

BURTON WATER COOPERATIVE

RULES & REGULATIONS

These Rules and Regulations (“Rules”) were adopted by the Board of Directors (“Board”) of the Burton Water Cooperative (“Cooperative”) on November 7, 2023, and amended on April 7, 2024, November 13, 2024, and March 3, 2025.

1. APPLICATION FOR SERVICE

Each prospective member requesting water service shall complete the Cooperative’s required Membership/Water User Agreement and Connection Agreement and provide additional information applicable to the proposed service as may be requested by the Cooperative. Credit references may also be requested. Becoming a member of the Cooperative constitutes agreement and acceptance of the Cooperative’s Bylaws, Rules and Regulations, policies, and usage rates, charges and fees.

2. MEMBERSHIP/FEEES

Payment of water service and meter installation charges, Connection Charge, assessments, membership joining fees, line extension costs if applicable, and all other fees due as a condition of receiving water service shall be due and payable prior to installation and provision of new water service. A deposit may be required from new members as security for payment of water service charges. This deposit may also be required from existing members who fail to maintain a satisfactory payment record. Charges, fees, assessments, and deposit requirements will be applied to all Cooperative members in a consistent, nondiscriminatory manner.

3. CHANGE OF OWNERSHIP

When a transfer of ownership takes place for any parcel served by the Cooperative, notice of such change shall be provided to the Cooperative.

- a. The outgoing member shall notify the Cooperative in writing or by email with the anticipated closing date for the sale or transfer of their parcel and name and contact information of the new owner. The Cooperative will provide a Connection Transfer Agreement to both parties and a Membership/Water User Agreement to the new owner.
- b. Following submission of both agreements, the Cooperative will conduct a meter reading on or about the Transfer Date to determine the final amount due from the outgoing Member. The Cooperative shall provide a statement of any outstanding charges to the outgoing member.
- c. All outstanding amounts due on the account, including any balance remaining for the Connection Charge, must be paid in advance of approval of the transfer by the Cooperative and prior to initiation of service to the incoming member.
- d. After any outstanding amounts due on the account are paid and the Connection Transfer Agreement and new Membership/Water User Agreement are accepted by the Cooperative, water service will be provided to the new member. Provided that the Connection Charge was fully paid by previous owners, only a New Account Setup Fee will be charged to the new member for each Connection.

4. USAGE RATES, CHARGES AND FEES

The Cooperative's usage rates, charges and fees are described in a master schedule that may be amended by the Board from time to time. The rates may include amounts for employee and equipment use for services not normally rendered by the Cooperative. If the Cooperative incurs out-of-pocket costs incurred in providing such services, such costs may be charged as well along with a reasonable percentage for overhead and administration. Rates, charges and fees will be applied to all cooperative members in a consistent, nondiscriminatory manner. See Cooperative document titled Usage Rates, Charges and Fees.

5. MEMBER'S PIPING AND EQUIPMENT

Members shall be solely responsible for all piping and equipment located on their side of the water meter and shall be installed in accordance with applicable plumbing codes. The Cooperative reserves the right to refuse or discontinue service to a member where such equipment is in hazardous condition, is not in conformity with lawful codes and regulations, or when the continuation of service could jeopardize the Cooperative's water system. It shall be the member's responsibility to provide (a) suitable protective equipment such as relief valves, pressure reduction valves, turnoffs, check valves and whatever other items may be necessary to protect his plumbing and improvements, and (b) booster pumps to increase pressure if needed. Water service shall not be utilized by any member in such a manner as to cause disturbances or pressure fluctuations to other members of the Cooperative.

6. INTERRUPTION OF SERVICE

The Cooperative will use reasonable efforts to provide an adequate supply of water for normal household use. If the supply is interrupted for any cause, the Cooperative shall not be liable for personal injuries, loss or damage resulting therefrom, nor will such failure constitute breach of agreement for service. The Cooperative shall have the right to temporarily suspend service for the purpose of making repairs or improvements to the system. When practical, members affected will be notified in advance. Members shall notify the Cooperative of water main breaks and other unsafe water system conditions.

7. METERS

Meters will be installed by the Cooperative in locations determined by the Cooperative. The Cooperative will use reasonable efforts to read meters on a monthly or bi-monthly basis. If for any reason a reading cannot be obtained for any particular period, the billing may be based on an estimated water use and reconciled at the next available reading. The Cooperative's employees and agents shall be provided reasonable access to water meters for meter reading, maintenance, repairs and replacements. Should a meter or meter box be obstructed or inaccessible, the customer shall be notified of the problem in writing with a request that the customer clear any obstructions and make the meter or meter box accessible prior to the next scheduled meter reading. Failure to comply with the Cooperative's request will allow the Cooperative to discontinue service until the problem is corrected.

Only Cooperative employees and agents are authorized to turn on/turn off a meter. Unauthorized connection to or use of a water service is not allowed and may cause a fine in an amount determined by the Board to be assessed to the member. Members shall advise their plumbers and other contractors of these Rules. The Cooperative may discontinue service until the problem is corrected.

