
TITLE 6

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT of Summit County

Water Rules and Regulations

Revised April 27, 2016

Revised July 17, 2019



MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT

Prepared By
The Administrative Staff of
Mountain Regional Water Special Service District

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**MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
RESOLUTION NO. 2019-___ Adopted on July 17, 2019**

**A RESOLUTION ESTABLISHING
UNIFORM RULES AND REGULATIONS
FOR THE DISTRIBUTION OF WATER AND RELATED SERVICES**

WHEREAS, it is necessary, for the orderly administration and development of the facilities of the Mountain Regional Water Special Service District (the “**District**”), to adopt Rules and Regulations governing water service and operations; and

WHEREAS, to enhance the viability, source capacity, water quality, economies of scale, and reliability of water systems in the Snyderville Basin the District was formed to facilitate this goal through regionalization of water systems, water conservation, and importation of water; and

WHEREAS, on May 25, 2001, the Summit County Commission passed Resolution 2001-20 MRW, adopting the first set of Rules and Regulations of the District;

WHEREAS, because of continued growth of the District, it is necessary to periodically amend these Rules and Regulations for the District; and

WHEREAS, these Rules and Regulations, when adopted, will protect and promote the health, safety, and welfare of the residents within the District boundaries.

NOW, THEREFORE, be it resolved by the Summit County Council, acting as the Governing Board of the Mountain Regional Water Special Service District as follows:

1.0 GENERAL

1.1 Repealer

The Summit County Council hereby adopts the following Uniform Rules and Regulations for the District, as recommended by the Administrative Control Board, which repeal and replace any formerly adopted District Rules and Regulations which address the same subject matter.

1.2 Purpose

This resolution has been adopted to promote the orderly construction, operation, maintenance, repair, replacement and enlargement of the water system owned and/or operated by the District and to establish a uniform set of Rules and Regulations which are contractual conditions for the District to provide water service to its customers.

1.3 Services Provided

Subject to these Rules and Regulations and the availability of funds, water resources and distribution facilities; the District shall provide retail culinary and/or irrigation water distribution services to properties located within its political boundaries, and may provide wholesale culinary and/or irrigation water service to property located outside its political boundaries.

2.0 DEFINITIONS

2.1 Administrative Control Board. A Board appointed by the Summit County Council, consisting of the number of District customers specified in the District's Governing Ordinance. The powers of the Administrative Control Board are those set forth in Utah Code Ann. 17D-1-301 as amended, as delegated by the Summit County Council through the Governing Ordinance, and those powers necessarily implied.

2.2 Applicant for Annexation. A party who owns real property proposed for annexation into the District for the purpose of receiving water service from the District.

2.3 Applicant for Water Service. A party or owner within the boundaries of the District seeking water services from the District.

2.4 Board. The Mountain Regional Water Special Service District Administrative Control Board.

2.5 Conditional System Acceptance Letter. The conditional acceptance of water system improvements by the District. This letter is issued once the construction and punch list has been completed and the Bill of Sale has been provided by the Developer to the District.

2.6 County. Summit County, Utah.

2.7 County Council. The legislative body of Summit County.

2.8 Commitment-of-Service Letter. An irrevocable, contractual commitment in letter form issued by the District to a Customer, in consideration for (a) payment of the District's impact and/or connection fees, and (b) execution of a Water Service Agreement.

- 2.9 Culinary Water.** Water that meets state and federal water quality standards provided through the District’s public water systems, regardless of use.
- 2.10 Customer.** The owner of an existing residential, industrial, institutional, or commercial structure, or irrigated property connected to the District’s water system which receives retail or wholesale water service; including the owner of standby lots or property within the District; or a person or entity receiving bulk type water service.
- 2.11 Developer.** A person or entity that develops a Development including an owner of property seeking water service from the district. A Developer may be referred to as an applicant or Owner.
- 2.12 Development.** Any new construction within the boundaries of the District which requires water services from the District
- 2.13 District.** The Mountain Regional Water Special Service District, a political subdivision of the State of Utah, organized by the Summit County Council pursuant to the authority of Utah Code Ann. 17D, Chapter 1 as amended or successor provision (the “Act”).
- 2.14 District Engineer.** A District employee or qualified consultant who is a registered professional engineer in good standing with the State of Utah, as designated by the General Manager, who has primary responsibility for supervision and management of all District water development and improvement projects.
- 2.15 Equivalent Residential Connection (ERC).** The ERC specifies an amount of water used for a typical residential connection in the District and is used as a multiplier for the calculation of Impact, Standby, and other fees as adopted. The ERC is determined as part of the Impact Fee Facilities Plan and Analysis process.
- 2.16 Final System Acceptance Letter.** The final acceptance of water system improvements by the District. This letter is issued once the warranty period has lapsed, all warranted items have been completed, and the warranty bond has been released by the District.
- 2.17 General Manager.** A person recommended by the Administrative Control Board and appointed by the Summit County Council to act as General Manager for the District as outlined in the District Governing Ordinance and By-laws.
- 2.18 Governing Board.** The County Council of Summit County, acting in its capacity as the Governing Board of the District. The powers of the Governing Board are those set forth in the Act, and those necessarily implied. Specific powers of the Governing Board may, by the District’s Governing Ordinance, be delegated to the Administrative Control Board, as per Utah Code Ann. §17D-1-301 as amended or any successor provision.
- 2.19 Governing Ordinance.** The organizational regulations of the District enacted at Summit County Code, Title 2, Chapter 9, as amended.
- 2.20 Impact Fee.** A payment of money imposed upon new development activity as a condition of development approval to mitigate the impact of the new development on public infrastructure. The impact fee is according to the currently adopted Impact Fee Facilities Plan and Analysis and is based on the customer’s impact on the water system infrastructure.
- 2.21 Irrigation Water.** Water provided by the District through a separate water system, for outdoor use, that is not intended for human consumption and need not meet drinking water standards. Irrigation water is meant to be served to larger metered commercial or common type spaces, and therefore should not be confused with typical secondary water systems which provide irrigation water service to individual residential customers.

- 2.22 Owners.** The owners of property within the boundaries of the Mountain Regional Water Special Service District. (Ord. 749-A, 12-15-2010, as amended or any successor provision.) Owners may also be referred to as an applicant or Developer in these Rules and Regulations
- 2.23 Prepayment Letter.** A letter issued when the impact fees for a lot are prepaid. The Prepayment Letter can be exchanged for a Commitment-of-Service Letter up to the quantity of water prepaid. If a lot owner requires additional water, the incremental impact fee must be paid prior to issuance of the Commitment-of-Service Letter.
- 2.24 Rules and Regulations.** All Rules and Regulations adopted by the District as herein set forth.
- 2.25 Service Laterals.** The water service pipeline extending from a retail customer’s structure or point of use until it connects to the District’s main pipeline.
- 2.26 Standby Fee.** A fee imposed upon a Developer, lot owner, or to those contractually obligated, that can be serviced by the District but are currently not connected to its system. The standby fee offsets the fixed costs to the District allocable to standby accounts based upon the total number of District connections and standby fees assessed. The standby fee includes operations and maintenance costs, appropriate water lease and reservation fees, and any other cost incurred by the District to ensure the availability of water and to provide for fire flow and property protection capability to standby lots and Developments.
- 2.27 Theft of Service.** A person commits theft if he or she obtains water service by deception (such as an unauthorized connection), threat, force, or any other means designed to avoid the proper metering, accounting, and payment for the services. Pursuant to Utah Code Ann. §76-6-409.3, *as amended*, theft of service can range from a class B misdemeanor to a third degree felony, depending upon the amount of the theft as designated in state law. If a person has been convicted of theft of water service in the past, future thefts can be a second degree felony. A Theft of Service Fee shall apply for instances of Theft of Service.
- 2.28 Water Distribution System or Facilities.** The primary water storage, treatment facilities, transmission and distribution lines, wells, springs, tunnels, pump stations, conservation facilities, and other off-site water system improvements and appurtenant facilities, including SCADA facilities, owned by the District and utilized to develop, transport and distribute water to individual customers within or without the District boundaries.
- 2.29 Water Service Agreement.** An agreement whereby a Customer connects an individual service line to the District’s water system and agrees to pay all applicable fees and abide by all applicable Rules and Regulations of the District in exchange for water service from the District.
- 2.30 Willing-to- Serve Letter.** A letter provided to a Developer that indicates the District currently has the ability and willingness to provide water service to his/her development. A Willing-to-Serve Letter does not require the prepayment of impact fees and is not legally binding. The District only commits to water service after the Developer enters into a Water Service Agreement, pays Impact Fees, and fully complies with all of these Rules and Regulations.

3.0 FEES

3.1 Water Service Fees and Other Charges

All District fees and charges shall be prepared by the District administration and legally adopted and approved by the Administrative Control Board, as it sees fit in accordance with Utah Law. All service fees and charges

may be changed at the discretion of the Administrative Control Board following the above process. The various fees and applications of the same are as follows:

A. Culinary Water Service Fees. The District shall impose culinary water service fees upon each culinary water service connection in conformance with the following:

1. The fees shall be in an amount sufficient to pay all costs and expenses incurred in connection with operating, maintaining, depreciating, replacing, rebuilding or making capital improvements to District's culinary water distribution system, including, without limitation, all obligations due and payable by the District to its bond holders.
2. The culinary water service usage fee shall be of the accelerated or increasing block type to promote conservation and shall be composed of a base fee element and a series of overage blocks, whose accelerating fee increments will be based upon the quantity of water used. The starting base fee and overage block volumes are multiplied by the number of ERC's arrived at in the Impact Fee calculation for the associated home or project(s).
3. Vacant structures shall be billed a monthly base fee based on section 3.1(A)(2).
4. The culinary water service fee shall be billed monthly.
5. The District may impose reasonable penalties, late charges, and interest on any past due culinary water service fee or any unpaid portion thereof, as legally adopted and amended.

B. Irrigation Water Service Fees. For Developments utilizing irrigation water from the District's irrigation water system(s), reasonable irrigation water service fees and charges, as legally adopted and amended, will be imposed in conformance with the following policies:

1. The fees shall be in an amount sufficient to pay all costs and expenses incurred in connection with operating, maintaining, depreciating, replacing, rebuilding or making capital improvements to District's irrigation water distribution system, including, without limitation, all obligations due and payable by the District to its bond holders.
2. The irrigation water service fees shall be billed monthly, using metered rates, and shall be in addition to all other fees and charges lawfully imposed by the District.
3. The District may impose reasonable penalties, late charges, and interest on any past due irrigation water service fee or any unpaid portion thereof.
4. Increasing Block rates may be implemented in the irrigation contract to encourage conservation of irrigation water on a particular Development or project.

C. Standby Fees. The District shall impose a Standby Fee against any Developer or lot owner that can be serviced by the District but are currently not connected to its system; or as dictated pursuant to a contract with a Developer or lot owner, in conformance with the following:

1. The standby fee applies to those lots or Developments within the District's boundaries where any one of the following circumstances apply: (1) the District's signature and/or note appears on any plat for a lot or subdivision that has been recorded in the Office of the Summit County Recorder; (2) an Owner of a lot or Development has applied to receive water service from the District or paid any required deposits, impact fees or application fees; (3) an Owner of a lot or Development has signed a Water Service Agreement with the District; (4) the District has otherwise entered into a contractual service or purchase agreement for a lot or

Development; or (5) the District has issued a Commitment-of-Service Letter for a lot or Development.

