

SUMMIT COUNTY SERVICE AREA #3

REGULATION NO. 2024-01

AMENDING AND REPLACING WATER SERVICE REGULATION 2023-10

WHEREAS, it is necessary for the orderly administration of the facilities of Summit County Service Area #3 (the “**Service Area**”) to adopt rules and regulations governing water service and operations, the transfer of water rights into the Service Area, the construction and extension of distribution mains, storage and treatment facilities, and the transfer of water sources, facilities, and appurtenant easements to the Service Area;

WHEREAS, because of growth and changing circumstances in the Service Area, it is necessary for the Board of Trustees to update, consolidate, and modify its rules and regulations regarding the use and governance of its water rights and water system to better serve its customer base and ensure continued water service.

NOW, THEREFORE, be it **RESOLVED** by the Board of Trustees of the Summit County Service Area #3 that effectively immediately:

1. Effective April 14, 2024, Regulation #2023-10 and all other previous water service regulations will be repealed and replaced with the attached regulation; and
2. That Service Area staff and contractors are instructed to revise any applicable administrative forms, applications, notices, releases, or other documents to conform to the regulation attached to this regulation.

[Execution on following page]

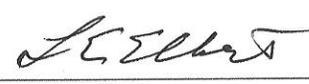
ADOPTED AND APPROVED by majority vote at a duly called meeting of the Board of Trustees on this 9th day of April 2024.

SUMMIT COUNTY SERVICE AREA NO. 3



Paul Kraus, Chair

ATTEST:



Board Clerk

VOTING

Suzanne Carpenter voting	Yea
Larry Elbert voting	Yea
Paul Kraus voting	Yea
Scott Sharp voting	Yea
Vacant	N/A
Vacant	N/A
Vacant	N/A

WATER SERVICE REGULATION OF SUMMIT COUNTY SERVICE AREA #3
Restated and Adopted Effective April 14, 2024

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SECTION 1.0 Definitions.

1.1 Accessory Dwelling Unit. Accessory Unit is defined the same as the definition codified in Summit County Code § 10-8-5 (A) but excludes a primary dwelling unit that exceeds 1,000 square feet.

1.2 Allotment. A portion of the water rights owned by the Service Area that has been approved by the Utah Division of Water Rights to serve a platted lot located within the Service Area and entitles the owner of such a lot to receive water service from the Service Area, either through the Service Area's water system or through a private well pursuant to the Service Area's rules and regulations.

1.3 Applicant. A party owning real property within the Service Area who is seeking to connect the property to the Service Area's water system or who is seeking permission to divert an allotment from a private well located on the party's property.

1.4 Approved Backflow Assembly. A backflow assembly approved by the Utah Division of Drinking Water, as meeting an applicable specification or as suitable for the proposed use.

1.5 Back-pressure. The flow of water or other liquids, mixtures, or substances under pressure into the distribution pipes of a potable water supply system from any source or sources other than the intended source.

1.6 Back-siphonage. The flow of water or other liquids, mixtures, or substances under pressure into the distribution pipes of a potable water supply system from any source other than the intended source, caused by the reduction of pressure in the potable water supply system.

1.7 Backflow. The reversal of the normal flow of water caused by either back-pressure or back-siphonage.

1.8 Backflow Prevention Assembly. An assembly or means designed to prevent backflow. Specifications for backflow prevention assemblies are contained within the Utah Plumbing Code, Chapter 6, and the Cross Connection Control Program of Utah. All backflow prevention assemblies must be approved by the Utah Division of Drinking Water prior to installation. A listing of these approved backflow prevention assemblies may be found in the Cross Connection Control Program for Utah.

1.9 Board. The Board of Trustees of the Service Area.

1.10 Capital Improvement Reserve Fund. A reserve fund for capital improvements which is funded from revenues provided by water sales, connection fees, or special assessments arising from water service to properties connecting to the system.

1.11 Commitment-of-Service-Letter or Start Card. A letter issued by the Service Area to Summit County under Section 4.5 on behalf of an applicant, indicating the Service Area's willingness and capability to provide water distribution services through its water system to the applicant's property as a precondition to Summit County's issuance of a building permit. This letter will be issued in a form and manner that is consistent and compliant with the applicable Summit County concurrency regulations.

1.12 Contamination. An impairment of the drinking water quality of the potable water supply by any physical or chemical change in water or by sewage, industrial fluids or waste liquids, irrigation or other non-potable water, compounds or other materials to a degree which creates a violation of primary and/or secondary drinking water standards or an actual or potential hazard to the public health through poisoning or through the spread of disease.

1.13 Cross Connection. Any physical connection or arrangement of piping or fixtures between two otherwise separate piping systems, one of which contains potable water and the other of which contains water from a non-Service Area source or non-potable water or storage tanks or reservoirs of questionable safety, through which, or because of which, backflow may occur into the potable water system, including any temporary connections such as swing connections, removable sections, four-way plug valves, spools, dummy sections of pipe, swivel or change-over devices or sliding multiport tubes.

1.14 Cross Connection—Containment. The installation of an approved backflow assembly at the water service connection to any premises where it is physically and economically infeasible to find and permanently eliminate or control all actual or potential cross connections within the owner's water system, or the installation of an approved backflow prevention assembly on the service line leading to and supplying a portion of an owner'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.

1.15 Cross Connection—Controlled. A connection between a potable water system and water from a non-Service Area source or a non-potable water system with an approved backflow prevention assembly properly installed and maintained so that it will continuously afford protection from contamination to the public water supply.

1.16 Customer. The owner of an existing residential or nonresidential structure or property that is connected to the water distribution system for the purpose of receiving retail water service from the Service Area.

1.17 Dedicator. A party owning real property within the Service Area applying for permission to dedicate water rights to the Service Area pursuant to Section 16.

1.18 Distribution Mains. The Service Area water pipes in the roads and other easements, including the main transmission lines to which an individual service line is connected for the purpose of receiving water distribution services.

1.19 Dry Lot. A platted lot within the Service Area that lacks an allotment or is otherwise unable to connect to the Service Area's water system or use the Service Area's water rights.

1.20 General Manager. The Service Area General Manager is an individual who may be an employee or contract agent of the Service Area who is vested with the authority and responsibility for the administration of the Service Area and its regulations.

1.21 Private Well. Privately owned wells that are authorized to divert water rights that are owned by the Service Area or privately owned water rights and approved for use on individual lots by the Utah State Engineer.

1.22 Lower Lots. Those lots located in Plats D, E, F, G, H, and I of Silver Creek Estates.

1.23 Non-Residential Water Service. The sale of water through the Service Area's water system for any use that does not qualify as residential water service under Section 1.25.

1.24 Owner. The record owner of a platted lot within the Service Area.

1.25 Primary Dwelling Unit. Means the same as a "primary dwelling" as defined in Utah Code § 10-9a-530 or applicable successor statute.

1.26 Regulation. This Water Service Regulation.

1.27 Residential Water Service or Residential Water Use. The sale and use of water through the Service Area's water system to single family homes, including single family homes with one authorized accessory unit or other extended family dwelling units but excluding duplexes, triplexes, apartment buildings, and any and all other forms of multifamily units.

1.28 Service Area. Summit County Service Area #3, a local district of the State of Utah created by Summit County and a political subdivision of the State of Utah.

1.29 Service Area Water System, Water System, or System. The primary water storage transmission lines, wells, pump stations, and other off-site water system improvements and appurtenant facilities owned by the Service Area to develop, transport, and distribute water to individual customers within Service Area boundaries.

1.30 Service Lines/Water Laterals. The water service pipe from the Service Area system that provides water to a customer. The service line and backflow prevention assembly is the property of the customer. The customer is responsible for the maintenance of the service line and backflow prevention assembly. A service line is also known as a water lateral.

1.31 Standby Maintenance Fee. A fee imposed upon the owner of the property which can be served by the Service Area, not connected to the system, to partially offset the cost of maintaining water distribution system capacity for a property to receive water services upon connection.

1.32 Theft of Service. Any unauthorized connection to the Service Area's water system or where water service is obtained by deception, threat, force, or any other means knowingly designed to avoid the due payment for the services. Theft of service will be criminally prosecuted. Under state law, criminal penalties for 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.

1.33 Unmetered Water Usage. Water usage that is not measured through a meter, including but not limited to; inoperative meter, bypassed meter, fire hydrant water, irrigation connected to the water system before the meter, and/or a meter that has been tampered with or otherwise bypassed. The Service Area reserves the right to estimate and collect for loss of revenue due to unmetered water usage whether deemed willful or not.

1.34 Upper Lots. Lots located in Plats A, B, and C of Silver Creek Estates.

1.35 Water Operator. The Service Area Water Operator is an individual who may be an employee or contract agent of the Service Area who is vested with the authority and responsibility for operating the Service Area's water system and its water rights and for taking those actions authorized by this Regulation.

1.36 Xeriscape Landscaping. Landscaping method that utilizes drought-tolerant plants, excluding grass or turf; mulch and drip irrigation; and other water-conservation techniques.

SECTION 2.0 Service Extension Costs, Budgeting, Additional Facilities, and General Regulations.

2.1 Application of Regulation. This Regulation applies to the Service Area's water system and each of the additions, extensions, or enlargements to the system, subject to special conditions for the extension or enlargement of the system which may be approved from time to time by the Board or to such other central water systems as the Service Area may acquire or construct. This Regulation also applies to the use of allotments and the use of the Service Area's water rights by any person or entity.

2.2 Financial Policy. The Service Area will establish and operate a separate enterprise fund under the governmental accounting system rules for local districts of the State of Utah for all charges, receipts, reserve funds, and other directly related financial transactions for the extension, operation, maintenance, and/or construction of the water system governed by this Regulation. Rates for service will be established on a cost of service basis with adequate reserves for maintenance and capital improvements required by sound management, engineering, and accounting practices.

2.3 Drinking Water Division Jurisdiction. The water system is under the jurisdiction of the Division of Drinking Water within the Utah Department of Environmental Quality and will comply with the rules and regulations of the Division.

2.4 Charges for System Expansion. Every extension, enlargement, or capital improvement to the existing system, as required to service new residential or non-residential property, will be paid for and provided by the applicant seeking to construct or renovate a residential or non-residential property. An applicant's responsibility includes paying for all costs associated with the extension, enlargement, or capital improvement to the system, including but not limited to engineering costs, permitting costs, construction of required water mains, construction of required storage facilities, and obtaining and dedicating incremental water rights as required pursuant to Section 16 to service all non-residential development and residential developments with estimated water use demands that exceed applicable allotments or pertain to dry lots. All extensions and enlargements must comply with construction standards as prescribed by the Service Area. The Board may also enact fees or deposits to cover its costs in processing requests to expand or connect to the water system

2.5 Amendments to the Regulation. The Board may change and amend this Regulation from time to time by appropriate action.

