

ARTICLE IX Distribution of Water

Section 1. Duties of Member and Association.

Subject to provision of agreements with developers, the Association shall maintain, operate, own and control the main distribution pipe line or lines and laterals, all cut-off valves and all meters and service lines from the main line to the property line of a member, from which point the member shall, at his/her expense, install and maintain the service line to his dwelling or other place of use. The Association shall own the meter on the shareholder's property and shall have the right to enter thereon for the purposes related to the meter. Before connection with the main line, the member shall first obtain a permit to tap and said main line and pay a connection fee therefore as fixed by the Board of Directors.

[Bylaws, March 4, 1995]

The Association shall obtain proof of title, free and clear of all encumbrances, prior to the purchase or acceptance of any water rights.

[Amendment to Bylaws, February 3, 2015]

Section 2. Water Use.

No water shall be transported or transferred from the lot or property which has water meter service.

[Bylaws, March 4, 1995]

Section 3 Water Shortage.

In the event the total supply of water is insufficient to supply all the service connections with the distribution line for all purposes, the Association shall supply the domestic needs of all connections before any water is delivered for livestock and garden purposes, and shall supply the domestic and livestock needs of all connections before any water is delivered for garden purposes. The violation by any member of any regulation or order of the Board of Directors to enforce the provision shall subject such member to the discontinuance of water for any purpose and such additional penalties, monetary or otherwise, as may be established by the Board.

[Bylaws, March 4, 1995]

Section 4. Seasonal Water Use.

~~Since water use varies widely depending upon season, to more prudently use our available supply, the water not used in the "off" months may be committed to additional shares. To determine the number of additional shares to be sold, the Board of Directors will reserve 392,000 gallons of water per year per shareholder. This figure includes a reserve to support fire fighting, leakage, and other obligations. Shares representing the difference between the Association's available water supply and the amount reserved for the shareholders and reasonable reserve may be sold at the rate of not to exceed 10 shares per year to gradually approach the maximum reasonable water use.~~

Section 4. Seasonal Water Use.

To determine the number additional connections the Association can serve, the Board of Directors shall ascertain the rolling average water use per active connection for each of the last five viable years. The total water rights of the Association shall then be divided by the five-year rolling average per connection to determine the maximum number of connections that may be supplied by the existing water rights. Any year in which water was rationed because of a water shortage shall not be a viable year for purposes of calculating the rolling average. If the five-year rolling average is less than .85 acre feet per connection, the Association shall use .85 acre feet to determine the maximum connections authorized. To ensure reasonable water use management, the maximum number of new connections in one calendar year shall not exceed 50% of the surplus connections.

[Amendment to Bylaws, January 21, 2010]

Section 5. New Developments.

New developments of property that desire to receive water service shall comply with all requirements of the Association before connecting to the Association's water pipelines. The Association's requirements shall include, but not be limited to, the following:

1. Developers shall provide the Association both sufficient water rights and a sufficient water source before connecting to the Association's water system. Examples of a water source are a new well or contract water from the Washington County Water Conservancy District or other supplier. Notwithstanding, the Board may grant a waiver to developments of property of three lots or less, provided such lots are not a part, or a phase, of a larger development.
2. Developers shall be responsible for constructing and installing all pipelines, valves, and other infrastructure necessary for the delivery of water from the point where the developer's pipeline connects to the Association's water system to the point of delivery of the new uses. Developers may not connect to the Association's system until the requirement of Article IX, Section 1, are met, the new infrastructure is completed, and the infrastructure is inspected and accepted by the Association's engineer or manager.
3. Developers applying for water service may request that the Association directly procure sufficient water rights and water source for development. The Association may accede to such request where it has sufficient surplus connections or the means to obtain additional water rights and source for such connections. Developers shall be responsible to the Association for its costs in procuring water rights and source on their behalf, and shall deposit funds with the Association to cover such costs before they are incurred.

[Amendment to Bylaws, January 21, 2010]

4. Developers shall be responsible to provide documentation of proof of title, free and clear of all encumbrances, of all water rights they intend to sell or otherwise transfer by warranty, bonding, or other guarantee deed to the Association. Quit Claim deeds are not

accepted. The documentation shall include, but not be limited to, base water rights and segregated water rights, as appropriate. Developers shall be responsible for fees and costs incurred by the Association for review by legal counsel to verify said information, and shall deposit funds with the Association to cover such costs before they are incurred.

[Amendment to Bylaws February 3, 2015]