2. The standby fee shall recover the fixed costs (i.e. those that don't vary with water consumption) to the District allocable to standby accounts based upon the total number of District connections and standby fees assessed. The standby fee shall include operations and maintenance costs, appropriate water lease and reservation fees, and any other relevant cost.
3. Subject to 3.1(C)(1), the fee shall be charged to the Owner of an undeveloped lot or the Developer for unsold lots in a platted subdivision prior to application for service to provide for water service to protect the lot from fire and keep the system in a ready to serve condition when the connection is desired.
4. The Standby Fee shall be charged monthly.
5. The Standby Fee shall be multiplied by the number of ERC's being reserved for the subject property.
6. Subject to 3.1(C)(1), the fee shall be chargeable whether or not the Owner or Developer has paid all or some of the relevant impact and connection fees.
7. Subject to 3.1(C)(1), the fee shall also be chargeable from and after the time an application for service until such time as a service connection is made and service charges for connected properties are applicable. If a lot is sold, the Standby Fee shall be pro-rated between the buyer and seller for the current billing period.
8. The Standby Fee shall not recover any capital infrastructure costs, including costs used in the calculation of impact fees or those improvements funded with debt. The fee may recover the cost of capital equipment funded from operations.

D. Alternative Water Service Provider Fee. This fee applies to any lot or development within the District's boundaries whose owner has elected to use an alternate water service provider and where any one of the following circumstances applies:

1. The signature on behalf of the District and/or note appears on any plat for a lot or subdivision that has been recorded in the Office of the Summit County Recorder;
2. An Owner of a lot or Development has applied to receive water service from the District or paid any required deposits, impact fees or application fees;
3. An Owner of a lot or Development has signed a Water Service Agreement with the District;
4. The District has otherwise entered into a contractual service or purchase agreement for a lot or Development; or
5. The District has issued a Commitment-of-Service Letter for a lot or Development

E. Buried Meter Service Fee. If a meter is buried or otherwise not accessible to the District for meter reads, the District shall assess a monthly fee as established in the District's then current rate schedule based upon annual ERC usage using the ERC acre foot standard established in the District's current Impact Fee Ordinance or Resolution, or other reliable methodologies, depending on nature, size, and

type of service. The District may require that the Customer make the meter accessible, for meter reading and maintenance, at the Customer's expense.

- F. **Existing Connection – Meter Replacement & Connection Fees.** Each purchaser of an existing lot may be required to pay a meter replacement connection fee if the lot has an existing meter that needs to be replaced or upgraded, as determined by the District.
- G. **Fire Flow Report Fee.** The District shall assess a Fire Flow Report fee whenever a home builder or developer needs to ascertain the District's available fire flow at a location of their interest. The Fire Flow Report will include the available fire flow and related water pressure data.
- H. **Impact Fee Review Fee.** The District shall assess an Impact Fee Review Fee for each new connection request that is received by the District. The impact fee review includes a review of the projected water uses for the project, a calculation of the number of ERCs being added by the project, the determination of impact fees, a review of the easements required, the connection details, and the appropriate meter size.
- I. **New Connection - Connection and Meter Fees.** Each new Customer shall be required to pay a connection and meter fee for each culinary and irrigation water connection prior to connecting to the District's water distribution system.
- J. **On-Site Visit Fees.** The District shall assess a fee to inspect new water connections to determine if the meter and connection are properly installed. The District shall assess a fee to inspect existing water connections whenever a lot is sold to determine if a meter replacement or upgrade is required. When repeat inspections are requested, the District may, at its discretion, assess additional On-Site Visit fees.
- K. **Release of Restrictive Covenants Fees & Charges.** In situations where a lot Owner within the District places a restrictive use covenant on their lot indicating that it will not be developed in the future, the District will not assess Standby Fees and other charges to that lot. If a lot Owner or Developer subsequently releases this restrictive use covenant so the lot can be developed, the District will be entitled to assess all back fees and charges that would have been billed to that lot from the date the restrictive use covenant was applied to the date it is released, including annual interest at the legally adopted and amended rate.
- L. **Resumption of Service Fee.** In the event of nonpayment of culinary and/or irrigation water service fees, Standby Fees, and other fees and charges lawfully imposed by the District, the District may terminate water service to any Customer for non-payment of the same and charge a Resumption of Service Fee upon service reinstatement.
- M. **Security Deposits.** The District shall require a security deposit for each new connection. Said Security Deposit can be utilized to reimburse the District for any damage done to its water infrastructure. Upon satisfactory connection and "sign-off" on the installation during the final District inspection, the remaining unused Security Deposit, will be refunded to the lot Owner at the time the connection passes final inspection.
- N. **Summit Park Lateral Fee.** A Summit Park Lateral Fee shall be assessed in the event the District installs a new lateral to support a future water service connection to a lot which doesn't currently have a lateral installed. The District shall assess the Owner of the property the fee as amended.
- O. **Theft of Service Fee.** Anyone using water through an un-metered connection, without the express prior written authorization of the District, shall be subject to the Theft of Service Fee.

- P. **Title Transfer Fee.** The District shall assess an administrative fee (i) each time a lot is sold or an account is changed into a new Customer's name or (ii) when a Customer terminates service. This fee includes both developed and undeveloped lots.

3.2 Development Related Fees.

All fees shall be prepared by District administration, and approved by the Administrative Control Board, as provided for by Utah State Law.

- A. **Impact Fees.** Impact Fees shall be imposed in connection with each Development utilizing District water infrastructure and applicable sources of water supply. Payment of Impact Fees, or the tendering of authorized prepaid connections for the components of the Impact Fee covered by the prepaid connections, shall be due to the District, as a condition to water service, in conformance with the following:

1. **Pursuant to Impact Fees Act.** Impact fees shall be imposed pursuant to and in conformance with the provisions of the Utah Impact Fees Act, Utah Code Ann. Title 11 Chapter 36a, *as amended*, or any successor provision, and shall be enacted and administered by a separate Ordinance or Resolution.
2. **Imposition of Impact Fees.** Impact Fees may be divided into one or more components, which are assessed on each Development or property based on the needs of the project, the water infrastructure dedicated to the District by the Developer, and the value of said infrastructure to the District. Impact Fees may also be based on regional needs and demands. Water Right, Source Development, Storage, and Distribution System Impact Fees shall be imposed based upon the proportional costs outlined in the adopted Impact Fee Ordinance or Resolution and the calculated water demands where applicable. Where there is a dispute in calculations between the District and a Developer, the District calculations shall prevail. Impact Fees shall be due to the District prior to the issuance of a Commitment-of-Service Letter by the District.

3.3 Differential Rates and Fees

Because of the varying nature of services, the District provides as well as the unique character, infrastructure types, deficiencies, elevations, energy and power demands, possible hydro-pneumatic pressure service area costs, ages, and special needs of areas annexed into the District, the District may assess differential rates and fees for different areas or sub-zones of the District. Differential rates shall be substantiated with studies or data clearly demonstrating the needs for varying rates and fees in different areas.

3.4 Violation Fees

The District may implement fees and/or penalties, as legally adopted and amended, to be charged against a service or Customer for violations of any part of these Rules and Regulations.

3.5 Fee Adjustments

- A. **Water Leak Adjustments.**

1. **Normal Leak Adjustment.** In the case of water leaks on a Customer's property receiving service from the District, the Assistant General Manager or CFO may make a billing adjustment or provide a credit, so long as the Customer has repaired the leak in a timely manner ("Normal Leak Adjustment"). For purposes of this subsection, "timely manner" shall mean that the leak is repaired within 6 months of the billing period showing abnormal usage.

If in the sole discretion of the District an adjustment is allowed, the Customer will be required to pay for the first 40,000 gallons at normal District rates. Water leak adjustments will be made on the usage above 40,000 gallons for the billing cycle.

If total Customer usage and leaked water total more than 40,000 gallons for the billing cycle, a new bill will be calculated using the following formula and a credit given for the difference between the original bill and the new calculated bill.

- The Customer is required to pay for the first 40,000 gallons at normal District rates
- Usage above 40,000 gallons will be split 50%/50% between the normal District rates and the then currently established Leak Rate.
- Water leak adjustments will only apply to one billing cycle

The leak rate will be established from an estimation of water production costs, however this leak rate may never be less than the current Usage Block 1 rate or greater than the current Usage Block 2 rate for the Customer's current rate plan.

If the Customer is subject to an elevation surcharge, all usage (actual and leaked) is billable.

A Customer may not apply for more than one Normal Leak Adjustment in any twelve month period.

2. **Catastrophic Leak Adjustment.** A residential or a commercial/industrial Customer may qualify for a Catastrophic Leak Adjustment if the total billed usage is greater than 300,000 gallons for the billing cycle and the Customer can demonstrate (a) that this usage is not typical for that month of the year (using historical data) and (b) that the leak was repaired within 6 months following the bill showing abnormal usage.

The Catastrophic Leak Adjustment follows the same standards as the above described Normal Leak Adjustment with the following exception:

- The gallons above 40,000 will be split 25%/75% between the normal District rate and the then currently established Leak Rate.
- This adjustment will only apply to one billing cycle

3. **Leak Repair and Verification.** Prior to receiving an adjustment or credit, the Customer must (a) repair the leak within 6 months following the bill showing abnormal usage, (b) notify the District in writing using the Water Leak Adjustment Request Form, describing the source of the leak and how and when the leak was repaired, (c) provide the District with all receipts related to the cost of the repairs and any other documentation available to verify the leak, and (d) sign up for the District's leak alert system, if available. The District shall verify that the leak is repaired before any leak adjustment is made to a Customer's account.

3.6 Owner's Liability for Charges

Due to the public health and safety nature of water service, including property protection issues, and the District's power to levy delinquent charges on a parity with a property tax lien, the Owner of record of any property, rather than any tenants, shall be responsible and liable for all water service fees, Standby Fees and all other fees and charges lawfully imposed by the District.

A. Collection of Delinquent Service Charges.

1. Pursuant to UCA §17B-1-904, *as amended*, for any culinary water and/or irrigation water service fees, Standby Fees, or other fees and charges lawfully imposed by the District (the "Past Due Service Fees") that are delinquent as of June 1st of any year (the "Default Date"), the Customer receiving the bill shall be notified in writing by United States mail, postage prepaid, of the current amount of the delinquency (the "Delinquency Notice"). The Delinquency Notice shall be in substantially the following form:

Date: _____
To: _____
Service address: _____
Account or invoice number(s): _____
Date(s) of service: _____
Amount past due: _____

You are hereby notified that water service fees owed by you are in default. In accordance with Section [17B-1-902](#), Utah Code Annotated, if you do not pay the past due amount within 15 days from the day on which this notice was mailed to you, you are liable for the past due amount together with collection costs of \$20.

You are further notified that if you do not pay the past due amount and the \$20 collection costs within 30 calendar days from the day on which this notice was mailed to you, an appropriate civil legal action may be filed against you for the past due amount, interest, court costs, attorney fees, and damages in an amount equal to the greater of \$100 or triple the past due amounts, but the combined total of all these amounts may not exceed \$200 if your property is residential.

