

WELCHES WATER COMPANY

Rules and Regulations

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**Section I
PREFACE**

- A. The Welches Water Company (WWC) is a non-profit corporation organized on January 27, 1927, and operates in accordance with rules set by the Department of Commerce, Corporations Division and the State of Oregon. A seven-member Board of Directors is authorized to conduct the business of the corporation and has the authority to enforce the rules and regulations under which the corporation operates.
- B. The WWC Board will exercise reasonable diligence and care to deliver a continuous and sufficient supply of clean, safe, and potable water to WWC members but shall not be personally liable for water service interruptions due to equipment failure or weather conditions beyond its control, nor will the Board be liable for monetary damage to the corporation for any breach of fiduciary duty.
- C. These Rules and Regulations aid the Welches Water Company in complying with applicable state and federal statutes related to the operation of a community water system and are subject to recommended changes by the Board of Directors as necessary.
- D. Where water service exists prior to adoption of these rules, those water services will be brought in compliance by adding, as determined by the Board of Directors (or their agent), the necessary valves, back-flow devices or other equipment.

**Section II
DEFINITIONS**

- A. Board The term “Board” shall apply to the elected directors of Welches Water Company. Each director must be a member of the corporation and comply with the membership requirements set forth in the By-Laws of the corporation.
- B. Member The term “member” shall apply to all persons who own property within the defined service boundaries, have paid for a connection to Welches Water Company, and are being served water by Welches Water Company, whether that connection is actively used or not.
- C. Water Main The water main is the pipe located within the water system, owned and operated by Welches Water Company and used for the purpose of distributing water to service lines and ultimately to WWC members’ property(ies) of the water system. The water main is the responsibility of the corporation.
- D. Service Line The service line consists of the pipe, valves and fittings leading from the water main to metered shutoff valves, and is the responsibility of the corporation.

- E. Member Line The member line is the portion of the water system from the metered shut off valve to the individual premises or lot being served. The member line includes the member's shutoff valve and is the member's responsibility. The member's shutoff valve should be clearly marked to facilitate quick access in the event of an emergency. If the corporation is required to locate members shut off valves, the current service fee will be charged. Please see the WWC schedule of fees.
- F. Rental Unit A rental unit is an attached or detached dwelling unit that is leased or rented separately from the primary structure. Each connection on a given property is subject to a connection fee. Water use shall be assessed at the current use-based fee.
- G. Guest House A guest house is a separate structure used for residential purposes for occasional overnight use. A guest house is not a residential structure that is leased or rented separately from the primary residence on the property. A guest house water connection shall be considered as one hookup together with the primary residence.

Section III OWNERSHIP

- A. The ownership of the entire system, including all mains, laterals, service connections, reservoirs, all facilities and appurtenances is vested in Welches Water Company unless otherwise provided in writing by the Board.
- B. No persons other than those authorized by the Board shall be permitted to install, move or change any service lines or metered shutoff valves.
- C. No unauthorized person shall tamper with, or in any manner interfere with service connections, metered shutoff valves or any other property of Welches Water Company.
- D. Membership in the corporation transfers with the sale of a property with a connection to the Welches Water Company. New owners must sign an 'application' which includes agreement to abide by the Welches Water Company Rules and Regulations. Current rules and regulations can be found at www.welcheswater.com/rules-and-regulations

Section IV APPLICATION FOR CONNECTION

- A. Application for new membership (not ownership transfers) shall be given to WWC in writing, The application shall be presented to the Board at a Board meeting, by the property owner(s). No service line installation or connection shall be made until such application has been accepted by the Board and payment made in full.

- B. The Board will make its recommendation for acceptance or rejection of an application based on confirming the property location within present boundaries and the availability of water.
- C. By making application for water service or by using water service supplied by Welches Water Company, every applicant does hereby give and grant to the Board the right, at all reasonable times, to enter upon the premises for the purpose of inspection for compliance with these Rules and Regulations.

Section V USE OF WATER

- A. Water from the WWC is for ordinary domestic use only. Welches Water Company water rights prohibit use of water for lawn sprinkling, gardens, landscaping, swimming pools, fish ponds, etc.
- B. Resale of water purchased from Welches Water Company is not permitted.
- C. Any person using water in violation of the Domestic Water Use Policy (Adopted August 21, 2021) will be subject to the following penalty schedule. Misuse offenses are treated cumulatively over the full duration of a given property membership in WWC.
 - First offense: Warning letter with photo and/or other verifiable evidence of misuse
 - Second offense: \$500 fine
 - Third Offense: \$2,500 fine
 - Fourth Offense: Loss of WWC membership and connection to the WWC system for continued misuse

Violation notices will be given to the owning member in writing by the Board. Such notice shall be a warning to discontinue the unlawful use or be subject to disconnection based on the above schedule of offenses. Should the unlawful use continue to the fourth offense, notice of violation and 10-day notice of disconnection shall be delivered in person to the occupant of the premises in which the violation is occurring. Should the Board, for any reason, be unable to serve said notice to the occupant personally, said notice shall be posted on the premises and mailed by certified mail to the address of record for that member, and these actions shall constitute delivery of said notice.

