

EXHIBIT A

LAS CAMPANAS WATER AND SEWER COOPERATIVE RULES AND OPERATING PROCEDURES FOR WATER

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RULE NO. 1

PREAMBLE

These Rules and Operating Procedures shall cover domestic water distribution service furnished by the Las Campanas Water and Sewer Cooperative (“Co-op”). The properties to be serviced are more particularly described in the Co-op’s Articles of Incorporation. These Rules and Operating Procedures are intended to promote safe and adequate water service to Co-op members, to provide standards for uniform and reasonable operations, and to enhance and promote the conservation of water within the Co-op’s service area.

Conformed copies of these Rules and Operating Procedures are available for inspection at Co-op’s business offices at 366 Las Campanas Drive, Santa Fe, New Mexico.

RULE NO. 2

DEFINITIONS AND EXPLANATIONS

- A. CO-OP – Las Campanas Water and Sewer Cooperative.
- B. CUSTOMER – Any person or entity receiving water service and/or responsible for payment for water availability or services by Co-op.
- C. WATER SERVICE – The general term for furnishing the customer with water; also, the pipe connections from a distribution water main to a customer’s water meter.
- D. POINT OF DELIVERY – The point of delivery shall be the point where the facilities of the Co-op connect to the facilities furnished by the customer as provided herein.
- E. YARD LINE OR CUSTOMER’S WATER LINE – The piping owned and installed by the customer on the customer’s side of the meter to his/her point of service.
- F. RECONNECT CHARGE – A charge made by Co-op for reconnection of water service at a place where water service has been previously disconnected.
- G. PRESSURE – Under normal conditions, including expected peak, water pressure at the customer’s meter connection shall not be less than 30 p.s.i. nor more than 125 p.s.i., in accordance with New Mexico Public Service Commission [now New Mexico Public Regulation Commission] Rule 750.12 of the Commission’s minimum design standards.
- H. CHRONICALLY DELINQUENT – The status of a residential customer who during the prior twelve (12) months has been disconnected by Co-op for nonpayment or who during the prior twelve (12) months has not paid a bill by the date that a subsequent bill is rendered on three (3) or more occasions.

I. DISCONTINUANCE OF SERVICE – An intentional cessation of service by Co-op not voluntary requested by a residential customer.

J. ESTIMATED BILL – A bill for utility service which is not based on an actual reading of the residential customer's meter or other measuring device for the period billed.

K. RENDITION OF A BILL – The date of mailing, on-line billing, or personal delivery of a bill by Co-op.

L. RESIDENTIAL SERVICE OR USE – The provision for or use of water for household (domestic), or landscaping (irrigation) purposes.

M. SPECIAL SERVICE – A service provided to a residential customer by Co-op which is not subject to a tariff schedule.

N. UTILITY CHARGES – The billing or charges for the provision of utility service and other charges authorized by Co-op pursuant to Co-op tariffs.

O. SURCHARGE – The imposition of an additional charge as determined by the Board for the use of water over the amount allotted per each individual lot .

P. WATER LEAK BILLING ADJUSTMENT – Nullification of all or part of a previously charged surcharge amount based on compliance with the water leak billing adjustment procedure as found in Rule No. 8.

Q. COMMERCIAL SERVICE OR USE – The provision of or use of water for all types of establishments not otherwise classified as residential.

R. WATER METER BYPASSING – The diversion of water in any manner that prevents the water from being registered by a water meter.

S. TAMPERING WITH CO-OP WATER FACILITIES AND/OR EQUIPMENT - Any unauthorized activity involving opening, alteration, or disturbance of any Co-op water facilities and/ or equipment (including the removal of the water meter lid).

RULE NO. 3

CHARACTER OF SERVICE

Water service for domestic, irrigation, commercial, industrial, sanitary and other purposes will be furnished under conditions as stated in these Rules and Operating Procedures. Service to a customer will be provided at the rates determined by the Co-op Board of Directors as set forth in Rule No. 15.

A. **Residential Service**

1. Water service will be furnished under the residential rate scheduled to a single family house or to a multiple dwelling unit or condominium. Separate piping must be installed for each separate dwelling unit so that water service to each unit can be metered and billed separately. Meters must be grouped and numbered as specified in Rule No. 11.
2. Each separate service or meter location will be metered and billed separately.

B. **Commercial Service**

1. Commercial service shall include water service to all types of establishments and classes of service not otherwise classified as residential.
2. More than one premises or business will not be served through one meter, except a group of buildings under one management and control, and provided that each building or service requirement is an integral part of and necessary to the operation of the institution or establishment, and provided meters are grouped and numbered as specified in Rule No. 11.
3. Any establishment acknowledged or advertised as carrying on a business, professional, or commercial enterprise will be classified as non-residential.
4. Each separate service or meter will be metered and billed separately.

RULE NO. 4

APPLICATION FOR SERVICE

- A. Applications for water service shall be made at Co-op's business office, in person or by telephone. Acceptance of an application shall be evidenced by Co-op's provision of service. Co-op shall have a reasonable time to provide water service, once the application has been accepted. Written contracts are required for all classes of service other than service to customers or commercial customers accepting service under the applicable Rate Schedule if no extension of facilities is required. Extensions of facilities made in accordance with Rule No. 22 will require a written contract prior to providing service.
- B. A water connection fee shall be paid for all lots and this fee shall be paid by applicant prior to service. This fee is a one-time charge, except in the event of discontinuance of service. A reconnection fee shall be paid by an applicant for service which has been previously disconnected. In addition to the reconnection

fee, if the applicant owes any delinquent fees and charges to Co-op, such fees and charges will also be paid before service is reconnected.

- C. The conditions of piping and character of installation on the premises shall be subject to inspection by Co-op and be approved by the appropriate governmental inspection agency, and if such piping and/or installation is found to be faulty, Co-op may refuse to provide service until, and after, such faulty installation has been corrected to the satisfaction of such appropriate governmental agency or Co-op. Co-op does not, however, assume the responsibility for such inspections and shall not be held liable for failure of such piping installations.
- D. Co-op reserves the right to limit each lot to a maximum daily average usage where circumstances warrant.
- E. The customer shall be required to provide load information on new construction or alterations sufficiently in advance of the actual service requirement date to enable Co-op to provide adequate service facilities.
- F. Co-op shall supply service within a reasonable time after the application or agreement is approved, and after any necessary permits shall have been obtained. It is the responsibility of the customer to comply with all applicable codes and to obtain the necessary permit from governmental authorities. If, due to circumstances beyond the control of Co-op, service cannot be furnished within a reasonable length of time, the customer shall be advised promptly regarding the delay.
- G. New or additional service will be limited to available unreserved capacity in production, transmission and distribution facilities, and commensurate with Co-op's available water rights. In all cases where such existing facilities are limited, Co-op may require a written contract for a suitable initial contract period adequate to warrant the investment and reservation of capacity required to render such service.

