



Las Campanas Water Cooperative

SANTA FE, NEW MEXICO

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

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### **RULE NO. 1**

#### **PREAMBLE**

These Rules and Operating Procedures shall cover domestic sewer service furnished by the Las Campanas Water and Sewer Cooperative (“Co-op”). The properties to be serviced are more particularly described in the Second Amended and Restated Bylaws of the Co-op. These rules are intended to promote safe and adequate collection and transmission of domestic sewage for the Co-op members and to provide standards for uniform and reasonable operations.

Conformed copies of these Rules and Operating Procedures are available for inspection at Co-op’s main offices.

### **RULE NO. 2**

#### **DEFINITIONS AND EXPLANATIONS**

- A. CO-OP – Las Campanas Water and Sewer Cooperative.
- B. CENTRAL SYSTEM – Sewer collection lines and equipment and wastewater treatment facility.
- C. CUSTOMER – Any person or entity receiving sewer service from Co-op and/or is responsible for payment for sewer availability or services by Co-op.
- D. SEWER SERVICE OR SERVICE – The general term for providing for the collection, transportation, treatment, and disposal of sewage from customers.
- E. 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.
- F. YARD LINE OR CUSTOMER’S SEWER LINE – The piping owned and installed by the customer on the customer’s premises up to the point of delivery.
- G. RECONNECT CHARGE – A charge made by the Co-op at the time application is made for reconnection of sewer service at the point where the sewer service was previously disconnected.
- H. CHRONICALLY DELINQUENT – The status of a residential customer who during the prior twelve (12) months has been disconnected by Co-op for



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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 voluntarily requested by a residential customer.
- J. RENDITION OF A BILL – The date of mailing, on-line billing, or personal delivery of a bill by Co-op.
- K. UTILITY CHARGES – The billing or charges for the provision of sewage service and other charges authorized by Co-op.
- L. RESIDENTIAL SERVICE OR USE – The provision for or use of sewage services for household or domestic purposes.
- M. COMMERCIAL SERVICE OR USE – The provision of or use of sewage service for all types of establishments not otherwise classified as residential.
- N. MEASURED SERVICE – Service for which rates are based in part on measured quantities of sewage carried from the premises, or collated from measured quantities of sewage delivered to the premises.
- O. FLAT RATE SERVICE – Service for which rates are based on the Co-op’s best estimate of the volume of service required.
- P. SEWER SERVICE AREA OR SERVICE AREA – The geographic area in which Co-op provides sewer service as delineated in Co-op’s Bylaws.
- Q. TAMPERING WITH COOP SEWER FACILITIES AND/OR EQUIPMENT  
Any unauthorized activity involving connection, alteration, or disturbance of any Co-op sewer facilities and/ or equipment.

### **RULE NO. 3**

#### **CHARACTER OF SERVICE**

Sewage service for domestic, 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. 12.

#### **A. Residential Service**

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Revision Date: 7/19/17



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1. Sewer service will be furnished under the residential rate schedule established in accordance with Co-op's Bylaws to a single family house or to a multiple dwelling lot or condominium based upon the number of dwelling units contained herein; and
2. Each separate service connection will be billed separately.

### **B. Commercial Service**

1. Commercial service shall include service to all types of establishments and classes of service not otherwise classified as residential;
2. Any establishment acknowledged or advertised as carrying on as a business, professional, or commercial enterprise will be classified as commercial and will be served under the commercial rate schedule established in accordance with Co-op's Bylaws; and
3. Each separate service connection will be billed separately.

### **C. Interconnection Service.**

1. Interconnection Service includes sewer collection and treatment services provided to the owner or operator of another sewer system through one or more points of interconnection with Co-op's sewer system;
2. The rates, terms, and conditions applicable to Interconnection Service shall be determined on a case-by-case basis, shall be set forth in a written agreement between Co-op and the owner or operator of the interconnecting system, and shall be subject to authorization and approval by Co-op's Board of Directors; and
3. Interconnection Service shall be available solely in the discretion of Co-op, and Co-op expressly disclaims any general undertaking to provide Interconnection Service to owners or operators of other sewer or waste water systems.

