

BYLAWS
of the
EASTSOUND WATER USERS ASSOCIATION
P.O. BOX 115
EASTSOUND, WASHINGTON 98245
REVISED 2/24/09

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GLOSSARY OF TERMS

Association: Eastsound Water Users Association

Board: The Association's Board of Directors

Bylaws: Bylaws define the basic regulations of Associations and concentrate on meeting their legal requirements with respect to regulators and lenders and regulators.

Corporation Stop: The tap on the distribution main that represents the beginning of a service connection.

The Washington State agency and its associated laws, regulations, guidelines, and orders that substantially define the functions of the Association.

Equivalent Residential Unit (ERU): The amount of water used by a typical full-time single family unit. In some calculations, additional consumption will be assigned to the unit to account for the unit's share of unaccounted-for-water.

Good Standing: A membership that is current with all financial obligations to the Association and is compliant with the provisions of the By-laws and Operating Rules is considered to be in good standing.

Guest house: A separate living unit that includes a bathroom and provisions for cooking and eating and will require a separate membership. This term also includes an apartment, trailer, mobile home, etc. It is irrelevant whether or not the guest house is provided to others for rent, lease, or other consideration.

Health and Community Services: An agency of San Juan County also known as H&CS or the San Juan County Public Health Department.

Operating Rules: Formerly known as Standing Rules, these are designed to guide the day-to-day operation of the Association and define the operating practices and procedures, the rights and responsibilities of members, and the relationship of the Association and its members.

Service Class: The Operating Rules define different service classes depending upon the type of use.

Service Connection: A water pipe, valves, and all required appurtenances used to carry water between the distribution main and to and including the downstream joint of the meter setting of the premises to be served.

Service Line: A water pipe owned and maintained by the owner of the premises, starting from the downstream joint of the meter setting and into the premises to be served.

Sub-Area fee: A charge that is assessed to an applicant in addition to the membership fee for the purpose of making improvements to the distribution system in a specific area.

Type of Use: The Association recognizes that the impact of a membership's water use on the water system varies according to the type of use. This fact is the basis for different service classes, different fees, and different requirements of different members.

Water Use: Any consumption of Association supplied water whether by service connection, hydrant, pipe or any other means with or without the benefit of a meter or with or without the knowledge of the Association.

Water Service Bills: Invoices for water consumption or special services provided to a property.

BY-LAWS OF THE
EASTSOUND WATER USERS ASSOCIATION
P.O. BOX 115
EASTSOUND, WASHINGTON 98245

A Non-Profit Membership Corporation

ARTICLE I - NAME OF THE ASSOCIATION

The Association shall be known as Eastsound Water Users Association (hereinafter referred to as the "Association"). The address of the Association is Post Office Box 115, Eastsound, Washington 98245. The Association is incorporated under the laws of the State of Washington as a private, non-profit corporation. The Association will not discriminate with respect to membership or employment because of race, color, religion, sex, national origin, sexual preference or age.

ARTICLE II - AREA OF OPERATION

Section A - Service Area

The area of operation and responsibility includes Sections 7, 17, 18, 19, and all of 20 outside of Moran State Park in Township 37 North Range 1 West, W.M., and Sections 11, 12, 13, 14, and 24 in Township 37 North, Range 2 West, W.M., San Juan County, Washington.

Section B - Authority for Extensions

The Board of Directors (hereinafter referred to as the "Board"), reserves the right to provide service outside the above described area on a case by case basis with approval by the Department of Health (DOH).

Section C - Approval of Extensions

A request for membership and service outside the above described area must be approved by a two-thirds vote of the Board and approval by the DOH.

Section D – Appeals

Parties may appeal to the Board, at regular meetings, actions or decisions of the Association or interpretations of its Bylaws or Operating Rules. Appeals must be in writing and received by the Board within 30 days of the Board action that is being appealed.

SECTION E – Rights

All members have equal rights regardless of their location in the service area.

ARTICLE III - PURPOSE AND OBJECTIVES OF THE ASSOCIATION

Section A - Uses

1. Primary use - The principal purpose of the Association is to provide an adequate supply of potable water to the members of the Association for ordinary use. Each membership is considered to be a multiple of an Equivalent Residential Unit. This principle may be modified by the Board to conform the operation of the system to controlling law, State or County regulations, water availability, changes in consumption patterns, and to reasonable conservation goals as the Board may adopt.
2. Secondary use - All other usages in accordance with their relative importance to the served community as determined by the Board. Irrigation is permitted under the conditions of Article VI of the Articles of Incorporation. The relevant conditions of Article VI state: "No... water [shall be] furnished to any additional persons at any time...if...the furnishing of such additional water would in any way jeopardize the furnishing of an adequate supply of water to the then existing members of the corporation for ordinary domestic use, including domestic garden irrigation."

