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BIG VALLEY AND CROSSED ARROWS IMPROVEMENT

DISTRICT

P.O.Box 33
Meeteetse, Wyoming 82433

RULES AND REGULATIONS AND BY-LAWS

CHAPTER ONE - RULES AND REGULATIONS

These Rules and Regulations and By-laws may be altered, amended, changed, or replaced, and new Rules and Regulations and By-laws may be adopted at any time, or from time to time, by vote of district: one lot = one vote

1. OWNERSHIP AND CONTROL: The water system of the BIG VALLEY AND CROSSED ARROWS IMPROVEMENT DISTRICT shall be owned by the District. The property and business of the District shall be managed, maintained, and controlled exclusively by the Board of Directors of the District who shall be elected and otherwise chosen and shall exercise the powers granted by law. The officers of the District shall be the officers of the Board of Directors.

2. PURPOSE: The object and purpose of the water system shall be to supply the District with potable water for the use of the inhabitants thereof.

3. DEFINITIONS: The purpose of these regulations using the following definitions shall apply to the terms used throughout these Rules and Regulations:

- A. "Board"** means the BIG VALLEY AND CROSSED ARROWS IMPROVEMENT DISTRICT Board of Directors.
- B. "Manager"** means the water manager who has been duly appointed by the Board.
- C. "District"** means the BIG VALLEY CROSSED ARROWS IMPROVEMENT DISTRICT established in PARK County under the laws of the State of Wyoming.
- D. "Residential Service"** means individual residence units providing

living facilities for one or more including permanent provisions for cooking, sleeping, and sanitation.

E. "Accessory Buildings" means incidental building not used as residential units or a place of business. Accessory building shall be secondary to that of the primary activities for which the water is used and, if metered, water will flow first through the meter to the residence, then to the Accessory building.

F. "Agriculture" means producing crops and/or raising livestock for a profit.

G. "Commercial" means all uses, other than agricultural use and residential use.

H. "Applicant" means a member of the defined District making a formal application for domestic water service to the Board.

I. "Residential Use" means water use for domestic purposes related to the primary activities of a residential service.

J. "Installer" means the land owner who causes the line to be installed.

K. "User" means the person or business who is in actual receipt of the water service.

L. "Member" means any person who owns real property in the District for whom the District provides water services of facilities and is thereby responsible for use

charges, connection fees, standby charges, monthly charges, and assessments.

M. "Fee Owner" means the legal owner of real property. A mortgagor is the Fee Owner.

A purchaser under contract for deed is not a Fee Owner. A lessee is not a Fee Owner.

N. "User's Agreement" means a written agreement between the District and the User

specifying the terms of delivery of water services and acknowledgment by the User of the District's Rules and Regulations and By-laws in force. This agreement is subject to the approval of the Board of Directors of the District.

4. LIMITS TO SERVICE CONNECTIONS: At this time there is no metering for water usage.

5. INITIATION OF SERVICE TO PROPERTY: The procedure for initiating service

to a property is as follows:

Prior to construction of any water facility on private property to be connected to the

District's system, the following requirements must be met:

A. A User's Agreement must be signed by the User.

B. The current applicable tap fees and any special fees must be paid. Each tap

fee will be by individual residential, commercial, or agricultural service.

C. A Contract/Plumber Permit must be obtained by the User as required by the

Rules and Regulations and By-laws or as approved by the board.

D. Any special requirements must be met.

E. Any tap which requires excavation in any State highway or County road

right-of-way, shall have attached to the tap application written permission in

form approved by the governmental entity granting permission for the

necessary work to be done in the right-of-way.

After compliance with items A through E above, construction of plumbing may

proceed according to the District's specifications. When plumbing is ready for inspection,

the Permit, with complete location map, must be delivered to the District.

The inspector

will inspect the installation as soon as possible. The inspector will note any deficiencies

or give approval on the Permit. Should any deficiencies be noted, they must be corrected.

The curb stop will be visible, and an inspection will be made and an

"approved" tag will be

attached to the curb stop.

In cases where no inspection is made due to improper curb stop installation, or

where construction is not approved, the holder of the Permit should correct the deficiencies,

pay for, and request another inspection. This process will continue until the installation is

approved by the inspector and the Permit is signed by the inspector. The construction may

then be covered, curb stop set back of walk grade by the Installer, and the

inspector will see that the water flow is turned off to the property. If no one can be at the site, the holder of the Permit must call the office for information on the status of the inspection.

No construction covered by the Permit may be covered prior to inspection. If it is found covered, it must be uncovered and inspected. No further services will be inspected until all such violations are corrected. Prior to the water being turned on, if meters are required, the District will install the meter and cause it to be attached.

The monthly service charges will begin as soon as water is turned on to the property site. Once the requirements of the Permit have been met and a meter is installed, water will be turned on at the request of the User, provided a current User's Agreement is in force. A minimum monthly fee begins when water is turned on, or in case of meter usage, when meter is set or authorized to be set by the District.

The installer is responsible to protect the curb stop from damage. Damaged curb stops will be repaired by the District and billed to the Installer. No further inspections will be made until curb stop repairs have been paid for. Water taps shall be allocated and a Permit issued to a described property where actual use is planned and shall not be transferable to a different property.

The expense for repair of surface damage shall be the responsibility of the Applicant and is in addition to applicable water tap installation rates. Repair shall be completed in accordance with the requirements of the governing authority.

