

WATER MAIN EXTENSIONS POLICY

1. DEFINITIONS

- 1.1 “Advance-Payment Extension Contract” shall mean an Extension Contract that provides for full payment by the Applicant in advance of construction as described in Section 4.1 of these rules.
- 1.2 “Applicant” shall mean the party entering into a contract with the PUD for an extension.
- 1.3 “Extensions” shall mean the lineal footage of main required in order to service property(ies) according to the terms and conditions set forth herein.
- 1.4 “Mains” are water pipes owned by, or to be owned by, the PUD used for the purpose of conveying water to Taker’s service connection.
- 1.5 “PUD” shall mean the water system for which these rules apply.
- 1.6 “Taker” shall mean any party connected to an existing extension by a service line on which an Extension Contract is in effect.

WATER MAIN EXTENSIONS POLICY

2. APPLICATIONS

- 2.1 Application for Extensions will be accepted only when filed by the property owner of public record for the property that the Extension will serve.
- 2.2 Applications shall be made at the office of the PUD on forms provided and will not be accepted until all information outlined on said forms is supplied.
- 2.3 Extensions will be made on streets or roads that are accepted and maintained by the town, city, county or in rights-of-way granted to the PUD. Extensions will also be made on new streets subject to the following:
 - (a) The street shall be constructed to line and grade conforming to the plan and profile as accepted by and recorded with the town or city or county;
 - (b) A bond has been posted with the town, city, or county by the owner to ensure satisfactory completion of said street according to the specifications of the town or city, and that the town, city or county accept and maintain the new street as a town or city street or county road; and
 - (c) That all of the above be subject to written confirmation by the proper municipal authority.
- 2.4 Until a street has been accepted by the municipality, or in other private roadways, no new Mains will be installed until street line and grades are established, street is graded in a manner acceptable to the PUD, and until grants of rights-of-way have been given the PUD, at no expense to the PUD to install, maintain, extend, and replace Mains and appurtenances and make connections thereto in said street(s).
- 2.5 If requested by the PUD, the Applicant shall erect and maintain stakes to indicate correct street lines and grades to facilitate proper installation of the Mains.
- 2.6 The determination of the required length and size of an Extension shall, in all cases, be made by the PUD but, in general, shall be based on the following principles:
 - (a) The terminal point of Extensions laid in streets not within a development shall be the property line beyond the last Taker to be served by the Extension;
 - (b) If the Extension is laid in streets within a development or subdivision, it shall include all Mains required to cover houses to be served by the Extension plus the Main required to connect dead ends created within the development or subdivision at intersection streets; and
 - (c) The size of Main to be installed will be based on the existing and future needs of the PUD's water system, and the costs will be allocated as provided in Section 3.4 of these rules.

- 2.7 Application for the Extension of Main will be automatically canceled 60 days from the date of application if, within this period, all conditions required for acceptance of such applications, as set forth in these rules, are not fulfilled.
- 2.8 A canceled Extension Application may be renewed by the Applicant, however, the renewed application will be subject to and governed by the rules in effect at the date of renewal.
- 2.9 Extensions will not be scheduled for construction until all conditions and contractual obligations herein set forth have been fully complied with by the Applicant for said Extension.
- 2.10 Extensions will normally be assigned for construction in the order in which all requirements as herein outlined have been met. However, the PUD may vary such assignment in order to integrate timing with other projects that may have been approved and are awaiting construction and to take due consideration of weather conditions, availability of materials, and immediacy of need.
- 2.11 The Applicant, if a development is involved, will be required to furnish with the application, two reproducible maps of the property to be supplied, and it must be a facsimile of one approved and filed with the proper municipal authority. Applicant agrees to proceed with construction of the development in such a manner as to allow the PUD to construct the Extension continuously on a street-by-street basis.
- 2.12 If requested by the PUD, the Applicant shall furnish plan and profile of the street in which the Main is to be installed as approved by and filed with municipality, which plan and profile shall show, in addition to the street grade as approved, existing grade at street corner line and each property line or at such other locations as may be designated by the utility, giving the date at which the profile of said existing grade was made. Only maps, plans, profiles, or other drawings prepared and stamped by a State of Washington licensed engineer or surveyor will be acceptable.
- 2.13 All requests for the installation of public fire hydrants shall be made directly to the municipality or regional government and shall be subject to order by said governing body.
- 2.14 If property to be supplied by an Extension is at such an elevation that, in the opinion of the PUD, adequate pressure cannot be furnished at all times, the Applicant for such an Extension will be obligated to execute a Low-pressure Agreement prior to final acceptance of the application by the PUD. Low-pressure agreement(s) may be recorded at the option of the PUD in the land records of the municipality in which the property is settled.
- 2.15 The Application shall be accompanied by the appropriate fees as prescribed in the Administrative Charges.

