

FOREST LAKES MUTUAL WATER COMPANY

Conservation, Water Waste & Excessive Use Policy

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Delivery of water is the essential job of any water provider and making sure that water is reliably available to all shareholders is part of doing that job. Our community water supply comes from wells which from which water is supplied at certain daily rates. Once treated, it is distributed through our system to all shareholder properties.

As a community, we are very conscientious and thrifty in our water usage, especially during prolonged periods of drought and during emergencies. This is an absolute necessity given the fact that we do not have an unlimited supply water. To effectively address the judicious use of water we periodically review our policies and procedures related to water use and overuse. These updates are not intended to reduce the amount of water supplied to shareholders.

The purposes here are to:

- Clarify the provisions in our excessive use policy
- Establish clear guidelines for resolving water use problems
- Consolidate various pieces of company practice into one comprehensive document

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It is the policy of Forest Lakes Mutual Water Company to prohibit the following uses of water:

- Indiscriminate running of water or washing with water that is wasteful and without reasonable purpose
- Escape of water through leaks, breaks, or malfunctions within the water user's plumbing, irrigation or distribution system for any length of time, within which such break or leak should reasonably have been discovered and corrected
- Water use that exceeds conservation use reduction measures, stage restrictions or other established usage levels
- Water use that threatens the community water supply
- Water use from any fire hydrant

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Policy Goals:

Our goal is to ensure that an essential, limited resource is not used indiscriminately, and to implement an excessive use fee structure that reinforces the need to protect our community water supply. Our goal is not to assess excessive use fees in situations where residents are not aware of water waste on their property.

For example:

- An irrigation system that turns on at night or while on vacation can malfunction;
- A leak that may not immediately present itself;
- A hose or faucet may not be completely shut off.
- At the same time, each shareholder is responsible to use water efficiently.

Maintenance Requirements:

Untreated leaks can waste hundreds or thousands of gallons of water within a short period of time.

FLMWC requires residents to fix all home leaks within 14 days after being notified.

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Water Conservation Stages:

The Board will determine and communicate to shareholders by board meeting minutes, staff visit, phone, email or notice left at the residence a water conservation stage based on the following conditions:

Water Conservation Stages	Conditions	Water User Reduction Measures
Stage 1: Conserve Mandatory Use Limit: 300 GPD Use Target: 250 GPD	<ul style="list-style-type: none"> • Overall system capacity • First year of regional drought conditions • Below average rainfall • Excessive pumping load on system by users • Professional judgment of FLMWC Operations Manager 	<ul style="list-style-type: none"> • Voluntary conservation by all users • Limit all outdoor water use • Encouraged to convert to drip, low-volume irrigation
Stage 2: Warning Mandatory Use Limit: 250 GPD Use Target: 25 to 50 GPD per person	<ul style="list-style-type: none"> • Second year plus of drought conditions • Below average rainfall • Excessive pumping load on system by users • Professional judgment of FLMWC Operations Manager 	<ul style="list-style-type: none"> • Manual operation of drip irrigation only – no sprinklers • Hand-held watering – only use hoses with shut-off nozzle • Outdoor water use for odd addresses Mon. & Thurs., even addresses Tue. & Fri. • No filling pools, spas, or ponds • Non-essential use prohibited
Stage 3: Severe Emergency Shortage Mandatory Use Limit: 150 GPD	<ul style="list-style-type: none"> • Serious drought conditions • Tank levels not maintained • Tank(s) below Fire Dept. requirements • Reduced well capacity (falling water levels) • Potentially trucking water 	<ul style="list-style-type: none"> • No outdoor water use • No vehicle washing • Non-essential indoor water use prohibited
Stage 4: Critical Emergency Shortage Mandatory Use Limit: 10 GPD	<ul style="list-style-type: none"> • Tank(s) are empty • Trucking in water 	<ul style="list-style-type: none"> • If you have water, use only for necessary hygiene

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Enforcement Associated with Excessive Use:

Each water conservation stage will be divided into 4 tiers with a set mandatory use limit expressed in gallons per day (GPD) as follows:

Green: Water use is permitted up to the set mandatory use limit.

Yellow: If water use that falls within this range, a shareholder will be provided 2 notifications and upon a 3rd notification a water restrictor may be applied, and excessive use fees assigned based upon GPD use above the mandatory use limit

Orange: If water use that falls within this range, a shareholder will not be provided notifications, a water restrictor may be applied to their service line, water may be shut off and excessive use fees assigned based upon GPD use above the mandatory use limit

Red: If water use that falls within this range, a shareholder will not be provided notifications, a water restrictor may be applied, water will be shut off and excessive use fees assigned based upon GPD use above the mandatory use limit

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Notification Methods:

Unless otherwise stated, notification(s) may be made by staff visit, phone, email, notice left at the residence and/or postings within the community.

