ICR WATER USERS ASSOCIATION

Policy Book

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POLICIES

SECTION I: GENERAL

A. Operational Entities: In order to maintain prudent financial controls and to utilize available expertise in the marketplace, the Association shall conduct the Water Company business through contracts with appropriate companies. The Board may execute one or more contracts to conduct bookkeeping, accounting, water system operations and water company management functions of the business by contracting with separate entities. For the purposes of this policy document, the bookkeeping and overall management entity will be referred to as the Water Company Manager. The water system operations entity will be referred to as the System Operator.

B. Bylaws: The board shall be governed by the bylaws of the Association. The bylaws shall take preference in any conflicts with these policies.

C. Open Meetings:

Open Meeting Policy

Regular meetings of the Board of Directors shall be open to all shareholders; however, they shall not receive notice of the meetings. A shareholder wishing to speak at a regular board meeting may do so by contacting any member of the board of directors at least three days prior to a regularly scheduled meeting and be placed on the meeting agenda. If the topic is one that has been, or is currently being considered by the board, the shareholder may be allotted three minutes to voice comments or opinions. If the board has not previously considered the topic, the shareholder may be allotted a maximum of ten minutes at the meeting to present the new topic. At the discretion of the board, total time for shareholder participation at a meeting may be limited.

Shareholders may attend any regular board meeting to observe and listen to the proceedings of the entire meeting. They may not participate in the meeting or otherwise disturb the proceedings. Anyone disturbing the meeting will be requested to leave.

Special meetings or Executive Sessions of the Board of Directors are not open to Shareholders.

D. Definitions:

System Operator: The firm or individual responsible for the operation and maintenance of the physical plant of the Water Company. Responsibilities include water testing and reporting to ADWR and ADEQ. An appropriate water system operator's license is required.

Business Office Manager: The firm or individual responsible for bookkeeping, billing and handling daily customer contacts.

Water Company Manager: The firm or individual responsible for the administrative management of the Water Company. Responsibilities include handling non routine customer contacts and complaints, and coordinating work of the Water System Operator and Business Office Manager as required.

SECTION II: FINANCIAL MATTERS

A. Financial Reports

1. The Business Office Manager shall prepare each month, income statements, balance sheet reports and other financial reports required by the Board of Directors .
2. The Business Office Manager shall prepare operating reports periodically, as requested by the Board of Directors. These reports shall include, but not be limited to: Receipts and expenditures, Late Payment Notice Reports, , Connect/Disconnect Lists, Check Register, and Water Usage/Sales Reports

B. Banking

1. The Association shall maintain funds in accordance with the following:
   a. Funds with any single bank (or any other federally insured institution) shall be limited to that amount insured by the FDIC, currently $100,000. Normally, the targeted aggregate limit shall be $95,000. All banking accounts shall be maintained with local bank branches.
   b. Operating Account. One checking account shall be for the purpose of paying operating expenses and capital expenditures. Signers on this account shall be at least one member of the board of directors (usually the Treasurer). Other signers may be added at the boards' direction. (See Section III.I.1 below.
   c. Interest Bearing Accounts/Certificates of Deposit. Funds in excess of short term anticipated needs should be in interest bearing accounts. Funds in 'money market' accounts should not exceed $50,000.
   e. Certificates of Deposit. Maturities should meet seasonal and anticipated capital investment needs. Amounts, term of deposits and institution shall be approved by the Board, as recommended by the Treasure

C. Payment of Bills

1. The Association may contract with third parties for bookkeeping and accounting services. Such third party shall provide a fidelity bond, or insurance, to the Water Company, in an amount of not less than $50,000.
2. Operating Account. The Business Office Manager shall be an authorized signer of this account for the purpose of paying Water Company routine expenses without additional Board approval, including all services called for in the contract between The Business Office Manager and the Water Company. Furthermore, The Business Office Manager may pay/reimburse third parties, for expenses incurred in behalf of the Water Company, provided that such expenses are first approved by a member of the Water Company Board or by The Water Company Manager.
3. The Business Office Manager shall furnish monthly to the Board, through the Treasurer, a report of all payments made/checks issued.
4. The Treasurer will review all paid invoices monthly in arrears.