3. GENERAL RULES

- 3.1 Title of ownership in an Extension shall at all times be and remain vested in the PUD.
- 3.2 An Extension shall at all times remain under the sole control and jurisdiction of the PUD. This includes the right to connect additional customers without the consent of the Applicant, make further Extensions beyond or running laterally from said Extension, or connect said Extension with any other portions of the distribution system of the PUD, without incurring any obligations to the Applicant or Takers receiving service from said Extension except as hereinafter provided.
- 3.3 When Main Extensions are made in an unfinished street, the Applicant shall be fully responsible for damages to the Main and all fixtures and appurtenances, such as hydrants, meters, back-flow devices, gate boxes, blowoff valves, etc., including the location thereof, if such damage results from or such relocation is necessitated by acts of the Applicant or his/her agents. If, after the Mains are laid, the surface grade is lowered with the result that the required minimum cover of the mains, fixtures, or appurtenances is not maintained, then the Applicant shall pay the cost of lowering the Mains to the level required to correct this deficiency. This responsibility shall remain in force until such time as the street is officially accepted by the proper municipal authority.
- 3.4 The PUD will determine the size of the main required. Costs will normally be based on pipe size no larger than an 8-inch Main, but if for any reason it is necessary to install Mains larger than 8-inches to satisfy requirements of the PUD, only the cost of installing the 8-inch Mains will be charged to the Applicant. Cost for the purpose of all Extension Contracts shall be the actual cost of the Main, labor and equipment used, plus overheads at the prevailing PUD overhead rates for the Main size required. If pavement evacuation and replacement or repairs are required for the Extension, the additional cost of the required excavation and replacement or repairs will be added to the cost of the Extension.
- 3.5 In cases where an Extension will pass by corner properties that have access to a Main on an adjacent street, the PUD will install, at its expense, that corner property's portion of the Extension from the existing main to the far property line. If this distance is subdividable in accordance with the zoning regulations of the town or city where the Main extension occurs, the PUD will only install, at its expense, the corner property's portion of the extension from the existing Main to the subdivide line, but in no case will the distance contributed by the PUD exceed 150 feet. This policy will not apply to new developments where the corner lots' costs will be absorbed by the entire development.
- 3.6 If additional facilities, such as storage tanks and booster pumps, are required to provide adequate service to an Extension and only that Extension, the cost of such facilities shall be charged to the Applicant. If such facilities benefit the existing system as a whole or are of a size larger than required to serve the Extension, the PUD shall adjust

accordingly the cost of the facilities in excess of that required to serve the Applicant's development.

3.7 Customers realize that they may do their own work (on their property) or hire a contractor, provided that the work is inspected and approved by District personnel.

3.8 Appropriately sized meters are required for all new connections, both existing or new customers.

4. ADVANCE-PAYMENT EXTENSION CONTRACT

4.1 An Applicant shall deposit with the PUD an amount equal to the PUD's estimated cost of the Extension. On demand, any additional amount that may result from increased costs as determined by the PUD shall be paid to the PUD. The PUD reserves the right to delay installation of any Extension or service taps in any Extension until it has received such additional amount.

4.2 All Takers connected to Extensions installed in accordance with the terms of an Advance-Payment Extension Contract shall be subjected to the applicable rates, rules, regulations, and terms and conditions of service of the PUD. However, when the municipality does not pay the fire-service charge for a particular Extension, said charges shall be paid on a pro rate basis by all Takers on such Extension in addition to their charge for water.

4.3 The PUD reserves the right to require that a Contract cover all Mains needed to supply a real estate development or subdivision in its entirety as provided in Section 2.6.

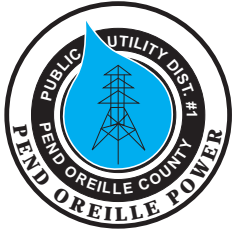
WATER SYSTEM – STANDARD CHARGES

WATER LINE EXTENSION FEES FOR EXISTING SYSTEM

Customers in the County of Pend Oreille who desire water service from an existing water system must pay the full cost for attaining such service. The District will provide an estimate to the customer including all applicable charges as pursuant to the rates. Once the plan has been approved by the District, the customer must pay the estimated cost prior to the commencement of construction. In the event that the estimated cost exceeds actual cost, the District will rebate to the customer the difference. In the event that the actual cost exceeds the estimated cost, the customer will be required to remit the difference to the District prior to water service being activated.

WATER LINE EXTENSION FEES FOR NEW SYSTEMS

Landowners/Developers in Pend Oreille County requesting that the District own and operate a water system(s) shall present their proposal to the District for formal approval by Commission action. The developer shall pay for the complete cost of design and any District costs of construction prior to commencement of work. An estimate will be provided to the developer and administered the same as the Existing Water System Extension Policy.



PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY

WATER SERVICE AND CREDIT POLICY

Effective August 24, 1999

APPLICATION FOR SERVICE

Customers may apply for service at the P.U.D. office located in Newport or the pay stations located in Ione or Metaline Falls. The application form provided by the P.U.D. must be signed by the property owner of public record. Water accounts must be in the name of the current property owner in all water systems except Metaline Falls. In Metaline Falls, the property owner or occupant may apply for service.

