

**Conditions of Service
of
Eastsound Water Users Association
Governing the Use and Supply of Water**
Revised May 2, 2008

I. GENERAL CONDITIONS AND RESTRICTIONS

1. Conditions of Service as a Contract

a. Agreement for Service

These Conditions of Service (C/S) are a part of every contract or agreement for service, whether written, oral or implied between Eastsound Water Users Association (EWUA) and each water user in the EWUA. EWUA will enforce these C/S with respect to the water user.

These C/S are adopted by the Board of Directors of the EWUA and may be modified from time to time and such modifications will apply to all users. The continuance of the water user to take water or continue membership after amendment or change of these C/S shall be deemed an acceptance of such amendment or change.

EWUA Design and Construction Standards, Application for Membership/Water Service and Agreement to Conditions of Service, Bylaws of EWUA, applicable San Juan County and State of Washington laws and codes, Rules for the Control of Cross Connection, and policies of the EWUA shall be considered a part of these C/S.

These C/S are assigned to the property for which service is provided. No transfer of membership shall be conducted until conformance to these C/S is assured. No service will be provided except to rightful members of EWUA.

b. Statement of Agents

No agent and/or employee of EWUA has the authority to make any promise, agreement, or representation inconsistent with the provisions of these C/S or to waive their application to any water user.

c. Purpose

These C/S are designed to facilitate the implementation of EWUA policies regarding the conditions and methods of use of water service by the EWUA customer. In addition, they define the conditions and method of the supply of water by EWUA as well as the construction, inspection and billing service furnished by EWUA. They are designed to ensure adequate design, construction, management, maintenance and operation practices so that EWUA can provide high quality drinking water in a reliable manner and in a quantity suitable for intended use. If any section, paragraph, subdivision, clause, phrase, or provision of these C/S shall be judged invalid or held unconstitutional, it shall not affect the validity of these C/S

as a whole or any part or provision thereof other than the part so decided to be invalid or unconstitutional.

- d. Criteria
Conditions, practices, materials, and specifications not expressly set down in these C/S shall be subject to the current Department of Health (DOH) Group A Public Water Systems Water Works Standard, the American Public Works Association (APWA) Standard Construction Practices, the EWUA Bylaws, or the American Water Works Association (AWWA) Standards whichever is most restrictive.

2. Definitions

- a. Applicant – The owner of property or his/her agent making a written request for any service to be provided by EWUA.
- b. Customer – The owner of the premises being served who is legally responsible for payment of charges to EWUA for water or other services furnished by EWUA.
- c. Occupant – The person actually in possession or control of any premises or part thereof.
- d. Owner – The person who has legal or equitable title to any premises. The owner is considered by EWUA to be responsible for all actions of tenants, contractors, or other persons or entities occurring on the property. The owner is the party required to ensure compliance with these C/S. A properly identified and authorized agent of the owner representing the owner on any matter is considered to legally represent the owner in all matters before EWUA unless the owner specifically distinguishes the agent's area of responsibility. In these C/S the term "owner" is also meant to include the term "owner's agent". EWUA may require a written declaration from the owner designating the agent.
- e. Contractor – The owner, person, or firm hired by the owner to install, maintain, or alter any facilities on any premises including the water service line.
- f. Premises – The integral property or area, including improvements thereon, to which water service is or will be provided. This is typically a single tax parcel, but may also be considered, at EWUA's sole discretion, as a group of properties operated as a related, common, and logical entity.
- g. Water Supply – That part of the water system between and including the water source and the end of EWUA's service connection at the downstream joint of the meter setting.
- h. Distribution Main – A pipe owned by EWUA or under its effective control and capable of supplying more than one (1) customer.

- i. Service Connection – The pipe, valves, and all required appurtenances used to carry water between the distribution main and the downstream joint of the meter setting of the premises to be served.
- j. Service Line – A water service line owned and maintained by the owner of the premises, supplying water from the downstream joint of the meter setting to the premises.
- k. Governing Rules – The aggregate body of codes, regulations, policy, and law identified in I.1.a. and I.1.d. above.

