

RULES AND REGULATIONS
VERDE GLEN DOMESTIC WATER IMPROVEMENT DISTRICT (VG DWID)
As Approved by the Board of Directors on XXXXXXXX, 2025.

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RULES AND REGULATIONS

VERDE GLEN DOMESTIC WATER IMPROVEMENT DISTRICT

1. DEFINITIONS:

- 1.1 Defined Terms. In these Rules, unless the context requires otherwise.
- A. "Applicant" means a Property Owner who applies for Water service (together "Service") from the District to be delivered to real property within the District owned by the Property Owner, either through an existing connection in the case of a Transfer, or through new connections in the case of a new installation.
 - B. "Board" means the Board of Directors of the District.
 - C. "County" means Gila County, Arizona.
 - D. "Customer" means an individual or entity receiving Service from the District through one or more Service connections.
 - E. "District" means the Verde Glen Domestic Water Improvement District ("VG DWID") as its legal boundaries may exist.
 - F. "Domestic Water Use" means for human consumption, not agricultural use, and not large-scale industrial use.
 - G. "Entity" means a corporation, limited or general partnership, limited liability company, trust, or any other form of association or legal entity.
 - H. "Fee" means the dollar amount specified on the District's Water Rate Schedule or Interconnection Policy as adopted.
 - I. "Interconnection Policy" means any policy adopted by the Board that covers proposed additions to the District's infrastructure to provide service to additional Customers of the District that will occupy land other than existing subdivided lots designated in original or other County-approved subdivision plats.
 - J. "Occupants" means owners, renters, guests, or others who live in homes, guest houses, or other structures within the District.
 - K. "Plans" means the District's detailed construction plans, specifications, and cost estimates for Water main extensions and/or re-configuration of the District's systems, equipment, and/or infrastructure that would be reasonably required to provide Domestic Water service to an Applicant.
 - L. "Property" means any lots, parcels, or tracts of land located within the District.
 - M. "Property Owner" means each of the individuals and Entities that are the owners (as shown on the records of the County) of any real property located within the boundaries of the District.
 - N. "Rate Schedule" means the Rate and Fee Schedule of the District adopted by the Board and as amended.
 - O. "Rules" means these Rules and Regulations of the District as they may be amended.
 - P. "Security Deposit" means the funds deposited with the District as provided for in Section 4 of these Rules.

- Q. "Service" means (a) delivery of potable water to the District's service meter near the edge of the Customer's Property.
- R. "Transfer" means any change in the legal individual or Entity who is the legal Property Owner of record with the County. "Transfer" includes without limitation the following: (i) sales to third parties; (ii) assignments by individuals to entities such as partnerships or trusts which they control; and (iii) any change which (alone or together with all prior changes) results in a change of more than fifty percent (50%) of the ownership interests in any Entity that is the Property Owner.
- S. "Water" means Domestic potable water produced, treated, and maintained for human consumption.

2. **PURPOSE AND APPLICATION OF THESE RULES AND REGULATIONS:**

- 2.1 **Provide Water Connections:** Subject to the terms and conditions of these Rules and Regulations, the District shall provide Water connections to Property Owners and Occupants:
 - A. For Domestic Use for (i) one single-family residence on each residential lot within the District.
 - B. For Commercial Water use which shall include (i) rental operations of bed and breakfast facilities (if allowed); (ii) rental or leases of secondary guest houses or garages on a single lot that are occupied by a separate household other than the primary residents; (iii) homes regularly occupied on a short term rental basis under payment terms such as Airbnb, Vacation Homes by Owner, or fee-based owner solicited occupancy agreements; and (iv) other uses as permitted under County Zoning Ordinances.
- 2.2 **Benefits to Customers and Property Owners:** The Board shall manage the District for the overall benefit of its Customers and Property Owners.
- 2.3 **District Expansion:** The Board shall not approve extensions to the district's geographical area or agree to supply services to property or customers outside the District, except in short-term emergencies, without hearings to allow public input to such decision.

3. **APPLICATIONS FOR SERVICE:**

- 3.1 **Application.**
 - A. If the proposed Customer is not the Property Owner:
 - (1) The Property Owner must apply for Service on behalf of the proposed Customer.
 - (2) The Property Owner will be jointly and severally responsible with the Customer for all of the Customer's obligations under these Rules, including, without limitation, all payments owed to the District by the Customer.
 - B. Upon transferring a service connection for an existing lot, the district's office must receive an application from the property owner at least ten (10) days before establishing any new Service. To establish a new service connection, the Applicant must pay the District the base meter, water line installation fees, and any other applicable charges specified in the rate schedule.