Section VI SERVICE CONNECTION

- A. Water service shall be provided only from pipes and mains owned by Welches Water Company. No hoses may be attached to provide water to any property or premises not

currently an active member of the corporation, whether inside, abutting or outside of the water system boundaries.

- B. At the time a homeowner's application for water service is accepted, a service connection charge will be assessed. This charge covers the costs of administration, record keeping, engineering system drawing changes and installation of the service line and valves. The service connection charge must be paid in full by the applicant prior to installation. Please see the WWC schedule of fees for more information.
- C. Where the water main is in the public right-of-way, the metered shutoff valve will be placed at the right-of-way line nearest the property to be served for the standard connection fee, provided the length of the service line does not exceed the width of the right-of-way.
- D. Unless authorized by the Board, a service connection shall provide water only to a residential structure or lot.
- E. When the removal or relocation of a standard service connection is requested by a member, it shall be at the expense of the member.

Section VII MEMBER SERVICE LINE

- A. In the event a connection is available at a new location, The member, at his or her own cost, shall construct the private service line from the metered shutoff valve to the premises or lot being served.
- B. The private line shall be installed in accordance with plumbing and applicable Specialty Codes of the State of Oregon and Clackamas County and the size of the line shall meet or exceed the minimum requirement of such codes. Any necessary repairs to the private service resulting from leaks, freezing or for any other reason will be the member's responsibility.
- C. All pipe, after it leaves the Welches Water Company metered shutoff valve, is the responsibility of the member. The member is responsible for providing a member shutoff valve for shutting off the water at their property in case of broken or frozen pipes or when repair work is being done on the premises. The member must know where the member shutoff valve is located (usually a few feet inside the property line). If the corporation is required to locate the member shutoff valve, a fee will be charged. Please see the WCC schedule of fees for more information.

Section VIII CONTRACTS

- A. When water service is connected as a result of an application made and accepted by the Board, the written application shall be considered a contract in which the applicant agrees to abide by all rules and regulations in effect at the time of signing or as may be adopted or modified by the Board of Directors of Welches Water Company. The applicant further agrees to pay all bills, fees and assessments in a timely manner. In the event of loss of membership and subsequent disconnection from the WWC system (see section X below), the connection will be given back to WWC and may be redistributed to a new owner/property at the discretion of the Board.

- B. Except as otherwise provided by these Rules and Regulations, the Board may refuse to supply water to any place or premises where the user fails, after written notice, to comply with the Rules and Regulations within the time specified in the written notice.

Section IX WATER RATES

- A. Welches Water Company is a non-profit corporation. The rates assessed must be adequate for normal maintenance, operating costs and capital improvements.

- B. Rates are set by the majority vote of the members at an annual meeting, as recommended by the Board, taking into consideration all costs necessary to conduct the business of the corporation.

- C. Special assessments may be made by the Board above and beyond the current rates to meet requirements set by EPA or the State of Oregon which are in addition to current operating procedures.

Section X PAYMENT AND NON-PAYMENT OF BILLS

- A. The billing cycle begins July 1 each year. Members have the option of paying annually or quarterly. Members who choose to pay quarterly will be invoiced quarterly. Payment is due no later than thirty (30) days after the due date and shall be deemed delinquent if not paid by that date.

- B. The corporation reserves the right to disconnect a member's water line from the corporation's main line for non-payment of a bill. A written notice will be sent by certified mail to the address of record for that member, giving the date of disconnect. All expenses incurred to disconnect will be at the member's expense. A fee will be charged to disconnect and/or reconnect. Please see the WCC schedule of fees for more information.

- C. Late fees, disconnection and membership removal will be assessed as follows:

- Bills not paid by the first of the month following the DATE DUE are subject to a late fee of \$25.00. For example, payment for a bill sent on Jan 1st with a date due of January 25th is considered late if it is not paid before February 25th.
- Bills that are not paid after 60 days from the date due are subject to a \$50 fine.
- Bills delinquent for more than 90-days from the date due are subject to a property lien, disconnection of the member's water service, or such actions as determined by the Board.
- Bills delinquent for more than 180-days are subject to all accumulated cost and loss of membership in Welches Water Company as determined by the Board.

