

FOREST LAKES DOMESTIC WATER IMPROVEMENT DISTRICT

RULES AND REGULATIONS

INDEX

Article I Definitions; Defined Terms

Article II Business Address and Meeting Place

Section 1 Principal Office
Section 2 Meetings

Article III Board of Directors and Officers

Section 1 Board of Directors
Section 2 Terms of Office
Section 3 Qualifications of Directors
Section 4 Officers of the Board of Directors
Section 5 Vacancies

Article IV Voting Qualifications

Article V Modifications to the Rules and Regulations

Article VI Committees

Article VII Duties, Functions and Authorities of the Board of Directors

Section 1 General Duties and Functions of the Board of Directors
Section 2 Purchases of Equipment, Materials and Services; Competitive Bidding
Section 3 Other Authorities

Article VIII General Conditions Governing Water Connections and Use

Section 1 Authorized and Unauthorized Water Service Connections
Section 2 Approval or Rejection of an Application for Service
Section 3 Access to Premises
Section 4 Construction Specifications
Section 5 Applications for Service and Construction Specifications for Housing
 Developments and/or Multi-Family Residences
Section 6 Complaints
Section 7 Active and Inactive Use of Authorized Water Service Connections

**Article IX Water District's Responsibilities and Liabilities,
 Water District Members Responsibilities**

Section 1 Water District's Responsibilities and Liabilities

Section 2 Water District Member’s Responsibilities

Article X Fees and Charges, Accounting and Reporting

Section 1 Water Rates
Section 2 Accounts
Section 3 Billing and Collecting
Section 4 Change of Occupancy

Article XI Easements

Article XII General Provisions

Article XIII Miscellaneous Terms and Conditions

Section 1 Recording of Rules and Regulations
Section 2 Enforcement of Rules and Regulations
Section 3 Items Not Covered by Rules and Regulations

Article XIV Backflow Prevention and Cross-Connection Control Program Policy Statement

Appendix A

FOREST LAKES DOMESTIC WATER IMPROVEMENT DISTRICT

RULES AND REGULATIONS

THESE RULES AND REGULATIONS of the Forest Lakes Domestic Water Improvement District are effective as of the 19th day of December, 2008, as approved and authorized by the Board of Directors in Resolution No. 08-12--01 dated December 19, 2008.

ARTICLE I

DEFINITIONS; DEFINED TERMS

Section 1. The following defined terms are used in these Rules and Regulations and shall have the meanings assigned to them where referenced:

- A. Active Account.** Any billing account maintained by the Water District for a Water District Member that is currently paid up to date.
- B. Authorized Water Service Connection.** The Water District's water lines and water delivery system to a Parcel that is constructed in compliance with these Rules and Regulations and for which an application for service has been approved. The Authorized Water Service Connection includes water delivery service and the pipes, valves and other equipment and installations required for such water delivery service.
- C. Board of Directors.** The Board of Directors shall have the meaning assigned to it in Article III, Section 1.
- D. Critical Water Condition.** A Critical Water Condition shall be determined by the Water Utility Operations Manager and shall include, but not be limited to, water supply conditions affected by drought, high fire threat and demand greater than the Water District's water production capability, and shall result in the water use restrictions set forth in Appendix A attached hereto and made a part hereof for all purposes.

- E. Developer.** Any person or entity who proposes to develop property within the Water District for any purpose in a density greater than one dwelling unit per existing Parcel.
- F. Director(s).** A duly qualified and elected member of the Board of Directors.
- G. In-Active Account.** Any billing account maintained by the Water District for a Water District Member which is delinquent for more than 90 days, has not had service for 150 days, or has not been a part of the Water District's records since January 1, 1993.
- H. Parcel.** A Parcel shall include real property that is annexed into the Water District and shall be determined according to the most recent Water District tax role, updated per the Coconino County assessor's office each calendar year, and shall include any developed or undeveloped subdivided lot or lots within the district boundaries of Forest Lakes.
- I. Rate Schedule.** All rates, charges and fees established by the Water District and more particularly described in Article X of these Rules and Regulations.
- J. Special Approved Water Connection Permit.** A Special Approved Water Connection Permit is the same as an Authorized Water Service Connection, except it is issued to a Developer and may include special design plans and construction requirements for water delivery.
- K. The Water District.** The Forest Lakes Domestic Water Improvement District, a domestic improvement district.
- L. Unauthorized Water Service Connection.** Any connection to Water District lines for which (1) the Water District has not approved an application for service and (2) for which no record of account exists in the Water District's records.
- M. Unit.** A single apartment, condominium, or suite on a Parcel containing multiple apartments, condominiums, or suites.
- N. Water District Member(s).** A Parcel Owner or, in the case of a parcel with multiple dwelling units, an owner of a dwelling unit who has an Authorized Water Service

Connection is automatically a member of the Water District and is qualified to vote in Water District elections.