D. Budgets

1. The Water Company Manager shall prepare an annual budget for the Water Company, for consideration by the Board of Directors, by November of each fiscal year.
2. Once approved by the Board, the budget shall provide guidance to the Water Company Manager for the budget year, in its payment of Water Company expenses.
3. The Water Company Manager shall prepare at least quarterly for the Board, a Review of the budget against actual results. Deviations of 10% or more will require explanation.

SECTION III: OPERATIONS

A. Chlorination

It is the policy of the board to treat the well water utilizing a chlorination system. Water samples will be taken regularly and chemical levels will be properly maintained by the System Operator.

B. Operations Reports

1. The Water Company Manager shall periodically report on operations of the Water Company to the board of directors as directed. The reports shall include all activities of the Water Company during the period including but not limited to: maintenance and repair, construction activity, customer service, regulatory agency, legal, and financial reports including budget vs actual or anticipated. The Water Company Manager should include recommendations for changes or improvements to the system for consideration by the board.
2. Compliance with governmental agencies.

Annually, in December, the Water Company Manager shall submit to the Board of Directors, a schedule of regulatory reporting requirements for the up coming calendar year. The schedule shall include all water testing required by regulatory agencies, all water sampling, report deadlines, required permits and other governmental reporting requirements. Each quarter during the year, the operator shall provide a written report to the Board describing the status of activity during the quarter, and including any reports submitted to or permits received from governmental agencies.

3. Emergencies: The Water Company Manager shall ensure that a current emergency action plan is maintained and reviewed annually. Results of the review shall be reported to the Board of Directors in December of each year. The plan will include service contracts or comparable commitment from contractors involved. The plan will include a list with phone numbers of current board members, employees of the System Operator, electrician, well driller, excavator, generator repair, pump and motor repair, and an emergency communication and notification system. The System Operator shall file the adopted emergency plan with appropriate regulatory agencies.

C. Maintenance and Service Records

1.The System Operator shall utilize standard procedures for daily, weekly, monthly, quarterly, and yearly maintenance and operation of equipment. These procedures should provide consistency of maintenance activity. The procedure shall also include sampling locations and intervals.

2.The System Operator shall maintain logs and service records for the following:

a. Pumps
b. Motors
c. Emergency generators
d. Chlorination system: It is the policy of the board to treat the well water utilizing a chlorination system in order to stay in compliance with ADEQ coliform standards. Water samples will be taken regularly and chemical levels will be properly maintained by the System Operator.
e. System control equipment.

3.The operator shall maintain an entry log, indicating the date, time, service person's name and purpose of visit.

D. Backflow Prevention Devices

1. The Water Company Manager shall maintain a list of backflow devices approved for installation in the water system.

2. The Water Company Manager shall maintain records of each backflow device as follows: Lot number, address, manufacturer and model #, date of installation, and all test dates and a summary of test results (test ok, or certified after repair, etc)

3. Annually, during the 2nd quarter of the year , the Water Company Manager shall notify owner of backflow devices, of the following:

a. ICR tariff provides that customers may be required to install, maintain, test and repair a backflow prevention devise at customer expense.
b. Installed devices shall comply with A.C.C. rules.
c. Customer is to provide records of testing and installation, both of which shall comply with Arizona Corporation rules.
d. Customer shall have 30 days to comply in order to maintain service. If customer does not comply within the 30-day period, service may be disconnected without notice in accordance with Section R14-2-41- of the Arizona Administrative Code.

4. The Water Company Manager shall report the results of each annual testing program in detail to the Board of Directors by the end of July each year.

5. The Water Company shall require a backflow device to be installed at customer expense on any customer's service where a well is located on the property and the well is operational, WHETHER OR NOT THE WELL IS CROSS-CONNECTED TO THE WATER SYSTEM. New customers who have a well on customer's property will be required to install an approved backflow devise PRIOR TO establishment of service.

6. Backflow devices shall be owned by the customer and installed at customer expense. ICR shall not own or be responsible for ANY DEVICE or EQUIPMENT on the customer side of the service meter.
7. Where customers demonstrate that they have paid to install backflow devices incorporated within the meter assembly, and are subsequently required to install a new device, ICR may apply the amount initially paid by the customer (over and above the meter installation charge) toward the cost of the new device.

