

Marion Water Company Rules and Regulations



These Rules and Regulations are set forth in accordance with Article XI, Section 1, of the By-Laws and may be revised, amended or otherwise changed at any time by action of the Board of Trustees of the Marion Water Company, hereinafter called the "MWC". They are binding on MWC, its members, customers, and to persons that desire to obtain a membership in MWC. Becoming a member or customer of Marion Water Company constitutes agreement and acceptance of Marion Water Company By-Laws and Marion Water Company Rules and Regulations. Copies of these rules shall be available to members and customers upon request.

Members are welcome to make recommendations regarding these Rules and Regulations. Any recommendations may be presented to the Board or Trustees. The Board or Trustees will review to verify that any recommendations be deemed essential or convenient for the conduct of business and affairs of MWC. Recommendations will be implemented upon a majority vote of the Board of Trustees.

Membership

Availability of Membership is determined by the WA State Department of Health allowance of Equivalent Residential Unit Values (ERU's), MWC, and the MWC Water System Plan (WSP).

Memberships are allowed 1 metered connection/ERU and are attached to the property address or parcel. 1 meter = 1 water service = ERU. Once a membership and meter have been established, the membership and meter immediately stay with the property. Once a Membership has been purchased, a base rate will be charged each billing cycle. This includes members that do not have a meter installed yet or are not using water.

Additional meters are allowed and are considered an additional membership/ERU. Each additional meter will incur a fee at the current Membership rate and will be charged an additional base rate plus water usage each billing cycle.

Each membership will have a vote.

New Membership/Fees

Payment of membership, meter fees, cost of installation to the main, and line extension costs if applicable, and all other fees as appropriate shall be paid by the new member and registered on the MWC books for new membership prior to delivery of water service except by agreement of the Board of Trustees.



Change of Ownership

When a change of ownership or of legal responsibility takes place on any premises being served by MWC, notice of such sale/change shall be given to MWC within a reasonable time prior to closing of such sale/change. The outgoing owner/tenant will be held responsible for all fees and services including a pro-rated base rate until closing date. New occupant will be responsible for all fees and services including pro-rated base rate after closing date.

Water Availability Letter

The Water Availability Letter will only be issued to person eligible for membership and dependent on ERU availability. Water Availability Letters are valid for only 1 year and can be renewed within the 1-year time frame without being removed from the listing unless there are potential new members on the Water Availability Waiting List. If construction is not imminent or in process this person can be removed and be reverted to the end of the Water Availability Waiting List. Such determination shall be made by the Board.

MWC Unavailable Water ERU Waiting List

This list will be maintained when the MWC's Water Supply Plan ERU limit has been reached. This limit is determined by adding actual number of members and customers with signed Water Availability Letters. Once the WA Department of Health permits additional ERU's, the potential members on the waiting list will be eligible to receive a Water Availability Letter in order of application date.

Customers

In accordance with Article VI, Section 1, of the By-Laws, Customers applies to the residents of Golden Valley Estates and is already established. Customers shall adhere to the Rules and Regulation unless otherwise indicated.

Water Installation and Usage

Member/Customer Piping and Equipment

It shall be the member's/customer's responsibility to provide suitable protective equipment such as relief valves, pressure reduction valves, turn-offs, check valves and whatever other items may be necessary to protect the member's/customer's plumbing and equipment. MWC will make reasonable efforts to prevent pressure failure or abnormal pressure variations, but cannot guarantee that such conditions may not occur.

Member's/customer's piping shall be installed in accordance with applicable plumbing codes. MWC reserves the right to refuse or discontinue service to a member/customer where such equipment is in a hazardous condition, does not conform with lawful codes and local regulations,

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or where continuation of service could jeopardize or interfere with the operation of MWC's water system.

The members/customers shall be solely responsible for the maintenance and safety of their plumbing, piping and equipment and MWC shall not in any way be liable for accident or damages occurring to the members or to third parties because of contact with, or failure of, any portion of member's/customer's plumbing, piping and equipment.

Member/Customer Responsibility for MWC Property

It shall be the responsibility of the members/customers to take all reasonable and proper precautions to prevent damage to MWC's water system. This shall include meters, instruments, services, connections, mainlines, and any other equipment installed by and remaining the property of MWC. In the event that MWC's property is damaged by a member/customer or a member's/customer's agent or independent contractor, then the member/customer shall be responsible therefore.

Right to Access

MWC's personnel shall have access to MWC facilities at all reasonable times for the purpose of reading meters and testing, repairing, or replacing any facilities and equipment which is the property of MWC. If any such equipment and facilities are located in locked areas (which may only occur with MWC's prior written consent), MWC shall be supplied with keys to such locks. MWC personnel may use any means in their discretion to protect themselves from injury while attempting to read meters, or to repair, maintain or operate MWC facilities and equipment.

System Disturbances

Water service shall not be utilized by any member/customer in such a manner as to cause substantial disturbances or pressure fluctuations to other members/customers of MWC. In the event that any member's/customer's manner of use of water is detrimental to the service of other members/customers of MWC, that member/customer may be required to change its manner or amount of water use or install, at personal expense, regulative equipment as determined by the Board of Trustees.

