



## **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.