

**CRESCENT WATER SUPPLY AND IMPROVEMENT DISTRICT
WATER USE RULES AND REGULATIONS**

1. Preface. Crescent Water Supply and Improvement District is an Oregon nonprofit corporation organized under Oregon Revised Statutes (“ORS”) Chapter 554. In accordance with ORS Chapter 554, district’s purposes include, without limitation, constructing and maintaining a domestic water supply and distribution system to service the property identified in the Articles of Incorporation of the Crescent Water Supply and Improvement District dated January 25, 2010 (the “Articles of Incorporation”). For purposes of these Rules, the district’s boundaries and the property contained therein are identified in the Articles of Incorporation.

2. Definitions. Unless the context requires otherwise, when used in these Crescent Water Supply and Improvement District Water Use Rules and Regulations (these “Rules”) the following terms and phrases have the meanings assigned to them below, whether or not such terms are capitalized:

“Administrator” means district’s licensed water operator and/or the individual (or his or her designee) appointed by the board to administer these Rules.

“Applicant(s)” means a person applying for water service.

“Approval” or “approved” means approved in writing.

“Articles of Incorporation” has the meaning assigned to such term in Section 1.

“Backflow” means the flow in the direction opposite to the normal flow of water from the district water system.

“Backflow prevention device(s),” “backflow prevention device assembly(ies),” or “assembly(ies)” means an Oregon State Health Division approved backflow prevention device such as a vacuum breaker, pressure vacuum breaker, a double check valve assembly, or a reduced pressure principle device assembly, and the attached shut-off valves on the inlet and outlet ends of the device assembled as a complete unit.

“Base charge(s)” or “base rate(s)” means the charge for water service that is in addition to the consumption charges.

“Board” means district’s board of directors.

“Check valve” means a valve which allows flow in only one direction.

“Consumption charge(s)” means the charges placed on every gallon of water delivered in excess of the gallon usage applicable to the base charges.

“Cross connection(s)” means any physical arrangement where a potable water supply is connected, directly or indirectly, with any other non-drinkable water system or auxiliary system, sewer, drain conduit, swimming pool, storage reservoir, plumbing fixture, or swamp coolers, or any other device which contains, or may contain, contaminated water, sewage, or other liquid of unknown or unsafe quality which may be capable of imparting contamination to the public water system as a result

of backflow. "Cross connection(s)" include, without limitation, bypass arrangements, jumper connections, removable sections, swivel or changeover devices, and other temporary or permanent devices through which, or because of which, backflow may occur.

"Customer(s)" means a person receiving water service from the system.

"Customer service line(s)" means the pipe, valves, and facilities leading from the outlet of the meter into the premises being served.

"District" means Crescent Water Supply and Improvement District.

"District system," "water system," or "system" consists of the water source facilities and distribution system, including, without limitation, all facilities of the water system under district's ownership and/or control (including, without limitation, meters and service connections).

"Double check valve assembly(ies)" means an assembly approved by the Oregon State Health Division consisting of two independently acting check valves with shut-off valves on each side of the check valves and test cocks for checking the watertightness of each check valve.

"Fee schedule" means the rates, charges, and/or any related regulations established by board resolution from time to time in accordance with these Rules.

"Main(s)" means the distribution pipelines located in public or private rights-of-way used to supply potable water.

"Mobile units" means units that are temporary in nature, connecting to the water system through a legally permitted hydrant, hose bib, or other appurtenance of a permanent nature that is part of the district water system or a permanent water service to a premises. Examples may include, without limitation, the following: water trucks, pesticide applicator vehicles, chemical mixing units or tanks, waste hauler's trucks or units, sewer cleaning equipment, carpet or steam cleaning equipment other than homeowner use, rock quarry or asphalt/concrete batch plants, or any other mobile equipment or vessel that poses a threat of backflow to the district water system. Uses that are excluded from this definition are recreational vehicles at assigned sites or parked in accordance with other district policies pertaining to recreational vehicles and homeowner devices that are used by the property owner in accordance with other provisions of these or other district policies pertaining to the provision of water service to a premises.

"Occupant(s)" means any person having possession and/or control of the subject property, including, without limitation, any past, present, and/or future owner, agent, lessee, tenant, licensee, and/or contract purchaser.

"Person(s)" means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, or any other entity.

"Premises" or "property" includes the subject real property and all improvements located thereon.

“Point of delivery” means the point of connection between a public water system and the customer’s water system. In the case of district, the point of delivery is the back or customer’s side of the water meter.

“Pollution” means an actual or potential threat to the physical properties of the water system or the potability of the public or the consumer’s potable water system, but which would not constitute a health or system hazard, as defined. The maximum intensity of pollution to which the potable water system could be degraded under this definition would cause minor damage to the system or its appurtenances.

