PORTER CREEK DOMESTIC WATER IMPROVEMENT DISTRICT NAVAJO COUNTY, ARIZONA

NOTICE OF HEARING ON WATER RATES

NOTICE is hereby given that, pursuant to Arizona Revised Statutes Section 48-910, the Board of Directors of the Porter Creek Domestic Water Improvement District, Navajo County, Arizona will hold a public hearing on the establishment of water rates for the District. The rates to be charged are as follows:

Base Fee:

Residential: \$\frac{12.02}{\text{Month/house or apartment unit.}}\$ \tag{MAf} + 3.50 impact fee}

Business: \$\frac{12.00}{\text{Month/business.}}\$ \tag{MAf} \tag{As of 4//e}

Water Use:

Residential: \$ 3.50 per 1,000 gallons. Business: \$ 3.50 per 1,000 gallons.

Security Deposit: \$ 100.00 for Renters. (Refundable)

New Service Fee: \$300.00 1/2" & 5/8" meters. \$100.00 If meter is already in place. Amended to \$25.00

Larger meters Price quote upon application.

Returned Check \$\frac{15.00}{10.00}\$ NFS Charge Amended to 25.00

Rereading meter: \$\frac{10.00}{10.00}\$ if original reading is correct.

The time and place of the hearing are as follows:

Time: January 16, 1991 at 7:00 p.m.

Place: Navapache Electric Coop

Crew Room

Lakeside, Arizona 85929

This notice shall be posted in three (3) places within the District, and sent to the Navajo County Board of Supervisors not less than ten (10) days prior to the hearing, and published two (2) times in a newspaper of general circulation in the County and within the District with the first publication not less than ten (10) days prior to the date of the hearing.

All property owners and water users within the District are invited to attend the hearing and participate in the establishment of the water rates. Any person expecting to object to the establishment of the proposed rates may, before the date set for the hearing, file objections with the Chairman of the Board of Directors at P.O. Box 1757, Pinetop, AZ 85935.

ADOPTED this 19th day of December, 1990.

PORTER CREEK DOMESTIC WATER IMPROVEMENT DISTRICT

By: /s/ Ed Pederson Chairman

ATTEST:

/s/ Allen Johnson

| RESULUTION NO. | RESOLUTION NO. | |
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PORTER CREEK DOMESTIC WATER IMPROVEMENT DISTRICT NAVAJO COUNTY, ARIZONA

RESOLUTION ADOPTING RULES AND REGULATIONS

WHEREAS, the Porter Creek Domestic Water Improvement District was formed pursuant to Arizona Revised Statutes Section 48-901 et seq. for the purpose of acquiring the assets of the Porter Creek Water Company; and

WHEREAS, the Porter Creek Domestic Water Improvement District is in the process of acquiring the assets of the Porter Creek Water Company; and

WHEREAS, the Porter Creek Domestic Water Improvement District is desirous of adopting and implementing Rules and Regulations governing water connections, guarantee deposits and use of the water provided by the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS THAT:

The District adopts the following Rules and Regulations governing the use of its water system and connections thereto:

RULES AND REGULATIONS

ARTICLE I

GENERAL CONDITIONS GOVERNING WATER CONNECTIONS, GUARANTEE DEPOSITS AND USE

Section 1. Functions of the Porter Creek Domestic Water Improvement District Board of Directors.

It shall be the duty of the Porter Creek Domestic Water Improvement District Board of Directors to control and manage all matters pertaining to the water system of the Porter Creek Domestic Water Improvement District in conformity with all applicable federal, state, county, and local laws, regulations included within this resolution, and any other resolutions of the Porter Creek Domestic Water Improvement District, Navajo County, Arizona. The Board shall have general supervision over the District's water system, all real and personal property connected with the water system, and the employees of the District.

Section 2. Conditions for connections made to District water system.

