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**Water Ordinance
Of
The Victoria Estates Homeowners' Association
For
The Victoria Estates Subdivision**

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SECTION 2.1 Definitions

APPLICANT: The person or persons, firm or corporation making application for utility service from the VEHOA in the Subdivision of VICTORIA ESTATES under the terms of these regulations.

SUBDIVISION: The subdivision of Victoria Estates, located in the Matanuska-Susitna Borough, Alaska, known as: A Subdivision of the Northwest 1/4 of Section 34, Township 17 North; Range 2 West; Seward Meridian; Alaska. More specifically known as Lot 1 (one) through Lot 10 (ten) inclusive Block 1 (one), and Lot 1 (one) through Lot 38 (thirty-eight) inclusive Block 2 (two), and Lot 1 (one) through Lot 36 (thirty-six) inclusive Block 3 (three), and Lot 1 (one) through Lot 25 (twenty-five) inclusive Block 4 (four), and Lot 1 (one) through Lot 28 (twenty-eight) inclusive Block 5 (five), and Lot 1 (one) through Lot 23 (twenty-three) inclusive Block 6 (six), and Lot 1 (one) through Lot 28 (twenty-eight) inclusive, Block 7 (seven), and Lot 1 (one) through Lot 26

(twenty-six) inclusive Block 8 (eight), Victoria Estates Subdivision, Matanuska-Susitna Borough, Alaska.

VEHOA: The Victoria Estates Homeowner's Association, a state recognized nonprofit corporation.

VEHOA BOARD OF DIRECTORS: The governing body of the Victoria Estates Homeowner's Association comprised of a person or entity holding fee simple title to a lot.

USER: An Association member whose application for water utility service has been accepted and who receives utility services from VEHOA. By being accepted and receiving services, the accepted applicant thereby agrees to abide by the terms set forth in these regulations.

ASSOCIATION MEMBER SERVICE LINE: The VEHOA member service line shall be that part of the piping from the main line to the dwelling or point of use for water and sewer utilities.

POTABLE WATER: Water suitable for consumption. The water meets current standards set by Alaska Department of Environmental Conservation (ADEC) for a ADEC Level One Community.

SECTION 2.2 Service area

The service area shall be the developed area within the subdivision of VICTORIA ESTATES, Alaska.

SECTION 2.3 Description of Service

The VEHOA shall provide the following services:

A. **Water System:** The Subdivision shall provide a safe and fully operational water system to users. The water system shall meet the following requirements:

1. **Quantity:** Insofar as reasonably possible, a continuous and sufficient supply of water shall be available to VEHOA members at the point where the VEHOA member service line meets the main water line for the VEHOA water utility and any shortage or interruption of service insofar as possible will be avoided.

Neither the VEHOA, nor the VEHOA Board shall be liable for damage resulting from interruption in water service due to improvements, repairs, shortages of supply, or other unforeseen circumstances. Whenever possible, and whenever time permits, all customers to be potentially affected by an interruption in service will be notified prior to shutdown through local notice posted on the bulletin board by the mailbox or by direct contact.

2. **Quality:** Water in compliance with ADEC standards, rules, and regulations shall be provided at all times.
3. **Water Service Preference:** In the event of a potable water shortage, the VEHOA Board of Directors has the right to give preferences (including the potential interruption of service) in the matter of furnishing services to VEHOA members and interests of public convenience and necessity require. The order of superior preference, within the constraints of the system, is as follows:

Primary Users

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- a. Watering point at well house (highest priority)
- b. Private Residences

Secondary Users

- c. Commercial users, if any.

Potable water storage shall be conserved to insure an uninterrupted supply to the Primary users.

SECTION 2.4 Ownership of Utility Systems

All VEHOA-owned water system components including water mains, valves, fittings, equipment, and other appurtenances, except VEHOA members' service lines, as defined by Section 2.1, are the property of VEHOA.

SECTION 2.5 Resale of Utilities

Resale of a water utility service by a VEHOA member is expressly prohibited.

The VEHOA may not sell water utility services to anyone, nor to any entity, not to any commercial enterprise without a (2/3) written assenting vote of the membership of VEHOA and then only to the extent that the potable water supply is available and undiminished in volume to the primary users of the water utility as defined in Section 2.3.

SECTION 2.6 Classification of Services

The Classes of Service shall be as follows:

- A. Residential Service: Residential Service shall consist of all services for domestic purposes supplied to a single family dwelling unit or duplex unit where applicable.
- B. Service to Common Area(s): Water services shall be made available to buildings owned and maintained for the common use of VEHOA members in the Subdivision of Victoria Estates.