6. FEES, DEPOSITS, AND USE CHARGES: The fees adopted the Board at the time of payment shall be the fees required to be paid. The following general water fees and use charges shall apply to the District:

Connection Fee.....Actual cost plus \$50.00

administrative fee

Monthly water rate.....\$35.00

District Board members reserve the right to adjust water fees by 25% annually, as needed by the District.

7. AREA SERVICE: Water service shall only be available to consumers that are with in the Water District and that have contracted for service.

8. CONTRACT FOR SERVICE - REQUIRED: No one shall be permitted to use the water from the water system except under regular contract and permit issued by the Board, and in such cases only according with other regulations and policies of the Board.

9. PERMISSION REQUIRED FOR CONNECTION: Water will not be turned into any house or private service pipe except upon the written order of the Manager of his duly authorized agent. Plumbers are strictly prohibited from turning the water into any service pipe except by written order from the Manager of his duly authorized agent. This rule shall not be construed to prevent any plumber from admitting water to test pipes and for that purpose only.

10. RATE SCHEDULES CONSTITUTES PART OF CONTRACT: The fixed water rates shall be considered a part of the contract with every person supplied with water through the water works of the Board. Every person taking water shall be considered and held bound thereby. Whenever any part of the contract is violated, the water shall be shut off from the service in violation. After the causes of the suspension have been removed, and upon any other terms as the Manager shall determine, the water service shall be restored. The tap owner is obligated for the minimum monthly consumer rate

regardless if the tap is in service or not.

11. INSPECTION FEE: Prior to the water being turned on to any new or existing facility, an inspection must be completed. An inspection fee of \$25.00 must be paid for each inspection, regardless of the reason the water needs to be turned on.

12. ACCOUNTING: Accounting for water usage may be determined by metering in the future and billed according to usage.

13. BILLING: The users shall be individually responsible for the payment of the monthly water bill. Users shall be issued payment coupon books and shall use the payment coupons in paying their water bill. All bills are due and payable in full at the first of each month, and become delinquent on the 15th day of the month. Partial payments will only be accepted at the District's option and any acceptance of a partial payment does not waive the District's right to accept any further partial payments. Failure of the customer to receive a payment coupon booklet in no way relieves the User's liability for payment of services.

Until paid, delinquent water charges shall constitute a perpetual lien on and against the property served. All bills are delinquent if not paid within fifteen (15) days after billing date.

If any User neglects, refuses, or fails to pay the bill within fifteen (15) days of billing, the User will be assessed an eighteen percent (18%) per annum interest charge and a shut-off notice may be sent to the User, with a copy of the notice sent to the property owner, if not the same person.

If any delinquent water charges are not paid in full within ten (10) days of sending the shut-off notice, the Board may take the following actions:

- A. Discontinue service.
- B. In the event the District elects to retain an attorney for the recovery of any

delinquent water charges, court costs, sheriff's fees, reasonable attorney's fees, and interest at the rate of eighteen percent (18%) per annum on the delinquent account charges shall be assessed against the property served.

C. In the event water has been shut off for a violation of these Rules and Regulations and By-laws, water service shall be restored only upon the consent of a majority of the Board.

14. SECURITY DEPOSIT: The Board reserves the right to implement security deposits for new users or existing users if their payment history warrants it, as determined by the Board.

15. DISCONTINUANCE OF SERVICE: Every User who is about to vacate any individual family or commercial unit supplied with service by the District, or who, for any reason, wishes to have such service discontinued, shall give three (3) days written notice in advance of a specified date of discontinuance of service. Until the Board shall have such notice, User shall be held responsible for all services rendered to the property.

Service may be discontinued for violation of the Rules and Regulations and By-laws five (5) days after written notice that the violation of rules must cease, provided, however, that where fraudulent use of service is detected, or where a dangerous condition is found to exist on the customer's premises, service may be discontinued without notice.

Whenever service is discontinued for nonpayment of bills, or for violation of the Rules and Regulations and By-laws, a charge will be made equal to the District's cost of reconnection, but not less than \$50.00, and this charge must be paid before service is restored.

Whenever service is discontinued because of fraudulent use, the first time the District will require a reconnection fee of \$500.00, which must be paid before service is restored.

The second time the service is discontinued because of fraudulent use, the reconnection charge shall be \$1,000.00, which shall be paid before service is restored. The third time the service is discontinued because of fraudulent use, the reconnection charge shall be \$2,500.00, which shall be paid before service is restored. The fourth time the service is discontinued because of fraudulent use, there shall be no reconnection to the premises.

When water service is temporarily shut off and later turned on at the request of customer, the actual cost of such disconnection and reconnection shall be paid by the customer, but, in any event, shall not be less than \$50.00. All requests for shut-off or turn-on shall be in writing.

Any customer service fraudulently connected to District's main or to other customer service without approved application from the Board, will be immediately disconnected.

Whenever service is shut off, regardless of cause, including a delinquency or failure of user to pay for his service, or to abide by the Rules and Regulations and By-laws or User's Agreement of the District, the User waives all claims and demands for damage to his person or property.

All requests for User's Agreement, service on District water line, meter, temporary shut-off and any other request for service that may arise shall be in writing, signed by the person making the request, and being specific in detail as to the request made.

16. REFUSAL OF SERVICE: The District may decline to serve any customer until he has complied with State Regulations governing water service and with the Rules and Regulations and By-laws of the District.

The District may decline to service or to increase the size of the service connection to any customer if, in the opinion of the Board, it does not have adequate

facilities to render the service applied for, or if the desired service is of a character likely to unfavorably affect service to other customers.