RULE NO. 5

CONSERVATION

In keeping with Co-op's concern for the natural environment, Co-op encourages its membership to exercise conscientious consideration of water as a precious natural resource. This policy is reflected in the design guidelines for the Las Campanas subdivision, available for review at the Las Campanas website at: www.lascampanasowners.com.

- A. Co-op shall have the ability to enact rules and regulations relating to the conservation of water.
- B. No customer shall use more water than that allotted in the original lot plat.

- C. Co-op may encourage each customer to reduce actual use from that stated on the original lot plat to comply with the conservation efforts to meet target goals from the Co-op.
- D. All customers will be charged surcharges for water use that exceeds the amount allotted as stated in Rule No. 7.
- E. Co-op shall encourage each homeowner to conform to current Las Campanas Master Design Guidelines.
- F. Leaks in the homeowner's water system, usually the irrigation system, are a primary cause of excessive use of water. Co-op takes any leak seriously and will notify the homeowner if they suspect a leak.
- G. Co-op may use a seasonally adjusted, multi-tiered rate schedule as a conservation incentive.

RULE NO. 6

RENDERING AND PAYMENT OF BILLS

- A. Bills will be rendered by Co-op to the customer under the applicable Rate Schedule as stated in Rule No. 15.
- B. If applicable, bills will be rendered by the Co-op to the customer under the Surcharge Schedule as stated in Rule No. 7.
- C. When billing for concurrent service at a residence, the usage and charge attributable to each such service shall be clearly set forth on the bill. Utility service to multiple locations billed to a single residential customer shall be separately stated for each location.
- D. All bills for water service to residential customers are due when rendered, and are payable within thirty (30) days from date of bill, and if not so paid the bill shall be considered in arrears. All bills for water service to commercial customers are due when rendered and are payable within thirty (30) days from the date of bill. Bills may be paid at Co-op business office, on-line, or to any authorized collection representative. See Exhibit A for water billing time line associated with non-payment.
- E. If a bill is not paid within sixty (60) days from the date of the bill a letter will be sent to the customer notifying them that the bill is in arrears.
- F. ***Interest.*** A bill that is in arrears will begin to accrue monthly interest compounded at a monthly rate of one and a half percent (1.5%).

- G. A bill will be deemed delinquent if it is over ninety (90) days past due.
- H. If a bill is delinquent, the Co-op will send the customer a letter via first-class mail, notifying the customer that the account is past due and requesting payment within thirty (30) days. The Co-op shall send a copy of the letter via first-class mail, to any third party or agent of the customer the Co-op has been notified of as stated in Rule No. 12, Paragraph N. If payment is not received the Co-op will send the customer, and any third party or agent, a letter via certified mail, notifying the customer that the Co-op will file a lien and may discontinue service on the property associated with the delinquent bill. The Co-op shall notify the customer immediately, but not more than ten (10) days after filing the lien, that a lien has been placed on the property and what action needs to be taken to remove it.
- I. If the last day for payment of a bill falls on a Sunday, legal holiday, or any other day when the office of Co-op regularly used for the payment of customer bills is not open to the general public, the final payment date shall be extended through the next business day.
- J. The words "month" or "regular billing period" as used herein and in the rate schedules are hereby defined to be the elapsed time between two (2) successive meter readings approximately thirty (30) days apart.
- K. Bills rendered by Co-op for periods of less than twenty-eight (28) days or more than thirty-four (34) days shall be adjusted to reflect the application of the rate to the "regular billing period."
- L. In the event of the stoppage of, or the failure by any meter to register the full amount of water consumed, or of the inaccessibility of the meter, the customer will be billed for such period on an estimated consumption based upon use of water in a similar period of like use; provided, however, that such period shall not exceed six (6) months.

RULE NO. 7

SURCHARGE ASSESSMENT

- A. Each metered lot has an annual allocation of water. If the water customer exceeds that allotment a surcharge will be assessed. The surcharge amounts are set by the Co-op Board of Directors. A copy of the surcharge rates can be found at the Co-op's business offices or on its website.
- B. A notice of surcharge assessment will be sent to the customer with the bill for water service. A copy of the bill shall be sent via first-class mail to any third party or agent that the Co-op has been notified of as stated in Rule No. 12, Paragraph N.

- C. The surcharge assessment must be paid within the time frames applicable to all water service bills as outlined in Rule No. 6.
- D. **Interest** at a monthly rate of one and a half percent (1.5%) will be charged for overdue surcharge payments. If the surcharge assessment is not paid within the applicable time frame the same procedures will apply as those that apply to all unpaid bills as discussed in Rule No. 6.

RULE NO. 8

WATER LEAK BILLING ADJUSTMENT PROCEDURE

It is the sole responsibility of the Customer to determine if there are any water leaks or water losses from their service lines and to correct any problems to prevent water loss. However, in keeping with Co-op's concern related to water conservation, a monthly report of potential leaks is generated using the water metering software. This report lists all meters that have been running for over 24 consecutive hours prior to the time the monthly meter read is collected for billing. This report is reviewed and any customer with water usage over 10,000 gallons for the month is notified by telephone or email. A potential leak notification is inserted in the bills for all customers on the list. Customers on this list can request a water usage profile to assist in trouble shooting the leak. A water usage profile is a graph that shows water use by the hour/day registered by the meter. When a water usage profile is requested, a water system operator will conduct a visual inspection of the meter and will download the meter information so a water usage profile can be generated. Once scheduled, a water usage profile will take one to three business days. The Board will determine an appropriate fee schedule for profiles.

- A. A residential water leak adjustment is allowed once in a five-year period (60 months) per owner of a lot regardless of the amount adjusted and only in situations where the excessive water use is caused by residential water leaks that result from a broken pipe or mechanical failure, or irrigation system failures.
- B. The maximum time period considered in a water leak billing adjustment shall be sixty (60) days (two monthly billing cycles).
- C. Abatement will only be considered if the amount abated would be two hundred and fifty dollars (\$250) or greater.
- D. To estimate the gallons related to the leak, the Co-op will calculate the average use for up to two months from the same period of time in the prior year and subtract that amount from the total usage for the period of the leak as registered on the meter. If the billing periods do not match exactly, the Co-op may estimate or interpolate water use, in its sole discretion, during the applicable period. In the case where an owner is a new owner and the previous usage records are not available, a neighborhood average may be used. This estimated leak amount will be considered for the water leak billing adjustment.