“Service connection(s)” means the pipe, valves, and other facilities used to supply potable water from the main through the meter, including private piping beyond the meter.

“Temporary service” means service not intended to be permanent (such as construction sites) with expected duration(s) of six months or less, unless prior approved by the administrator in writing.

3. Application for Service; Mandatory Connection; Classifications.

3.1 Application. Each applicant will complete and sign an application form provided by district which will include the date of application, location of premises, whether the applicant has been served before, the date on which service is to begin, the purpose for which service is to be used, the address for mailing or delivery of bills, the applicant’s address, the class and size of water service, and such other information as district may require. In signing the application, an applicant agrees to abide by all district rules, regulations, and restrictions concerning the water system. An application constitutes a written request for service and does not bind district to provide water service.

3.2 Non-Owner Occupied Premises. The owner of a non-owner occupied premises is jointly and severally liable for all water service related fees, charges, expenses, losses, damages, and/or fines incurred by all occupant(s)/applicant(s) of the owner’s non-owner occupied premises, including, without limitation, late and/or penalty fees. The board may establish by resolution at any time and from time to time a process for collecting outstanding water charges, expenses, losses, damages, and/or fines from the responsible parties.

3.3 Deposit. Each non-owner applicant must deposit with district at the time of application and/or re-application for water service an amount equal to two months’ water service charges. The deposit is intended to ensure that district’s costs associated with the provision of water to the applicant will be covered. No interest will be earned on the deposit. Deposits (or any remaining sum thereof) will be refunded to the customer when service has been discontinued if the account is then in good standing. District may off-set against the deposit all negative balances on the account at the time of disconnect.

3.4 Refusal of Service. An applicant may be denied water service for any of the following reasons:

3.4.1 The application is incomplete, not signed by the customer, and/or is ineligible;

3.4.2 The application requests service to a property location that is difficult or impossible to provide without extending trunk or laterals;

3.4.3 The applicant, owner, and/or occupant has previously failed to pay duly imposed charges for district water and/or other services. District may refuse water service to the subject premises until such time as district is provided adequate financial security (in a form approved by the administrator) by the applicant, owner, and/or occupant that the delinquencies will be paid;

3.4.4 The water system is unable to supply the demand created by the proposed use without acquisition of new sources of water or capital improvements to the existing system;

3.4.5 The applicant has been found in violation of district water ordinances, resolutions, rules, and/or regulations two or more times during the immediately preceding two years (from the date of application); and/or

3.4.6 The plumbing on the premises where services will be provided does not meet standards required under applicable federal, state, and/or local laws, regulations, resolutions, and/or ordinances.

Applicants whose applications are denied will be notified in writing. The notice will state the reasons for denial and identify the applicant's right of appeal. Such appeal rights and processes will be the same as that for district-initiated service termination described in Section 8.4. Applicants whose application has been denied under Section 3.4.2 may be informed of the procedure for creating a reimbursement district to extend existing mains or laterals. Notice of denial will be mailed to the applicant's address shown on the application. Notice will be effective as of the date of mailing.

3.5 Mandatory Connection. If water service is available for connection to a premises, including, without limitation, if and when water service is available for connection to a premises utilizing a private water system (e.g., well), the owner or occupant must apply for water service in accordance with this Section 3.5 and connect to the water system within ninety (90) days after district's written notice to apply and connect; provided, however, the administrator may extend the aforementioned ninety-day time period for one additional period not exceeding ninety (90) days after the administrator's consideration of the following factors, to the extent applicable: (a) size, location, and elevation of the premises; (b) condition of the private water system, if any; (c) length of the requested extension (which may not exceed ninety (90) days); and (d) such other criteria and conditions as the administrator may deem appropriate after consulting with district's engineer if the administrator deems such consultation necessary.

3.6 Private Wells Prohibited. Notwithstanding anything contained in these Rules to the contrary, all properties located within district must connect to the district system in accordance with these Rules. Without otherwise limiting the generality of the immediately preceding sentence, installation of a private well within district is prohibited, except (a) as otherwise expressly authorized in writing by district, or (b) private wells existing as of the effective date of these Rules used exclusively for irrigation purposes.

4. Access to Premises. Notwithstanding anything contained in these Rules to the contrary, by requesting and receiving water service from district, every customer grants district and its agents and

employees the right to enter onto the customer's premises to determine compliance with district's rules, regulations, and restrictions concerning the repair, maintenance, delivery, and/or receipt of the water system and/or water service.

5. Meter Reading; Billing.

5.1 Meters. All premises using water will be metered. Upon advance payment of applicable charges, district will install a separate service from the water main to the property or other location designated by district. Where water is now supplied through one service to more than one residence, business, or premises, district may notify the owner of the necessity to provide separate installation of services from the water main to the meter or shutoff.

