

**RULES
AND
REGULATIONS
OF
BIG MESA
MUTUAL DOMESTIC
WATER CONSUMERS
ASSOCIATION**

**P.O. Box 40
Conchas Dam, NM 88416
(575) 868-4550**

Revised 3/12/2022

**BIG MESA MDWCA RULES AND REGULATIONS
CONCHAS DAM NEW MEXICO
Revised 12/5/2018**

TABLE OF CONTENTS

TOPIC NO:

1. DEFINITIONS
2. CHARACTER OF SERVICE
3. APPLICATION FOR SERVICE
4. FEES AND CHARGES
5. RENDERING AND PAYMENT OF BILLS
6. METERS
7. ADJUSTMENT FOR METER ERROR
8. SERVICE CONNECTION
9. TEMPORARY SERVICE AND SPECIAL SERVICE
10. INTERRUPTION OF SERVICE
11. DISCONTINUANCE AND RESTORATION OF SERVICE
12. RESPONSIBILITY FOR WATER EQUIPMENT
13. LIMITATION OF USE
14. COMPANY'S RIGHT TO INGRESS AND EGRESS FROM MEMBER'S PROPERTY
15. FIRE HYDRANTS
16. GENERAL RULES WITH RESPECT TO LARGE USERS OF WATER
17. LINE EXTENSION POLICY

RULES AND REGULATIONS NO. 1

DEFINITIONS

Company – Big Mesa Mutual Domestic Water Consumers Association (MDWCA)

Member – Any person, firm, association, corporation, or any agency of the federal, state, or local government, being supplied with, or responsible for payment of water service by company

Service – The general form for furnishing the member with water, also, the pipe connection from a distribution water main to a member’s water meter

Pressure regulation device – A device that maintains a constant pressure in water lines, less than the inlet pressure to the device, regardless of the rate of water flow in the line

Cross connection – Any physical connection or arrangement between two otherwise separate piping systems, one of which contains water of unknown or questionable safety, whereby water may flow from one system to the other, the direction of flow depending on the pressure differential between the two systems

Clarity and member understanding location

Account – BIG MESA MDWCA water accounts remain with the property. Property owners must acquire and maintain a separate Big Mesa Association membership to receive water service.

Transfer Station – Solid Waste disposal collection site

RULES AND REGULATIONS NO. 2

CHARACTER OF SERVICE

Water service for domestic, commercial, industrial, sanitary, and other purpose with the lands of New Mexico, in San Miguel County, T13, R25E and T13N, R26E will be furnished under conditions as stated in these rules and regulations as the applicable provisions of the company's rate schedule.

A. (1) Scope of service

BIG MESA MDWCA has limited water rights as well as funds available to expand existing water service distribution for all future requests for water service. Therefore, the Association Board must review and approve (in advance) any water service request for any property, member, or user for service at a property which is not a platted building lot in Big Mesa, Hooverville, Mesa Rica, Cabin Site or other area already in service and which does not have an existing water service/property account already in the log with the Association.

(2) Residential Service

Under the residential rate, water service will be furnished to the legally demonstrated property owner of an apartment, or single-family house which is converted or constructed to include separate living quarters for more than one family provided that the member installs separate piping or plumbing for each dwelling unit so that service to each separate living quarters can be metered. Each separate service or meter location will be billed and metered separately.

(3) Where a location is used both as a residence and a commercial establishment, all service supplied will be billed under the applicable commercial schedule unless member, at his option, provides separate piping (subject to company inspection and also such state and local inspection that may be required) so that each class of service can be metered and billed separately in accordance with the applicable schedules.

(4) Each separate service or meter location will be billed and metered separately.

B. (1) Commercial service shall include, but not be limited to service to churches, schools, motels, hotels, apartments, multiple housing units, trailer courts, and parks, restaurant, clubs, service station and all other establishments that are not otherwise classified in specific rate schedules. Any establishment carrying on a business, professional or commercial enterprise, acknowledged or advertised as such, will be considered as commercial, but the absence of such advertising shall not be considered as conclusively establishing that the service is not commercial.

(2) when commercial water service is supplied through more than one service on member's premises, separate billing will be made for each meter, except a group of buildings under single management and control, and provided that each building or service requirements are an integral part of and necessary to the operation of the building group.