- C. If the Applicant proposes multi-family or commercial Services that may require significant evaluations of the availability of Water resources processing capacity, the Applicant shall first apply for Services to the District under any Interconnection Policies adopted by the District.

3.2 Parcel Splits.

- A. If new connections are requested for any Property thereof not previously approved by the District, no connections will be made until:
- (1) Any required Fees in the amount specified in the Rate and Fee Schedule are paid to the District; and
 - (2) Any required fees under any Interconnection Policy adopted by the District are paid.
 - (3) Verde Glen DWID members shall have a 30-day public comment period on any additional water service to the system.
- B. Verde Glen DWID lot owners (original 54 lots in sub-division plat) with undeveloped water connections may transfer their water meter service to another Verde Glen DWID lot owner. This process is private, and the District will not be involved.
- (1) The lots must be of the original 54 lots approved by Gila County.
 - (2) The transfer must be in writing and notarized. The letter must state which lot will relinquish its right to a water meter connection and which lot is to receive the water meter connection.
- C. The District reserves the right to refuse new Water Services to any additional Property for any of the following reasons, taking into consideration the anticipated needs of existing undeveloped Property within the District:
- (1) Lack of adequate and consistent supply of water.
 - (2) Lack of water storage capacity to service additional Customers.
 - (3) Failure of the Property Owner to meet the requirements of Sections 3.1 and 3.2.

3.3 District Improvements Necessary To Serve Applicant.

- A. Any Applicant requesting Service requiring a water main extension or reconfiguration of the District's systems, equipment, or infrastructure that reasonably involves the preparation of District Plans shall make payment to the District an amount equal to the estimated cost of preparing such District Plans as required by the District and as outlined in any Interconnection Policies adopted by the District. The payment is due before the District starts the Plans. Any increase in the cost of the Plans shall be paid to the District by the Applicant upon demand. Upon completion and review of the Plans, any excess in the deposit shall be refunded to the Applicant within fifteen (15) days.
- B. The District's costs of the construction, installation, and materials as specified in the Plans, in addition to any systems testing or service disruptions, capacity studies, and project management fees will be in addition to the cost of the Plans. All such costs shall be the Applicant's responsibility and with payment to the District by the Applicant before the construction, installation, and ordering of materials. If the District's actual costs, as specified above, exceed the estimated amounts as advanced by the Applicant, the Applicant shall pay such additional amounts upon demand. If

the costs incurred are less than the amount advanced, the District shall make a refund to the Applicant within fifteen (15) days after completion and acceptance of the project.

- C. All agreements requiring payments by the Applicant shall be in writing and signed by each party before the District commences work on the Plans, orders materials, or constructs.
- D. The Plans and construction may be completed in whole or in part by the District, its operators, or outside parties, as the Board decides. The District shall be entitled to compensation for any work it performs as a third-party contractor.
- E. The board shall direct All District activities and schedules necessary to carry out the Plans, which shall be subject to normal weather and operational convenience delays.
- F. Improvement plan payments are non-refundable except as expressly provided in Paragraphs 3.3A and 3.3B above.
- G. All Plans, materials, equipment, and improvements acquired and/or installed pursuant to this Section 3.3 shall become the sole property of the District.
- H. The District reserves the right to upgrade any water line to the size necessary to serve additional property that is not currently being served but may be served by that line when such property is developed. The Applicant shall pay the full costs of the plans, materials, and construction for such an upgraded line, but the District agrees to collect and remit to the Applicant the pro-rata share of the upgrade cost from each future Property Owner being served by the upgraded lines at such time as each additional Applicant along the upgraded line applies for and receives Service. The District does not guarantee that such additional Applicants will ever apply for or qualify to receive water service from any upgraded line.
- I. The District reserves the right to combine planning and construction for the improvements necessary to serve Applicant with other infrastructure improvements and to allocate the total costs for the Plans, materials, equipment, and construction between the Applicant and the District on a reasonable pro-rata basis.

3.4 Easements. The Applicant and any future Property Owners may need to provide the District with written easements in recordable form and satisfactory to the District for the construction, use, maintenance, and repair of all District Water, meters, meter boxes, and any other District infrastructure located on the Applicant's property.