It shall be unlawful for any person to connect to the water line or lines of any portion of the District's water system unless the person has first made proper application to connect to the water system, has paid all fees required by the District to accompany the application and the application has been approved by the proper District authorities. All connections to the District shall be made pursuant to any rules, regulations or resolutions pertaining to the payment of connection fees. All connections shall be made in compliance with any specifications adopted by the District and the current edition of the Uniform Plumbing Code and subject to inspection by the District, its agents or assigns, at the time of connection. A water connection shall be deemed to have occurred when there has been a connection to a water line of the District or tributary line, regardless of the terminus of said connection.

Section 3. Consumer Applications for Service.

- A. The Consumer will make application for service, in person or by first-class mail to the District at its office, and at that time make a guarantee deposit.
- B. The District may reject any application for service when, and so long as, the applicant is delinquent in the payment of bills incurred for service previously supplied by the District at any location or under a previous name.

Section 4. Guarantee Deposits.

- A. A deposit not in excess of two months minimum charge may required of a property owner Consumer; however, the District may require the property owner Consumer to increase the deposit to twice the amount of any monthly bill rendered thereafter.
- B. The property owner in whose name the deposit is made shall be responsible for payment of all, bills incurred in connection with the service furnished. Only the property owner may apply for services in his own name.
- C. Renters will be charged a guarantee deposit as delineated in the District's authorized rates.
- D. When services are discontinued and all bills are paid, the deposit will be refunded.
- E. Where the District finds that the request for a refund of guarantee deposit is questionable, the District may require the applicant to produce the deposit receipt properly endorsed before giving a refund.
- F. Upon discontinuance of service for the non-payment of bills, the deposit will be applied by the District toward the settlement of the account, however, the District does not waive the right to exert any claim it may have for a delinquency against any person or customer.

Section 5. Installation of Meters.

A. The District requires a meter be installed at the property line, or at the District's option, on the Consumer's property or in a location mutually agreed upon. The parties shall agree to the location of the meter in writing. If the meter is to be located on the Consumer's property, the District retains the right to cross such property in order to service and read their meter.

Section 6. Access to Water System.

Only the District may tap the water main and set the meter. If a customer wishes to access the system, the necessary work to install and connect the meter shall be conducted by the District.

Section 7. Access to Premises.

A. Duly authorized agents of the District shall have access at all reasonable hours to the premises of the Consumer for the purpose of installing or removing the District's property, inspecting piping, or for any other purpose in connection with the District's service and facilities.

Section 8. Construction Specifications.

- A. All mains and distribution lines to be constructed shall comply with and conform to the Uniform Plumbing Code and all applicable rules and regulations of the Arizona Department of Environmental Quality in effect on the time of construction.
- B. All persons presently on the District water system and these wishing to connect to the water system must install a stop and waste valve on the service connection to their property and notify the District of its placement.

Section 9. Ownership and Maintenance of Water Meters.

A. The water meters required to be installed by authorized personnel of the Water District prior to connecting to the lines of the District are District owned water meters. The District will operate and maintain all said water meters.

ARTICLE II

FEES AND CHARGES, ACCOUNTING AND REPORTING

Section 1. Minimum Charge.

- A. The initial or minimum charge shall be provided in the rate schedule established by the District.
 - B. Excess water will be billed at the District's authorized rates.

C. If service is to be established at the same location for a Consumer who has ordered a service disconnection within the preceding twelve month period, or for any member of such Consumer's household, a non-refundable charge may be required as a precondition to the establishment of such service, such amount as set forth in the authorized water rates.

Section 2. Billing and Collecting.