ARTICLE II

BUSINESS ADDRESS AND MEETING PLACE

Section 1. Principal Office. The principal office for the transaction of business of the Water District is hereby fixed and located at Lot #4 Merzville Road in Forest Lakes Estates, Arizona, with a mailing address of Forest Lakes D.W.I.D., P. O. Box 1776, Forest Lakes, AZ 85931.

Section 2. Meetings. The place of meetings will be determined by the Board of Directors. Meetings will be held within the boundaries of the Water District. Notice of meetings and agendas will be posted at the Water District office, the Forest Lakes Post Office and the Forest Lakes Fire Station at least 24 hours prior to the meeting.

ARTICLE III

BOARD OF DIRECTORS AND OFFICERS

Section 1. Board of Directors. The Board of Directors shall consist of five members. The initial Board of Directors was appointed by the Coconino County Board of Supervisors.

Section 2. Terms of Office. The normal term of office for each member of the Board of Directors ("Director" or "Directors," as the case may be) shall be four years. Each Director shall be elected at the general statewide election on the first Tuesday after the first Monday in November of even-numbered years.

A. Term of office for the elected Directors shall begin on January, following the November election.

B. Directors shall serve without compensation but may be reimbursed for actual expenses incurred.

Section 3. Qualifications of Directors. Each Director shall be qualified to vote in District matters, as set forth in Article IV of these Rules and Regulations.

Section 4. Officers of the Board of Directors. The officers shall be appointed by the Board of Directors and shall consist of a Chairman, Vice-Chairman, Secretary, Treasurer and Member-at-Large. A Director may hold more than one position at a time, except that the Secretary and Treasurer positions shall not be held by the same person at the same time.

Section 5. Vacancies. Vacancies on the Board of Directors caused by any event other than the termination of the normal four-year term, shall be filled by appointment by the Board of Directors. The new Director will complete the remaining term of the vacated position. In the event that such vacancy results in the loss of an officer, the Board of Directors shall appoint a new officer to complete the remaining term of the vacated officer position.

ARTICLE IV

VOTING QUALIFICATIONS

All Water District Members shall have the right to vote in Water District elections including, but not limited to, elections of the Board of Directors and such other matters subject to public vote as set forth in the Arizona Revised Statutes and these Rules and Regulations. Pursuant to A.R.S. §48-1012(F), any natural person who is a qualified elector of the State of Arizona and a real property owner within the Water District is eligible to vote in a Water District election without regard to that person's residency.

ARTICLE V

MODIFICATIONS TO THE RULES AND REGULATIONS

These Rules and Regulations and all amendments thereto must be adopted by majority vote of the Board of Directors, and any changes or amendments to these Rules and Regulations shall be set forth in the meeting minutes and a resolution of the Board of Directors.

ARTICLE VI

COMMITTEES

The Board of Directors may from time to time appoint such committees as the Board of Directors may deem advisable, and such committees shall have such authority and shall perform such duties as may be prescribed by the Board of Directors. Members of such committees shall serve until completion of their duties and dismissal by the Board of Directors. The Board of Directors may dissolve such committees at any time by a majority vote.

ARTICLE VII

GENERAL DUTIE, FUNCTIONS AND AUTHORITIES OF THE BOARD OF DIRECTORS

Section 1. General Duties and Functions of the Board of Directors. It shall be the duty of the Board of Directors to control and manage all matters pertaining to the water system of the Water District in conformity with these Rules and Regulations and all applicable Federal, state, county and local laws. The Board of Directors shall have general supervision over the Water District's water system, all real and personal property connected with the Water District's physical infrastructure, including but not limited to pipelines, pumps, valves, storage tanks, wells and all other physical attributes of the water system, buildings and office equipment used by the Water District, motor vehicles used by Water District employees, and such other physical and material items that are used in the daily management and operation of the water system. In addition to the foregoing, the Board of Directors shall have general supervision over all employees and agents of the Water District, and shall have the authority to enter into contracts with suppliers, insurance carriers, general contractors, laborers, legal counsel, and any other third parties who the Board of Directors deems necessary for the continued operation and benefit of the Water District.