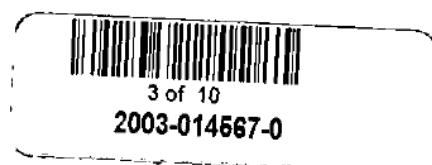
SECTION 2.7 Application for Service

Each applicant at closing, when they receive fee simple title to the Lot which the water utility will serve, shall sign an application form provided by VEHOA giving the date, the legal description and surface address of the premises being served, and will pay assessment(s) for the water service as follows:

The first annual assessment for any such Lot shall be made for the balance of the calendar year and shall become due and payable with the following exception: If conveyance of ownership occurs in either November or December of the current year, the annual assessment for the following year or upcoming year, shall become due and payable in advance at closing.

In signing this application form, the Association member agrees to abide by these rules and regulation as currently amended.

VEHOA members desiring a material change in the size, type, character, or extent of equipment or operation which would result in a material change in the service provided, shall give VEHOA notice of such change prior to the change taking place. An amended application will be filed with the VEHOA.

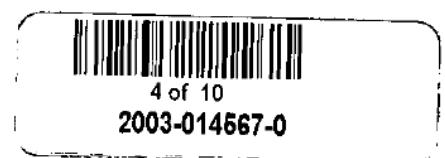


and any changes to the rate or deposit amount will occur prior to the change in service. All customers desiring a change in the size, location, or the number of services shall fill out an amended application. The request for amended service may be denied if the applicant has an outstanding bill due to VEHOA.

SECTION 2.8 Services

- A. The Association member shall install, own and maintain the Association Member's service line. All individual water connections, repairs, and modifications shall be made only under the terms and conditions of the Uniform Plumbing Code currently in effect within the State of Alaska, as well as any further regulation that VEHOA membership may require. Any electrical improvements shall be made in accordance with applicable Electrical Codes and Regulations.
- B. Service Reinstallation Charge: At the time the applicant files for a reconnection of an existing service, he shall submit a **service connection fee** with his application that is based on the actual cost of the disconnect of the service and its reconnection. This charge must be paid in advance, before any reconnection of service is made.
- C. Service Installation Procedures: All connections to the VEHOA water system shall be made at the expense of the Association member.
- E. Association Member Plumbing:
 1. The Association member's plumbing, which shall include the VEHOA member service line from the main to the house, and all plumbing, piping, fixtures, and other appurtenances intended to carry water, sewage, waste water, and drainage, shall comply with the Uniform Plumbing Code (UPC).
Special attention shall be given to the elimination of any possible cross connections. All water users will be required to install and maintain a backflow prevention device between the water service connection and the first plumbing fixture or drain. The minimum requirement shall be a dual check valve assembly or as required by the UPC.
 2. Association member freeze-ups, or other leaks that affect the efficiency of the VEHOA water or lot septic system or the public health, are to be immediately repaired by the Association Member. The VEHOA Board reserves the right to make the repairs and bill the Association Member for repairs and for any excess water usage that might have resulted from the situation, should the Association member be unable to make the repairs; or should the Association member have abandoned the service location without proper notification to VEHOA Board; or should the Association member be away from the service location temporarily. It is the responsibility of the Association member to notify VEHOA Board immediately of any problem with the Association member's plumbing that could have an adverse effect upon the VEHOA system.
 3. It shall be a violation of these rules and regulations for Association members to operate, cause, or permit unauthorized operations or appurtenances on the service connections.
 4. It shall be a violation of these rules and regulations for Association members to make, or remake a service connection without the prior knowledge and approval of the VEHOA Board as detailed by this ordinance.

SECTION 2.9 Utility Rates



The VEHOA Board of Directors shall levy all water utility assessments against any Lot which has an activated water connection and is drawing water from the VEHOA water utility for use in any building or residence or structure located thereon. One-half (1/2) of the annual assessment is levied against any Lot which may have no building or structure nor residence on it but which has an activated water connection and is using and drawing water from the VEHOA water utility for any use whatsoever.

SECTION 2.10 Notices

- A. Notices to Association Members: Notices to Association members from VEHOA Board will normally be in writing and will be mailed or delivered to the member at his last known address. Where conditions warrant, and in emergencies, VEHOA Board may notify customers by telephone or messenger.
- B. Notices from Association Members: Notices from the Association Member to VEHOA Board shall be given in writing, by the Association member or his authorized representative at the VEHOA office. However, notices that result in a change in service or in work being performed by VEHOA Board for the Association member must be accompanied by a signed repair order or work order.