- A. Bills will be rendered at least monthly; the District may, however, vary the dates or lengths of the billing period.
- B. Bills for water use will be computed in accordance with the District's authorized rate schedule.
- C. Charge for service commences when the connection is made, whether water is used or not.
- D. Bills are due when rendered and delinquent ten days thereafter. After the delinquent date, the District may, upon ten days notice, discontinue service to the customer whose bill is delinquent.
- E. Failure to receive bills or notices shall not prevent such bills from becoming delinquent nor relieve the Consumer of his obligations to pay such bills.
- F. If the Consumer believes his bill to be in error he shall present his claim to the District in writing before the bill becomes delinquent.
- G. Service is disconnected for delinquency of bills will be restored only after all due bills are paid in full, re-deposit made if required, and a service charge, as set forth in the authorized rate scheduled, paid for each service re-established.

Section 3. Change of Occupancy.

- A. Not less than three days notice must be given in writing, to the District, to discontinue service or to change occupancy.
- B. The outgoing party shall be responsible for all water consumed up to the time of actual departure or the time specified for departure, whichever is the longest.

Section 4. Connection Fees.

The connection fees to be paid by a Consumer for the initiation of a new service shall be as set forth in the Resolution Adopting Water Rates, adopted January 16, 1991, or as modified thereafter by the District. These charges may be charged by the District in the same manner as water rates pursuant to Arizona Revised Statutes.

Article II Section 2. continued

H. (After refering to Article II Section 2 "D"), the consumer shall be made aware of the consequences of non-payment. Any consumer of the water district whose bill is 10 days delinquent AND whose service has been discontinued, shall be notified in writing of the deliquency. After 60 days of non-payment by the delinquent, disconnected customer, a letter shall be mailed to the customer by certified mail stating that if payment is not received within 15 days, the customer's bill shall be sent to Pinetop/Lakeside Credit Bureau for collection, as per the minutes of the board meeting on September 16, 1992.

ARTICLE III

DISTRICT'S RESPONSIBILITIES AND LIABILITIES; CONSUMER RESPONSIBILITIES

Section 1. The District's Responsibilities and Liabilities.

- A. The District does not assume the responsibility of inspecting the Consumer's piping or apparatus and will not be responsible therefor.
- B. The District reserves the right to refuse service unless the Consumer's lines or piping are installed in such manner as to prevent cross connections or backflow.
- C. Under normal conditions, the Consumer will be notified of any anticipated interruption of service.
- D. The District shall not be responsible for negligence of third parsons or forces beyond the control of the District resulting in any interruption of service.
- Il make a service call to the Consumer's residence or place of business. There will be no charge to the Consumer for such a service call if the problem necessitating the service call is found to be the District's responsibility pursuant to these Rules and Regulations. There will be charge of \$______ added to the Consumer's next bill for such a service call if the problem necessitating the service call is found to be the Consumer's responsibility pursuant to these Rules and Regulations. The District will be solely responsible for determining whether a charge for a service call under this section is required.

Section 2. Consumer's Responsibilities.

- A. Piping on the Consumer's premises must be so arranged that the connections are conveniently located with respect to the District's lines or main.
- B. If the Consumer's piping on the Consumer's premises is so arranged that the District is called upon to provide extra services, each additional service to the Consumer's property will be considered as a separate and individual account.
- C. The Consumer's piping and apparatus shall be installed and maintained by the Consumer, at the Consumer's expense, in a safe and efficient manner and in accordance with the District's Rules and Regulations and in full compliance with the regulations of the Arizona Department of Environmental Quality and the Uniform Plumbing Code.
- D. The Consumer shall safeguard the District's property placed on the Consumer's premises and shall permit access to it only by the authorized representatives of the District. Except in the event of an emergency, and Consumer shall, or direct another person to, initiate or discontinue value.

service from the District's valve designated to provide service to any Consumer.

