

Revised 4.18.2015

See pg. 5/6, Sec 10.B.

McKenzie Palisades Water Supply Corporation

P.O. Box 64, Vida, Oregon 97488

Rules & Regulations

41-00923

WHEREAS, The McKenzie Palisades Water Supply Corporation, a Municipal Corporation, Lane County, Oregon was formed under the authorities of ORS Chapter 264, and

WHEREAS, The Board of Commissioners adopted the initial Rules & Regulations to govern the operations, management and Administration of the McKenzie Palisades Water Supply Corporation on November 4, 1976, and further Amended said Rules & Regulations by Resolution on May 1, 1988, and Amended the Rules & Regulations by Resolution # 2014-15-01 by unanimous approval on April 18, 2015.

NOW THEREFORE, the Rules & Regulations have been Amended and modified, as follows:

Section 1: Preface

The water system is the property of the Corporation and is managed and operated by the Board of Commissioners elected by the Property Owners and Residents and acting without pay. The Board asks for the cooperation of all owners and residents to insure conformance to rules and prompt payment of all rates and charges in the protection of the water system.

The water storage and distribution system was financed through the USDA Farm Home Administration. Loan payments together with Operation and Maintenance costs were paid from monies obtained through the sale of water to the residents of the Corporation and through property tax assessments.

All transactions concerning water service shall be made through the office of the Corporation. Before service will be connected, proper application shall be made to the Corporation.

Plans for the laying of consumer lines shall be submitted to the Board of Commissioners or its designated representative for approval before construction begins.

A "consumer line" is the pipe, valves and fittings leading from the meter into the premises to be served.

A "service line" is the pipe, valves and fittings laid from the main to an including the meter and meter box.

A "water main" or "main" is the pipe, usually two inches inside diameter or larger, laid in the street, road, alley or easement and running approximately parallel t the street, alley, road or easement for the distribution of water to the consumer through service lines.

Section 2: Use and Application for Use of Service

The Corporation will require all residents within the Corporation to purchase potable water from the Corporation for their domestic use.

The Corporation will also require for each newly constructed residence, a signed application for water service from the prospective resident/owner prior to the initial hook-up and service. There will be a first time service connection charge and a minimum water charge monthly thereafter. The application shall set forth:

- A. Signature of property owner and applicant if different.
- B. Location of premises.
- C. Address to which the Service Billing shall be mailed or delivered.
- D. Such information as the Corporation may reasonably require.

Section 3: Service Connection Charge

At the time a resident files for water service, a first time service connection charge will be required. This charge is to cover the cost to the Corporation to install the services from the main to and including the meter.

The schedule of the first time service connections charges and other information relative thereto is attached as "Schedule A".

Where the main is in a public right-of-way, the meter will be placed near the right-of-way line on the property to be served for the standard connection fee, provided the length of service line does not exceed the width of the public right-of-way.

Where the main is on private property, the maximum length of service line furnished and installed by the Corporation for the standard connection fee will be sixty (60) feet.

If, in either case cited above, the length of service line to the meter and box exceeds sixty (60) feet, an additional charge will be made. The charge will be based upon the actual cost of materials and labor to install the extra pipe as determined by the Corporation.

Where connections to residences already exist, the meter may be in the most accessible location both for installation, access and meter reading.

Section 4: Water Rates

The Water Rate Schedule is attached hereto as Schedule B.

Section 5: Contracts

The application given in writing by each prospective resident/owner for first time service connection shall be considered as a Contract in which the resident/owner agrees to abide by such rates, rules, and regulations as are in effect at the time of signing the application or as may be adopted thereafter by the Corporation, and to pay all bills as required by this Section and resolution.

When the consumer requirements for water are unusual or large, or necessitate considerable special or reserve equipment or capacity, the Corporation may require a Contract for an extended period and may also require the resident/owner to furnish security satisfactory to the Corporation to protect the Corporation against loss and to guarantee the performance of the Contract provisions.

Except for special contracts in which the contract rate shall be extended, all rules and regulations are subject to change or modification by the Corporation with Public Notice.

Except for special contracts, each residence shall have a separate meter.

The Corporation reserves the right to make special contracts, the provisions and conditions of which are different from or have exceptions to the regular published schedules. The special contracts shall be in writing and signed by the consumer and Corporate Officers.

Section 6: Payment and Non-payment of Bills

1. A. All bills for Water Service are due and payable Monthly, except Quarterly, Semi-Annual, or Annual payments may be authorized by the Board as a 'Special Contract Payment Arrangement', subject to a formal written request by the 'Water User' within the Corporation Service Boundary. All payments shall be made to The McKenzie Palisades Water Supply Corporation, P.O. Box 64, Vida, Oregon 97488 on the 10th day of each month within the 'Budget Year' or in accordance with the provisions

stipulated in a Special Contract Payment Arrangement Approved by the Board.”