3.5 Grounds for Rejection. The District may reject an application for Service when any of the following conditions exist:

- A. The Applicant is delinquent in the payment of any amount owed to the District.
- B. A condition exists, or may exist, on a property, which is unsafe or hazardous to the District's facilities, or any operational staff.
- C. The Applicant is known to be in violation of the District's Rules, or the general utility and property use ordinances or requirements of any Federal, State, County, or local statutes, rules, or regulations applicable within the District.
- D. Failure of the Applicant to provide: (i) the installation fees required by Section 3.1, if applicable; (ii) payment of assessment or impact fees required by Section 3.2, if applicable; (iii) payment for District improvements as required by Section 3.3, if applicable; (iv) a Security Deposit as required by Section 4.1; (v) property improvements to the Applicant's lot necessary for the District to serve the Applicant as set forth in these Rules and reasonably specified by the District as a condition for

providing service; or (vi) easements as required by Section 3.4.

- E. The District may consider any entity controlling, controlled by, or under common control with the Applicant, any immediate family member of the Applicant, and any person residing with the Applicant to be the Applicant to determine whether grounds exist to reject an application for Service as provided in this Section 3.5.

4. SECURITY DEPOSITS

- 4.1 A Security Deposit, if specified in the Rate Schedule, may be required at the time of the application for Service.
- 4.2 Additional Security Deposits in an amount to be determined by the Board may be required at any time bills are delinquent for more than sixty (60) days.
- 4.3 The District shall (i) return Security Deposits to the Property Owner/Customer (not rental customers) once all monies owed by the Property Owner/Customer to the District have been paid in full and the Customer's meter is disconnected or transferred to another Customer; or (ii) after twelve (12) months of no delinquency on an account.
- 4.4 No interest will be paid to Customers on Security Deposits held by the District.
- 4.5 In case an account is delinquent for any reason, the District may use Security Deposit funds provided by a Customer to pay any amount then due and owing by that Customer to the District. The Customer shall immediately replenish the Security Deposit to replace the amount of any such payment.
- 4.6 The District shall maintain records of all Security deposits and be permitted to co-mingle minor Security Deposit funds under \$350.00 with other District funds. Security deposits larger than \$350.00 shall be deposited into the District's saving account.

5. OBLIGATIONS OF PROPERTY OWNERS AND CUSTOMERS:

- 5.1 Prohibited Practices. Customers shall not allow Water services furnished by the District to be connected or extended from one Property to another, even if owned by the same Property Owner, except if the Water is provided to a guest house, garage, etc., on the same Property (not including renters) of the Property Owners. The resale of Water supplied by the District or the use of downstream meters is prohibited.
- 5.2 Care of District Property and Local Aquifer Water Resources.
 - A. The Customer shall provide adequate protection to safeguard all District property located on the Customer's Property and premises.
 - B. The Customer shall provide a suitable location for a meter box that is unobstructed and accessible to the meter reader at all times. Meter boxes shall be protected from hazards and drainage areas.
 - C. Driveways shall not be constructed over or in the path of the District's meter boxes: blow-off valves. Customers shall not construct permanent buildings, major landscape features, culverts, etc., over Water line easements, valve boxes, District mains, or other District infrastructure.
 - D. Customers shall maintain buildings, water ditches, culverts, landscaping, etc., so as not to obstruct the District's easements and so that flows of normal or seasonal floodwaters do not damage roadways, easements, etc., where District infrastructure may be located and damaged due to constant pooling of water or other hazardous materials.
 - E. Customers shall seek District approval when extra heavy equipment (cranes, cement mixers, etc.) is to be moved over areas where infrastructure is buried.
 - F. Customers shall not dig near District mains, valves, equipment, or facilities

before notifying the District through the "AZ 811" notification process to mark the approximate locations of such assets.

- G. Each Customer shall immediately notify the Board of any system leaks, equipment failure, or damage to meter boxes, meters or the infrastructure belonging to the District.
- H. The Customer is fully responsible for payment for all damages to District property on the Customer's premises unless the District or its representatives caused such damage.
- I. Customers shall not use the District's water meter as a "turn-on/turn-off" device except in emergencies. Customer shut-off valves located downstream in a separate box from the meter should be used.
- J. When a Water meter or water main is changed for any reason, at the customer's request and after the district's approval, the Customer shall pay for all costs, including labor, materials, engineering services, documentation requirements, project management fees, etc., necessary for relocating or replacing the infrastructure. The Customer shall also provide the District with new or amended easements conforming to the changes in accordance with Section 3.4.
- K. Customers shall take all reasonable precautions on their property to avoid contamination or restrictions of flows from aquifers or other sources of water utilized by the District, including any concerns with water resources under the jurisdiction of Gila County ordinances or rules and regulations of ADEQ, ADWR, EPA, or similar regulatory agencies.