RULES AND REGULATIONS NO. 3

APPLICATION FOR SERVICE

- A. Each applicant for water service shall be required to sign:
1. An application for service and pay a \$100.00 membership fee plus tax. A certificate of membership will be issued to the applicant.
 2. Such special written contract as shall be required to cover the particular water service desired.
- B. Member may at the time of original application for service or re-application for service, be required to furnish credit references or other evidence of their credit standing.
- C. Member will furnish full information on any special water service required in advance of the requirement date to enable company to provide water service.
- D. After proper application and information have been received by company and after any necessary permits from the county, state, federal boundaries or other having jurisdiction have been obtained, a reasonable time will be allowed company to install the facilities required to provide water service.
- E. The conditions of piping and character of installation on the premises shall be subject to inspection by company and approved by the appropriate government agency, and if any piping and installation is found to be faulty, company may refuse to provide service. Company does not, however, assume responsibility for making such inspections and shall not be held liable for failure of piping or installation, whether or not inspected.
- F. All installations shall comply with the plumbing code of the State of New Mexico and any other applicable code.
- G. All Association members/property account holders must install their own separate cut off valve between the Association's meter and the home/building of water service use, at the total and sole expense of the member. (This will help prevent frozen/broken water pipes in the winter).

RULES AND REGULATIONS NO. 4

FEES AND CHARGES

The rates to be charged by and paid to company for water service will be the rates legally in effect. Company schedules of all rates legally in effect will be kept at company's local office where they will be kept available for public inspection.

Large usage meters: commercial users or other users of large amounts of water may obtain meters of larger dimension upon payment for the meter plus installation.

Applicability – Applicable to all domestic and other general metered service

Territory – within the boundaries of the first amended plat of the Big Mesa Addition, San Miguel County, Conchas Dam, New Mexico. It is anticipated that service under this schedule will also be provided to other areas close to the big mesa addition, including the subdivision known as “Hooverville”. Billings under these schedules may be increased by an amount equal to the sum of the taxes payable under the Gross Receipts And Compensating Tax Act and of all other taxes, fees, or charges (exclusive of ad valorem, state and federal income taxes) payable by the utility and levied by any government authority on the public utility service, or on any object or event incidental to the rendition of the service.

Month or regular billing period – The elapsed time between two successive meter readings shall be approximately 30 days apart.

Point of delivery – Unless a different location is specified by contract between company and member, the point on member's property line where company pipe is connected to member's pipe. In most cases the point of delivery is also the point of metering.

Water pressure – The gauge pressure of water within a pipe measured on pounds per square inch (psi) above atmospheric pressure and abbreviated herein as “pound or psi”.

Solid Waste collection site (the Transfer Station) will accept residential Waste within reason. The standard Fee for this privilege is \$10.00 a month which is part of your monthly water bill. No construction trash will be accepted. There will be extra charges for certain items; visit the transfer station for more information.

The following charges are approved by the board of directors:

Sale or transfer of property/account: renewal

The seller being a current association member with no terminated account may transfer their existing water service to a new property purchaser for a transfer fee of \$100.00 plus tax. The full outstanding balance must be paid in full or \$1000.00 (whichever is less) plus tax. New transferred member must rename the property/account with a new membership fee (costing \$100.00 plus tax) before gaining service.

Sale or transfer by an association member of a property/account with an inactive account (prior to renewal of the water meter) with no outstanding account balance:

\$500.00 water service fee plus tax plus \$150.00 reconnect fee plus tax.

Sale of a property with no prior account, membership or water service (i.e. A lot).

\$1000.00 water service fee plus tax plus \$100.00 membership fee plus tax for the new purchaser.

Reconnecting service fees:

- A. To the same current Association member and property account with no outstanding account balance that requests reconnection of water service - \$150.00 plus tax plus total minimum monthly charges plus tax since disconnect or \$500.00 plus tax, whichever is more.
- B. To the same current Association member and property account with an outstanding balance or a terminated account discontinuing water service that requests reconnection of water service, the outstanding balance must be paid in full plus tax plus a \$150.00 reconnection fee plus tax.
- C. Reactivate an inactive account where the meter has been removed, \$750.00 replacement meter fee plus tax, plus \$100.00 new membership fee plus tax

Delinquencies from a current or inactive member/account

- A. Payment of all past delinquencies incurred plus tax plus \$150.00 reconnect fee plus tax to reacquire water service.
- B. If the meter was removed, payment of all past delinquencies plus tax plus payment of a new meter installation fee of \$750.00 plus tax to reacquire water service.