- E. Water leak billing adjustment requests will be reviewed by the Coop's General Manager. The General Manager, with the concurrence of the Board's Treasurer is authorized to approve or reject the requests using the criteria set forth in this Rule. Any appeals to this decision shall be heard by the Board of Directors at the first general meeting following the submittal of the request. Interest will not accrue on the surcharge amount once an water leak billing adjustment request has been filed until the date a decision has been made by the General Manager. This date will be extended if an appeal is made until the Board's decision. At that time, if the water leak billing adjustment request is rejected, interest will begin to accrue on the surcharge amount as stated in Rule No. 7, Paragraph D.
- F. A letter notifying the customer of acceptance or rejection of the request shall be sent to the customer within thirty (30) days of the decision.
- G. In order to qualify for a water leak billing adjustment, the following requirements must be met.
1. No more than one water leak billing adjustment in a five-year (60 month) period per owner of a lot;
 2. The abated amount must be two hundred and fifty dollars (\$250) or greater (calculated by the Coop).
 3. Requests for a water leak billing adjustment shall include a cover letter explaining the situation and must be submitted to the Co-op within three months of the start of the leak;
 4. Requests for a water leak billing adjustment must be due to a water leak caused by a broken pipe or mechanical failure, or irrigation system failures.
 5. Written documentation has been provided that clearly explains the reason for the excessive water use. The written request must include a copy of an invoice from a licensed plumber, a landscape company, or documentation of warranty repair from the home builder evincing that the problem that caused the leak or water loss and has been repaired;
- H. If the water leak billing adjustment is granted, the following adjustments will be made to the affected account:
1. Re-instatement of the gallons lost as a result of the leak will be made to the unused annual water allocation associated with the account, and
 2. The original water use charges and any surcharges will be credited back to the account.

3. The customer will receive an adjusted water bill for the period of the leak. The maximum time period for an adjustment is two months. The adjusted water bill will be the water usage cost based on the monthly use for the same time period from the prior year plus the cost of the water lost as a result of the leak charged at the lowest tier rate prevailing at the time of the leak plus the water maintenance fee.

Adjusted Water Bill During Period of Leak = [Monthly Water Usage Charge based on Monthly Water Usage for the same time period from the Prior Year] + [Charge of Water Lost Due to Leak at Lowest Tiered Rate] + [Water Maintenance Fee]

- I. The Board reserves the right to refuse any request for a water leak billing adjustment if it determines, in its sole discretion, it would be unreasonable under the circumstances to grant the adjustment.

RULE NO. 9

SECURITY DEPOSITS, GUARANTEES OF PAYMENTS

- A. **Security Deposits or Guarantees.** Co-op may require a security deposit or other guarantee of payment as a condition of continued service:

1. to a chronically delinquent residential customer of Co-op;
2. as a condition for reconnection of service following discontinuance of service by Co-op;
3. to a customer who in an unauthorized manner has interfered with or diverted the service of Co-op situated on or about or delivered to the residential customer's premises; and
4. Any other appropriate circumstances.

- B. **Refund of Deposits, Termination of Guarantees for Customers.**

1. Any customer who has not been delinquent for the twelve-month period from the date of deposit or guarantee shall promptly receive a credit or refund in the amount of the deposit together with accrued interest due or shall be permitted to terminate any guarantee. If the customer fails to qualify for a refund of the deposit on the first anniversary date of the deposit, that account shall be reviewed on each succeeding anniversary date of the deposit and the amount of the deposit shall be credited if the customer has not been chronically delinquent during the preceding twelve (12) months.
2. Unclaimed deposits shall be handled as provided by law.

C. **Amounts of and Accounting for Security Deposits.** Co-op's deposit policy shall conform to the following:

1. A deposit for a customer shall not exceed an amount equivalent to one sixth (1/6) of that customer's estimated annual billings or not more than one and one half (1 ½) times that customer's estimated maximum monthly bill;
2. Simple interest on deposits at the rate not less than the rate required by law shall accrue annually to the customer's credit for the time it is held by Co-op. The deposit shall cease to draw interest on the date it is returned, on the date service is terminated, or on the date the refund is sent to the customer's last known address;
3. Each customer posting a security deposit shall receive in writing, at the time of tender of deposit or with the first bill, a receipt as evidence thereof. The receipt shall contain the following minimum information:
 - a. Name of customer;
 - b. Date of payment;
 - c. Amount of payment; and
 - d. Statement of the terms and conditions governing the payment, retention, interest, and return of deposits.
4. Co-op shall provide means whereby a customer entitled to a return of deposit is not deprived of the deposit refund even though the customer may be unable to produce the original receipt for the deposit, provided the customer can produce adequate identification to insure that the customer is entitled to a refund of the deposit.

D. **Records of Deposits.** Co-op shall keep records of deposits and issue receipts of deposits in a reasonable manner.

E. **Guarantees.** Co-op in its discretion may accept a guarantee from a third party in lieu of a deposit from applicant.

RULE NO. 10

DISPUTED BILLS

- A. Co-op agrees to promptly investigate any question as to the accuracy of metering (if applicable) or of bills for service rendered, and if the bill is in error Co-op shall submit a corrected bill to the customer as promptly as circumstances permit or give credit on the bill rendered to the customer.
- B. In the event the customer disputes the amount of a bill for services rendered, Co-op shall promptly make a complete investigation of the matter and if the bill is correct Co-op shall use reasonable efforts to provide the questionable points to the customer with the results of its investigations.
- C. When the accuracy of a meter is questioned, Co-op will test the meter as provided in Rule No. 21. The cost of the test shall be shared by the Co-op and customer.

RULE NO. 11

SERVICE CONNECTION

- A. Co-op shall determine the point of service to any premises. Co-op shall be called upon for exact information regarding the service entrance before any piping in the interior of the building has been started. If such information is not secured, expensive changes in piping installation may result for which Co-op shall not be held liable in any way and will not assume any responsibility.
- B. Not more than one (1) service line shall be installed on the premises for any one (1) customer unless agreed to by Co-op where special circumstances exist.
- C. The water allocation from a vacant lot shall not be transferred to or used by any other lot. In the event of a lot consolidation, the water allocation of the lot being consolidated will not be allowed to be transferred to increase the water allocation of the newly configured lot. However, the water allocation of the consolidated lot will be preserved in the event the lot is re-established via subdivision.
- D. No more than one (1) single family residential unit, including a related guesthouse, shall be served through any single domestic water service connection. In the case of multiple dwelling units or condominiums, service can be rendered by a single connection or by individual meters for each dwelling unit at the option of the owner.
- E. Co-op's service laterals shall terminate at the inlet side of the water meter yoke at the meter shut off valve. It shall be the owner's responsibility, and at the owner's expense, for any new construction, to install shut off valves on both the domestic and irrigation water service yard lines and to make the necessary connection from

Co-op's service lateral to the building or buildings to be served. The water shut off valves shall be installed within 5 feet of the meter can.