2.6 Dry Lots. A lot will be presumed to be dry if it:

- (1) has not been assessed nor paid the fees the Service Area requires for properties with allotments, including but not limited to stand-by fees;
- (2) did not pay the service charge the Service Area assessed against owners in 1993 per Regulation #93-1 to acquire sufficient water to supply allotments;
- (3) was subdivided from another lot and left without an allotment;
- (4) is in the Upper Lots and is not approved as a point of diversion under the Service Area's water rights; or
- (5) is in the Lower Lots and is not adjacent to the water system.

Owners may rebut this presumption by providing clear and convincing evidence that their lot is entitled to water service from the Service Area.

2.7 Savings Clause. If any section, subsection sentence, clause, or phrase of this Regulation is for any reason held to be invalid by a court of law, such determination will not affect the validity of the remaining portions of this Regulation, which will remain binding and enforceable against the customers of the Service Area.

SECTION 3.0 Water System Connection Requirements.

The Service Area provides water service through its water system to those lots that qualify for water service pursuant to this Regulation. The Service Area will comply with the concurrency requirements approved by the Summit County Board of Health in operating the water system and approving connections to the water system.

3.1 Services to be Provided. The Service Area will provide retail water distribution services to residential and non-residential properties with allotments that qualify for such service where the water system is available and where the property in question has an allotment or can dedicate water rights to the Service Area pursuant to this Regulation. Service will be provided through facilities, systems, and property that may be acquired for this purpose through transfers of property and assets, construction, purchase, lease, contract, rental, donation, gift, or condemnation or any combination of the foregoing, or through any other lawful means available to the Service Area under its express or implied powers.

3.2 Backflow Prevention and Cross Connection Control. All water connections to the Service Area's system, regardless of when made, will have installed a backflow prevention assembly to protect the drinking water quality of the system. All such assemblies will be of a type or kind approved by the Utah Division of Drinking Water and included in the International Plumbing Code as amended and adopted by the State of Utah. Installation will be subject to the inspection and approval of the Service Area. All owners will comply with the backflow prevention and cross connection rules as promulgated by the Utah Division of Drinking Water. These rules are currently located at R305-105-12 of the Utah Administrative Code.

3.2.1 An approved backflow prevention assembly will be installed on each service line to a customer's connection to the water system immediately down line of the water meter, but in all cases before the first branch line leading off the service line.

3.2.2 The type of backflow assembly required will depend upon the degree of hazard which exists at the point of cross connection, i.e., whether direct or indirect, as defined in the International Plumbing Code with amendments as adopted by the State of Utah.

3.2.3 All presently installed backflow prevention assemblies which do not meet the requirements of this Regulation but were approved assemblies for the purpose described herein at the time of installation and which have been properly maintained, will, except for the inspection and maintenance requirements listed in the next Section, be excluded from the requirements of this Regulation so long as the Service Area believes that such assembly will satisfactorily protect the public water system. Whenever the existing assembly is moved from the present location or requires more than minimum maintenance or when the Service Area finds that the maintenance of this assembly constitutes a hazard to health, the unit will be replaced by the owner with an approved backflow prevention assembly meeting the requirements of this Regulation.

3.2.4 No water service connection to any premises will be installed by any user of the Service Area's potable water system or maintained by the user unless the water supply is protected as required by applicable regulation and the provisions of this Regulation. Service of water to any premises will be discontinued by the user if a backflow prevention assembly required for control of backflow and cross connections is not installed, tested and maintained, or if it is found that a backflow prevention assembly has been removed or bypassed, or if an unprotected cross connection exists on the premises, or if

water lines are added before passing through the meter. Service will not be resumed to or by any user until such conditions or defects are corrected, and the Service Area will not furnish potable water to any premises known by the Service Area to be lacking an approved backflow prevention assembly.

3.2.5 The owner's system will be open for inspection at all reasonable times to authorized representatives of the Service Area to determine whether cross connections or other structural or sanitary hazards, including violations of this Regulation, exist. When such a condition becomes known, the Service Area will deny or immediately discontinue service to the premises by providing a physical break in the service line until the customer has corrected the condition in conformance with State Statutes and this Service Area Regulation.

3.2.6 If, in the judgment of the Service Area Water Operator, an approved backflow prevention assembly is required for a private water system to protect the public potable water distribution system from contamination or pollution due to the backflow or contaminants through water service connections, the Service Area or its designated agent, will give notice in writing to the applicable owner to install an approved backflow prevention assembly at a specific location or locations on his/her premises. Within ten (10) days after receipt of written notice, the owner will install or cause to be installed such approved assembly at the owner's own expense, and failure, refusal or inability on the part of the owner to install, have tested, and/or maintain said assembly will constitute grounds for discontinuing water service to the premises until such requirements are met.

3.2.7 The Summit County Building Official is responsible for reviewing building plans and inspect plumbing as it is installed and to prevent cross connections from being designed and built into structures which will connect to the water system. Where the review of building plans suggests or indicates potential for a cross connection being made an integral part of the plumbing system the building inspector will require such cross connections to either be eliminated or provide with an approved backflow prevention assembly in accordance with the plumbing code.

3.2.8 When employed by the owner or the Service Area to test, repair, overhaul, and/or maintain backflow prevention assemblies, a backflow assembly technician will have the responsibility and obligation to perform each of the following:

- (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 repair to the owner and the Service Area, such reports to include the list of materials or replacement parts used.
- (3) Ensure that replacement parts are equal in quality to parts originally supplied by the manufacturer of the assembly being repaired.

- (4) Not change the design, material, or operational characteristics of the assembly during repair or maintenance.
- (5) Perform the work and be responsible for the competence and accuracy of all tests and reports.
- (6) To ensure that his license is current, and that the testing equipment being used is acceptable to the State of Utah and the Service Area and is in proper operating condition.
- (7) To report a failing assembly to the Service Area within five working days from the date the failure was detected.
- (8) To be equipped with and be competent in the use of all necessary tools, gauges, and other equipment necessary to properly test, repair, and maintain backflow prevention assemblies.
- (9) To tag each double check valve, pressure vacuum breaker, reduced pressure backflow assembly and air gaps, showing the serial number, date tested, by whom, and the technician's license number must also be on such tag.
- (10) In the case of an owner requiring a commercially available technician, any certified technician is authorized to make the test and report the results of the same to the owner and the Service Area. If such a commercially tested assembly is in need of repair, the same will be performed by a plumber licensed pursuant to Utah Statutes.

3.2.9 It is the duty and responsibility of the owner at any premises where backflow prevention assemblies are installed to have certified inspections and operational tests made at least once per year at the owner's expense. In those instances where the Service Area deems the hazard to be great, it may require certified inspections and tests at more frequent intervals. All inspections and tests will be performed by a certified backflow assembly technician, licensed through the State of Utah, and will be made in accordance with the standards set forth by the Utah Division of Drinking Water.

3.2.10 Backflow prevention assemblies will be installed in water supply lines to provide at least the degree of protection provided in the International Plumbing Code as amended and adopted by the State of Utah. All backflow prevention assemblies will be exposed for easy observation and be readily accessible.

3.2.11 All backflow prevention assemblies installed in a potable water supply system for protection against backflow will be maintained in good working condition by the owner or other person or persons having control of such assemblies. The Utah State Division of Drinking Water and the Service Area may inspect such assemblies and if found to be defective or inoperative, will require the replacement thereof. No assembly will be

removed from use, relocated, or another assembly substituted without the approval of the Service Area.

3.2.12 Each owner will cause all backflow prevention assemblies to be tested within ten working days of installation.

3.2.13 No backflow prevention assembly will be installed in a manner that creates a safety hazard, i.e., installed over an electrical panel, steam pipes, boilers, pits, or above ceiling level.

3.2.14 The requirements of this Section 3 concerning backflow prevention will be consistently enforced per the criteria outlined in this Regulation.

3.2.15 If the Service Area has reason to believe that an imminent danger to the public health, safety, or welfare exists because of a violation of this Regulation, or if the owner violates the provisions of this Regulation, the Service Area will disconnect service to the owner in violation without notice, provided that the Service Area will provide the owner with a written notice after the fact that explains the reason for the disconnection and the steps needed for the owner to remedy the danger so that service may be reconnected.

3.2.16 If the public health safety or welfare is not in imminent danger due to a violation of the Regulation, the Service Area will provide written notice of violation to each owner in violation of this Regulation and state that service will be terminated ten (10) days from the date of the notice unless the owner complies with the terms of this Regulation.

3.2.17 If an owner believes that the notice of violation is issued in error or that the owner is in compliance with this Regulation, the owner may appeal the notice of violation by filing a notice of appeal with the General Manager within ten (10) days of receipt of a notice provided under this Section.

3.2.18 The Service Area Board or its designated hearing appeal officer will hear all appeals filed under this Subsection above within thirty (30) days of receipt of the Notice of Appeal and render a decision within ten (10) days of the close of such hearing.

3.3 Emergency Situations. In times of water shortage due to drought or any other natural or man-made conditions or occurrences, the Service Area will have full authority to declare a water emergency, and to ration or otherwise regulate the distribution and use of water from the Service Area's system. Such action by the Board may include a moratorium on new water connections until the emergency has been alleviated.

SECTION 4.0 New Connections to Water System/Fees.

4.1 Applications by Owners with Allotments. Subject to the requirements of Section 5, where applicable, any owner with an allotment and a lot that is adjacent to the water system who

desires to connect to the water system must apply for a new service connection to the water system or seek to expand an existing connection by paying any applicable connection fees enacted by the Board, completing and signing an application and agreement for service and agreeing to the following requirements prior to commencing any work to construct a service connection:

- (1) Sign a water service agreement on forms provided by the Service Area to pay the water service fees and other charges imposed for water delivered to the owner, to comply with the Regulations of the Service Area as they now exist or as they may be amended in the future, to pay for any and all costs associated with connecting the lot in question to the water system, install a totalizing meter, and to dedicate sufficient water rights to cover any estimated water use that exceeds the owner's allotment;
- (2) Secure written permission from the Service Area or other entity having jurisdiction over the roads to cut the road and excavate in the roadway and agree to indemnify the Service Area against any claim for any damage to the road or to other property;
- (3) Maintain strict compliance with the applicable entities' standards for excavation and restoration of the road;
- (4) Require a licensed, bonded, and insured contractor approved by the Service Area to construct the service connection in accordance with provisions of Section 4.8 below;
- (5) Notify the Summit County Sheriffs' Office Dispatcher of road closing routing of emergency vehicles;
- (6) Install an appropriate thermal expansion device in the building plumbing system; and
- (7) Provide a diagram of the proposed service and meter location for approval by the Service Area which will ensure compliance with all requirements and specifications of the Service Area.

