

**RULES AND REGULATIONS
OF
SALLAL WATER ASSOCIATION
August 2019**

These Rules and Regulations are set forth in accordance with Article V, Section 1 of the By-Laws and may be revised, amended or otherwise changed at any time by action of the Board of Trustees (“Board”) of the Sallal Water Association (“Association”). They are binding on the Association, its members and to persons and firms that desire to obtain a membership in Association. Copies of these rules shall be available for inspection and reference at all times at the office of the Association or mailed upon written request.

1. **APPLICATION FOR SERVICE:** Each prospective member requesting water service shall sign the Association’s required membership information forms. Credit references may be requested. If the application is for other than residential purposes, further information may be required from the applicant.

Becoming a member of the Association constitutes agreement and acceptance of the Association’s Rules and Regulations.

2. **MEMBERSHIP/FEES/DEPOSIT:** Payment of membership, meter fees and line extension costs if applicable, and all other fees as appropriate shall be paid and registered on the Association books for new membership prior to delivery of water service except by agreement of the Board.

A deposit may be required from new members as a guarantee of payment of water service charges. This deposit may also be required from existing members who fail to maintain a satisfactory payment record. After six month’s satisfactory payment record, this deposit will be applied to the water bill.

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 within a reasonable time prior to such change. The outgoing member will be held responsible for all service supplied until a transfer fee and any unpaid water service monies are received and applied to transferring member’s account. The transferring member’s meter will not be read unless specifically requested. If the meter is requested to be read, a fee in an amount established by the Board will be charged for this service. If it is not requested to be read, the standard final bill may include an estimated charge.

4. **BILLING:** Bills will be rendered monthly and are due and payable on receipt. Charges shall be considered to be delinquent if they are not paid by the 21st day of the month following issuance of the billing at which time a ten percent late payment penalty on such charges shall be assessed.

Non-users may elect to pay in advance annually, semiannually, quarterly or monthly.

Users must pay monthly, or in advance.

5. **SERVICE CHARGES:** Service charges may be levied for services as the Board may determine, including but not limited to the following:

- A. Turn water on or off
- B. Collection of an account
- C. Disconnect for non-payment
- D. Reconnect when payment is made
- E. Meter check for accuracy by request from member
- F. Request from member for services not normally rendered by the Association.

Service charges for the above purposes will be the actual cost sustained by the Association to perform same including amounts for administration or the amount fixed by the Board, whichever applies.

6. MEMBER'S PIPING AND EQUIPMENT: It shall be the member's responsibility to provide suitable protective equipment such as relief valves, pressure reduction valves, turn-offs, check valves and whatever other items may be necessary to protect the member's plumbing and equipment. The Association will make reasonable efforts to prevent pressure failure or abnormal pressure variations but cannot guarantee that such conditions may not occur.

Member's piping shall be installed in accordance with applicable plumbing codes. The Association reserves the right to refuse or discontinue service to a member where such equipment is in a hazardous condition, does not conform with lawful codes and local regulations, or where continuation of service could jeopardize or interfere with the operation of the Association's water system.

The members shall be solely responsible for the maintenance and safety of their plumbing, piping and equipment and the Association shall not in any way be liable for accident or damages occurring to the members or to third parties because of contact with, or failure of, any portion of members' plumbing, piping and equipment.

7. MEMBER'S RESPONSIBILITY FOR ASSOCIATION'S PROPERTY: It shall be the responsibility of the members to take all reasonable and proper precautions to prevent damage to the Association's water system. This shall include meters, instruments, services, connections, mainlines and any other equipment installed by and remaining the property of the Association. In the event that the Association's property is damaged by a member or a member's agent or independent contractor, then the member shall be responsible, therefore.

