

Rules and Regulations

For

Escudilla Mountain Domestic Water Improvement District

(EMDWID)

(05/23/26)

ESCUDILLA MOUNTAIN DOMESTIC WATER IMPROVEMENT DISTRICT

The Escudilla Mountain Domestic Improvement District was formed pursuant to Arizona Revised Statutes Section 48-901 et seq. It is a political subdivision of Apache County, and is governed by an elected five-member board of directors.

DISTRICT RULES AND REGULATIONS

ARTICLE I

GENERAL CONDITIONS GOVERNING WATER CONNECTIONS, GUARANTEE DEPOSITS AND USE

Section 1 Functions of the Escudilla Mountain Domestic Water Improvement District Board of Directors

It shall be the duty of the Escudilla Mountain Domestic Water Improvement District Board of Directors to control and manage all matters pertaining to the water system of the Escudilla Mountain Domestic Water Improvement District in conformity with all applicable federal, state, county, local laws, and these regulations, and all resolutions of the Escudilla Mountain Domestic Water Improvement District, Apache County, Arizona. The Board shall have direct supervision over the district's water system, all real, and general personal property connected with the water system, and any contractors or employees of the district.

Section 2 Conditions for Connections Made to District Water System

All connections to the system will be made by District personnel only. The district, its agents or assigns shall make all connections in compliance with any specifications adopted by the district and the current edition of the Uniform Plumbing Code and subject to inspection at the time of connection. A water connection shall be deemed to have occurred when there has been a connection to a water line of the district or tributary line, regardless of the terminus of said connection. It shall be unlawful for any person to connect to the water line or lines of any portion of the district's water system. No connection will be made until the person has first completed the proper application to connect to the water system, has paid all required fees, and the application has been approved by the district.

Section 3 Consumer Applications for Service

A. The consumer will make an application for service (Escudilla Mountain DWID Service Application), in person or by first-class mail to the district at its office, and submit the consumer deposit in accordance with the Rate Schedule in Appendix A District Consumer Establishment Fee. Only the property owner within the DWID may apply for services in his own name and shall be responsible for payment of all charges incurred in connection with the service furnished.

B. The District may reject any application for service when, and so long as, the applicant is delinquent in the payment of bills incurred for service previously supplied by the district at any location or under a previous name.

C. A detailed plan identifying the water service to the residence to include any hose bibs prior to the residence connection.

Section 4 Guarantee Application Fee

A. A refundable fee shall be made in accordance with the Rate Schedule in Appendix A.

B. When services are permanently discontinued and all bills are paid, the fee will be refunded.

C. Upon discontinuance of service for the non-payment of bills, the deposit may be applied by the district only toward the final settlement of the account; however, the district does not waive the right to exert any claim it may have for a delinquency against any person or customer.

Section 5 New Service Installation

A. The district requires all fees as outlined in Appendix A to be paid prior to accessing the water standpipe system calculated at the delivery rate in the Rate Schedule in Appendix A.

A1. The consumer shall provide a detailed plan for water service to the residence.

B. The district will install a meter with shutoff to be installed at the property line, or at the district's option, on the consumer's property, or in a location mutually agreed upon. If the meter is to be located on the consumer's property, the district retains the right to cross such property in order to repair, replace or service and/or read the meter. Only authorized District personnel may tap the water main and set the meter. The appropriate consumer shut off valve and valve box provided by the consumer will be installed by the district as close to the meter as possible and must be maintained and visible at all times in the event of an emergency. One meter shall be installed for one living structure only. Multiple meters for living structures on one property is prohibited. The cost of installing the new meter and shut-off valve and valve box (provided by the consumer and installed by the district) will be charged to the customer per the Rate Schedule in Appendix A. Payment is due prior to installation. Meter shutoff valves are prohibited use by the consumer.

C. A stand pipe installed by the district will be available for all District members from the hours of Dawn to Dusk everyday unless otherwise noted and charged as outlined in the Rate Schedule. Any invoices will be sent out on the 15th of each month. An invoice will be sent to your address on file by the 1st of the following month and shall be paid within 10 days of invoice date. Refer to Article II of this document. All late fees and reconnections will be adhered to as outlined in Appendix A Rate Schedule.