The Board may refuse to serve a customer if, in its opinion, customer's plumbing or equipment is of such a character that satisfactory service cannot be given.

The Board may refuse to reconnect a service under the name of any other member of the family when the head of the household is unchanged and when service at the address had previously been disconnected for non-payment of bills.

At any time the Board deems the system not capable of providing adequate service to any new customer, or if the Board deems that service to a new customer will result in a reduction in quality of service to existing customers, then the Board, in its sole discretion, may refuse to provide service to any new customer.

17. LIEN AGAINST THE PROPERTY: Delinquent water tariffs shall constitute a lien against the property furnished with water. The District is empowered to use any legal means necessary to foreclose on said lien or otherwise collect the delinquent amount. Additional expenses incurred by reason of such legal action shall be added to the amount due by the customer.

In the event water has been turned off for a violation of these Rules and Regulations and By-laws, water service shall be restored only upon the written consent of the Board of Directors or Manager.

18. DISTRICT MAY SHUT OFF WATER: The District reserves the right to shut off the water from its mains for the purpose of making repairs or extensions or for any

other purpose without incurring liability for any damage that might result therefrom.

The District may be shut off water without no advanced shut off notice being required to the District's water Users.

19. PERMIT TO ALTER SYSTEM: No person shall make any connection to, or in any manner perform any work upon, any of the mains, connections or appliances pertaining to the water works of the District without a written permit from the Board of Directors or Manager.

20. PERMIT TO EXTEND PIPES: No person shall extend water pipes from the consumer to another without a special permit granted by the Board of Directors or Manager.

21. MANAGER OR BOARD OF DIRECTORS TO HAVE FREE ACCESS: Free access shall, at all ordinary hours, be allowed to the Manager, or other authorized persons to all places supplied with water from the water works system, to examine the apparatus, the amount of water used, the manner of its use, and to make all necessary shut offs for vacancy, delinquency, or violation of the Rules and Regulations and By-laws.

22. METERS: If, or when it becomes applicable, all meter installation shall be to the current specifications as adopted by the District. All water flowing through District lines to properties shall flow through a water meter, except fire hydrants. All water meters are the property of the District. All owners shall keep their service pipes, connections, and other apparatus in good repair, and protected from frost and water damage at their own expense. The Owner or User shall give the Board, or its authorized agents, permission to enter Owner's or User's premises at all reasonable times for the purpose of installing, inspecting, repairing, or removing any or all of the apparatus used in connection with the supply and metering of water.

23. RETURNED CHECKS: A \$25.00 Service Fee will be charged to any and all

returned checks or an amount sufficient to cover bank and board costs incurred by the returned check.

When necessary, the District reserves the right to require Installers within the District to purchase and install meters. The Installer shall provide a qualified Contractor to make the installation according to District requirements. Prior to making each installation, the Installer shall purchase the proper metering devices from the District and secure a Contractor/Plumber Permit.

Should the District find a meter installation not meeting the District's requirements, or that a freeze proof box, a remote reader, a change in the location of the meter, or any improvement for the safe and efficient continuance of service is necessary, such changes shall be made at the customer's expense. The customer shall notify the District when the changes are made, so that the District may inspect the installations. The District may assess an inspection fee for the inspection.

The District reserves the right to install such meters or other devices as may be necessary for the detection and prevention of fraud or waste without notice to any customer. All meters will be sealed by the District, and if any meter is found to have a

broken seal, a charge of 150% of the periodical usage shown by the meter will be charged and the meter resealed. Service will be discontinued upon the second occurrence.

The District will maintain the metering devices installed for the use of the subscribers and bill the subscriber for all costs. Defective meters will be removed and repaired or replaced by the District.

24. POWERS OF THE DISTRICT FOR ABANDONMENT OF EXISTING

WATER LINES: The District has the power to abandon lines so long as

adequate provision is made for service to the property owners affected by the abandonment and as long as there is substantial factual information to justify the abandonment. The procedure is as follows:

A. A line may be abandoned only after a hearing and formal action by the Board.

B. All Users affected by a proposed abandonment must be given notice that the Board will consider abandonment of the line, specifying the date and place of the Board meeting where such consideration would take place. This notice must be sent to each of the Users by registered or certified mail.

C. The notice must specify that the cost of the change of service will be paid for by the District, but that the property owner will have to specify the place upon his property line where the service should run, and, if he so desires, the District can include service from the property line to his house in the contract for reconstruction, provided that the property owner agrees to pay for the line from the property line to the house or other building.

D. The notice must specify the time when service on the old line will be terminated, giving the property owner adequate time to make provisions for construction of his new connection.

E. The notice must include the factual justification for abandoning the old line.

25. CONTRACTORS/PLUMBERS PERMIT: No person shall make any connection to, or in any manner perform any work upon, any of the mains, connections, or appliances pertaining to the water works of the District without a Contractor/Plumber Permit

from the Board.

26. LOCATION MAP AND INSPECTION: Every plumber, consumer, or person who, after obtaining a Contractor/Plumber Permit, shall install any pipes, fixtures, or appliances, or who shall make repairs upon, additions, or extensions to pipes, of fixtures already installed, shall, within twenty-four (24) hours after the same be completed, prepare a location map showing the position(s) of connection(s) according to depth, point of intersection with main, point of intersection with property line, and type of materials used, and request an inspection of the installation by the District. The location map shall be submitted by the contractor or property owner to the District before final inspection of the work.