SECTION 2.11 Security Deposit

IF an account becomes delinquent, and no prior payment arrangements have been made with the VEHOA Board, and it is necessary to discontinue the water service, the Lot owner, who is the responsible party, shall be required to re-establish his credit with VEHOA. Credit will be deemed to be re-established if the lot owner makes a security deposit equivalent to twelve (12) months of service, and pays the cost for the disconnect/reconnect of the water service, and satisfies all delinquent assessments due.

Service will not be restored to the lot until such time as the security deposit is paid, along with all delinquent bills paid, and payment received for labor and materials expended by VEHOA for the service disconnect/reconnect. The account is assumed to reside with the person(s) or entity who owns fee simple title to the Lot served.

No interest shall be paid on the security deposit money. In no case will the security deposit be considered as a payment on account until after a 12 month period has passed. Should the account be closed during the twelve (12) months, the security deposit will be applied toward the closing bill, with any excess refunded to the Association member.

SECTION 2.12 Billing and Payment

- A. VEHOA Annual Dues or Assessment: Notice of the VEHOA Annual Assessment or dues will be mailed on or before the 10th of January in the year for which they are due in advance. Payment of the amount is due and payable prior to the 10th of the following month. There are no exceptions to the payment of the initial year's Assessment in advance.
- B. Beginning with the second year of ownership, the record owner of fee simple title to a Lot, if he so desires, may apply to VEHOA Board for authorization to pay his dues monthly with an additional service fee of 5% added. This privilege is in the discretion of VEHOA Board and will remain in effect if and only if the monthly payments remain current, that is they are received in the office of VEHOA on or before the end of each month. If the monthly payments do not remain current, then the entire remaining balance immediately becomes delinquent and due and payable.

- C. Delinquent Bills: All bills not paid by the 10th of the following month that they are due will be considered delinquent.
- D. Delinquent Notice: The VEHOA Board of Directors shall send a notice of delinquency by mail to each delinquent account on or after seven days from the date the account becomes delinquent.
- E. Water Turn-off Notice: After a water utility bill has not been paid a week after the Delinquent Notice, the VEHOA Board shall send a Water Turn-off Notice to the Association member, stating the date and time at which the service may be terminated. The notice shall be sent to the VEHOA member by certified or registered mail, return receipt requested. If the receipt has not been received in the VEHOA office within ten days of mailing, notice shall be made by a VEHOA employee or agent, delivering or posting notice, at the Association member's residence. The VEHOA Board may terminate the service at any time after the date and time indicated in the turn-off notice without further notification, unless written payment arrangements are made by the Association member and approved by the VEHOA Board. The VEHOA Board reserves the right to reject offers of payment that are for less than the full amount due.
- F. Deposit for Reconnection: In all cases if service has been disconnected due to delinquency, the Association member must again meet the security deposit requirements set forth in Section 2.11 before service will be reconnected.
- G. Responsibility for Payment of Water Utility Bills: In all cases the person or group of persons or entity who is the record owner of a fee simple title to one or more lots in the Victoria Estates Subdivision is responsible for the utility bills regardless of who lives on the property served.

SECTION 2.13 Administration and Enforcement

- A. These rules and regulations shall be administered and enforced by the VEHOA Board of Directors. The VEHOA Membership shall have the authority to establish and regulate rates for the water system. The Board shall enforce and administer collection services. No person shall be bound by any such rate unless it shall have been posted for public inspection for five consecutive days after its adoption, at public places within the community of VICTORIA ESTATES, Alaska.
- B. A current file of rates adopted by the VEHOA Membership under these regulations shall be available for public inspection during regular business hours at the VEHOA Office.
- C. Monies collected for water services shall be used as outlined in the VEHOA By-Laws. These monies will be accounted for separately by VEHOA Board.
- D. The VEHOA Membership may adopt such additional regulations, provisions, and procedures pertaining to water services as they deem proper.

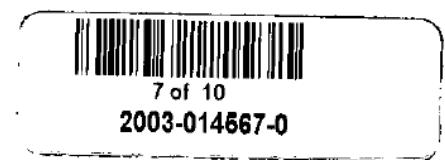
SECTION 2.14 Discontinuance

- A. Discontinuance by Association Member Order: Each Association Member about to vacate any premises supplied with water services by the VEHOA water utility shall give at least one week written notice of his intentions, specifying the date the service is to be discontinued. Otherwise, an Association member will be responsible for all services supplied to such premises until a written notice is received.