## **RULE NO. 4**

### **APPLICATION FOR SERVICE**



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- A. Applications for 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 sewer service, once the application has been accepted. Written contracts are only required for commercial contract users that are bringing effluent into the service area of the Co-op. Extensions of facilities made in accordance with Rule No. 18 will require a written contract prior to providing service.
- B. A sewer 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 any 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 customer's sewer line 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 or installations. The customer shall have a wye fitting with a clean-out installed at the lot line when the sewer line is extended to serve the building. The customer shall notify the Co-op when the plumber is installing the fitting and clean-out so a visual inspection can be conducted during installation and backfilling operations.
- D. 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.
- E. 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 the 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.
- F. New or additional service will be limited to available unreserved capacity in collection and distribution facilities. In all cases where such existing facilities are limited, Co-op may require a written contract for a suitable initial contract period,



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adequate to warrant the investment and reservation of capacity required to render such service.

### **RULE NO. 5**

#### **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. 12.
- B. 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.
- C. All bills for sewer 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 sewer 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 sewer billing time line associated with non-payment.
- D. 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.
- E. **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%).
- F. A bill will be deemed delinquent if it is over ninety (90) days past due.
- G. If a bill is delinquent, the Co-op will send the customer a letter via first-class mail, postage prepaid, 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. 9, Paragraph L. 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.



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- H. 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.”

### **RULE NO. 6**

#### **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. 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
  - 3. as a condition for reconnection of service following discontinuance of service by Co-op.
  - 4. Any other appropriate circumstances.
- B. **Refund of Deposits, Termination of Guarantees for Customers.**
  - 1. Any customer who has not been chronically 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



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amount of the deposit shall be credited if the customer has not been chronically delinquent during the prior twelve-month period.

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



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### **RULE NO. 7**

#### **DISPUTED BILLS**

- A. Co-op agrees to promptly investigate any question as to the accuracy 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 customer with the results of the investigation.

### **RULE NO. 8**

#### **SERVICE CONNECTION**

- A. Sewer mains are extended to each customer's lot line, except as noted in Paragraph F of this rule. It is the customer's responsibility to extend the sewer lines from the lot line to the residence or other building. The customer shall have a wye fitting with a cleanout installed at the lot line when the sewer line is extended to serve the building. The customer shall notify the Co-op when the plumber is installing the fitting so a visual inspection can be conducted during installation and backfilling operations. Sewer lines must be constructed at the time the building is constructed, even if the central system is not in service at that time. Co-op shall be called upon for exact information regarding the service entrance before piping in the interior of the building has been started. If such information is not secured, expensive changes in the piping installation may result for which Co-op shall not be held liable in any way and will not assume any responsibility.
- B. Individual septic systems will not be permitted.
- C. Co-op reserves the right to interrupt service for a reasonable period for repairs to its property or equipment.
- D. A one-time connection fee shall be charged whenever a lot connects for the first time or reconnected to the sewer system. 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 unit lot within Co-op's service area. Complete schedules of all rates legally in effect will be kept at all times



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at the Co-op's business office, posted on its website or at such other place as the Co-op may designate.

- E. 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.
- F. Sewer service lines for most lots were stubbed out to the lot line during the construction of the Las Campanas sewer infrastructure. However, there have been cases in which sewer service lines were not stubbed out to the lot. In these cases, the lot owner is responsible for all costs associated with connecting to the sewer main line.

### **RULE NO. 9**

#### **DISCONTINUANCE AND DENYING RESTORATION OF SERVICE**

- A. Customers who intend to move from the premises or discontinue the use of service 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 service that may be used upon the premises until such notice is given and such service is terminated.
- B. Any customer desiring termination of service 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 sewer 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 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 or Co-op's service to others;
  - 3. In the event of customers tampering with, damaging, or deliberately destroying the equipment or Co-op's service to others; or
  - 4. In the event of unauthorized use of service provided by Co-op.