Mountain Regional Water Special Service District _____
P.O. Box 982320
Park City, Utah 84098 _____
(435) 940-1916 _____

2. If the account is not brought current within fifteen (15) calendar days after the District has mailed the Delinquency Notice, including any additional delinquent amounts that accrue within that time period and the \$20 collection fee (the "Collection Costs"), the Past Due Service Fees, Collection Costs, a one-time penalty charge of 8% for the Past Due Service Fees (the "Penalty"), and applicable interest from the Default Date (together, the "Certified Charges"), shall be certified by the District prior to July 15th to the Summit County Treasurer in accordance with UCA §17B-1-902, *as amended* (the "Notice of Certification"). These Certified Charges shall, immediately upon certification, become a lien on the delinquent premises on parity with and collected at the same time and in the same manner as general county property taxes that are a lien on the premises. The owner of record of the property being served is responsible for all water service fees, Standby Fees, or other fees and charges lawfully imposed by the District. Interest at the rate of eighteen (18) per cent per annum, compounded annually, shall be charged on all past due accounts. Interest may not be collected on the Penalty. After all amounts due and owing as set forth in the Notice of Certification have been paid, the District shall file for recordation in the office of the Summit County Recorder a "Release of the Lien." A Notice of Certification is not valid as to a specific property where the District certifies the lien after the filing for record of a document conveying title of the Customer's property to a new owner.
3. The District may file a civil action against the Customer where the Customer has failed to pay the Past Due Service Fees and Collection Costs within thirty (30) days of the date on which the District mailed the Delinquency Notice. The District may collect through the civil action the

Past Due Service Fees, Collection Costs, interest, court costs, a reasonable attorney fee, and damages (which damages are the greater of \$100 or triple the Past Due Service Fees) (together, the "Civil Action Award"). With regard to residential properties, the Civil Action Award may not exceed \$200.

- B. Termination of Services for Non-payment.** In the event of nonpayment of culinary and/or irrigation water service fees, Standby Fees, and other fees and charges lawfully imposed by the District, the District may terminate water service to any Customer for non-payment of the same after first providing Customer with fifteen (15) business days written notice of the delinquency, and providing Customer an opportunity to cure the default prior to the service being terminated. The Customer may request a hearing of the Administrative Control Board regarding any such delinquency, which hearing shall be held before service is terminated. In the event a delinquency is not cured within fifteen (15) business days, the District shall terminate water service to the premises involved. The Customer shall be required to pay the Resumption of Service Fee as outlined in the then current rate schedule, and any applicable water shutoff fees, in addition to curing the delinquencies, as a condition to the resumption of water services. Unless a valid Notice of Certification is on file with the County Treasurer covering the property, the District shall not use a prior Customer's failure to pay for water services as a basis for not furnishing water service to the property after ownership of the property is transferred to a subsequent owner. Further, unless a valid Notice of Certification is on file with the County Treasurer covering the property, the District shall not require a Customer to pay for water that was furnished to the property before the Customer's ownership of the property.

4.0 ANNEXATION

It is the policy of the District to provide retail water services only to those properties wholly located within its political boundaries. Any individual or entity desiring retail water service for property located outside the boundaries of the District must annex into the District and comply with all applicable Rules and Regulations as may be amended from time to time.

4.1 Annexation Process

- A. Annexation Conference.** Prior to filing any petition for annexation to the District, the owner of the property sought to be annexed shall arrange a conference with the District Management to describe the proposed project, the area proposed for annexation, the number of connections to be served in the proposed project, and any other relevant information requested by District Management at the conference. At or after the conference, the District shall require the payment of the Annexation Fee as specified below. Upon payment, the owner of the property shall be an Applicant for Annexation and the District shall commence with the annexation proceedings.
- B. Annexation Administrative Fee.** The District may charge an Annexation Administrative fee which shall be commensurate with the workload, legal efforts required, engineering, and other analysis required for the proposed annexation.
- C. Annexation Infrastructure Fee.** If the area requesting annexation is currently served by a water supply system, the District shall assess an infrastructure fee on all lots currently connected to the system requesting annexation. This fee will be calculated based on the deficiencies found in the current system, and will be assessed using the various elements in the District's impact fee schedule in effect at the time of the annexation.
- D. Annexation Agreement.** The District shall prepare an annexation agreement specifying the terms and conditions relative to the proposed annexation.

- E. **Annexation Vote.** Any area requesting annexation shall demonstrate to the District that a proper majority vote of all lot owners was held, and approving the terms of the annexation agreement by all the property owners within the proposed area requesting annexation. The percent of approval necessary for annexation will be specified in the annexation agreement and shall be consistent with any Conditions, Covenants and Restrictions pertaining to the lots.
- F. **District Management Recommendation.** District Management shall evaluate the election results and the annexation proposal and make a recommendation to the Administrative Control Board.
- G. **Administrative Control Board Recommendation.** Following District Management’s recommendation, the Administrative Control Board shall evaluate the annexation, as a noticed agenda item at a scheduled meeting, and allow public input regarding the proposed annexation and its impacts. Following such discussion, the Administrative Control Board shall vote on a recommendation to the County Council.
- H. **Public Hearings and Review.** The Summit County Council, at its discretion, may hold such public hearings as it deems advisable or are required by law to disclose the annexation proposal and related issues to the public and to receive public comment on the proposed annexation and its impacts on the District and its facilities and resources.
- I. **Information.** The District Management, Administrative Control Board and/or Summit County Council may request additional information from time to time and may require additional studies, engineering, design or consideration of other material matters from the Applicant for Annexation during the annexation process. The Applicant for Annexation shall provide all requested information at the Applicant for Annexation’s sole expense.
- J. **Compliance with These Regulations.** All property owners desiring to annex into the District shall be required to comply with all applicable provisions of these Rules and Regulations.
- K. **Value to District.** In any instance where the District annexes or acquires a water system or other assets, the District shall consider the value of the water system or other assets to the District, rather than the fair market value of the water system or other assets. Typically, water systems in need of significant repairs, upgrades, or any other improvements, including source capacity or concurrency rating deficiencies, or that have no practical capacity enhancements for the District, shall be deemed to have a value of zero or less.

In addition, when a water system is annexed into or acquired by the District, the District shall not pay for any assets, source or water rights necessary to serve the annexed or acquired area at build-out. The ownership of the assets, source and water rights necessary to serve the annexed or acquired area shall be transferred to the District at no cost to the District. At the District’s sole discretion, it may choose to acquire any excess capacity at market price.

4.2 De-annexations

Pursuant to Utah Code Ann., 17D-1-602 areas may not be withdrawn from the district if any bonds, notes or other obligations of the District are outstanding and unpaid or if any contractual obligation to provide service exists.

5.0 NEW WATER INFRASTRUCTURE

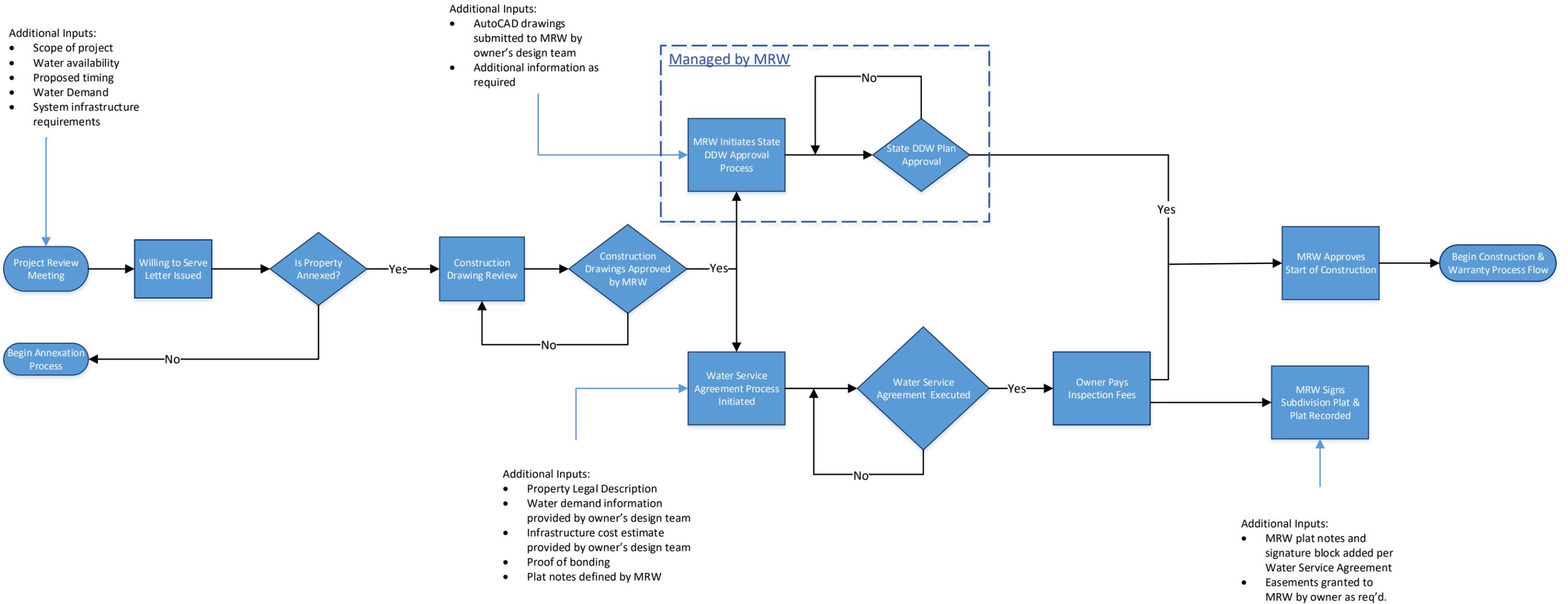
5.1 New Water Infrastructure & Warranty Process

For a new Development¹ to receive culinary water service – the following provisions and processes shall be followed:

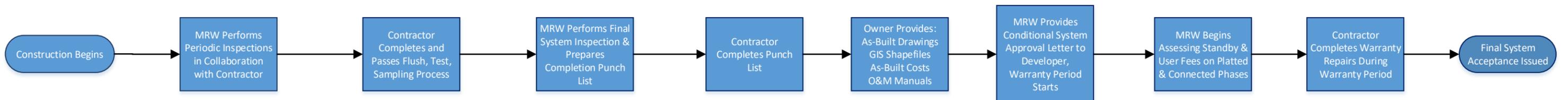
¹ For an existing development outside the District boundaries, with a water system already in place, the District shall determine, at its sole discretion, which of the provisions and processes set forth in Section 5.1 shall apply.



Developer Process Flow – New Water Infrastructure



Construction and Warranty Process Flow



- A. **Project Review Meeting.** The Developer shall meet with District Management to ascertain the feasibility, impact, scope, water availability, and proposed timing of the development.
- B. **Preliminary Water Demand.** In order to plan for and calculate system demands, impacts and fees, the Developer will provide the District the preliminary development or project sizes and water demand loads as determined by a competent engineer and in a form acceptable to the District.
- C. **Willing-to-Serve Letter.** If the District determines it has the capacity and resources to properly serve the proposed development, it will issue a Willing-to-Serve Letter which the Developer can provide to the County Planning Department.
- D. **Annexation Requirements.** It is the policy of the District to provide retail water services only to those properties wholly located within its political boundaries. Any individual or entity desiring retail water service for property located outside the boundaries of the District must annex into the District and comply with all applicable Rules and Regulations as may be amended from time to time. Annexation procedures are detailed in Section 5.2.
- E. **Construction Drawing Review.** No District water connection and/or water service shall be allowed to any type of Development that has not submitted for review and received proper approval by the District of plans and specifications for the connection of any related water infrastructure according to District and State of Utah Division of Drinking Water standards and specifications in force at the time, including these Rules and Regulations.