Within one week of the time specified in the notice to discontinue service, a total bill (minus any deposits due to the Association member) will be rendered which is due and payable immediately. The amount of the bill for the current billing period will be determined by prorating the number of days of service received in the given month (including the date of disconnect) divided by the total number of days in the month, times the usual monthly charge for the Association member. There will be no charge for disconnection of the utility.

- B. Discontinuance for Non-payment of Bills: An Association member's water services may be discontinued if their bill is not paid in accordance with the procedures listed in Section 2.12.
- C. Discontinuance for Unsafe VEHOA member Facilities:
 - 1. Unsafe Facilities or Unsanitary Facilities: The VEHOA Board may discontinue services to any premises without prior notice where plumbing facilities, appliances, or equipment, using water or discharging waste water, are dangerous, unsafe, or not in conformity with standard plumbing practice.
 - 2. Cross Connections: A cross connection is defined as any physical connection between the potable water system and any non-potable water including sewer systems. Such cross connections are unlawful. The VEHOA Board will discontinue service to any persons or premises where a cross connection exists. Service will not be restored until the cross connection is eliminated. VEHOA is not responsible for any nuisance or damage resulting from the cutoff.
- D. Discontinuance for Water Waste: Where water is wastefully or negligently used on an Association member's premises seriously affecting the general service, the VEHOA Board may discontinue service if such conditions are not corrected after notice by the VEHOA Board. Allowing water to run continuously rather than providing reasonable and proper insulation is considered wasting water.
- E. Discontinuance for Service Detrimental to Others: The VEHOA Board may refuse to furnish water service, or immediately terminate service to any premises where excessive demands by an Association member will result, or have resulted, in inadequate service to other Association members. The determination of excessive demand may vary depending on current VEHOA water resources and water equipment conditions and is the sole province of the VEHOA Board.
- F. Discontinuance for Fraud or Abuse: The VEHOA Board will refuse or discontinue service to any Association member or premises where it is deemed necessary to protect the Subdivision from fraud or abuse of service. Discontinuance of service for one or both of these causes will be made immediately upon receipt of knowledge by the VEHOA Board of Directors that such condition or conditions exist.
- G. Discontinuance for Unauthorized Turn-on: Where water service has been discontinued for any reason and the water is turned on by the Association member or another unauthorized person, the water may then be turned-off at the main, without notice to the Association member. The charges for shut-off will be billed at the actual cost for labor and materials plus 50%, billed to the offending Association member. The charges for water consumed through such illegal connection will be at 150% of the regular rate for the period of time, as estimated by the VEHOA Board of Directors, that such illegal or unauthorized connection existed. The VEHOA Board of Directors may seek additional legal remedies in such cases.



- H. Discontinuance for Non-compliance: Unless otherwise specified by specific sections of these rules and regulations, an Association member may have service discontinued for violation of any provision of these rules and regulations following five days notification of such impending termination of service. Proper notice is specified in Section 2.10 of these regulations.

SECTION 2.15 Restoration of Services

Restoration of service following discontinuance by Association member order shall not require a reconnection fee if the discontinuance was for more than two months. Restoration of service for any other reason shall require a reconnection fee. Restoration of service following discontinuance for non-payment of bills shall be made only after payment of current and past due charges, the reconnection fee, and a security deposit as herein provided.

Restoration following discontinuance because of unsafe facilities, water waste, fraud, abuse, or non-compliance with these rules and regulations will be made only after: the irregularity has been corrected; any associated charges for disconnection or repairs undertaken by the VEHOA Board have been paid; and the VEHOA Board has been assured that the irregularity will not occur again.

The Association member is responsible for ensuring that his service line, all appliances, and plumbing, etc. are in good condition prior to restoration of services. Any costs for cleaning or thawing a service line prior to reconnection shall be paid by the VEHOA member.

SECTION 2.16 Unusual Demands

Whenever an abnormally large quantity of water is desired for filling a water storage tank, or for any other purpose, arrangements must be made with the VEHOA Board of Directors prior to taking the water. Permission to take water in large quantities will be given only if other Association members are not inconvenienced. Purchases of large quantities of water, even if to an existing Association member may be billed under a separate category and for a separate amount from the Association member's usual rate, which rate is at the discretion of the VEHOA Membership.