Section 2. Purchases of Equipment, Materials and Services; Competitive Bidding. The Board of Directors shall have the authority to purchase equipment, materials and services that are necessary for the operation and maintenance of the Water District and its water system. All such purchases of equipment, materials and services made by the Water District, having an estimated cost in excess of **\$50,000.00** per transaction shall be based on competitive bids **per ARS 41-2535**. This requirement shall not apply to contracts for professional services.

Section 3. Other Authorities. In addition to the functions and duties listed in Sections 1 and 2 of this Article VII, the Board of Directors shall have the authority to establish or amend the Rate Schedule, to establish construction specifications for Authorized Water Service Connections, and to

perform or establish such other duties, functions, rules, regulations or other matters specifically authorized in these Rules and Regulations and in the Arizona Revised Statutes.

ARTICLE VIII

GENERAL CONDITIONS GOVERNING WATER CONNECTIONS AND USE

Section 1. Authorized and Unauthorized Water Service Connections.

A. Upon approval of an application for service and compliance with the construction specifications set forth in this Article, the Water District will provide a water service connection to the corner of each Parcel within the Water District (such service, together with the pipes, valves and other equipment and installations required for water delivery service, hereinafter referred to as an "Authorized Water Service Connection"). A Parcel shall be determined according to the most recent Water District tax role, updated **per the Coconino County assessor's office** each calendar year, and shall include any developed or undeveloped subdivided lot or lots within the district boundaries of Forest Lakes Estates. Any property owner desiring to have property annexed into the Water District shall comply with all applicable rules and regulations, and shall pay all fees and costs established by the Water District. At such time as a Parcel is annexed into the Water District, the Parcel owner shall become a Water District Member and shall have the voting privileges of a Water District Member.

B. It shall be unlawful for any person or entity to hook-up to the water line or lines of any portion of the District's water system unless and until the Water District has approved the application for service submitted by said person or entity.

C. An Authorized Water Service Connection shall be considered a new water service connection when said service has not been part of the Water District records for previous years; i.e. from January 1, 1993 to present, and shall be subject to any connection fees or Turn On or Turn Off Fees set forth authorized by these Rules and Regulations.

D. An Unauthorized Water Service Connection (herein so called) is any connection to Water District lines for which (1) the Water District has not approved an application for service and (2) for which no record of account exists in the Water District's records. A Parcel owner may dispute an Unauthorized

Water Service Connection by providing proof of prior Authorized Water Service Connection or authorized hook-up.

Section 2. Approval or Rejection of an Application for Service.

A. A Parcel or Unit owner shall make application for service, in person or by first-class mail, to the Water District at its office, and at that time pay all required fees. All connections to the Water District's water system shall be made pursuant to any rules, regulations or resolutions pertaining to the payment of connection fees. Further, all connections shall be made in compliance with any specifications adopted by the Water District and the Uniform Plumbing Code and subject to inspection by the Water District, its agents or assigns, at the time of connection.

B. The Water District's approval of an application for service shall not be unreasonably withheld or delayed and upon approval of an application for service, the Water District and the applicant shall cooperate with one another in constructing an Authorized Water Service Connection. Upon approval of an application for service, (1) the Parcel receiving an Authorized Water Service Connection shall be annexed into the Water District if necessary and shall be subject to all fees and assessments lawfully imposed by the Water District; (2) the construction specifications described in Section 4 of this Article VIII must be complied with before water service is turned on and the Water District's authorized employees or agents shall have the right to enter the Parcel pursuant to Section 3 of this Article VIII for purposes of verifying compliance with said construction specifications; (3) the Parcel owner shall become a Water District Member and shall have all voting privileges, rights and duties of a Water District Member; and (4) the Parcel owner will be provided with a copy of these Rules and Regulations upon request.

C. The Water District may reject any application for service if there is a Delinquent Account or any unpaid service fees or assessments associated with the Parcel or associated with the person or entity making the application for service.

Section 3. Access to Premises. Duly authorized employees or agents of the Water District shall have access at all reasonable hours to the Parcel for the purpose of installing or removing the Water District's property, inspecting piping, or for any other purpose in connection with the Water District's service and facilities.