It's the Developer's responsibility to design all system improvements necessary for the integration of the development into the District's water system. The District will perform three review cycles, two to identify required changes, one final review, and will charge a Construction Plan Review Fee, as adopted by the Administrative Control Board. The District may assess additional Construction Plan Review fees for additional reviews. Once the construction design is approved, the District shall sign the final revision of the construction plans. Following plan approval, an engineer's estimate shall be obtained by the Developer for the construction of all water system improvements for the calculation of inspection fees.

- F. **Water Service Agreement.** As a condition to receiving culinary water service, a Developer or Owner will be required to execute a Water Service Agreement with the District. The Water Service Agreement shall contain at a minimum the provisions included in APPENDIX A, including any addenda which may be applicable to the specific development or project.
- G. **Development Plat Approval and Project Construction.** Upon execution of the Water Service Agreement as outlined above, the process to completion shall proceed as follows:
 1. The District and the State of Utah Division of Drinking Water (if necessary, for the type of improvements), shall complete review of all water system improvements and issue a plan approval.
 2. Inspection Fees will be paid to the District in full.
 3. The Developer or Owner will provide to the District proof of all necessary payment and performance bonds required for the project or a separate Infrastructure Security Agreement between the Developer or Owner and the District.
 4. All easements required for all water related improvements will be executed, recorded, and copies provided to the District.

5. If the plat needs to be recorded before construction begins, the District will sign such plat(s) after ensuring that the proper language is contained therein as expressed in the executed Water Service Agreement. If construction is to begin before the plat signing, the District will sign as specified in the Water Service Agreement when it is available.
6. The District inspection staff will make periodic inspections to ensure that all construction is performed in a satisfactory manner, according to these Rules and Regulations, District Construction Standards and Drawings, and the approved system plans and specifications. A stop work order may be issued in the event of non-compliance and the Developer or Owner will not be allowed to continue until the defect(s) are remedied to the satisfaction of the District.
7. When the new system is completed and properly disinfected, tested, and declared safe, the project will be connected to the District's primary water infrastructure feeding the Development. The Developer or Owner shall be responsible for payment of all water usage during the construction process, according to the District's currently adopted Interruptible Sources rate.
8. The District will perform a final inspection and prepare a punch list of completion items to the Developer or Owner for proper remediation.
9. Upon completion of the punch list items, the Developer or Owner will receive a Conditional System Acceptance Letter from the District. The District will formally accept the improvements and within 30-days, the Developer or Owner shall convey all title to such system improvements to the District using the District's Bill of Sale form or other transfer mechanism as approved by the District. Along with the transfer of assets, the Developer or Owner will provide to the District a final breakdown and total of all the costs associated with the water system improvements.
10. All water improvements constructed by Developers or their agents, for the benefit of the District will be warranted from defects in installation, workmanship, and equipment for a period of one (1) year from the date of conditional acceptance of the system improvements by the District. Surety will be provided by the Developer or Owner in the form of a warranty bond or included in the performance bond upon written approval of the District. All repairs will be performed by the Developer or Owner immediately upon the District's request.
11. Upon conditional approval from and acceptance by the District of the improvements, Customers will be allowed to receive service on the newly completed water system.
12. Upon system connection and signing of the final plat – all properties served by the improvements will be assessed stand-by fees according to these Rules and Regulations. In some cases, the properties may already be assessed a standby fee pursuant to a previous agreement.
13. Prior to the end of the warranty period, the District will provide to the Developer or Owner a final punch list of items that need to be repaired.
14. Upon completion of any necessary repairs and expiration of the warranty period, the warranty bond will be released and the Final System Acceptance Letter will be issued by the District.
15. The District will own, operate, repair, and maintain all improvements in perpetuity in accordance with Section 3.8.

16. The Developer or Owner will provide any future easements as needed by the District in order to expand, extend, loop, or enhance the quality or quantity of service to the Development and any other developments serviced by the District.

5.2 Ponds, Swimming Pools, and Other Water Features

Any pond, swimming pool, or other water feature utilizing District water must be designed and constructed to minimize water loss and waste. The pond or feature should be lined and protected from possible animal damage. The Owners of such facilities will be responsible to pay for any water losses incurred by the improper maintenance of the pool, pond or water feature. A proper backflow prevention device is required on the service to such facilities. Backflow devices must be properly inspected at least annually.

5.3 Standards, Specifications and Drawings

The District has adopted water system construction standards, drawings, and specifications and such standards, drawings, and specifications as may be amended from time to time are incorporated into these regulations by reference and are enforceable on a same level as these regulations. All development of new or enlarged water infrastructure shall comply with said standards, drawings, and specifications. The General Manager, with the consultation of the District Engineer, may make revisions, modifications, or amendments to the standards, drawings, and specifications at any time. The standards, drawings, and specifications may also specify certain brands of equipment to be exclusively used in construction so that the District does not need to acquire and stock multiple brands of repair parts and equipment inventories.

5.4 Line Extension Agreements

Line extension agreements may be entered into between the District and Developer to assist the Developer in the recovery of future lateral connections to his/her new line or system extension. These agreements must be approved by the Administrative Control Board and are limited to a period not exceeding five (5) years. Extension reimbursements will only apply to lateral connections to the actual installed pipeline and will not apply to other extensions constructed or added on to the end of the pipeline(s).

5.5 Irrigation Water Service

The development of irrigation water from sources of supply that are of lower quality or untreated water can increase the supply of good quality water available for culinary use, as well as extend the use of good quality groundwater sources.

The development of irrigation water, construction of conveyance systems, and related responsibilities shall be defined in contracts or agreements on a case-by-case basis between the Developer or Owner and the District. All applicable rules and regulations as amended shall apply.

6.0 SERVICE TO RETAIL CUSTOMERS

6.1 Application for Service

Each person desiring or receiving water service from the District shall sign a Water Service Agreement, wherein each Customer agrees to pay all water service fees and charges imposed for water delivered to Customer and to comply with these Rules and Regulations as adopted or as amended in the future.

6.2 Service to Customers with New Connections

Each Applicant for Water Service to a new connection shall be required, as a condition of service, to:

- A. Fees.** Pay the following fees as legally adopted and amended:
1. The currently approved District Impact fee and/or tender a Prepayment Letter for all or a portion of the Impact Fees covered by the Prepayment Letter, and
 2. A Security Deposit, and
 3. A meter connection fee for each connection based upon meter size and appurtenant remote read equipment. A request for any connection requiring larger than a one and one half inch (1-1/2") meter shall be accompanied by the water or plumbing system designer's calculations for peak instantaneous water usage. The peak instantaneous flow shall be compared against the District's current water meter specifications and an appropriate meter size selection be made accordingly by the District.
 4. Inspection and Plan Check fees as applicable
- B. Responsibility.** If the Applicant for Water Service sub-contracts any of the work for the water connection, said Applicant is responsible for all work on the water connection, including the repair of any damage to the District's water infrastructure.
- C. Authorization to Connect.** Upon the District's inspection and approval of the metered connection and receipt of all required fees, the District shall turn on the Customer's water. The service lateral, any required backflow equipment, and water meter pit and setter (the District will install the meter) shall be installed by Applicant for Water Service at said Applicant's sole expense. No water shall pass through the meter until the District has inspected, tested, and approved the connection and any appurtenant equipment to ensure compliance with District and State of Utah Division of Drinking Water standards. Upon the District's approval of the service lateral and metered connection and its receipt of all required fees, the District shall refund to customer the security deposit less the cost to repair any damage to the District's water infrastructure following the final inspection. If the repair exceeds the amount of the deposit, it will be billed to the Customer and must be paid before water service will be provided.

6.3 Service to New Customers as a Result of a Sale or Transfer of Premises

Each Customer shall report to the District's business office, the sale or transfer of any property and request for the termination of service to the property.

- A. Final Meter Reads.** Upon receipt of this written request, the District shall read the meter, weather conditions permitting, and may close the shutoff valve and terminate water service to the unit or facility. Where it is not possible to obtain a meter reading, the District shall estimate the Customer's metered use.
- B. Renewed Service.** The subsequent Customer, shall be required to make a formal application for renewed service to the home or structure on a form provided by the District.
- C. Application for Service.** As a precondition to renewed service, the proposed Customer shall sign a new Water Service Agreement on a form provided by the District and agree to comply with the lawfully adopted Rules and Regulations of the District. In the event a signed Water Service Agreement

is not returned to the District, receipt of water service constitutes the Customer's acceptance of these Rules and Regulations, as amended.

- D. **Meter Upgrade Fee.** The subsequent Customer may be required to pay, at the discretion of the District, a meter upgrade fee to ensure compliance with new meter standards and cross connection control rules. An Onsite Visit Fee for meter inspection shall be assessed even if a new meter is already installed on the Customer's property.

Subject to payment of the legally adopted and amended Title Transfer Fee, and upon compliance with all of the foregoing terms and conditions of this subsection, water service shall be restored to the property.

6.4 Water System Ownership and Maintenance

- A. **District Owned Water System.** With respect to all water distribution and transmission systems, the District shall hold title to it and all related infrastructure. The District shall maintain, repair and replace the same in perpetuity.
- B. **Water Systems on Commercial Property.** Where water systems exist on commercial property, including water mains, fire hydrants, valves, and other related appurtenances, the Owner shall have responsibility to maintain, repair, and replace the same in perpetuity unless otherwise specified in separate agreement. The District shall have the ability to inspect and perform water system maintenance on the Owner's system as needed to ensure the safe operation of the District's water system.
- C. **District Maintenance and Repairs.** With respect to service laterals and related appurtenances for the water systems, the District shall hold title as follows:
1. **Meter Located Near the Street or Property Line.** The District owns the lateral and related appurtenances from the main up to and including the meter box. If the meter or shut-off valve is turned off or closed and a water leak continues, the District shall be responsible for the leak including the meter, meter box, backflow prevention device (if located in the meter setter), and shutoff valve.
 2. **Meter Located Inside Structure or Directly Next to Structure.** The District shall own the service lateral and related appurtenances to the property line and be responsible for leaks up to the property line.
 3. **Other Meter Locations.** The District, at its sole discretion, shall make a reasonable determination as to whether the District or the Customer is responsible to repair the leak.
- D. **Customer Maintenance and Repairs.** With respect to service laterals on water systems, the Customer shall hold title to the portion of the service lateral and make repairs as follows:
1. **Meter Located Near the Street or Property Line.** The Customer owns the lateral and related appurtenances including pressure reducing valves and regulators inside their property line and shall have the responsibility to maintain, repair, and replace the same in perpetuity. If the meter or shut-off valve is turned off or closed and a water leak stops, the Customer shall be responsible for the leak unless it is in the meter saddle or yoke.
 2. **Meter Located Inside Structure or Directly Next to Structure.** The Customer shall be responsible for leaks inside their property line.

3. Other Locations. The District, at its sole discretion, shall make a reasonable determination as to whether the District or the Customer is responsible to repair the leak.

- E. District Repairs Where the Customer is Liable. The District may, without incurring liability, make emergency repairs to service laterals that are the responsibility of the Customer in order to mitigate damage, prevent waste of water, and to prevent contamination of the water supply. Any such repairs shall be at the Customer's expense and shall be billed to Customer by the District. Customers shall pay any such bill, (or make payment arrangements,) by the due date on the bill.

6.5 One Structure per Meter

All uses of culinary and irrigation water from the District's water distribution system, including fire hydrants (construction water), shall be metered. Multiple dwelling (condominium type) units will be serviced by individual unit meters, unless otherwise approved by the District, which can be read in one location. Anyone using water through an un-metered connection, without the express prior written authorization of the District, shall be subject to prosecution under the theft of services statutes of the State of Utah and assessment of the Theft of Service Fee.