27. SANITARY REGULATIONS: It shall be the property owner's responsibility to insure that his existing plumbing facilities can accommodate the pressures exerted by the District's water system. It shall be unlawful for any person to pollute or contaminate the District water system. Cross connections with private water supplies are expressly prohibited. Upon discovery by the Board's official or inspector of any connection, or practice which could cause contamination of the system in any degree, the Manager, Board, or authorized personnel shall shut off the connection until the practice or condition is corrected.

28. MOLEST, MODIFY, OR TAMPER WITH PROPERTY OF BOARD: It shall be unlawful for any person to in any manner to molest, modify, or tamper with any water meter or connection thereto, water main, supply pipe, fire hydrant or any property of the

Board, or have permission from a duly authorized representative of the Board. Such unlawful conduct shall be considered a property destruction and defacement and offenders shall be prosecuted in accordance with Wyoming State Statute 6-3-201.

29. CONSUMERS TO MAINTAIN SERVICE PIPES AND APPURTENANCES:

All persons taking water from the Board's water works system shall keep their own corporation cocks, service pipe, stop cocks, and other service appurtenances in good repair and from being frozen at their own expenses, and shall prevent all unnecessary waste of water. All such service lines and appurtenances must be sufficiently strong to bear the pressure and run of the water in the main. No reduction in rates will be made for the time any service pipe or main may be frozen or out of use for any cause.

30. SPECIFICATIONS AND INSTALLATION OF SERVICE PIPES:

All service pipes through which flows water supplied by the Board shall be approved as to type and quality by the Board. Service pipes shall be laid not less than eight (8) feet below the surface of the ground or as otherwise approved by the Board. Water service lines must be a minimum of twenty-five (25) feet from sewer drain field and ten (10) feet from a septic tank. Service pipe shall be laid on a uniform foundation and all trenches shall be compacted as filled. All pipe work must be inspected by the Manager or his designated representative before being covered, and any unsatisfactory work at once corrected. There shall be a stop and a waste cock attached to every supply pipe at a point in the building, so as to allow water to be shut off in cold weather, and the system drained. Double check valve back flow preventors shall be installed on all service lines.

31. FIRE HYDRANTS AND WATER ACCESS LINES: Currently, the District does not have hydrants or water access lines. However, when or if hydrants or

water access lines are installed, all hydrants or water access lines erected in the service area are here- by declared to be the property of the Board and it is unlawful for any person, unless authorized by the Manager, to open any of the hydrants, or attempt to draw water from the same or at any time uncover or remove any protection from any of such hydrants, or in any manner interfere with the same. No person authorized to open hydrants shall delegate his authority to another, except for purposes strictly connected with the authorized use.

32. WATER USE LIMITATIONS: Upon the direction of and in a manner set forth by the Board, the Manager shall limit the use of water both as to quantity and time of use.

33. AMENDMENTS: These Rules and Regulations and By-laws may be amended only by the affirmative vote of a majority of lot owners: one vote per lot.

34. SEVERABILITY: If any provision of these Rules and Regulations and By-laws is declared invalid by any tribunal, the Attorney General, or supervising State Agency, the remaining provisions of these Rules and Regulations and By-laws shall not be affected thereby.

CHAPTER TWO - CONTESTED CASES

1. APPLICABILITY OF RULES: These rules shall apply to all hearings required by law to be held with respect in which the legal rights, duties of privileges of a party are required by law to be determined by the Board after an opportunity for hearing or for due process of law.

Informal or investigative hearings may be held by the Board without

compliance of these rules.

Hearings not in compliance with these rules may be held by the Board upon express agreement by all parties which approval shall be assumed unless the party makes specific objection in advance to the Board of the proper procedure to be taken.

2. HEARINGS BEFORE THE BOARD: Any person whose rights have been or will be affected by any decision, order, ruling, or other action taken by the Board or to be taken by the Board has a right to a hearing before the Board except as regards inclusion and the District as hereinafter provided in these rules.

3. PETITIONS: Any person desiring to come before the Board for a hearing other than for inclusion or exclusion of property in the District must file with the Board a petition setting forth:

- A. A concise statement of the facts on which a petitioner relies.**
- B. A statement in ordinary language, setting forth the action or decision desired by the petitioner.**
- C. The name, address, and telephone number of the attorney for the petitioner, if any; otherwise, the name, address, and telephone number of the petitioner.**
- D. The signature of the petitioner and attorney for the petitioner.**
- E. The legal authority, if any, or known at the time of the filing of the petition upon which the petitioner relies.**

4. PETITION - INCLUSION OR EXCLUSION OF PROPERTY IN THE DISTRICT:

Any person seeking to have real property included within the District or excluded from the District is required to submit a petition conforming to the following requirements:

- A. The petition must be submitted by a Fee Owner of real property sought to be included or excluded within the District, or Fee Owners of contiguous real properties within the District.
- B. The petition must contain a legal description of the property sought to be included or excluded.
- C. The petition must be acknowledged in the same manner and form as is required for conveyance of the land. If submitted by a corporation, it must contain signature(s), attestation, and corporate seal together with notarization. Otherwise, it must be signed and notarized by the submitting person(s).
- D. The petition must be accompanied by a deposit of money sufficient to pay all costs of the hearing.