Section 4. Construction Specifications.

A. All mains and distribution lines to be constructed by either the Water District or a Water District Member shall comply with and conform to the Uniform Plumbing Code in effect at the time of construction. The Maricopa Association of Governments UNIFORM STANDARD DETAILS FOR PUBLIC WORKS CONSTRUCTION will also be used as a guideline for certain construction.

B. All Water District Member's new or replacement Authorized Water Service Connections must be installed according to Arizona Department of Water Quality ("ADEQ") specifications. **All Water District Members must install a control valve** within six (6) to ten (10) feet of the Water District valve at the time of **replacement, new installation or modification of an Authorized Water Service Connection. An existing Authorized Water Service Connection must be upgraded to include a control valve at such time as a replacement or modification is made to the Authorized Water Service Connection.**

C. Water meters shall be installed on all Parcels having Authorized Water Service Connections. Said meters will be installed on the Water District's service line at said Parcels and, when practicable, located within the public right-of-way. All water meters will be installed under supervision of the Water District and shall be owned and maintained by the Water District.

D. All underground electrical service in conjunction with water lines shall be installed according to the Coconino County building codes.

Section 5. Applications for Service and Construction Specifications for Housing Developments and/or Multi-Family Residences. In additions to Sections 1, 2, 3, 4, 6 and 7 of this Article VIII, the following terms and conditions shall apply to housing developments and multi-family residences:

A. Any person or entity (a "Developer") who proposes to develop a Parcel for any purpose in a density greater than one dwelling unit per existing subdivided lot shall submit preliminary plans of the proposed improvement for review by the Board of Directors. Said plans shall include the location of the property and a schedule of the amount and kind of dwelling units, if any, and the number of water lines and their respective sizes to be constructed in the proposed development. Such proposed development is subject to all applicable State, County and local rules and regulations including but not

limited to applicable zoning regulations. If the Board of Directors determines that the development will utilize water in the excess of the design capacity of the water lines adjacent to the proposed development or that it will require a disproportionate percentage of the remaining capacity of the water line at the point where the development will connect to these lines, the Developer shall pay the Water District the cost of additional water line capacity or, with the Water District's approval, shall construct at Developer's own cost and expense, a new water line that shall connect to the Water District's system at a point where the system has the design capacity to handle the additional demand attributable to the proposed development. Payment for any additional water lines or other equipment required to meet excess capacity shall be made by the Developer at the time when the Water District approves the Developer's application for service and issues a Special Approved Water Connection Permit. To determine whether the Developer must pay for additional line capacity, the Board of Directors may consider the following factors:

1. The amount of water utilized by the proposed development.
2. The capacity of the Water District's water lines at the point of connection.
3. The existence of other property which may potentially connect into the water lines and the potential water demand if that property were developed.
4. The most reasonable and economic method for the Water District to manage water flows with respect to the actual connections and potential connections of the other property in the vicinity of the proposed development.

B. Any Water District Member or Developer desiring to increase the number of dwelling units or proposing to change the use of a Parcel which was previously granted a Special Approved Water Connection Permit or an Authorized Water Service Connection shall provide the Board of Directors with the following information:

1. The size and location of the parcel of property owned;
2. The number of equivalent dwelling units;
3. The proposed changes;
4. Preliminary and final plans for the development of the Property; and
5. Such other information as may be reasonably requested by the Board of Directors.

In accordance with Subsection 5.A. of this Article VIII, the Board of Directors shall calculate the cost of additional water line capacity and such other costs and expenses associated with the increase in dwelling units or change in use and the District Member or Developer shall pay the Water District such costs and

expenses as a condition of receiving a Special Approved Water Connection Permit and/or a condition for the continued use of an existing Special Approved Water Connection Permit or Authorized Water Service Connection.

Section 6. Complaints. Complaints must be filed at the Water District office by setting forth the complaint in an approved form or written statement by the District Member (or the District Member's authorized representative or agent). The complaint shall be answered by the Water District or its authorized representatives, including its legal counsel, as soon as possible within a maximum of sixty-five (65) days from the Water District's **receipt** of the complaint. Copies of complaints will be maintained at the Water District office.