6.6 Meter Readers and Meter Maintenance

Customers shall not obstruct in any way the ability of authorized District personnel to gain access to water meters for periodic inspections, reading and maintenance. The cost of removing any physical obstructions will be charged to the Customer. If the District determines, at its sole discretion, that a meter needs to be relocated for access, meter tampering or health and safety reasons, the District will relocate the meter and charge the costs back to the Customer. By connecting to the District water system, each Customer manifests his or her agreement to comply with these Rules and Regulations and shall be deemed to have granted access to their property to the District meter reader for the purpose of reading water meters on a monthly or other periodic basis.

- A. Meter Error. In the event a meter should malfunction and a reliable reading is not possible to obtain, or due to weather conditions or meter inaccessibility it is not possible to read a meter, charges shall be estimated by comparing the past known water usage through the water meter to that of adjoining or similar properties where past and current month's usage is known, or by reference to the past water usage through the water meter during a corresponding time of the year. Where such data is unavailable, then estimates shall be made by comparing the past known water usage on similar or adjoining properties, and averaging the same.
- B. Meter Testing. If a Customer contests the accuracy of the water meter serving the property, the District shall perform the service necessary to verify the accuracy of the meter. If the water meter is over or under reading, there will be no charge for the repair to the meter. Appropriate adjustments for water usage will be made to the Customer's next water bill. Adjustments shall not be made for any period greater than three (3) months. Meter errors of five percent (5%) or less shall be deemed to be accurate readings, warranting no adjustments. If, upon a second meter reading (as requested by Customer) within a one (1) year period for the purposes of determining meter error, the meter is found to be accurately calibrated, the On-Site Visit Fee, as legally adopted and amended, shall be assessed on the next billing to Customer.
- C. Meter Tampering. It shall be a violation of these Rules and Regulations to tamper with or bypass any water meter for the purpose of causing it to produce inaccurate readings or for bypassing the meter so as to obtain un-metered water. Willful consumption of water through a water meter known to be damaged, bypassed, or tampered with shall constitute a theft of service and shall subject the offender to prosecution in accordance with the laws of the State of Utah.

6.7 Water Pressure and Level of Service

After compliance with all District Rules and Regulations and payment of required fees, the District will provide water service at the highest possible level of safety and service it can reasonably provide to its Customers. While recognizing that interruptions in service and pressure fluctuations are normal in a region with heavy growth and construction constraints, the Customer must maintain a reliable pressure reducing device on the property to protect Customer plumbing fixtures (including fire protection equipment) from pressure fluctuations and surges caused by water line breaks, construction damage, and system equipment failures. The District will not be responsible for damage to Customer properties, including culinary, irrigation, and fire protection water systems, due to pressure fluctuations. The Customer is responsible to take whatever means necessary to prevent damage to their culinary, irrigation, and fire protection water systems from pressure fluctuations.

6.8 Fire Hydrants

No person may withdraw water from any fire hydrant, including its service lateral or appurtenances, without the written permission of the District, and if granted must be in compliance with the Uniform Fire Code (or any other applicable fire code) adopted by Summit County or any relevant Fire District. The Park City Fire Service District or any other fire district or department is hereby authorized to withdraw water from any fire hydrant or hydrants for hydrant testing and inspection purposes and, in the case of fire, to use the water for fire suppression without any prior notice to the District. Any unauthorized connection to and use of water from a fire hydrant shall be a violation of these Rules and Regulations and shall constitute a theft of services. The violator will be assessed a Theft of Service Fee, as legally adopted and amended, and may be subject to other civil and/or criminal penalties as provided by law.

- A. **District Fire Hydrants.** Apart from the authorized uses above, District Fire Hydrants can only be used for construction related activities as authorized by the District. The authorized user shall pay a Security Deposit and a Meter Wear Fee, as legally adopted and amended, for the use of a District meter and fire hydrant, and will be billed for water service at the culinary construction water rates which are in effect at the time. Any damage to the hydrant or unauthorized use of water from an approved metered hydrant shall be the responsibility of the applicant or authorized user and will be taken out of the Security Deposit to pay for the damages and/or use. If the damages exceed the Security Deposit, the authorized user shall be billed for the difference.

For District Fire Hydrants on private roads, the property owner or the home owner's association will be responsible to clear the snow from the fire hydrant and immediate area so it is accessible for use during the winter months. For purposes of these Rules and Regulations, a private road is any road that is not owned or maintained by a government entity.

- B. **Private Fire Hydrants Connected to the District System.** Private Fire Hydrants and the lateral line to the District's main transmission line, which are required by the Developer, Owner, or Fire District, to be located within the private property area or lot confines (typically in large lots) of a residential or commercial customer, and which are necessary to supply any fire needs not available by the hydrants located along a typical abutting street or District owned distribution system, remain the property of the Developer, lot owner or Customer, and the operation, testing, safety, and functionality of the hydrant and lateral, ultimately remain the responsibility of said Owner(s). The Developer, lot owner, or Customer is required to have their Private Fire Hydrants inspected, at their sole cost and expense, in accordance with the applicable fire code. The District may enact fees, as designated in the current District rate schedule, to test, inspect, and maintain said hydrants, on a regular basis. If, in the sole discretion of the District, it is determined that a Private Fire Hydrant could jeopardize the District's primary water distribution system, the District may initiate a repair and/or service order on the hydrant facility and appurtenant hydrant service lateral, and impose a related fee for the service, including time and materials, upon the property owner or Customer in a priority commensurate with

any assessment or monthly water use fee. Such situations requiring said service may include, but may not be limited to: water leaks, theft of water service, illegal or unapproved water taps on the hydrant or lateral, hydrant failure or damage, residual pressure problems, lack of hydrant visibility or access, or stagnant water or backflow conditions in the hydrant service or lateral, which could pose a water quality or water born pathogen problem on the primary system; thus jeopardizing public health and safety

During the winter, the Owner of the Private Fire Hydrant(s) will be responsible to clear the snow from the fire hydrant and immediate area so it is accessible for use. The District Fire Hydrant maintenance fee does not include snow removal.

- C. **New Hydrant Requests by District Customers.** If a District Customer requests the installation of a private hydrant on their property, or a public hydrant to be placed on a public or private road servicing their property, they must comply with District hydrant construction standards and will be required to pay for the costs of easements, materials and installation of the same. If it is on their lot, they will also be required to comply with the Private Fire Hydrant Regulations herein prescribed.
- D. **Private Hydrants serving Non-District Properties.** If a Non-District property owner requests of the District the installation of a private or public hydrant, either on their property or on their servicing road right-of-way, they will be required to pay all costs of easements, materials and construction of the same. If it is located on their property, they will also be subject to the Private Fire Hydrant policies and fees as stated herein. Further as a condition of service, they will be required to pay the Storage and Distribution portion of the District Impact Fees in effect at the time for one (1) ERC.

6.9 Temporary Suspension of Culinary and Irrigation Water Service by District

The District reserves the right at any time to shut off the water anywhere within its culinary and irrigation water distribution system for the purpose of making any repairs and/or extensions to the system or for other temporary purposes as deemed necessary by the District. No claim or cause of action shall arise against the District by reason of: (i) any suspension of water service for the purpose of making any repairs and/or extensions to the system or for other temporary purposes, (ii) the stoppage of water or interruption of water service due to the scarcity of water, (iii) damage to any water work or facility of the District, (iv) the stoppage of water or interruption of water service due to a sudden or potential water quality problem or cross connection, or (v) any other cause beyond the reasonable control of the District.

6.10 Temporary Suspension of Water Service by Customer

Water service may not be terminated on a seasonal basis due to lack of occupancy of a connection, unless the suspension will last more than one (1) year. Upon receipt of request, a Removal of Meter Fee shall be charged as legally adopted and amended. Service will not be suspended, if in the discretion of the District, the suspension would pose a health, safety, or property protection hazard. The Resumption of Disconnected Service fees will apply when service is reinstated. Standby service cannot be suspended.

6.11 Theft of Service

Any person or entity which engages in an unauthorized connection to the District's water system or any other unauthorized use of water will be charged the Theft of Service Fee, as legally adopted and amended, and will have any associated equipment used for the theft of service confiscated.

6.12 Wasting of Water Prohibited.

It is a violation of these Rules and Regulations to waste water and to allow any appliance, fixture, equipment, sprinkler system, faucets, or other similar water-using facility to leak, overflow or operate in a wasteful manner,

or for a Customer to use water for purposes other than those for which the Customer paid upon requesting service.

A. Purpose. This section is not intended to regulate or prevent the beneficial use of water on property within the District service area. It is intended to prevent and discourage the waste of water within the District service area.

B. Wasting of Water defined. No person shall waste any water supplied by the District. In general, the water is put to waste if it is not beneficially used. The Wasting of Water specifically includes, but is not limited to, the following:

1. Water running off a landscaped area to another area where it is not beneficially used such as to a street, sidewalk, gutter, alley, public utility easement or parking area (paved or unpaved);
2. Washing vehicles in a driveway in a manner that uses excess water beyond that reasonably necessary for washing and rinsing;
3. The hosing down of driveways, sidewalks and other landscape should be limited and accomplished in a way that the water will run off into other landscaped areas, but, in no event, in a manner that uses excess water beyond that reasonably necessary for washing and rinsing;
4. Outside watering on days in violation of an approved watering schedule; or
5. Any use of water in excess of that reasonably necessary to accomplish the intended task.

C. Causes of Wasting of Water. A typical significant cause for the Wasting of Water is the failure by the Customer to properly maintain outdoor watering systems. Specific examples of such failure to maintain include but are not limited to the following:

1. Damaged or missing spray heads;
2. Damaged or missing bubbler heads;
3. Damaged or missing drip irrigation lines;
4. Failure to properly maintain berms, laterals and pipes for urban irrigation; or
5. Failure to properly maintain automatic timing systems on landscape watering.

D. Leakage, escape of water prohibited. It is hereby prohibited for anyone to permit the excess use, loss or escape of water through breaks, leaks or malfunction in the Customer's plumbing or distribution facilities for any period of time after such escape of water should have reasonably been discovered and corrected.

E. Appeals and Exceptions. The District's General Manager may grant an exemption for the uses of water otherwise prohibited hereby if he/she finds and determines that compliance with 3.14 will be detrimental to the health, safety and welfare of the public. Upon granting any such exception, there may be imposed any conditions the General Manager determines to be reasonable and proper. The conditions shall include, at a minimum, a water conservation audit of the Customer's facility.

F. Enforcement:

1. **Warning.** For a first violation, the District shall issue a warning by written notice (“Warning Notice”) and provide educational materials on water conservation, as well as the written policy pertaining to the approved watering schedule, including times of watering, to a Customer violating the provisions of 3.14. The District may engage in prior contacts and verbal notifications prior to a first violation being issued.
2. **Notice of Violation (for the same matter).** The District shall issue a written notice of violation to a Customer for a second, third, and fourth violation of 3.14 which occurs within a twelve (12) month period (“Notice of Violation”). Fines, as legally adopted and amended, will be added to the water bill for the violations. The District may engage in prior contacts and verbal notifications prior to a Notice of Violation being issued.