Interruption of Service

MWC will use reasonable diligence to provide adequate and uninterrupted supply of water at normal pressure, but if the supply is interrupted without notice for any cause, MWC shall not be liable for injuries to persons or property or loss or damage resulting therefrom. MWC shall have the right to temporarily suspend service for the purpose of performing maintenance or making repairs or improvements to the system. When practical, those affected will be notified in advance and reasonable efforts will be made to limit the duration of interruptions.

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Notice of Trouble

In the event that water service is interrupted, is not satisfactory, or any hazardous condition is known to exist, it shall be the obligation of the member to notify MWC of such existing conditions.

Meter Locations

Meters will be installed by MWC in the public right of way or easements granted to MWC at such locations as shall be determined by MWC. Meters shall not be installed in places difficult to access, or where they may be subject to damage.

It shall be the responsibility of the members/customers to advise MWC of their service requirements in advance of water service installation and to ascertain that the proposed meter location is acceptable to MWC.

Unauthorized Activity

Only MWC personnel are authorized to make the connection with a member's/customer's service line and the meter. Any unauthorized connection to a water service is illegal. Any costs associated with repairs and restoring the system to code will be the responsibility of the member/customer responsible for the unauthorized activity. It is the member's/customer's responsibility to advise all contractors, plumbers or subcontractors of the rules and regulations of MWC.

Discontinuation of Service

MWC may refuse to connect or may discontinue service for violations of any of its Rules and Regulations or By-Laws, for theft, for illegal diversion of water, endangering water quality or for failure to pay any indebtedness or damages to MWC's property. The discontinuance of service for any of these causes does not release the member/customer from any obligation to pay for water received or for any other charges specified in any contract or rate schedule. Members/Customers shall be given reasonable notice of a proposed disconnection except in emergency circumstances.

When service is discontinued for any of the reasons set forth above, it can only be reconnected under the following conditions:

1. The member/customer must pay all damages due to interference with the meter.
2. The member/customer must pay for all outstanding charges.
3. The member/customer must agree to comply with reasonable requirements to protect MWC from further loss.

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Secondary Water Source

No member/customer shall connect its plumbing, piping or equipment that receives water from MWC's water system with that of any other water source. This is considered unauthorized activity.

Main Extension Policy

In order to receive water service, a member must extend an MWC water main to the far end of the member's property at the sole cost of the member pursuant to a developer extension agreement duly approved by the Board of Trustees. Developer extension agreements shall contain terms and conditions to ensure the proper installation of mains pursuant to designs and specifications approved by the MWC engineer. Members may be reimbursed for any equitable portion of the cost of a main extension if another member is permitted to connect to the portion of a main installed by a member. Reimbursement agreements are subject to Board of Trustees approval on a case by case basis. MWC may agree, on a case by case basis, to install main extensions in which case the benefited members, as determined by the Board of Trustees, shall pay the actual cost thereof, including a factor for interest, or charge based on a Board of Trustees adopted rate in lieu of the actual cost. Costs related to responding to and reviewing a request for main extension shall be paid by the requesting party.

Right of Appeal

Any MWC member/customer may have the right to appeal to the Board of Trustees any dispute involving an MWC claim, fee, charge or disconnection. A written appeal must be received within 30 days by the MWC's business office to be given to the Board of Trustees at which time the member's/customer's concerns will be placed on the agenda for discussion at the next scheduled Board of Trustees meeting. Any member/customer has the right to attend any meeting of the Board of Trustees involving the dispute except for executive sessions. The time, date, and place of the meeting can be obtained by calling the business office.

Irrigations Systems/Backflow Assemblies

Underground irrigation systems, lawn sprinkler systems, fire suppression systems and all other listed devices of MWC require back flow prevention assembly. All backflow assemblies must be tested after the initial installation and once yearly thereafter. MWC will notify member/customer annually when to have their backflow assemblies inspected by a licensed professional. MWC must be sent a copy of the test report. Such tests shall be at the expense of the member/customer.

Any member/customer who does not comply with the backflow testing requirements will be subject to a minimum fine of \$500 and water shut off. A reconnection fee will be imposed after

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a shut off. Thereafter, the member/customer will be subject to the annual inspection not only by licensed cross connection specialist, but also by MWC's Water Distribution Manager.

Members/customers wishing to disconnect their backflow assemblies must do so in the presence of the MWC Water Distribution Manager.

Billing Policy

Meters are read bi-monthly. Approximately 3-6 days later invoices are mailed out. Late Fees, Shut-off Notices are distributed as necessary.

MWC will use reasonable efforts to read meters on a bi-monthly basis using the same approximate cycle date, but because of holidays and the difference in the length of months, variations may occur. If for any reason a reading cannot be obtained for any particular period, the billing may be based on an estimated water use and be subject to later correction.

Landlord/Tenant scenarios: If a tenant moves out and the property remains vacated, the Landlord will be responsible for the vacated property bills.

Any fees/costs associated with collection of a bill will be passed on to the member/customer, including reasonable attorney fee if attorney is necessary. This also includes any insufficient funds charges from the MWC bank for invalid checks.