3. Work to be Performed

- a. EWUA
No persons other than EWUA personnel or persons specifically authorized by EWUA shall be permitted to tap or make a service connection with any distribution main in service. EWUA will do no plumbing of service lines except under emergency conditions as determined by EWUA. All costs of such plumbing or any damage done to customer property by EWUA personnel in responding to a service line emergency shall be the responsibility of the owner. EWUA may require the owner to complete the repair beyond EWUA's emergency action.
- b. Contractor
The contractor will attach the service line to the outlet of the meter setter, lay the water service line into the house, and attach it to the house plumbing. Such work shall not be performed unless a hook-up has been arranged with EWUA.

4. Supply of Water

- a. Quantity and Pressure
EWUA endeavors to maintain an adequate quantity of water at a reasonable pressure at all times. EWUA reserves the right at any time, without notice, to shut off the water in its mains for the purpose of making repairs, extensions, or for other necessary purposes. It is expressly understood that EWUA shall not be liable for a deficiency or failure in the supply of water or the pressure thereof for any cause whatsoever, or for any damage caused thereby, or for the bursting or breaking of any main or service line or any direct or indirect attachment to EWUA property. All customers having installations upon customer's premises or on the property of others that depend upon continuous pressure in EWUA pipes are cautioned against danger of rupture or lack of pressure. All damage shall be borne exclusively by the customer. Customer-owned pressure regulators are strongly recommended on service lines.
- b. Quality
EWUA endeavors to maintain water quality exceeding minimum state sanitary standards in its mains at all times. In the interest of public health, EWUA will not knowingly permit its mains or services to be connected with

any service line or piping which is connected to any source of water supply not approved by the DOH unless protected by approved means. EWUA will also not knowingly permit its mains or services to be connected in any way to any piping, tank, vat, or other apparatus that contains liquids, chemicals, or any other matter that might flow back into EWUA's services or mains and consequently endanger or compromise the water supply. Without limiting the foregoing, EWUA shall not knowingly permit any connection that does not comply with approved Cross-Connection Control rules.

c. Failure

(1) Emergencies

EWUA reserves the right, in its discretion, in periods of drought or emergency or when deemed essential to the protection of the public health, safety, and welfare, to restrict, curtail, or prohibit the use of water for secondary purposes such as sprinkling, car washing, or filling swimming pools and shall have the right to fix the hours and periods when water may be used for such purposes.

(2) Accident or Repair

EWUA may at any time shut off the water in case of accident or for the purpose of making connections, alterations, repairs, changes, or for other reasons and may restrict the use of water to reserve a sufficient supply for public fire service or other emergencies whenever the public welfare may require it. EWUA, its employees and/or officers shall not be liable for any damage that may result to any person, property, or premises because of such shut-off, even when no notice is given. EWUA will, as far as circumstances permit, notify customers to be affected by any scheduled interruptions in the water service.

d. Discontinuance of Service for cause is discussed in Article IX - Operating Rules of the EWUA Bylaws. The owner of a property may also order the water service to be turned off.

5. Inspectors

Properly identified employees of EWUA or EWUA's authorized and property identified agents must be permitted to enter upon any premises where service is provided during reasonable times for the purposes of installing, reading, removing, or repairing meters or for the inspection of the service line or to insure that water service is being used as represented upon the water application.

6. Territorial Limits for the Supply of Water

a. Boundaries

EWUA's authority to provide water is limited to the service area as described in the Bylaws. Extensions of distribution mains within this area are subject to review and approval by EWUA for compliance with these C/S, Design and Performance Standards, and other applicable governing statutes. Extensions are conditional upon there being sufficient water supply and distribution capacity.

b. Eligibility

All persons or entities within the service area described in the Bylaws may apply to EWUA, shall be subject to the governing statutes, and shall be subject to such rates and fees as are established and amended from time to time. EWUA reserves the right to refuse any application from such potential users and to discontinue the supply of water to such users at any time on the conditions stated in these C/S.