5.3 Access.

- A. Duly authorized representatives of the District (including voluntary labor) shall have access to the premises of Customers and Property Owners, to install or remove District property, inspecting District infrastructure, reading or testing meters, and for any other purpose in connection with the District's Services and facilities.
- B. Access for construction and quarterly meter readings shall be during daylight hours.
- C. Emergency operations to save water losses may occur in the middle of the night or during periods inconvenient to Customers.

5.4 Customer Water Lines and Related Equipment.

- A. The District shall extend Service connections to the edge of the Customer's property at locations convenient to the District for water access and meter reading purposes. The customer's piping, fixtures, and equipment must be so arranged that the connections are conveniently located in the District's water mains, lines, meters, and connection points.
- B. Each Customer's piping, fixtures, and equipment on the Customer's side of the meter box shall be installed and maintained in satisfactory condition and in a safe and efficient manner by the Customer at the Customer's expense and in full compliance with all laws and regulations of all governing Federal, State, County, and local agencies.
- C. Customers shall take full responsibility for inspecting, maintaining, and repairing Customer-owned piping, fixtures, and equipment. The District will not make any repairs on the Customer's side of the water meter box unless damages are caused

by the District's infrastructure and/or authorized representatives.

- D. Service may be refused or terminated if Customers do not adequately protect their outside service lines, interior building lines, hose bibs, etc., against freezing. Unprotected lines that are left pressurized can cause major water losses, affecting service to other Customers.

5.5 Indemnification.

- A. Acceptance of Water Service from the District indicates the Customer's and Property Owner's agreement with these Rules and their agreement to indemnify the District for any damages to District assets, infrastructure, or facilities caused by the Customer's or Property Owner's activities.
- B. The Customer and the Property Owner shall jointly and severally indemnify and hold the District. Its Board members and representatives (including volunteer labor) are harmless from any loss or damage to the property of the District or any accident or injury to persons or property (except for any damage caused by the gross negligence of a representative of the District) that occurs on the Customer's property, or the Customer or the Property Owner caused that. The cost of necessary repairs or replacements of District assets located on private property shall be paid to the District by the Customer or Property Owner, and any liability otherwise resulting shall be borne by the Customer, and they shall be added to the Customer's next bill; however, if the amount is over \$200, it shall be paid to the District within seven (7) days.

6. **DISTRICT AUTHORITY, RIGHTS, AND OBLIGATIONS:**

6.1 Water Quality and Safety/Equipment Maintenance.

- A. The District shall provide water quality equal to standards minimally required by the Arizona Department of Environmental Quality.
- B. The District shall refuse or terminate water service if a Customer's water service lines and piping are installed or maintained in a manner that permits cross connections with private wells or other potentially contaminated water sources. All sprinkler or outside irrigation systems shall also install back-flow prevention devices to protect individual homes and the overall water supply system.
- C. The District shall design, install, and maintain all its equipment and infrastructure in good working order so that high service reliability and equipment performance can be maintained and minimal costs can be incurred in the long run.

6.2 Water Pressure.

- A. The District shall use commercially reasonable efforts to provide water pressure at the District's meter equal to minimum standards generally imposed by the Arizona Corporation Commission on regulated utilities.
- B. When a home or other structure that utilizes District Water is constructed close to or below the elevation of the District's booster stations or pressure relief valves, and the Water pressure at the Customer's meter is above the minimum required under clause 6.2A, but is less than the Customer desires, the Customer should purchase and install on their property a customer-owned and maintained booster pump to obtain the desired pressure.

6.3 Emergencies and Interruption of Service.

- A. The District shall, under normal circumstances, attempt to notify Customers of any anticipated service interruption. To facilitate such notification, Customers are encouraged to provide updated emergency contact information and e-mail addresses to the District's office.
- B. The District has the authority to institute water conservation plans, drought plans, meter installation moratoriums, water delivery surcharges in cases of trucked-in water, etc., and other emergency operational plans that result from droughts, lack of water production, infrastructure problems, equipment failures, water quality issues, etc. Such actions may limit or restrict the use of water resources.
- C. The District shall allow the local fire department or the Forest Service to access reasonable amounts of potable water for fire protection for property within the District.

