

**RULES AND REGULATIONS
OF
LAS ACEQUIAS DE PLACITAS**

The Rules and Regulations provide the authority for the Commission to govern the daily operations of Las Acequias de Placitas. Major policies must be approved by a majority vote of the membership of Las Acequias.

These Rules and Regulations (hereinafter called "Rules") are issued in compliance with the Bylaws of Las Acequias de Placitas (hereinafter called "Las Acequias"), and in compliance with the Declaration of Water Rights of 1942 for the community of Placitas and its uses, and are designed to govern the supplying and taking of services rendered by Las Acequias. They are subject to change from time to time by a majority vote of the Commission and they are to be reviewed annually by the Commission.

If a provision of the Rules should conflict with a provision of the Bylaws, the Bylaw provision will prevail.

**SECTION 1. PROCEDURE FOR ESTABLISHING RULES AND
REGULATIONS**

Las Acequias Commission is responsible for administering the Rules and Regulations and seeing that The business affairs of Las Acequias are in proper operation order. The Commission may issue policies from time to time to direct how the Commission should operate.

Proposals for establishing policies or amendments of the Rules may be presented, in writing, to the Commission by employees, and Commission member, or any member of Las Acequias in good standing. Proposed policies or amendments will be in accordance with Las Acequias' Bylaws and other applicable laws and regulations. Each proposed policy will be evaluated by the Commission. The final policy must be approved by majority vote of the membership in order for it to become official.

The passage of any rules or regulation will be documented in the minutes of the membership meeting at which the policy was approved.

SECTION 2. MEMBERSHIP STATUS

Membership shall be in accordance to Bylaws Article 4 Sections 1 and 2. A member may own more than one membership; however, the member is entitled to one vote only. Memberships may be transferred to another owner but not another property. Membership fees are nonrefundable.

Connections to the domestic water system may be denied if the capacity of the system is exhausted by the need of Las Acequias', and the commission has the authority to declare a moratorium whenever drought conditions may exist, and /or demand exceeds capacity.



SECTION 3. MEMBER IN GOOD STANDING

A member in good standing is defined as one who is not delinquent to Las Acequias, and is in compliance with the Bylaws and Rules and Regulations of Las Acequias.

SECTION 4. MEMBERSHIP

A. Water Services

1. Application for Membership and/or Acequia or Domestic Use. Any person or persons who qualify under Article IV, Section 1, of the Bylaws must apply in writing to the commission to become members of Las Acequias. Acceptance of membership in Las Acequias shall be approved by a majority of the Commission of Las Acequias. All service connections to the domestic water system must be completed with approval from Las Acequias and follow guidelines established under federal and state laws. Las Acequias owns all water meters and oversees the installation of all water system connections. *Persons who connect themselves to the system without the approval and oversight of Las Acequias are in violation of State and Federal laws and may be prosecuted and fined.*
2. Application Process

To obtain membership for water services the applicant must submit a written request to the Commission. The written request must include the following:

 - a) proof of Declaration of Ownership of Water Right per Article IV, Section 1 of the Bylaws,
 - b) property description,
 - c) payment in full of the nonrefundable membership fee, and
 - d) payment in full of hookup fee.
3. Approval of the Application

Upon submission of a membership request, the Commission will review the request and make its decision. Once the membership has been approved, the member will be notified by Las Acequias. The required fees must be paid in full before connection to the system. If an application is not approved; any fees submitted to Las Acequias will be refunded. On all approved applications, the member must read the Rules and Regulations and sign a statement verifying this, that will be kept on file by the commission. Once the physical hookup to the system has been made, the membership fee is nonrefundable.
4. Connection of Water Services

After all fees have been paid in full, a Membership Certificate will be issued and mailed or given to the member and a metering facility will be placed at the main water line easement. The original Membership Certificate will be kept by the member and Las Acequias will keep a copy for its records. *Note: The hookup fees are for a simple installation. If installation costs exceed the amount specified by the commission, the member will pay the balance due within 30 days of connecting.*

SECTION 5. RENTAL PROPERTY WATER SERVICES

The property owner will be the member and responsible for all bills incurred to Las Acequias.

SECTION 6. TRANSFER OF MEMBERSHIP

To transfer a membership, the member must apply to the Commission and provide their Declaration of Ownership of Water Right in accordance with Article IV, Section 1, of the Bylaws. Burden of proof of ownership falls on the member.

SECTION 7. PROVIDING WATER SERVICES

A. Domestic Water Services Ready to Use: Minimum Charge

Domestic water services will be considered ready to use when the application process has been completed, the application has been approved, regardless of whether or not the member makes use of the services, and charges will be made for services as of the date the meter was installed. *All service connections must be to the main line.*

B. Service Disconnection and Reconnection

Members may choose to have their water services temporarily disconnected and pay the disconnection and reconnection fees (see Section 10-B Other Fees for Water Services).

C. Multiple Services Connections

Multiple connections into one residential meter are prohibited. Water service is for the sole use of the member, his or her agent(s), or tenant(s) at the location requested, and does not permit the transfer or cross-connection of water by any means to another dwelling or place of business. Members who have allowed multiple connections will be disconnected from the system. A member may have more than one metered water service connection, as provided in Las Acequias Bylaws.

D. Connection to Private System

There will be no physical connection between any private water system/well and the water system of Las Acequias. Violation of this provision is cause for disconnection of a member's water services. If a backflow prevention valve is installed, the member will pay for all expenses incurred. State law allows a representative of Las Acequias to have the right at any reasonable hour to enter a member's premises for the purpose of inspection and enforcement of this provision. State Regulations shall prevail and be adhered to regarding any connection to a private system.