5. BOARD AS PETITIONER: In any matter in which the District is required to hold a hearing in which it has the burden of proof, the District shall be deemed the petitioner for purposes of these rules. Any notices or writings required by law for said hearing shall be deemed to be the petition of the District. Any objection by the other party to the petition of the District shall be served in writing at least three (3) working days before any scheduled hearing.

6. NOTICE OF HEARING: The Secretary of the Board shall cause written notice of any hearing held under these rules to be served upon each party as much time in advance of the date set for hearing as is reasonably practicable. Such notice shall include a statement of:

- A. The time, place, and nature of the hearing.
- B. The legal authority and jurisdiction under which a hearing is to be held.
- C. The particular sections of the statutes and rules involved.
- D. A short and plain statement of the matters asserted. If the Secretary is unable to state the matters in detail at the time the notice is served, the initial notice

may be limited to a statement of the issues involved and thereafter upon application a more definite and detailed statement shall be furnished.

7. SERVICE: Service of the Notice of Hearing may be made in person, in accordance with the Wyoming Rules of Civil Procedure or by certified mail, return receipt requested addressed to any party according to the record of the District.

8. HEARING EXAMINER: Whenever it shall appear, from statements of any party or other sources, that a dispute exists on any material fact, the Board, at its option, may delay further proceedings until all factual disputes are heard and recommendations made by a Hearing Examiner as provided in this section.

The Hearing Examiner shall be the presiding officer at the hearing and shall conduct all proceedings in an impartial manner. The Hearing Examiner shall be a qualified member of the Bar of Wyoming. The Hearing Examiner shall make recommended findings of fact and conclusions of law to the Board in writing. The Hearing Examiner shall be hired by the Board and shall be entitled to a reasonable fee for his services and reimbursement for reasonable expenses incurred in connection therewith.

9. ADOPTION OF FINDINGS OF FACT AND CONCLUSIONS OF THE LAW:

The recommended Findings of Fact and Conclusions of the Law certified by the Hearing Examiner shall be mailed to all parties. Any party objecting to the recommended Findings of Fact and Conclusions of the Law shall present any objections at the next meeting of the Board after at least twenty-four (24) hours consideration of the recommended Findings of Facts and Conclusions of the Law by all parties. The recommended Findings of Fact and Conclusions of the Law shall be adopted by the Board unless a majority of

the members of the Board object to the recommended Findings of Fact and Conclusions of the Law.

No member of the Board may object to the recommendations unless he shall have been present at the hearing or has read the transcript of the proceedings or heard or examined the official record of the hearing. The decision of the Board to adopt the recommended Findings of Fact and Conclusions of the Law shall not be delayed longer than twenty (20) days from the date it is first considered by the Board at a regular or special meeting called for such purpose.

10. DUTIES OF PRESIDING OFFICERS: The presiding officer at any hearing shall be the Chairman, or any member of the Board authorized to act in the absence of the Chairman, or the Hearing Examiner. the presiding officer shall have the authority and power to:

- A. Administer oaths and affirmations;**
- B. Issue subpoenas;**
- C. Rule upon offers of proof and receive relevant evidence;**
- D. Take or cause depositions to be taken in accordance with the provisions of the Wyoming Administrative Procedures Act and the rules of the Board;**
- E. Regulate the course of the hearing;**
- F. Hold conferences for the settlement or simplification of the issues;**
- G. Dispose of procedural request of similar matters;**
- H. Shall cause Findings of Fact and Conclusions of the Law to be finalized and filed with the Secretary;**
- I. Shall cause a written decision in order to be made and filed with the Secretary based upon the Findings and Fact and Conclusions of the Law;**
- J. May recess the hearing or grant continuances for good cause;**
- K. May require written briefs from any party clarifying its legal or factual position;**
- L. May declare that any matter is being taken under advisement and that a**

decision will be announced at a later time, not to exceed twenty (20) days;

M. Punish for contempt by permanent removal from the hearing location by any person so offending;

N. Take any other action authorized by law, consistent with these rules or required to fulfill any of his duties;

11. ORDER OF PROCEDURE AT HEARING: As nearly as may be, hearings shall be conducted in accordance with the following order of procedure:

- A. The petitioner may briefly state his case and the evidence by which he expects to sustain it.
- B. The adverse party may they briefly state his defense and the evidence he expects to offer in support of it.
- C. The petitioner shall first produce his evidence, the adverse party will then produce his evidence.
- D. The parties will then be confined to rebutting evidence unless the presiding officer permits them to offer evidence in their original case.
- E. The presiding officer may, in his discretion, allow evidence to be offered out of the order as herein prescribed.
- F. Closing statements will be made in the following sequence:
1. Petitioner
 2. Adverse Party
 3. Petitioner in rebuttal

12. WITNESSES AT HEARINGS TO BE SWORN: All persons testifying at any hearing shall stand and be administered the following oath by the presiding officer:
"Do you swear (or affirm) to tell the truth, the whole truth, and nothing but the truth in the matter now before the Board?"

13. DISPOSITION OF CASE BY STIPULATION: Any case may be finally disposed of by stipulation, agreed settlement, consent order or default of the parties, approved by the Board. An appropriate order accordingly shall be entered in the case record.

14. APPLICABLE RULES OF CIVIL PROCEDURE TO APPLY: The Rules of Practice and Procedure contained in the Rules of Civil Procedure of the State of Wyoming, insofar as the same may be applicable and not inconsistent with these rules or the laws of the State of Wyoming shall apply in all hearings under these rules. For the application of such rules, service of the petition shall be in accordance with Rule 4 Wyoming Rules of Civil Procedure. All other notices and services of paper shall be made in accordance with Rule 5 Wyoming Rules of Civil Procedure.