6.4 Advice. Upon request from a Customer or Property Owner, the District may offer only reasonable limited information and advice on any Water problem that could adversely affect the District or other Customers or Property Owners.

6.5 Operations.

- A. All District operational and accounting records shall be maintained following applicable laws and generally accepted procedures for utility operations.
- B. The Board shall maintain written District By-laws that inform the public how the Board will carry out its responsibilities and authorities.
- C. All Board of Director meetings shall be held following applicable Arizona open meeting laws. All District activities shall be carried out under written By-laws and Rules and Regulations periodically adopted by the Board.
- D. The District shall maintain a website to display documents, announce meetings, and record decisions made.

6.6 Limitations on Liability.

- A. The District shall not be responsible or liable for the actions or negligence of Customers or other third parties or forces beyond its control resulting in any interruption of Service or for any damage or claim of damage attributable to any interruption or termination of Service or for any damage or claim of damage attributable to any interruption or termination of Service. As examples, and without limiting the scope of the first sentence of this Section 6.6, this limitation of liability shall include any cause against which the District could or could not have reasonably foreseen or made provision for and for any Service interruptions required to minimize potential Water quality problems, Water outages, or to make repairs necessary to reduce the possibility of damage to Customer or District equipment, or for the safety of personnel.
- B. The District will use commercially reasonable efforts to avoid damage or destruction of landscaping and improvements on the property of Customers and Property Owners. However, except in the case of gross negligence by the District or its representatives, the District will not be liable for any damage to the property of a Customer or Property Owner within the easements granted to the District or within the usual and customary boundaries of the types of easements required by Section 3.4 of these Rules.

- 6.7 Termination of Service. The District may terminate its Service to a Customer, temporarily or permanently, after a two-hour notice period where practicable:
- A. To prevent fraud or abuse.
 - B. To stop water flows to parcels other than the Property intended to be served by a given meter.
 - C. In cases of willful disregard or refusal to comply with these Rules or any special rules adopted in emergencies, including required water conservation measures or drought planning policies.
 - D. To make scheduled or emergency repairs to infrastructure or equipment.
 - E. To disable meters where there has been unauthorized turn-on of meters; Customer tampering with meters, measuring devices, or other assets of the District; or other activities disruptive to District operations.
 - F. To conserve resources in periods of insufficient water supply.
 - G. To comply with government processes, injunctions, regulations, or orders legally served on or applicable to the District.
 - H. To protect public health and welfare in cases of fires, floods, accidents, terror threats, riots, or other endangerments.
- 6.8 Enforcement. The District may, in its discretion, take any and all action at law or in equity to legally pursue its rights and remedies for any delinquent amounts owed to the District and for any violations of these Rules. The Property Owner and Customer shall be jointly and severally liable for all legal fees and expenses incurred by the District in enforcing its rights under these Rules.

7. RATES AND FEES:

- 7.1 Base Quarterly Charges. The Board periodically establishes rates and fees for Water Services after a public hearing notice is given to customers and property owners. A Rate Schedule is published and available along with the Rules by contacting the District at its e-mail, website, or mailing address. Upon receipt of a service application, the District shall provide all new Customers with copies of the current Rate Schedule and Rules.
- 7.2 Other Fees and Charges: In addition to base quarterly charges, taxes, assessments, and late fees, the District may charge the amounts shown in the Rate Schedule for any other equitable fees for account establishment, meter installation or re-installation, meter removal, and test, turn-off or turn-on, meter re-reads, installation inspections, not sufficient funds checks, Lien filings/Releases, etc., as specified in required public rate hearings.
- 7.3 Major Project Interconnection Charges: Additional fees and costs may be incurred if the Interconnection Policies adopted by the Board for new subdivisions, undeveloped multi-family, commercial tracts, etc., are applicable.
- 7.4 Initiation of Billings for Water, Connection Charges, and Fees.
- A. Rate Schedule Water charges for services commence upon installation and turn-on of the Water meter, whether the Water is used or not. Meter use during construction is subject to full charges as specified in the Rate Schedule.
 - B. Water meters turned on or off or transferred between meter readings shall be subject to all fees and charges in the then effective Rate Schedule on a pro-rata basis for the month in which the turn-on, turn-off, or transfer occurs.
 - C. The minimum quarterly base fee, as provided in the Rate Schedule, shall be levied

for each water meter installed, regardless of location. Additional fees will be charged as provided in the Rate Schedule for water used in excess of the amount covered by the base fee. Readings from more than one water meter may not be combined for billing purposes.