Section 7. Active and Inactive Use of Authorized Water Service Connections. A Special Approved Water Connection Permit that has been approved, paid for, and constructed as provided in this Article VIII shall be considered an Authorized Water Service Connection. In accordance with Article X of these Rules and Regulations, a billing account shall be created for each Authorized Water Service Connection and it shall be the District Member's responsibility to pay all fees and expenses billed by the Water District for water service. A water service connection shall remain an Authorized Water Service Connection in the event that water service has been turned off due to repair, the non-use or other situations described in Article X of these Rules and Regulations.

ARTICLE IX

THE WATER DISTRICT'S RESPONSIBILITIES AND LIABILITIES; WATER DISTRICT MEMBERS' RESPONSIBILITIES AND LIABILITIES

Section 1. Water District Responsibilities and Liabilities.

A. The Water District does not assume the responsibility of inspecting a Water District Member's piping or apparatus and will not be responsible for any problem or damage due to improper installation or maintenance of piping or apparatus.

B. The Water District reserves the right to refuse service unless the Water District Member's lines or piping are installed in such a manner as to prevent cross connections or backflow for commercial

lots as more particularly set forth in the CROSS-CONNECTION CONTROL PROGRAM described in Article XIV of these Rules and Regulations.

C. The Water District will attempt to notify the Water District Member of any anticipated interruption of service if time permits, with the exception being emergency repairs.

D. The Water District shall not be responsible for the negligence or intentional acts of third persons or forces beyond the control of the Water District resulting in any interruption of service. The Water District shall not be liable for any failure to perform its obligations where such failure is as a result of Acts of Nature (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalization, government sanction, blockage, embargo, labor dispute, strike, lockout or interruption or failure of electricity or any other act beyond its control.

Section 2. Water District Members' Responsibilities and Liabilities.

A. Piping on the Water District Member's Parcel must be so arranged that the connections are conveniently located with respect to the Water District's lines or main and shall comply with (1) the construction specifications set forth in Article VIII of these Rules and Regulations. Commercial lots require BACKFLOW PREVENTION AND CROSS-CONNECTION CONTROL PROGRAM described in Article XIV of these Rules and Regulations.

B. If the Water District Member's piping is so arranged that the Water District be called upon to provide extra services, each additional service to the Water District Member's property will be considered as a separate and individual account.

C. The Water District Member's piping and apparatus shall be installed and maintained by the Water District Member, at the Water District Member's sole cost and expense, in a safe and efficient manner and in accordance with these Rules and Regulations and in full compliance with the regulations of the State Department of Health and the Uniform Plumbing Code.

D. The Water District Member shall safeguard the Water District's property placed on the Water District Member's Parcel or Unit and premises and shall permit access to it by the authorized representatives of the Water District.

E. In the event that any loss or damage to the property of the Water District or any accident or injury to persons or property is caused by or results from the negligence or wrongful act of the Water District Member, its agents, employees, guests, tenants, or other representatives, the cost of necessary repairs or replacements shall be paid by the Water District Member to the Water District and any liability otherwise resulting shall be assumed by the Water District Member.

F. Water furnished by the Water District shall be limited to use by the Water District Member and members of its household, guests, tenants and employees located only on the Parcel having an Authorized Water Service Connection. The Water District Member shall not sell or supply water to any other person or entity or permit any other person or entity to use the water supplied by the Water District outside of the boundaries of the Parcel except with written permission of the Water District.

H. During a Critical Water Condition, as determined by the Operations Manager for the Water District or other appropriate governmental authority, the Water District Member shall use water only for those purposes specified for the water restriction levels set forth in Appendix A which is attached hereto and made a part of these Rules and Regulations. A Critical Water Condition shall include, but not be limited to, water supply conditions affected by drought, high fire threat and demand greater than the Water District's water production capability. The Water District shall have the authority to determine the appropriate water restriction level as set forth in Appendix A. In the event of a Critical Water Condition, the Water District shall provide reasonable notice of said Critical Water Condition by posting signs in conspicuous places. It is the responsibility of all Water District Members to be aware of local water conditions and to make reasonable inquiries regarding water restrictions. Disregard for this rule by the Water District Member, its guests, tenants, employees or other authorized parties shall be sufficient cause for the Water District's refusal or discontinuance of service to the Parcel.