15. ATTORNEYS: The filing of a petition or other similar representation by an attorney constitutes his appearance for the party for whom the representation is made. The Board must be notified in writing of any withdrawal from the case. Any person appearing before the Board at a hearing in a representative capacity shall be precluded from examining or cross-examining any witness, unless such person shall be an attorney licensed to practice in the State of Wyoming, or a non-resident attorney associated with a Wyoming attorney. This rule shall not be construed to prohibit any person from representing himself at any hearing under these rules.

16. BOARD ATTORNEY: In all matters before the Board, or under these rules, the Chairman may request the Board attorney to be present, to assist and advise the

Board and to represent the District.

17. TESTIMONY-REPORTER: Where oral testimony of witnesses under oath is to be taken in a case under these rules, the testimony may be reported by competent reporter or by any other appropriate means determined by the Board or the officer presiding at the hearing, including but not limited to tape recording. The compensation of any such reporter taking such testimony shall be at the expense of the District. Any transcription of the proceedings or any part thereof shall be at the cost and expense of any party requesting the same, except otherwise ordered by the Board.

18. DECISION AND ORDER: The Board shall make a written decision and order in all cases, which order and decision shall be filed by the Secretary in the file of the matter. The vote of the Board shall be shown in its decision.

19. APPEALS: Any decision of the Board is subject to appeal to the District Court and the Supreme Court of Wyoming as provided by law, except as otherwise provided in Wyoming State Statute 41-10-120, 121, and 122 in regard to inclusion and exclusion of property in the District.

CHAPTER THREE - RATE CHANGES

1. FACTORS: In determining the rates to be charged by the District to its Users, the Board shall consider the indebtedness to the District and the revenues to be generated thereby. The Board shall further take into account use charges, connection fees, standby charges for services on facilities furnished by the District and costs and expenses associated with the foregoing factors.

2. TIME OF RATE CHANGES: Determination as to whether or not rates or fees

shall be increased or decreased or remain the same shall take place annually as part of the budget preparation and hearing pursuant to the Uniform Municipal Fiscal Procedures Act. In the event a rate increase or decrease is proposed, notice shall be published as hereinafter provided.

3. CONTENTS OF PUBLICATION: The publication shall make specific reference to the proposed rate increase or decrease, if any, notwithstanding whether or not the proposed rate increase or decrease is conducted as part of the annual budget procedure. The publication shall contain the following information concerning the proposed rate increase or decrease:

- A. The existing rate schedule;
- B. The proposed rate schedule;
- C. That no rate change can be contested by formal hearing unless written objection thereto is submitted in writing to the Board at

its mailing address at least seven (7) days prior to final publication.

4. ADOPTION OF RATE CHANGE: In the event a written petition objecting to any proposed rate change is filed with the Board, the Board shall increase or decrease rates only after conducting a hearing in accordance with Contested Cases, Chapter Two, of these rules in special meeting, separate, apart from and prior to the budget hearing. Otherwise, should no petition be filed, the Board may increase or decrease rates in accordance with the budget hearing pursuant to the Uniform Municipal Fiscal Procedures Act.

CHAPTER FOUR - INCLUSION AND EXCLUSION OF PROPERTY IN DISTRICT

1. EXCLUSION: Any user who is a Fee Owner or real property owner within the District, or any Fee Owners of any real properties which are contiguous to each other and which constitute a portion of the District may petition the Board praying that the lands be excluded and taken from the District.

A. The petition shall meet the requirements outlined in Chapter Two, Section 3 of these rules.

B. The Secretary of the Board shall cause a notice of filing of such petition

to be published. The notice shall state:

1. The filing of the petition;
2. The name(s) of the petitioner(s);
3. The prayer of the petitioner(s);
4. A statement of notification to all persons

interested to

appear at the office of the Board on the date and

at the

time named in the notice, to show cause in

writing, if

any they have, why the petition should not be

granted.

5. That any objections must be submitted in writing

to the

Board no later than the date and time scheduled

for the

hearing.

C. The Board at the time and place mentioned in the notice, or at the times to

which the hearing of said petition may be adjourned, shall

proceed to hear

the petition and all objection thereto. Said hearing shall be

conducted in

accordance with Chapter Two, rules for contested cases

except as here-

inafter provided for objections.

D. All objections to a petition for exclusion, shall be presented in writing to the

Board no later than the date and time set for hearing. No

evidence in objec-

tion to the petition other than those timely presented in writing

need be

admitted or considered by the Board.

E. The filing of a Petition for Exclusion is deemed and is an assent by each and all such Petitioners for Exclusion to the exclusion from the District of the property mentioned in the petition or any part thereof.

F. The Board may deny the petition in whole or in part if it deems it not for the best interest of the District that the property mentioned in the petition, or a portion thereof, shall be excluded. If the Board deems it for the best interest

of the District that the petition be granted in whole or in part, the Board shall issue its order that the petition be denied or granted in whole or in part as the case may be.

G. Determination of granting of denial of a petition, in the best interest of the District, shall take into account the budget of the District, additional costs and revenues affecting the District and its Users, and existing or proposed facilities of the District.

H. No petition shall be withdrawn after consideration by the Board.

I. No further objections to the decision of the Board shall be filed except in the case of fraud or misrepresentation. In such instance, the Board shall treat such objection as a petition and may thereafter reconsider its decision upon further hearing.