- F. No cross-connection with any other source of water shall be made to a customer's piping which is connected to Co-op lines.
- G. Where the normal water pressure is determined by the customer to be less than his/her requirements, the customer shall install a booster pump and pressure storage tank. The design for any such installation, including an approved back flow preventor, shall be submitted to Co-op for approval, and such approval must be received prior to any construction.
- H. Where the normal water pressure is determined by the customer to be greater than his/her requirements, the customer shall install an adjustable pressure regulating device in his/her piping system approved by all appropriate governmental agencies.
- I. An adjustable pressure regulator approved by all appropriate governmental agencies shall be installed by the customer on all new services before water service will be connected and it shall be located as to control the pressure in the customer's entire piping system.
- J. All piping and plumbing installations made by the customer or under responsibility of the customer shall conform with the Plumbing Code of the State of New Mexico and/or other applicable codes or regulations and be consistent with Santa Fe County community water system standards and the rules of the Co-op.
- K. Co-op will endeavor to install meters as close as possible to the property line provided there is public access to the meter location.
- L. A one-time connection and installation fee shall be charged whenever a meter is installed and connected for the first time to the water system of Co-op for provision of water service to any lot located within the service area of Co-op. The fee shall be determined by the Co-op Board of Directors and shall be attached to the applicable rate schedule. This fee is payable by the purchaser to Co-op as closing costs upon purchase of a lot within Co-op's service area. Complete schedules of all rates legally in effect will be kept at all times at the Co-op's business office, posted on its website or at such other place as the Co-op may designate.
- M. Designs for improvements listed in G and H above shall be stamped and approved by a professional engineer prior to submission to Co-op.
- N. Co-op reserves the right to interrupt service for a reasonable period for repairs to its property or equipment.

RULE NO. 12

DISCONTINUANCE AND DENYING RESTORATION OF SERVICE

- A. Customers who intend to move from the premises, discontinue the use of water, or in any way terminate their liability hereunder shall give Co-op reasonable notice of such intentions, and the customer will be liable for all water that may be used upon the premises until such notice is given and Co-op has made the final meter reading. Upon receipt of such notice Co-op will read the meter within a reasonable period of time.
- B. Any customer desiring service to be disconnected shall give notice in writing to Co-op at its office. Co-op will endeavor to the best of its ability to act upon telephone or verbal orders to discontinue service, but in the event of a dispute only a written order will be considered proof of notice. Annual water maintenance fees are assessed for all lots even upon termination of service.
- C. Co-op reserves the right to interrupt service for a reasonable period for repairs to its property or equipment.
- D. Co-op may discontinue utility service to a customer without prior notice:
 - 1. In the event of a condition determined by Co-op to be hazardous;
 - 2. In the event of customer use of equipment in such manner as to adversely affect Co-op's equipment furnished and owned by Co-op;
 - 3. In the event of customers tampering with, damaging, or deliberately destroying the equipment furnished and owned by Co-op; or
 - 4. In the event of unauthorized use of service provided by Co-op.
- E. Co-op may discontinue utility service to a customer with reasonable notice for:
 - 1. Failure to pay a delinquent water account;
 - 2. Failure to comply with the terms and conditions of a settlement and installment agreement; or
 - 3. Discontinuance of utility service under this subparagraph shall be governed by subparagraphs L through W of this rule.
- F. After three (3) days prior written notice Co-op may discontinue utility service to a customer for:

1. Refusal to grant access at reasonable times to equipment installed upon the premises of the customer for the purpose of inspection, meter reading, maintenance or replacement;
 2. Failure to furnish such service, equipment, permits, certificates, and/or rights-of-way as shall have been specified by Co-op as a condition to obtaining service or in the event such equipment or permission is withdrawn or terminated;
 3. Violation of and/or noncompliance with Co-op's Rules and Operating Procedures; or
 4. Failure of the customer to fulfill contractual obligations for utility service and/or facilities other than settlement and installment agreements.
- G. The three (3) day notice required by Paragraph F of this rule shall include the following, as may be applicable:
1. A statement of the reason(s) why Co-op has issued notice to discontinue utility service;
 2. The title(s), address, telephone number(s), and working hours of the personnel at Co-op responsible for carrying out the rights herein prescribed; and
 3. A statement that the customer can obtain a review by Co-op personnel of the reasons for the proposed discontinuance of service, which shall stay the discontinuance during the review, and a statement that a complaint may be filed with Co-op's Board of Directors or raised at a meeting of the members if the customer disagrees with Co-op's determination of the facts upon which the proposed discontinuance is based.
- H. Co-op shall not discontinue service for:
1. The failure of a customer to pay for special services;
 2. The failure of a customer to pay for service received at a separate metering point, residence, or location; however, in the event of discontinuance or termination of service at a separate metering point, residence, or location, Co-op may transfer any unpaid balance due to any other service account of the customer and proceed in accordance with Paragraph E of this rule;
 3. The failure of the customer to pay for a different class of service received at the same or different location, however, the placing of more than one meter at the same location for the purposes of billing the usage of specific

devices under optional rate tariffs or provisions is not construed as a different class of service;

4. Nonpayment of the disputed amount of a bill until Co-op has ruled on the matter;
 5. Delinquency in payment for service to a previous occupant of the same premises unless a court has found the new customer legally liable for the debt of the previous occupant, or the previous occupant continues to reside at the premises;
 6. Failure of a customer to pay the bill of another customer as guarantor thereof; or
 7. Failure of a customer to pay an estimated bill rendered in violation of Rule No. 26.
- I. Use of Co-op's curb or meter shutoff valve by customer or customer's agent is prohibited. Violations may result in fines and the requirement of installing shut off valves as described under Rule No.18.
 - J. If during a shortage of supply Co-op finds evidence of excessive waste of water by a customer, or if it becomes necessary to ration water, Co-op will advise the customer of such condition. If within twenty-four (24) hours of receiving notice from Co-op the customer has failed to correct the condition causing excessive use, failed to comply with rationing orders, or failed to demonstrate to Co-op's satisfaction why he/she cannot comply within this time period, Co-op may proceed with discontinuance of service.
 - K. Any customer or transferee of such customer whose service is involuntarily disconnected will be required to pay a reconnection fee in addition to first paying all other fees and charges before being reconnected to any system operated by Co-op.
 - L. At least fifteen (15) days before Co-op proposes to discontinue service to a customer, Co-op shall provide that customer with notice of each of the rights such customer may have relating to discontinuance of service and settlement agreements. Such notice shall be in writing and shall be in simple language. Such notice shall be delivered to the affected customer in person or by depositing a copy of the notice in the U.S. Mail, postage prepaid, addressed to the residential customer at the address for the affected customer known to Co-op. Such notice shall contain the following:
 1. The title(s), address, telephone number(s), and working hours of Co-op personnel responsible for carrying out the rights;