B. Service may be discontinued to the consumer for violation of the Rules and Regulations of said Corporation, including failure to pay the water rates within the time provided in the previous paragraph. Before said water may be shut off from any consumer, a written notice shall be sent by registered mail, deposited in the United States Post Office, with the postage prepaid thereon, properly addressed to the address given to the Corporation by the consumer. Before the water shall be restored for service, a reconnection fee of \$50.00 plus the delinquent bill of the consumer must be paid in full. If necessary, the Corporation may place a lien against a subject property to ensure that all delinquent accounts and appropriate fees are collected prior to restoration of water service.

Section 7: Temporary Service

For water service of a temporary nature, for construction purposes the consumer may be required to make a deposit to cover the cost of labor and material for connection and disconnection, and for a reasonable depreciation charge for the use of equipment and material furnished and owned by the Corporation.

Section 8: Change of Occupancy or Discontinuation of Service

A. Each consumer planning to vacate any premises within the Corporation Boundary shall provide written notice to the Corporation within seven (7) days of the intended date of departure to specify the date for suspension of service. The Water User shall be responsible for payment of all water supplied, either on a whole month or pro-rata basis, until a ‘written notice’ is received by the Corporation requesting a suspension of water service.

B. When a property becomes vacant, pending sale or lease, and the property owner has requested “a suspension of service” monthly fees will be charged at 50%

of the monthly rate to the property owner, which will be due and payable on a monthly basis by the owner until a written request for a return for full service is received from a new owner, lessee, or renter. A fee of \$20 shall be paid to remove the subject property from 'suspension of service'. Before a service suspension can be removed all past due accounts shall be brought current.

C. Temporary absences, vacations, unoccupied periods where homes are used for short term rentals or similar uses do not qualify for non-payment of the minimum monthly 'Water User' monthly charge.

Section 9: Service to Rental Properties

- A. In the event that a residence within the water corporation is made into a rental unit, the billing for water service can be directed to the renter upon receipt by the Corporation of written direction to do so from the property owner or the legal representative thereof. This action to bill the renter for water service does not relieve the owner from responsibility to pay for such service in the event that the renter fails to do so.
- B. There will be a reconnection service charge of \$50.00 for the re-establishment of service to such rental units.

Section 10: Responsibility and Service Preference

- A. The Corporation shall not be liable for any loss or damage of any nature whatsoever caused by any defect in the consumer's line, plumbing or equipment; and the Corporation may, without further notice, discontinue service to any consumer when a defective condition of plumbing or equipment upon the premises of the consumer results, or is likely to result, in interference with proper service, or is likely to cause contamination of water. The Corporation does not assume the duty of inspecting the consumer's line, plumbing and equipment, and shall not be

responsible therefore and will not be liable for plumbing or apparatus on the consumers premises. The consumer will be responsible for the water rent due to any leakage of consumers water system whether consumer has had notice of said leakage or not.

- B. It is the responsibility of the McKenzie Palisades Water Supply Corporation to protect its drinking water by instituting and enforcing a cross-connection control program. Cross connections shall not be created, installed, used or allowed within the Corporation Boundary. The installation or use of an underground sprinkler system, hot tub, booster pump, or other device that could potentially contaminate the Public Water Supply distribution system may require a backflow prevention device or assembly. Said device or assembly, if required, shall be the homeowners responsibility to install and maintain. Failure to comply may result in a cessation or termination of services.
- C. The Corporation will exercise reasonable diligence and care to furnish and deliver a continuous and sufficient supply of potable water to the consumer, and to avoid any shortage or interruption of delivery of same. The use of water upon the premises of the consumer is at risk of the consumer, and the responsibility of the corporation shall cease at the point of delivery of water. Unless otherwise specified in agreement, the point of delivery shall be at the meter where the Corporation service line and meter attaches to the consumers line.
- D. The Corporation whenever it shall find it necessary for the purpose of making repairs or improvements to its system, shall have the right to temporarily suspend the delivery of water, but in all such cases, a reasonable notice thereof as circumstances will permit, will be given to the consumer and the making of such repairs or improvements will be prosecuted as rapidly as may be practicable, at such times as will cause the least inconvenience to the consumer.
- E. In case of a shortage of supply, the Corporation reserves the right to restrict water use or give preference in the matter of furnishing service to

consumers and interests of the corporation, from the standpoint of public convenience or necessity. Water will be furnished only for ordinary domestic, community purposes. No water will be furnished for operation of steam boilers or machinery, and the Corporation will not assume any responsibility for any unauthorized operation thereof.