1. Water consumers will be provided an access code to dispense water. The access codes will be similar to your debit pin and are prohibited from sharing at any time. Refer to Article III Section H.

2. Water consumed will be only used for those approved within the district boundary and shall not be distributed. If that condition is found, you will be notified in writing and your service will be shut off for a period of 60 days and a charge of \$100. If this persists, a district member will be shut-off until the

governing board approves or denies the reconnection. All reconnection fees will be charged as outlined in the rate schedule. Refer to Article III.

3. The district will provide a 2" NSP connection and a ¾" hose connection.
4. All users must keep the dispensing area free from trash etc. At all times.
5. District users shall provide their own hoses etc. To dispense from the district provided connections. Those district connections are not to be altered at any time.
6. All users must refrain from wasting water and refrain from draining your hoses within the driveway areas.

Section 6 Construction Specifications

All mains and distribution lines to be constructed shall comply with and conform to the current Uniform Plumbing Code and all applicable rules and regulations of the Arizona Department of Environmental Quality in effect at the time of construction.

Section 7 Access to Premises

Duly authorized agents of the district shall have access, at all reasonable hours unless during an emergency, to the premises of the consumer for the purpose of inspecting, installing, repairing or removing District property, or for any other purpose in connection with the district's service and facilities.

Section 8 Ownership and Maintenance of Water Delivery Apparatus

All water system and delivery apparatus, including meters and valves (not including the shut-off valve installed by the district see Section 5) at the meter are the property of the district, and shall be maintained and operated by authorized District personnel only. In the event of a true emergency this requirement may be waived. All consumers on the district water are responsible for maintaining and installing a shut off valve and a visible above grade valve box at the meter location on the service connection to their property.

Section 9 Water Delivery to Properties Not Adjacent to the Current Delivery System (Delivery Extensions)

The following paragraphs are the policy for the extension of the water system to service new customers. There may be extenuating circumstances that would alter this described policy and therefore, the board reserves the right to alter this policy when it is in the best interest of the district and/or the customer. All extension requests should be presented to the board either in person or in writing prior to any system alteration.

Consumers within the District requesting service whose property is not adjacent to the existing delivery system will be required to pay the cost of extending the system to their property.

The service extension must comply with the requirements in this document. All extensions to the service must be pre-approved by the district and installed by the district or approved contractors. All other requirements of this document will apply to the extension. The extensions will become the property of the district and will be maintained by the district.

Section 10 Water Delivery to Property Adjacent to the Current Delivery System
(Property not in District current Boundary)

Refer to A.R.S 48-1014 (c)

C. "Notwithstanding subsection B of this section, any property owner whose land is within a county that contains an improvement district and whose land is adjacent to the boundaries of the improvement district may request in writing that the governing body of the district amend the district boundaries to include that property owner's land. If the governing body determines that the inclusion of that property will benefit the district and the property owner, the boundary change may be made by order of the governing body and is final on the recording of the governing body's order that includes a legal description of the property that is added to the district at **the cost of the property owner**." A public petition is not required for an amendment to an improvement district's boundaries made pursuant to this subsection.

ARTICLE II

FEES, CHARGES, ACCOUNTING AND REPORTING

Section 1 Rate Schedule

The District shall maintain a budget that ensures the availability of necessary funds to operate and affect repairs to the facility and establish cash reserves for capital improvements. All fees, deposits, charges and penalties will be as set forth in the Rate Schedule in Appendix A.

Section 2 Billing and Collecting

A. Customer meters will be read on the 15th of the month if possible but no later than the 20th of each month. However, during inclement weather the reading of meters may be suspended, and an estimated bill issued.

B. Bills for water use will be computed in accordance with the Rate Schedule in Appendix A.

C. Bills will be rendered approximately the first of each month, the District may however, vary the dates or lengths of the billing period if necessary.

D. Bills are due ten (10) days thereafter and become delinquent if not paid by due date. A second billing will include a "Ten Day Disconnect Notice" and accrue a late payment fee as prescribed by the Rate Schedule. At this time all bills must be paid in full, including late payment fees, or service will be disconnected without any further notice to the customer, unless arrangements, prior to delinquency, have been made with the Administrator. If a customer does not adhere to those arrangements, service will be terminated immediately, without further notice.

E. Failure to receive bills or notices shall not prevent such bills from becoming delinquent nor relieve the consumer of his obligations to pay such bills.