7. **Easements through Private Property**

In case proposed water lines pass through premises other than public right-of-way or otherwise allowing access for EWUA, no connection will be made until a proper easement has been secured and recorded in the San Juan County Assessor's office with a copy delivered to the EWUA office. The filing of such easement does not obligate EWUA to provide nor maintain such service.

8. **Prohibitions**

a. EWUA property

No person shall injure, tamper, remove, replace or interfere with any equipment, building, meter, seal, street valve, corporation stop, valve box, hydrant, or other appurtenances or divert water from mains or cut into any water pipe or main belonging to and/or serviced by the EWUA system without the express permission of EWUA. The control of the water supply by the customer may be by means of the valve located after the meter setting.

b. Hydrant Use

No person shall open, use, draw water from or in any manner interfere with any hydrant in the EWUA system without the express permission of EWUA or unless in the active control of any fire under the direct supervision of the fire district and only with the use of a standard hydrant wrench. No person shall break, deface, injure, remove or in any manner tamper with any hydrant or any part thereof. Hydrants shall be operated slowly to minimize water hammer or pressure surges and the subsequent damage to property.

c. Bulk Water

Use of a hydrant for bulk water hauling shall be done at EWUA approved stations, with prior permission, using such equipment as EWUA supplies and, if done commercially, in tanks approved by SJC for the purpose of hauling potable water.

d. Sub-metering

(1) EWUA shall allow and shall provide only one service point to each premise operated as a related, common, and logical entity. EWUA shall allow and supply only one meter to a single tax parcel. Additionally, EWUA shall allow and supply only one meter to a building or group of buildings that has been developed and/or redeveloped and/or sold in accordance with a condominium plan, or to any building or buildings that are owned by one or more cooperative corporations, or to any other

adjacent or contiguous buildings that are owned by one or more cooperative corporations, or to any other form of common ownership and operated under any form of common management agreement. Additionally, EWUA reserves the right to allow and supply only one meter whenever contiguous developed properties have common ownership. The meter must be placed to cover all the fixtures connected with the service line, and must be in a position where it can be conveniently read. The meter location is subject to the approval of EWUA.

(2) Any additional meters for sub-metering must be furnished, installed and maintained by the owner at his own cost and expense, and must be placed so as not to divert any water from passing through the meter supplied by EWUA. All water must pass through EWUA's meter before passing through additional meters. These additional meters will neither be read nor used for billing purposes by EWUA for the customer(s). It shall be understood that any premises with additional meters used for sub-metering will receive only one billing per billing cycle per service based on the readings from the EWUA-owned meter.

e. **Wells and Other Sources of Water**

No water from wells, unapproved water supplies or other sources of water shall be interconnected to the EWUA water system without the specific permission of EWUA. EWUA shall be under no obligation to grant such permission.

II. APPLICATION FOR SERVICE

1. Forms

No water service shall be laid, enlarged, or discontinued at or on a premises without filing an application for water service with EWUA. Applications for water service shall be made on forms furnished by EWUA, signed by the owner and accompanied by the appropriate fees. When approved and accepted by EWUA, the application shall constitute a contract between EWUA and the applicant obligating the applicant to honor EWUA's rates and fees for water current at the time of payment, to pay EWUA for services performed on behalf of the customer, and to comply with these C/S and the EWUA Bylaws as they presently exist or may be amended from time to time.

2. Work Performed

Any person or party doing work under an application for service shall be considered agent(s) of the owners during the progress of the work. Any person or party doing work under an approved EWUA application shall be bound by all Bylaws, C/S or other relevant codes or regulations known as the governing rules. If such a person or party violates these rules, the forfeiture or suspension of the application will occur. Issuing of future applications to the violating person,

party, or agent may be suspended or denied for continued or flagrant abuses of the governing rules or other inability to comply with them for any reason.