E. Reading Water Meters

1. Water meters shall be read during the last week of the month such that billing can be prepared by the end of the month.
2. Meters shall be read at the time the customer disconnects service
   a. Water bills shall be prorated, based on the following:
      1. The ratio of gallons used to the 1000 gallon minimum charge: For example; for 300 gallon use the charge would be 300/1000 x $20.00 = $6.00.
      2. If customer use is over 1000 gallons, the $20,00 minimum monthly fee is not prorated.
3. Other meter reading requirements are covered by R14-2-408.
4. The System Operator shall present to the board for approval, a meter-testing program that provides for testing of all meters in the system once every 10-15 years.

F. Work on Customer Premises

1. The System Operator is not authorized to perform work on a customer's premises.
2. The Operator should inform the customer of the Association policy and suggest the customer contact a plumber or other service contractor.
3. At the Operator's option, the Operator may offer to perform work for the customer, at customer expense, explaining that the Operator is then employed by the customer, and is not performing work for the Association.

G. Termination of Customer's Service for nonpayment

The System Operator shall terminate customer service upon advice from the Water Company Manager. The Water Company Manager shall identify the customer name, service address, lot number and other account identification information along with the date to disconnect. Prior to shutting off service, the System Operator shall contact the Water Company Manager to verify payment or payment arrangement has not been received. Upon shutting off meter, System Operator shall place disconnect notice in a prominent location at customer premises. **(See Appendix 4 for example.)**

H. Customer Service

1 General

a. Customer service policies are governed by Title 14 of the Administrative Code of the State of Arizona. Specifically, R14-2-section 400-. These policies supplement those in the Administrative Code. If there are conflicts, the Administrative Code takes precedence.

2. Establishing new account

a. In addition to those items covered in R14-2-403, the customer shall be asked for the subdivision and lot number and parcel number.

b. The customer shall complete and sign a service application form, and either present it in person, mail, fax or email it to the Business Office Manager. The Business Office Manager shall retain the application in the office files. **A copy of the application is included in Appendix 1**

c. Service connections shall be governed by R14-2-205.

d. Applications will be accepted only in the name of an individual. No applications will be taken in a company name (except for HO Associations & Talking Rock Golf Club(

Deposits:

Deposit for service shall be $50.00. The deposit shall be retained by the company for one year at no interest paid to the customer. Deposits are refunded twice during the year for deposits held at least 12 months. Refunds are issued in July and January of each year.

4. Customer requested rereads

At the time the customer requests that a meter be reread, the customer shall be advised of the charge that will be applied if the meter reading was correct. Customer shall be advised of the results of the reread, and any charges or credits that result.

5. Meter Tests
   a. If a customer requests a meter test, the customer shall be advised of the charge if meter tests within 3% accuracy.
   b. Any meter test (requested by customer or otherwise) that shows the meter is not within 3% accuracy shall require billing adjustment to the customer.

      ii. The customer's bills for the past three months shall be adjusted by the difference between the actual reading and the adjusted reading applying the error factor (the percent meter error). (For example, if the meter error is 10% high, the customer's past three month's readings shall be reduced by 10%, and charges adjusted accordingly.)

6. Delinquent Accounts
   a. Accounts are considered delinquent on the 15th day after the date on the bill. (Per R14-2-409C.)
   b. Delinquent accounts are not subject to late fees until the 26th of the month following the meter reading. (Usually 24-28 days from the date of the bill)
   c. The Water Company Manager shall have authority to negotiate payment arrangements, late fees, disputed charges and write-offs for all Water Company accounts.
   d. Late charges shall be waived for one month on any delinquent bill of $5.00 or less.

7. Disputed Charges
   c. Customer disputed charges shall be resolved with the customer within 60 days of the date billed.