4.2 Applications by Dry Lot Owners. Dry lot owners may apply to connect their lots to the water system by complying with the requirements in Section 4.1, provided that dry lot owners must also dedicate all of the water rights needed to supply sufficient water for the proposed development's estimated water use pursuant to Section 16.0. The General Manager will not approve applications by dry lot owners unless the General Manager determines that the water system has sufficient capacity to service the dry lot, that providing such service will not impair the Service Area's ability to service those lots with allotments, and that the dry lot owner has complied with the water right dedication process set forth in Section 16.

4.3 Review of Applications for Residential Water Service. The applicant must show by a preponderance of the evidence that an application satisfies the requirements of this Regulation. The General Manager, in consultation with the Water Operator, will review applications for residential water service and will have authority to approve and deny applications and to impose reasonable conditions to ensure compliance with this Regulation and any other applicable laws or regulations that fall within the Service Area's jurisdiction. For each application, the General Manager will provide the applicant a written notice that describes the Service Area's decision regarding the application and the basis of any denial or the reasons for any conditions that the Service Area may require.

4.4 0.75 Acre-Foot Limitation. Lower lots that exist on the official plat map of the Silver Creek Estates Subdivision on file in the Summit County Recorder's Office that have an allotment will be entitled to receive 0.75 acre-feet of water per lot per year from the water system. This limitation is intended to ensure compliance with the Service Area's water rights. The Service Area will not provide water in excess of this amount and will not approve connections for developments with estimated water demands that exceed 0.75 acre-feet per year, unless the applicant dedicates sufficient water rights to the Service Area to cover any estimated overages pursuant to Section 16.

4.5 Water Use Calculation Process. If the Service Area determines that a proposed residential development will exceed the 0.75 acre-foot and 1.0 acre-foot allocations set forth herein, the owner may dedicate sufficient water rights to the Service Area to cover any estimated overages as a condition for approving the use of the Service Area's water rights or connection to its water system pursuant to the requirements of this Section and subject to Service Area verification of system and source capacity, water right requirements, and other requirements and limitations that may impact the Service Area's ability to supply water in excess of the applicable allocation. The General Manager will oversee the dedication process and will approve dedication applications pursuant to this Section.

4.5.1 The Service Area will calculate the estimated water demands of proposed residential and non-residential developments to connect to the Service Area's water system or that seeks to divert water from a well that is an approved point of diversion for the Service Area water rights as follows:¹

- (1) Water Diversions: Water diversions for a primary residence with 0.75 acre-foot allocations will be evaluated at 0.55 acre-feet per residence, including all indoor culinary uses and up to 0.15 acres of outdoor irrigation. Water diversions for a primary residence with 1.0 acre-foot allocations will be evaluated at 0.79 acre-feet per residence, including all indoor culinary uses and up to 0.23 acres of outdoor irrigation.
- (2) Additional Irrigation (outdoor use):

¹ The Division's Water Use estimates are available at: <http://www.waterrights.utah.gov/wrinfo/policy/wateruse.asp>.

- a. Water diversions for the outside watering of landscaping in excess of 0.15 acres for lots with a 0.75 acre-feet allocation will be evaluated at 3.0 acre-feet per acre per year.
 - b. Water diversions for the outside watering of landscaping in excess of 0.23 acres for lots with a 1.0 acre-feet allocation will be evaluated at 3.0 acre-feet per acre.
- (3) Accessory Dwelling Units: Water diversions for an accessory dwelling unit or any other extended family dwelling unit will be evaluated at 0.20 acre-feet per unit.
- (4) Stockwatering: If applicable, the Service Area Board may, in its sole discretion, consider anticipated stockwatering use in accordance with the Utah Division of Water Rights stockwatering estimates, which are:

<u>Estimated Annual Use</u>	<u>Acre-feet</u>
Horse or Cow	0.028
Pig, Sheep, Goat, Elk, or Moose	0.0056
Ostrich or Emu	0.0036
Llama	0.0022
Deer, Antelope, Mountain Goat/Sheep	0.0014
Chicken, Turkey, or Sage Hen	0.00084
Mink or Fox	0.00005

4.5.2 If the total estimated water use of a proposed residential development exceeds its applicable allocation – 0.75 acre-feet for lots in Lower Silver Creek and 1.0 acre-feet for lots in Upper Silver Creek – the Service Area will limit the amount of water the proposed development can use for stockwatering or outdoor irrigation to ensure that the combined uses of the proposed development do not exceed 0.75 acre-feet. The Service Area will consider the applicant’s preferences in determining how to ensure compliance with the allocation, where possible, but the General Manager, in consultation with the Water Operator, will have decision-making authority and responsibility to ensure compliance with the allocation. In no event will the Service Area:

- (1) Approve a new connection to the water system or an expansion of an existing connection for a proposed residential development if the estimated water use exceeds 0.75 acre-feet, unless the applicant dedicates water to the Service Area to cover any estimated overages pursuant to Section 16; and
- (2) Approve a new connection to the water system or an expansion of an existing connection for a proposed non-residential development if the applicant cannot dedicate all of the water rights needed to supply the development and has not satisfied the requirements of Section 5.0, if applicable.

4.5.3. Applicants with a 0.75 acre-foot allotment may reduce their estimated water use by 0.15 acre-feet if they execute an agreement with the Service Area to be recorded with the Summit County Recorder's Office for their property that prohibits the use of irrigated turf (i.e., grass) on the lot and limits the amount of xeriscape landscaping to 0.10 acres, provided that applicable land use regulations and land use authority will allow the applicant to install xeriscaping.

4.5.4 Applicants with a 1.0 acre-foot allotment may reduce their estimated water use by 0.30 acre-feet if they execute an agreement with the Service Area to be recorded with the Summit County Recorder's Office for their property that prohibits the use of irrigated turf (i.e., grass) on the lot and limits the amount of xeriscape landscaping to 0.20 acres, provided that applicable land use regulations and land use authority allow the applicant to install xeriscaping.

4.5.5 Agreements executed pursuant to Section 4.4.3 and 4.4.4 must: (1) run with the land, (2) authorize the Service Area to remove of landscaping that violates the terms of the agreement at the owner's expense, (3) be notarized, and (4) be in a standard form approved by the General Manager, in consultation with the Water Operator and the Service Area's Attorney.

4.5.6 The Service Area will not impose an exaction for culinary water use that is less than system-wide minimum sizing standards that the Utah Division of Drinking Water may establish for the Service Area pursuant to Utah Code § 19-4-114 or applicable successor statute.

4.6 Commitment-of-Service Letters or Start Card. In accordance with the concurrency requirements of the Summit County Board of Health, each applicant for service to a new connection must obtain a commitment-of-service letter from the Service Area as a precondition to the issuance of a building permit. The Service Area will issue a commitment-of-service letter upon the following standards:

- (1) The Service Area is in good standing under the concurrency requirements of the Summit County Board of Health and can demonstrate that it can deliver physical and legal water in the quantities, pressure, and quantity required by the concurrency requirements and the Utah Division of Drinking Water.
- (2) The Service Area will issue a commitment-of-service letter in consideration of and within five (5) business days of the applicant's payment of any and all applicable fees imposed by the Service Area and the satisfactory completion and submission of the application required under Section 4.1.

4.7 Connections Preconstructed. Connections to the Service Area central water system are located on the distribution system line and are preconstructed to avoid unnecessary road cuts and excavation. Service connections may not be made to the Service Area system at locations which are not preconstructed without specific written approval of the Water Operator in advance.

4.8 Larger Connections Prohibited. Service lines larger than three quarter (3/4) inch are prohibited unless authorized by the Water Operator.

4.9 Requirements for Service Line Contractors. Service connections to the Service Area water system for new residential units and repairs to existing service lines will be excavated and constructed by only contractors qualified under the provisions of this Section. No individual, entity, contractor, or other party may connect to the Service Area water system or make repairs to the Service Area system or service lines connected to the Service Area system without having first qualified under the provisions of this Section. The Service Area will bear not liability or pay for any of the costs incurred by contractors installing a service connection.

4.9.1 Every contractor, person, or entity intending to perform work in the Service Area to connect individual service lines to the Service Area system or to repair existing service lines connected to the Service Area system must first apply to the Service Area for qualification to work on facilities to be connected to or facilities which are connected to the Service Area system. The application must be completed on a form supplied by the Service Area which includes the name, business name, contractor license number, insurance company, principal owner or supervisor of the work and the name and telephone number of every person supervising a crew which will be qualified to work within the Service Area. The application must also require evidence of adequate insurance and must include a written statement to be signed by the applicant which affirms that the applicant has read, understands, and will comply with the Service Area Regulation regarding service line installation and repair.

4.9.2 The application must be complete when submitted and must be accompanied by a bond in favor of the Service Area in an amount to be determined by the Board to ensure that the applicant will comply with all rules, regulations, and policies of the Service Area. The compliance bond may be a cash bond or may be a corporate surety bond by a qualified insurer licensed to do business in the State of Utah.

4.9.3 If the applicant completes the application, furnishes the required bond, and is not subject to contractor license complaints, other known noncompliance or workmanship complaints, and demonstrates satisfactory knowledge of the procedures necessary to complete the work in a satisfactory manner, the Service Area may find that the applicant is qualified to perform work as required by this Section.

4.10 Approval of Connection. Upon the Service Area's inspection and approval of the metered connection and its written receipt of all applications, agreements, and required fees, the Service Area must turn water on to the applicant. The service line and meter connection must be installed by applicant at applicant's expense. No water will pass through the meter until the Water Operator has inspected and approved the connection. Upon the Water Operator's inspection and approval of the metered connection and the Water Operator's written receipt of all required fees, the Service Area will refund to the customer the security deposit less all inspection fees and costs of ensuring compliance. A shutoff valve must be installed on the service lateral at the connection to the service line and the property or street right-of-way line. The isolation valves in a meter box

within the street right of way fulfills this requirement. The meter must be installed in the road right-of-way in a vault located, prescribed, and specified by the Service Area.