5.2 Meter Readings. Meters will be read at regular intervals determined by district from time to time.

5.3 Access - General. The customer will ensure safe and efficient access to the meter and shutoff valve. Whenever it is necessary to enter a building to read or work on a meter, a safe passageway, free of obstruction, will be maintained by the occupant of the premises from the building/property entrance to the meter. By connecting to the system, the customer consents to district's (and its agents and employees) removal of obstruction(s) as necessary to maintain appropriate access to the meter.

5.4 Access to Meter Box. Customers are required to maintain no less than a two foot (2') area surrounding the meter box free of vegetation and other obstructions. Clear access to the meter will be from the street side in a direct path to the meter. District personnel may clear the meter box area (including, without limitation, trimming or removing vegetation) to meet district's meter reading and maintenance needs. The customer will be charged for expenses incurred by district to clear the meter box area.

5.5 Estimated Meter Read. If it is determined by district that a meter fails to register accurately or district determines that it is unable to read a meter, the current billing may be calculated in accordance with written policies developed by the administrator. Failure to read the water meter does not relieve a customer from its obligation to pay for actual or estimated water use.

5.6 Customer Re-Read. A customer may request that the customer's meter be re-read if there is a reasonable basis to conclude that the customer's bill is in error.

5.7 Prorated Charges. Accounts will have base charges prorated through the day that service is terminated (for closing accounts) or on the day that service commenced (for new accounts). For service/account terminations, base charges will be prorated only if the customer's water usage is below the applicable base rate water usage amount.

6. Rates; Payments for Services.

6.1 Water Rates; Membership Fee. The board may establish and/or modify from time to time such water rates, fees, charges, fines, and penalties related to the water system and/or water consumption as the board deems necessary or appropriate by board resolution, including,

without limitation, late fees and penalties. Any water rates, fees, charges, fines, and/or penalties are in addition to, and not in lieu of, district's membership service line fee.

6.2 Place of Payment. All payments will be made to district at the place designated on the most recent utility bill.

6.3 Bill Payment. All bills for metered accounts will be due and payable on the tenth (10th) of each month. Accounts which have not been paid in full on or before the twenty-fifth (25th) of each month will incur the then-applicable late fees and penalties. A late notice will be sent out on or about the twenty-sixth (26th) of the applicable month stating the past due amount and applicable late fees and penalties, the date a "door hanger notice" will be posted, and the date that water service will be terminated if the account is not paid in full. Accounts which have not been paid in full within ten (10) days after the date of the late notice will be assigned a place on the "door hanger" list maintained by district. Delinquent accounts assigned to the "door hanger list" will be assessed additional fees and penalties established by district from time to time. A termination notice will be placed upon the customer's premises if an account has not been paid in full within ten (10) days after the date of the late notice advising the customer that water service will be terminated within seven days from posting the termination notice unless the entire past due balance, including interest, fees, and penalties, is paid in full within the seven-day period. If the past due balance is not paid in full on or before the service termination date, water service will be terminated in accordance with these Rules. All bills for other fees and charges are due and payable at the time such fees or charges are assessed.

6.4 Delinquent Accounts; Reinstatement. After the termination notice is provided in accordance with Section 6.3, subject to the affected person's appeal rights under Sections 8.4.1 and 8.4.2, district may terminate water supply (service) to the premises being served for which payment is delinquent. If service is terminated, the past due balance must be paid in full, including, without limitation, a service reconnection fee, before service will be resumed to the premises.

6.5 Billings of Separate Meters Not Combined. Each meter on a customer's premises will be considered separate and the readings of two or more meters will not be combined; provided, however, district may combine two or more low flow meters if district determines necessary.

6.6 Tenant Accounts. An owner of any non-owner occupied premises will immediately notify district if the non-owner occupied premises (or any unit thereof) becomes vacant. Until the owner provides the vacancy notice required under the immediately preceding sentence, the owner will pay for all water service made available and/or provided to the vacant non-owner occupied premises (or unit thereof). District will transfer any claim against the occupant(s)/applicant(s) of the non-owner occupied premises to the owner in accordance with this Section 6.6. Prior to transferring a claim, district will provide the owner thirty (30) days' prior written notice concerning (a) the amount past due (which may include all applicable fees, charges, expenses, losses, damages, and fines), (b) district's intent to transfer the claim to the owner if the amount past due is not paid in full within the thirty-day period, and (c) the owner's appeal rights under Section 8.4. If the amount past due is not timely paid in full, district will transfer the claim for the past due amount and the transferred claim will become a lien against the subject premises from the date the thirty-day delinquency notice is mailed to the owner, subject to ORS 554.135. The thirty-day delinquency notice will be mailed by first class mail to the address of the owner or owner's agent then on file with district. Notwithstanding anything contained in these Rules to the contrary, district reserves the right to transfer any claim against the occupant/applicant in accordance with ORS 91.255.