8. RIGHT TO ACCESS: The Association's personnel shall have access to Association facilities at all reasonable times for the purpose of reading meters and testing, repairing, or replacing any facilities and equipment which is the property of the Association. If any such equipment and facilities are located in locked areas (which may only occur with Association's prior written consent), the Association shall be supplied with keys to such locks. The Association's personnel may use any means in their discretion to protect themselves from injury while attempting to read meters, or to repair, maintain or operate Association facilities and equipment.

9. SYSTEM DISTURBANCES: Water service shall not be utilized by any member in such a manner as to cause substantial disturbances or pressure fluctuations to other members of the Association. In the event that any member's manner of use of water is detrimental to the service of other members of the Association, that member may be required to change its manner or amount of water use or install, at personal expense, regulative equipment as determined by the

Board.

10. **INTERRUPTION OF SERVICE:** The Association will use reasonable diligence to provide adequate and uninterrupted supply of water at normal pressure, but if the supply is interrupted without notice for any cause, the Association shall not be liable for injuries to persons or property or loss or damage resulting therefrom. The Association shall have the right to temporarily suspend service for the purpose of performing maintenance or making repairs or improvements to the system, but not in such cases, when practical, those affected will be notified in advance and reasonable efforts will be made to limit the duration of interruptions.

11. **NOTICE OF TROUBLE:** In the event that water service is interrupted, is not satisfactory or any hazardous condition is known to exist, it shall be the obligation of the member to notify the Association of such existing condition.

12. **METER LOCATIONS:** Meters will be installed by the Association in the public right of way or on easements granted to the Association at such locations as shall be determined by the Association. Meters shall not be installed places difficult to access, or where they may be subject to damage.

It shall be the responsibility of the members to advise the Association of their service requirements in advance of water service installation and to ascertain that the proposed meter location is acceptable to the Association. Only Association personnel are authorized to make the connection with a member's service line and the meter. Any unauthorized connection to a water service is illegal and an illegal use fee will be assessed according to the Association's rate schedule or as determined by the Board. It is the member's responsibility to advise all contractors, plumbers or subcontractors of the rules and regulations of the Association.

13. **METER READING:** The Association will use reasonable efforts to read meters on a monthly basis using the same approximate cycle date, but because of holidays, Saturdays, Sundays and the difference in the length of months, variations may occur. If for any reason a reading cannot be obtained for any particular period, the billing may be based on an estimated water use and be subject to later correction.

14. **SECONDARY WATER SOURCE:** No customer shall connect its plumbing, piping or equipment that receives water from Association's water system with that of any other water source.

15. **DISCONTINUANCE OF SERVICE BY THE ASSOCIATION:** The Association may refuse to connect or may discontinue service for violations of any of its Rules and Regulations, for failure to pay charges for water service when due or any other amount due under the rate schedule or otherwise, for theft, for illegal diversion of water, or for failure to pay any indebtedness or damages to the Association's property. The discontinuance of service for any of these causes does not release the member from any obligation to pay for water received or for any other charges specified in any contract or rate schedule. Members shall be given reasonable notice of a proposed disconnection except in emergency circumstances. Members shall have the right to a hearing before the Association's manager or Board, upon written request, prior to disconnection.

When service is discontinued for interference, theft, or illegal diversion, it can only be reconnected under the following conditions:

1. The member must pay all damages due to interference with the meter.
2. The member must pay for all outstanding charges,
3. The member must agree to comply with reasonable requirements to protect the Association from further loss.

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 thereof, including a factor for interest, or 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. **RATES:** The Board may adopt and amend from time to time, without notice, a rate schedule setting forth all or part of the Association's rates and charges.

18. **TAX ADJUSTMENT:** The amount of any and all revenue, cubic foot, gallons or other form of tax imposed by any municipality, county, federal, state or other governmental subdivision taxing body, upon the property herein, revenue or income of any part of the Association may be apportioned by the Board of Trustees according to the territory in which such tax or taxes may be effective and amongst the various classes of service furnished therein and shall constitute any additional charge to any amounts which may be billed to any member under any rate schedule or special contract.