8. Past Due Accounts (**See Appendix 2 for treatment schedule**)
   a. Accounts over 30 days late (60 days from bill date) shall receive a past due bill showing:
      i. All information on the original bill
      ii. Late charges assessed
      iii. Statement that the account is past due, and that failure to make payment or payment arrangements may lead to termination of service.
      iv. Address and phone number to contact for payment arrangements

   b .In addition to a late notice bill, the customer shall receive a delinquent account form (**refer to Appendix 3 for form**)

   c. **Advice to Board of Directors** – For each board of directors meeting the Business Manager shall present a report of all customers:
      A. Over 30 days past due and subject to possible disconnect notice" treatment within the next 30 days.
      B. Customers who have received disconnect notice in the past month.
      C. Customers who have had service disconnected in past month.

   d. When an account past due over 60 days the customer shall be mailed a (by certified mail) a disconnect notice with the following information:
      A. Name and account number
      B. Statement that customer has failed to pay charges as prescribed in R14-2-409 & R14-2-410.
      C. Amount past due, late fees and current month amount due
      D. Date service will be terminated. (Ten business days from date statement is to be mailed).
      E. The address and phone number of the business office.

   e In addition to the disconnect notice billing, the customer shall receive the disconnect notice form as shown on **Appendix 5.**

   f. Exception to paragraph 8.

      A. If the customer's balance reaches $500.00 or more and treatment has not already begun, it shall be delinquent 30 days from the billing date $500 is reached. If not already initiated, treatment according to paragraph a

thru e shall begin immediately on the 30th day from the date of the balance first reaches $500 (treatment shall be advanced one month for these accounts).

8. Service Terminations
   a. The Water Company Manager shall notify the System Operator of any pending service disconnects for non-payment. The Water Company Manager shall forward the service address and other account information along with the service termination date. The System Operator shall, upon disconnecting service, place a service disconnection notice on the customer's premises in a prominent location. **(See Appendix 4 for example.)**
   b. The Water Company Manager shall notify a member of the board of directors immediately upon receiving confirmation that service has been terminated for nonpayment. The notification should contain the name, address, amount due and phone number of the customer.
9. Reconnection of Service
   a. Service may be reconnected after service disconnect for non-payment upon full payment of all charges and interest, plus service reconnect fee.
10. Meter Connection Fees and Refunds
   a. Meter installation fees are covered under Association tariffs. The amount is associated with a specific lot, and refunded (1/10th of the original amount per year) to the customer of record each November until the amount is refunded in full. The BusinessOffice Manager shall maintain records of all amounts paid and credited for each meter installed.
   b. Meter connection fees are charged for the setting of a meter where no meter exists, or to replace an existing meter with a larger or smaller one. If there is no connection or tap on the service line, the cost of tapping into the service line is borne by the water company. If an additional tap is required, or if a tap is in place and the customer desires to change the tap size, it shall be done at customer expense. This is over and above the meter connection fee, and is not refundable.
11. Requests for Change in Meter Size - If a customer requests that an existing meter be removed and replaced with a meter of a different size, the customer shall pay the cost of labor to install the meter. If the new meter is larger, the customer will be required to pay a new meter installation fee and will receive a refund of the remaining portion of the installation fee for the meter removed.

12. Deferred payment plans
   a. A past due customer may contact the Water Company Manager to work out deferred payment arrangements. The following are guidelines for such deferred payment plans.
      i. Customer shall pay a reasonable amount of past due amount at time of the agreement. (Reasonable amount shall be at Office Manager's discretion based upon:
         1. Amount delinquent
         2. Payment history and ability to pay
         3. Other relevant circumstances
      ii. Customer agrees to pay all subsequent monthly charges on or before 25th of the month.
      iii. Customer agrees to pay remaining amount of delinquency over a period not to exceed 6 months.
      iv. The agreement shall be signed by the customer and Water Company Manager (as authorized by a resolution of the Board of Directors).
      v. See Appendix 5 for Deferred Payment Agreement form

J. Architectural Committees

1. ICR Water Users Association works in cooperation with the Architectural Committees of the various subdivisions. (Inscription Canyon Ranch, Whispering Canyon, Preserve at the Ranch, and Talking Rock)

2. When the Business Office Manager receives a request to place a new meter on a lot within the served subdivisions, the customer shall be asked if approval of building plans has been obtained from the appropriate Architectural Committee prior to issuing an order for a meter installation.