8. CROSS CONNECTIONS; SECONDARY WATER SOURCE

No member shall connect their service line, plumbing or any structure receiving Cooperative water with any other water source. The Cooperative may require members to install backflow prevention devices on their side of the water meter in accordance with a cross connection policy adopted by the Board.

9. USE OF WATER

The Cooperative's water may only be used (a) on a parcel of land having a county issued tax parcel number for which the Cooperative has authorized a water connection and installed a water meter, and (b) for irrigation and stock watering purposes on an adjacent parcel of property owned by the same person or firm that holds the membership if authorized by the Cooperative's manager or Board of Directors. All such use under (b) must utilize reasonable water conservation measures and is revocable by the Cooperative.

Unless specifically agreed upon by the Cooperative in writing, the member shall not resell any water received from the Cooperative.

10. DELINQUENCY; DISCONNECTION OF SERVICE

The Cooperative may refuse to connect or may disconnect service for violations of any of these Rules, for failure to pay charges for water or other service when due, for theft, for illegal diversion of water, or for failure to pay any indebtedness, or damages to Cooperative's property. Except when public health is at risk, the Cooperative shall provide a member with reasonable notice of a proposed disconnection of service.

- a) member receives written notice of past due amount after 30 days, including any late fees then due.
- b) After 60 days Member receives second (2nd) written notice of past due amount and late fee, and warning that service may be disconnected if payment is not received within 90 days of original due date.
- c) At 90 days, written notice of hearing before the Board, no less than 20 days prior to hearing, will be sent to the Member. Board approval is required for actual shutoff of water due to nonpayment. After Board approval, water service will be shut off and the Member will be assessed a Disconnection Fee. The disconnection of service does not release the member from recurring or new fixed monthly charges or fees even though the meter has been shut off.
- d) The Board at its sole discretion may make payment arrangements on a case-by-case basis.
- e) After all amounts due the Cooperative have been fully paid or a payment arrangement has been approved by the Board, water service shall be reconnected by the Cooperative. The Member will be assessed a Reconnection Fee and costs to repair any damages to Cooperative's property.

In cases where a Member breaks, unlocks or turns on their water service without the permission of the Cooperative, an additional fine may be imposed by the Board.

In addition to all other remedies available to the Cooperative, in the event of non-payment of any amount due the Cooperative, the Cooperative may record with the King County Department of Records and Elections a lien on the Member's real property that receives or is designated to

receive water service from the Cooperative and shall include the right to recover a reasonable sum for attorney's fees, court costs and title insurance costs.

11. WATER MAIN EXTENSION POLICY

In order to receive water service, a member may be required to extend a Cooperative water main to the far end of the member's property at the sole cost of the member, pursuant to a developer extension agreement approved by the Board. Developer extension agreements shall contain terms and conditions to ensure the proper installation of mains pursuant to designs and specifications approved by the Cooperative's engineer and require conveyance of the main extension and easements to the Cooperative at no charge. No later than the time of final acceptance by the Cooperative of a member constructed main extension and subject to Board approval of a reimbursement agreement, the member may request reimbursement for an equitable portion of the cost of a main extension to apply if another member is permitted to connect to the main.

Notwithstanding the foregoing, the Cooperative may agree, on a case-by-case basis, to install main extensions in which case the benefited members, as determined by the Board, upon connection, shall pay all or an allocated portion of the actual cost thereof, including a factor for interest, or a charge based on a Board adopted rate in lieu of the actual cost. Costs incurred by the Cooperative in responding to and reviewing a request for main extension shall be paid by the requesting party.

As a condition to receiving or continuing to receive water service, members shall be required to grant the Cooperative a perpetual utility easement in, under and upon the member's parcel(s) for the operation, repair, maintenance and replacement of water mains, meters, valves and appurtenances that provide service to the member or other members along with the right to utilize adjoining lands belonging to the member for the purpose of ingress to and egress from the easement area.

12. FIRE HYDRANTS

The use of fire hydrants shall be made available for use by fire district personnel for the purpose of fire protection. Members shall not be charged for water taken from a fire hydrant that is used to fight a fire. A non-member may be charged for all the water used to fight a fire on their property. The Board may adopt a bulk rate for water passing through the fire hydrant. Except in the event of an emergency in which fire district personnel utilize a fire hydrant to fight a fire, the Cooperative's fire hydrants may not be used by any person or firm without the Cooperative's prior written consent. Persons or firms, whether or not members, shall be charged a fine in an amount adopted by the Board for any unauthorized use of water from Cooperative fire hydrants. Members providing information to the Cooperative regarding unauthorized use of hydrants may be offered a reward.

13. RIGHT OF APPEAL

Any Cooperative member may appeal a disputed decision or action of the Cooperative to the Board. A written appeal must be received in the Cooperative office for placement on the agenda of the next Board of Directors meeting at least ten (10) days prior to the meeting date.

14. WATER LEAK ADJUSTMENTS

Water leaks on member-owned service lines are the responsibility of the member and must be repaired immediately. In the event that a member reports abnormally high water usage to the Cooperative that they believe may be a result of a water leak, staff will work with them to confirm the leak and provide advice to implement a repair (if needed).