Please see the WCC schedule of fees for more information on late payment, disconnection, and reconnection fees.

- D. A title change involving new names is subject to a transfer fee of \$125.00 and is subject to the same charges as a delinquent bill.
- E. Payments made by checks that are returned for Insufficient Funds are subject to a \$25.00 fee per occurrence, and are subject to the same charges as a delinquent bill.
- F. Locating a member's shutoff valve is subject to the cost incurred to locate said valve and is subject to the same charges as a delinquent bill.

Section XI

LEAKAGE ON MEMBER'S PROPERTY OR WITHIN DWELLING

- A. Members shall be responsible for the proper maintenance and repair of their line(s). Welches Water Company and members of the Board of Directors shall not be liable for any loss, damage or injury caused by defects in the members' service line, plumbing or equipment.
- B. Leaks in member's lines shall be repaired as soon as detected.
- C. An authorized WWC person will shut off the water if the owner does not have the necessary tool. The authorized person is not required or obligated to search for the member shutoff valve. If a leak or damage occurs in an unoccupied structure and the owner cannot be contacted, WWC has the authority to turn off the water and shall not be the responsible for damages incurred. Resulting expenses will be the member's responsibility.

Section XII

TITLE CHANGES OR DISCONTINUANCE OF SERVICE

- A. Unless authorized by the Board, no person shall turn on or off any of the main line valves.

- B. Members requesting service disconnection shall apply for these services in writing to the Board. Connections to the WWC system are still applicable to the annual membership dues whether or not the connections are active. Failure to pay as described in section X, may result in the loss of membership and connection to the WWC system.
- C. It is a member's responsibility to notify the WWC Board, in writing via paper copy or digital transmission, of any change of ownership. The new owner's name, E-mail, mailing address and telephone number, if known, must be provided.

Section XIII
CROSS-CONNECTION CONTROL

- A. Neither cross-connection nor physical connection of any kind shall be made to any other water supply, whether public or private, without the written consent and approval of the Board, and the written consent and approval of the State of Oregon's Department of Human Resources, Health Division.
- B. Backflow prevention devices are required to protect the community water system whenever a cross-connection or potential cross-connection exists. This includes hot tubs, dark rooms or tanks used as reservoirs or wells. The Board shall deny or disconnect service to those premises until an appropriate backflow prevention assembly is installed or until the cause of the hazard is eliminated. These requirements must be strictly observed as a matter of public health and to prevent contamination of the water system. Installation of the backflow device is at the member's expense.
- C. Cross-connection control requirements have been issued to all members and are a part of these Rules and Regulations and the By-Laws.

Section XIV
SERVICE INTERRUPTIONS

- A. WWC will occasionally need to temporarily cut off the water supply to make necessary repairs or connections. Reasons for shutoff include breaks in water lines, emergencies because of natural disasters or any other unavoidable cause. Water system shutoffs will be communicated to WWC members using any and all reasonable and practical means such as text message, e-mail or phone calls as needed. In an emergency situation, communications will be mad following the method as stated in the WWC emergency plan.
- B. Welches Water Company shall not be liable for any damage or inconvenience suffered by members, or from any claim against it at any time, from interruption of service, lessening of supply, inadequate pressure, or poor quality of water due to causes reasonably beyond the control of the Board.

**Section XV
EXTENSION OF EXISTING FACILITIES**

- A. A moratorium on all main extensions is in effect.
- B. The corporation will provide facilities for general distribution of water within the service area of Welches Water Company, but it shall not extend, at the expense of the members, facilities to service additional customers, properties, tracts or subdivisions.

**Section XVI
AMENDMENTS – SPECIAL RULES – CONTRACTS**

- A. The Board shall have the authority at any time to recommend to a vote of the members, amendments, changes or modifications to the By-Laws. All rates and charges for installation, service piping, and any other type of service shall be established and approved by the Board.

**Section XVII
CONSTITUTIONALITY SAVING CLAUSE**

- A. If any clause, sentence, paragraph, section or portion of these Rules and Regulations for any reason shall be adjudged invalid by a court of competent jurisdiction, such judgment shall not affect, impact or invalidate the remainder of these Rules and Regulations.

Welches Water Company Rules and Regulations as Adopted January 1, 1988, 5th Amended version, October 11, 2023.

Doug Dickey, President _____
Date

Patrick Green, Secretary _____
Date