- F. The amount of such loss or damage or the cost or repairs may be added to the Consumer's bill and if not paid, service may be discontinued by the District.
- G. Water furnished by the District shall be used by the Consumer, members of his household, guests, tenants and employees only. The Consumer shall not sell water to any other person or permit any other person to use the water. If one or more rental units are on Consumer's property, they must be separately metered. During a critical water condition, as determined by the District or a public agency, Consumers shall use water only for those purposes specified by the District. Disregard for this rule shall be sufficient cause for refusal or discontinuance of service.
- H. The District may discontinue its service without notice for the following additional reasons:
 - 1. To prevent fraud or abuse.
 - 2. The Consumer's willful disregard of or refusal to comply with these Rules and Regulations or such special rules as may be adopted by the District with the approval of the Board of Directors.
 - 3. Emergency repairs.
 - 4. Insufficiency of water supply due to circumstances beyond the District's control.
 - 5. Legal processes.
 - 6. Direction of public authorities.
 - 7. Strike, riot, fire, flood, accident or any unavoidable cause.
 - 8. Unauthorized connections.
 - 9. The District may suspend the service or refuse service to any Consumer who tampers with the property of the District.

ARTICLE IV

EASEMENTS

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

Existing customers shall grant easements to the District from the customer's property line to the water meter. Previously existing meters may be moved by the District only. If at all possible, unless the customer presents good cause in writing against it, the District will locate or relocate all meters on the property line.

ARTICLE V

GENERAL

Section 1. Variation of Rules and Regulations.

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 District, setting forth the circumstances whereby the public interest requires such variation, and upon the issuence of a special order of the District. The District may require an application for such variation to be presented in a public hearing.

Section 2. Segregation.

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. The Board of Directors of the Porter Creek Domestic Water Improvement District hereby declares that each and every section, paragraph, subdivision, sentence, clause or phrase of these Rules and Regulations may be held illegal, invalid, or unenforceable.

Section 3. Enforcement of Rules and Regulations.

The District hereby authorizes its attorneys, agents, and employees to take all steps necessary to enforce these Rules and Regulations.

ARTICLE VI

NEW DEVELOPMENTS

Section 1. Submission of Plans.

All property owners or developers desiring to connect newly constructed improvements to the District water facilities must submit plans for review by the District. The cost of reviewing plans shall be paid out of the deposit paid by the property owner or developer. All plans should be submitted to the Arizona Department of Environmental Quality prior to submitting plans to the District. The District shall not review any plant that were not first approved by the Arizona Department of Environmental Quality unless there is sufficient evidence supplied by the property conductive or developer demonstrating that District approval of the Plans is necessary to obtain an Unconditional Agreement to Provide Water Service from the District, In such event, the District shall review the plans and will

approve the plans subject to no changes to the plans following their review by the Arizona Department of Environmental Quality. If such changes do occur in the plans following Arizona Department of Environmental Quality leview, the District reserves the right to review the plans.

Section 2. Development Deposits.

All property owners or developers desiring to connect newly constructed improvements to the District water facilities shall deposit with the District at the time of submitting plans for District's review, cash or a check drawn on an Arizona bank, in an amount sufficient to pay for the following:

- 1. Review of the plans by the District.
- Inspection fee equal to \$2.00 per linear foot of water line constructed for the improvements.

The amounts necessary to cover these costs will be determined by the District at the time the plans are submitted for the District review and are due and payable at that time.

Following the actual review of the plans, and the inspection of the water lines constructed, the actual cost of such review and inspection will be deducted from the Development Deposit and the surplus, if any, shall be refunded to the person posting the deposit within five (5) days from the determination of the surplus. In the event the actual cost of review of the plans and inspection of the water lines constructed exceeds the amount of the Development Deposit, the person posting the deposit shall pay the District in cash or check drawn on an Arizona bank, the amount due in excess of the deposit. Such amount is payable to the District on demand by the District.

Section 3. Inspection.

All water lines and other appurtenant facilities shall be inspected by a District representative prior to permitting completion of any connection to the District's water facilities. Such inspection shall occur prior to pressure testing any line with District water.

All fees owed to the District, including but not limited to legal fees and development deposit fees, shall be paid to the District in full prior to connection to the District's water facilities and are due prior to the completion of the inspection of the water lines.