3. General

a. Water Available to premises

Applications will be accepted subject to there being an existing and acceptable EWUA-owned main in a street or right-of-way abutting on the premises to be served, but acceptance shall in no way obligate EWUA to extend its mains to serve the premises. Further, applicants are cautioned to insure that adequate pressure and fire flow exists to serve their property before making a decision to apply for membership.

b. Plan

An application shall include a plat plan showing lot boundaries, tax parcel number, location of main, and proposed service connection.

c. Inspection

Work done under an application shall not be backfilled or covered until leakage tests, measurements, and inspections acceptable to EWUA have been performed. Work covered before acceptable inspections have been conducted shall be uncovered at the owner's expense before such an inspection can be made. No service to a property will be provided until all inspections have been satisfactorily completed.

4. Owner of Property Liable for Charges

All charges relating to water service and repairs shall be a charge against the owner of the premises connected with EWUA water mains and such owner shall be held liable for all such accounts and charges.

In default of any payment of such charges, the consumption charge and any other charges may become a lien upon the premises served, as provided by local law.

III. INSTALLATION AND MAINTENANCE OF WATER SERVICE

1. Right to Reject Service

EWUA may refuse to connect with any piping system or furnish water through one already connected if such system is not properly installed and maintained in accordance with EWUA requirements.

2. Taps

a. Size

EWUA will determine the size of the tap to be inserted in any water main under any application. The applicant is required to provide peak flow requirements, distance from the main, and elevation in order that EWUA can determine the proper tap size.

b. Separate Service Line

Each premise must have one distinct and separate service line and meter.

- c. **Illegal Connections**
No fixture shall be attached to or any branch made in the water service line between the meter and the street main.
- d. **Tapping done by EWUA**
All tapping of distribution mains in service will be done by EWUA or its authorized agents and no other person will be allowed to make such taps.

3. Trench and Service Connection Specifications

See EWUA Design and Construction Standards for these specifications.

4. Water Service Line Maintenance

- a. **Water Service Line Responsibility**
The Owner of property into which water is introduced by a EWUA water service connection will be required to maintain in good working condition, at the Owner's expense, the water service line from the outlet of the meter or, if so equipped, the meter setter. The Owner is responsible for maintaining access to the service connection including the meter. EWUA is responsible for the maintenance of the service connection from the main to the outlet of the meter or, if so equipped, the meter setter.
- b. **Repair of Water Service Lines**
Within ten (10) days of the issuance of a written notice, a customer must repair a defective service line. If such repairs are not made, EWUA may shut off the water until such repairs are made. In an emergency, EWUA reserves the right to make temporary repairs without written notice and charge the expense thereof against the Owner of the premises.
- c. **Interference with Facilities**
No person shall turn the water on or off at any street valve, corporation stop, curb valve, or any other street connection or valve ahead of the meter. No person shall disconnect or remove any meter except EWUA personnel or EWUA's authorized agents. EWUA may grant limited and specific permission to operate these valves or remove the meter, but in no case shall blanket permission be given or construed. The control of the water supply by the customer shall be by means of valves at the building entrance.
- d. **Defect in Customer's Water Service Line**
In no event shall EWUA be liable for any damage or inconvenience caused by reasons of any break, failure, leak, or defect in the customer's water service line, meter, plumbing or fixtures. The Owner is encouraged to install appropriate fixtures such as pressure regulating valves and relief valves appropriate for the severe pressure gradients experienced in the EWUA system. The Owner shall cause, at the Owner's expense, any existing customer-owned service line (or portion thereof) to be upgraded to current

standards if excavation shows it to be below standards required by these regulations.

e. Internal Plumbing

A service call resulting from a customer's internal plumbing condition will be chargeable to the customer. The homeowner or his plumber shall handle internal plumbing problems.

f. Abandoned Services

Any service connection to a premise that has been inactive for one year shall be considered abandoned and shall be disconnected at the main. The disconnection and any subsequent reconnection shall be at the owner's expense. If the Owner contacts EWUA once a year informing EWUA of the intention to use the service connection, this rule may be waived if, in EWUA's satisfaction, the dormant service connection will pose no hazard or interference with the operation of the system.

g. Discontinued Service

A permanently discontinued service is one that is physically disconnected at the main in a manner that will prevent future leakage, contamination, and accidental dig-up. A temporarily discontinued service is one that has been shut off by EWUA personnel, documented, and is rendered unusable until EWUA personnel reinstate service.

h. Location

The customer is responsible for identifying the location of any water pipes on their property. Any damage resulting from EWUA wrongfully indicating the location of a customer-owned pipe shall be the owner's responsibility.