I. The Water District may discontinue its service without notice for the following additional Reasons:

1. To prevent fraud or abuse.
2. The willful disregard of or refusal to comply with these Rules and Regulations (or such rules as may be adopted by the Board of Directors) by the Water District Member, its guests, tenants, employees or other authorized parties.
3. Emergency repairs.
4. Insufficient water due to circumstances beyond the Water District's control.
5. Legal processes.
6. Direction of public authorities.
7. Strike, riot, fire, floods, accident or any unavoidable cause.
8. Unauthorized turn-ons.
9. The Water District may suspend the service of, or refuse service to, any Water District Member, its guests, tenants, employees or other authorized parties, who tamper with the property of the Water District.

I. Any water leaks should be reported by the Water District Member, its guests, tenants, employees or other authorized agents, to the Water District immediately.

ARTICLE X

FEES AND CHARGES; ACCOUNTING AND REPORTING

Section 1. Water Rates.

A. All rates, charges and fees shall be provided in the Rate Schedule (herein so called) established by the Water District. The most current version of the Rate Schedule shall be available at the Water District office for inspection by the Water District Members. Rates, charges and fees shall include, but not be limited to, the following:

- 1. Turn-On/Turn-Off Fee** –Turn-On/Turn-off fees apply to requests made in writing by the Water District Member currently using water, to turn-on or turn-off the District valve for non-emergency reasons. The Turn-On/Turn-Off fees will also be charged when an account is turned-off for non-payment.

2. **Late Fee** – Outstanding balances on all Delinquent Accounts shall be charged interest at the rate prescribed in ARS § 48-910(G). This late fee shall be in addition to all other applicable fees.

B. Rate Increases. The Board of Directors shall have the authority to adjust the Rate Schedule. Public notice of a proposed rate increase shall be given as provided in A.R.S. §48-910 and amendments thereto.

C. The Board of Directors shall have the authority to establish special water rates for all Coconino County government entities (i.e. Fire Department) who wish to use the Water District's water.

D. The Water District may sell water, if there is an adequate supply in storage, to commercial contractors, the Forest Service, or any other person or entity who desires to buy surplus water from the Water District at such rates or purchase prices determined by the Board of Directors.

Section 2. Accounts. For purposes of its accounting and reporting requirements, the Water District shall establish the following types of billing accounts:

1. **Active Account** – Any account the Water District has of record of that is currently paid up to date.
2. **In-Active Account** – Any account that is delinquent for more than 90 days, has not had service for 150 days, or has not been a part of our records since January 1, 1993.

3. Delinquent Accounts - Delinquent accounts are those who have not made a payment to bring the account current, during the last 60 days. The service for this account will be turned off and not turned on until the account is paid in full, including any and all fees associated with the turn off or turn on. After being delinquent for 75 days, at the discretion of the Manager or the Board, the account may be subject to legal action, including but not limited to recording of a notice of lien against the property. The lien amount may include attorney's fees and costs incurred by the District in preparing and recording the notice of lien. The lien shall also incur interest, as set forth in A.R.S. section 44-1201. Upon payment in full including all fees and costs, to the District office, a release of lien shall be filed with the County Recorder. Manager can work a term agreement with parcel owner on the rears owed to FLDWID.

Section 3. Billing and Collecting.

A. Bills will be rendered **monthly** and mailed to each Water District Member's designated billing address. The Water District may, at the Board of Directors' instructions and discretion, vary the dates or lengths of the billing period.

B. Bills for water use will be computed in accordance with the Water District's authorized Rate Schedule.

C. Charge for service commences when the Authorized Water Service Connection is made, whether water is used or not.

D. A Water District Member may instruct the Water District, in writing and by providing the proper billing address, to bill the Water District Member's guests, tenants, employees or other authorized parties occupying a Parcel for Water District bills; however, in the event that a guest, tenant, employee or other authorized representative of a Water District Member fails to pay a Water District bill, then the Water District Member shall be responsible for payment of the bill.

E. Bills, including all applicable fees and state sales tax are due twenty-five (25) days after the **billing** date. Bills will be considered delinquent one (**1**) calendar day after due date. After the delinquent date, the Water District may, upon **fifty-five (55)** calendar days **after the billing date**, discontinue service to the Water District Member whose bill is delinquent.

F. Failure to receive bills or notices shall not prevent such bills from becoming delinquent nor relieve the Water District Member of its obligation to pay the bill or to comply with the terms and provisions of a notice.