J. Upon order of exclusion in whole or part of property from a District and allowance of such petition for exclusion, the Board shall file for record a certified copy of the order of exclusion with the Park County Clerk and the Wyoming Secretary of State within thirty (30) days of the decision.

2. INCLUSION OF ADDITIONAL REAL PROPERTY WITHIN

DISTRICT: The

Board may enlarge the boundaries of the District by the addition of real property in the following two manners:

A. The Fee Owners of any real property capable of being served with the

facilities of the District may file a written petition praying that such property

be included in the District. Such petition shall meet the requirements of

Chapter Two, Section 3 and shall further state that assent to the inclusion

of such property in the District is given by all signers thereto.

- 1. The Secretary shall publish notice of the filing of the petition and of the place, time, and date of the meeting and the names and addresses of the petitioners.**
- 2. The Board shall hear the petition at open meeting in accordance with the rules for contested cases in Chapter Two.**
- 3. No petition shall be withdrawn after consideration by the Board at said open meeting.**
- 4. The Board shall grant or deny the petition taking into account the best interests of the District.**
- 5. The decision of the Board shall be final and exclusive and no appeal shall lie therefrom.**
- 6. If the Board grants the petition as to all or any of the**

real

property described, the Board shall make its order to that effect and file the same with the Park County

Clerk.

Upon receipt of a declaration from the Park County Commissioners that the property be included in the District, the Secretary of the Board shall cause the

order

to be filed for record with the Park County Clerk and with the Wyoming Secretary of State.

B. The second method the District may be enlarged by the filing of a petition of

tax paying electors. Not less than 10% or 100, whichever number is smaller,

of the tax paying electors of an area contiguous to the District

and which

area contains 25,000 or more square feet of land may file a petition with the Board of Directors in writing praying that the area be annexed and included in the District.

notarization.

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annexation of

District.

1. The petition shall describe the area to be included and shall be acknowledged in the same manner as conveyances of land are required to be acknowledged. If submitted at a corporation, it must contain signature, attestation, and corporate seal together with

Otherwise, it must be signed and notarized by the

ting persons.

2. The Secretary of the Board shall publish notice of the

of the publication stating:

- a. The fact the petition has been filed.
- b. In general terms who filed the petition.
- c. The description of the area to be included.
- d. The date and place of the hearing.
- e. A statement that all persons interested shall appear at the time and place stated in the notice and shall cause in writing why the petition should not be granted.

3. No petition shall be withdrawn after consideration by

Board at the hearing.

4. No further objection after hearing shall be filed except

the case of fraud or misrepresentation.

5. No objection need be considered by the Board or taken

evidence except as submitted in writing prior to the

time set for hearing.

6. Any User failing to submit a written objection to the

shall be deemed to have given his assent assent to the

sion of the area described in the notice.

7. Upon hearing, the Board shall determine if the

inclusion is feasible and in the best interests of the

peti-
with the
and
the Park
of the
electors of that
the
after

8. Upon hearing, the Board shall either grant or deny the
tion and issuing order to the effect and file the same
Park County Clerk.

9. The decision of the Board shall be final and conclusive
not subject to review.

10. The Secretary of the Board shall, upon declaration by
County Commissioners that the question of inclusion
area within the District is to be submitted to the
area to be included or annexed, shall publish notice of
time and place of the election within twenty (20) days
first publication of the notice.

accord-
favoring
Park
Secretary
County
Clerk and the

11. The Secretary of the District shall prepare the ballots in
ance with W.S. 41-10-122(a)(ii)(B).

12. In the event a majority of the votes cast at the election
inclusion and the Board of County Commissioners of
County declare the area to be part of the District, the
of the Board shall cause the resolution of the Park
Commissioners to be filed with the (Name) County
Wyoming Secretary of State pursuant to W.S. 41-10-108

C. The property included shall as of the date of its inclusion be
subject to all of
the taxes and changes imposed by the District and shall be
liable for the pro-
portionate share of them existing bonded indebtedness and
outstanding
loans and shall be taxed and charged by the District. The
included property

shall not be liable for any taxes of charges levied or assessed prior to inclusion. The entry of the included property shall not be made subject to or contingent upon payment of assumption of any penalty, toll, or charge other than those uniformly made, assessed, or levied for the entire District, including, but not limited to tap fees.

D. The Board may require the Owners of included property pay the cost of extending water lines to the annexed or included property. The Board pursuant to W.S. 41-10-122(b)(iii) can determine if bond should be issued for such cost, submit to the electors of the annexed or included property the question of issuing such bonds and whether by payment of bonds and interest thereon or by general taxes provide that the Owners of the annexed or included property pay for the costs of extending the lines into the included or annexed territory. This shall be in addition to the taxes levied for the proportionate share of annual operation and maintenance charges of the entire District. This shall be in addition also to a proportionate share of main outlets or water or water rights of facilities to convey water in the District and the proportionate share and costs thereof. Nothing herein prevents an agreement between the Board and the Owners of the annexed or included property from reaching an agreement otherwise.

CHAPTER FIVE-DIRECTORS DUTIES, POWERS, AND DISTRICT MEETING BY-LAWS

1. PROPERTY AND BUSINESS: Property and business of the District shall be managed by the Board of Directors who shall be elected and otherwise chosen. The

officers of the District shall be the officers of the Board and shall be elected and other-wise chosen as hereinafter provided.

