

WATER UTILITY FINANCIAL POLICY DEFINITIONS

UTILITY: The Herron Island Water Utility, a Washington non-profit corporation

ASSESSMENT: All sums chargeable by the Utility including regular water bills and special assessments, loan payments, fines imposed, interest and late charges, handling fees, and all costs of collection on any delinquent account.

CONNECTION: A water service connection that has a tie to the Herron Island Water Distribution System.

MEMBER: An owner of a lot or lots that make up an HMC Assessable Unit.

FEES: The Utility's charges for the use and maintenance of the Herron Island Water System and for services provided to Members.

ACTIVE CONNECTION: A water connection with water consumption.

INACTIVE CONNECTION: A water connection with no water consumption.

UPGRADE/REPLACEMENT PROJECT: Water system improvements and distribution line replacement.

INTERIM WATER UTILITY MEMBER: An HMC Assessable Unit owner

OPERATIONAL WATER UTILITY MEMBER: An HMC Assessable Unit owner with one or more metered connections.

RESERVES: Establishment of a reserve account to fund major maintenance, repair and replacement of the common elements of the Herron Island Water System over the next 30 years.