19. **FIRE HYDRANTS:** The use of fire hydrants shall be made available for the purpose of fire protection to members free of charge. Non-members shall have emergency use of fire hydrants, subject to a fee that may be established by the Board of Trustees. Fire hydrants will not be used by anyone for training or practicing firefighting, without the prior approval of the Association. Unauthorized use of fire hydrants shall carry a minimum fine of \$500 per occurrence.

20. **BILLING INFORMATION:** All members will be billed according to the information provided from the latest application and data sheet except as may be determined by the Association.

21. **CONVERSION OF NON-USER MEMBERSHIP:** After a meter is installed for a non-user member, the member shall no longer be considered to a non-user.

22. SERVICE CHARGE FOR MEMBER TRANSFERS: Transfers of membership will require a service charge as set forth in the Association's rate schedule and will be paid by the seller or transferring member as a condition to the transfer.

23. METER DROPS FOR PREVIOUSLY PAID MEMBERSHIPS: Water service connections that are installed to tracts/lots by developers or others at the time of watermain extension, and that are not part of an Association financed improvement, require payment of a fee per meter installation drop according to the Association's rate schedule.

24. AUDIT REPORTS: The audit committee's or auditor's reports and suggestions, together with the Board's response and actions, the financial report and the minutes of the annual meeting are to be sent out to the membership along with the annual meeting notice.

25. REVERSION OF DELINQUENT NON-USER MEMBERSHIPS: In cases where delinquent charges against a non-user for amortization and base fees have accrued for one year, or where these same delinquent charges have exceeded the original cost of the membership, the membership will revert back to the Association subject to the following procedures. Members will be notified of the reversion and will have an opportunity to petition the Board and explain any circumstances relating to their case. The member will be given a period of time as determined by the Board to bring all past due indebtedness current. The decision of the Board is final. Failure to do so will result in loss of membership and automatic reversion to the Association. Reinstatement of membership at a later date will be subject to current membership fees, rules and regulations including a determination whether water service is available.

26. TURN-ON AND TURN-OFF FEES: A fee according to the Association's rate schedule will be imposed on members who request their water service to be turned off or turned on.

27. SHUT-OFF LETTERS AND RESUMPTION FEES: In cases where a member's water service has been discontinued for non-payment, a fee according to the Association's rate schedule will be imposed for resumption of service. A fee will be charged if a shut off notice letter is sent.

28. METER TAMPER FEE: In cases where a member or non-member deliberately breaks, unlocks or turns on their water service without the permission of the Association, a minimum fine will be imposed as set forth in the Association's rate schedule.

29. TYPES OF MEMBERS: The Association is made up of different 'types' of members: users, non-users and non-participants.

A USER is a member who has acquired a membership certificate in the Association and is connected to the water system and uses water.

A NON-USER is a member who has acquired a membership certificate in the Association but is not presently connected to the system.

A NON-PARTICIPATOR is a member that has acquired a membership certificate in the Association but is not presently connected to the system. Non-participating memberships are no longer available. Existing non-participating members acquired their memberships through specially negotiated arrangements. Non-participants are not subject to the amortization or

water rate fees until such time as the membership is used, sold or otherwise conveyed. The membership then is reclassified as a user, or non-user,

If a member is a user, the Association shall furnish, subject to the limitation set out in the By-Laws and Rules and Regulations, a reasonable quantity of water as may be determined by the Board to the member's parcel in connection with the member's occupancy or other use disclosed to the Association in writing and approved by the Association.

Members shall pay for water and other services at such rates, time and place as shall be determined by the Association and shall pay penalties for non-compliance in the amounts set forth in the Association's rate schedule.

Non-User members shall pay amortization and base costs as set forth in the Association's rate schedule. The amortization cost is the amount set by the Association to pay the indebtedness to the United States Government and other designated uses. Said amount is established each year or from time to time and can be paid monthly, quarterly, semi -annually or annually. Different areas, divisions or additions may have different amortization costs. Amortization Costs are paid by all user and non-user members,

Base fees shall be due from all user and non-user members regardless of whether any water has been used or whether service has been disconnected.