Section B - State Department of Health

1. Jurisdiction - Much of the Association operations and facilities are under the jurisdiction of the State DOH and the San Juan County Public Health Department. The Board will be governed by the regulations of the DOH and the San Juan County Public Health Department.
2. Control of Water -The Board shall exercise sufficient control over supply, and quality in order to meet applicable Federal, State and County standards

ARTICLE IV - MEMBERSHIP IN THE ASSOCIATION

Section A - Definition of Membership

The members of the Association are the incorporators, the charter members and those admitted to membership under these Bylaws and the Operating Rules (see Article IX of these Bylaws).

Section B - Application

1. Forms - Anyone wishing to become a member shall complete the necessary application forms which will be provided upon request. Each application is voted upon by the Board during regular or special Board meetings. Membership applications are to be processed in accordance with the County's approved EWUA Timely and Reasonable Service policy.
2. Cost - Costs, terms and other rules applicable to membership shall be set forth in the Operating Rules.

Section C - Name of Membership

1. Membership shall be granted in the name of the recorded owner of the property to which the membership attaches.
2. Membership transfers shall be approved by the Board in accordance with the terms of Section A, Article IX (Memberships)
3. Memberships held in any title other than that of an identifiable person shall have a letter on file with the EWUA office manager, stating the name of the person(s) authorized to represent and act for that membership.
4. EWUA will identify a membership using a single name but it is understood that both spouses have an equal claim to the membership.
5. Members are required to maintain current membership information including address and Service Class at the Association offices.

Section D - The Property

1. Membership attached to the property - The membership shall attach to and become appurtenant to the real property (i.e. one legal parcel or lot per membership) owned by the member, and may not be sold or disposed of independently of the land to which it attaches.
2. Legal description -The legal description of the real property and/or the San Juan County Assessor's tax parcel number shall be attached to or written upon the membership certificate.

ARTICLE V - ANNUAL AND SPECIAL MEETINGS OF THE MEMBERSHIP

Section A - Fiscal Year

The fiscal year shall be from July 1 to June 30.

Section B - Annual Meeting and Special Meetings

1. Time - The annual meeting of the Association shall be held at a place and time as determined by the Board and be in lieu of the regular Board meeting for that month.
2. Special meetings by request - Special meetings may be held upon the request of twenty percent (20%) of the membership or a majority of the Board.
3. Notice of meetings - Written notices of annual meetings or special meetings shall be posted to all members of the Association at least twenty (20) days prior to each meeting, specifically stating time, place and agenda for that meeting.
4. Proxies - An approved proxy form shall be included with the notice of each meeting.

Section D - Voting and Quorums

1. Eligibility - Each member in good standing shall be entitled to one (1) vote per membership at the annual or any special membership meeting.
2. Proxies - Proxies on authorized forms will be honored at these meetings.
3. Quorum - A quorum for any membership meeting shall be ten percent (10%) of the total memberships of the Association determined as the sum of those members present plus legal proxies received for that meeting.
4. Rules of order - Roberts' Revised Rules of Order shall prevail whenever applicable as determined by the President.
5. Lack of quorum - In the event an annual meeting is not held due to lack of a quorum, the incumbent Board shall continue to function as the legal Board until a new Board is elected by the membership. In this event the Board shall promptly schedule a new annual meeting.

ARTICLE VI - THE BOARD OF DIRECTORS

Section A - Representation, Election, Tenure, Quorum

1. Name - The governing body of the Association shall be the Board of Directors, referred to herein as the Board.
2. Eligibility - Seven (7) Directors shall be chosen from the membership of the Association.
3. Elections - At least two (2) and not more than three (3) Directors shall be nominated and elected at each annual meeting. Term of Office - Upon election, Directors shall serve a term of three (3) years, and may be elected to consecutive terms.
4. Quorum - A majority of the total Board members constitutes a quorum at any meeting. A majority of the Board present at each meeting is necessary to take official actions unless otherwise specified in these By-laws and Operating Rules.
5. Vacated terms - If a board member misses three (3) consecutive Board meetings without good cause or is unable to serve for any reason, the Board may declare the seat vacant and appoint a replacement to serve until the next annual meeting. At that time, the vacated seat must be posted for election by the membership to complete the unexpired term.