- D. At the sole discretion of the District, if a Customer has a mysterious loss or accidental use of Water (excluding losses caused by the owner's gross negligence) that results in a water bill of over \$500.00 for excess water use over the gallons allowed with the base quarterly fee, the Customer shall, up to once every three years, be granted a credit to their account for all amounts over \$500.00 charged for excess gallons used.

- 7.5 Assessments. The District reserves the right to impose a reserve assessment not to exceed the amount shown on the Rate Schedule for major system repairs or abnormal expenses for current or anticipated needs not covered by the ordinary income of the District. The District will not make a reserve assessment more frequently than once in twelve (12) months. To the extent reasonably possible, the District will give Property Owners, and Customers advance notice of any required reserve assessment to be paid and permit payment of the reserve assessment in installments agreed to by the Board.
- 7.6 Real Property Taxes. The District reserves the right to have the County Treasurer levy real property taxes on all Property located within the District as allowed by Arizona Revised Statutes.
- 7.7 Other Taxes. In addition to collecting regular rates, fees, assessments, or property taxes, the District may collect from the Customer a proportionate share of any privilege, sales or use tax, or similar tax imposed on gross Customer revenue received by the District.

8. METER READINGS, BILLINGS AND COLLECTIONS:

- 8.1 Quarterly Water Billings: Water bills shall be computed following the District's Rate Schedule based on the minimum quarterly charge, any additional commodity charge for water used between the previous and current meter readings, and any fees for other services. To cover continuing fixed costs and "ready to serve availability" obligations of the District, all Water meter connections to the system, where improvements are on the property, continue to have base quarterly charges applied to the account, even if no Water is used or the meter is shut off.
- 8.2 Water Losses: Except for major water losses as indicated in Section 7.4D, the Customer is fully responsible for the security of and payment for all water that flows through the Customer's meter, whether the water is put to beneficial use, goes to waste, flows through broken pipes or leaking toilets, is stolen, or is consumed by malicious mischief, etc.
- 8.3 Meter Reading Schedule: Water meters are typically read between the 1st and 10th day of January, April, July, and October, depending on weather and holiday schedules. Bills are dated the last day of the month and will be rendered to the Customers within the first five (5) days of the following month.
- 8.4 Delinquencies.
 - A. Bills unpaid beyond the 30-days from the invoice date are delinquent and subject to a late fee as specified in the Rate and Fee Schedule periodically adopted by the District.
 - B. All unpaid delinquent amounts due and owing to the District as of the 30th of each month shall bear monthly interest (the late fee) up to ten percent (10%) of the total

unpaid amount owing (including previous unpaid late fees). Still, not less than fifteen Dollars (\$15.00), as periodically indicated in the Rate Schedule.

- C. The minimum late fee amount indicated in the Rate and Fee Schedule is subject to periodic change by the District.
- D. Thirty (30) days after the delinquent date, the District may, at its option and upon ten (10) days' notice to the Property Owner and Customer, terminate Service on the delinquent account. Water meters are generally not shut off for Properties using water each month until a standard series of delinquency letters have been sent, with a final turn-off date noticed.
- E. Water meters are not to be shut off or removed from homes unoccupied, abandoned, in foreclosure, etc., until the District receives an official request from the owner to turn the water off. To cover continuing fixed costs and "ready to serve/availability" obligations of the District, all meters connected to the system continue to have the base quarterly charge applied to the account, even if no water is used. Services terminated for delinquent payments will be restored only after all amounts due are paid in full. Turn-off and turn-on fees, as specified in the Rate Schedule, will apply to delinquent payment situations where termination and return of service have occurred.
- F. Ninety (90) days after the delinquent date of an account, the District will send a formal payment demand letter to the Customer and Property Owner. After another 30 days, the District may file a utility lien, as allowed under Arizona Revised Statutes, against the Property for all release unpaid amounts due and owing to the District, including late charges, lien/filing fees, and incurred legal fees. After the District files a lien, the quarterly base charges and all applicable fees will continue as an availability fee, and the late charge will be reduced to a maximum of 2% per month as indicated in the Rate Schedule.