7. Adjustments.

7.1 Overcharge Adjustment. When district determines a customer has been over-charged for services, district will apply a credit to the account based on the date the error first occurred, the date the customer became responsible for the account, or a period not to exceed one year, whichever is less.

7.2 Undercharge Adjustment. When district determines a customer has been under-charged for services, district will bill the customer based on the date the error first occurred, the date the customer became responsible for the account, or a period not to exceed one year, whichever is less. If the date cannot be easily determined, district will estimate the bill for a period not to exceed one year. Customers receiving a billing adjustment will be offered an opportunity to make payment arrangements (which payment arrangements must receive the administrator's prior written approval).

7.3 Adjustment for Water Loss. If district determines that water loss occurred on the customer's side of the meter due to unintentional damage of the customer's plumbing system and the cause for loss has been properly repaired, the administrator may adjust the customer's billing for up to fifty percent (50%) of the excess water use. The billing to the customer will be adjusted in an amount based upon the water rates in effect for the loss period multiplied by the adjustment allowance. The amount, if any, will be credited to the customer's account after repairs have been satisfactorily completed. Request for adjustments must be made within thirty (30) days after the date of the first billing indicating the excess use. Adjustments will not be available when the excess use appears due to, among other things, a failure to properly shut off water or repair any water leak. District will not provide more than one adjustment per customer, per calendar year.

7.4 Non-Registering Meters. The customer will be charged for water consumed while the meter is not registering. The bill will be based on an estimate of consumption using either the premises' prior use during the same season of the prior year or a comparison with the use of other similarly situated customers receiving the same service during a similar period and under similar circumstances and conditions, as determined by district.

8. Termination of Water Service.

8.1 Customer Request. Customers may have service temporarily discontinued and placed in inactive status for a period not exceeding six months (unless prior approved by the administrator in writing) by notifying district of the desired weekday date of discontinuance. Each customer must exercise the customer's best efforts to provide district no less than twenty-four (24) hours' prior notice of the customer's desire for the discontinuance. A customer requesting discontinuance will be required to pay all charges through the date of discontinuance. If the discontinuance notice described in this Section 8.1 is not timely given to district, district may require the customer to pay all charges through the date district determines that the premises has been vacated or the service otherwise discontinued.

8.2 District-Initiated Termination. Water service may be terminated by district under any of the following circumstances:

- 8.2.1 If there is reasonable cause to question the safety or purity of the water;
- 8.2.2 In case of emergency, damage, and/or reasonable threat of damage to the system;
- 8.2.3 If district obtains knowledge that a leak has occurred on the customer side of the meter and district reasonably believes that the leak may cause significant water loss or is causing damage to either the premises or other properties;
- 8.2.4 If service to the premises is turned on without first obtaining district's approval for water service;
- 8.2.5 If the utility bill is not timely paid pursuant to Section 6.3;
- 8.2.6 If a required deposit is not fully paid within seventy-two (72) hours of the applicant's application for service;
- 8.2.7 If a customer fails to comply with any system rules, regulations, and/or restrictions, and/or is found in violation of any water ordinances, rules, regulations, or restrictions;
- 8.2.8 Failure to allow access to the premises for determining compliance with district rules and regulations concerning water service;
- 8.2.9 If an owner and/or occupant's (if different) account has become delinquent and/or the occupant vacates the premises without payment and any deposit held by district for the premises does not cover the delinquency;
- 8.2.10 If an owner and/or applicant connects the water service (in any form or manner) to another property or mobile home or camper without first obtaining the administrator's written consent; and/or
- 8.2.11 Failure to comply with the cross-connection backflow program set forth herein.

8.3 Notice of Service Termination. Notwithstanding anything contained in these Rules to the contrary, for any district-initiated termination identified under Sections 8.2.1-8.2.4, no advance notice of termination is required. Under those circumstances, district will attempt to notify the customer at the earliest opportunity by the most practical means possible under the circumstances. For all other district-initiated terminations, notice of district's intent to terminate service will be sufficient if given by either (a) first class mail sent to the customer's address shown in district's records (notice will be deemed complete upon deposit), and/or (b) posting a notice on the served premises. If the notice is posted, the notice will be deemed complete upon posting. The customer will be assessed and required to pay all applicable posting charges imposed by district.

8.4 Right to Challenge Application Denial/Service Termination.

8.4.1 Except for district-initiated terminations listed in Sections 8.2.1-8.2.4, any person aggrieved by a ruling or interpretation of these Rules may appeal the ruling or interpretation by filing a notice of appeal with the administrator. The notice of appeal must be filed no later than five days prior to the proposed termination date or within ten (10) days after the date notice of the ruling or interpretation is delivered to the person, whichever is earlier. The notice of appeal must contain (a) the name, address, and telephone number of the appellant, (b) a copy of the ruling or interpretation being appealed, and (c) the basis for the appeal, describing with reasonable specificity why the ruling or interpretation was issued in error. No termination of service will occur during the pendency of any challenge before the administrator under Sections 8.4.1-8.4.2.