Section B - Duties of the Board

1. Authority of the Board - The Board shall direct the business of the Association and exercise all power and authority of every kind and nature not herein specifically denied or restricted. It may borrow money on the credit of the Association and may mortgage, pledge, and assign all or any Association property and assets as security for loans or advancements and execute or authorize the execution of all papers and instruments useful for those purposes.
2. Schedule of meetings - The Board shall meet monthly and at any other times as requested by a majority of the Board members or the President, at a time and place determined by the Board or President.
3. Officers of the Board - At the first Board meeting following the annual meeting, the Board shall elect a President, Vice President and Secretary/Treasurer, from the Board membership, to serve for one (1) year.
4. Appointment of Manager - The Board shall employ a General Manager to serve at the direction of the board
5. Eastsound Water and Sewer District - The Board shall make appropriate arrangements or agreements with the Eastsound Sewer and Water District Commissioners as may be beneficial to the mutual operation of these facilities.
6. Obtain easements - The Board shall require that proper easements and rights-of-way over property necessary for the construction, maintenance and improvements of the Association's water sources, water mains and storage facilities, are obtained and properly recorded prior to the construction of infrastructure improvements.
7. Set fees and rates - The Board shall determine all charges, rates and fees in connection with water service to all consumers or members.
8. Vote on membership applications - The Board shall vote on all water membership applications
9. Retain engineer - The Board shall retain the services of a licensed engineer to prepare plans and specifications on all installations involving extensions of mains, water storage, water sources, and other infrastructure as determined by the Board and DOH regulations.

10. Control of Water Use. The board shall exercise control of water usage in times of emergencies or stress, according to the operating rules on usage.
11. Amend Bylaws and Operating rules - The Board shall amend all or any part of the Bylaws and Operating Rules subject to the voting rights of the membership as set forth in Article VII hereof.
12. Following state regulations - The Board shall follow all applicable Federal, State, and County regulations relating to purveying water.

Section C - Indemnification of Board Members

1. Indemnification - Each Board member or Association committee member, or Association officer, or managing agent exercising the powers of the Board, shall be indemnified against expenses (including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding), if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interest of the Association and with respect to any criminal action or proceeding had no reason to believe his or her conduct was unlawful. In any action or suit by or in the right of this Association to procure a judgment against such person, no indemnification shall be made in respect of any claim, issue, or matter as to which he shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite an adjudication of liability, he or she is fairly and reasonably entitled to indemnification for such expenses which such court shall deem proper. On request of such person who is made or is threatened to be made a party to any such suit, this Association shall enter into an agreement confirming the foregoing indemnity subject to limitations as provided by law in such instances. The indemnification herein provided for actions while a Board member or officer shall apply to a person who has ceased to be a director or officer of this Association, shall inure to the benefit of his heirs, executors and administrators, and shall be in addition to rights of indemnification provided by law.
2. Payment of expenses - This Association shall pay reasonable expenses incurred in defending a suit or criminal action or proceeding for which a person shall be entitled to indemnification under the above section in advance of a final disposition of such action upon written request of such person to repay such amount if the person is entitled to indemnification as provided by law.
3. Insurance – The Association shall purchase and maintain adequate insurance, including liability insurance, to cover its officers, Board members, employees, agents and assets. The adequacy of all Association insurance coverage shall be reviewed annually by the Board.

Section D - Elected Officers and Duties

1. Duties of the President - The duties of the President are to:
 - a. Preside at all Board, annual and special meetings.
 - b. Appoint standing and special committees (e.g. budget, planning and nominating and others as deemed necessary).
 - c. Together with the Board, set policy and make decisions related to the Association.
 - d. Supervise the General Manager
2. Duties of the Vice-President - The duties of the Vice-President are to:
 - a. Perform the duties of the President in his or her absence or when requested to do so by the President.
 - b. Perform such other duties as designated by the Board and/or President.
3. Duties of the Secretary/Treasurer - The duties of the Secretary/Treasurer either by direct action or delegation to staff shall be to:
 - a. The Secretary/Treasurer shall be bonded by a licensed bonding company.
 - b. Sign all checks for payments as delegated by the President.
 - c. Certify a final version of Board-approved minutes for the record.
 - d. Send out notice of the annual meetings and special meetings.
 - e. Maintain safe custody of all funds, records, properties, and membership records of the Association. Sign with the President or Vice-President for any purchase or sale of Association

property when approved by the Board.

g. Under the direction of the President, keep an accurate accounting of the funds of the Association and make an annual financial report to the membership (the same to be audited by an independent accountant).

h. Keep the official copy of the By-Laws and Operating Rules up to date.