Section 11: Meters

- A. The Corporation may own, install and maintain all necessary meters for measuring the water service used by the consumer and from time to time will inspect and test such meters. Each Meter shall have a shutoff valve installed on the Corporation side of the Meter and a second shutoff valve shall be installed on the Property Owner (Water User) side of the Meter. All valves, pipeline and devices installed that precede the Meter shall be the property and responsibility of the Corporation. All valves, pipes, backflow devices and other features beyond the Meter are the responsibility of the Property Owner or their designee.
- B. In the event that the Corporation should ever change from a Flat Rate Water Service Billing, the Corporation" will establish and maintain an accurate account in its books of the reading of all Water Service Meters as a record of water consumed. Should the Corporation decide to modify its Water Service Billing from a Flat Rate and add a consumption rate the provisions of paragraphs C through I will serve as guidance in that rate adjustment process.
- C. Should any meter fail to register correctly the use of that part of the water service which said meter should properly register, said service shall be estimated by the Corporation in sum equal to an average of three prior months consumption.
- D. Upon written request, the Corporation will test any consumer's meter, and where circumstances require, adjust for wrong charges not to exceed a prior six-month period. A charge of \$2.00 will be made to the consumer for the meter test.

- E. All meters will be tested before installation, and no meter will be placed in service or allowed to remain in service which is known to have an error in registration in excess of two (2) percent under conditions of normal operation.
- F. Meters will be read at a frequency as determined by the Board and said frequency may be changed at the Board's discretion.
- G. The location of the meter or meters used in measuring the consumer's use of water must be in a place satisfactory to the Corporation's representative before service will be supplied. The meter will be installed outside of buildings.
- H. No rent or other charge whatsoever shall be made by consumer against the corporation for placing or maintaining meters upon consumer's premises.
- I. As a further consideration for the consumer's use of water from the Corporation, the consumer grants the Corporation, its representatives, employees, servants or agents the right to place a meter upon the premises of the consumer and the right of ingress and egress to said property for the purpose of reading the meter, the repair, maintenance and inspection of the meter and the associated water line, and the inspection of the plumbing on the consumer's premises.
- J. If a meter under-registers the amount of water used, due to tampering with the meter, or piping, or in any other way causing under-registration, the service may be discontinued, and will not be reconnected until the consumer has made adjustment for the loss of revenue and damage to equipment.

Section 12: Service Line Connections by Corporation

Laying pipes for water distribution and service connection to the mainline shall only be performed by the Corporation or its contractor. It shall be unlawful for any person, firm or entity to lay or construct any such service pipe, or make any connection whatever to the mainline.

Section 13: Consumer Lines

Pipes from the meter to the premises must be installed in accordance with the laws and regulations of Lane County, State of Oregon, and Federal Agencies. The size of consumer lines shall not be less than ½ inch I.D. and be of galvanized iron or equal quality. Pipe must be laid no less than 18 inches deep and provided with stop and waste for drainage, and all stand pipes or fittings of any kind must be so located, anchored and installed as not to interfere with or endanger the meter. All pipes should be well protected from freezing. Before pipe is covered the Corporation should be notified that connection with the meter is desired, and after this connection is made by the Corporation the user should see that all joints between the meter and the premises are tight. The user will be held responsible for any losses occurring between the meter and the premises from leaks, freezing, or otherwise. Should the consumer not be able to connect with the Corporation Service Line and lay his water line 18 inches or more in depth, the Board of Directors will determine the depth for the consumer's line together with any additional conditions.

Section 14: Plumbing Inspection

Water will not be furnished to premises where the plumbing is defective. Plumbing should be of high test and first class. The Corporation will not be responsible for damage from a reasonable varying pressure. The Corporation must be permitted to inspect all pipe and plumbing as deemed necessary to protect the quality and quantity of water.

Section 15: New Mains and Service Lines

Mains and service lines laid beyond the Corporation's existing system must be installed at the consumer's expense for all labor and material.

Section 16: Suspension of Rules

The service manager is not authorized to suspend any of the foregoing rules and provisions.

Section 17: Amendments - Special Rules

The Board may, at any time, subject to Public Notice and Hearing amend, change or modify any of the foregoing rules and regulations, and may adopt such additional or special rules as it determines necessary.

Section 18: Extension of Existing Facilities

- A. Extension of existing facilities shall be defined as any installation, replacement, or extension of any water main or service connection, regardless of the length or diameter of the pipe.
- B. Installation of mains serving more than one consumer, or potentially more than one consumer, shall be installed by a Licensed and Bonded Contractor satisfactory to the Board and in conformance with plans and specifications approved by the Board.
- C. The Corporation will maintain the extended lines and will have jurisdiction over their use, such as connections to , extensions of , and withdrawal of service from those extended lines for violations of the Rules and Regulations stated herein.
- D. Initial financing for the extended main lines shall be the responsibility of the benefitted parties. Service connections and repairs will be coordinated and installed by the Corporation.

SCHEDULE A

SERVICE CONNECTION CHARGES

<u>Size of Meter</u>	<u>Connection Fee</u>
3/4 inch	\$600.00

In addition to the above stated connection fee and additional charge will be made for service wherein the service pipe diameter is larger than the meter size and such additional charge shall be based upon the actual cost of additional materials and installation plus ten (10) percent.

SCHEDULE B

MONTHLY SERVICE CHARGE

Monthly Base Rate -\$40.00 -