8.4.2 The administrator will conduct an informal hearing on the matter and after consideration of the material presented by the appellant and district, if any, the administrator will decide whether to approve or deny the appeal. If necessary, the administrator will prepare a written decision based upon the administrator's findings. The administrator will send his or her written decision, if applicable, to the appellant and the board.

8.4.3 If the appellant determines that the administrator did not handle the appeal to the appellant's satisfaction, the appellant may, within thirty (30) days after receipt of the administrator's decision, request that the board complete an independent review of the appeal. The administrator will forward to the board his or her entire file on the case for review of the board. The board will, within thirty (30) days after receipt of the request for an independent review, prepare a written decision on the matter and send the decision to the appellant and the administrator. The board's decision is final, conclusive, and binding.

8.5 Liability. District is not liable or responsible for any actual, consequential, and/or other damages to person or property resulting from its decision to terminate water service to any person or premises that is done consistent with or pursuant to these Rules and/or applicable law, including, without limitation, any termination occurring after the administrator's determination under Section 8.4.2.

9. Meter Maintenance, Repair, and Testing.

9.1 Maintenance of Meters. Meters are property of district. District will maintain all service connections in good order, and will make all necessary repairs and replacements of district-owned meters and other parts thereof, at the expense of district. Each customer is required to take all due precautions to protect the connection through which the customer is served. No person will trespass upon, mark, destroy, and/or tamper with the meters or any other property or equipment of district unless authorized by the administrator. If a meter is damaged by the carelessness, negligence, and/or intentional act of the owner or occupant of the premises, district will repair the meter, and the cost of such repairs will be charged to the customer.

9.2 Customer Request. A customer may request that district test the water meter serving the customer's premises by making application for such testing to the administrator. If the test shows that the water meter registers outside the American Water Works Association ("AWWA") standards, the meter will be repaired or replaced at no cost to the customer. If the test shows that the water meter registers within AWWA standards, the customer may be required to pay for the test, as determined in the administrator's sole discretion. A written report of the results of the test will be made available to the customer.

9.3 District-Initiated Test. District may temporarily interrupt service to test existing meters and/or make necessary repairs.

10. Interruption in Service. District will not be liable for any actual, consequential, and/or other damage(s) resulting from interruptions in service, shortages, and/or insufficiency of supply. Temporary shutdowns of the system (or portions thereof) may be required for improvements and/or repairs. Whenever reasonably possible, and if time permits, district personnel will notify any affected customers prior to the interruption of service.

11. Customer Service Lines and Maintenance. The customer is responsible for payment of costs associated with installation of service lines from district's water meter outlet to the premises to be served. The customer service lines will be installed consistent with the Oregon State Plumbing Specialty Code or other plumbing and/or specialty codes applicable to the particular installation. No pump equipment will be connected to a customer service line without the administrator's prior written approval. The customer will be responsible for maintenance and repair of the customer's service line from the water meter outlet to the premises to be served. All leakage in the customer service line after the water meter is the sole responsibility and expense of the customer. Leaks in the customer service line must be repaired within fifteen (15) days of detection.

12. System Standards; User Connections.

12.1 Requests for Connection. It is unlawful for any person to make any connection to the mains or other portions of the system without first obtaining the administrator's written permission. If a request for connection to the mains or other portion of the water system is approved by the administrator, the requestor will pay all applicable service connection fees and charges. All service connection fees and charges will be paid at the time the request for connection is approved. If the request for connection is approved, district will make (or have made) the necessary service connections to the system. Meter connection will be sized using the fixture count method as described in the Oregon State Plumbing Specialty Code with a minimum size for any water meter being five-eighths/three-fourths inch. Connections will be located at such points as district determines appropriate. Unless required by district, removal or relocation of a service connection will be at the expense of the customer. The customer will bear responsibility for reconnection of the customer service line. All service connections will be made consistent with district specifications relating to size, materials, and methods of installation. No customer will extend a service line to furnish water to any residence, business, or premises on the same or neighboring tax lot than the premises occupied by the customer without district's prior written approval.

12.2 Separate Service Connection. A separate service connection is required for the following: (a) each property under separate ownership; (b) each single-family dwelling; (c) each apartment; and (d) each place of business. All outlying buildings used in conjunction with the property, dwelling place, and/or business or other institution may be served from the connection, including all buildings on the premises operating under one management.

12.3 Multiple Users. In the case of a commercial or industrial property with multiple users on a single tax lot, additional service connections may be provided upon the administrator's prior written consent; duplex units on a single tax lot may also qualify for multiple meters.