Section E - Duties employees

The Board is responsible for hiring the general manager to perform duties as necessary to conduct the business of the Association. The General Manager is responsible for hiring and supervising the remainder of the staff. Each employee's duties shall be outlined in a job description approved by the Board.

ARTICLE VII - AMENDING THE BY-LAWS OR OPERATING RULES

Section A. - Adoption by the Board

Bylaws and Operating Rules shall become effective immediately upon adoption by the Board and may be amended or repealed by an affirmative vote of a majority of the membership present, including legal proxies, at a membership meeting .

Section B. - Conform to FMhA regulations

So long as any indebtedness is held by or guaranteed by the Farmers Home Administration, the Association shall not change the purposes of the corporation. The Association shall not decrease its rights and powers under the laws of the state, or waive any requirement of a bond or other provisions that would diminish the safety and security of the property and funds of the corporation or its members, or amend the Bylaws or Operating Rules so as to effect a fundamental change in the policies of the corporation without the prior written approval of the Farmers Home Administration.

Section C.- Notification of the membership

1. Change in bylaws - The Board shall notify the membership, by ordinary U.S. mail, addressed to each member at the member's last known address shown on the Association's books, of any proposed change or amendment to the Bylaws at least 20 days prior to the day that the proposed change or amendment is to be adopted.
2. Change in Operating Rules - The Board may change or amend any of the Operating Rules without providing advance notice to the membership but shall provide notice in a local newspaper of the change or the amendment within 20 days of adopting the change or amendment

ARTICLE VIII - DISSOLUTION

Upon dissolution of the Association, after paying off all debts and obligations, members shall receive their equitable share of the proceeds remaining to the extent practicable.

ARTICLE IX - OPERATING RULES

Operating Rules shall attach to the Bylaws under this article.

The Conditions of Service, Distribution System Design and Construction Standards, and the Membership Application are additional and separate documents and are considered to be part of these Operating Rules.

The above listed documents are available to members upon request.

The member, by accepting membership, affirms the right of the Board to adopt or revise these Operating Rules at regular Board meetings by a 2/3 affirmative vote of the Board and to require member's continued compliance with the current requirements of the Bylaws and Operating Rules.

Section A - Memberships

1. Fees - Each person, entity, firm or corporation granted membership shall pay to the Association all fees established and adopted by the Board prior to receiving water or services except as defined in an agreed payment plan.
2. Certificate of membership - A certificate of membership shall be issued by the Association when a membership is fully paid.
3. Current address - Each member shall maintain their current address with the Association. All notices mailed thereto by ordinary mail shall be deemed delivered to such member.
4. Receipt of Bylaws - During the application process, each applicant shall receive a copy of the current By-laws, Operating Rules and all referenced documents.
5. Transfer of membership - Membership may be transferred upon change of ownership of the real property to which the membership attaches only after the approval of the Board and if in compliance with the following conditions:
 - a. Both the buyer and seller of the property have notified the Association of the change in ownership.
 - b. An Association investigation confirms that the membership use is in full compliance with all current EWUA requirements.
 - c. The transfer fee is paid.
 - d. The transfer will not result in an increase in use.
 - e. All back fees owed the Association have been paid in full.
 - f. The transfer has been accomplished on EWUA forms.
 - g. The transfer complies with any conditions deemed appropriate by the Association.

a tract is divided or subdivided, any parcel or parcels created shall have no right to membership or water service until the original owner of the property designates to which parcel the existing membership attaches and that designation is approved in writing by the Association. Memberships shall not be transferred by sale, gift, devise, or otherwise between parcels owned by the same member.
6. Revocation of Membership
 - a. Default of agreed payment plan:

In the event of default in an agreed payment plan, the Board may terminate the membership purchase and all rights and obligations attached thereto and retain 20% of any amounts paid by the purchaser to the date of termination. Prior to taking such action, the Board shall cause notice of its intended action to be mailed to the purchaser at the address listed with the Association and provide the purchaser the opportunity to address the Board regarding the termination.
 - b. Delinquency of water service bills:

In the event of default in payment of water service bills in excess of 180 days the Board may terminate the membership. Prior to taking such action, the Board shall

cause notice of its intended action to be mailed to the member at the address listed with the Association and provide the member the opportunity to address the Board on the termination. The amount to be returned to the member shall be reduced by the amount owed including all fees and costs of collection, plus 20% of the original purchase price.