4.11 Maintenance Obligation. The Service Area will have no obligation for operation and maintenance of the service line. The customer will be responsible for the maintenance of the service line, except for the meter. The maintenance of the meter will be the responsibility of the Service Area.

4.12 Sale or Transfer of Ownership. Each owner who sells their property must report to the Service Area's business office the sale or transfer of their property and request the termination of water service to the property. The Service Area, upon receipt of this written notice and request, will read the meter and will, at its option, close the shut off valve and terminate water service to the connection. Where it is not possible to read the meter, the Service Area will estimate the metered use of the customer pursuant to Section 14.0. If the property does not have a meter that complies with the Service Area's regulations and policies, the seller must install a meter that complies with the Service Area's regulations before the Service Area will update its records to reflect the transfer of ownership or provide water service to the buyer. The buyer will be required to make a formal application for renewed service to the property on a form provided by the Service Area. As a condition to renewed service, the buyer will sign the service agreement on a form provided by the Service Area in which the buyer agrees to pay all fees, services, and other charges imposed by the Service Area, and to comply with this Regulation and other regulations of the Service Area. The buyer will also pay to the Service Area a refundable transfer of ownership deposit in an amount to be set by the Board to ensure compliance with this Regulation, and compliance with new meter standards, including the vault location in road right-of-way, backflow prevention, and cross connection control requirements. The amount of the refundable deposit is subject to change from time to time by the Board. The deposit is to cover costs incurred in providing for compliance and reestablishing water service to the particular service connection involved. The seller is also subject to an Inspection Fee and the buyer is subject to a Resumption of Service Fee to be established by the Service Area, which may change from time to time. Upon compliance with all of the foregoing terms and conditions of this Regulation, water service will be restored to the property. All deposits, less any expenditures for compliance enforcement, new standards compliance, less the amount of any applicable inspection and resumption of service fee(s), will be refunded to the buyer.

4.13 Rented Lots. Each owner that leases or rents a property that is connected to the water system is responsible for notifying the Service Area when the property will be leased or rented to a new tenant. Owners are responsible for ensuring that all fees and charges associated with the water service the Service Area provides to the property or that are associated with any private wells are paid and will be responsible for any unpaid fees and charges.

SECTION 5 Additional Requirements for Non-Residential Water Use.

5.1 Non-Residential Water Connections to Water System. The Service Area was not established to provide water service to non-residential developments and lacks sufficient water rights to service new non-residential developments or expansions of existing non-residential

developments. Permitting new non-residential connections or expansions of existing non-residential water uses to the water system therefore requires applicants to dedicate sufficient water rights to supply the non-residential use to the Service Area at no cost to the Service Area pursuant to Section 16, compliance with specific requirements defined on a case-by-case basis by the Service Area, and continuing compliance with conditions for water service established by the Service Area. Requests for non-residential water service will be permitted only after an applicant complies with the requirements of Section 4 for new connections, pays any additional fees and security deposits established by the Board for non-residential water use applications, and demonstrates compliance with the following requirements:

5.1.1 When submitting their application, applicants must also submit a plan of service that defines the demands on the water system that will result from the approval of the application, any special needs of the applicant, and every other matter reasonably related to the legitimate issues concerning service to the applicant.

- (1) A registered professional engineer will prepare the plan of service and will certify by the engineer's seal that the information and data in the plan of service are accurate. The applicant will also sign the plan of service.
- (2) The General Manager will submit the completed plan of service for comment, as the General Manager deems necessary, to the Water Operator, qualified professional evaluators and regulatory agencies and relevant governmental services, such as the Service Area's engineer and legal counsel as well as the Summit County Health Department and Summit County Development Services.

5.1.2 Submit an application to dedicate water rights to the Service Area to supply water for the proposed non-residential use pursuant to Section 16.

5.1.3 After the receipt of comments on the plan of service and after the Service Area has reviewed the application to dedicate water rights pursuant to Section 16, the Board will hold a public hearing to consider the plan of service and the results of the Service Area's review of the application to dedicate water rights. During the public hearing, the Board will review responses from evaluators and take public comment. The Board will only approve an application for non-residential water service if it determines that:

- (1) There is sufficient capacity in the water system to supply the requested non-residential use without impairing the Service Area's ability to fulfill its current water service obligations;
- (2) The water rights the applicant has offered to dedicate are valid and are sufficient to ensure the legal availability of water for the proposed non-residential use; and

- (3) The plan of service will be in the public interest and will comply with applicable laws and regulations.

5.1.4 After holding the public hearing, the Board may grant the application, deny the application, or grant the application in part with specific conditions and/or requirements. The Board will document all specific requirements in writing and may require the applicant to deposit cash collateral with the Service Area in addition to any fees or security deposits the applicant may have already paid to assure compliance with the conditions and requirements defined by the Board in connection with the action of the Board on the application.

5.1.5 If the Board grants the application for non-residential service, the Board will require the applicant to enter an agreement with the Service Area that will define the terms and conditions of service the Board deems reasonably appropriate to assure that the services the Service Area will render to the applicant will:

- (1) Be consistent with the applicant's representations to the Service Area in the public interest;
- (2) Comply with applicable laws and regulations;
- (3) Pay any applicable water rates;
- (4) Not exceed the capacity of the water system;
- (5) Not violate the Service Area's water rights;
- (6) Not impair the Service Area's water service responsibilities; and
- (7) Not be detrimental to the existing service which is the primary priority of the Service Area water system.

5.1.6 Within 60 days of rendering a decision on an application for non-residential service, the Board will:

- (1) Provide the applicant with a written summary of its decision. If the Board approves an application with conditions, the written decision will explain the reasoning for the decision. If the Board denies the application, the written decision will explain the reasoning for the denial.
- (2) Return any amounts that may remain from any security deposits, if any, or send an invoice to the applicant for any costs the Service Area has reasonably incurred in processing the application that exceed the application fee, which the applicant will promptly pay.

5.2 Exception. The Board may, in its discretion, authorize water service for non-residential developments without the dedication of additional water rights if:

- (1) The applicable lot is not a dry lot;
- (2) The lot has an allocation in good standing with the Service Area;
- (3) The owner has paid all applicable fees owing to the Service Area;
- (4) The estimated water use associated with the non-residential development does not exceed the allocation for the lot; and
- (5) As a condition of the Service Area providing water service for the non-residential development, the owner agrees to execute an agreement with the Service Area in a form that is acceptable to the Board, that will be recorded with the Summit County Recorder's Office for the lot, and requires: (i) compliance with all applicable laws, regulations, Service Area regulations, and other applicable local ordinances and regulations; (ii) construction of the non-residential project in accordance with plans approved by Summit County and the Service Area; (iii) the Service Area's written consent for modifications to plans the Service Area previously approved plans if the modifications will increase the water use associated with the development; (iv) the Service Area's written consent for the installation of additional buildings, structures, or irrigated landscaping that were not previously included in plans the Service Area previously approved; and (v) dedication of additional water rights in accordance with the District's applicable regulations if the owner seeks to install additional buildings, structures, irrigated landscaping, or commence other uses of the Property that will cause the water use associated with the Property, as calculated by the District, to exceed the allocation for the lot.

SECTION 6.0 Water System Service Fees and Other Charges.

6.1 Authority. In accordance with Utah law, the Board may enact fees or other charges to pay some or all of the Service Area's costs of providing water service and related facilities to its customers, including but not limited to rates for water service, applications, inspection fees, connection fees, impact fees, standby maintenance fees, service call fees, disconnection and reconnection fees, removal of meter fees, delinquent payments and liens, shut off notices, theft of service/illegal connection fees, and retroactive collection for use of unmetered water including penalties, fines, and violations. The Board, in its discretion, may adopt separate rate schedules for residential and non-residential water service, provided that any valid, pre-existing agreements regarding the provision of non-residential water service will control if there is a conflict between

the contract and a non-residential rate schedule that the Board may adopt after the effective date of this Regulation.

6.2 Water System Service Rates. The Service Area will adopt fee schedule that imposes water system service rates for the water used by each water system service connection to recover the costs associated with the administration, operation, maintenance, replacement, rebuilding, or construction of capital improvements to the water system. The Board will use the fee schedule to set the water system service rates after conducting a public hearing pursuant to Utah Code Ann. § 17B-1-643 and may change the rates from time to time. The water system service rates will be billed monthly or on such other interval as established by the Board and will be billed in addition to any other applicable fees, such as overage charges lawfully imposed by the Service Area. The Service Area may impose late charges and interest on any past due service charge fee or any unpaid portion thereof which may be revised from time to time. The record owner of any property will be liable for all water service fees and standby fees assessed or charged by the Service Area.

6.3 Standby Maintenance Fee. The Service Area incurs ongoing costs to maintain and operate its water system, including but not limited to costs associated with ensuring that the system is capable of providing fire suppression services to lots located along the water system; ensuring that the water system is capable of servicing currently undeveloped lots when they develop; and ensuring that the water system is capable of servicing developed lots that rely on private wells but qualify for water service from the water system if the owners of such lots elect to connect to the water system due to well failure or other reasons. The Board may impose a standby maintenance fee against each property contiguous with a water main but not connected to the system, including, but not limited to, properties connected to undeveloped lots and developed lots with privately owned private wells that do not divert Service Area water rights, to compensate the Service Area for the facilities and personnel necessary to assure that the Service Area has adequate distribution system capacity to serve the property which is charged the fee. The standby maintenance fee will be charged monthly, quarterly, or yearly at the discretion of the Board. The standby maintenance fee is subject to change from time to time by the Board by separate regulation.

6.4 Water Leak Billing and Reductions. This Subsection governs applications for billing adjustments that pertain to water leaks on the customer (or property) side of a water meter.

6.4.1 Customers will have the following responsibilities:

- (1) Customers are responsible for all water lines and other infrastructure that begin at the coupling on the customer's side of the water meter. Any leaks in the water line that are the responsibility of a customer must be repaired, by the customer, solely at the customer's expense. No adjustment or credit will be applied to the water bill for the customer for property-side leaks, damage, deterioration, or other factors except as defined within this policy.
- (2) The customer is responsible for monitoring higher than expected usage. Customers must investigate higher than expected usage to determine if the usage was caused by a property-side leak. Customers will promptly repair

leaks within fourteen (14) days after learning of a leak. Upon request by a customer, the Water Operator or other person delegated the responsibility by the Board will perform an on-site visit, at no cost to the customer, to assist the customer in locating and determining the steps needed to repair the leak.

