

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Utilities Service

RUS BULLETIN 1780-9
RD-GD-2020-105

SUBJECT: Water Users Agreement

TO: RUS Water and Environmental Programs Staff.

EFFECTIVE DATE: Date of approval.

EXPIRATION DATE: 2/4/2052

OFFICE OF PRIMARY INTEREST: Water and Environmental Programs.

AVAILABILITY: This Bulletin is available on the Internet at
http://www.rurdev.usda.gov/RDU_Bulletins_Water_and_Environmental.html

PURPOSE: A users agreement between a member and an Association.

Assistant Administrator

Date

WATER USERS AGREEMENT

This agreement entered into between the _____
_____, a nonprofit corporation,
hereinafter called the "Association," and
_____, member(s) of the Association, hereinafter called
"Member."

WITNESSETH

Whereas, the Member desires to purchase water from the Association and to enter into a water users agreement as required by the Bylaws of the Association.

NOW THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, it is hereby understood and agreed by the parties hereto as follows:

The Association shall furnish, subject to the limitation set out in its Bylaws and Rules and Regulations now in force or as hereafter amended, such quantity of water as Member may desire in connection with Member's occupancy of the following described property:

1. Commonly known as : _____

2. Legal property address : _____

3. Legally described as : _____

The Association shall install at the Association's expense a water meter, a cutoff valve and a service line which shall begin at the water main line and extend to the property line. The Association shall have exclusive right to use such cutoff valve and water meter. The service line shall connect with the water main line of the Association at the nearest place of desired use by the Member, provided the Association has determined in advance that the system has sufficient capacity to permit delivery of water at that point.

The Member agrees to grant to the Association, its successors and assigns, a perpetual easement in, over, under and upon the above-described land, with the right to erect, construct, install, and lay, and thereafter use, operate, inspect, repair, maintain, replace, and remove water pipelines and appurtenant facilities, together with the right to utilize adjoining lands belonging to the Member for the purpose of ingress to and egress from the above-described lands.

The Member shall install and maintain at the member's expense a service line which shall begin at the meter and extend to the dwelling or place of use. The service line shall connect to the Association's water meter.

The Member also agrees to be fully responsible for the service line from the water meter to the home including the installation of an approved back-flow device if required.

The Member agrees to comply with and be bound by the Articles, Bylaws, Rules and Regulations of the Association, now in force, or as hereafter duly and legally supplemented, amended, or changed. The Member also agrees to pay for water at such rates, time, and place as shall be determined by the Association, and agrees to the imposition of such penalties for noncompliance as are now set out in the Association's Bylaws and Rules and Regulations, or which may be hereafter adopted and imposed by the Association.

The Member agrees to pay a deposit in the amount of \$_____. In the event service to the Member is terminated, either voluntarily by the Member, or by the Association for cause, the deposit shall be held and applied by the Association to any unpaid balance then owing on the Member's account. Should the account be fully paid at the time of termination of service to the Member, the deposit shall be refunded by the Association within a reasonable time thereafter.

The Association shall have final authority in any question of location of any service line connection to its water main line; shall determine the allocation of water to Members in the event of a water shortage; and may shut off water to a Member who allows a connection or extension to be made of the member's service line for the purpose of supplying water to another user. In the event the total water supply shall be insufficient to meet all of the needs of the Members, or in the event there is a shortage of water, the Association may prorate the water available among the various Members on such basis as is deemed equitable by the Board of Directors, and may also prescribe a schedule of hours covering use of water for garden purposes by particular Members and require adherence thereto or prohibit the use of water for garden purposes; provided that, if at any time the total water supply shall be insufficient to meet all of the needs of all the Members, the Association must first satisfy all of the needs of all Members for domestic purposes before supplying any water for livestock purposes and must satisfy all the needs of all Members for both domestic and livestock purposes before supplying any water for garden purposes.

The Member agrees that no other present or future source of water will be connected to any water lines served by the Association's waterlines and will disconnect from the present water supply prior to connecting to and switching to the Association's system and shall eliminate their present or future cross-connections in the member's system.

The Member shall connect the service lines to the Association's water meter and shall commence to use water from the system on the date the water is made available, to the Member by the Association. Water charges to the Member shall commence on the date service is made available, regardless of whether the Member connects to the system.

In the event the Member shall breach this contract by refusing or failing, without just cause, to connect a service line to the Association's distribution system as set forth above, the Member agrees to pay the Association a lump sum of (xxx) Dollars (\$) as liquidated damages.

It is expressly understood and agreed by the parties hereto that the said amount is agreed upon as liquidated damages in that a breach by the Member in either of the respects set forth above would be difficult, if not impossible, to prove the amount of such damages. The parties hereto have computed, estimated, and agreed upon said sum in an attempt to make a reasonable forecast of probable actual loss because of the difficulty of estimating with exactness the resulting damages.

The failure of a customer to pay water charges duly imposed shall result in the automatic imposition of the following penalties:

1. Nonpayment within ten days from the due date will be subject to a penalty of ten percent of the delinquent account.
2. Nonpayment within thirty days from the due date will result in the water being shut off from the Member's property.
3. In the event it becomes necessary for the Association to shut off the water from a Member's property, a fee set by the Association in its rate schedule will be charged for a reconnection of the service.

IN WITNESS WHEREOF, we have executed this agreement this _____ day of

_____, _____.

SEAL

(name of association)

President

ATTEST:

Member

Member

Member