The member's bi-monthly bills affected by the leak will be reduced to that member's historical average usage for the appropriate billing periods, provided that the leak has been immediately repaired. This reduction to average historical usage is allowed for the first leak occurring on a member's service line in any three-year period.

For a second leak within three years of the first, the member's bi-monthly bills will be reduced by 50% of the average for that member's average historical usage for the appropriate billing periods, provided that the leak has been immediately repaired.

No credit will be given for any additional leaks within three years of a previously credited leak; the recorded usage will be fully billed to the member.

Credits shall be allowed only for the billing cycle for which the leak was reported and the billing period immediately following if the leak was not identified before the following billing period began. No credit shall be given for leaks not repaired within one week of identification. No credit will be given for more than two consecutive billing cycles per incident.

15. MEMBERSHIPS AND WATER CONNECTIONS APPURTENANT TO LAND

Memberships, water connections, and places on a waiting list shall be appurtenant to the parcel of land for which the membership or connection is issued or application is made and shall, upon application to and approval by the Cooperative, transfer to the transferee of the parcel that is vested with record title. Memberships, water connections, and places on a waiting list shall not otherwise be sold, transferred, or assigned and the Cooperative shall have no obligation to honor any attempt to sell, transfer or assign such rights.

16. WAITING LIST

If the Cooperative Board determines that it has sufficient water supply consistent with DOH requirements and prudent operation it may offer additional Connections. At that time, the Board will establish an outreach plan to current customers and unserved parcel owners in the service area. It will also establish an application process, method of allocation, and pricing.

17. CONNECTION CANCELLATION

If a membership or water connection to the Cooperative's water system has not been put to actual use (meaning a meter has been installed through which water service is being used) within six years, the Cooperative may commence proceedings to cancel such unused but issued membership or water connection and refund all connection charges paid, less the sum of 10% of such charges, which amount shall be retained by the Cooperative as a non-refundable administrative fee. The Cooperative shall issue a written notice thirty days prior to taking such action.

The member may request a hearing from the Board if it desires to contest the cancellation. After the hearing, the Board may cancel the membership and connection unless the member shows good cause as to why it did not install a service connection and meter within such a period and

shows a credible plan to make such installation and commence water usage within a time to be determined by the Board, but not more than two years. If the member shows good cause and a credible plan, the Board may extend the date with respect to which the member shall install the service connection and meter and commence water usage for up to two additional years.

The Board's determination in such matters shall be final and binding upon the member. Upon cancellation, the number of equivalent residential units (ERUs) associated with that membership or connection shall automatically be deemed forfeited and waived and the former member shall have no rights to receive water from the Cooperative. The ERUs associated with that membership or connection may be allocated to a new membership or connection by the Cooperative.

18. AMENDMENTS TO RULES AND REGULATIONS

As provided by the Cooperative's Bylaws the Board may amend, revise or void these Rules and Regulations as needed. Any such changes made will be communicated to the Membership within 30 days.

19. FINANCIAL

- a. The fiscal year for the Cooperative shall be January 1 to December 31.
- b. In December of each fiscal year the Treasurer will arrange for a review of the Cooperative financial records and system. The review should be scheduled to be complete in time for distribution to the Membership at the Annual Meeting in March.
- c. An annual budget shall be passed by the Board prior to the beginning of the fiscal year.
- d. The Treasurer, or any other officer, may issue checks. Checks less than \$1,000 require one authorized Board Member signature. For checks over \$1,000 two (2) Board Member signatures are required.
- e. If a service contract expense is authorized by the Board, either directly or through the adopted annual budget, any officer or the Operator may sign service agreements. Construction contracts above \$1,000 shall be signed by an officer.

20. CONFLICT OF INTEREST AND CODE OF ETHICS

Conflict of Interest Policy adopted on June 23, 2022.

Code of Ethics Policy adopted November 7, 2023

21. RECORD REQUEST POLICY

Policy adopted on November 7, 2023

22. WHISTLEBLOWER POLICY

Policy adopted on November 7, 2023

23. CERTIFICATIONS MADE TO THE USDA (attached as Addendum 1)

As a condition of the loan from the USDA the Cooperative has made these additional commitments and certifications:

- Assurance Agreement (under Title VI, Civil Rights Act of 1964)
- Assurance-Construction Programs
- Certification For Contracts, Grants, Loans
- Applicant Certification Federal Collection, Policies For Consumer and Commercial Debts
- Certification Regarding The Identification and Reporting Rural Development Assistance To Rural Development Employees, Relations, Associates, and Transaction Conflict of Interest
- Drug Free Workplace Policy and Certification

24. OTHER APPLICABLE PUBLIC POLICIES

So long as the Cooperative has a loan outstanding with the USDA the following policies shall also apply.

- Section 504 of the Rehabilitation Act of 1973
- Civil Rights Act of 1964
- Americans with Disabilities Act of 1990
- Age Discrimination Act of 1975
- Limited English Proficiency Under Executive Order 13166
- Controlled Substance Act