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- E. Co-op may discontinue service to a customer with reasonable notice for:
1. Nonpayment of a delinquent sewer accounts;
  2. Failure to comply with the terms and conditions of a settlement and installment agreement; or
  3. Discontinuance of service under this subparagraph shall be governed by Paragraphs K, L, M, N and O of this rule.
- F. After three (3) days' prior written notice Co-op may discontinue 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, 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 service and/or facilities other than settlement and installment agreements.
- G. Co-op may, upon written notice to customer, discontinue water service or direct Santa Fe County and their successors or assigns to discontinue water service as a means of enforcement of this rule.
- H. The three-day notice required by Paragraph F of this rule shall include the following:
1. A statement of the reason(s) why Co-op has issued notice to discontinue 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



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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.

- I. 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 residence or location; however, in the event of discontinuance or termination of service at a separate 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;
  3. The failure of the customer to pay for a different class of service received at the same or different location;
  4. Nonpayment of the disputed amount of a bill;
  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; or
  6. Failure of a customer to pay the bill of another customer as guarantor thereof.
- J. Any customer or transferee of such customer whose service is involuntarily disconnected may be required to pay a reconnection fee in addition to all other fees and charges before being reconnected to any system operating by Co-op.
- K. 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 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. 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;



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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 agreement; the service 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 complaint 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 a 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 at Co-op's option Co-op may delay discontinuance for up to one hundred twenty (120) days or for a longer period of time. 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.



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- L. 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 M in 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. Any Co-op representative who personally contacts a customer two (2) days prior to discontinuance and the Co-op representative sent to discontinue service shall note any 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 in Paragraph K, Section 5, above, will be received or shall state in writing why such delay is not effected. Co-op and Co-op's representatives 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 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.
- M. 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 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 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.
- N. 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.



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- O. 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 representative shall have authority to order appropriate corrective action. Such review shall stay the discontinuance of service until the review is completed.
- P. 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.
- Q. If a customer or Co-op member fails to pay a utility charge, Co-op may, after attempting to resolve the delinquency in accord with this rule, place a lien on the customer's or Co-op member's property for the amount of the delinquency in payment as stated in Rule No. 5. Such a lien shall be released after first paying the delinquency and all liens and attorney fees..

### **RULE NO. 10**

#### **RESPONSIBILITY FOR SEWER SERVICE EQUIPMENT**

- A. **Responsibility of Co-op.** Co-op or its predecessor will design, install, own, operate, and maintain the complete sewage system up to each lot line 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 lot line.
  - 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 piece of equipment which is the property of Co-op. Violations may result in penalties defined in Rule No. 15.
  - 4. Facilities or equipment necessary for any special requirements shall be installed and maintained by the customer.



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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. 11**

#### **INTERRUPTION OF SERVICE**

- A. Co-op agrees to use reasonable diligence in rendering continuous service and furnishing the regular and uninterrupted collection, transportation, treatment, and disposal of sewage, 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 the Co-op.
- B. Co-op reserves the right to discontinue 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 interruption of or reduction in service when such interruptions or reductions are necessary to make repairs or changes in the Co-op's transmission or distribution facilities. Co-op will endeavor to give reasonable notice in advance of any planned shutoff.

### **RULE NO. 12**

#### **RATES**

- A. The rates to be charged by and paid to Co-op for sewer service will be the rates approved by the 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 sewer 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 sewer service from the Las Campanas Water and Sewer Cooperative are subject to all applicable rates and fees.



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- C. All necessary customer sewer line changes shall be made at the expense of customer.

### **RULE NO. 13**

#### **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. 14**

#### **CO-OP'S RIGHT TO INGRESS TO AND EGRESS FROM CUSTOMER 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 customer for the purpose of inspection, testing, or repair of any of Co-op's property on the premises. 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. 9, Paragraph F, Section 1.

### **RULE NO. 15**

#### **UNAUTHORIZED CONNECTIONS OR FACILITY/EQUIPMENT TAMPERING**

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

Tampering with Co-op sewer facilities or equipment is prohibited and may result in a fine of \$100 per occurrence. In addition to the fine, the Customer shall be responsible for all costs associated with repairing or replacing any damaged facilities or equipment and utility service may be discontinued in accordance with Rule No. 9, Paragraph D, Section 3.