6. Repurchase of Membership - When no water lines have been installed to serve the property involved, the Board may consider a request to repurchase a membership. The repurchase price shall not exceed ninety percent (90%) of the current fee for new membership. The Board may schedule the repurchase in installments. Prior to paying any amount the member shall first surrender to the Board the membership certificate(s) involved.
7. Owner responsible for charges - The owner of a membership is responsible for all charges and obligations related to the membership regardless of the owner's absence, rental of the property or actions of the member, contractors or others.
8. Burden of proof - In the event of disagreement about prior board interpretations or agreements, or the number or status of a member's membership(s), the member shall have the burden of proving and documenting the member's claims.

Section B - Hook-Up

1. General

- a. In addition to the membership fee, the owner shall pay all costs of installation from the existing distribution main to the shut-off valve on the customer's side of the meter, including the cost of the meter. All lines, valves, and meters (except those on the customer's side of the meter) shall become the property of the Association.
- b. The location of the meter box shall be determined by the Association.
- c. The Association will permit only one service line and one billing meter per tax parcel. A condominium, or multi-unit, communally operated on a premise, even if situated on separate tax parcels, is included in this provision. Water provided may only be used on the designated parcel.
- d.
- e. A charge shall be made for shutting off and/or turning on water.
- f. Property owners are responsible to install booster pumps, storage tanks, controls, pressure reducing valves, filters, etc. if their service requirements are in excess of what EWUA can deliver.
- g. Cross connections – All user's plumbing and appurtenances related thereto shall conform to the provisions of the Uniform Plumbing Code with specific attention to the prevention of any type of cross connection which would impair the integrity of the distribution system.

2. Developments and/or subdivisions

On all plats or other subdivisions where the developer owns all parcels within the proposed development:

- a. The developer shall, at developer's expense, supply detailed water line plans and specifications of such development and plat for approval by the Association's engineer or other such person designated by the Board and approved by the DOH.
- b. Prior to the installation of the water system improvements, the Association shall be provided with permanent legal access over all property in which lines shall be located, to and including the meter and shut-off valve. This legal access may be either:
 - i) By location within a dedicated public or private road or easement showing the Association is entitled to use such road or easement for all Association purposes required by such development; or
 - ii) By grant of recorded easement from the fee title owner of such property prior to installation shall furnish title insurance or other title evidence confirming the valid easement showing such title.
- c. Waterline installations shall be made according to the specifications of the Association and shall be paid for by the developer. The developer shall formally dedicate specified water system improvements to the Association and pay all associated charges due the Association before water service will be provided.

- d. The developer shall be responsible for the cost of repairing defects in the dedicated improvements for a period of one year after installation. The Association shall operate the dedicated improvements during this period.
- e. The developer shall not become a member by virtue of the development or installation of a water system. The first membership shall be granted to the first applicant that has purchased a tract within the development and thereafter memberships shall be granted to purchasers as additional applications are made by purchasers of specific tracts within the development.
- f. Upon the completion of the installation of the water system improvements including testing and approval by the Association, the Association shall become the owner of dedicated improvements
 - g. The Association shall have the right to extend any line beyond the development area and there shall be no refund payable to the developer for any such extensions or any hook-ups thereto.
 - h. The Association shall have the sole discretion to determine whether a proposed development should be allowed water and, if so, the number of memberships. The decision of the Association shall be binding and conclusive.
- 3. Developer Extensions - This paragraph shall apply to extensions of the Association's water lines in situations where the developer does not own all of the property benefiting from the extension. In such cases, the following rules shall prevail:
 - a. The Association may enter into different arrangements with different developers, it being recognized that differences exist between properties, and no precedent shall be established by any such
 - b. The developer may choose to work out cost-sharing arrangements with all benefiting parties as long as such arrangements are not inconsistent with the rules of the Association. The developer's permission will be needed before other parties can use the extension for 1(one) year following the date that the Association first provides service to the extension.
 - c. Any party extending a main shall extend the main to the furthest boundary of the property or properties benefited or, alternatively, provide the Association with a recordable easement to the furthest limit of the property or properties allowing the main to be extended by the Association or other parties.

