

WEST SOUND WATER ASSOCIATION

P. O. Box 571
Eastsound, WA 98245

November 12, 2018

To: WSWA Members

From: WSWA Board

Re: Procedure for Transfer of WSWA Membership
In Conjunction With a Sale of your Parcel

To ensure a smooth process for transferring your membership if and when you should sell your parcel, your board of directors is providing this recommended procedure. This information will be posted on our web site, and also will be available upon request to realtors and escrow offices, so even if you lose this information during the years between now and your eventual sale, the only important thing to remember is that you or your realtor should contact WSWA to let us know that your property is for sale, and to ask for a copy of these procedures:

1. We ask that the Escrow Office do the following:
 - a. Please check with WSWA to determine whether there are any unpaid water fees or assessments, and ensure that they are collected and paid through the closing date, as part of the escrow process. This will include a membership transfer fee (currently \$100). Note that charges can accrue daily, so there needs to be an agreed procedure to update the charges owing as of the date of closing. Each monthly billing includes both a fixed dollar amount and an additional amount that is based upon usage (if any):
 - i. The fixed portion of the monthly billing (currently \$69) can be prorated by the Escrow office, if closing is not at month end.
 - ii. If the closing date is at a month end, we can advise the escrow office of the water usage and the total amounts owing after we read the meters for the preceding month (usually on the 1st of the following month).
 - iii. If the closing date is in the middle of the month, we could do a special meter reading (the fee for this is currently \$10), and we can then calculate the dollar value of the usage. Alternatively, the parties may avoid a special meter reading fee by simply agreeing upon a dollar amount to be paid by the Seller toward any usage charge during the month the sale occurs, and advising WSWA of this agreement.

- iv. Note that any amounts owing by the Seller that are not collected and remitted to WSWA as part of the escrow are obligations that attach to the membership, and will become the responsibility of the Buyer.
 - b. Please remit these amounts to WSWA along with: (1) the tax parcel number, (2) the name and address of the Buyer(s) as they will appear on the title, and (3) any other Buyer contact information that may be available (phone, fax, email) so that we may initiate contact and issue a membership certificate to the buyer.
 - ❖ In connection with a. and b., the best WSWA contact for a broker or escrow office is Carol Sutton (at Rainbow Services in Eastsound), who handles the WSWA books. Alternatively, any WSWA board member may be contacted.
2. The Escrow office or the Seller should arrange for the Seller's original Certificate of Membership to be surrendered to WSWA -- or, if it has been lost, Sellers must execute an Affidavit of Lost Certificate (an Affidavit form is attached to this document). This can be done by the member returning the certificate or affidavit directly to WSWA, although the Buyer or Escrow Agent may prefer that the Certificate be sent it to the Escrow Agent to be handled as part of the Escrow.
3. Following #1 and #2 above, WSWA will issue the Buyer a new Certificate of Membership, along with additional information for new members (as discussed below).
4. Please verify that the Purchase and Sale Agreement is consistent with these procedures, or if not then advise WSWA how you wish to proceed.

In addition, Buyers and Sellers are cautioned with respect to the meaning of the language on the membership certificates which limits water use to "a Maximum of 450 gallons per day". (We understand that when the system was formed, 450 gpd reflected the design capacity of our system's infrastructure, divided by the number of members.) Please note that in addition, our WSWA Bylaws (which form part of the contract between WSWA, and to which each member is subject) include procedures for establishing appropriate water use standards should circumstances warrant. This has never been needed in the past, but it could include a reduction in the 450 gpd figure, if necessary due to reduced water availability (for example, due to equipment issues or a drought) or in the event of a significant increase in average water usage. WSWA's monthly water usage fee structure provides economic incentives to encourage conservation, to help ensure that any further limitations can be avoided, or at least minimized -- but of course there can be no guarantee. As explained frequently to members in the past, each of us is expected to keep our usage below the 450 gpd rate (13,500 gal/mo), and the rate structure includes a surcharge if that level is exceeded. Additional economic incentives could be adopted in the future if high usage becomes a problem. Fortunately, such high usage amounts have been fairly unusual during the past few years, except during leak situations.

One goal of this transfer procedure is to alert Buyers to pertinent information, as they acquire WSWA memberships – information on how we operate, what is expected from members, and whom to contact. The following information is available on our web site, or can be obtained by sending a request to WSWA:

- *our Articles of Association,*
- *our WSWA Bylaws,*
- *our fee structure,*
- *a membership contact list, and*
- *two policy documents: "Installation and repair standards for WSWA", and "Resolution 01-96" which requires all WSWA members to have an approved backflow prevention device, which is mandated by the State WAC 246-290-490.*

If you have any questions regarding any of the above, please contact any board member.

Sincerely,

Tom Baldwin,
President

AFFIDAVIT OF LOST MEMBERSHIP CERTIFICATE

THIS INSTRUMENT HEREBY ACKNOWLEDGES that the undersigned individual ("affiant") is of legal age, and does hereby swear and affirm that the following is true and accurate, to the best of his knowledge, under penalty of perjury:

1. That the undersigned is the record owner of a membership in West Sound Water Association (WSWA), a non-profit association organized under the laws of the State of Washington. That membership is associated with water service to a parcel of land located at the following address in unincorporated San Juan County, Washington: _____
_____.

The undersigned is the record owner of that parcel, which is identified in the records of San Juan County as Parcel No. _____.

2. The above-identified membership is evidenced by a Certificate of Membership that was issued to the undersigned by WSWA when the undersigned acquired the above-identified parcel of land. In connection with the proposed sale of that parcel, the undersigned now wishes to surrender that Certificate, along with any right to the membership, so that the membership may be transferred to the buyer upon closing.
3. A diligent search has been conducted by the undersigned to locate that Certificate of Membership, but it remains lost or missing.
4. The undersigned attests that the Certificate of Membership has not been sold, transferred, or pledged.
5. The undersigned agrees to indemnify and hold WSWA harmless from any claim of ownership that may arise from the issuance of a duplicate membership certificates associated with the above identified parcel.

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6. In the event that the original certificate is located by the undersigned, the undersigned promises to surrender it promptly by mailing it to WSWA at PO Box 571, Eastsound, WA 98245.

Signed and sworn to this date: _____.

Signature of Affiant

Printed Name of Affiant

Mailing Address (Street Address or PO Box)

City, State, Zip Code and Country

STATE OF _____

COUNTY OF _____

In _____, on the _____ day of _____, 20____, before me, a Notary Public in and for the above state and county, personally appeared _____, known to me or proved to be the person named in and who executed the foregoing instrument, and being first duly sworn, such person acknowledged that he executed said instrument for the purposes therein contained as his free and voluntary act and deed.

NOTARY PUBLIC

My Commission Expires: _____

(SEAL)

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