5. Winter Provisions

a. Winter Service Installations

Any service connection or tap required between December 1st and March 1st will be required to pay an additional fee.

b. Frozen Service

EWUA will maintain service connections in order to avoid freezing problems. Where the protective earth cover over a service connection or meter setting has been altered by the owner to expose these facilities to freezing, an appropriate remedy will be made by EWUA at the Owner's expense. Any freezing of the Owner's service line shall be corrected at the Owner's expense.

IV. METERS

1. Meter Installations

a. EWUA to Furnish Meters

EWUA will furnish and install for each customer a suitable meter and will keep the same in repair. EWUA will own all meters used as the basis for billing. In the case of meters one (1) inch or less in size, the meter will be provided as part of the hook-up fee. In the case of meters one (1) inch and over in size, the customer will bear the entire expense of the meter and its installation. In case of misuse, abuse, negligence, or damage by frost, hot water, or other external causes, the expense of repair by EWUA will be billed to the owner and paid by the owner. Any required change in a customer's method of metering caused by the customer's change in consumption or by a customer's preference shall be paid by the Owner. Occupancy of premises must not occur until the water service to that premises has been metered.

b. **Meter Space and Location**

The Owner shall at all times provide a safe and readily accessible and protected location for the installation of a meter at such point as will control the entire supply to the premises. This location must be acceptable to EWUA as most convenient for its service so that the meter may be easily approached, examined, read, removed or serviced. The Owner shall remove overhanging vegetation and regularly clear an area two (2) feet around the meter setting if placed in an outside location. The owner shall not do something that results in flooding, freezing, vandalizing, or otherwise making the meter setting unfit for its intended purpose.

c. **Backflow Prevention**

Where it is deemed necessary by EWUA, backflow prevention devices shall be installed by the owner at the Owner's expense to prevent the return of water from the internal house plumbing back through the meter toward the street service connection. All backflow prevention devices shall be state and AWWA approved.

d. **Bypasses**

Meters two (2) inches or larger in size shall be installed with bypasses, so that meters may be removed for testing or repairs without hindering the supply of water. Meter installations without bypasses are subject to the interruption of service.

e. **Spacer Pipes**

Any spacer pipe (jumper, idler bar) installed in place of a meter shall not be tampered with and subject to the same restrictions and penalties as a meter. Such devices are to be installed only by EWUA personnel.

2. Ownership

All meters installed by EWUA as part of a service application shall remain the property of EWUA, and property owners on whose premises such meters are installed will be held responsible for their safekeeping.

3. Seals

All seals installed by EWUA are only to be broken, disconnected, or disturbed by EWUA personnel. If a meter seal is broken, the meter will be removed, tested, and replaced at the expense of the owner. In addition, the owner will be billed for the highest amount of water metered over a similar period for the last five (5) years.

4. Unaccounted-for Water

In case of any changes or additions in piping for the use or distribution of water that is not accounted for by the meter, a proper charge for such unmetered water shall be made. The amount of the charge shall be wholly at the discretion of EWUA.

5. Remote Reading Devices

EWUA will, at its option, install and own remote reading devices mounted near the meter setting at a location determined by EWUA. This device will be used to facilitate the reading of meters, but the reading on the water meter shall be used as the correct reading in case of discrepancy regardless of the reading on the remote reading device. EWUA will accommodate the customer's needs and wishes, as they are consistent with these criteria. The customer shall provide for the protection, continued accessibility, and safety of the remote reading devices.