G. Subsequent violations (for the same matter) after the Third Notice of Violation (fourth violation); discontinuance of service. For any violation subsequent to the Third Notice of Violation of 3.14 within twenty-four (24) months after the date of issuance of the Warning Notice, a fine, as legally adopted and amended, will be added to the water bill for the violation. In addition to the fine, the District may discontinue water service with written notification to that Customer at the premises or to the meter where the violations occurred. Further, the District may require a Security Deposit. The District shall also be entitled to take legal action to enforce compliance with these Rules and Regulations, whether by injunctive relief or otherwise.

H. Notice. A written Notice of Violation (or a Warning Notice in the case of the first violation) shall be issued for each violation. The Warning Notice shall be delivered in person or by regular mail to the Customer. All subsequent notices will be delivered by certified mail to the person identified on the account for the meter through which the wasted water was supplied. The notice will:

1. Inform the Customer that second, third, fourth or subsequent violation of these regulations, above, has occurred;
2. Specify when the previous violation(s) (of the same matter) occurred;
3. Inform the Customer of the requirement for a water audit and the development of a compliance schedule indicating when required measures will be completed;
4. Inform the Customer that failure to correct the problem within the time limit provided for in the compliance schedule will result in another Notice of Violation; and
5. The notice shall contain, in addition to the facts of the violation, a statement of the possible penalties and/or fines for each violation and a statement informing the Customer of his or her right to request a hearing before the Administrative Control Board on the Notice of Violation. Such request must be made within fifteen (15) calendar days of the effective date of the violation. The effective date of the violation shall be the date of issuance of the Notice of Violation or Warning Notice.

I. Hearings. Any Customer or person against whom a penalty or fine is levied pursuant to 3.14 shall have a right to a hearing before the Administrative Control Board. The rights of the District pursuant to 3.14 are cumulative to any other right or ordinance of the District in relation to the Customer or person. All monies collected by the District pursuant to any of the penalty or fine provisions of these Rules and Regulations shall be deposited in the District operating account.

6.13 Emergency Situations

In times of water shortage due to drought or any other natural or man-made condition or occurrence, the District shall have full authority to declare a water emergency, and to ration or otherwise regulate the distribution and use of culinary and/or irrigation water through the District's water system. Such action by the Administrative Control Board may include a moratorium on new water connections until the emergency has been alleviated.

7.0 BACK-FLOW PREVENTION AND CROSS-CONNECTION CONTROL

7.1 Purpose:

- A. To protect the public drinking water supply of the District from the possibility of contamination or pollution by requiring compliance with both the Utah State Rules for Public Drinking Water Systems and the applicable plumbing code, so as to ensure adequate cross connection control protection of all public drinking water systems. Compliance with these minimum safety standards will be considered reasonable diligence for the prevention of contaminants or pollutants which could backflow into the public drinking water system; and,
- B. To promote the reasonable elimination or control of cross connections in the plumbing fixtures and industrial piping system(s) of the Customer, as required by the state and applicable plumbing regulations, so as to ensure water system safety; and,
- C. To provide for the administration of a continuing program of backflow prevention which will systematically examine risk and effectively prevent the contamination or pollution of the drinking water system.

7.2 Responsibilities:

A. The District:

1. The District shall be responsible for the protection of the drinking water distribution system from the foreseeable conditions leading to the possible contamination or pollution of the drinking water system due to the backflow of contaminants or pollutants into the public drinking water supply.
2. Drinking water system Hazard Assessment of the Customer's water distribution system(s) shall be conducted or caused to be conducted by individuals deemed qualified by and representing the District. Hazard Assessment records shall indicate compliance with the State of Utah Division of Drinking Water regulations. The District will maintain all such records.
3. Selection of an approved backflow prevention assembly for containment control required at the service entrance shall be determined from the results of the Hazard Assessment.
4. The District shall notify in writing, all Customers of the need for annual testing, or additional testing as required by the District, to ensure compliance with existing applicable minimum health and safety standards. The District shall maintain all records.

B. Customer:

1. To comply with these Rules and Regulations and as a term and condition of continued water service, a Customer's acceptance of service is admittance of his/her awareness of his/her responsibilities as a water system user.
2. It shall be the responsibility of the Customer to purchase, install, and arrange testing and maintenance of any backflow prevention device/assembly required to comply with these Rules and Regulations and responsible to supply all inspections to the District. Failure to comply with these Rules and Regulations shall constitute grounds for discontinuation of service and responsibility for related fees.

C. Building Official:

1. The building official's responsibility to enforce the applicable sections of the applicable plumbing code begins at the point of service (downstream or Customer side of the meter) and continues throughout the length of the Customer's water system.
2. The building official will review all plans to ensure that unprotected cross connections are not an integral part of the Customer's water system. If a cross connection cannot be eliminated, it must be protected by the installation of an air gap or an approved backflow prevention device/assembly, in accordance with the applicable plumbing code.

D. Certified Backflow Technician, Surveyor, or Repair Person. Whether employed by the Customer or the District to survey, test, repair, or maintain backflow prevention assemblies, a certified backflow technician, surveyor, or repair person will have the following responsibilities:

1. Ensure that acceptable testing equipment and procedures are used for testing, repairing or overhauling backflow prevention assemblies.
2. Make reports of such testing and/or repairs to the Customer and the District on forms approved for such use by the District within time frames as described by the Utah State Division of Drinking Water.
3. Include the list of materials or replacement parts being used on the reports.
4. Ensure that replacement parts are equal in quality to parts originally supplied by the manufacturer of the assembly being repaired.
5. Refrain from any alterations of the design, material or operational characteristics of the assembly during testing, repair or maintenance.
6. Perform all test of the mechanical devices/assemblies and be responsible for the competence and accuracy of all tests and reports.
7. Insure that his/her license is current, the testing equipment being used is acceptable to the State of Utah, and is in proper operating condition.
8. Be equipped with, and competent to use, all necessary tools, gauges, and other equipment necessary to properly test, and maintain backflow prevention assemblies.
9. Tag each double check valve, pressure vacuum breaker, reduced pressure backflow assembly and high hazard air gap, showing the serial number, date tested and by whom. The certified

technician's license number must also be on the tag.

- E. **Responsibility: Repair of Backflow Assemblies.** In the case of a Customer requiring an assembly to be tested, any currently certified backflow technician is authorized to make the test and report the results to the Customer and the District. If any commercially tested assembly is in need of repair the Utah Construction Trade Licensing Act, Utah Code Ann. Title 58, Chapter 55, *as amended*, requires a licensed plumber to make or supervise actual repairs on any assembly within a building.

7.3 Definitions Unique to Chapter 7. The following words, terms and phrases, when used in this Chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

- A. **Approved Backflow Assembly.** An assembly accepted by the Utah State Department of Environmental Quality, Division of Drinking Water, as meeting an applicable specification or as suitable for the proposed use.
- B. **Auxiliary Water Supply.** Any water supply on or available to the premises other than the District's public water supply will be considered as an auxiliary water supply. These auxiliary waters may include water from another purveyor's public potable water supply or any natural source(s) such as a well, spring, river, stream, etc., or "used waters" or "industrial fluids". These waters may be contaminated or polluted or they may be objectionable and constitute an unacceptable water source over which the District does not have authority for sanitary control.
- C. **Backflow.** The reversal of the normal flow of water caused by either back-pressure or back-siphonage.
- D. **Back-Pressure.** The flow of water or other liquids, mixtures, or substances from a region of high pressure to a region of lower pressure into the water distribution pipes of a potable water supply system from any source(s) other than the intended source.
- E. **Back-Siphonage.** The flow of water or other liquids, mixtures, or substances under vacuum conditions into the distribution pipes of a potable water supply system from any source(s) other than the intended source, caused by the reduction of pressure in the potable water system.
- F. **Backflow Prevention Assembly.** An assembly or means designed to prevent backflow. Specifications for backflow prevention assemblies are contained within the Uniform Plumbing Code, Chapter 10, Section 1003 and in the Cross Connection Control Program for Utah, or its successor, maintained by the Division of Drinking Water.
- G. **Contamination.** Means a degradation of the quality of the potable water supply by sewage, industrial fluids or waste liquids, compounds or other materials that may create a health hazard.
- H. **Cross Connection.** Any physical connection or arrangement of piping or fixtures which may allow non-potable water or industrial fluids or other material of questionable quality to come into contact with potable water inside a water distribution system. This would include temporary conditions, such as swing connections, removable sections, four way plug valves, spools, dummy sections of pipe, swivel or change-over devices or sliding multi-port tubes or other plumbing arrangements.
- I. **Cross Connection – Controlled.** A connection between a potable water system and a non-potable water system with an approved backflow prevention assembly properly installed and maintained so that it will continuously afford the protection commensurate with the degree of hazard.
- J. **Cross Connection – Containment.** The installation of an approved backflow assembly at the water service connection to any Customer's premises where it is physically and economically infeasible to

find, permanently eliminate, or control all actual or potential cross connections within the Customer's water distribution system; or, it shall mean the installation of an approved backflow prevention assembly on the service line leading to and supplying a portion of a Customer's water system where there are actual or potential cross connections which cannot be effectively eliminated or controlled at the point of the cross connection (isolation).

- K. **District.** The District's General Manager is vested with the authority and responsibility for the implementation of an effective cross connection control program and for the enforcement of the provisions of these Rules and Regulations.
- L. **Hazard Assessment.** A detailed inspection of the customer facilities within the customer's plumbing system. This inspection would involve inspecting all water uses and piping within the system. If the customer refuses access to their facilities, the plumbing system must be classified as a high hazard connection and appropriate protection must be required at the service connection.

7.4 Requirements:

A. **Backflow Prevention Policy:**

1. No water service connection to any premises shall be installed or maintained by the District unless the water supply is protected as required by State laws, regulations, or codes, including these Rules and Regulations. Service of water to a Customer found to be in violation of these Rules and Regulations shall be discontinued by the District after due process of written notification of violation and an appropriate time to voluntarily cure noncompliance, if:
 - a. A backflow prevention assembly required by these Rules and Regulations for the control of backflow and cross connections is not installed, tested, and maintained, or
 - b. If it is found that a backflow prevention assembly has been removed or by-passed, or
 - c. If an unprotected cross connection exists on the premises, or
 - d. If a requested Hazard Assessment has not been allowed to be conducted within the specified timeframe.

Service will not be restored until such conditions or defects are corrected.

2. The Customer's system(s) shall be open for inspection at all reasonable times to authorized representatives of the District to determine whether cross connections or other structural or sanitary hazards, including violation of these Rules and Regulations exist and to audit the results of the required Hazard Assessment (R309-105 of the Utah Administrative Code).
3. Whenever the District deems a service connection's water usage contributes a sufficient hazard to the water supply, an approved backflow prevention assembly shall be installed on the service line of the identified Customer's water system, at or near the property line or immediately inside the building being served; but, in all cases, before the first branch line leading off the service line.
4. The type of protective assembly required under 4.4(A)(3), shall depend upon the degree of hazard which exist at the point of cross connection (whether direct or indirect), applicable to local and state requirements or resulting from the required Hazard Assessment.