Warning Notifications:

For water use within the yellow tier of any water conservation stage, the following notification procedures will apply:

Initial Notification: Notification of the violation will be communicated to the shareholder. If there is an indication of a leak shareholders will be contacted. Staff will be available to help shareholders assess the situation. If use exceeds conservation stage limits than a shareholder's meter will be read within 7 days of the initial notification.

Second Notification: If initial notification has been communicated and no response has been received, and upon second meter reading use still exceeds conservation stage limits, FLMWC shall issue a Second Notification to the shareholder.

Final Notification: If a) no response to the Second Notification has been received, b) satisfactory arrangements have not been made for correction or c) timely verification of correction has not occurred, a restrictor may be placed on the shareholder's service line and excessive use fees will be charged for each calendar day in which the violation occurs. All subsequent meter readings which exceed the current conservation stage limit will result in an Excessive Usage Statement and Penalty Fee, billed per the Board-approved tiered overage penalty program.

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Water Restrictors:

A water restrictor may be applied to a shareholder's service line for water use within the yellow tier of any water conservation stage. Attempt(s) will be made to notify a shareholder prior to the application of a restrictor on their service line.

Water Shut Off & Reconnect Fees:

Water may be shut off for water use within the orange tier of any water conservation stage and will be shut off for water use within the red tier of any water conservation stage. In the event of a shut off, attempt(s) to notify the shareholder will be made prior to water being shut off.

The shareholder will be responsible for excessive use penalty fees and will be required to pay a \$75.00 reconnection fee. If a reconnection is requested outside of normal business hours, the fee shall be \$150.00.

Threatening Water Use:

At the discretion of the General or Operations Manager, water use that may be threatening the community's water supply, FLMWC equipment, FLMWC or shareholder property and/or the safety of an individual(s) may be temporarily shut off to mitigate risks without advance notice to shareholders.

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Excessive Use Fees:

Excessive Usage Statement and Penalty Fees will be based on the current published conservation stage and mandatory use limits and will be billed per the Board-approved overage penalty program below:

- 1 to 50 gallons per day above water conservation stage and tier at \$.025 per gallon
- 51 to 100 gallons per day above water conservation stage and tier at \$.05 per gallon
- 101 to 750 gallons per day above water conservation stage and tier at \$.10 per gallon
- 751 and above water conservation stage and tier at \$.20 per gallon

Right to Appeal:

A shareholder may contest any charges associated with this policy to the Board of Directors at the next regularly scheduled Board Meeting in executive session to explain and provide evidence of any situation, such as a water leak, that resulted in excessive use. The Board may waive or decrease any fees at its discretion.

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Water Conservation Stages	GPD LIMIT	0 - 100 GPD	101 - 150 GPD	151 - 200 GPD	201 - 250 GPD	251 - 300 GPD	301 - 400 GPD	401 - 500 GPD	501 - 1,000 GPD	1,000 + GPD
Stage 1: Conserve	300 GPD	Green	Green	Green	Green	Green	Yellow	Yellow	Orange	Red
Stage 2: Warning	250 GPD	Green	Green	Green	Green	Yellow	Yellow	Yellow	Orange	Red
Stage 3: Severe Emergency Shortage	150 GPD	Green	Green	Yellow	Orange	Orange	Orange	Orange	Orange	Red
Stage 4: Critical Emergency Shortage	100 GPD	Green	Yellow	Orange	Orange	Orange	Red	Red	Red	Red

TIER	Notifications	Water Restrictor	Shut Off*	Excessive Use Fees
GREEN				Not Applicable
YELLOW	3 Provided	Yes, upon 3 rd Notification	No	Yes, upon 3 rd Notification
ORANGE	None	None	Possible with \$75 - \$150 Reconnection Fee**	Yes
RED	None	None	Yes, with \$75 - \$150 Reconnection Fee**	Yes

1 - 50 GPD Over GPD Limit - \$0.025 Per Gallon
 51 - 100 GPD Over GPD Limit- \$0.05 Per Gallon
 101 - 750 GPD Over GPD Limit - \$0.10 Per Gallon
 751+ GPD Over GPD Limit- \$0.20 Per Gallon

* At the discretion of the General or Operations Manager, water use that may be threatening the community's water supply, FLMWC equipment, FLMWC or shareholder property and/or the safety of an individual(s) may be temporarily shut off to mitigate risks without advance notice to shareholders.

** \$75 Reconnection fee during normal business hours
 \$150 Reconnection fee after normal business hours