**BIG MESA MDWCA
CONCHAS DAM NEW MEXICO**

**TOPIC NO. 4
SHEET NO. 3**

Reconnect same member, \$150.00 plus tax plus total minimum monthly charges since disconnect or \$1000.00, whichever is less plus tax

Discontinue water service:

No Association member may discontinue water service to a property with any outstanding property account balance.

Any arrear charges must be completely paid in full before discontinuing a water service account.

Any person not employed by the MDWCA tampering with MDWCA property will be charged \$300.00 plus tax. The MDWCA will disconnect service of this person if the tampering charge is not paid after sixty (60) days

Any member that does not pay his/her water bill after seventy (70) days will be discontinued from any further water service through padlocking of the water meter until all charges have been paid in full. After locking meter and notification as such, if the account is not cleared of delinquencies in full then the meter will be removed in sixty (60) days, thus requiring payment of a new meter installation fee of \$750.00 plus tax.

Rates:

Regular:

First 5000 gallons \$45.00 plus \$10.00 solid waste collection plus \$3.75 tax = \$58.76

Over 5000 gallons @\$10.00 per thousand gallons (1000) plus tax

Commercial:

First 5000 gallons \$70.00 plus tax

Next 5000 gallons @\$25.00 per thousand gallons (1000) plus tax

Next 5000 gallons @\$35.00 per thousand gallons (1000) plus tax

Next 5000 gallons @\$45.00 per thousand gallons (1000) plus tax

Next 5000 gallons @\$55.00 per thousand gallons (1000) plus tax

Commercial users must make their own solid waste removal arrangements

RULES AND REGULATIONS NO. 5

RENDERING AND PAYMENT OF BILLS

A. All bills for water & solid waste collection furnished by the company to the member are due when rendered and payable within ten (10) days from the date of bill at an office of the company or at an authorized collection agency, or mailing address, and if not paid, the bill shall be considered in arrears.

B. Bills will be rendered by the company to the member in accordance with the schedule applicable to the member service

C. Members service may be disconnected for nonpayment if payment has not been received by the company as described hereinafter and in accordance with the following procedures:

1. First billing bills are due within 30 days from bill date. Second billing bills are stamped past due and are due 60 days from original date of first bill.

2. After 60 days without full payment a cut off notice will be sent by certified mail.

3. If full payment, to include cost of certified return has not been received in full within ten (10) days after, delinquent member will be disconnected and meter removed, or ten (10) days after certified bill was sent, whichever comes first. This would solve any problem in not picking up or signing for the certified letter on purpose.

4. Delinquencies where meter has been removed or meter padlock has been installed: payment of all delinquencies plus \$150.00 plus tax will be paid in full before meter padlock is removed or meter has been reinstalled and service is re-established.

a. If two days prior to the proposed service disconnect date indicated in the notice, the designated utility personnel receives a certificate from a practitioner of the healing arts stating the discontinuance of service might endanger the person's life and the residential member demonstrates to the designated utility personnel in writing that member does not have adequate financial resources to pay the utility charges whether or not the accuracy of such charges are the object of a bone fide dispute, and the employee sent to disconnect service shall be empowered to receive payment of past due bills of at least a minimum residential bill and upon receipt of such payment, said employee shall be empowered to cancel the disconnect order.

b. If service has been disconnected, the company shall re-establish service within twelve (12) hours of receipt of said certificate from a practitioner of the healing arts and such indication from the member that they do not have adequate financial resources to pay any of the utility's charges.

For this purpose, a "seriously ill person" shall include a person with a chronic illness

RULES AND REGULATIONS NO. 5

RENDERING AND PAYMENT OF BILLS

5. The company shall attempt to arrange with every residential member who has indicated satisfactorily to the company that he/she is unable to pay his/her bills, and who has not been chronically delinquent in the payment of utility bills, a deferred payment plan for the payment of past due utility charges. In each such instance the company shall offer the delinquent member the opportunity to make payment arrangements not to exceed six (6) months considering the hardship involved, the burden on the other members, and the individual's past delinquencies. Until the company has exhausted good faith efforts to arrange such a payment plan, it shall not discontinue service to such residence. In the event such member violates any agreed upon repayment plan 3 times, the utility shall have the right to discontinue service to the member upon giving seven (7) days certified notice if mailed.