2. The amount owed and the date by which the customer must either pay the amount due or make other arrangements with Co-op concerning payment of the charges, including arrangements for a settlement and installment agreement; the consumption period over which said amount was incurred and the date and amount of the last payment shall be available upon request;
3. A statement that if the customer pays that portion of the bill which is not in a bona fide dispute, the customer can obtain a review by Co-op personnel of the portion of the bill which the customer does dispute;
4. A statement that a residential customer may file a complaint with Co-op's Board of Directors or raise the issue at a meeting of the members if the customer disagrees with Co-op's determination concerning discontinuance of service;
5. A statement that Co-op will not discontinue service to any residence where a person resides who is seriously ill or whose life may be endangered by discontinuance of service if at least two (2) days prior to the proposed service discontinuance date indicated in the notice the designated Co-op personnel receives a certificate or copy thereof from a practitioner of the healing arts on forms provided by Co-op or other suitable forms stating that discontinuance of service might endanger the person's life and the customer must demonstrate to the designated Co-op personnel in writing on forms provided by Co-op or other suitable forms that such residential customer has inadequate financial resources to pay the utility charges when due, whether or not the accuracy of such charges is the subject of a bona fide dispute; and that if service has been discontinued Co-op shall re-establish service within twelve (12) hours of receipt of said certificate;
6. A blank medical certificate which shall permit the practitioner to indicate the expected duration of the residential customer's serious illness or life endangering situation and form for notifying Co-op that a residential customer has inadequate financial resources to pay utility charges when due. Such forms properly executed shall be adequate to delay discontinuance for at least thirty (30) days and up to one hundred twenty (120) at the sole discretion of the board. Co-op shall promptly notify the residential customer in writing as to how long it deems the certificate to be valid; provided, however, that should the circumstances upon which the certificate is based appear to have changed, Co-op may require additional certification; and
7. A statement of the cost of reconnection.

- M. Co-op shall take reasonable steps to communicate with a customer by telephone, email with read response, or personal contact at least two (2) days prior to the actual date of discontinuance of service in order to obtain payment of delinquent accounts. If the Co-op is aware of third party to notify as stated in Paragraph N of this section, the Co-op shall also make reasonable steps to communicate via telephone, email with read response, or personal contact with that third party. Co-op representatives who personally contact a customer two (2) days prior to discontinuance and the utility representative sent to discontinue utility service shall note any information which is made known to the representative by the customer regarding a resident's serious illness or life endangering health condition, such as whether a resident is physically disabled, frail, or elderly. Such information shall immediately be reported in writing to a Co-op representative authorized to prevent discontinuance. That representative shall either delay the discontinuance order if it is apparent that the forms provided for Paragraph L, Section 5 of this rule will be received or shall state in writing why such delay is not effected. Co-op and Co-op's representative's noting of the information made known by the customer, acting upon such information, or failing to act upon such information in good faith shall cause Co-op and Co-op's representative to be held harmless for error made. Co-op's representative sent to discontinue utility service shall be empowered to receive payment of delinquent bills, and upon receipt of payment said representative shall be empowered to cancel the discontinuance order.
- N. Co-op shall offer its residential customers a third party notification program and develop adequate procedures for notification to its customers of the availability of the program. The third party notification program shall be extended only to residential customers who notify Co-op in writing of their desire to participate in the program and designate a specific person, organization, or governmental agency who is ready, willing, and able to assist the customer in the payment of utility bills. Upon receipt of such notice from a customer Co-op shall not discontinue service to the residential customer for nonpayment of past due charges without: (1) contacting the designated person, organization, or governmental agency by phone or in writing at least fifteen (15) days prior to the proposed discontinuance of service; and (2) determining that the designated person, organization, or governmental agency has not made a commitment to assist payment of the past due charges of that customer within a reasonable period of time.
- O. When a customer has indicated to Co-op an inability to pay utility charges and has not been chronically delinquent, Co-op shall attempt to arrange an installment payment plan for the payment of past due utility charges. While an installment payment plan is being negotiated, Co-op shall not discontinue service to such customer. In the event that either negotiation of the installment plan is discontinued or progress in its negotiation is stalled, Co-op may proceed with discontinuance of service.

- P. Co-op shall provide a procedure for reviewing customer allegations that a proposed installment payment plan is unreasonable, that a utility charge is not due and owed, or that it has not violated an existing installment payment plan. Such procedure shall provide due notice to customers and the reviewing Co-op representative shall have authority to order appropriate corrective action. Such review shall stay the discontinuance of utility service until the review is completed.
- Q. Service to a customer may be discontinued only during the hours from 8:00 a.m. to 3:00 p.m. on Monday through Thursday and may not be discontinued less than twenty-four (24) hours prior to a holiday or weekend unless Co-op's business office is open for receipt of payment of past due charges and Co-op personnel are available to restore such service upon payment during said holiday or weekend.
- R. Co-op may require irrigation water service to be discontinued for excessive use with notice and process as described in Paragraph S, Paragraph T, Paragraph U, Paragraph V and Paragraph W. Excessive use is defined as water use in excess of the amount allotted to the customer's lot. The following conditions shall apply:
1. If irrigation water service is discontinued, the water will be shut off at the curb irrigation meter;
 2. This provision shall apply and water service shall be terminated regardless of the customer's payment of any surcharges assessed based on the excessive use of water;
 3. Irrigation water service shall not be discontinued while any water leak billing adjustment request is pending before the Board of Directors as stated in Rule No. 8; and
 4. Co-op is not liable for any landscape damage, including loss of any plants, incurred due to the irrigation shut-off.
- S. At least fifteen (15) days before Co-op proposes to shut off irrigation water service to a customer, Co-op shall provide that customer with notice of each of the rights such customer may have relating to irrigation service shut-off and settlement and installment agreements. Such notice shall be in writing and shall be in simple language. Such notice shall be delivered to the affected customer in person or by depositing a copy of the notice in the U.S. Mail, certified mail, addressed to the residential customer at the address for the affected customer known to Co-op. A copy of the notice shall also be sent to any agent or third party as defined in Rule No. 12, Paragraph N. Such notice shall contain the following:
1. The title(s), address, telephone number(s), and working hours of Co-op personnel responsible for carrying out the rights;

2. A detailed history of the excessive water use and the date by which the customer must make arrangements with Co-op for a settlement and installment agreement regarding reduction in use; and
 3. A statement that a residential customer may file a response to the notice as discussed in Paragraph U, Paragraph V, and Paragraph W of this Rule with Co-op's Board of Directors or raises the issue at a meeting of the members if the customer disagrees with Co-op's determination concerning discontinuance of service.
- T. Co-op shall take reasonable steps to communicate with a customer by telephone, email with read receipt, or personal contact at least two (2) days prior to the actual date of shutting off irrigation water service.
- U. Any customer who receives notice of shut off of irrigation water service may file a response to the notice with Co-op's Board of Directors within thirty (30) days of the date of the notice. Such response shall include:
1. The customer's name and address;
 2. The date and a copy of the notice to shut off irrigation service issued by Co-op;
 3. A brief explanation of why the excessive use occurred; and
 4. A proposal of how the customer intends to significantly lower his/her water use for the remainder of the year in which the notice to shut off irrigation water was issued.
- V. Upon receipt of a response to notice to shut off irrigation service, Co-op Board of Directors shall set a special meeting within thirty (30) days. The customer who received the notice shall be given the opportunity to be heard at the special meeting. At the meeting the Board of Directors shall decide if, under the circumstances and as a matter of equity, an agreement can be entered into with the customer to not terminate irrigation water service and to promote the conservation of water by the customer. This determination and the form of any such agreement shall be left to the sole discretion of the Board of Directors.
- W. If a response is not received within thirty (30) days of the date of the notice the customer is assumed to have waived any right to file a response to Co-op's decision to shut off irrigation water service. Irrigation water service will be shut off at that time.