Section C - Service Classes and Fees

Service classes and fees that are assessed to membership take into account the Association's cost of providing services, the impact of the membership's use of water upon the system, peak flow requirements imposed on the system, the cost of providing future expansions to the system resulting from the new membership, and meeting the goals and requirements of the Water System Plan and the Department of Health. These service classes pertain to all new memberships authorized by the Board after the approval date of these Bylaws.

The Association reserves the right to recalculate fees and/or available water at any time for existing connections changing their use from that originally represented at the time of membership application or allowed by the Association at the time of original application.

1. **Service Class I: Single Family Residential (1.0 ERU)**
 This class generally includes single family houses.
 One membership fee will be required of each tax parcel qualifying under this class. The tax parcel will be served by a single service line and a single meter.
 A guest house on the same property will be required to purchase 0.5 membership or the minimum as established by San Juan County Code, whichever is higher. The guest house will be required to install a separate sub-meter which EWUA will be permitted to read for tracking purposes.
2. **Service Class II: Multi-Unit Residential (1.0 ERU per unit)**
 This class generally includes apartments, trailer parks, duplexes, triplexes, residential condominiums, and such arrangements providing multiple living units on a single tax parcel. It

is intended that this class include those uses where there is an umbrella type of ownership and joint management of the complex.

Each living unit of the multi-unit facility will pay a fee equivalent to a single family residential membership. In addition, the EWUA will assess additional fees for additional uses (such as laundries, swimming pools, pools, irrigation, car washes, nurseries, community rooms, etc.) on the site using the criteria defined in Service Class IV. The tax parcel(s) will be served by a single service line and a single meter. Submetering is encouraged, but is installed at the expense of the property owner, downstream of the EWUA master meter and EWUA will not be responsible for routine meter reading or billing of individual units. Multi-unit developments are required to install cross connection control protection at the point of the master meter.

3. Service Class III: Non-Residential: (1.75 ERU per tax parcel)
This class generally includes businesses, not-for-profits, offices, governmental, agriculture, recreational, shops, religious, fraternal, public use, hotels and motels and similar uses. The tax parcel will be served by a single service line and a single meter. Each tax parcel will pay 1.75 of the membership fee and 1.75 of the applicable sub-area fee.
4. Service Class IV: Other than above.
EWUA reserves the right to consider any applicant or members under Service Class IV which provides for a case-specific, non-precedent setting evaluation of a property. Uses to be considered under this class would be water users with especially high, especially low, or otherwise unpredictable, unusual, or unique patterns of water usage not easily considered under other Service Classes. Examples include (but are not limited to) churches, hotels, schools, clubs, or mixed usages.
Although the general principles of evaluation and billing used in the other classes will be applied, it is recognized that those principles are crafted for more predictable customers. In general, the criteria that the EWUA will consider will include the cost of providing service, the impact of the customer on instantaneous, daily, and seasonal flows, and the potential obligation imposed on EWUA to provide future expansion.
Any criteria determined by the EWUA to be relevant to such an evaluation can be used including the periodic reevaluation of such a membership.
Normally the minimum charge to a Service Class IV member will not be less than a Service Class I member, but membership costs may be determined on a case-by-case basis.
5. Membership Fee -The membership fee shall be paid in full prior to hook-up, unless the EWUA approves a delayed payment schedule. In that case, the member shall be required to provide security acceptable to the EWUA.
6. Hook-up Fee - The hook-up fee shall be paid in full before a hook-up is allowed.
7. Prior Agreements - Prior written or documented agreements and interpretations of the Bylaws or Operating Rules by previous boards will bind the Association. Unless:
 - a. a change in use of the property occurs
 - b. a service connection is renewed, replaced, or modified
 - c. additional construction occurs on a parcel of property that includes the installation of additional water lines or a change in water usage

In those cases the EWUA may bring the membership into compliance with the current EWUA Bylaws or Operating Rules. Failure of a member to keep EWUA informed of changes does not waive the EWUA's right to insure compliance with current EWUA requirements. Changes in the Bylaws, Operating Rules, or rate structures are intended to equally apply to all members and parties doing business with the Association.