30. **RIGHT OF APPEAL:** Any Association member may have the right to appeal to the Board of Trustees any dispute involving an Association claim, fee, charge or disconnection. A written appeal must be received by the Association's business office to be given to the Board at which time the member's concerns will be placed on the agenda for discussion at the next, scheduled Board meeting. Any member has the right to attend any meeting of the Board of trustees except for executive sessions. The time, date and place of the meeting can be obtained by calling the business office.

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. Members may request a list of members and mailing addresses, in writing, for voting purposes only, and subject to Board imposed requirements and approval.

32. **RETURNED CHECK FEES:** A fee will be charged to cover cost of NSF and closed account returned checks.

33. **BACKFLOW PREVENTION TESTING:** Underground irrigation systems, fire suppression systems and all other listed devices of the Association require back flow prevention assembly per WAC 246-290-490. All backflow assemblies must be tested after the initial installation, repairs and once yearly thereafter. The Association will notify members annually when to have their backflow assemblies inspected by a licensed professional. The Association must be sent a copy of the test report.

Any member who does not comply with the backflow testing requirements will be subject to a minimum fine of \$500 and water shut off. A reconnection fee will be imposed after a shut off. Thereafter, the member will be subject to the annual inspection not only by a licensed cross connection specialist, but also by the Association's Water System Superintendent.

Members wishing to disconnect their backflow assemblies must do so in the presence of the Association's water system superintendent. The member is then subject to the current rules and

regulations governing backflow assemblies. Failure to comply with this sequence will result in the above mentioned fine and shut off policy.

34. IRRIGATION SYSTEM CONNECTION: Connections to irrigation systems must be installed a minimum of 10' from the meter.

35. ONE CONNECTION PER MEMBERSHIP/ERU: Unless otherwise specifically agreed to in writing by the Association and duly approved by motion of the Board of Trustees, 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." The Board may confirm the average ERU amount on a gallons per day basis from time to time.

36. 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 the Association must apply for a membership, execute all necessary documents, pay all fees required by the Association and be issued a membership. No more than one membership maybe issued for any one parcel. 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. Condominium units, apartment units, townhouse units and individual buildings of any nature located on a parcel shall not be eligible for separate memberships.

37. SERVICE CONNECTIONS PER PARCEL: 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. The Association may, subject to review by the association's engineer and in the sole discretion of the Board, authorize more than one service connection and water meter to a parcel subject to the following guidelines:

- Situations in which more than one service connection and meter may be authorized are:
 - To serve multiple ownership housing units, such as condominiums or townhouses,
 - To serve physically separate commercial enterprises or structures within a business park,
 - To serve a physically separate auxiliary housing unit(s).
 - To serve a physically separate structure utilized for home business.
 - For irrigation purposes (subject to special conservation guidelines and rates as may be adopted from time to time),
- Where multiple service connections and meters are authorized, membership and meter charges shall be based upon the combined system demand for all connections and meters.
- Where an additional service connection is requested for an existing served parcel, the member shall be charged an additional membership and meter fee for the incremental increased system demand.

38. 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 codes for all commercial, industrial and multi-family residential applications, subject the following:
- The 5/8” x 3/4” meter shall be the minimum size accepted for all services,
 - All other service line components shall be sized in accordance with the applicable codes,
 - The basic water service shall be considered to consist of the service tap into the water main and its associated shut-off valve, the service line from the main to the meter (or meter setter), a shut-off valve at the meter (either as a separate valve or contained in the setter), and time water meter
- b. Modifications. Any changes in land use on a parcel with 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 and pay additional membership and meter charges based upon the new meter size or number of meters required to provide the service. Approval of such modification shall in the sole discretion of the Board and subject to the Association’s rate schedule, Rules and Regulations.
- c. Sizing Guidelines and Calculations. The Association shall use the following Table I for sizing guidelines for meters and service connections:

Table 1
Water Meter Size-Capacity Multipliers

| Meter Size | Safe Maximum Operating Capacity – gpm | Multiplier (in ERU’s) |
|--------------------|--|---------------------------|
| 5/8” by 3/4” | 20 | 1.0 |
| ¾-inch | 30 | 1.50 |
| 1-inch | 50 | 2.50 |
| 1-1/2-inch | 100 | 5.0 |
| 2-inch | 160 | 8.0 |
| 3-inch | 320 | 16.0 |
| 4-inch | 500 | 25.0 |
| 6-inch | 1,000 | 50.0 |
| 8-inch | 1,600 | 80.0 |
| Larger than 8-inch | To be determined by Board | To be determined by Board |

1. The multipliers are based upon safe maximum operating capacity, and thus the potential demand upon the Association’s system, for various sizes of meters as established in the following American Water Works Association (AWWA) Standards:

- For meter sizes 5/8” by 3/4” through 2-inch —AWWA Standard C700 for Cold-Water Meters Displacement Type Bronze Main Case

- For meter sizes 3-inch through 8-inch — AWWA Standard C702 for Cold-Water — Compound Type -Class 1
- For meter sizes larger than 8-inch — AWWA Standard C701 for cold-Water meters — Turbine Type — Class II

39. **PURPOSE OF USE:** The primary purpose of the Association is to provide water service within its service area for potable use. Non-potable uses of water shall only be made available if the service will not interfere with existing and future demands for potable uses on the Association's water system.

Potable use is water that is distributed to homes, multi-family developments, businesses, governments and others for human consumption in the Association's service area and includes moderate amounts of irrigation water for usual and customary landscaping (except when curtailment is required) and fire protection for which the Association may levy a separate charge.

Non-potable use is water that is primarily or substantially used for agriculture, silvaculture, mining, rock and gravel crushing and cleaning, lumber mills and mill ponds, industrial manufacturing and similar non-drinking water purposes.

The Board shall review all applications for non-potable uses and determine, in its sole discretion, whether water is available for a non-potable use. The Board may, as a condition the approval of a non-potable use, limit the amount, duration, timing, geographical limits and particular use, and may set special rates and impose other appropriate requirements.

40. **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 is prosecuting 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 and the conditions to service as contained in RCW 43.20.260.

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) and a nonrefundable fee as set forth in the Association's rate schedule to cover the Association's administrative costs in processing the application. A separate fee may be levied initially or from time to time as compensation for maintaining the applicant's place in line for membership issuance. 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 and based on development plans reviewed and approved by the applicable land use

authority, all fees paid, and there must be available in the Board's determination a sufficient number of ERUs of water supply capacity to satisfy the applicant's proposed use of the parcel. If there is an insufficient number of ERUs available to satisfy the application for membership, (a) the applicant may withdraw the application, (b) the applicant may elect in writing within ten (10) business days after notification of the insufficiency to be placed on the Association's waiting list, (c) the member may reduce its plan for the proposed improvements and accept the number of ERUs available in full satisfaction of the application, or (d) the Association may deny the application. In any such events, the Association may process subsequent applications and issue memberships to applicants whose number of ERUs do not exceed the amount available.