8.5 Contact Information.

- A. Customers and Property Owners shall promptly inform the District in writing of any change in their billing address and other contact information. Any written communication sent by the District to Customers and Property Owners at the most recent billing address they have provided to the District in writing shall be deemed sufficiently delivered for all purposes.
- B. Failure of the Customer to receive bills or notices from the District shall not prevent such bills from becoming delinquent nor relieve the Customer of their obligations to make timely payments of all fees due to the District.
- C. Customers should provide the District with their current telephone number(s) and email addresses for emergency contact purposes and for the District to notify Customers and Property Owners of meetings, etc.

8.6 Estimated Billings.

- A. If a water meter is broken by someone other than a district representative, the customer shall pay a quarterly service amount reasonably estimated by the district based on the record of the customer's previous billings.
- B. If a meter fails to register or stops for any cause for which the Customer is not responsible, the district may estimate the next quarterly bill. The Customer shall be billed at the regular quarterly minimum charge until the District repairs or replaces the meter.
- C. Appropriate adjustments for over or underestimating will be made at the next

meter reading and billing cycle. The District will not refund any overpayments but will continue to apply such amounts to the Customer's account.

8.7 Billing Errors.

- A. If a Customer believes a bill to be in error, the Customer must present the claim to the District within ten (10) days of the billing date. Any claim not asserted within ten (10) days shall be deemed waived, and bills not objected to within ten (10) days will be deemed conclusively correct.
- B. The District will take special water meter readings at a Customer's request for the fee specified in the Rate Schedule. If the special reading discloses that the meter was misread or was not operating correctly, no charge will be made.
- C. Water meters will be tested for accuracy at a Customer's request upon pre-payment to the District for the actual test cost. If the meter is found to over-register beyond 3% of the correct volume, charges for the test will be refunded. The proper correction for the amount of the error (less three percent (3%) for permitted variances) shall be made on the previous readings back to either the (i) the specific date the error started, if the date can be ascertained, but not back to more than three (3) months immediately preceding the test; or (ii) if no date can be ascertained, for the previous three (3) months immediately preceding the test.
- D. All corrected amounts shall be credited to the customer's next bill. The District will not refund or credit anyone other than the Customer last served by the meter prior to the testing. The District will not refund any overpayment but continue to apply such amounts to the Customer's account.

9. TRANSFERS:

- 9.1 Notice to Office: Notice of a Transfer agreed to by the former Property Owner or their representative (by phone, email, etc.) and the new Property Owner must be given to the District in person or in writing within five (5) days after the Transfer. Any water utility liens must be paid in full before closing any transfers or sales.
- 9.2 New Application: The new Property Owner must file an application for Water Services with the District, pay all required fees, and provide any easements required by Section 3.4 of these Rules. The District may reject the application for any of the reasons specified in Section 3.5.
- 9.3 All Owners Responsible: All listed Property Owners on the County Recorder's property records shall be responsible for all water consumed and all charges and fees assessed concerning the property until either (i) the former Property Owner has the meter turned off and pays the turn-off fee specified in the Rate Schedule and all other amounts then due and owing to the District; or (ii) the new Property Owner pays the Account Establishment Fee and all other amounts payable as specified in the Rate Schedule and the District approves the service application of the new Property Owner and transfers the account for that parcel to the new Property Owner.

10. MISCELLANEOUS:

- 10.1 Superseding Laws. If anything in these Rules is determined to be contrary to applicable State, County, Federal or local laws or ordinances, the laws or ordinances shall take precedence and control, while the remaining provisions of these Rules shall remain in full force and effect.
- 10.2 Amendments. The Board shall make no amendments, changes, additions, or deletions of these Rules except in properly noticed public meetings to all Property Owners

and Customers or under an emergency. Such meeting notifications and agendas shall allow reasonable time for the Board to consider objections and suggestions from Property Owners and Customers. All decisions by the Board shall be final.

- 10.3 Variances. No promise, agreement, or representation of any officer, employee, or agent of the District, nor any variation in the application of these Rules, shall be binding on the District unless it has been agreed upon in writing and approved by the Board.
- 10.4 Non-Discrimination. These Rules shall be applied to Property Owners and Customers non-discriminately.