G. If the Water District Member believes a bill to be in error, it shall present its claim in writing to the Water District before the bill becomes delinquent. Payment for a **bill is due twenty-five (25) days after the billing date, even if the bill is in dispute.**

H. The Water District may pass along to the Water District Members any fees or charges assessed to the Water District by any Federal, state, county entity or any businesses that the District does business with.

Section 4. Change of Occupancy.

A. Within 15 days of a change in Parcel ownership, the Water District Member shall provide the Water District with written notice to discontinue service and to indicate a change of **Parcel owner**. At such time as a Water District Member relinquishes title or ownership of a Parcel, then he or she shall no longer be a Water District Member and shall no longer have the voting privileges, duties or obligations of a Water District Member with respect to the Parcel so relinquished.

B. The Water District Member shall be responsible for all water charges associated with the Water District Member's Parcel up to the time of actual departure or the time specified for departure, whichever is the longest.

C. Nothing in this section shall prohibit the Water District from collecting amounts owed by any former Water District Member after the former Water District Member has relinquished title or ownership of a Parcel.

Section 5. Annex

A. A New Water District Member being annexed into Forest Lakes Estates will pay for all fees. (i.e.) permits through Coconino County, engineering, testing through ADEQ, material, labor, and any other cost.

ARTICLE XI

EASEMENTS

All property owners or Water District Members requesting to connect improvements on their Parcels to the Water District's water system or any Developer of more than one lot seeking a connection of a subdivision or other non-residential improvement to the water system shall grant to the Water District all easements required by the Water District to provide water service to, across or on the Parcel or property for which the connection is being sought. Any party not granting the required easement shall not be granted a connection by the Water District.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Variation from the terms and conditions of these Rules and Regulations shall be permitted only upon the verified application of an affected party to the Board of Directors of the Water District, setting forth the circumstances whereby the public interest requires such variation. The Water District may require an application for such variation to be presented in public hearing.

Section 2. If any section, paragraph, subdivision, sentence, clause or phrase of these Rules and Regulations shall for any reason be held illegal or unenforceable, such decision shall not affect the validity of the remaining portions of these Rules and Regulations.

Section 3. The statutes of the State of Arizona shall in all respects be considered superior to these Rules and Regulations, with any inconsistency resolved in favor of such statutes and with these Rules and Regulations to be deemed automatically amended to eliminate any inconsistency, which may exist.

ARTICLE XIII

MISCELLANEOUS TERMS AND CONDITIONS

Section 1. Recording of Rules and Regulations. Rules and Regulations adopted by the Board and any subsequent amendments shall be recorded with the Coconino County Recorder.

Section 2. Enforcement of Rules and Regulations. The District hereby authorizes its Attorney, Agents and Employees to take all steps as are necessary to enforce the Rules and Regulations.

Section 3. Items Not Covered by Rules and Regulations. Any incident that arises that is not covered by these Rules and Regulations will be researched and acted upon by the Water District and its Board of Directors within 90 days.

ARTICLE XIV

BACKFLOW PREVENTION AND CROSS-CONNECTION CONTROL PROGRAM FOR COMMERCIAL LOTS

Section 1. Policy Statement. The following operating policies were adopted as of the 21 day of January, 2016 pursuant to Arizona Administrative Code (AAC) Title 18, Chapter 4, Article 2, Section 215, hereinafter called R18-4-215.

Section 2. Purpose. The purpose of these operating policies is as follows:

- A.** To protect the public potable water supply of the Water District from the possibility of contamination or pollution by preventing the backflow of contaminants and pollutants into the public potable water supply system;
- B.** To promote the elimination or control of existing cross-connections, actual or potential, with a customer's internal potable water system, plumbing fixtures and industrial piping systems; and
- C.** To provide for a continuing program of cross-connection control which will prevent the contamination or pollution of the public potable water supply system.

Section 3. Responsibility of the Water District. The Water District shall be responsible for the protection of the public potable water distribution systems from contamination or pollution due to the backflow of contaminants or pollutants through the water service connection. If in the judgement of the Water District, an action on the part of a Water District Member is required for the safety of the water system, the Water District shall give notice in writing to said Water District Member to perform said action. Failure, refusal or inability on the part of the Water District Member to perform such required action in the time frame specified shall constitute grounds for discontinuing water service to the Parcel until such requirements have been satisfactorily met.