5. The Association shall maintain a waiting list for persons and firms requesting memberships and certificates of water availability for parcels in which sufficient water is not available and who have requested, in writing, and are eligible to be placed on the waiting list. The waiting list shall identify each property owner's parcel, the number of equivalent residential units of water requested based on development plans determined to be feasible by the Association, and the date the owner requested to be placed on waiting list. Such date shall establish the priority of the property owner's right to receive water in case sufficient water becomes available. The Association may query each owner on the waiting list from time to time to determine whether the owner has a true and feasible need for water supply. The Association may remove owners from the waiting list whose need for water is determined by the Association's Board of Trustees to be speculative, unrealistic or infeasible or who, after reasonable inquiry do not appear to be prosecuting their developments with reasonable diligence, cannot be located or are unresponsive. The Association may establish fees for placement and retention on the waiting list. Failure to pay the fees in a timely manner shall be grounds for removal from the waiting list. If and when water become available to applicants on the waiting list, the membership application provisions set forth above (and Rule 41 with regard to applications for certificates of availability) shall apply.

6. If the Association makes available additional ERUs, the Association shall first consider applicants based on their respective order on the waiting list starting with the earliest application. If an applicant declines to accept a membership or certificate of availability if and when it is offered, the application and the applicant's place in line on the waiting list, if applicable, shall be cancelled and the ERU's offered to less senior applicants in line, provided that, if the membership offer is less than the amount of ERUs applied for, the applicant may elect in writing to remain on the waiting list in the same relative position taking into account acceptances by less senior applicants on the waiting list.

7. Subject to the waiting list provisions above, 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. Once a membership is offered to an applicant, the applicant shall have ten (10) days within which to accept the offer. Except as provided above, if the applicant does not accept the offer within ten (10) days, the offer shall be deemed to be rejected and the application shall be null and void.

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, memberships, applications for memberships and places on the waiting list shall be terminated and have no further force of effect.

9. If an application for membership is withdrawn, invalidated, cancelled or voided at any time prior to the issuance of a membership, the applicant's application fee shall be forfeited and retained by the Association. Forfeiture of the application fee shall also apply in the event the applicant is offered a membership but declines to accept it unless the application transferred to or remains on the waiting list.

10. Unless the Association has otherwise entered into contractual arrangements providing different terms, the Association may, but shall have no obligation to cancel an unused but issued membership and refund all fees paid less the sum of 10% of such fees or \$5,000, whichever is less which amount shall be retained by the Association as a non-refundable administrative fee, if the membership has not been put to actual use (meaning a meter has been installed and through which water service is being provided) 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 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.

12. The Association's General Manager is authorized to implement the foregoing provisions and make necessary adjustments when inequity or unfairness would otherwise result.

41. CERTIFICATES OF WATER AVAILABILITY:

Certificates of Water Availability (C/A) will be issued only to persons and other entities that have met all applicable requirement of the Association including but not limited to, have been issued or are eligible to be issued a membership in the Association for service to existing improvements or to proposed improvements within the Association's water service area that the applicant will build in accordance with the requirements of applicable land use and building codes, and that have paid the requisite fee as set forth in the Association's rate schedule. C/A's shall not exceed the number of requested ERUs actually needed or available as determined by the Association. 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 time 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 membership and a service connection, or if required, a developer extension agreement and pay all fees 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 holder of an expired C/A may reapply for a C/A as if no C/A had been original issued.

42. LEAK RELIEF FOR RESIDENTIAL OR COMMERCIAL USE: Eligible members may receive one leak relief adjustment to one bill once in a ten year period. This relief applies to both potable use and irrigation systems. If a leak has been documented and fixed in accordance with the provisions below, the Association will determine the member's normal usage based on account history for the month in question and charge the standard rates for that amount. The excess amount of water usage shall be charged as follows: Up to 10,000 cubic feet shall be charged at the regular residential second tier rate; and amounts in excess of 10,000 cubic feet shall be charged at the regular residential fourth tier rate. Base and amortization fees remain the same and are fixed per meter size. The regular tax fee will be charged on the adjusted total bill in accordance with the current tax rate.

Members who wish to take advantage of this one time in ten year relief program must submit a letter to the Association requesting relief. Members must describe when the leak occurred and provide proof that the leak was fixed either by submitting the invoice from a licensed professional or by providing a statement that the member fixed the leak himself/herself. No leak relief will be granted to Wholesale members.