J.. Meter Testing and Verification:

Meters within the service area shall be tested once, each ten year period. Testing will normally be conducted during the months of May through October. The System Operator shall maintain records of the address, meter number, date tested and test results for all meters in the system. Once a meter has been tested and determined to be within acceptable accuracy, any subsequent requests by the customer to test the meter will be subject to a charge if the meter tests within 3% accuracy.

K. Work on Service Distribution Lines:

Thenever work is performed on service distribution lines, the contractor performing the work is to obtain an excavation permit from Yavapai County to excavate in county right of way. The contractor shall show proof of the permit before start of work.

SECTION IV: Insurance

A. Board Insurance

The board of directors shall maintain liability insurance for the Association, and shall consist of coverage for Officers and Directors along with General Liability coverages. The Water Company Manager shall ensure that coverage is maintained to limits as directed by the board, and report to the board any recommended changes.

SECTION V: Legal Counsel

The board shall seek legal counsel from time to time in the operation of the water company. Each member of the board of directors is authorized to contact the attorney as an authorized agent of the Association. The Water Company Manager is also authorized to contact the attorney as an authorized agent of the Association.

SECTION VI: Statutory Agent

A. The Board shall designate a statutory agent as required by The Corporation Commission. The statutory agent for the Association is ----------

SECTION VII: Maintenance of Corporate Records

A. General

It is the responsibility of the Water Company Manager to maintain files of Association records and documents. Operating records such and bills, logs, and other records required for daily business operation may be retained and filed by the Business Office Manager or System Operator as appropriate.

B. Bookkeeping and customer records.

Records of customer service applications/bills/payments and other associated records shall be maintained by the Business Office Manager. Summary reports should be provided to the Board of Directors for oversight and shall be maintained in the Association files by the Water Company Manager.

C. Association Correspondence

Maintained in the Association files by the Water Company Manager

D. Official Association Documents (Tax Returns, ACC Reports, ADWR Records, Deeds, etc.)
Maintained in the Association files by the Water Company Manager

E. Computerized Records/Data
The Business Office Manager shall be responsible for maintaining a file of backup data disks of financial and customer records./billing information. The location of the backup disks shall be different from the daily business location. The board shall approve the location upon recommendation from the Water Company Manager.

F. Financial Records
a. Financial Reports – Maintained in Association files by the Water Company Manager.
b Depository Checking Account records, bank statements, canceled checks- The Treasurer shall maintain current year records and turn over previous year records to the Water Company Manager filing by June 1st of the following year. All other checking account records and files shall be maintained by the Water Company Manager.

SECTION VIII: SECURITY

A. General
1. The Water Company Manager shall be the in charge of security matters for the Association.

B. Post Office Box.
1. The Association shall secure a post office box for the purposes of receiving mail and payments for water bills.
2. The Water Company Manager shall maintain records of P.O. Box keys, including the number of keys issued, and individual keys assigned and to whom.
3. The Water Company Manager shall also maintain a record of temporarily assigned keys, including the person assigned, the key # , if any, the date assigned and the date returned.

C. Facility Keys
1. The Water Company Manager shall maintain records of facility keys, including the number of keys issued, and individual keys assigned and to whom.
3.The Water Company Manager shall also maintain a record of temporarily assigned keys, including the person assigned, the key #, if any, the date assigned and the date returned.

D. Emergencies
3. In the event of a water emergency, the Water Company Manager or the Water System Operator shall implement measures in the emergency plan to ensure the safety and security of the water supply. This includes, but is not limited to obtaining assistance from commercial security firms to monitor or patrol the water system and facilities. The Water Company Manager shall coordinate all security matters for the Association.

SECTION IX: CAPITAL IMPROVEMENT PROJECTS

A. Infrastructure Additions

Definition: For purposes of this section, "Acceptance" shall be defined as the date ICRWUA agrees to operate a new piece of infrastructure.

Additions to infrastructure of ICRWUA are the responsibility of the developer of the sub-division involved; Inscription Canyon Ranch (ICR), Whispering Canyons (WC), Talking Rock Ranch (TRR) or The Preserve at the Ranch (Preserve).