6.4.2 Customers who experience a leak on the property side of a water meter may apply for assistance in paying their bill pursuant to policies approved by the Board.

6.4.3 Customers must request a reduction in their bill in writing on forms prepared by the Service Area when requesting water leak adjustments.

SECTION 7.0 Metering Requirements for Lots Connected to the Water System.

7.1 One Meter per Lot. Each lot will have a maximum of one meter connection to the water system. Anyone using water through unmetered or meter bypassed connection, without the express prior authorization of the Service Area, will be prosecuted under the theft of services statutes of the State of Utah.

7.2 Unmetered Water Usage. For connections to the water system, the Service Area reserves the right to estimate and collect upon demand for the loss of revenue due to unmetered water usage whether deemed willful or not.

SECTION 8.0 Service Area to Own Water System.

The Service Area will hold title to the water system and will maintain, repair, and replace the system in perpetuity. Each customer will own and will bear the sole responsibility for the repair, upkeep, and maintenance of the service line from the point of their connection to the main line for the water system for the premises being served. The Service Area will not accept nor bear any responsibility due to sprinkler or irrigation leaks, unmetered water, or problems for household plumbing leaks nor damages caused by leakage, in the service line. Each customer is responsible for the service line from the main connection with the system line in the road to their dwelling. Each customer will be solely responsible to maintain the service line; however, the Service Area may, without incurring liability, make emergency repairs to service lines to prevent damage, prevent waste of water, and to prevent contamination of the water supply. Any such repairs will be at the expense of the customer and will be billed to the customer by the Service Area via a notice that details the expenses the Service Area incurred, which the customer will pay within thirty (30) days of the date of the notice.

SECTION 9.0 Additional Customer and Owner Responsibilities.

9.1 Customer Responsibilities. Customers must maintain a reliable pressure reducing device on the property to protect customer plumbing and fixtures from pressure fluctuations and surges caused by water line breaks, construction damages, and system equipment failures. The Service Area will not be responsible for damage to customer properties, including culinary,

irrigation, and fire protection water systems, due to pressure fluctuations. Customers are responsible to take whatever means necessary to prevent damage to their culinary, irrigation, and fire protection water systems from pressure fluctuations.

9.2 Abandonment or Sale of Allotments Prohibited. Allotments are appurtenant to their respective lots, and owners, including customers and private well owners, may not abandon their allotments or convey allotments separately from the appurtenant lot.

9.3 Service Contracts. The Board may direct the General Manager to require a service contract for persons and entities seeking to connect to the water system or to utilize a private well to supply water for a new development or to supply water for a project involving alterations or improvements that require a building permit, as determined by Summit County, and which building permit has a construction value in excess of \$25,000.00. Once authorized to require a service contract, the General Manager will be responsible for approving such service contracts. The Service Area would record such service contracts against the property of the owner.

SECTION 10.0 Temporary Suspension of Service.

The Service Area hereby reserves the right at any time to shut off the water anywhere within its water system for the purpose of making any repairs and/or extensions, or for other temporary purposes, and no claim or cause of action will be made against the Service Area by reason of any shutting down of any water line for repair and maintenance purposes, or by reason of the stoppage of water or interruption of water service due to the scarcity of water, damage to any water work or facility of the Service Area, or any other cause beyond the reasonable control of the Service Area. The Service Area will use all reasonable means to notify customers of work which will require the system to be shut off for service. No notice will be required for work caused or required by emergency repairs.

SECTION 11.0 Other Connections to Water System.

11.1 Fire Hydrants. An individual may not withdraw water from any fire hydrant without the written permission of the Service Area and if granted must be in compliance with the Fire Code adopted by Summit County. The Park City Fire District 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 Service Area. Any unauthorized connection to and use of water from a fire hydrant will be a violation of this Ordinance and will constitute a theft of services. The Service Area reserves the right to estimate and collect for the loss of revenue due to unmetered water usage whether deemed willful or not. Owners will keep the area around and in front of all fire hydrants and valves clear of debris, obstructions, obstacles, overgrowth, and landscaping.

11.2 Temporary Connections. After consulting with the Water Operator, the General Manager may authorize temporary connections to the water system if the General Manager determines that the temporary connection will not impair the Service Area's ability to provide water service to its existing customers. Persons or entities seeking a temporary connection must

file a written request with the Service Area and agree to install a meter that meets the Service Area's specifications. The General Manager may impose any conditions they deem necessary when approving a request for a temporary connection. The General Manager may also terminate a temporary connection if a meter is not installed or the temporary connection does not comply with any of the conditions the General Manager has required for the temporary connection. The Board may also enact fees to cover the Service Area's costs in processing temporary metering connection applications and enforcing the terms of this Subsection.

SECTION 12.0 Construction of New Water System Extensions.

12.1 Extension Project Sponsor Required Information. A person or entity with an interest in property within the Service Area that is not connected to or adjacent to the water system can ask the Service Area for permission to extend the water system to service the property in question by submitting an application to the Service Area and paying any applicable fees. Each application to extend the water system will include each of the following:

- (1) The name of the development (if any).
- (2) Telephone number, email addresses, and address for the authorized contract agent for the extension's sponsors.
- (3) The name of each extension project sponsor.
- (4) A legal description and accompanying map of the area the extension project will serve.
- (5) The name each owner within the area the extension project will serve.
- (6) The number of residential units the extension project will serve.
- (7) A description of the extension project and facilities, including a description of the proposed construction process and timeline.
- (8) The estimated water use and water source for the extension project, including water use estimates for each property that will be served by the extension project; any proposed restrictions on irrigation and total use; and verification of the hydrologic capacity of sources proposed for transfer or dedication to the Service Area.
- (9) Such other information as the Service Area deems advisable to ensure compliance with water quality standards for drinking water.

12.2 Review of Application. The Service Area will follow the process set forth in Section 5.0 to review applications for extension projects except where that process conflicts with the requirements of this Section, in which case the requirements of this Section will control.

12.3 Service Rate. In its sole discretion, the Board may require the properties the expansion project will service to pay water service fees pursuant to a different rate structure than the Service Area's customers to ensure that the costs of the extension project are not borne by the Service Area or its existing customers. The Service Area may utilize other funding mechanisms available under the law, including but not limited to special assessment areas pursuant to Utah Code Ann. § 11-42-101, et seq.

12.4 Dedication of Water Rights. If the extension project seeks to service dry lots that lack allotments, the extension sponsors must dedicate, at no cost to the Service Area, sufficient water rights or other alternative contract rights approved by the Board to supply water to the project. Dedication of such water rights to the Service Area will be pursuant to Section 16.

12.5 Sponsors to Pay for Costs of an Expansion Project. The sponsors of each extension project will construct the extension project at their own expense, including but not limited to all required internal water system improvements necessary to serve the expansion. The internal water distribution system will be constructed in accordance with the Service Area's specifications. These improvements will not be connected to other Service Area systems, if any, until they have been inspected and approved by the Service Area's engineers and Water Operator and have been accepted by the General Manager.

12.6 Pipeline Easement Locations. Where possible, provision will be made for the construction of all line extensions and subdivision water system improvements within public streets and easements. However, where the lines must cross private property, the extension project sponsor will obtain at its sole expense all required and necessary easements in form and substance acceptable to the Service Area's legal counsel. Title to any required storage, pump station or other facilities along with the perpetual rights of ingress and egress for operation, maintenance, repair, and replacement of the same will be transferred to the Service Area.

12.7 Transfer of Extension Project and Related Facilities—Service Area to Assume Operation and Maintenance Responsibilities. After the Service Area has accepted the expansion, the Service Area will assume the perpetual obligation to operate, maintain, repair, and replace the improvements and to provide service to the development project in accordance with its Regulations. In consideration of the Service Area's acceptance of these obligations, the expansion project sponsors will convey title to the following property to the Service Area free and clear of all liens and encumbrances, except for those the Service Area has specifically agreed to in writing, and via a conveyance instrument that is acceptable to the Service Area.

- (1) The expansion project's distribution system and all appurtenant facilities, specifically including but not limited to all distribution lines, pumps, storage facilities, booster pumps, and any required treatment facilities, together with all appurtenant easements and rights-of-way for the operation, maintenance, repair, and replacement of the same.

- (2) Title to all storage and well sites, together with any and all easements and appurtenances in connection therewith, including any required protection zone easements to protect water sources, pipeline and utility easements, and rights-of-ways.
- (3) Any water rights dedicated to the Service Area, which the extension project sponsors will convey to the Service Area pursuant to Section 16.

SECTION 13.0 Private Wells.

13.1 General - Authority. In addition to providing water service through its water system, the Service Area provides water rights that are diverted by certain private wells, which are the property of owners in the Service Area and primarily serve lots that are not connected or adjacent to the water system.

13.2 1.0 Acre-Foot Limitation. Upper lots with private wells and an allotment are entitled to divert and use 1.0 acre-foot per year per lot in accordance with the Service Area's water rights. The Service Area will use the process in Section 4.4.1 to determine the estimated water usage of a proposed development that will utilize private wells to divert any applicable allotments. If the total estimated indoor and outdoor water uses of a proposed development exceed 1.0 acre-foot per lot, the General Manager, in consultation with the Water Operator, will issue start cards on behalf of the Service Area and will only issue a start card if the owner:

- (1) Has paid all outstanding fees, including but not limited to any standby fees or metering deposits;
- (2) Has sufficiently demonstrated to the Service Area that the estimated uses for the lot will not exceed the 1.0 acre-foot limitation or has demonstrated that the owner owns other valid water rights in addition to the 1.0 acre-foot allotment that are sufficient to supply the lot's estimated uses, provided, however, that owners with private wells located on lots adjacent to the water system must dedicate additional water rights to the Service Area to cover any overages as condition for the continued use of their allotment, excluding overages associated with outdoor landscape irrigation;² and
- (3) The owner has executed an agreement to abide by all applicable laws and regulations governing the diversion and use of water from the proposed well, including the 1.0 acre-foot limitation and metering requirements set forth in this Regulation.

² Lot owners located along the water system are required to dedicate water rights to cover non-irrigation overages to ensure that the Service Area has sufficient water rights to service the lot if it desires to connect to the water system.