For this purpose, a "chronically delinquent" account defines as a residential member who has been forty-five (45) days late or more in making his/her payment, three (3) times or more in the preceding twelve (12) months. The Association can provide the member information to seek assistance elsewhere.

6. The company shall provide, after due notice, a review within the company for residential members who allege that the proposed repayment plan is unreasonable and that a water service is not due and owing, or that they have not violated any agreed upon repayment plan. Such review shall be conducted by the management of the company Management shall, if appropriate, order corrective action. Such review shall stay the discontinuance of water service until completed.

7. Water service to a residential member may not be disconnected for non-payment less than twenty-four (24) hours prior to a holiday or weekend.

8. Nothing stated herein on this tariff sheet shall be construed to relieve any member from liability for proper water service charges.

RULES AND REGULATIONS NO. 6

METERS

A. All meters used in connection with metered service shall be owned, furnished, installed, maintained by, and at the expense of the company, except that the cost of the meter or meters shall be borne by member for fire service connection, standby or relay service when the required meter is four (4) inches or larger. Each meter whether new or repaired or that has been removed from service for any cause except normal removal for disconnection of service shall have been tested and in good order before being installed. All tests to determine the accuracy of registration shall be made with standard meter testing equipment. Company may, at its option, test meters at any time and as often as it desires. Meter shall be read each month unless member and company agree to more frequent readings.

B. Upon request of any member, company will make a test of accuracy of any meter, provided the meter has not been tested within the twelve (12) month period to such request, and member agrees to accept the result of such test made by company as the basis for settling any difference claimed. If the meter has been tested within the last twelve (12) months at member's request and found to be correct, the company may charge \$50.00 for making such a test. The charge is to be included and paid together with the bill in question with ten (10) days after the test has been made.

C. When one or more consecutive meter readings are missed, company may bill the member for estimated consumption and the difference adjusted when the meter is read again. The basis for the estimate shall be normal consumption for corresponding periods in the preceding year or normal consumption in preceding months. Any bills paid in the period which the estimate covers shall be credited to the total amount of the bill. If a meter stops or fails to register the full amount of water consumed, member will be billed for the period as though the meter reading for the period had been missed as set forth in this paragraph c.

D. Company shall not be liable for damages caused by any meter leakage, as owner – Members are required by Big Mesa's By-Laws to install and use their own "shut-off" valve between Big Mesa's meter and their residence or use, to fully control water flow.

RULES AND REGULATIONS NO. 7

ADJUSTMENT FOR METER ERROR

If on testing of any service meter it shall be found to have a percentage of error in excess of two (2) percent, the following provisions for adjustment of bills shall be observed:

A. Fast meters: when a meter is found to be fast in excess of two (2) percent in tests made at any time, company shall refund to member an amount equal to the excess charged for the water incorrectly metered. The period over which the correction is to be made shall be the time elapsed since the last previous test or since the time of apparent change of consumption, whichever is shorter, provided, however, the period shall not exceed six (6) months. No part of a minimum service charge shall be refunded.

B. Slow meters: when a meter is found to be slow in excess of two (2) percent in tests made at any time, company may make a charge to the member for the water incorrectly metered. The period over which the correction is to be made shall be the time since the last previous test or since the apparent change of consumption, whichever is shorter, provided, however, the period shall not exceed six (6) months.

C. Failure to register: if a meter is found to not register for any period, the company shall estimate a charge for the water used, but not registered, by averaging the amount used over a similar period preceding or subsequent thereto of all three (3) methods, or such other methods as may be agreed upon by the company and the member.

D. In the event of the stoppage of, or failure by any water meter (if installed) to register the full amount of water consumed, or inaccessibility of meter to be read, the member will be billed for such period on an estimated consumption based upon this use of water during a similar period of like use.