### **RULE NO. 16**

#### **STOPPAGE OR OBSTRUCTION OF SERVICE**

Co-op shall not be responsible for the stoppage or obstruction or breaks in customer's sewer line.



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### **RULE NO. 17**

#### **TEMPORARY AND SPECIAL SERVICES**

- A. Where service connections are available, temporary sewer 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 sewage service 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 determine whether to provide service for any type of temporary use and further to define the conditions under which the service will be supplied. Continuous service under normal conditions existing customers shall take priority over customers receiving temporary service.

### **RULE NO. 18**

#### **LINE EXTENSION POLICY**

**New Sewer Service.** When an extension of Co-op's lines is required to serve an individual applicant or a group of applicants or a commercial or residential subdivision within the Sewer Service Area 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 the Sewer Service Area as defined or amended in the Co-op's Bylaws.

- A. All line extensions shall be sized to provide adequate residential or commercial service as may be required. In cases where Co-op determines that a larger line is required to meet utility expansion requirements, the applicant will only be responsible for that portion of the line extension costs necessary to provide adequate sewer service to the applicant.



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- 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.
- 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 service 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 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 that new customer will be made if a refund is not provided for under paragraph b below;
    - d. In no event may refunds to an applicant total more than the Advance for Construction;
    - e. Ten (10) years after the date of the original line extension agreement the remaining advances shall become contribution to capital 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



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such extension may be computed for all such parcels and recorded for future collection when sewage 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 sewer service is connected to each abutting or benefited property up to ten (10) years; after the date of the original line extension agreement.
  - c. When a request for 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 sewer 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 then (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 extensions 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 lines at the time connection is completed. This will be based on lines and appurtenances sized to serve the new applicant with adequate residential or commercial 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 extension otherwise includable under Paragraph E, 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 of existing customers which is unduly discriminatory.

All such line extension contracts shall be filed with Co-op. Any special or unusual conditions which affect the cost of furnishing adequate or required service for a line extension,



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such as elevation, terrain, construction conditions, the quantity and quality of effluent to be treated or any other conditions which would result in increased cost to Co-op, shall be included in the cost of all line extension. Such special contracts shall be entered into with residential customers otherwise includable under Paragraph E of this rule when the cost of such line extensions includes such special or unusual conditions.

### **RULE NO. 19**

#### **LIMITATIONS AND RESTRICTIONS ON SEWER SERVICE**

- A. Before undertaking any action which will inject unusually large quantities of effluent or effluent of unusual chemical composition, the customer shall consult the Co-op for its approval of such additional service and for the terms and conditions under which the effluent will be transported and treated for the customer.
- B. The 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' injection of excessive quantities of effluent which exceed or strain the capacity of the Co-op to transport and or treat effluent for all customers. Noncompliance with this rule by any customer shall constitute grounds for discontinuing service in accordance with Rule No. 9.

### **RULE NO. 20**

#### **SETTLEMENT AND INSTALLMENT AGREEMENTS**

- A. **Settlement and Installment Agreements to be in writing.** When Co-op and a 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 may enter into a settlement agreement to pay the amount of the bill. The terms of settlement agreement reached by telephone which extends beyond forty-five (45) 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 consideration to such customer in determining whether to extend a settlement agreement to that customer.
- B. **Installment Payments.**



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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; and
  - e. any other factors relevant to the customer's service.

A settlement agreement to pay an 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 acknowledgment of previous payments.

### **C. Failure to Comply with Settlement and Installment Agreements.**

1. 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 or by first class mail that the customer is in default, and 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.



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

### **RULE NO. 21**

#### **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. 22**

#### **CUSTOMER'S SYSTEM**

The customer's sewer line shall be inspected and approved by the appropriate governmental inspection agency before sewer service will be connected. Cross-connections and/or back flow possibilities revealed by any inspection shall be eliminated before sewer service is provided to a new customer or continued to an existing customer. Co-op does not assume the responsibility for 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 sewer service without undue delay.