SUB-DIVISION AGREEMENTS

The Agreements signed by the developers of each District water system, with the exception of Metaline Falls, established a covenant with the developer and attach to every lot or portion thereof from that date forward. Therefore, the covenants and obligations therein stay with the land and apply to each and every future lot owner(s). The Agreements provide for monthly water service billings, regardless of whether or not the customer takes physical delivery of any water, and stipulate that unpaid customer balances are to be recorded as liens on the property.

A "Non-Metered Account" refers to customers who do not have a water meter installed and do not take physical delivery of water.

BILLING

It is the policy of the District to collect on water accounts in a timely fashion to keep the water system operating in a fiscally sound manner. The billing cycle is approximately every 30 days. Bills are sent by first class mail, are due and payable upon receipt, and considered delinquent after 20 days. At the time of billing, a service charge will be assessed on all accounts with a balance of \$50.00 or greater.

Each lot will still be charged the minimum fee for the minimum gallon charge. Minimum gallons are credited for adjoining lots that have no meters installed. Adjoining lots are defined as lots that have adjacent property lines with the lot that is receiving the primary billing. They cannot be across the road from the primary lot. Each lot that is metered will receive a billing and will be allowed the minimum gallons. If a non-metered lot is sold, then a meter shall be installed at the expense of the new lot owner.

COLLECTION PROCEDURES – NON-METERED ACCOUNTS

Water bills are due when delivered. Accounts are considered past due after 20 days from the date billed. A delinquent notice is sent to the last known address on any past due accounts. The District reserves the right to take foreclosure action on any account which becomes delinquent.

COLLECTION PROCEDURES – METERED ACCOUNTS

Water bills are due when delivered. A bill that is unpaid 20 days after billing is considered past due. At that time, the District may begin collection and/or termination of service procedures as follows:

1. Past Due Notices are mailed or delivered to the last known address.
2. When satisfactory arrangements for payment are not made, a Disconnection of Service Notice is delivered. The notice is mailed at least seven days before disconnection or delivered in person at least 24 hours before disconnection. The notice states the date and approximate time service will be disconnected. The notice also includes the address and phone number where arrangements for payment can be made or disputes resolved.
3. Service will be discontinued when satisfactory credit arrangements are not made. Disconnects are normally made between the hours of 8:00 a.m. and 4:00 p.m.
4. Accounts will continue to be billed the monthly minimum after disconnection. The District reserves the right to take foreclosure action on any account which becomes delinquent.

FORECLOSURE AND LEGAL ACTION

1. In those systems in which the District has liens and foreclosure rights, the District may foreclose.
2. In the event action is taken by the District to foreclose or collect any delinquency in payment, venue shall rest in Pend Oreille County, Washington, and the applicant(s) agree(s) to pay, in addition to all amounts found due, interest thereon at the highest rate permitted by law from the date of such delinquency, a reasonable sum as attorney fees, plus costs of any such action.

RECONNECT FEES

There will be a service fee charged for reconnected water service during normal utility working hours. Customers will be charged a higher reconnect fee when reconnection is requested after normal working hours. All fees must be paid before service is reconnected.

SYSTEM OPERATION

The District reserves the right at any time, after following its current notification procedures, to shut off the water supply for repairs, extensions, nonpayment of bills, or any other reason; and the District shall not be responsible or liable for any damage resulting from interruption of water supply.

When a Customer's meter has been removed or water is shut off at a premises for nonpayment of water charges, or for any lawful or proper cause, it shall be against District regulations for such customer to again connect such premises with water until all past due payments have been paid, including a reconnect charge, and other cause or causes corrected to the satisfaction of the District.

Any customer who connects to the water service without authorization by the District, will be responsible for paying the full amount of the service as determined by the District due to the meter tampering, alteration, or replacement.

Meter tampering charges, as determined by the District, will be added to the estimated billing for unauthorized service to cover the expense of District equipment restoration.

By signing the application for service, the applicant (customer) agrees to indemnify and hold harmless the District from all claims directly or indirectly arising out of the customer's service installation.

The District must have access to all meters. The customer will allow and facilitate access to meters by District personnel and agrees to locate all meters in accessible locations.

ADMINISTRATIVE CHARGES – See attached “Exhibit A”

**WATER SERVICE AND CREDIT POLICY
“EXHIBIT A”**

ADMINISTRATIVE CHARGES

1. Returned checks	\$ 20.00
2. Late fee (charged each month on outstanding balances of \$50 or greater)	1%
3. Field collection fee	\$ 40.00
4. Reconnect fee (Regular Hours)	\$100.00
5. Inspection fee (inspection fee for new water hook-up)	\$ 50.00
6. Special meter reading fee (Fee charged when special arrangements are needed to read meters)	\$ 65.00
7. System fee	\$2,500.00
8. Hook-up fee (contact office to determine amount)	