RULE NO. 13

RESPONSIBILITY FOR WATER SERVICE EQUIPMENT

- A. **Responsibility of Co-op.** Co-op will design, install, own, operate and maintain the complete water system up to the point of delivery, including meter setting and meter, consistent with Santa Fe County design standards and professional engineering standards of the State of New Mexico.
- B. **Responsibility of The Customer**
1. The customer shall install, own, and maintain all facilities within the point of delivery.
 2. The customer must exercise due care for the protection of the property of Co-op on the customer's premises.
 3. The customer agrees, in accepting service, that no one except the representatives of Co-op shall be allowed to make an internal or external adjustment of any meter or any other piece of apparatus which is the property of Co-op. Violations may result in penalties described under Rule No. 18.
 4. Facilities or equipment necessary for any special requirements shall be installed and maintained by the customer.
 5. Co-op shall have the right of access to the premises at all reasonable hours for the purpose of inspecting, testing, repairing, installing, or removing the property of Co-op.

RULE NO. 14

INTERRUPTION OF SERVICE

- A. Co-op agrees to use reasonable diligence in rendering continuous and furnishing a regular and uninterrupted supply of water, but Co-op does not guarantee uninterrupted of such service and supply and shall not be liable for damages in case such supply should be interrupted or fail by reason of an act of God, acts of terrorism, acts of vandalism, accidents, strikes, legal processes, state, county, or municipal interferences, breakdowns or damage to the machinery or supply, processing and distribution or any cause beyond the control of Co-op.
- B. Co-op reserves the right to discontinue water distribution water service for the purpose of making connections or extensions, repairs, raising or lowering of its pipe, or for any alterations, improvements, repairs, emergencies, or in connection with its business, and will not be liable for damages occasioned by interruptions

or reductions as necessary to make repairs or changes in Co-op's transmission or distribution facilities. Co-op will endeavor to give reasonable notice in advance of any planned shut off.

RULE NO. 15

RATES

- A. The rates and surcharges to be charged by and paid to Co-op for water service will be the rates approved by Co-op Board of Directors. Complete schedules of all rates legally in effect will be kept at all times at Co-op's business office, posted on its website, or at such other place as Co-op may designate.
- B. The Co-op Board of Directors shall have authority to collect past due receivables, approve and make effective rates and tariffs applicable to water service provided by the Co-op including rate surcharges. New or amended rates, tariffs, and surcharges may be approved by a majority of directors voting at any regular or special meeting called for that purpose at which a quorum is present. All lots of record, developed or undeveloped, that can be served with water service from the Las Campanas Water and Sewer Cooperative are subject to all applicable rates and fees.
- C. All Co-op customers understand that while most rates and charges will be listed in the applicable schedule of rates, water service costs can be subject to changes outside the control of the Co-op, and as such, any such costs can be passed on to the customers at any time.

RULE NO. 16

ACCEPTABLE STANDARDS

Co-op will adhere to the applicable Santa Fe County design standards, professional engineering standards of the State of New Mexico, and applicable construction standards.

RULE NO. 17

CO-OP'S RIGHT TO INGRESS TO AND EGRESS FROM CUSTOMER'S PROPERTY

Duly authorized agents or representatives of Co-op carrying proper credentials and identification shall have free access at all reasonable hours to all parts of the premises of the customer for the purpose of inspection and testing or for reading, changing, or removing Co-op's water meters. If such duly authorized agents or representatives, after showing proper credentials and identification, are refused admittance or hindered or prevented from making such inspections, the service may be discontinued until free access is given in accordance with Rule No. 12, Paragraph F, Section 1.

RULE NO. 18

UNAUTHORIZED CONNECTIONS OR FACILITY/ EQUIPMENT TAMPERING

Domestic water service furnished by Co-op to any customer shall be used only in connection with such customer's residence, dwelling, or building to which the service is piped. No additional facilities or supplies shall be connected to the existing service, nor shall service be piped from one residence, dwelling, or building to another residence, dwelling, or building without first obtaining written permit, authorization, and/or statement or requirements from Co-op.

Tampering with Co-op water facilities or equipment is prohibited and fines may be assessed as detailed below:

- A. Tampering with facilities or equipment may result in a fine of \$100 per occurrence.
- B. Water Meter Bypassing or any willful damage of Co-op equipment shall result in a fine of at least \$500.

In addition to the fine, the Customer shall be responsible for all costs associated with repairing or replacing the damaged equipment and utility service may be discontinued in accordance with Rule 12, Paragraph D, Section 3. The Customer shall be responsible for any assessed costs of water usage during the time a meter has been bypassed.

If tampering of the water meter is a result of utilizing the valves in the meter box to shut off water to the property, then the owner may be required to install shut off valves on their yard line within 60 days of being notified by the Co-op. These valves shall be installed on both the irrigation and domestic water lines that serve the property.

RULE NO. 19

STOPPAGE OR OBSTRUCTIONS OF SERVICE

Co-op shall not be responsible for the stoppage or obstruction or breaks in facilities or lines of the customer.

RULE NO. 20

TEMPORARY AND SPECIAL SERVICES

- A. Where service connections are available, temporary water service will be furnished under Co-op's established rules, regulations, and rates for the type of service required; provided, however, that the customer shall pay, in addition to the cost of service rendered under its applicable rate, the cost of installing and removing, of connecting and disconnecting the necessary facilities required to provide such services.

- B. Temporary and special service connections are primarily available to furnish and supply water during stages of building construction prior to the permanent connection to the completed structure. Service for specialized usage shall be considered as a special case when not covered by a specific rate or schedule filed for the specialized usage.
- C. Co-op reserves the right to furnish or not to furnish water for any type of temporary use and further to define the conditions under which the water will be supplied as stated in Rule No. 23. Continuous service under normal conditions to existing customers shall take priority over customers receiving temporary service.