5. All presently installed backflow prevention assemblies which do not meet the requirements of these Rules and Regulations, but were approved assemblies for the purposes described herein at the time of installation and which have been properly maintained, shall, except for the inspection and maintenance requirements hereunder, be excluded from the requirements of these Rules and Regulations so long as the District is assured that they will satisfactorily protect the public water system. Whenever the existing backflow prevention assembly is moved from its present location or, requires more than minimum maintenance or, when the District finds that the operation of this assembly constitutes a hazard to health, the assembly shall be replaced by an approved backflow prevention assembly meeting all local and state requirements.
6. It shall be the responsibility of the Customer at any premises where backflow prevention assemblies are installed to have certified inspections made at least once per year at the Customer's expense. In those instances where the District deems the hazard to be great, the District may require certified inspections at a more frequent interval. It shall be the duty of the District to see that these tests are made according to the standards set forth by the State Department of Environmental Quality, Division of Drinking Water.
7. All backflow prevention assemblies shall be tested within ten (10) working days of initial installation.
8. No backflow prevention assemblies shall be installed so as to create a safety hazard. (Example: Installed over an electrical panel, steam pipes, boilers, or above ceiling level)
9. In accordance with Utah Administrative Code R309-550, individual booster pumps shall not be allowed for increasing a Customer's water pressure above the District's available pressure at the point of connection unless an exception is granted by the Director of Utah's Division of Drinking Water.

B. Violations of Backflow Prevention Regulations:

If violations of state statute or rule, county ordinance or regulation, or these Rules and Regulations intended to prevent Backflow exist or if there has not been any corrective action taken by the Customer or other person within ten (10) days of the written notification of the deficiencies noted within the survey or test results, then the District shall deny or immediately discontinue service to the premises by providing a physical break in the service line until the Customer has corrected the condition(s) in conformance with all State and local regulations and statutes relating to plumbing, safe drinking water suppliers, and these Rules and Regulations.

8.0 WHOLESALE WATER AND OPERATION SERVICES TO EXISTING NON-DISTRICT ENTITIES

8.1 Extra-Territorial Water and Operation Service

To further the objectives of regionalization and cooperation, the District, with the approval of the Administrative Control Board, may service existing non-District entities with water delivery, in any combination of services, on a wholesale basis by contract, as well as provide operation and maintenance services to non-District entities with or without water sales, on a case-by-case basis and subject to these Rules and Regulations. Wholesale water sales are allowed, if excess or surplus water capacity is available, to increase revenue, which in turn benefits all Customers, as well as putting to use possible idle infrastructure. Wholesale water sales

always utilize surplus water source and infrastructure capacity, and are supplied at an “interruptible” or lesser priority to retail Customers within the District.

8.2 Transportation and Delivery of Entity’s Own Water

A. **System Operations Contract.** Any entity desiring to have the District assume the operation and/or control of its water system (including at the District’s sole option, Developers who have water rights, a water source and water system sufficient for all of the culinary and irrigation water requirements of its Development) if acceptable to the Administrative Control Board, shall enter into a systems operation contract with the District, pursuant to which the District shall provide water service, using the entity’s own water rights, water source and water system, on an equal basis with all other contracts. If the entity is a public agency, the contract may be in the form of an Interlocal Agreement with that entity. If the system is a private water utility, the District may require that the entity provide the District with an option to annex, purchase, or a purchase agreement, as a condition to servicing the system. The following rules shall apply:

1. **Public Entities.** Short or long-term operation and maintenance services may be provided to public water purveyors (such as Municipalities, Special Service Districts, Improvement Districts, or Service Areas) through Interlocal Cooperative Agreements, as set forth in UCA, Title 11, Chapter 13 (“Interlocal Cooperation Act”).
2. **Private Entities.** Only short-term (no more than 1 year) operation and maintenance agreements may be entered into with private water companies, including profit or non-profit (mutual companies), during emergencies or for the purposes of acquisition of the company and annexation into the District for permanent service.

B. **Water Fees.** Water fees and charges, as legally adopted and amended will be imposed for delivery of such entities own water by rates described in the interlocal or service agreements, and shall cover all necessary costs to the District to provide the service.

C. **Facilities.** All water transmission lines, pump stations, treatment facilities, pressure regulation equipment, storage facilities, meters and meter stations, SCADA systems, and all other equipment and facilities necessary for the transportation and delivery of water within the entity and from the District’s point of delivery at its main water transmission line for water to the entity’s water system will be constructed, owned, operated, maintained and repaired by such entity at its sole cost and expense.

8.3 Emergency Services

The District may assist any water system in the County in an emergency situation or when the public health or welfare is jeopardized, whenever the need arises and as the District has necessary staff, resources, and equipment available. The District may assess fees for such services to recover the actual costs of time and materials.

9.0 WATER CONSERVATION

9.1 General Regulations

The District takes water conservation very seriously. All Customers and users of retail water within the District shall conform to these regulations and the most recently adopted or amended District Water Conservation Plan.

9.2 Wholesale Customers

Wholesale customers of District water may be required to furnish to the District a copy of an adopted and implemented conservation plan within three (3) months of a written request from the District.

9.3 Violations

The violation of any major conservation regulation hereunder, an approved conservation plan pertaining to the Development, or the Conservation Plan of the District may result in a thirty percent (30%) water conservation violation surcharge or penalty being added to each monthly water bill for retail Customers. This surcharge or penalty is calculated as a percentage of the total bill, including base fees plus any applicable overage charges.

9.4 Enhanced Irrigation for Major Developments

Any major Development which consumes large amounts of non-culinary, irrigation water, such as a large recreational park or golf course, may be required to implement enhanced irrigation strategies and equipment to better time the application of irrigation water to weather and evapotranspiration conditions. All of the costs of installation, maintenance, and monitoring of weather, rainfall, and/or evapotranspiration calculation equipment on their property shall be borne by the Developer or Owner and shall be utilized properly to better monitor optimum water needs for the Development.

9.5 Water Conservation Reports and Plans

- A. **New Non-residential Buildings or Structures, "Water Conservation Report"**. The District may request that a "Water Conservation Report", signed by a Utah registered architect or engineer be filed with the District before a Commitment-of-Service Letter and/or water connection is issued or allowed for new non-residential buildings or structures. A "Water Conservation Report" shall contain the following:
1. A detailed section on proposed uses of water in the industrial process which must demonstrate conservation-oriented techniques, including water usage techniques and mechanisms which employ the latest commercially available technology consistent with reasonable economic return;
 2. A section which reports on the exterior landscaping design; describing how native plants and xeriscaping techniques will be employed where possible, and setting forth where water efficient irrigation systems will be utilized.
 3. A section which notes all other areas of planned conservation in interior/exterior water use and demonstrates a bona fide commitment to reasonable conservation efforts.
- B. **Additions, Alterations or Repairs to Existing Non-residential Buildings or Structures, "Water Conservation Report."** Additions, alterations or repairs may be made to any existing nonresidential building or structure without requiring compliance with the above section provided the addition, alteration, or repair conforms to that required for a new building or structure and provided that the additions, alterations or repairs within a twelve (12) month period do not exceed fifty percent (50%) of the value of the existing building or structure. When additions, alterations or repairs within any twelve (12) month period exceed fifty percent (50%) of the value of an existing building or structure, a "Water Conservation Report" may be requested by the District in accordance with this section. Failure to submit a report within three (3) months of a written request from the District shall be grounds (i) to withhold a Willing-to-Serve Letter or Commitment-of-Service Letter or (ii) for termination of water service to the project or Development.

C. **Water plan required for new non-residential users greater than 9,000 gallons per day.** New non-residential users who have an estimated annual water usage which averages nine thousand (9,000) gallons per day or more (excluding turf-related facilities) may be required to submit a "Water Use Plan" sealed by a Utah registered architect or engineer that it complies with this section as a condition to a water connection to the District. Failure to submit a plan within three (3) months of a written request from the District will result in the withholding of a Commitment-of-Service Letter for the project or Development. The "Water Use Plan" shall contain at least the following:

1. A description of any available water conservation training programs offered to employees. Employee training information may be offered by the District to the facility after the construction is completed;
2. Whether alternative water sources will be used (i.e., effluent, poor quality groundwater or other non-groundwater sources);
3. Operating levels of total dissolved solids (TDS) or conductivity for cooling towers and total cooling capacity if applicable;
4. Whether the user will use the best available conservation technologies in accordance with existing process uses (i.e., re-circulating systems for process water, alternative dust control methods, automatic shut-down devices to eliminate continual running water);
5. Any plans for the reuse of wastewater or process water at the facility; and
6. Type of landscaping and irrigation system. Including details of the exterior landscaping design, describing how native plants and xeriscaping techniques will be employed where possible, and setting forth where water efficient irrigation systems will be utilized.

9.6 Irrigation Schedules and Restrictions

The District may curtail outside watering or irrigation in any fashion it deems necessary to protect its water supplies during drought conditions or failure of one or more water sources. Restrictions may be set as voluntary or mandatory. If restrictions are mandatory, the District may impose fines and/or penalties to enforce the restrictions on a level to be set at the time, depending on the seriousness of the water shortages. In all cases, and for all types of Customers in the District, whether a drought condition exists or not, outside watering will be scheduled at a maximum interval of every other day.

9.7 Rainwater Harvesting

Rainwater Harvesting on homes or business is allowed only if it complies with State Law and follows all requirements of the Utah Division of Water Rights, including any necessary registrations, filings, approvals, etc. The rainwater harvesting system must also be isolated (using an air gap) from the culinary systems and be compliant with Chapter 6 of these Rules and Regulations. The Owner shall comply with all local rules, including the Summit County Code, as well as any relevant HOA approvals and design requirements.

9.8 Conservation Implementation

The District may withhold Commitment-of-Service Letters for any project or Development that fails to implement mandatory water conservation measures outlined in the District's Water Conservation Plan.

9.9 Wastewater Reuse

The District reserves all rights to reuse domestic wastewater, as defined by the Wastewater Reuse Act, Utah Code Ann. § 73-3c-102, *as amended* or any successor provision.

10.0 AMENDMENTS

These Rules and Regulations may be supplanted, changed and amended from time to time upon a recommendation of the Administrative Control Board and approval by the County Council. No exceptions to these rules will be permitted without the prior written approval of the Administrative Control Board. Any changes to these Rules and Regulations must comply with all District bond covenants and requirements.

11.0 SAVING CLAUSE

If any section, subsection, sentence, clause or phrase of these Rules and Regulations is for any reason held to be invalid by a court of competent jurisdiction, such determination shall not affect the validity of the remaining portions of these Rules and Regulations, which shall remain binding and enforceable against Developers, Owners, and the Customers of the District.

12.0 EFFECTIVE DATE

These Rules and Regulations shall be in full force and effect from and after the date of passage and adoption by the County Council.

APPENDIX A: Water Service Agreement

5.3 **Water Service Agreement.** As a condition to receiving culinary water service, a Developer or Owner will be required to execute a Water Service Agreement with the District. The Water Service Agreement shall contain at a minimum the following provisions, including any addenda which may be applicable to the specific development or project.

A. **Inspection Fee.** Upon execution of a water service agreement, the Developer or Owner shall pay an inspection fee in an amount, which is estimated by the District to be three (3) percent of the cost of the water infrastructure for each Phase of the development, as certified by the Developer's or Owner's licensed engineer, to adequately compensate the District for the services of the engineer, surveyor, inspector, hydrologist, geologist, attorney, accountant or other service professionals deemed advisable by the District to assist in the new development, including the inspection, final inspection, and approval of all water system infrastructure.

A Phase may include the installation of water system infrastructure that is not tied to specific plat that will serve all or a portion of a development; or a Phase may include the installation of water system infrastructure that will service one or more plats; or some combination thereof.

The inspection fee will also apply to any waterline installed within a specific lot that is 2.0 inches or more in diameter.