2. MEETING: The Board shall meet regularly, at least once a month, at a time and in a place to be designated by the Board. A special meeting of the Board shall be held at such time as the notice thereof may specify.

3. SPECIAL MEETINGS: Special meeting of the Board may be called and held at any time by the chairman or by any two other Directors acting jointly, as often as the needs of

the District require, on personal notice to each member of the Board, or by constructive notice thereto by deposit in the United States mails, postage prepaid, at least three (3) days prior to the meeting, addressed to him at his last known residence as indicated in the records of the District.

4. QUORUM: Two members of the Board shall constitute a quorum at any meeting.

5. RULES OF ORDER: So far as practical "Roberts' Rules of Order" shall be followed at the meetings of the Board.

6. BOARD COMPENSATION: Each member of the Board shall receive as compensation for his service a sum fixed by the Board not in excess of ten dollars (\$10.00) for actual attendance at each regular or special meeting of the Board or attendance upon any committee meeting, payable monthly. No member or the Board shall receive any compensation as an employee of the District whenever the Board has determined the Manager should be obtained and has employed such manager as a full-time employee to manage the affairs of and operate the business of the District; but until

the services of a full-time Manager are required and obtained, any Board Member may be engaged from time to time or as a part-time employee, and the compensation paid shall not exceed the established prevailing rate of pay for equivalent work.

7. BOARD VACANCY: Any vacancy on the Board shall be filled by the remaining members or member of the Board, the appointee to act until the next biennial election when the vacancy shall be filled by election. If the Board shall fail, neglect, or refuse to fill any vacancy within thirty (30) days after the same occurs, the County Commissioners having jurisdiction shall fill such vacancy.

8. OFFICERS: The elective officers of the District shall include a Chairman/President, Vice-Chairman/Vice-President, Secretary, and Treasurer. The Board shall elect one of its members as Chairman of the Board of Directors and President of the District and another of its members as Vice-Chairman of the Board of Directors and Vice-President of the District. The Secretary and Treasurer, who may be members of the Board, shall also be elected by the Board. The Secretary and Treasurer may be one person.

A. The Chairman, in addition to his duties as a member of the Board shall:

- 1. Preside at all meetings of the Board;**
- 2. Sign all resolutions adopted by the Board;**
- 3. Appoint all committees;**
- 4. Sign, acknowledge, and execute all instruments authorized by the Board to be executed by the District;**

B. The Vice-Chairman, in the event that the Chairman is absent or in case of

his inability to act, shall perform the duties of the Chairman.

C. The Treasurer shall keep strict and accurate accounts of all money received by and disbursed for and on behalf of the District in permanent records.

9. ELECTION OF OFFICERS: The regular election of such officers shall be held biennially at the first regular meeting of the Board. Following any vacancies in such offices, elections may be held by the Directors at any regular or special meeting. Any officer elected to fill a vacancy shall serve until the next regular election of officers.

10. DELEGATION OF POWER: In the event of absence or inability of any officer to act, the Board may delegate the powers or duties of such officer to any other officer, director, or person whom it may elect.

11. DISTRICT SALARIES: All officers of the District may receive salaries or other compensation of so ordered and fixed by the Board. The Board shall have authority to fix salaries in advance or render the same retroactive as the Board may deem advisable. This section shall not read as superseding the provision and limitations as set down in Chapter V, Section 6.

12. RECORD KEEPING: The Secretary shall keep, a record of all the proceedings of the Board, minutes of all meetings, certificates, contracts, bonds given by employees and all corporate acts which shall be open to inspection of all Owners of real property in the District, as well as to all the other interested parties.

13. MONEY DEPOSITS: The monies of the District shall be deposited in the name of the District in such bank or banks or trust company or trust companies as the Board of Directors shall designate and as shall be authorized by law. District monies may be drawn out only on checks signed in the name of the District by such person or persons as the Board by appropriate resolution shall direct.

14. FISCAL YEAR: Each fiscal year shall commence on July 1st and end

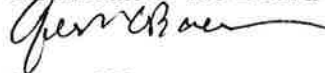
on June 30th.

15. AUDITS AND FINANCES: The Treasurer shall keep strict and accurate accounts of all money received by and disbursed for and on behalf of the District in permanent records. The Board may cause an audit to be made of all financial affairs of the District during each fiscal year ending June 30th, which audit shall be made during the succeeding two months. A summary of the financial statement shall be certified by the person making such audit, which shall then be available to District members. Such audit shall be made by a Registered Accountant or Certified Public Accountant, who is not otherwise employed by the District.

16. AMENDMENTS: These Rules and Regulations and By-Laws may be altered, amended, or repealed at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for that purpose and submitted to the District for approval on a one lot/one vote ballot.

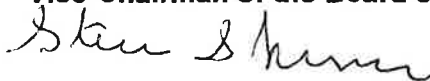
ADOPTED AND APPROVED this 31 day of August, 2010.

Wayne McBroom
Chairman of the Board of Directors



Steve Skinner
Vice-Chairman of the Board of

Directors



Jerry Justice
Secretary/Treasurer of the Board of

Directors



Steve Skinner and Wayne McBroom appeared before me on this 31st day of August, 2010.

State of Wyoming

County of Park

Signed or attested before me on

8/31/10 By Wayne McBroom & Steve Skinner

Date

Name of Person (s)



A R Johnson
Signature of Notarial Officer

Clark Treasurer
Title and Rank

My commission expires: 8/30/2012