Section D - Water Rates and Delinquent Accounts

1. Water Rates - Each member shall pay a monthly service charge according to the rate schedule in Appendix A.

2. Billing – The board will establish a regular billing cycle and will communicate this billing cycle to the membership prior enacting any changes to the billing cycle. The payment due date shall be determined by the Board.
3. Delinquent Accounts - Any water bill remaining unpaid at each month's close of the books shall be subject to a late charge and service being discontinued following the published rules.
4. Inactive accounts - An account unused for 3 months or more is eligible to maintain service for the same cost as inactive members provided a request is made and the service is turned off by the Association. In all other cases, the account will be billed as active account.
5. Discontinuance of Service by the Association
 - a. The Association may refuse to connect or may discontinue service to any member for any of the following reasons:
 1. Violations of Association policy, rules, regulations, Bylaws, or Association interpretation thereof.
 2. Failure to comply with standards or to install required materials.
 3. The use of water in a hazardous manner.
 4. Failure to pay charges for water service when due.
 5. Failure to pay when due any charge set forth on the Association's rate schedule or contract.
 6. Theft of water or any other service.
 7. Illegal diversion of water.
 8. Any improper use of water as determined by the Association.
 9. Failure to pay for damage to the Association's property.
 10. Use of water other than as represented in the application.
 11. Illegal connections upstream of the meter or the place reserved for the meter.
 12. Any willful waste of water by improper or imperfect pipe or by other means.
 13. Tampering with any service pipe between the main and the meter, seal, meter, valve, or other appurtenance owned by EWUA.
 14. Cross-connecting pipes carrying water supplied by EWUA with any other source of supply or apparatus which may endanger the quality of EWUA's water supply or which may affect the quality of EWUA's water supply as stated in WAC 246-290, State of Washington.
 15. The use of water without approved application, meter, or other means of paying for such use.
 16. Refusal of reasonable access to the property for purposes of reading, repairing, testing, or removing meters, or inspecting water piping or other fixtures, or ensuring an appropriate use of water.
 17. Failure to follow the conditions of an approved application or any appropriate state sanitary code.
 18. By written order of an authorized fire marshal, fire chief, building inspector, peace officer, or officer of a court with jurisdiction in the EWUA service area that water service to a premises be discontinued as a result of violation of an applicable rule, statute, or law.
 19. Failure to comply with Association directions to reduce water consumption because of drought, emergency, conservation programs, or other similar circumstances.
 - b. The discontinuance of Service for any listed cause(s) does not release the member from the obligation to pay for water received or for charges specified in any contract or rate schedule. Discontinuance of membership may apply to any and all memberships owned by the party in violation. When discontinuing service, the Association shall:
 1. Notify the member in writing of the reason for discontinuance and any amount due.
 2. Serve notices issued under this section by either hand delivery by any person over the age of 18, or mailed by postage-prepaid, certified (return receipt requested) mail. These methods of notification ~~is~~ are not required in the event of emergency conditions or threat (real or potential) to the integrity of the water system.

3. Wait ten days after notice has been placed in the mail , presented to the customer or ten days after the first attempt to hand deliver notice to the customer before water service may be discontinued or disconnected.

c. Prior to restoration or reconnection of service, the member must pay all fees and charges due in accordance with Appendix A and in full compliance with all Association requirements.. Additional charges will apply if restoration occurs during other than regular business hours or if discontinuance of the service has required removal of EWUA equipment from the customer's premise or if closing the meter stop or turning off the water elsewhere involves any unusual expense. Additional charges will apply for any damage to EWUA equipment during discontinuance or restoration of service.

d. Any unauthorized restoration of service will result in charges for consumption estimated at EWUA's sole discretion using bulk rate charges and/or reports to appropriate law enforcement authorities. EWUA shall also excavate and either turn off or remove the corporation stop at member's expense.

e. Any member whose water has been turned off under these provisions must agree to comply with Association requirements to protect the Association from further problems.

Section E - Usage and Control of Water

1. Insufficient supply - In the event the Association water supply becomes insufficient to meet all needs of all members, the Association may pro-rate the water available among members on such basis as is deemed equitable by the Board of Directors including a schedule of hours limiting or prohibiting the use of water for residential, commercial, agricultural or industrial purposes.
2. Non-members - Bulk water may be sold by the Association to non-members or commercial water carriers at the option of the Board, at the rate indicated in Appendix A.
3. Water used only on the property - Association water shall only be used on the property to which the membership is attached.