F. If consumers believe their bill to be in error, they shall present their claim to the District Board or Billing Accountant, in writing, before the bill becomes delinquent.

G. Partial payments may be received by the District however, that will not stop an

account from becoming delinquent, and subject to disconnection.

H. Service that is disconnected for delinquency of bills will be restored, only after all due bills are paid in full, late fees, guarantee re-deposit, and service charges in accordance with the District Rate Schedule in Appendix A.

I. If service is to be re-established at the same location for a consumer, or for any member of such consumer's household, who ordered a service disconnection for a period longer than the preceding twelve months, a consumer establishment charge as prescribed by the Rate Schedule in Appendix A will be required as a precondition to the re-establishment of such service. Deposits on hand will be returned and consumers will be required to post a new deposit upon re-establishing service.

J. Escudilla Mountain Domestic Water Improvement District has no billing forgiveness for Seasonal or Temporary shutoff. A consumer is responsible for the Minimum Usage Rate per Appendix A per month for periods of non-use of less than 1 year. In addition, the Consumer Establishment Charge per Appendix A is applicable if the service is disconnected for a period of less than 1 year.

Section 3 Connection Fees

The connection fees to be paid by a Consumer for the establishment of a new service shall be in accordance with the Rate Schedule in Appendix A. These charges may be charged by the district in the same manner as water rates pursuant to Arizona Revised Statutes. Charge for service commences when the service is established, whether water is used or not.

Section 4 Change of Ownership

Not less than five-day notice must be given, in writing, to the district to discontinue service or to change ownership:

1) A. The outgoing owner shall be responsible for all water consumed up to the time of actual departure or the time specified for departure whichever is the longest.

ARTICLE III

RESPONSIBILITIES AND LIABILITIES

Section 1 The District's Responsibilities and Liabilities

A. The district does not assume the responsibility of inspecting the consumer's piping or apparatus and will not be responsible for customer installed piping from the meter location.

B. The District reserves the right to refuse service unless the consumer's lines or piping are installed in such a manner as to prevent cross contamination or backflow.

C. Under normal conditions, the consumer will be notified of any anticipated interruption of service.

D. The District shall not be responsible for negligence of third persons or forces beyond the control of the district resulting in any interruption of service.

E. Pursuant to the request of a consumer, a District representative will make a service call to the consumer's residence. There will be no charge to the consumer for such a service call if the problem necessitating the service call is found to be the district's

responsibility pursuant to these Rules and Regulations. There will be a service charge if the reason for the complaint is the Consumer's responsibility and the meter is shut off. The district is not responsible for any consumer water system repairs from the meter to said property. The charges will be in accordance with the Rate Schedule in Appendix A and added to the next bill.

F. All upgrades and expansion of the water system mains and distribution lines shall comply and conform to the specifications of the district and all applicable rules and regulations of the Arizona Department of Environmental Quality (ADEQ) in effect at the time of completion. All materials and workmanship will be of the quality used in industry standards listed in the Uniform Plumbing code. When a major change (with a dollar amount exceeding \$5,000) to the existing system is being considered, the District Board of Directors will comply as required by the Arizona State Procurement System. All bids will be opened at the next scheduled open board meeting prior to consideration of award. All bids must provide a plan and cost of the upgrade/expansion, with estimated completion time.

G. The District's financial health will be reviewed at a minimum on a quarterly basis and will consist of the following.

H. District consumers that access the dispensing station shall be responsible for any damage and costs to said District property and all vehicles that access said property shall have minimum liability coverage as required by the State of Arizona.

I. Review of Current District Budget and proposed budget expenditure, District bank statements and any other pertinent data.

Section 2 The Consumer's Responsibilities and Liabilities

A. Piping on the consumer's premises must be so arranged that the connections are conveniently located with respect to the district's lines or main.

B. If the consumer's piping on the consumer's premises is so arranged that the district is called upon to provide an additional service, each additional service to the consumer's property will be considered as a separate and individual account.

C. The consumer's piping and apparatus shall be installed and maintained by the consumer, at the consumer's expense, in a safe and efficient manner and in accordance with the District's Rules and Regulations and in full compliance with the regulations of the Arizona Department of Environmental Quality and the Uniform Plumbing Code.