Section 4. Responsibility of the Water District Member. It is unlawful for any person, firm or corporation at any time to make or maintain or cause to be made or maintained, temporarily or permanently, for any period of time whatsoever, any cross-connection between plumbing pipes or water fixtures being serviced with water by the Water District and any other source of water supply or to maintain any sanitary fixture or other appurtenances or fixtures which, by reason of their construction may cause or allow backflow of water or other substances into the water supply system and/or the service of water pipes or fixtures of any consumer of the Water District.

Section 5. Compliance of the Water District Member as a Condition of Service. All Water District Members must be in compliance with the Water District's backflow prevention regulations as a condition of service. Some of the actions that Water District Members may be required to do, as a condition of service, may include, but are not limited to: the installation of approved backflow assembly(ies); the yearly testing and maintenance of such assembly(ies); the making of plumbing modifications, so as to eliminate actual or potential backflow possibilities; and/or the participation of some or all Water District Members in a Joint Responsibility Program. Failure, refusal or inability on the part of the Water District Member to perform such required actions in the time frame specified shall constitute grounds for discontinuing water service to the premises until such requirements have been satisfactorily met.

Section 6. Program Administrative Rules and Procedures.

A. The Water District will adopt rules and follow procedures so as to be in compliance with ADEQ requirements, and will make such changes in program rules and procedures from time to time so as to stay in compliance with revised ADEQ requirements.

B. The Standard Operating Procedures for the administration of the Water District's Backflow Prevention Device Inspections, Inc. Backflow Prevention and Cross-Connection Control Program Report dated August 15, 1994, or as outlined or revised by future additions or deletions to this document.

Section 7. Program Guideline Sources. The University of Southern California Foundation for Cross-Connection Control and Hydraulic Research (USC FCCHR) 9th Edition Manual, and definitions, recommendations and guidelines contained therein, are adopted by the Water District and its Board of Directors as the source of all policy statement program definitions, recommendations and guidelines except where superseded by direct ADEQ regulation or guideline policy statement. The Water District

may replace this 9th Edition Manual used for the above purposes, with later editions of this work, as they are published, provided this is not contrary to ADEQ regulation or guidance policy statement.

CERTIFICATION

We hereby certify that the foregoing Rules and Regulations were amended by the Board of Directors of the Forest Lakes Domestic Water Improvement District at a Regular Meeting on the 18TH day of January, 2018

_____	Chairman
_____	Vice-Chairman
_____	Secretary
_____	Treasurer
_____	Member-at-Large

APPENDIX A

Critical Water Conditions and Restriction Levels

Water Restriction Levels

1. Normal Usage

Normal water usage is permitted, however, reasonable and prudent conservation should be exercised.

2. No Outside Watering from 6:00AM to 6:00PM

A condition exists that requires temporary suspension of outside watering from 6:00 AM to 6:00PM to ensure that all residents and the Fire Department have sufficient water for normal use.

3. No Outside watering

All outside watering must be stopped during a specified time or until further notice. A more extreme condition exists that requires the elimination of outside watering for one or more days.

4. Emergency Conditions

All water delivery must be stopped. A condition exists that requires either all water production to be used for fire control, the water cannot be consumed due to contamination or all water producing capacity is out of order.

"No Outside Watering" Conditions

State Administrative Code R18-4-502 requires that water pressure of at least 20 pounds per square inch (psi) at ground level be maintained at all points in the system under all conditions.

The most common reasons for eliminating outside watering are the weather conditions during the spring that increase outside watering; pumping and distribution equipment failure, or increased threat of fire.

Signs will be posted in obvious places stating the watering status. It is the responsibility of all residents to be aware of the "No Outside Watering" Conditions. For example, if it is dry and a holiday weekend, all residents should check the watering status before turning on the outside water.

Consequences for Not Obeying Restrictions

During "No Outside Watering" conditions, the Water District staff will periodically patrol the community and respond to complaints of outside watering.

If a violation is encountered, the customer will be advised of the watering conditions and requested that the outside watering be turned off.

Non-compliance may result in the water being turned off at the District valve and fees may apply.

Note: The Forest Lakes Domestic Water Improvement District was established to provide water to everyone in the District and there are times when everyone must limit their demand to achieve a level of fair usage. In addition, everyone must remember that we live in a time of drought and should expect to react accordingly.

**FOREST LAKES
DOMESTIC WATER
IMPROVEMENT DISTRICT**

RULES AND REGULATIONS

Amended: January 17, 2019