12.4 Master Metering. District may permit master metering of more than one water service. The owner will designate the person who will be responsible for payment of all water charges and acceptance of service for all water-related notices. If any payment is not made in full when due, district may terminate service even if partial payment is tendered by other occupants of the premises.

13. Fire Protection Service Connections.

13.1 Fire Protection Service Connection. A standby fire protection service connection from a fire service line will be installed in accordance with applicable regulations and only if adequate provisions are made to prevent the use of water from such service for purposes other than fire extinguishing or testing of fire protection system. As determined by district, the customer will pay the cost of installing the standby fire protection service connection, including, without limitation, any required backflow prevention assemblies, special water meters, and/or other devices installed solely for service to a standby fire service connection. No consumption charge will be made for water used in extinguishing fires. A person requesting a standby fire protection service connection will pay the cost of mains, fittings, valves, and all related components necessary or appropriate to supply the required flow.

13.2 Unlawful Use of Fire Connection Service. If water is used from a standby fire connection service in violation of these Rules, an estimate of the amount used will be computed by district. The user will pay for water used based on the estimated quantity thereof, including a minimum charge based on the size of the service connection. If a second unauthorized use occurs, the user will immediately pay a penalty fee in an amount reasonably determined by the administrator.

14. Temporary Service. District may grant temporary water service during construction. The applicant must make a request for temporary service and make such deposit required by district and pay any associated fees established by district. The customer will use all possible care to prevent any damage to the meter, including damage which arises from freezing temperatures or to any other district-loaned equipment. Duration will include from the time the equipment is installed until the time the equipment is physically returned to district control. If the meter or other equipment is damaged, the cost of making repairs and all associated charges will be borne by the applicant. Temporary connections will be disconnected and terminated within six months after installation unless the applicant requests in writing an extension of time and the administrator approves such extension in writing.

15. Main Extensions.

15.1 Main Extensions. In general, all water main line extensions will extend the entire distance between opposite boundaries of the premises to be served and will be located within the public right-of-way, unless district determines it necessary to construct water lines on public easements across private property. Water mains will not be smaller than six inches (6") unless otherwise prior approved by the administrator in writing. The property owner or user will bear the cost of the water mains and all piping, fittings, valves, and other materials and equipment used.

15.2 System Improvements - General. District may construct system improvements upon the request of, and at the expense of, the property owner or user. The costs and scheduling will be determined by district. Construction of system improvements will be by district or a contractor approved by the administrator. Property owners using private funds for construction of water improvements will select an engineer or contractor for design of water system improvements that meet

district's requirements. The property owner or customer will be required to make advance payment for the estimated costs of plan review, administrative expenses, and other applicable fees related to the proposed project.

15.3 Construction of System Improvements. All water main extensions will be constructed only by district or by a waterworks contractor approved by the administrator and in accordance with any applicable district standards. District will approve all construction plans. The pipe, fittings, valves, hydrants, and other materials for construction of the extensions will be of the size and quality, and located, as district specifies. No main extension will be laid until the estimated costs have been deposited in an account and in a form approved by the administrator. Installations made by a waterworks contractor will be inspected and approved by district to ensure compliance with plans and specifications. Back-filling of trenches prior to district approval is prohibited. Fire hydrants will be installed at locations designated by district. After acceptance by district, the system improvements will be the sole property of district and maintained and operated by district personnel. If the system improvements are installed by a private owner, the property owner and the property owner's contractor will be responsible for a warranty period of no less than one year after district's formal written acceptance for failure of either materials or workmanship in the improvements.

16. Fire Hydrants; Bulk Water.

16.1 Fire Hydrants. No person other than those authorized by the administrator will open any fire hydrant or attempt to draw water from a fire hydrant in any manner. Violation will result in consumption and penalty fees. Any future request will be denied until all applicable fees have been paid. No person will damage or tamper with any fire hydrant. In order to obtain water from a fire hydrant, the customer must first obtain district's prior consent for use of bulk water. District will determine the hydrant(s) for the customer to utilize. Fire hydrants placed on private property are to be used only for fire emergencies or other uses authorized by district. District will designate paint colors of public hydrants. No change in hydrant color is allowed unless specifically authorized by district.

16.2 Bulk Water. At the time the customer signs up for temporary water from a fire hydrant, the customer must supply district with an estimate of the amount of water to be used, the name and address of the person responsible for the bill, the date and time the water will be taken from the fire hydrant, and the date any district equipment used by the customer will be returned. A bill will be generated from metered readings after the service is used. Charges for water furnished through a temporary service connection will be at the bulk water rate.