13.3 Private Well Meters.

13.3.1 All private wells that are authorized to divert water rights owned by the Service Area will submit an "Application for Authorization to Drill/Deepen/Rehabilitation or Renovation of a Well" and all applicable fees to the Service Area for new wells and wells requiring maintenance. The Board may require private well owners to pay a fee, as established in the Service Area's fee schedule, to cover the Service Area's costs of installing and inspecting a totalizing meter on the new well or existing well to ensure compliance with applicable laws and regulations, including but not limited to the regulations of the Utah Division of Water Rights, Utah Code Ann. § 73-5-4, and the Service Area's regulations and policies. The totalizing meter will be installed in the water line extending from the well prior to any water use connection, such as a freeze-free hydrant for outdoor water use, and will be located in a manner where it can be read by the Service Area and within four (4) feet of the well head, where possible. The meter and installation require final inspection by the Water Operator. If the Service Area incurs costs installing and inspecting a meter that exceeds the fee paid by the private well owner, the private well owner will be responsible for reimbursing the Service Area for its actual and documented costs, provided that such costs are not due to error or negligence by the Service Area. Any amounts owing to the Service Area that related to its costs in installing and inspecting a meter must be paid before the Service Area will issue any final approvals for the private well or any development related to the use of the private well.

13.3.2 All private wells that are authorized to divert water rights owned by the Service Area will be open for inspection at all reasonable times to authorized representatives of the Service Area to inspect for the installation of the required totalizing meter, to read the meter, and to ensure compliance with this Regulation.

13.3.3 The Service Area will charge the owners of a property with a private well that is authorized to divert Service Area water rights a Transfer and Inspection fee upon sale of the property, and the well will be inspected for compliance prior to the closing on the Property. Properties with non-compliant wells will be charged a Well Metering Security Deposit at closing and the deposit will be held until property is in compliance and final inspection complete.

13.3.4 If the General Manager determines that a private well with an allotment does not have a meter that complies with the Service Area's requirements, the General Manager will provide the owner and/or private well owner a written notice explaining the deficiency and giving the owner or private well owner six (6) months from the date of the notice to install a meter that complies with the Service Area's requirements. The owner and/or private well owner may request an additional six (6) month extension by providing sufficient evidence to the General Manager that shows by a preponderance of the evidence that additional time is needed due to financial constraints, physical, or natural conditions that are beyond the control of the owner and/or private well owner. The General Manager will grant or deny an extension request in writing and provide sufficient information to explain any denial. The owner and/or private well owner may appeal any notice or decision

issued under this Subsection 13.3.2 to the Board pursuant to the appeal process set forth in Section 19.

13.4 Fees. In accordance with Utah law, the Board may enact fees or other charges to pay some or all of the Service Area's costs of regulating private wells that divert Service Area water rights and ensuring that such private wells comply with this Regulation, including but not limited to meter reading, inspection and compliance fees, conservation use violation fees, water rates for water use in excess of a private well owner's allocation, and water use and evaluation fees.

13.5 Cross-Connections and Well-Sharing Prohibited. Following the effective date of this regulation, all cross connections or well sharing arrangements in which two or more lots share one or more wells will require prior approval from the General Manager. The General Manager will only approve requests for cross connections or well sharing arrangements after consulting with the Water Operator and if the parties requesting the cross connection or well sharing arrangement can show by clear and convincing evidence that the proposed cross connection or well sharing arrangement is the only viable means of supplying water to one or more of the properties in question and will not impair public health, safety, or the general welfare. In authorizing a cross connection or well sharing arrangement, the General Manager may require such reasonable terms and conditions are needed to protect public health, safety, and general welfare, including requirements that the parties requesting the cross connection or well sharing arrangement indemnify the Service Area and agree to reimburse the Service Area for any costs the Service Area may incur as a result of the cross connection or well sharing arrangement. If the Service Area identifies unauthorized cross connections or well sharing arrangements, it may pursue any and all available remedies, including but not limited to fines enacted by the Board and the revocation of the applicable owner's authorization to use of the Service Area's water rights. This Subsection does not apply to cross connections and well sharing arrangements that were constructed prior to the effective date of this regulation or do not divert water rights owned by the Service Area.

13.6 Drilling of New Existing Wells to Divert Allotments Along Water System Prohibited. Following the effective date of this Regulation, the drilling of new private wells to divert allotments on lots adjacent to the water system is prohibited and the Service Area will not authorize such wells to divert or use its water rights. Instead, owners seeking to utilize their allotments for lots that are adjacent to the water system must connect to the water system pursuant to Section 4.0. Nothing in this subsection will apply to private wells installed before the effective date of this Regulation nor to private wells that do not divert Service Area water rights.

13.7 Connection of Existing Private Wells to Water System.

13.8.1 Owners of existing private wells drilled before the effective date of this Regulation may receive service from the water system if the private well is located on a lot that is adjacent to the water system and the owner:

- (1) Is in good standing with the Service Area and has paid all applicable and

outstanding standby fees and other fees associated with the lot in question;

- (2) Agrees to install a totalizing meter for the connection pursuant to this Regulation; and
- (3) Agrees to pay for any and all of the costs of connecting to the water system.

13.8.2 Private well owners seeking to connect to the water system must dedicate water rights to the Service Area to supply the estimated water needs of the lot pursuant to Section 16 if:

- (1) If the lot is a dry lot; or
- (2) The lot's estimated water needs exceed the amount of water dedicated or provided to the Service Area to service the lot in question, in which case the owner must dedicate sufficient water rights to cover any estimated overages determined pursuant to Section 16.

If water service is discontinued to any lot serviced by the water system pursuant to this Section, the Service Area will not be liable for any expenses or other damage, whether direct or indirect, related to the termination of water service under the circumstances described in this Regulation.

13.8. Compliance. The requirements of this Regulation are express conditions that must be satisfied for a private well and related lot to maintain a right to divert an allotment. The Service Area may use any legal corrective action to ensure compliance with this Regulation, including but not limited to imposing fees and penalties set forth in the Service Area's fee schedule or otherwise established by the Board, taking the actions described in Section 13.3.4 and Section 18, and revoking the Service Area's authorization for the private well to divert and use Service Area water rights. For all violations of this Section not involving meters or violations of the Service Area's allocation requirements, the General Manager will first provide the owner and/or private well owner a written notice that details the deficiencies and provides a minimum of 30 days for the owner or private well owner to cure the deficiencies or make commitments that are acceptable to the General Manager to address the deficiency. The owner and/or private well owner may appeal the General Manager's notice to the Board pursuant to Section 19. If the Service Area revokes its authorization for the private well owner to divert and use Service Area water rights under this Section, the owner and/or private well owner will pay for all of the costs needed to reinstate the Service Area's authorization, including but not limited to the reimbursement of all applicable legal fees and other such costs. If the Service Area revokes a private well owner's authorization to divert Service Area water rights, the Service Area will not be liable for any expenses or other damage, whether direct or indirect, related to such revocation.

SECTION 14.0 Meters Generally

14.1 General. The Service Area is responsible for inspecting all water meters and related readouts to ensure compliance with this Regulation. The General Manager in consultation with the Water Operator is also authorized to develop technical requirements for meters and policies and forms to implement this Section.

14.2 Replacement. The Service Area will replace those meters that need repair for connections to the water system and the Service Area's sole cost and expense, except for those meters that are damaged or removed by the customer or owner, in which case the provisions of Section 14.7 will apply. Private well owners will replace meters connected to their wells at their sole cost and expense.

14.3 Obstructions Prohibited. Customers and owners will not obstruct in any way the access of authorized Service Area personnel to water meters for periodic inspections, reading, and maintenance. The cost of removing physical obstructions to access to the meter will be charged to the owner. Meters on the central water system will be read as directed by the Service Area. Private well meters will be read once each year by the Utah Division of Water Rights or a Service Area designee. By using diverting Service Area water rights from a private well or by connecting to the Service Area water system, each customer and owner indicates their agreement to comply with all Service Area Regulations and will be deemed to have granted private property access to the Utah Division of Water Rights or the Service Area designee for the purpose of reading water meters on a monthly or other periodic basis.

14.4 Meter Reading. Meters will be read monthly. Overages for customers connected to the water system will be invoiced with the regular monthly billing to customers. Overages for private well owners who exceed their allocation will be invoiced to such private well owners for each month they exceed their allocation during a calendar year. The overages will be reported to customers and private well owners in gallons exactly as shown on the meter readings and will be billed to customers according to the Service Area's current water fee and rate schedule.

14.5 Meter Error on Meter Bypass. If a meter malfunctions or it is discovered that there is unmetered water use and a reliable reading is not possible to obtain, or due to weather conditions physical condition or placement of the meter, it is not possible to read the meter, charges will be estimated by comparing the water usage through the water meter to that of adjoining or similar properties where prior water usage can be established, or, by reference to the prior water usage through the water meter during a corresponding time of the year. Where such data is unavailable, estimates will be made by comparing the prior water usage on similar or adjoining properties and averaging the same. The Service Area reserves the right to estimate and collect for the loss of revenue due to unmetered water usage whether deemed willful or not. The Service Area will collect estimated fees for usage of unmetered water upon demand.

14.6 Meter Testing. If a customer or owner contests the accuracy of the water meter, the Service Area will charge a deposit pursuant to the Service Area fee schedule before performing the service necessary to verify the accuracy of the meter. If the meter proves to be accurately

calibrated or under-reading, any costs incurred by the Service Area in the removal, replacing, testing, and recalibrating of a meter will be deducted from the deposit and the balance refunded. If the water meter is over-reading, there will be no charge for the repair to the meter. Appropriate adjustments will be made to the customer's or the owner's next water bill as applicable. Adjustments will not be made for any period greater than three months. Meter errors of three percent (3%) or less will be deemed to be accurate readings, warranting no adjustments. If, upon a second meter reading (as requested by the customer or owner) within a six (6) month period for the purposes of determining meter error and the meter is found to be accurately calibrated, a rereading charge consistent with the Service Area's fee schedule will be included in the next billing to the customer or owner as applicable.

14.7 Meter Tampering/Meter Bypass. It will be a violation of this Regulation 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 unmetered water. Willful consumption of water through a water meter known to be damaged, bypassed, or tampered with, will constitute theft of service and such actions will be subject to the imposition of penalties in accordance with the Service Area's fee schedule and will be punished in accordance with laws of the State of Utah. The Service Area reserves the right to estimate and collect upon demand for the loss of revenue due to unmetered water usage whether deemed willful or not and to impose any fees established by the Board.