Customer Privacy

A list of member/customer names and addresses will not be made available to individuals or firms in any form unless required by law.

Late Fees and Water Shut-Off Policy

1. Payment Terms

- Payment is due within 20 days from the billing date shown on the invoice.
- Accounts become past due on the 21st day after the billing date.

2. Initial Delinquency Action (Day 25)

- 5 days after the past due date (Day 25):
 - Mail a delinquency notice to the member/customer. The notice will include:
 - Confirmation that the account is overdue.
 - The anticipated water shut-off date if payment is not received.
 - Apply the designated late fee to the account.
 - Begin applying 1.5% interest to the outstanding balance (including the late fee), effective from Day 21.

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3. Final Notice – Door Hanger

- 7 to 10 days after the delinquency letter is mailed:
 - Deliver a final notice ("door knocker") to the service address, clearly stating:
 - The overdue status of the account.
 - The scheduled water shut-off date.

4. Water Shut-Off

- If the account remains unpaid:
 - Proceed with water shut-off 7 to 10 days following delivery of the door knocker notice.
 - Service is not disconnected on Fridays, weekends, holidays, or during emergencies.

5. Payment Plans and Hardship Options

- Members/Customers may request a payment plan at any time prior to shut-off to avoid interruption of service.
- Payment Plan Options:
 - Full Payment, 12 monthly payments, 6 monthly payments, and 3 monthly payments of any outstanding balance due
 - Current balance must also be paid to current on any future
 - Documented in the members/customers account with Payment Plan Letter to show schedule of past due payments
 - Approved by the Board of Directors and/or Board of Trustees
- If a member/customer has an active payment plan and is current, we will not proceed with water shut-off.

6. Responsibility for Payment

While MWC can send billing statements directly to tenants as a courtesy, the legal responsibility for payment of all charges remains with the property owner. If a tenant fails to pay the bill, the property owner is ultimately liable for any outstanding balance. It is the property owner's responsibility to ensure timely payment to avoid service interruption or additional fees.

7. Returned Check Fee

A \$25.00 fee will be charged for any returned check or other payment method that is declined due to insufficient funds, account closure, or any other reason. Prompt resolution of the returned payment and associated fee is required to avoid further collection actions or service interruption.

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Leak Forgiveness Policy

If a genuine leak has occurred, the MWC member or customer will be charged an average of their 'normal' bill. In addition, a \$50 charge would be assessed. This practice is limited to genuine leaks and does not apply, for example, in the case where a hose is left on in error. Eligible members may receive one leak relief adjustment to one bill once in a ten-year period.

Voting by Proxy

A member has the right to vote, even when unable to attend a MWC meeting.

A proxy would allow a fellow member to vote for them in their absence.

Proxy duration should only be one meeting on one specific date.

The fellow member shall only be allowed to vote with two proxies, equaling 3 votes.

The Proxy Designation Form (see Appendix B) should be in writing and submitted to the MWC office 10 calendar days prior to the meeting where the voting by proxy will be exercised.

A cumulative 10 proxy votes at any one meeting will require an automatic Trustee investigation to determine the validity of the meeting and proxy votes.

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APPENDIX A

Marion Water Company Rates Table 1

Effective January 2026

Membership	\$9,500.00
Certificate of Water Availability	\$250 or Vendor Pricing to be paid direct
Additional Meter	\$9,500.00
Base Rate	\$75.47
Minimum Consumption Rate 0 – 1,600 cu. ft.	\$54.44
Consumption Rate above 1,600+ cu. ft.	\$3.25 per 100 cubic foot
Late Fee	\$25.00
Shut-off Fee	\$50.00
Turn-on Fee	\$50.00
Leak Forgiveness Fee	\$50.00
Service Installation Fee	Subject to actual costs
Licensed Dairy Rate	\$1.65 per 100 cubic foot

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APPENDIX B

Proxy Designation Form

Name of person giving the proxy vote –

Date of the meeting when the proxy vote will happen –

Name of the designated member being allowed to execute the proxy vote -

A designated member is only allowed to vote for two other members.

A designated member is only allowed to vote the limitations identified next.

Voting limitations are:

Agenda items only - _____

New motions only - _____

Candidates for Trustee only - _____

All Agenda, Motions, and Candidate items - _____

MWC will be notified of this proxy 10 days prior to the meeting.

Giving Member Signature, Date, and Time

Designated Member Signature, Date, and Time

MWC Office Signature, Date and Time

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APPENDIX C

Revisions to MWC Rules and Regulations

Initially adopted May, 1, 2020 (date subject to change upon approval)

2016.10.19	Late Fees and Shut-off Notice Policy implemented at Board of Trustee Meeting
2016.08.04	Vacation Policy implemented at Board of Trustee Meeting
2016.08.04	Leak Forgiveness Policy implemented at Board of Trustee Meeting
2025.04.09	Vacation Policy was eliminated at Board of Trustees Meeting
2025.04.09	Appendix A Schedule was updated at Board of Trustees Meeting
2025.05.01	Late Fees & Water Shut-Off Policy was updated at the Board of Trustees Meeting
2026.01.01	Appendix A Schedule was updated to reflect new rates for 2026