E. Big Mesa MDWCA will consider adjusting Member water accounts when they experience a higher water consumption than usual due to a water leak, theft or vandalism and results from conditions beyond the customer's reasonable control or knowledge. A water leak adjustment application must be completed within 60 days of occurrence. **ONLY ONE** Water Leak Adjustment application may be approved per member. It is applicable up to a maximum of 30 days and is limited to covering portions of up to two (2) billing cycles. The Member is responsible for all water consumption, and in the case of an adjustment approval, the member will pay for the water consumed at the lowest monthly rate until application is processed. The consumption spike must be higher than any recorded consumption in the prior 12 months. The leak must be repaired, and personal shut-off valve installed, **prior to the approval** of an adjustment. Verification of the leak repair and/or personal shut-off valve installation must be included with application. Acceptable verification documentation consists of; receipt for repair/installation performed by a certified plumber or a letter on company letterhead from plumbing company certifying the repair/installation, signed affidavit certifying customer made the repair/installation, (along with) receipt(s) for parts purchased and pictures of repair/installation. If the source of a leak is due to theft or vandalism, the Member must report the theft or vandalism to the police and take action to prevent the potential of future theft or vandalism, such as the installation of a faucet lock and provide the Association with a copy of the

RULES AND REGULATIONS NO. 7

ADJUSTMENT FOR METER ERROR

police report and/or receipts for the purchase of the mechanism or evidence of installation (pictures). A Member with a delinquent account must pay all outstanding charges or have a current payment arrangement on file with the Association. NO refund checks will be issued for approved account adjustments. All account adjustments are approved at the discretion of the Big Mesa MDWCA Board of Directors.

RULES AND REGULATIONS NO. 8

SERVICE CONNECTION

- A. A charge for each service connection shall be made depending on the meter and can installed.
- B. Member must install a stop and waste cock or equivalent on his service line at or near the meter.
- C. The company reserves the right to specify the service entrance to any building and should be called upon for exact information. If such information is not secured, expensive changes to piping installation may result for which the company shall not be held liable in any way and will not assume responsibility.
- D. Not more than one service line for each class of service shall be installed for any one member. All meters for a single building or location must be located at the same point. Billing will be separate on each such meter and will not be combined. Where it is desired to arrange water piping of any building or location so that different areas can be separately metered, proper space must be provided at such building or location and piping performed accordingly.
- E. No cross connection with any other source of water shall be made to company's lines.
- F. Where the operating water pressure is less than twenty (20) pounds due to extraordinary circumstances and the water pressure and volume is determined by member to be less than his requirements, member shall install a pump and pressure storage tank.
- G. If the water pressure at member's service is in excess of 125 pounds due to extraordinary circumstances, member shall install an approved adjustable pressure regulating device.
- H. At the member's request and at member's sole expense, company will make an individual engineering study and recommend equipment required to provide adequate service. All special equipment will be purchased, installed and owned by member.

RULES AND REGULATIONS NO. 9

TEMPORARY SERVICE AND SPECIAL SERVICE

A. Temporary service will be furnished under company's established rules, regulations and rates for the type of service required; provided, however, that service is available and that a member pays, in addition to the cost of service rendered under company's applicable rate, the cost of installing and removing the necessary facilities required to provide such service.

B. Service for specialized usage not covered by a specified filed rate will be by agreement between company and member.

RULES AND REGULATIONS NO. 10

INTERRUPTION OF SERVICE

A. Company will use reasonable diligence in furnishing regular and uninterrupted service. The company shall not be held liable for damages in case such supply should be interrupted or fail by legal process, state or municipal interferences, breakdowns or damage to the machinery or distribution lines of company, extraordinary repairs, or any other cause beyond the control of company.

B. Company shall not be liable for damages occasioned by interruption of or reduction in service when such interruption or reduction in service is necessary to make repairs or changes in the company's transmission or distribution facilities. The company will always endeavor to give reasonable notice in advance of any shutoff.

RULES AND REGULATIONS NO. 11

DISCONTINUANCE AND RESTORATION OF SERVICE

A. Any member desiring service disconnection shall give notice in writing to company at its office. Company will endeavor to the best of its ability to act upon telephone or verbal orders to discontinue service, but in the event of dispute, only a written order will be considered proof of notice.

