GENERAL OUTLINE FOR SMALL WATER SYSTEM AGREEMENTS

The following is general information that may need to be included in a water agreement. This is not intended to be legal advice. Water agreements must be signed and recorded and should be drafted or reviewed by an attorney.

I. Water System Background
   A. description/location of water system
   B. purpose of agreement
   C. service area (primary service area, expansion service area, authorization to serve, limitations on services, etc.)

II. Well and Storage Tank Easements
   A. description/location
   B. wells must be on recorded well lots
   C. storage tanks must be on recorded tank lots

III. Water Rights
   A. how water shares are divided up (one share per lot, per connection, etc.)
   B. intentions to preserve the use of water rights for the benefit of future property owners
   C. are private wells allowed within the water system service area? (not recommended)

IV. Membership and Voting
   A. each parcel owner entitled to one membership in the association; # of members
   B. voting by active members (home present)
   C. voting by inactive members (vacant lot)
   D. restrictions on membership transfer
      1. membership passes with the property
      2. termination of membership; how parties transfer their interest
      3. owner must provide copy of water agreement to purchasers of their property
   E. rights and duties of members
   F. issuance of membership certificates

V. Allocation of Expenses
   A. capital improvement funds (see handout on requirements of DHS)
   B. emergency repairs
   C. approval by majority
   D. cost of maintaining water system after service connection to be borne by the lot owner
VI. Assessments  
A. do inactive members contribute to the cost of operating and maintaining system?  
B. rate structure  
C. annual budget  
D. members may assess themselves to develop funds to defray expenses  
E. association’s right to shut off water to a member whose assessment is delinquent for more than 30 days  
F. penalties (unpaid assessments constitute a lien against the property of a member, interest rate charged, etc.)  
G. association may recover reasonable attorney’s fees in an action brought upon a member  

VII. Use of Water  
A. for domestic use only?  
B. priorities (domestic first, irrigation second, etc.)  
C. conservation program  
D. water use to be restricted to the parcels covered by the water agreement  
E. are meters to be installed? how will meters be paid for? meters read by whom and how often?  

VIII. Management  
A. liaison with Health Department  
B. emergency notification  
C. compliance with Health Department requirements  
D. board of directors (duties, how elected, etc.)  
E. officers and their duties  
1. enumeration of officers  
2. election of officers.  
3. term  
4. vacancies/special appointments  
5. resignation and removal  
F. management of bank account  
G. recordkeeping  

IX. Amendments  
A. how water agreement can be amended  

X. Meetings of Members  
A. frequency of routine meetings  
B. special meetings  
C. how to notify members  

XI. Miscellaneous  
A. cross-connection control program  

XII. Exhibits  
A. map showing parcels, easements, well lots, tank lots, water wells, storage tanks, pressure tanks, booster pumps, treatment units, fire hydrants, water lines, etc.  
B. list of assessor parcel numbers (APNs) and current ownership of parcels.