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**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 \_\_\_\_\_ day of \_\_\_\_\_, 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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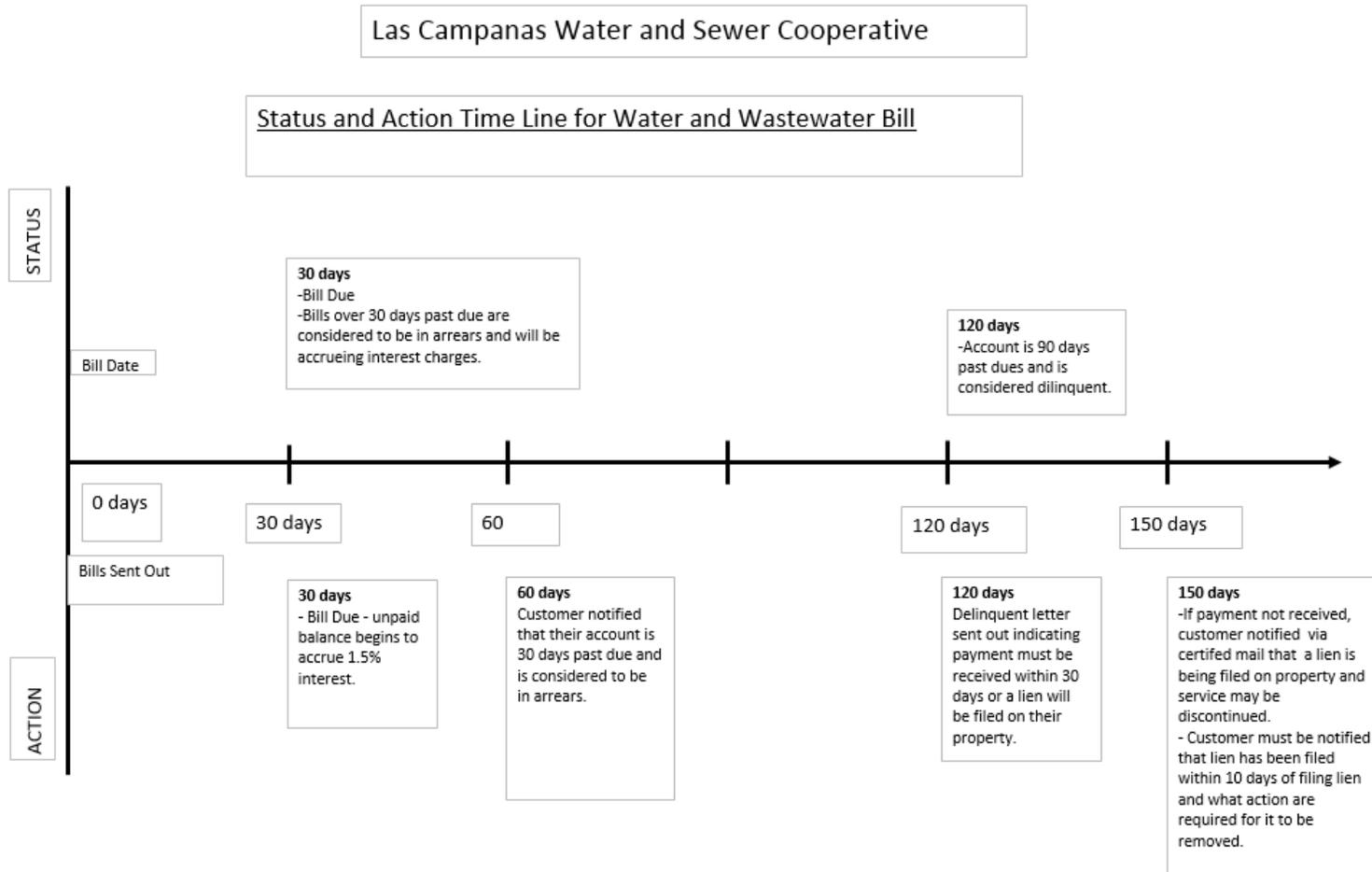




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## Exhibit A



Revision Date: 7/19/17