B. The company reserves the right at any time, without notice to discontinue the water service of any member for any of the following reasons:

1. Existence of a condition determined by the company to be hazardous
2. Member use of equipment in such manner as to adversely affect the company's equipment or the utility's service to others
3. The member's tampering with, damaging, or deliberately destroying the equipment furnished and owned by the company

C. The company reserves the right, upon any member's failure to comply, to discontinue service of member for any of the following reasons:

1. Violation of and/or non-compliance with company's rules and regulations on file
2. Failure of the member to fulfill his contractual obligations for service and/or facilities subject to regulations by the commission
3. Failure of member to permit company reasonable access to its equipment
4. Non-payment of any bill seventy (70) days past due
5. Failure of member to provide company with a deposit
6. Failure of member to furnish such service equipment, permits, certificates, and/or rights of way as shall have been specified by the company's condition to obtaining service, or in the event such equipment or permissions are withdrawn or terminated
7. Failure to pay for service of the same class at a previous metering point or points
8. Indiscriminate waste of water
9. If a member who owes the company for past water service desires to make re-application for water service, it will be necessary for the member to pay all unpaid balances on his bills or make satisfactory payment arrangements with company before any further service will be furnished.

RULES AND REGULATIONS NO. 12

RESPONSIBILITY FOR WATER EQUIPMENT

- A. Company does not assume any responsibility as to piping or fixtures on any member's premises
- B. Member shall use due diligence to protect the property of company installed on the premises of member or on locations under his control
- C. Removal of company's property, including meters, is prohibited
- D. Property Owner/Member is fully responsible for all water lines from Big Mesa's meter to where ever the water is piped on that property.
- E. Property Owner/Member is required to install their own "shut off" valve on their water line within 3 feet of Big Mesa's meter. Using a property owner/Member shut off valve to control water flow to the property may protect owner/Member from frozen pipe-water damage, while reducing wear on company owned meters.

RULES AND REGULATIONS NO. 13

LIMITATION OF USE

Water service furnished by company to any member shall be used only in connection with such member's business or at the residence to which the service is piped and shall not be resold to other parties nor piped from one building location to another.

RULES AND REGULATIONS NO. 14

COMPANY'S RIGHT TO INGRESS AND EGRESS FROM MEMBER'S PROPERTY

Duly authorized agents or employees of company shall have free access at all reasonable hours to all parts of the premises of the member for the purpose of making inspections and for testing, changing or removing its meters. If such duly authorized agent or employees are refused admittance or hindered or prevented from making such inspections, the service may be discontinued until free access is given.

RULES AND REGULATIONS NO. 15

FIRE HYDRANTS

In order to assure proper operation of fire hydrants, no water shall be drawn through any fire hydrant for any other purpose than fire protection except as provided by franchise or by special permit.

RULES AND REGULATIONS NO. 16

GENERAL RULES WITH RESPECT TO LARGE USERS OF WATER

A. Before proceeding with the purchase of any equipment which will necessitate the use of large quantities of water within short periods of time, company shall be consulted for advice as to the best method of installation and for information concerning the conditions under which the water will be supplied to the member.

B. In general, the company reserves the right to limit the size of service connections or openings through which its service is furnished for filling storage tanks, hydraulic equipment, private fire service, or other classes of service capable of drawing relatively large quantities of water and thereby causing undue fluctuation of pressure in portions of company's system.

RULES AND REGULATIONS NO. 17

LINE EXTENSION POLICY

Whenever an extension of Big Mesa (company) distribution lines is required to serve an applicant, or group of applicants, extension of the line will be made under the following term and conditions.

A. Water Board Review – Any extension of Big Mesa water lines and the details of which, must be presented to the current water board during a regularly scheduled Water Board monthly meeting and under the regulating of the “Open Meeting Act” for consideration.

B. Water Board considerations include but are not limited to; water usage anticipated, water rights acquisition, proof of legal ownership, easements and rights of way across properties, all construction costs, membership costs and new rate structure (if applicable).

C. Big Mesa will not under this line extension policy be required to make an extension that would be economically unfeasible and thereby cause undue hardship on other members of Big Mesa. Special conditions which affect the furnishing of water service to an application or group of applications such as elevation, terrain, volume of water available in existing mains, and other conditions resulting in increased costs to the company in providing water service will be taken into consideration by the company in deciding feasibility of providing service.

D. All lines and other facilities to be installed by company will be of such size and installed in such a manner as will conform to company’s plan for development of its system.

E. New members will furnish without charge to company such rights of way as are required over property owned or leased by the new member and will assist company in securing other rights of way necessary to provide service.

F. Where unusual circumstances exist, an extension may be made under a specific long-term contract, provided the contract terms are such that no adverse effects will be imposed on company’s existing members.