B. **Construction Standards, Specifications & Drawings; Approvals.** All construction and development of the water infrastructure must meet the District's standards and specifications as well as any appurtenant State of Utah and Summit County regulations. Any booster stations, treatment facilities, pressure reducing valves and/or storage facilities shall be placed at elevations and locations that are compatible with existing pressure zones and operational strategies within the local area and the overall regional water system. The internal culinary water system infrastructure shall not be connected to the District's main distribution and/or transmission system until accepted by the District in writing with all the necessary documents as stated herein. The Developer or Owner shall be required to submit to the District for approval and prior to any construction, plans and specifications of all necessary on-site and off-site water related infrastructure necessary to properly service said Development as required by the District. The Developer or Owner is required to supply record drawings, O&M manuals, and other materials necessary to the District in order for the District to receive proper State Operating Permits for said improvements. This approval is necessary before the District approves any new improvement, or provides a final acceptance of installed improvements.

C. **Bond/Security.** The Developer will provide evidence of bonding to the District, or security in some other form approved by the Administrative Control Board as outlined in a separate Infrastructure Security Agreement ("Security Agreement") between the parties, to cover the costs of infrastructure improvements and installation for the Development prior to commencing with construction. The District will authorize partial bond releases as work is completed and approved by the District.

D. **Construction and Inspections of Culinary Water System Infrastructure.** Upon said plan and specification approval and providing evidence of the bonding or Security Agreement required by the District, the Developer or Owner will coordinate with the District to establish an inspection schedule and process for the construction and development of all necessary on-site and off-site water system infrastructure. Approved plans and specifications will be available on the construction site at all times for review and inspection.

On or before the date of final inspection and system acceptance, the Developer's or Owner's engineer of record shall provide accurate completed prints certified to the Record of Construction to the District

as well as any O&M manuals. Record prints shall consist of one (1) set of 11x17 prints, one (1) set of 24x36 prints, and approved electronic media consisting of AutoCAD files, pdf's, and ArcGIS compatible shape files containing all record information with coordinate data in a format and projection specified and usable by the District.

If the Developer or Owner fails to schedule or allow the required inspections, the Developer or Owner will be required to expose any portion of the water system that has not been properly inspected. The District will not approve any additional plans or plats for that Development or continue water service until all required inspections are completed and any requirements set forth by the District's engineer have been satisfied. All inspections shall be performed by District's engineer or designated inspector, including approvals for the water system. The water system will not receive a final approval by the District until the system meets all of the specified requirements, State of Utah Division of Drinking Water requirements, and the system is issued an operating permit by the State of Utah Division of Drinking Water that results in the system being classified as a public system.

The District also reserves the right to upgrade any required infrastructure for future use and will pay for such upgrades at the District's cost. Said costs will be calculated on an incremental upsizing basis as determined by the District's engineers. An additional "Betterment" or "Aid to Construction" type of agreement may be necessary if such upsizing is utilized.

The Developer or Owner further agrees to allow a narrow antenna structure, not exceeding fifty (50) feet in height to be placed on any reservoir, tank, pumping, or treatment facilities to allow for the proper telemetry, monitoring and control of said facility. The District will make every effort to site the structure in a fashion that is as unobtrusive as possible.

- E. **Easements.** Any new development becomes an integral part of the District's system; and as such the Developer or Owner shall provide any current and future easements required by the District to serve all its Customers. These easements and all necessary documents will be provided to the District before the District will sign the plat or provide water service.

The Developer and Owner acknowledge that water service in Summit County is a continuous growing and expanding concern, and as such warrants and covenants with the District that all improvements necessary for said Development are covered by proper and legal exclusive or non-exclusive public easements, in a manner and form that allows the District all of the flexibility and safety it needs to properly operate and maintain its public water infrastructure. All pipeline easements must be twenty (20) feet in width or larger if necessary. The Developer or Owner will further provide permission upon execution of the Water Service Agreement that all water infrastructure within his/her project or subdivision may be expanded, including the drilling and development and servicing of wells and other water sources within the Development for the provision of expanded service to internal and/or adjoining or neighboring projects for any reason, as solely determined by the District. The Developer or Owner will further provide a non-exclusive easement in all subdivision roads, including any access roads and common space or open space, as well as along all lot lines, for said water infrastructure extensions; and will waive all rights of any and all current and future claims, including monetary claims, regarding said expansion(s).

- F. **Developer Warranty.** In addition, the Developer or Owner will provide the District with the warranty information applicable to any parts within the installed water system infrastructure and will further provide security acceptable for said system for a period of 12 months starting at the issuance date of the Conditional System Acceptance Letter. The security may be combined with the performance surety upon written approval of the District. If water service can be safely utilized to protect property and provide services to users within or without the development, the District, at its sole discretion reserves the right to place the water system into operation prior to acceptance of the infrastructure, if water service can be safely utilized to protect property and provide service to users within or without

the development. Utilization of the system in any way does not relieve the Developer or Owner of its obligations to fully complete and warrant all water system improvements in accordance with these regulations.

G. Acceptance, and Transfer of the Water System. Within 30 days of acceptance of the water system by the District and issuance of the Conditional System Acceptance Letter, the Developer shall convey to the District, free and clear of all liens and encumbrances, except for those specifically agreed to in writing by the District, in a Bill of Sale or other conveyance instrument acceptable to the District with the following terms:

1. The internal and external culinary water distribution system and all appurtenant facilities, specifically including but not limited to, all distribution lines, pumps, storage facilities, booster pumps, pressure regulation equipment, SCADA and communication equipment, and any required treatment facilities, together with all appurtenant easements and rights-of-way, including temporary construction easements, for the operation, repair, and replacement of the water distribution system.
2. Title to all on-site and off-site pipelines, treatment, storage, maintenance facilities, and well or other source sites, together with any and all easements and appurtenances in connection with these sites, including any required protection zone easements to protect water sources, pipeline, and utility easements and rights-of-way.
3. The Developer or Owner shall provide the District with record drawings or “as-builts”, and O&M manuals as specified herein, including maps, for the water system infrastructure within the applicable Development.
4. The Development will be served using existing excess water rights currently owned or leased by the District. The District will ensure it has sufficient existing water rights to serve said Development.

In the event a separate conveyance instrument is not provided within 30 days of acceptance of the water system by the District as set forth herein, then the Water Service Agreement shall serve as the conveyance instrument and the water system shall be deemed transferred to the District thereunder consistent with this subsection.

H. Final Warranty Inspection. At the end of the 12 month warranty period, the District shall perform a final inspection prior to releasing the warranty bond; and will prepare a final punch list of items that must be corrected by the Developer or Owner. Upon satisfactory completion of the punch list, the District will release the warranty bond and issue the Final System Acceptance Letter.

I. Plat Approval & Signature Block, Notes, and CCR’s. The Developer or Owner will provide a signature block for the District as the water service provider of record on the plat for the applicable development in a form as specified below:

MOUNTAIN REGIONAL WATER SSD
Mountain Regional Water Special Service District has committed
to providing water service to the lots included in this plat, and has
reviewed said plat for conformance to District Rules and Regulations.
APPROVED on this _____ day of _____, 20___.
DATE _____ Authorized Agent _____

Also, the Developer will provide a note on the plat which may be partially segregated and included in a common utility provider note if reasonable which states at a minimum the

following:

“All lot owners served by Mountain Regional Water Special Service District (the District) within this plat agree to abide by all of the Rules, Regulations, and other Construction related Standards and Specifications of the District, including payment of all necessary fees prior to the issuance of a building permit. Lot owners also recognize that the District’s service area spans a large mountainous area with extreme vertical relief resulting in numerous pressure regulation facilities. As such, the owners recognize that fluctuations (albeit infrequent) in water pressure may pose a risk to properties served by said system. Owners agree to install and be responsible for the proper operation of any necessary pressure regulation and backflow devices to protect any plumbing facilities and fire sprinkling systems. Further, the District shall have the right to install, repair, maintain, replace, enlarge, extend, and operate their equipment above and below ground and all other related facilities within any easements identified on this plat as may be necessary or desirable in providing water services within and without the lots identified herein, including the right of access to such facilities and the right to require removal of any obstructions including structures and trees, that may have been placed within the easements. The District may require the lot owner to remove all structures and vegetation within the easement at the lot owner’s expense, or the District may remove such structures and vegetation at the lot owner’s expense. At no time may any permanent structures, including trees and retaining walls, be placed within the easements or any other obstruction which interferes with the access and use of the easements without the prior written approval of the District. The District is further granted rights of access to any and all non-exclusive easements, including emergency or non-emergency access roads contained within this plat to enlarge and/or extend its services to any adjoining properties and plats.”

Said plat note will also be incorporated into the initial approved CCR’s for the development, if applicable, and a copy of the approved CCR’s will be provided to the District.

- J. **Impact Fees.** Developer or Individual lot owners shall pay the full impact fee, as legally adopted or amended, before receiving a Commitment-of-Service Letter from the District. Prepaid connections may be tendered in lieu of the components of the impact fee covered by the prepaid connections, as documented in a Prepayment Letter.
- K. **Standby Fees.** The District will impose a Standby Fee in accordance with these regulations, as legally adopted or amended, on any lot that can be serviced by the District, but is currently not connected to its system. The fee shall be charged to the owner of an undeveloped lot or the Developer for unsold lots in a platted subdivision prior to application for service to provide for water service to protect the lot from fire and keep the system in a ready to serve condition when the connection is desired.
- L. **Customer Rates & Fees.** All user rates and fees, as legally adopted or amended, will be assessed on all lots connecting to or connected to the system.
- M. **Alternative Water Service Provider Fee.** By entering into a Water Service Agreement, the Developer or Owner agrees to have the District provide water service to the Development. If the Developer or Owner decides to have another water service provider for the Development, the Developer or Owner will pay the District the alternative water service provider fee as legally adopted or amended.
- N. **District Service Warranties and Limitations of Liability.**
 - 1. **Service Warranty.** The District warrants that its work in constructing, operating, servicing, and maintaining the external improvements that serve the Development, as well as the operation and maintenance of the internal and external improvements provided by the Developer shall be consistent with prudent water utility servicing practices. THE DISTRICT DISCLAIMS ALL

OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTY OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, AND SIMILAR WARRANTIES. The District's liability for any action arising out of its activities relating to the District's provision of water service, the newly constructed development water improvements or the District's primary sources, storage, treatment, distribution, and transmission facilities, shall be limited to repair or replacement of any non-operating or defective portion of the improvements or the District's water facilities. Under no circumstances shall the District be liable for economic losses, costs or damages, including but not limited to special, indirect, incidental, consequential, punitive, or exemplary damages.

2. **Indemnity**. To the fullest extent permitted by law, the Developer shall release, indemnify, hold harmless, and defend the District and its successors, assigns, Summit County, affiliates, and subsidiaries, and their respective officers, directors, representatives, contractors, agents, and employees (Indemnified Parties) from and against any and all claims, liabilities, losses, damages, costs, expenses, actions, and causes of action, including attorney fees, litigation expenses, court costs and costs of investigation, for damage or injury to any persons or property (collectively Losses), arising out of or related to the provision of water service hereunder, except to the extent such losses are caused by the sole negligence, gross negligence, or willful misconduct of the District.

- O. **Non-binding Commitment for Development Approval**. Any agreements between the Developer or Owner and the District concerning the supply of water to said Development do not assure any development permit approval by Summit County.

ADOPTED BY THE COUNTY COUNCIL this 17th day of July, 2019.

**SUMMIT COUNTY COUNCIL
SUMMIT COUNTY, UTAH**

**Roger Armstrong
Chair**

Attest:

**Kent Jones
County Clerk**

Approved as to Form:

**David L. Thomas
Chief Civil Deputy**