the power to change such banks and the person or persons signing or issuing such checks and transfers and the form thereof at will.

i. To levy assessments, rates and charges against the Members and memberships of the Corporation and to enforce the collection of such assessments by the any lawful means. The Board shall have the option to suspend all rights and privileges of Members holding any membership on which assessments, rates and charges have not been paid at any time after ninety days from the date the assessment was due, provided that the Corporation must give the member at least thirty days written notice at the address of the member on the books of the Corporation, of its intention to suspend such rights and privileges if the amount due is not paid. Upon payment of the amount due, the rights, privileges and services shall immediately be returned. In addition to the foregoing, the Corporation shall have the right to cause a forfeiture of any membership for good cause.

j. To establish reserves and to invest Corporation funds as the Board of Directors deems necessary or satisfactory in checking accounts, time deposits, or certificates of deposit at banking institutions insured by the FDIC, NCUA or successor agencies and in obligations of the U. S. Treasury with maturities of ten years or less and money market funds containing only such instruments.

k. To buy, lease, hold, and exercise all privileges of ownership in and to all real or personal property as may be necessary for the conduct and operation of the business of the Corporation or incidental thereto.

l. To authorize any Officer or manager to sign any or all contracts and other instruments in writing on behalf of the Corporation.

m. To disconnect water service of any member for nonpayment of any amount due or for good cause.

ARTICLE VI

Duties of Officers

Section 1] Duties of the President. The President shall preside over all meetings of the Corporation and Board, call special meetings of the Board, perform all acts and duties usually performed by an executive and presiding officer, and sign all membership certificates and such other papers of the Corporation as may be authorized or directed by the Board. The President shall perform such other duties as may be prescribed by the Board.

Section 2] Duties of the Vice-President. In the absence or disability of the President, the Vice-President shall perform the duties of the President; provided, however, that in case of death, resignation or disability of the President, the Board may declare the office vacant and elect a successor.

Section 3] Secretary. The Secretary shall have general charge and supervision of the records of the Corporation;

sign all such papers pertaining to the Corporation as may be authorized or directed to do by the Board; serve all notices required by law and by these By-Laws and make reports of all matters pertaining to this office to the Members at the annual meeting; supervise the keeping of the corporate seal and membership certificates issued and the affixture of said corporate seal to all papers so requiring; supervise the keeping of all proper membership records showing the name of each member of the Corporation, the date of issuance, sale or conveyance; supervise the making of all reports required by law and perform such other duties as may be required by the Board. Upon the election of a successor, the Secretary shall turn over all records and other property belonging to the Corporation. The Secretary shall also perform such other duties with respect to the finances of the Corporation as may be prescribed by the Board.

Section 4] Treasurer. The Treasurer shall: have general charge and supervision of the books of the Corporation; supervise the keeping of all financial records and the receipt of all revenues; supervise the making of quarterly financial reports to the Board; supervise the making of all financial reports required by law; perform such duties with respect to the finances as may be prescribed by the Board. Upon the election of a successor, the Treasurer shall turn over all books, records and other property belonging to the Corporation.

ARTICLE VII

Benefits and Duties of Members

Section 1] Each Member shall be entitled to purchase water from the Corporation pursuant to such agreements as may be authorized by the Board and for such purposes and in such amounts as the Board may determine and subject to the Rules, Regulations, policies and rates of the Corporation.

Section 2] Every Member shall be entitled to connect one residence or equivalent to the Corporation's water system with one metered service line pursuant to specifications adopted by the Board subject to payment of applicable fees and charges and Corporation's water main connection and extension requirements.

Section 3] In the event the Corporation's water supply shall be insufficient to meet all of the needs of the members, the Corporation may allocate the water available among the various Members on such basis as is deemed equitable by the Board, and may also prescribe a schedule of hours covering the use of water and require adherence thereto and take any other appropriate action as the Board may determine.

Section 4] The Board shall, from time to time, determine the approximate amount for debt repayment to the United States Department of Agriculture and other lenders and for payment of the cost of internally financed capital improvements applicable on a pro-rata basis to each member for the following calendar year or years, and the monthly rate to be charged each member for such purposes

irrespective of whether any water is used, and the amount of additional charges for water and any other services which may be supplied the Members; shall fix the dates for the payment of such charges, and shall notify each Member of the amount of such charges and the dates for the payment thereof. In order to be entitled to the delivery of water, a Member shall pay such charges at the office of the Corporation at or prior to the dates fixed by the Board. The failure to pay charges duly imposed may result in penalties, disconnection of water service or any other lawful action.

ARTICLE VIII

Section 1] All funds from whatever sources remaining at the end of the year in excess of those needed to meet current losses and expenses may, in the sole discretion of the Board, be distributed to Members in proportion to the amount of business done by them during the year or be retained for such purposes as retiring indebtedness, establishing or increasing reserves, paying costs of replacing, enlarging or expanding the Corporation's facilities, and reducing subsequent years' water rates. The Corporation will maintain reasonable records from which each Member's rights and interest in the retained funds can be determined at any time.

Section 2] Upon dissolution of the Corporation, gains from sales of appreciated assets will, to the extent required by law, be distributed to all persons who were Members during the period which the appreciated assets were owned by the Corporation in proportion to the amount of business done by those members during that period insofar as practicable.

ARTICLE IX

Amendments

Section 1] These By-Laws may be repealed or amended by a vote of a majority of the sum of 1) Members present, and 2) Members voting by mail or proxy at any annual or special meeting of the Corporation called for that purpose.