Note: These provisions are covered under Existing Agreements with the developers and are included herein by reference, as follows:

Line Extension Agreements: Whispering Canyons (Section 2 1-5)
Main Extension Agreement: Talking Rock (Sections 1-6)

2. The developer shall prepare plans and specifications for the work, subject to review and approval of ICRWUA.
3. Prior to granting approval of plans and specifications, the water company may select an engineering firm (or firms), and obtain advice and recommendations as to adequacy, functionality and quality of the design for the intended purpose.
4. The developer shall inform the Company of their periodic construction and/or project meetings at which the Company shall be represented in order to keep abreast of and provide input to ongoing construction activities, schedules and changes.
5. During construction, ICRWUA shall review the construction work performed by the developer's contractor through the use of an engineering firm(s) and the System Operator.
6. Once facilities are constructed, ICRWUA may request advice, inspection and recommendations from the ICRWUA Operator or from a third party, prior to acceptance and operation of the facilities.
7. a. No work shall be done by the developer to connect new infrastructure to the existing ICRWUA system unless and until approved or authorized to do so by the ICRWUA Operator. In addition, once connected, no testing or operation of the new infrastructure shall be initiated or undertaken without the written approval and authorization of the ICRWUA Operator.

   b. Prior to acceptance and approval, the developer shall provide documentation of all testing of hydrants, water service connections, street valves and electrical systems as directed by the ICRWUA Operator.

   c. No customer shall be connected to the water system within the construction area without approval of all appropriate regulatory agencies and the written approval of ICRWUA.
7. Once ICRWUA agrees to operate a new piece of infrastructure it will prepare a letter of acceptance and deliver it to the appropriate developer.

Note that all infrastructures have been completed for Inscription Canyon Ranch and The Preserve at The Ranch and transferred to ICRWUA as Contributions in Aid of Construction (CIAC).

SERVICE APPLICATION

ICR WATER USERS ASSN.

(Mail or take this completed form with your payment to the business office address below)

Mailing Address:
PO Box 5669
Chino Valley, AZ 86323

Office Address:
246 N. HWY 89, Suite A
Chino Valley, Az

Office Telephone: (928) 583-0741
Fax: (928) 636-9771

The undersigned customer applies for water service from ICR Water Users Association at the indicated location. ICR Water Users Association, Inc., is subject to the rates, charges, rules and regulations established by the Arizona Corporation Commission. Billing rendered by ICR Water Users Assn shall become delinquent on the 25th of the month following the month for which billing is rendered. ICR Water Users Association will make available, upon request within 60 days from the receipt of the request, a summary of ICR rate schedule or a copy of the Arizona Corporation Commission Rules and Regulations governing deposits, advances, service termination, billing and collection and compliant handling.

CUSTOMER INFORMATION;

NAME:_____ PHONE: _____

SERVICE ADDRESS:_____

SUBDIVISION:_____LOT NO:_____

Billing Address: _____

City: _____STATE__ ZIP:_____ **Type of Service:** ☐ **residence :** ☐ **Commercial**

IN CONSIDERATION for the provision of water service the customer agrees to pay the monthly service and usage charges as set forth in the Company's rates and tariffs filed with the Arizona Corporation Commission. The customer also agrees to pay the following charges:

NEW METER INSTALLATION:	**Standard**	**One-inch**
Service Establishment Fee (non-refundable) …….……	$ 25.00	$ 25.00
Refundable Deposit (refunded after 1 year, if no delinquency) …… ...	50.00	50.00
Line & Installation Charge (refunded over a 10-year period to occupant)	520.00	690.00
Sales Tax …….…...	1.59	1.59
Total New Meter Installation	**$ 596.59**	**766.59**

TRANSFER:

Service Establishment Fee (non-refundable) ……..	$ 25.00
Refundable Deposit (refunded after 1 year, if no delinquency) ……..…….….	50.00
Sales Tax ……..…..……	1.59
Total Transfer	**76.59**

At such time as customer desires to terminate service with ICR Water Users Association; not less than 3 days notice must be given. An accurate forwarding address must be given for the purpose of submitting a final bill and forwarding any remaining amount to the customer.