6. Inspection of Premises

The customer shall grant employees of EWUA, who have properly identified themselves, permission at a reasonable time to enter the premises of the water user for the purposes of examining the pipes, meter, and fixtures or for ascertaining the quantity of water used and the manner of its use.

7. Request Tests

Any customer may request EWUA to make a special test of the accuracy of a meter. Should the said meter be found, upon said test, to over-register by four (4) percent or more, the customer's bill shall be adjusted for a maximum of two billing periods prior to the date of the customer's request. The customer is invited to observe the test and is entitled to a clear explanation of the test procedure. If the meter is found to under-register by four (4) percent or more, the customer's bill shall be adjusted for a maximum of two billing periods prior to the date of the customer's request. In the event that a meter is determined to be under-registering, the owner shall bear the cost of a meter test.

Testing by EWUA

EWUA reserves the right to remove and test any meter at any time and to substitute another meter in its place at no charge to the customer.

8. Reading the Meters

a. Schedule

EWUA will endeavor to collect water meter readings on a regular schedule. The readings will be conducted by either a EWUA employee, an agent authorized by EWUA, an owner, or an owner's designated representative. These readings will be the basis of the subsequent water bill.

b. EWUA Readings

When a meter is not reasonably accessible to the meter reader, a card will be left at the premises requiring the customer to provide a reading to the EWUA offices within a specific time period.

Should no reading be received within the stated time period, EWUA will generate and issue an estimated bill based on meter size, number of units, and past consumption history. Once an accurate meter reading is obtained, a subsequent bill will be generated and issued. Credit for an over-estimated bill will be provided, if applicable, only for one previous reading at the then current rate. EWUA reserves the right to reject any meter reading taken by other than a EWUA employee.

c. Customer Self-Read Program

EWUA may institute a customer self-read program for part or all of its service area for the purpose of facilitating billings.

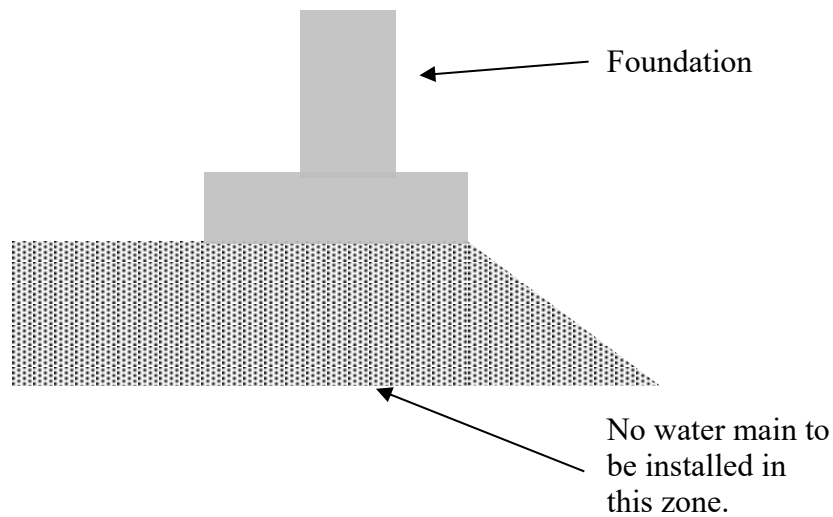
V. HYDRANTS, VALVES, AND OTHER APPURTENANCE

1. General

No person shall damage or interfere with any equipment or building belonging to the EWUA water system, tamper with meters, divert water from mains, use water without permission, cut into any water pipe or main, operate any valves, or take water from any public fire hydrant for any use other than fire protection purposes, unless specifically authorized in writing by EWUA. No person shall place any structure, road, or engage in any construction or alteration of the earth cover within ten (10) feet of any EWUA pipe without express written permission from EWUA.