Ames Lake Water Association (ALWA)

ELECTRONIC FUNDS TRANSFER AND ELECTRONIC BILL PRESENTMENT PROGRAM ENROLLMENT FORM

PURPOSE: Use this form to enroll your ALWA account(s) in the ALWA's Electronic Funds Transfer (EFT) program and electronic bill presentment. You must also fill out this form if you change your bank or credit union account and want to continue your enrollment in the program.
PLEASE MAKE A COPY OF THE FRONT AND BACK OF THIS FORM FOR YOUR RECORDS BEFORE MAILING TO THE ALWA.

Name(s) of ALWA Member(s): _____

NOTE: If you have a joint ALWA account, list the names of both ALWA Members.

Service ID number(s): _____

NOTE: If you want to enroll more than one ALWA account, list each service ID number.

Service address(es): _____

Daytime telephone: _____

E-mail address: _____

INFORMATION ABOUT YOUR BANK OR CREDIT UNION (CU) ACCOUNT

Bank or CU name: _____

Your name(s) as shown on
your bank or CU account: _____

NOTE: If you have a joint bank or CU account, list the names of both account owners.

Type of account:
(Choose one.)

Checking: _____

Savings: _____

Branch office: _____

Telephone number: _____

City and state: _____

ABA routing number: _____

Account number: _____

- 1. Sign and date the authorization agreement on the back side of this form.
- 2. ATTACH A VOIDED CHECK OR SAVINGS DEPOSIT TICKET HERE.
- 3. Make a copy of this entire form for your records. Then return it to:

AMES LAKE WATER ASSOCIATION
PO BOX 691
FALL CITY WA 98024-0691

- 4. If you have any questions, please call the ALWA office at (425) 222-7003.

**AUTHORIZATION AGREEMENT FOR THE AMES LAKE WATER ASSOCIATION
ELECTRONIC FUNDS TRANSFER AND ELECTRONIC BILL PRESENTMENT PROGRAM**

I /we, the undersigned, hereby apply to enroll in the Ames Lake Water Association (ALWA) Electronic Funds Transfer (EFT) and Electronic Bill Presentment Program and authorize ALWA to automatically withdraw from my/our checking or savings account identified on the front side of this form the total amount due on my/our billing statement and, if necessary, to make deposits for error corrections.

I /we authorize the financial institution named on the front side of this form to accept such EFT transactions initiated by ALWA.

I/we understand that the scheduled EFT date will be the payment due date shown on my/our billing statement except when such payment due date occurs on a date that is not a regular business day at the financial institution where I/we maintain(s) my/our checking or savings account, in which event the scheduled EFT date will occur the next business day after the payment due date shown on the billing statement. Non-business days include Federal Reserve Bank holidays, Saturdays, Sundays and other days when banks and credit unions are closed.

I/we understand that if my/our financial institution assesses my/our checking or savings account for any service fees related to ALWA-initiated EFTs, including, but not limited to, transaction fees or overdraft fees for insufficient funds (NSF), that I/we will be solely liable for paying such fees to my/our financial institution.

I/we understand that if my/our financial institution returns an EFT debit to the ALWA due to insufficient funds (NSF) in my/our checking or savings account the ALWA may assess an insufficient funds (NSF) fee to my/our ALWA account in accordance with the ALWA's fee schedule in effect at the time of the returned EFT debit. I/we understand that if my/our EFT payment is returned for insufficient funds two (2) billing periods in a row, the ALWA may, at its sole discretion, un-enroll me/us from in the ALWA's EFT program upon written notice.

I /we understand that at any time I/we may send written notice to ALWA at the address shown below requesting that EFTs from my checking or savings account pursuant to this Authorization Agreement be discontinued and that ALWA not initiate further EFTs from my/our checking or savings account after ALWA has received my/our written notice and had a reasonable period of time in which to act upon it. I/we understand that this is in addition to my/our rights to stop payment by directly contacting the financial institution where I/we maintain the checking or savings account listed herein.

I/we understand that the ALWA reserves the right to terminate, revise or modify its Electronic Funds Transfer (EFT) and Electronic Bill Presentment Program at any time upon written notice to ALWA Members.

By enrolling in this program, I/we also hereby opt into receiving my/our periodic ALWA billing statement in electronic format (i.e., Adobe® PDF format) through a secure, Web-based portal (i.e., electronic bill presentment on the public Internet using HTTPS). By opting into electronic bill presentment, I/we consent to having the ALWA discontinue sending me/us paper billing statements by regular mail. I/we understand that once I/we have successfully enrolled in the ALWA's EFT program I/we will be responsible for logging into the ALWA's secure Web-based portal each billing period to review the amount due on my ALWA account and obtain a copy of my/our ALWA billing statement in Adobe® PDF format.

I/we understand that this authorization form and any subsequent written requests, notices or other correspondence regarding the ALWA's Electronic Funds Transfer (EFT) and Electronic Bill Presentment Program must be sent to the following address:

**AMES LAKE WATER ASSOCIATION
PO BOX 691
FALL CITY WA 98024-0691**

I/we understand that this Authorization Agreement shall be governed and construed in accordance with the laws of the State of Washington as well as applicable EFT rules and regulations of the Federal Reserve Bank and the National Automated Clearing House Association (NACHA). By signing this Authorization Agreement, I/we acknowledge and agree that any legal action or proceeding between ALWA and me/us for any purpose concerning this Authorization Agreement or the ALWA's or my/our obligations hereunder shall be brought exclusively in a Federal or State court of competent jurisdiction sitting in King County, Washington.

**AUTHORIZED SIGNATURE(S) OF
BANK/CU ACCOUNT OWNER(S):** _____

NOTE: If you have a joint bank or CU checking or savings account, both account owners must sign.

DATE: _____

FOR INTERNAL ALWA USE ONLY BELOW THIS LINE.

Date entered into CUSI →		Date prenote sent →	
Entered by →		Reviewed by →	