RULE NO. 21

METERING

- A. **Ownership of Meters.** All meters used in connection with metered service shall be furnished, installed, maintained, and owned by Co-op.
- B. **Meter Testing.** Each meter, whether new or repaired or removed from service for any cause, shall be tested and in good order before being installed. All tests to determine the accuracy of registration shall be conducted in a manner satisfactory to Co-op Board of Directors.
 - 1. Upon request by a customer, Co-op shall make a test of the meter serving him/her and shall advise him/her that he/she may be present. If the meter has been tested within the last twelve (12) months, Co-op may charge the customer a meter test charge, as approved by and on file with Co-op, for making such a test. Such a charge will be refunded to the customer whenever the meter proves to be in excess of two percent (2%) fast.
 - 2. The customer or his/her representative may be present, if he/she desires, when his/her meter is tested. If the customer wishes to be present, he/she should so notify Co-op at the time of his/her request for the meter test. Co-op shall give the customer reasonable advance notification as to the day, time, and place of said meter test.
 - 3. A written report of the results of the test shall be made to the customer within a reasonable time after the completion of test, and a record of the report together with a complete record of each test shall be kept on file at Co-op business office.
- C. **Fast Meters.** When a meter is found to be in fact in excess of two percent (2%) error against the customer in tests made at any time, Co-op shall refund to the customer an amount equal to the excess charged for the water incorrectly metered. The period over which the correction is to be made shall be the time of apparent

failure; provided, however, the period shall not exceed six (6) months. No part of the monthly maintenance fee shall be refunded.

- D. **Slow Meters.** If upon testing the meter is determined to be more than two percent (2%) slow, the amount of the under-charge resulting from the error will be billed to the customer, but the period employed in calculating the under-charge shall not exceed six (6) months. The customer will not be billed for the period between his/her notice to Co-op that he/she doubts the meter's accuracy and the test of the meter by Co-op if the interval exceeds a time reasonable under the circumstances.
- E. **Failure to Register.** In the event of stoppage or failure of the meter to register the full amount of water consumed, the customer will be billed for such period from the time elapsed since the last previous test or the time of apparent failure on an estimated consumption based upon such customer's use of water in a similar period of like use; provided, however, the period shall not exceed six (6) months.
- F. Co-op reserves the right to test any meter at any time during business hours and to enter the premises of a customer if necessary for that purpose.
- G. **Meter Reading.** Meters will be read in accordance with Rule No. 6 and Rule No. 26, Paragraph B herein; provided however, that when snow, ice or other justifiable problems cause one or more consecutive meter readings to be missed, Co-op may bill the customer on an estimated consumption and the difference adjusted when the meter is again read.

RULE NO. 22

LINE EXTENSION POLICY

New Water Service. When an extension of Co-op's lines is required to serve an individual applicant or a group of applicants or a commercial enterprise or residential subdivision within Las Campanas with the understanding that reasonably consistent applications will be expected, extension shall be made under the following terms and conditions. In no event shall Co-op extend lines beyond the boundaries of Las Campanas as defined or amended in the Articles of Incorporation.

- A. All line extensions shall be sized to provide adequate domestic service and, where required, fire protection service including fire hydrants.
- B. Investment in the line extension required to serve the applicant may be required to be paid in total by the applicant requesting the extension in the form of an Advance for Construction or a Contribution in Aid of Construction.
- C. Co-op shall not under any condition make an extension that would be unprofitable and thereby cause undue financial burden to existing customers, which means that

there shall result no increase in rates for service to existing customers which is unduly discriminatory.

- D. All lines shall be installed in existing public roads, alleys, or easements. The applicant shall furnish such rights-of-way, as required, without charge to Co-op.
- E. When the applicant is an individual single family residence or an individual residential structure that will house up to four (4) single family residences, the following will apply:
 - 1. Advances for Construction may be refunded to the original applicant on the following basis:
 - a. The estimated annual revenue for actual consumption will be determined using rates currently in effect.
 - b. The refund to the original customer shall be no greater than three (3) times the estimated annual revenue determined in Paragraph E, Section 1a), above, if no new customers connect to the original extension.
 - c. For each new customer connected to the original extension a refund of no greater than three (3) times the estimated annual revenue for the new customer will be made if a refund is not provided for under Paragraph 2 below.
 - d. In no event may refunds to an applicant total more than the Advance for Construction.
 - e. Up to ten (10) years after the original request for extension the remaining advances shall become Contribution and will no longer be subject to refund.
 - 2. Advance for Construction may also be refunded on the following basis:
 - a. The pro rata cost of a line extension incurred by reason of its installation along property owned by others who will benefit from such extension may be computed for all such parcels and recorded for future collection when water service is requested to any such parcel. The pro rata cost of facilities installed along each abutting or benefited property may be computed on a front foot basis for individual lots or on an acreage basis for undeveloped tracts and may be recorded to be charged against that property.
 - b. The total construction cost for the line extension may be paid as an advance in aid of construction by the applicant, but the advance

may be subject to future refunds to that applicant when water service is connected to each abutting or benefited property up to ten (10) years.

- c. When a request for water service to any such abutting property is received by Co-op, the pro rata cost originally computed and recorded as applicable to that property may be billed to and paid by the party before water service will be provided to the abutting or benefiting property. This amount may then be refunded to the original applicant or customer if it can be determined that such applicant or customer still exists as such and if within ten (10) years of the date of the original line extension agreement.
 - d. Refunds made under this provision shall not exceed the original advance less that portion needed to serve the original applicant.
- F. Parties requesting subsequent connections or extension to lines already installed by Co-op at its expense may be required to reimburse Co-op for a pro rata share of the cost of the lines at the time connection is completed. This will be based on lines and appurtenances sized to serve the new applicant with adequate domestic and fire protection service, if required. Total collections by Co-op under this provision shall not exceed the total cost of the lines.
- G. In the instance of residential subdivision, commercial enterprises, or where special circumstances warrant in the case of residential line extensions otherwise includable under Paragraph E of this rule, a line extension may be under a specific contract provided that all contract terms shall be such that no adverse financial burden will be imposed on existing utility customers. This means that the effect of a specific contract shall not cause an increase in rates for service to existing customers which is unduly discriminatory.
- H. All such line extension contracts shall be filed with Co-op. Any special or unusual conditions which affect the cost of furnishing an adequate or required (i.e., fire protection) supply of water for a line extension, such as elevation, terrain, construction conditions, the volume of water available from the existing supply and distribution system, or any other conditions which would result in increased cost to Co-op, shall be included in the cost of all line extensions. Such special contracts shall be entered into with residential customers otherwise includable under Paragraph E, above when the cost of such line extensions includes such special or unusual conditions.

RULE NO. 23

LIMITATIONS AND RESTRICTIONS OF USE OF WATER

- A. Before undertaking any actions which will use unusually large quantities of water, the customer shall consult Co-op for its approval of such additional service and for the terms and advice as to conditions under which the water will be supplied to the premises of the customer.
- B. Co-op reserves the right to limit the size of service connections or openings through which its service is furnished and to prohibit the customers waste of excessive quantities of water which exceed or strain the capacity of Co-op for supplying water to all customers or are contrary to the conservation of water within the Co-op's service area.
- C. Resale of water service or the furnishing of water service to others by customers shall not be permitted.
- D. During periods of limited water availability in the County, Co-op may impose any conservation measures necessary to comply with any drought contingency plan approved by Santa Fe County that are applicable to all water utilities in the County, or are required by the "Bulk Water Service Agreement" between the Santa Fe County and the Co-op.

