

SUNDANCE MT. SOUTH ASSOCIATION

SHARED WELL MAINTENANCE, REPAIR, AND REPLACEMENT POLICY

Members on shared wells are responsible for the cost of repairs and maintenance of their shared wells. Currently and in the past, the Association, as a courtesy and convenience to members on shared wells, has advanced payment of the expenses incurred to maintain and repair the wells and water lines, and divided the invoices among those members assigned to the wells to be reimbursed promptly.

Some members do not reimburse the Association promptly, and some have not for lengthy periods, resulting in significant delinquency which harms the cash flow, financial planning and potential stability of the Association. Many of the wells and water lines are aging, and require or will require extensive rehabilitation.

As a result, the Association Board of Directors has established the following policy with regard to its payment and reimbursement of well expenses:

1. Members will be expected to reimburse the Association within 30 days of being billed. After 30 days, unpaid balances will be charged a finance charge of 1%.
2. Failure to reimburse the Association within 180 days of being billed may result in legal action or the initiation of Association proceedings for cessation of water service, in the discretion of the Board.
3. To avoid legal action or cessation of water services, and to suspend finance charges, members unable to pay well repairs in full, are given the opportunity to agree to a reasonable payment plan.
4. In the event the estimated cost of repairs to a well system, including well failure or major renovation, is so high as would impair the ability properly to manage Association obligations, impair cash flow or a necessary cash balance in the accounts, the Association Board may require partial or full advance payments from the shared well members before authorizing the repairs.

SMSA Finance Committee

- Al Herman, Chair
- Tom Gannon, SMSA Treasurer
- Diane Gannon, SMSA Vol. Secretary

Board Approved on 12/29/22