SECTION 2.17 Access to Property

All duly appointed employees or agents of the VEHOA Board of Directors shall have free access at all reasonable hours of the day to exterior parts of a customer's building related to water utility service for the purposes of inspecting connections, piping and fixtures, and to determine the manner and extent to which the water utility is being used. When it is necessary to enter a customer's building for the same purposes, the VEHOA member will be given notice in accordance with Section 2.10. Neither the VEHOA nor the VEHOA Board of Directors assume the duty of inspecting the customer's service line, plumbing, or equipment and shall not be responsible, therefore.

In the event that a VEHOA member refuses to provide access to the VEHOA Board in a reasonable period of time, the service may be discontinued for non-compliance with these Regulations in accordance with Section 2.14.

SECTION 2.18 Responsibility for Equipment

- A. Responsibility for Association Member Equipment: Neither the VEHOA nor the VEHOA Board of Directors shall be liable for any loss or damage of any nature whatsoever caused by any defect in the Association member's service line, plumbing, or equipment, nor shall the VEHOA or the VEHOA Board of Directors be liable for loss or damage due to interruption of service or temporary changes in water pressure.



- B. The Association member shall be responsible for the condition of the plumbing system on his premises when water service is turned on. All drain valves should be closed to prevent water damage.
- C. The Association member shall be responsible for maintaining proper heat within his property to ensure that pipes do not freeze-up, causing harm or damage to the VEHOA water system as well as to the Association member's premises. Electrical heat tape shall be energized as necessary to prevent water utility lines from freezing. The Association member shall pay for all costs associated with keeping his service lines from freezing. The VEHOA Board may hold the Association member liable for any damage or loss to the Subdivision water utility negligently caused by Association member freeze-up.

SECTION 2.19 Main Water Lines

- A. Operation: No person or persons other than those designated and authorized by the VEHOA Board of Directors shall in any manner damage or tamper with the main water line. Any violation of this regulation will be penalized according to these Regulations.
- B. Damage to Main Water Lines: Any person or entity who damages a main water line or any of the attachments or appurtenances thereof, shall be responsible for the cost of its complete repair and return to service. This is in addition to the penalties outlined in Section 2.20.

SECTION 2.20 Penalties

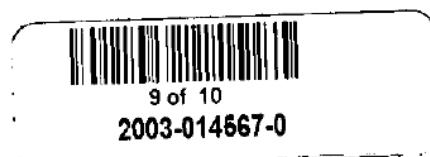
Any person violating sections of these rules and regulations shall, upon adjudication by the VEHOA Board of Directors and after notice and opportunity for a hearing with the VEHOA Board of Directors, be subject to a civil penalty not to exceed \$300 over and above the cost of any repairs or any other expense incurred by VEHOA in the incident. Each separate incidence and each separate day upon which an offense occurs shall be a separate offense.

SECTION 2.21 Suspension of Rules

No employee of the VEHOA Board of Directors or the Subdivision is authorized to suspend or alter any of the provisions herein without specific written approval or direction of the VEHOA Board of Directors, except in cases of emergency involving loss of life or property or which put the water system operation in jeopardy.

SECTION 2.22 Constitutionality and Saving Clause

If any clause, sentence, paragraph, section, or portion of these rules and regulations for any reason is judged to be invalid by a court of competent jurisdiction, such judgment shall not affect, impair, or invalidate the remainder of this document but shall be confined in its operation to the clause, sentence, paragraph, or portion of these rules and regulations directly involved in the controversy in which the judgment is rendered.



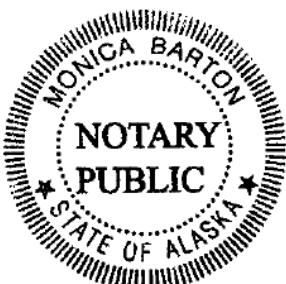
STATE OF ALASKA)
BOROUGH OF MATANUSKA-SUSITNA) SS.

IN THE PALMER RECORDING DISTRICT

This is to certify that on the 30th day of May 2003, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared Lewis C. Heatly and Judith Anderson to me known. In their official capacity executed the foregoing instrument as the free act and deed of the Victoria Estates Homeowners Association for the uses and purposes therein stated.

Lewis C. Heatly Judith Anderson
Lewis C. Heatly, President Judith Anderson, Treasurer / Acting Sec.

Witness my hand and official seal the day and year in this certificate first above written.



Monica Barton
NOTARY PUBLIC in and for the State of Alaska
My Commission Expires 8-1-06

Return to: Lewis Heatly, Pres.
VEHOA
P.O. Box 877415
Wasilla, Ak 99687

