

Cole Point Association

New 2026 Water Service Policies

Policy #1 - Uniform System Development & Residential Connection Policy &

Policy #2 Capital Improvement Fee – Deferred Water Service Buy-in Policy

Cole Point Association

Uniform System Development & Residential Connection Policy

To ensure equitable participation by all members in the funding of the Cole Point Association water system infrastructure (everyone pays their share) simplicity (no penalty for building your home later if you already paid into the system) and to define the requirements for connecting to the water system, the Board of Directors has established this Water System Development & Connection Policy.

Effective Date: June 1, 2026

1. Scope

This policy applies to all parcels within the designated service area, whether developed (connected) or undeveloped (vacant).

2. Uniform Capital Improvement Charge

As a membership non-profit association, all members are required to pay equal capital improvement charges (commonly referred to as assessments or special surcharges, capital contributions, or special levies) to build, maintain, and expand the water system.

- **Equity Clause:** These charges are levied regardless of whether the member's parcel is currently developed with a structure or is currently vacant (undeveloped).
- **Pre-paid Equity:** A parcel whose member has paid all capital improvement charges is considered to have "contributed its share" to the system capacity.

3. Connection Policy for New Development

When an owner of a previously undeveloped parcel wishes to connect to the Utility's water system:

- **No Additional Capital Charges:** No additional "water facilities charge, or "hook-up fees," for capital improvements will be charged to that parcel, provided all historical capital charges have been paid.
- **Physical Connection Costs:** The owner is responsible for the actual cost of materials and labor to install the meter and run the service line from the main to the parcel (meter set fee), as these are not capital improvements, but installation costs.

4. **Exception for Delinquent Accounts**

If a parcel has not paid all capital improvement charges, special assessments, or annual dues charged by the Cole Point Association (i.e., is deemed "delinquent"), the following conditions apply:

- **Payment in Full:** The parcel owner must pay all past-due expenses, including accrued interest and penalties, before a connection to the system is authorized.
- **Lien Authority:** In circumstances in which a member has consented to a lien, The Association reserves the right to record a lien against any parcel that is delinquent on capital charges, and connection will not be allowed until the lien is satisfied.

5. **Implementation**

The Board of Directors will review capital improvement funding needs annually to ensure charges remain proportional to the cost of service.

See Attached agreement form for Cole Point Water System Development & Connection Policy on the Next Page:

This Uniform System Development & Residential Connection Policy was Approved by the Cole Point Association Board of Directors and recorded in the meeting minutes on 3/15/2026.

ATTACHMENT:

Agreement for Cole Point Association Water System Development & Connection Policy

Property Address: _____

Parcel/Lot #: _____

Member Name: _____

I, the undersigned owner of the property listed above, hereby apply for a new water service connection with Cole Point Water Association ("Association"). By signing this, I agree to the following terms:

1. **General.** I agree to abide by the rules, regulations and policies adopted by the Association's Board of Directors from time to time and agree to pay the Association's rates, charges and assessments as charged by the Association's Board of Directors. I consent to the filing of a lien on my property that receives water service from the Association or is eligible to receive service.
2. **Conditions Applicable to New Connections:** I agree to pay the "Actual Cost of Installation" for the meter, line, and necessary, directly related materials and labor required to connect my property to the main line, as determined by the Association. I affirm that all capital improvement fees, assessments, and membership requirements associated with this lot have been paid in full and are in good standing; however, if it is determined that the required capital improvement fees were not actually paid, I agree my application will be paused, and I will be required to pay all outstanding Capital Improvement Fees before the connection is finalized.

Owner Signature: _____ **Date:** _____

[For Association Use Only]

- Capital Fee Paid: [] Yes [] No (If No, STOP)
- Actual Cost of Installation Estimated: \$ _____
- Approved by: _____ **Date:** _____

Cole Point Association

Capital Improvement Fee – Deferred Water Service Buy-in Policy

The purpose of this policy is to ensure that owners of lots who declined water service during the initial, or subsequent, capital development phases of Cole Point Association (“Association”) contribute an equitable share to the cost of the existing, built-out water system. This policy prevents existing members from subsidizing new service connections.

1. Scope

This policy applies to all parcels within the Association’s Retail Service Area that *declined* water service when the parcel was first included in the Retail Service Area or any subsequent time and were *informed of their financial obligation* to pay equitable fees into the shared infrastructure and are now requesting water service.

2. Definitions

- **Capital Improvement Fees (CIF):** A one-time charge representing the equity value of the existing system.
- **Deferred Water Service:** A non-serviced parcel wishing to be in the Cole Point Association service area that previously declined service.
- **Replacement Cost New (RCN):** The cost to build the current infrastructure today, used to determine the buy-in value.

3. Calculation of the Capital Improvement Fee

The CIF shall be calculated to reflect the "fair share" of the existing system's value using a historical basis: Total sum of all previous capital assessment/shared infrastructure fees paid by members, plus an inflation adjustment fee of 3.125% per month plus interest of 3.125% per year. The "Deferred Capital Buy-In Fee" is calculated as the total of all special assessments or capital contributions previously paid by existing members, plus an interest/inflation factor.

4. Fee Structure and requirements for Previously Declined Service

- **Receive Cole Point Association Board of Directors Approval.**
- **All unpaid historical monthly infrastructure fees** and Capital Improvement fees paid by other members from the beginning of recorded historical documents and/or the date the parcel owner was informed of their obligation to pay fees for the period service was declined until the date of connection.
- **Accumulated interest** on the above-mentioned unpaid fees at a rate of 3.125% per year.
- **A 3.125 % Re-entry/Capital Contribution Fee** to equalize inflationary costs.

- **And, the cost of the pipeline extension if your property is in the extension area.**
- **Current Standard Connection Fee + Deferred Capital Buy-In Fee**

5. Payment Terms

- The CIF must be paid in full *before* the physical connection to the water main is approved.
- The Association may offer a financing plan for the CIF, secured by a lien on the property, if approved by the Board.

6. Re-entry into the water service area is voluntary and requires current and future fees to be paid as set forth in the Cole Point Association Water Service Standard Rules Document.

6. Disclaimer

This policy does not apply to existing member parcels, but only to those who declined water service.

The Capital Improvement Fee – Deferred Water Service Buy-in Policy was approved by the Cole Point Association Board of Directors in the meeting minutes from 3/15/2026.