14.8 Relocation/Replacement of Meters. All relocation or replacement of water meters will satisfy Service Area requirements.

14.8.1 It is the responsibility of an owner to relocate or replace the water meter under any one of the following circumstances:

- (1) Where the customer or owner constructs alterations or improvements to property which require a building permit, as determined by Summit County, and which building permit has a construction value in excess of \$25,000.00;
- (2) Where the customer or owner constructs alterations or improvements to property which can be expected to result in a material increase in water use, including but not limited to, the addition of a bathroom, additional kitchen, installation or expansion of a sprinkler system, or addition of water service to an outbuilding; or
- (3) Upon discovery of evidence that the water meter has been tampered with, damaged, bypassed, or not installed in conformance with applicable plumbing codes, or not installed in conformance with manufacturer specifications.

14.8.2 At its election, the Service Area may require the relocation of an existing water meter at any time for access or health and safety reasons, or to comply with the requirements for new service installations set forth in this Regulation, or for reasons that may vary from those outlined above.

SECTION 15. Use of Service Area Water.

Under no circumstances will any owner use their allotment for any purpose other than to use said water on that owner's immediate lot area. Any intended use of water resources under the jurisdiction and control of the Service Area by an private owner outside the geographic boundaries of his lot will be unlawful unless permission of the Board is obtained for intended use. In considering an application for use of allocated water beyond the lot boundaries, the Board will consider the public convenience and necessity above all other issues.

SECTION 16 Dedication of Water Rights.

16.1 General. If the Service Area determines that a proposed development for a wet lot seeking to connect to the water system will exceed its 0.75 acre-foot and 1.0 acre-foot limitations set forth herein, the Service Area may, in its discretion, allow the owner to dedicate sufficient water rights to the Service Area to cover any estimated overages as a condition for approving the use of the Service Area's water rights or connection to its water system pursuant to the requirements of this Section. This Section will also govern the dedication of water rights for non-residential uses. The General Manager will oversee the dedication process and will approve dedication applications pursuant to this Section.

16.2 Application Required. The Service Area will consider for dedication any valid water right, provided that the owner must complete and submit a written application on forms prepared and approved by the Service Area. For the purposes of this Section, the term "water right" will mean:

- (1) A water and existing right to appropriate surface water or groundwater approved under the laws of the State of Utah;
- (2) A share(s) in good standing with a water or irrigation company with a service area that encompasses the property in question; or
- (3) A valid exchange application and related contract in good standing.

16.3 Application Compliance, Application Fee, and Costs. Dedicators seeking to dedicate water to the Service Area must pay an application fee determined by the Board to cover the costs of the Service Area's review of any water right and comply with all requirements of the application, including payment or reimbursement of all costs that the Service Area may incur in reviewing the water right, including but not limited to attorney fees, engineering fees, water application filing fees, recording fees, and title insurance premiums. The Service Area will return any amounts that exceed its actual costs in reviewing and accepting a water right for dedication.

16.4 Service Area to Approve Proposed Water Rights. Upon receiving a completed application pursuant to Section 16.2, the Service Area will evaluate the proposed water right and may refuse to accept any water right which it believes to be insufficient in amount, flow, priority, title, or any other reason that makes the water right unsuitable for the Service Area. In performing

its evaluation of a proposed water right, the Service Area will obtain a title commitment from a title company, perform a legal review of the water right, and take any other steps the Service Area deems necessary to evaluate the water right. The Service Area will notify owners in writing whether a water right is acceptable and if the application can move forward. If a water right proposed for dedication is not acceptable, the Service Area will explain in writing the reasons why the water right is unacceptable.

16.5 Execution of Warranty Deed and Change Application for Water Rights. If the Service Area determines that a water right is suitable for dedication, the dedicator will execute a warranty deed and change application prepared by the Service Area. The Service Area will only accept warranty deeds for dedicated water rights and will not accept any other form of title conveyance, including but not limited to quit claim deeds. For dedications involving shares in a water company, the dedicator must also fully endorse the underlying share certificate to the Service Area in accordance with the water company's policies. Upon receipt of the warranty deed and change application, the Service Area will file the change application with the Utah Division of Water Rights and will hold the warranty deed and/or share certificate (if applicable) in escrow, pending an approval of the change application by the Division of Water Rights in a manner that is acceptable to the Service Area. The Service Area will be responsible for moving the change application through the approval process with the Division of Water Rights, provided that the dedicator will provide all assistance the Service Area may require.

16.6 Weber Basin Water Conservancy District Exchange Contracts. For dedications involving exchange contracts (or "petitions") with the Weber Basin Water Conservancy District, the dedicator must assign all rights in the contract to the Service Area in lieu of executing a warranty deed. For each acre-foot dedicated pursuant to an exchange contract under this Subsection, the Service Area will provide the dedicator with a 0.75 acre-foot allotment and retain 0.25 acre-feet for general use within the Service Area's water system as compensation for the annual fees the Service Area will incur to maintain the exchange contract. After the dedicator has assigned a Weber Basin Conservancy District contract to the Service Area, the Service Area will file an exchange application with the Utah Division of Water Rights seeking authorization to use the contract within its water system. The Service Area will be responsible for moving the exchange application through the approval process with the Division of Water Rights, provided that the dedicator will provide all assistance the Service Area may require.

16.7 Review of Adverse Decisions by the Division of Water Rights. The Service Area will not appeal or request reconsideration of decisions by the Division of Water Rights that deny a change application. If the Division of Water Rights denies a change application or approves the application in a manner that is unacceptable to the Service Area, the Service Area will return the warranty deed and any amounts that may remain from the application fee, if any. If the Service Area has incurred costs that exceed the application fee, the Service Area will submit an invoice to the dedicator, which the dedicator will pay within 30 days of the date of the invoice.

16.8 Review of Decisions Approving Applications by Division of Water Rights. After the Division has approved an application required under this Subsection and the approval is final

and non-appealable, the Service Area will review the approval to determine if it is acceptable and will adhere to the following process:

16.8.1 If the Division of Water Rights' approval is not acceptable to the Service Area, the Service Area will notify the dedicator in writing of the problem and will schedule a meeting to address the issues and outline a course of action that must be followed. If the dedicator is unable or unwilling to start the process over again, the Service Area will return the warranty deed and/or share certificate (if applicable) to the dedicator.

16.8.2 If the Division of Water Rights' approval is acceptable, but insufficient quantities of water were approved, the Service Area will notify the dedicator in writing of the shortage, and the dedicator will have thirty (30) days to start this process over again for a water right to cover the shortage. If the dedicator is unable or unwilling to start the process over again, the Service Area will return the warranty deed to the dedicator.

16.8.3 If the Division's approval is acceptable, the following steps must take place before the Service Area will issue final approval of the dedication of the water right or any other approvals needed for the proposed development:

16.8.3.1 For dedications not involving exchange contracts with the Weber Basin Water Conservancy District:

- (1) The title company selected by the Service Area will complete a final title check and notify the Service Area that it is appropriate to record the warranty deed;
- (2) The Service Area will record the warranty deed and, for dedications involving shares in a water company, obtain an updated certificate from the company in the Service Area's name;
- (3) The Service Area will file a report of conveyance with the Division of Water Rights to update title on the Division's records; and
- (4) The title company will send an invoice to the dedicator for the title premium and any other costs associated with the water right title insurance (less any amounts already paid), which the dedicator will pay and after which the title company will issue the water right title insurance.

16.8.3.2 For all dedications, the Service Area will return any amounts that may remain from the application fee, if any, or send an invoice to the dedicator for any costs the Service Area has incurred that exceed the application fee, which the dedicator will promptly pay.

16.9 Final Acceptance. Following the satisfactory completion of the process required in Section 16.1 through 16.8 and any other requirements needed to obtain water service from the Service Area, the Service Area will issue a final written notice accepting the water right and approving the dedicator's use of the Service Area's water rights, as well as any other approvals required under this Regulation for the dedicator to connect to the Service Area's water system (if applicable) or otherwise use the Service Area's water rights for its residential development.

16.10 Limitation. The Service Area will not require lot owners to dedicate more water rights than needed to supply the estimated overage of a proposed residential development.

16.11 Water Service Rates, Fees, and Charges for Dedicated Water Rights.

16.11.1 Owners who own lots for which water rights have been dedicated will pay the same rates and fees as other residential customers connected to the water system, provided that the base rate will allow such owners to use to the amount of water dedicated to the Service Area for their specific lot. Private well owners who dedicate water rights to the Service Area or otherwise own water rights in addition to their allocation will be subject to the same rates as other private well owners if their water use exceeds the combined amount of water authorized under their allocation, any water rights they have dedicated to the Service Area, and/or any other water rights authorized for diversion from their private well.

16.11.2 Any water use that exceeds the amount of water dedicated to the Service Area for a specific lot will be subject to increased water rates in accordance with the Service Area's fee schedule and the penalties set forth in Section 18 regarding water use violations.

SECTION 17 Delinquent Accounts.

Owners will be liable for all fees assessed or charged by the Service Area. The following procedures will govern the collection of all delinquent water rates and fees that the Service Area may charge pursuant to this Regulation and will govern the termination of service for non-payment of fees.

17.1 Monthly Accounts. The General Manager will notify owners with delinquent monthly accounts, including but not limited to monthly water rate payments, of the delinquency by the 15th of the following month.

17.2 Annual Accounts. The General Manager will notify owners with delinquent annual accounts, including but not limited to any applicable standby fees, of the delinquency by January 30th of the following year.

17.3 Other Fees. If an owner fails to pay any other fees this Regulation may require in a timely manner, the General Manager will notify the owner of the outstanding balance within 30 days of the delinquency.

17.4 Use of Available Security Deposits. The Service Area may, in its discretion, deduct any delinquent amounts owing to the Service Area under to this Regulation from any unused portion of any security deposit paid by the applicable owner to the Service Area pursuant to any current Service Area regulation.

17.5 Collection of Delinquent Accounts. When a past due amount is 120 days in arrears, the Service Area will send a written notice to the owner of record informing the owner that:

- (1) Requests payment or a response within 30 days of the date of the notice;
- (2) Explains how the owner may dispute the amount owing;
- (3) That if payment is not made within 30 days of the date of notice, the Service Area will terminate water service or revoke its authorization for private wells to divert Service Area water rights and charge any applicable fees authorized under the Service Area's fee schedule;
- (4) Informs the owner that they may request a hearing before the Board regarding any delinquency prior to the termination of service; and
- (5) Informs the owner that the Service Area will ask Summit County to place a lien for the amount owing plus administrative costs and interests on the property in question pursuant to Utah Code Ann. § 17B-1-902 or applicable successor statute if the owner does respond within the 30-day time period set forth in the notice.