Date Service Requested: _____ Name of Property Owner: _____

Phone number of Property Owner: _____

Signature: _____ Date: _____

Note: If you have a fire sprinkler system or private well please contact business office. A pressure regulator is recommend for all residences and is required in certain locations.

06/01/09 RB Please remit payment with form

Appendix 2

ICR Water Users Association

Delinquency Time Table

1. First of the month - Bills mailed

2. Twenty fifth of the month - Payment due

3. Twenty sixth of the month -Payments late, late fee charged

4. First of second month - Bills mailed with late charge

5. Tenth Second month - Delinquency letter sent

6. First of third month - Bills mailed with disconnect notice

7. 10th of Third month - Disconnect
(service to be terminated within 10 days of date mailed if bill unpaid). Termination notice mailed by certified mail (**Note: End of 10 day period should not fall on a weekend)**

Appendix 3

ICR WATER USERS ASSOCIATION
P.O. BOX 5669 CHINO VALLEY, AZ 86323 PHONE: 928-583-0741

NOTICE OF DELINQUENCY

Your account is more than 30 days past due. Please remit the amount noted on the attached statement promptly to avoid further action.

If you have already mailed you payment please disregard this notice.

Thank you,

ICR Water Users Association

Appendix 4

ICR WATER USERS ASSOCIATION

P.O. BOX 5669
CHINO VALLEY, AZ 86323
PHONE: 928-583-0741

NOTICE OF TERMINATION OF SERVICE

You have failed to pay charges for water service and service is subject to termination in accordance with Arizona Administrative Code R14-2-410.

Service at the following address is subject to termination in 10 days:

_____

If you do not make payment of the full amount of the charges below prior to the termination date, or if you have not contacted the business office to make satisfactory deferred payment arrangements, **the service will be terminated on** _____.

Amount now due including late fees, is shown on the attached statement.

If you wish to discuss this matter, or dispute the reason for this action, you may call our office at 928-583-0741(Monday thru Friday).

Sincerely,

ICR Water Users Association

Appendix 5

ICR WATER USERS ASSOCIATION

Deferred Payment Agreement

I (we) _____, of _____ (service address) and _____(mailing address) ("Customer") and **ICR Water Users Association** (ICR), P.O. Box 5669, Chino Valley, Arizona 86323 (telephone 928-583-0741) agree as follows:

1. Customer acknowledges and agrees it is in delinquent in the amount of $_____ (including service changes and late fees) on account # _____ at the above service address.
2. ICR agrees not to discontinue water service if:
   a) Customer pays $_____, considered to be a reasonable amount of the outstanding bill at the time of entering into this Deferred Payment Agreement.
   b) Customer agrees to make monthly installment payments in accordance with the following schedule, including interest of 1.5% per month on the outstanding balance, until ICR is paid in full.

Outstanding Bill	$
Payment at Time of Entering this Agreement	$
Remaining Balance Due	$
Monthly Installment Payments	$
Final Installment	$

3. All installment payments shall be received by ICR on or before the 25th of each month, following the date of this Agreement.
4. The time period for installment payments shall not exceed six months, and Customer agrees to pay ICR in full within such six-month period.
5. If the Customer does not fulfill the terms of this agreement, ICR shall have the right to disconnect water service and it shall not offer subsequent negotiation of a deferred payment agreement prior to disconnection.
6. Customer agrees that it shall timely pay for current monthly water services before these monthly bills become delinquent. If Customer fails to pay these current water bills within 15 days from the date the monthly bill is rendered, Customer agrees it is in default under this Deferred Payment Agreement and ICR shall have the right to disconnect service and pursue a collection action.
7. Time is of the essence in the payment obligations under this Agreement.

Signatures:

_____

_____

Customer
Date: _____

ICR Water Users Association
By _____
Its _____
Date: _____

Index of Revisions

Revision	Date Adopted	Sections Revised
1	11/14/2006	Section III.H- added, par 8f
2	11/13/2007	Appendix 2, Delinquency Timetable
3	1/27/2009	Section III.H.d (applications not taken in Company Name)
4	3/15/2009	Corrections to Footer & Added Revision 1 to Index
5	6/23/2009	Section IX revised