16.3 Fire Hydrant Maintenance. Eighteen inches (18") will be maintained between the ground and center of the lowest hydrant discharge port. No change in grade (ground elevation) is allowed without district's prior approval. A three-foot (3') clear space will be maintained around the circumference of hydrants. Access from the street to the hydrant will be kept clear. The customer will be responsible for pruning and/or removing landscaping or other obstructions that restrict access to the fire hydrant. Upon notice from district, the owner or customer will remove such obstruction or correct non-compliance within fourteen (14) days. If the obstruction or noncompliance is not timely corrected, district may at any time thereafter take such steps to correct the problem and bill the cost of the corrections to the customer; the customer must pay the billed amount immediately upon demand.

17. Cross Connection. No water service connection to any premises will be installed or maintained by district unless the water supply is protected as required by district's cross connection and

backflow program contained in this Section 17. If such violation becomes known, district will deny or immediately discontinue service to the premises by providing for physical disconnection of the service lines until the customer has corrected the condition(s).

17.1 Cross Connection Regulations. All cross connections must be installed, used, and maintained in compliance with this Section 17. District may survey and inspect to determine if any actual or potential cross connection exists and order that the installation of an assembly meeting district's standards and specifications be installed at the service connection.

17.2 Cross Connection Control Requirements.

17.2.1 If required under applicable laws, each property owner will, at the property owner's expense, install an approved backflow prevention assembly (a) at the point of delivery, (b) in an enclosure that is sized large enough to facilitate testing and repairs, (c) that is deep enough and insulated enough to protect from freezing, and (d) that is commensurate with the degree of hazard. Each property owner will submit a test report from an Oregon Department of Human Services certified backflow assembly tester in an approved format to district that provides the date, serial number, make and model, size, physical location, and passing test results for the backflow prevention assembly prior to receiving water service.

17.2.2 When a building is constructed on commercial or industrial zoned property, and the end use of the building is not determined or could change, a backflow prevention assembly will be installed at the service connection to provide protection of the public water supply in the event of the most hazardous use of the building. Any mobile unit that uses the water from any premises served by the district water system must obtain a permit from district and be inspected to ensure an approved air gap or reduced pressure principle assembly (or such other assembly commensurate with the degree of hazard) is installed on the unit.

17.2.3 All backflow prevention assemblies will be tested immediately upon installation, and at least annually thereafter, by a certified backflow assembly tester at the expense of the property owner, tenant, or other person in charge of the premises. Only state-certified backflow assembly testers may test backflow assembly devices. Backflow assembly testers will submit records of all backflow assembly test repairs to district within ten (10) business days after completing the test.

17.2.4 Subject to this Section 17.2.4, district will perform (or cause to be performed) the annual backflow prevention assembly testing required under Section 17.2.3 at the expense of the property owner, tenant, or other person in control of the premises (which costs will be placed on the water bill issued for the premises) unless the owner, tenant, or other person in control of the premises provides district no less than thirty (30) days' prior written notice that the owner, tenant, or other person in control of the premises will cause the annual backflow prevention assembly test to be timely performed in accordance with these Rules. Notwithstanding anything contained in these Rules to the contrary, by requesting and receiving water service from district, every owner, tenant, and/or other person in control of the premises grants district and its authorized agents, contractors, and employees the right and permission to enter onto the subject premises to perform the annual backflow prevention assembly testing.

17.2.5 All assemblies found not functioning properly will be promptly repaired or replaced at the expense of the owner, occupant, or person in control of the premises. An assembly

must be retested immediately if moved, repaired, or replaced. All repairs on backflow assemblies must be performed according to state regulations and district standards and specifications.

17.2.6 Backflow prevention assemblies will be maintained, tested, and repaired in accordance with these Rules and applicable laws and regulations. The assembly owner is responsible for protecting the assembly from freezing, vandalism, and/or other damage. If an assembly is not properly tested and repaired, district will have the assembly tested and repaired and apply all costs associated with this to the water bill issued for the premises.

17.3 Costs of Compliance.

17.3.1 All costs associated with purchase, installation, surveys, testing, replacement, maintenance, parts, and repairs of the backflow prevention assembly, and all costs associated with enforcement of these Rules, are the financial responsibility of the property owner, occupant, or other person in control of the premises.

17.3.2 Any person violating this Section 17 and/or who causes damage to or impairs the district water system, including, without limitation, allowing contamination, pollution, any other solution, and/or used water to enter the district water system, will be strictly liable to district for any expenses, losses, and/or damages caused by the violation, damage, and/or impairment. District will collect from the violator and/or person causing the damage and/or impairment the cost incurred by district for any cleaning, purifying, repair, and/or replacement work, any other expenses caused by the violation, and any expenses incurred in enforcing this Section 17, including, without limitation, attorney fees and expenses. Refusal to pay the assessed costs will constitute a violation and will result in termination of water service. District's rights and remedies under this Section 17 are in addition to and not in lieu of any right and/or remedy available to district under these Rules and at law.

17.4 Costs. All cost associated with any disconnect or reconnect fees resulting from the enforcement of this Section 17 are the sole responsibility of the customer and/or owner of the premises, on a joint and several basis.