E. Continuity of Service

Las Acequias will make all reasonable efforts to supply continuous, uninterrupted service. However, Las Acequias will have the right to interrupt service for the purpose of making repairs, connections, extension or for any other necessary work. Efforts will be made to notify members who may be affected by such interruptions, but Las Acequias will not accept responsibility for losses, which might occur due to such necessary interruptions of service or shortage of water supply.

SECTION 8. METER AND METERING FACILITIES

A. Metering of Water Service

Water service will be metered to each individual dwelling or place of business. No more than one residential dwelling or commercial building will be connected to one meter. Metering and facilities must be installed by Las Acequias.

B. Tampering with Metering Facilities

Metering facilities will be installed and maintained by Las Acequias and will be paid for by the member. These will consist of a service clamp, corporation stop, service line, meter yoke, meter box, back flow device and meter. Tampering with meter facilities is a violation of Federal law.

C. Location of Metering Facilities

Metering facilities will be located dependent on the design of the system. The Commission will make the final decision on the location of meters. Should the location be within the member's property, he or she will grant Las Acequias an easement of right-of-way and the right of ingress and egress to said property for the purposes of servicing, reading, and/or removing the metering facilities.

D. Meter Accuracy

Service meters, where errors do not exceed two (2%) percent fast or slow, will be considered as within the allowable limits of accuracy for billing purposes.

E. Meter testing

Meter testing requested by members will be performed without cost to the member, if the meter is found to be off in excess of (2%) percent. Otherwise, the member for whom the required testing was made will be charged for the cost of making the test, removing and placing the meter, and any other cost associated with removal and replacement.

F. Meter Reading

Meters will be read regularly by Las Acequias and billing will be as specified by the Commissions. If a meter cannot be read, Las Acequias will bill the member for the amount of water used during the previous month until such time as adjustments can be made for actual water used.

SECTION 9. BILLING AND PAYMENT OF WATER SERVICES

A. Billing of Water Services

As previously stated, all Las Acequias members are subject to at least the minimum monthly water charge as soon as water service is available to the member. Las Acequias's Treasurer will bill the membership quarterly for water services from actual meter readings and/or the rates set forth on the approved water rate schedule, including water leaked from a member's line.

B. Payment of Water Services

Bills for water services are due on the last day of each month and become overdue 10 days thereafter.

C. Overdue Accounts

Overdue payments are subject to a monthly fee of ten (10%) percent from the date of delinquency. Members who fail to pay for water services and applicable penalties within three (3) months of the due date will be considered delinquent and will be subject to disconnection procedures.

D. Delinquent Accounts Notification and Disconnection of Services

Las Acequias will send disconnection notice after three (3) months delinquency. All delinquent members or members in violation will be notified by certified mail. The notification will include the amount due and will provide a date to comply. Las Acequias will disconnect water service upon nonpayment within thirty (30) days of the notice. Water service will be reconnected upon payment of the delinquent amount or after an agreement for payment as been made and the reconnection fee has been paid.

E. Negotiation Monthly Payment Schedule

To avoid disconnection of services, the Commission and the member may negotiate a monthly payment schedule for the delinquent amount, provided that at the time of the agreement, the member will pay a minimum amount as specified by the Commission.

F. Reconnection of Water Services

Any water service which has been disconnected due to a delinquent account or for other reasons will not be reconnected until the account has been paid current and the applicable reconnection fee is paid in full. Subsequent delinquency will result in an increased reconnection fee and the payment of a service deposit determined by the commission.

SECTION 10. SUMMARY OF FEE AND PENALTY SCHEDULES

A. Water Services

Residential Membership Transfer Fee: \$500.00

Residential Hookup Fee*: When applicable, current costs for materials and labor

Residential Meter: \$ Current costs for materials and labor

Please note that the hookup fees quoted are for a simple installation. If installation costs exceed the amount quoted, the member will pay the balance due within thirty (30) days of connection. Installation must be done by a certified operator with specifications from Las Acequias.

B. Other Fees for Water Services

Voluntary Reconnection or Disconnection Fee: Hourly rate schedule of system operator

Involuntary Reconnection or Disconnection Fee: Hourly rate schedule of system operator

Bounced Check Fee: \$10.00

C. Overdue Accounts

Subject to a ten (10%) percent monthly charge on the unpaid amount until account is brought current.

D. Rate Schedule

Residential Customers

\$45.00 per quarter

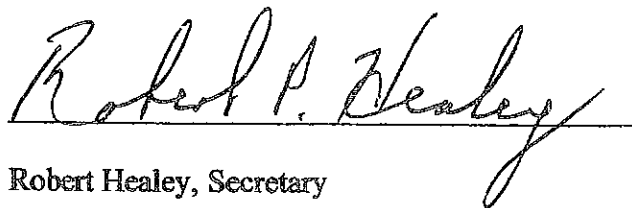
E. Special Assessments

Special assessment fees will be charged to the members as needs arise and will be determined by the Commission.

These Rules and Regulations were revised and adopted by vote of the membership on July 8, 2010.

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Bert De Lara, President

A handwritten signature in cursive script, reading "Robert P. Healey", written over a horizontal line.

Robert Healey, Secretary

A handwritten signature in cursive script, reading "Sandra Escarcida", written over a horizontal line.

Sandra Escarcida, Treasurer

1. Introduction

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