An Owner or an Owner's contractor shall conform to the requirements of these C/S as presently in effect and as the same may be modified from time to time where and when any work of the Owner will be near the EWUA-owned system. The Owner shall so conduct his operations that no harm or damage will come to the EWUA water system or other facilities. Wherever any construction will cross over, above, below, or parallel any EWUA pipe or facilities, the exact relationship of the existing and proposed facilities and the construction operations thereof shall be determined prior to the installation or construction of the proposed facility or pipeline. If the intervening space between the existing pipe or facility and the proposed construction is less than three (3) feet, no such construction shall be performed without the approval of EWUA's General Manager nor without the presence of a representative of EWUA. No blasting may be performed closer than ten (10) feet to an existing pipe or facility.

No building shall be constructed within five feet of a water main. No main shall be below a 45-degree line extending down and away from the edge of a footer as indicated below.



2. Hydrants

a. Hydrant Control

All fire hydrants owned by EWUA are under the control of EWUA. The use of fire hydrants will be restricted to the taking of water for fire protective purposes under the supervision of the Fire Chief. Water shall not be taken from any fire hydrant for construction purposes, irrigation, sprinkling streets, flushing sewers or gutters, or for any other use unless specifically authorized by EWUA. There shall be no blanket permissions given. No person shall place any obstruction that would prevent free access to any fire hydrant. According to the SJC Hydrant Ordinance, this is defined as no obstruction within a 36" radius around the hydrant and maintaining an eight-foot clear space at the edge of the road directly in front of the hydrant and the area between the road and the hydrant. No person shall paint or in any way change the color from the standard color established by EWUA.

b. Use of Hydrants

If water is used from EWUA fire hydrants without specific authorization from EWUA, the quantity used will be estimated and the user will be billed at the meter rates set forth in the current schedule. If usage is estimated at an amount less than \$100.00, the minimum bill will be \$100.00 per use. If use is properly authorized, and if required by EWUA, a meter shall be applied to the connection made with the hydrant at the expense of the party using same and said party shall pay for all water by meter measurement at the stipulated rates. Water must not be allowed to run except when being used. No person shall operate a hydrant except as authorized by EWUA and only then using a proper wrench as approved by EWUA. Violators may be prosecuted under existing laws. Hydrant use may be terminated at any time, without notice, as deemed necessary by EWUA, for the public health or benefit.

c. Damages

In case any damage to a public fire hydrant is done by any person or person's agent having permission for taking water from said hydrant, the person shall pay such damages and all costs and expenses that may be incurred by reason

thereof on demand to EWUA. EWUA reserves the right to impose and hold damage deposits as a condition of granting permission to use hydrants.

3. Street Valves

No person except an employee of EWUA or EWUA's authorized agents shall open, close, or in any way interfere with any street valve in a water main. Any person who has disturbed or displaced a valve box so that the valve stem cannot be reached by a key, or who has covered a valve box with dirt, paving, plank, or other material, shall immediately remove the obstruction and restore the valve box to operational status.

VI. PAYMENT FOR SERVICES

1. Billing to Customer or Owner

Where it is stated that EWUA will bill the Customer or Owner, the Customer or Owner will be responsible for prompt payment. In all cases, the bill for water, services rendered, or penalties will be the ultimate responsibility of the Owner. Owners are cautioned to insure that they take such measures and exert such control over activities occurring on their property to be aware of charges being incurred.

2. Billing Period

All bills shall be rendered monthly or otherwise at EWUA's option, and are due and payable on or before the date specified thereon and such due date not to be less than twenty (20) days from the date rendered. After twenty (20) days, the gross payment is due and payable.

3. Non-Payment

If valid charges are not paid and if the water is turned off on account of such non-payment, no application for water service for such premises need be granted by EWUA (notwithstanding that said premises may have changed ownership) until such charges have been paid in full. Failure to receive a water bill because the owner failed to maintain a correct billing address with the EWUA does not relieve the owner of the responsibility to pay said bill, nor stop any penalties or actions imposed by EWUA as a consequence of such non-payment.