RULE NO. 24

SETTLEMENT AND INSTALLMENT AGREEMENTS

- A. **Settlement and Installment Agreements to Be in Writing.** When Co-op and customer settle a dispute or when a customer does not dispute liability for an outstanding bill or bills but demonstrates an inability to pay the outstanding bill or bills then due, Co-op and such customer shall enter into a settlement agreement to pay the amount of the bill. The terms of a settlement agreement reached by telephone, which extend beyond thirty (30) days, shall be confirmed by Co-op in writing and mailed or delivered to the customer. Co-op is not required to enter into a settlement agreement with a chronically delinquent customer. However, if a chronically delinquent residential customer can demonstrate to Co-op that the customer has inadequate financial resources to pay the outstanding bill without participation in the settlement agreement and because the customer has a low income and is elderly, disabled, or subject to other special considerations, Co-op shall give special considerations to such customer in determining whether to extend a settlement agreement to that customer.

B. **Installment Payments.**

1. Every settlement agreement involving an inability to pay an outstanding bill in full when due shall provide that service will not be discontinued if the customer pays a reasonable portion of the outstanding bill upon signing the settlement agreement and agrees to pay the remaining outstanding balance in reasonable installments until the bill is paid. For purposes of determining reasonableness the parties shall consider the following:
 - a. The size of the outstanding balance;
 - b. The customer's ability to pay;
 - c. The customer's payment history;
 - d. The time that the balance has been outstanding;
 - e. The reasons why the balance has been outstanding; and
 - f. Any other factors relevant to the customers service.

A settlement agreement to pay on outstanding past due balance on a bill does not relieve a customer from the obligation to pay future bills on a current basis.

2. If the customer has entered into an installment plan pursuant to a settlement agreement the residential customer shall receive a statement of:
 - a. The actual service charges incurred for the current billing period;
 - b. The amount of the installment payment due;
 - c. The total amount due [sum of (a) and (b)]; and
 - d. An acknowledgement of previous installment payments.

- C. **Failure to Comply with Settlement Agreements.** If a customer fails to comply with a settlement and installment agreement, Co-op may discontinue service after notifying the customer by personal delivery of written notice by first class mail that the customer is in default of the settlement agreement; stating the nature of the default; and stating that unless a payment which brings the settlement agreement current is made within seven (7) days from the date of notice, Co-op will discontinue service on a certain date.

- D. Nothing in this rule shall preclude Co-op and a customer from renegotiating the terms of a settlement agreement.

RULE NO. 25

COMPLAINT PROCEDURES

If a customer cannot resolve a dispute with Co-op representatives, the customer may address the Co-op's Board of Directors at a regular meeting or in a properly called special meeting as provided in the Bylaws.

RULE NO. 26

ESTIMATED BILLS

- A. Co-op may not render a bill on estimated usage to a customer, other than a seasonally billed customer unless:
1. Co-op is unable to obtain access to the customer's premises through no fault of its own for the purpose of reading the meter or in situations where the customer makes reading the meter unnecessarily difficult;
 2. A meter is defective or has been evidently tampered with or bypassed; or
 3. Weather conditions prohibit meter readings or where other force majeure conditions exist.

If Co-op is unable to obtain an actual meter reading for these reasons, it shall attempt to contact the residential customer and attempt to obtain access to the premises, or it shall undertake reasonably practical alternatives to obtain a meter reading. Co-op must for no less than twelve (12) months maintain accurate records of the reasons for each estimate and of the efforts made to secure an actual reading.

- B. Co-op may not render a bill based on the estimated usage for more than two (2) consecutive billing periods, nor for an initial reading or final bill for service unless otherwise agreed to by the customer and Co-op.
- C. If Co-op underestimates a residential customer's usage and subsequently seeks to correct the bill, the residential customer shall be given an opportunity to participate in an installment payment plan with regard to the underestimated amount.
- D. **Meter Reading.** Meters will be read as nearly as possible at regular monthly intervals; provided, however, that if one month's meter reading is missed, Co-op may bill the customer on an estimated consumption and the difference adjusted

when the meter is read again. The basis for this estimate shall be the normal consumption for corresponding periods in the preceding year and/or normal consumption of preceding months. At the first reading subsequent to the non-reading, the rate structure shall be taken into account when adjusting the bill.

RULE NO. 27

CUSTOMER'S SYSTEM

The piping system on customer's premise shall be inspected and approved by the appropriate governmental inspection agency before water service will be connected. Cross-connections and/or back flow possibilities revealed by any inspection shall be eliminated before water service is provided to a new customer or continued to an existing customer. Co-op does not assume the responsibility for piping inspections and shall not be held liable for failure of customers piping or installation; however, Co-op will cooperate with both the customer and the responsible governmental agency to effect changes necessary in the piping system or installation in order to provide or continue to provide water service without undue delay.

RULE NO. 28

LOCATION OF METER

- A. Co-op will specify the meter location and point of delivery to any premise between the property line and 7 ½ foot utility easement into the property, and Co-op shall be contacted for exact information locating the point of delivery before any piping of customer's system has been started. If such information is not obtained by customer in writing, expensive changes in piping installation may result for which Co-op shall not be held liable in any way and will not assume any responsibility.
- B. When a building houses more than one unit requiring separate meters, all of the meters shall be grouped adjacent to each other and must be individually numbered and identified according to the units served.

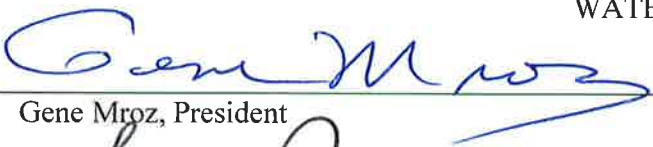
CERTIFICATE

We, the undersigned, Board of Directors of LAS CAMPANAS WATER AND SEWER COOPERATIVE, a New Mexico cooperative association organized and existing under the laws of the Santa Fe County, State of New Mexico, do hereby certify that the foregoing Rules and Operating Procedures of Las Campanas Water and Sewer Cooperative was duly adopted by the Board of Directors.


DATED this 19th day of July, 2017.

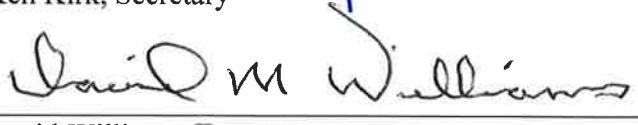
ATTEST:

LAS CAMPANAS
WATER AND SEWER COOPERATIVE

By: 
Gene Mroz, President

By: 
Gary Poliner, Vice President

By: 
Ken Kirk, Secretary

By: 
David Williams, Treasurer

By: 
Michael Hughes, Director

By: 
Virginia Selvin, Director

By: 
Dennis Johnson, Director

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Exhibit A

Las Campanas Water and Sewer Cooperative

Status and Action Time Line for Water and Wastewater Bill