18. Responsibility for Damage or Injuries. The customer will be liable for any damage or injury resulting from the customer's failure to properly construct, maintain, repair, and/or correct conditions in the customer's service line. The customer will be liable for any damage to the district system caused by an act of the customer and/or its occupant, agent, employee, contractor, licensee, and/or permittee. Damage to the system will include, without limitation, breaking seals and locks, tampering with meters or meter boxes, damage by heat, hot water, or steam, cross connections, traffic hazards, and damaged curb stops, meter stops, and other service appurtenances. The customer responsible for damage or tampering may be fined and/or have service terminated. No modification or alterations to the meter assembly will be made. The customer will be responsible for any damage to meters or meter boxes due to the unlawful modification or alteration of district's installation.

19. Declaration of Water Emergency; Water Restrictions. The administrator may, upon receiving reliable information that system function and/or capacity is about to be impaired or has been impaired, declare a water emergency. Upon declaration of a water emergency, the administrator may impose such restrictions upon the use of water as is deemed necessary or appropriate to protect the health, safety, and welfare of the citizens of the affected area. The administrator will use reasonable means to notify the public of the restrictions imposed. At the next board meeting following imposition

of the restrictions, the administrator will present a report describing the nature of the emergency, the expected duration of the emergency, and the steps taken to alleviate the emergency. The board may, at any meeting subsequent to the emergency, confirm, alter, amend, and/or terminate the restrictions imposed by the administrator by resolution. No person will violate the terms of any restriction or condition placed upon the use of water by the administrator or the board pursuant to this Section 19. It will be no defense to a charge of violation that the person cited had no knowledge of the terms of the restriction.

20. Authority of Administrator. Unless otherwise stated herein, the administrator will have the exclusive authority to make any discretionary determination permitted under these Rules, including, without limitation, determinations as to approvals, authorizations, judgments, adjustments, requirements, options, and/or impacts upon the water system and/or customers thereof.

21. Water Charge Liens. Subject to ORS 554.135, water service charges will be a lien against the premises served from and after the date of billing and entry on the ledger or other records of district pertaining to the water system, and such ledger or other records will remain accessible for inspection by anyone interested to ascertain the amount of such charges against the premises. Whenever a bill for water service remains unpaid ninety (90) days after it has been rendered, the lien thereby created may be foreclosed pursuant to ORS 223.610, or in any other manner provided for by law or district ordinance.

22. Prohibited Acts. Unless authorized by district, it is unlawful for any person to do, commit, and/or assist in committing any of the following things or acts in district:

22.1 To open or close any fire hydrant or service connection, or lift and/or remove the cover of any gate valve or shutoff;

22.2 To interfere with, destroy, deface, impair, injure, and/or force open any gate, door, and/or any property appertaining to the water system;

22.3 To resort to any fraudulent device or arrangement to procure water for a customer or others from private connections on premises contrary to district regulations or ordinances;

22.4 To interfere with or injure any reservoir, tank, fountain, hydrant, pipe, valve, and/or other apparatus pertaining to the water system, and/or to turn on or off the water in any street, hydrant, and/or other public water fixture;

22.5 To make or permit to be made any connection with the main or service pipes of the water system, and/or to turn on or use the water of the system without first obtaining the administrator's approval;

22.6 To cover or conceal from view any water valve box, service, and/or meter box;

22.7 To remove any water meter that has been placed by district, and/or to change, interfere with, and/or tamper with any meter;

22.8 To construct any structure over or within ten feet (10') of any main or service line;

22.9 To operate any portion of the water system or operate a system within district using district water providing water service to users or consumers; and/or

22.10 To violate any emergency water restriction issued by the administrator or board.

23. District Enforcement, Violation - Civil Penalty; Other Relief. District will enforce the provisions of these Rules by administrative and/or civil action as necessary to obtain compliance with these Rules. Any person violating any provision of Section 22, and/or any other provision of these Rules, will be subject to a civil penalty not to exceed \$2,500.00 for each violation. Each violation of a provision of these Rules, and every day that such Ordinance violation exists, will be considered a separate violation. In addition to the foregoing civil penalties, district may seek, in a court of competent jurisdiction, such other and additional relief (including all legal and equitable relief and remedies) available under applicable law as well as recovery of its costs and attorney fees. District will be entitled to collect from any person violating or otherwise failing to comply with these Rules district's attorney fees and other fees, costs, and expenses incurred by district to enforce these Rules. The remedies provided in this Section 23 are not exclusive and will not prevent district from exercising any other rights and/or remedies available under law, including, without limitation, district's rights under ORS 554.135. Compliance with these Rules will in no way be a substitute for or eliminate the necessity of compliance with all applicable federal, state, and local laws, ordinances, rules, and regulations relating to the public health as now in force or hereafter amended.