D. The consumer shall safeguard the district's property placed on the consumer's premises and shall permit access to it only by the authorized representatives of the district. Except in the event of an emergency, no consumer shall, or direct another person to, initiate or discontinue water service from the district's valve designated to provide service to any consumer.

E. In the event that any loss or damage to the property of the district or accident or injury to persons or property is caused by or results from the negligence or wrongful act of the consumer, his agents, or employees, the cost of the necessary repairs or replacements shall be paid by the consumer to the district and liability otherwise resulting shall be assumed by the consumer.

F. Water furnished by the district shall be used by the district's established consumer. Members of the household, guests, tenants, and employees that reside on said property

shall not sell or distribute water beyond said property. During a critical water condition, as determined by the district or a public agency, consumers shall use water only for those purposes specified by the district. Disregard for this rule shall be enough cause for refusal or discontinuance of service.

G. Property owners are responsible for providing written notice to the district's billing agency to request a disconnection of service.

H. The District may discontinue its service without notice for the following additional reasons:

- 1) To prevent or eliminate fraud or abuse.
- 2) The consumer's willful disregard of or refusal to comply with these Rules and Regulations or such special rules as may be adopted by the district.
- 3) Emergency repairs.
- 4) Insufficient water supply.
- 5) Legal processes.
- 6) By direction of public authorities.
- 7) Strike, riot, fire, flood, accident or any unavoidable cause.
- 8) Unauthorized connections.
- 9) The district may suspend the service or refuse service to any consumer who tampers with the property of the district.

ARTICLE IV

EASEMENTS

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

Existing customers must grant easements to the district from the customer's property line to the water meter, unless the customer presents a good cause in writing against it. Previously installed meters may be moved by the district, at its discretion, in order to locate or relocate all meters on the property line.

ARTICLE V

GENERAL

Section 1 Variation

Variation from the terms and conditions of these rules and regulations shall be permitted only upon the verified application of an affected party to the District Board of Directors, setting forth the circumstances whereby the public interest requires such variation, and upon the issuance of a special order by the district. The district may require an application for such variation to be presented in a public hearing.

Section 2 Legality

If any section, paragraph, subdivision, sentence, clause or phrase, of these Rules and Regulations shall for any reason be held illegal or unenforceable, such decision shall not affect the validity of the remaining portions of these Rules and Regulations.

Section 3 Enforcement

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

ARTICLE VI

COMMERCIAL SALES

Section 1 Water Sales for Commercial Purposes

The EMDWID Board of Directors has not approved the sale of water for commercial purposes (i.e. road construction, commercial water distribution, etc.) therefore prohibited.

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COMMERCIAL SALES (PROHIBITED)

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Appendix A

Rate Schedule

Billing Rate: (Standard Monthly)*

Minimum usage:	0 - 3000 gallons	\$0.00
Extended usage:	3,001 to 4,000 gallons	\$.06 per gallon
	4,001 above	\$.10 per gallon

Service Rate: **

Monday thru Friday normal business hours (8AM-5PM):	\$140/hr. Minimum
(Not including materials.)	
During non-business hours and weekends	\$200/hr. Minimum

Consumer Establishment Charge *:**

(New District Member)	\$1,200
Past Taxes	TBD
Survey and Legal Fees	TBD

Guarantee Application Fee:	\$100
(No new meter needs to be installed)	

Consumer Deposits: (refundable upon service termination) \$ 100

Meter reading schedule:

Meters are read on or about the 15th and no later than the 20th day of each month and submitted to the billing department which in turn will calculate the consumer charges and send out statements to the consumer by the 1st.

* Standard Sales are for Water drawn through in-ground meter.

** Rate includes basic equipment and personnel excluding materials

*** Rate includes any attorney fees, engineering etc. to revise District boundary

Appendix C

District Records Retention:

The District's Financial Administrator Records are soft copy backed up monthly to Cloud server and onsite backup.

Records are retained as noted below.

Customer Billing Records: (hard copy) are retained for 3 yrs.

Operator/Vendor Invoices: retained indefinitely

Bank Statements:

Monthly: Retained 7 yrs.

Financial statement: Indefinitely

Agenda/Board Minutes: Indefinitely

Revision History

Date	Rev	Description
05/23/2026		Board Approved Pages 1-14