17.6 Termination of Services for Non-Payment of Fees.

- (1) The Service Area may terminate water service or revoke its authorization for private wells to divert Service Area water rights if a customer or private well owner does not cure a delinquency or request a hearing before the Board to discuss the delinquency within 30 days of the date of the notice required under Section 17.5 and if the owner does not request a hearing.
- (2) If a customer or private well owner requests a public hearing before the Board to discuss a delinquency, the Board must hold the public hearing before the Service Area may terminate water service.
- (3) If the Service Area terminates water service or revokes its authorization for a private well owner to divert Service Area water rights, the customer or private well owner will be required to pay all applicable deposits and fees, in addition to curing the delinquencies, as a condition to the resumption of water services or for the Service Area to reinstate its authorization for a private well owner to divert Service Area water rights.

17.7 Placement of Liens for Delinquent Accounts. In addition to the remedies available in Section 17.6, if a customer or private well owner does not make arrangements to pay the amount owing or does not respond within the 30-day period, the Service Area will submit the delinquent account to Summit County for collection through property tax lien pursuant to Utah Code Ann. § 17B-1-902 and will include 18% interest per annum and a delinquent lien fee. The Service Area may also pursue any other remedy available at law to collect delinquent accounts and related costs, including but not limited to attorney's fees.

SECTION 18 WATER USE VIOLATIONS.

18.1 Wasting of Water Prohibited. It is a violation of this Regulation 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 an owner to use water for purposes other than the approved use. Violations of any provision of this Regulation regarding the waste or excessive use of water will constitute a water use violation, including but not limited to water uses that exceed the allocations of customers and private well owners.

18.2 Applicability. This Section applies to all persons and entities that use water the Service Area provides through its water system or that divert and use water rights the Service Area owns through private wells or other infrastructure.

18.3 Increased Water Rates for Allocation Violations. A customer or private well owner whose water usage exceeds their allotment in a calendar year will be subject to increased water rates for each gallon they use in excess of their allotment in accordance with the Service Area's fee schedule.

18.4 Customers Who Exceed Their Allocations. The following process will apply to customers who exceed their allocation in a calendar year.

18.4.1 When a customer exceeds their allocation for the first time in a calendar year, the Water Operator will issue a first written notice that informs them that: (1) they have exceeded their allocation and will now be charged increased monthly water rates for each gallon of water they use in excess of their allocation; (2) directs them to contact the Service Area within thirty (30) days of the notice to begin the process of developing a written agreement to govern how the customer will reduce their water usage to comply with their allocation or dedicate additional water rights to the Service Area to supply their excessive use; and (3) failure to contact the Service Area within the thirty (30) day period will result in the imposition of a water use violation fee and may result in the discontinuation of water service.

18.4.2 If a customer does not respond within the 30-day period required under the first written notice, the Water Operator will issue a second written notice that informs them that: (1) the Service Area has imposed a water use violation fee in accordance with the Service Area's fee schedule; and (2) that failure to contact the Service Area within thirty (30) days of the notice to begin the process of developing and executing a written

agreement with the Service Area to govern how they will reduce their water use to comply with their allocation or dedicate additional water rights to supply their excessive use will result in the discontinuation of water service; and (3) if the Service Area discontinues service, the Service Area will not resume water service until they comply with the Service Area's requirements and pay all applicable deposits and fees.

18.4.3. If a customer does not respond within the 30-day period required under the second written notice, the Water Operator will issue a third written notice informing them that the Service Area has discontinued water service.

18.5 Private Well Owners Who Exceed Their Allocations. The following process will apply to private well owners who exceed their allocation in a calendar year.

18.5.1 When a private well owner exceeds their allocation for the first time in a calendar year, the Water Operator will issue a first written notice informing them that: (1) they have exceeded their allocation and will now be charged a monthly water rate for each gallon of water they use in excess of their allocation in accordance with the Service Area's fee schedule; (2) directs them to contact the Service Area within thirty (30) days of the notice to begin the process of developing and executing a written agreement to govern how they will reduce their water use to comply with their allocation or dedicate additional water rights to the Service Area to cover their excessive use; and (3) that failure to contact the Service Area within the thirty (30) day period will result in the imposition of a water use violation fee and may result in the Service Area revoking its authorization to divert and use the Service Area's water rights.

18.5.2 If a private well owner does not respond within the thirty (30) day period required under the first written notice, the Water Operator will issue a second written notice that informs the private well owner that: (1) the Service Area has imposed a water use violation fee in accordance with the Service Area's fee schedule; and (2) that failure to contact the Service Area within thirty (30) days of the second written notice to begin the process of developing and executing a written agreement with the Service Area to govern how they will reduce their water use to comply with their allocation or dedicate additional water rights to the Service Area to cover their excessive use will result in the revocation of the Service Area's authorization for the private well owner to divert and use Service Area water rights.

18.5.3 If a private well owner does not respond within the 30-day period required under the second written notice, the Water Operator will issue a third written notice informing them that the Service Area has revoked its authorization for the private well owner to divert and use the Service Area's water rights.

18.5.4 No water use violation will occur if the total amount of water diverted from a private well does not exceed the combined amount of water authorized for use on the lot under the owner's allotment, any water rights dedicated to the Service Area for use on the applicable lot, and any other rights approved for use on the applicable lot. If the Service

Area charges a private well owner a water usage rate for exceeding their allocation, the private well owner may request a billing adjustment pursuant to Section 6.4.1.

18.6 Other Water Use Violations. The Service Area will use the following process for all water use violations that do not involve a customer or private well owner who has exceeded their allocation.

18.6.1 For a first water use violation, the Water Operator will provide the customer or private well owner with written warning that explains the nature of the violation and notifies them that subsequent violations within a twelve (12) month period: (1) will be subject to water use violation fees in accordance with the Service Area's fee schedule; and (2) may result in the discontinuation of service for customers or in the revocation of the Service Area's authorization for private well owners to divert and use the Service Area's water rights.

18.6.2 For a second water use violation occurring within a twelve (12) month period following first water use violation notice, the Water Operator will issue a written notice to the customer or private well owner: (1) informing them that the Service Area has charged them with a water use violation fee in accordance with the Service Area's fee schedule; (2) directs them to contact the Water Operator within thirty (30) days of the notice to begin the process of developing and executing a written agreement with the Service Area to govern how they will resolve the cause of the water use violation; and (3) that failure to contact the Service Area within the thirty (30) day period may result in the discontinuation of service for customers or the revocation of the Service Area's authorization for private well owners to divert and use the Service Area's water rights.

18.6.3 If a customer or private well owner does not respond within the thirty (30) day period required under the second written notice, the Water Operator will issue a third written notice that informs the customer or private well owner that the Service Area has discontinued service to the customer or has revoked the Service Area's authorization for a private well owner to divert and use the Service Area's water rights.

18.7 Additional Notice Requirements. In addition to any other requirements set forth in this Regulation, each written notice the Water Operator issues under this Section will: (1) describe the water use violation and include any applicable documentation or other information showing the violation; (2) cite the applicable laws, regulations, ordinances, or other policies that apply to the conservation or water use violation; (3) explain what actions a customer or private well owner must take to cure the violation; (4) identify any applicable deadlines by which the customer or private well owner must remedy the violation; (5) explain the applicable fees, penalties, or other actions the Service Area will impose or take if the customer or private well owner does not remedy the violation by the deadline; and (6) explain how the customer or private well owner may appeal the conservation or water use violation. The Water Operator may also include education and other conservation materials with any notice and make additional contacts and notifications to the customer prior to the determination of a water use violation.

18.8 Contracts. All written contracts required under this Section will be in a form that is acceptable to the General Manager and must be signed by the General Manager and the customer or private well owner. The Water Operator will consult with the customer or the private well owner when establishing any applicable deadlines for compliance in the contracts to account for the circumstances of each water use violation but the General will have final decision-making authority regarding the establishment of all deadlines in the written contracts. The General Manager, in consultation with the General Manager, may also require a customer or private well owner to pay as security deposit to ensure compliance with a contract required under this Section.

18.9 Extensions. The General Manager, in consultation with the Water Operator, may, in their sole discretion, grant extensions to any deadlines imposed under this Section upon a showing of good cause by the customer or private well owner. Extensions are discretionary in nature and no customer or private well owner is entitled to an extension.

18.10 Discontinuation of Service and Revocations.

18.10.10 If water service is discontinued to any lot serviced by the water system or if a private well owner's authorization to divert Service Area water rights is revoked under this Section, the Service Area will not be liable for any expenses or other damage, whether direct or indirect, related to the termination of water service under the circumstances described in this Regulation.

18.10.11 If the Service Area terminates water service, the customer or private well owner will be required to pay all applicable deposits and fees, in addition to curing the delinquencies, as a condition for the resumption of water service or the reinstatement of the Service Area's authorization for private well owners to resume the diversion and use of Service Area water rights.

18.10.12 If a customer or private well owner timely appeals a notice issued under this Section, the filing of such an appeal will toll the imposition of any further fees, penalties, or proceedings to terminate water service or revoke a private well owner's authorization to divert and use Service Area water rights until such time as the Board or the Board's designated hearing officer issues a decision on the appeal. The timely filing of an appeal will not toll the imposition of the water rates that apply to water uses that exceeds an allocation, provided, however, that the Board or the Board's designated hearing officer may require the Service Area to reimburse a customer or private well owner for any rates the Service Area has imposed improperly.

18.11 Other Remedies. In addition to the remedies set forth in this Section, the Service Area will be entitled to take any other action authorized under the law to enforce the requirements of this Regulation, including but not limited to the filing of court actions seeking injunctive and other appropriate relief.

SECTION 19 Appeals and Final Actions.

Parties to a decision rendered by the General Manger or the Water Operator under this Regulation may appeal such decisions to the Board or the Board's designated hearing officer by sending a written notice to the chair of the Board within 30 days of the decision that states the basis of the appeal and the relief requested. Any decision by the Board or its designated hearing officer on an appeal or other decision required by this Regulation will constitute the final action of the Service Area on the matter in question.

SECTION 20 Effective Date.

This Regulation is effective upon the date of its adoption.