The current property owner is responsible for all outstanding charges to a property such as water, service charges or penalties. Potential new owners of a property are cautioned to review account status prior to purchasing property and to make such arrangements necessary as to insure appropriate payment of charges incurred by the current Owner.

4. Partial Billing Periods

a. New Services

If, at any time during a billing period, a new service is installed, an active service terminated or an inactive service reinstated, the reduced period will be billed as if it were a full billing period. A bill will be rendered to the customer

of record according to the current rate schedule. Such a bill includes the cost of initiating or terminating said service, unless unusual charges are incurred.

b. Change in Ownership

When a change or ownership occurs, the seller must inform EWUA of the change. The buyer must provide EWUA with all necessary membership information before a membership transfer will be considered to have occurred. Payment of all outstanding charges and required conformance with standards will occur before a membership transfer will be considered to have taken place.

Whenever change in ownership occurs, a special reading, upon request by either the buyer or the seller, will be taken by EWUA. The requesting party will then be informed of the amount due on the account as of the date of the special reading. A special bill will not be rendered, rather the two owners will agree on the disposition of the amount due as a result of the special reading. The regular billing will be sent to the owner of record in a normal fashion.

Owners are cautioned to read and understand the sections titled “Non-Payment”, above.

5. **Metered Amount to be Billed**

a. Determination

The quantity recorded by the meter shall be considered the amount of water passing through the meter which amount shall be conclusive for both the customer and EWUA. Such amount may be used as all or part of the basis for billing.

b. Exceptions

Consumption charges may be determined without benefit of metering under the following conditions:

(1) In cases where it is found that the **meter has ceased to register** or has registered inaccurately, the quantity may be determined by the average registration of the meter in a corresponding past period when in order. Where it appears that there has been a change in occupancy of the premises or in the use of water, EWUA, in its sole judgment, will make an equitable adjustment.

In all cases where a **meter is found to be defective**, EWUA shall replace the same by a meter that has been properly tested and adjusted.

In cases where it is found that **a reading cannot be obtained**, an estimated minimum bill will be rendered to the customer. Alternatively, an estimated bill based on equitable customer class criteria may be rendered. Such criteria shall be based on fairness to both parties.

(2) Multiple unit properties may be computed as if the number of units were individual units and an aggregate bill rendered accordingly.

6. Unoccupied Premises

Premises whether occupied or unoccupied will be billed on a periodic basis unless the customer arranges to have his service discontinued.

7. Partial Payments

A partial payment is any amount less than the total due amount of a bill. In the event that a bill includes charges for more than one (1) billing period, a partial payment is applied against the oldest due bill plus penalty.

8. Unpaid Charges

Overdue charges for penalties or for services rendered will be added to the account and any payment received will be applied as explained in the section “Partial Payments”, above.

9. Discontinued Service

Any Owner may discontinue water service by giving EWUA written notice not less than ten (10) days prior to the discontinuance, and all liability for charges for service rendered after the discontinuance of service, as herein provided for, shall cease. Only the Owner can order discontinuance of service.

10. Disputed Bills

In the event of a dispute between the customer and EWUA regarding any bill, EWUA will forthwith make such investigation as may be required by the particular case and report the result thereof to the customer. Any disputed bill that, upon investigation, is sustained as correctly rendered shall be due by the original due date and the penalty computed as of the original due date. Any disputed bill that, upon investigation, is found to be incorrect will be corrected and resubmitted to the customer. The due date of the corrected bill shall be considered to be as of the submitted date of said bill plus twenty (20) extra days after the corrected bill was issued. The corrected bill shall then be paid as provided in these C/S. Any amounts paid by the customer in excess of the amount disclosed to be due as a result of EWUA’s investigation of the dispute shall be returned to the customer upon approval by EWUA if the error arose from any cause other than the incorrect estimating of a customer’s consumption for the period in dispute.

VII. PENALTIES

Any person or entity violating any provision of these C/S shall be subject to such penalties as EWUA may assess, criminal prosecution, or both.

In any event, EWUA may enforce compliance with these C/S by cutting off the supply of water.