

RESOLUTION NO. 03-2

Approved Copy

A RESOLUTION PROVIDING RATES TO BE CHARGED FOR WATER SERVICES BY THE BAYVIEW WATER AND SEWER DISTRICT LOCATED IN KOOTENAI COUNTY, IDAHO; PRESCRIBING THE RULES FOR THE CONDUCT AND OPERATION OF THE WATER SYSTEM OF SAID BAYVIEW WATER AND SEWER DISTRICT AND CONNECTION THEREWITH; RULES GOVERNING THE USE OF WATER FROM SAID WATER SYSTEM; PROVIDING PENALTIES FOR NONPAYMENT OF WATER SERVICE AND FOR VIOLATION OF THIS RESOLUTION; PROVIDING FOR THE PUBLICATION AND EFFECTIVE DATE OF THIS RESOLUTION; DECLARING AN EMERGENCY; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO;

BAYVIEW WATER AND SEWER DISTRICT

KOOTENAI COUNTY, IDAHO

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE BAYVIEW WATER AND SEWER DISTRICT LOCATED IN KOOTENAI COUNTY, IDAHO as follows:

WHEREAS, the water system is a duly existing water system organized and operating under the law of the State of Idaho; and

WHEREAS, the BOARD is responsible for the operation of the water system within the boundaries of the BAYVIEW WATER AND SEWER DISTRICT; and

WHEREAS, the BAYVIEW WATER AND SEWER DISTRICT desires to provide a comprehensive regulatory scheme relating to water use and services to be provided to users within the boundaries of the BAYVIEW WATER AND SEWER DISTRICT or otherwise utilizing the services of the BAYVIEW WATER AND SEWER DISTRICT.

NOW, THEREFORE BE IT FURTHER ORDAINED BY THE BOARD OF DIRECTORS OF THE BAYVIEW WATER AND SEWER DISTRICT as follows:

Section 1: PURPOSE AND APPLICABILITY

The BAYVIEW WATER AND SEWER DISTRICT hereby determines and declares that a fair regulatory scheme should be implemented to deal with water services to be provided by the BAYVIEW WATER AND SEWER DISTRICT, to those Users and parcels in or near the BAYVIEW WATER AND SEWER

DISTRICT who shall be benefited by the acquisition, construction and operation of the BAYVIEW WATER AND SEWER DISTRICT as defined herein.

Section 2: **RULES**

- A. Short Title. This resolution shall be known as “Rates and Rules for the Operation of the BAYVIEW WATER AND SEWER DISTRICT”; Kootenai County, Idaho”, and may be so cited and pleaded.

- B. Scope. The BAYVIEW WATER AND SEWER DISTRICT and all customers receiving services from the BAYVIEW WATER AND SEWER DISTRICT shall abide by these rules and others, which may be promulgated in the future. These rules shall only become effective on and after their adoption by the BOARD.

Section 3: **DEFINITIONS OF GENERAL TERMS**

As used herein, capitalized terms shall have the meanings provided in this Section. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and vice versa, Words imparting the singular number shall include the plural numbers and vice versa, unless the context shall otherwise indicate.

Applicant shall mean the person or persons, firm or corporation, making application for water service from the BAYVIEW WATER AND SEWER DISTRICT under the terms of these rules.

Customer or User shall mean an applicant who has been accepted under the terms of these rules and who receives water service from the BAYVIEW WATER AND SEWER DISTRICT.

Parcel shall mean a piece of property now existing or hereafter created as a separate legal parcel, having dimensions which would legally allow such Parcel to be improved with a residence or other structure for human use and/or occupancy, or which otherwise could reasonably be deemed benefited by the availability of water service provided by the BAYVIEW WATER AND SEWER DISTRICT.

Water System shall mean the water collection and distribution system of the BAYVIEW WATER AND SEWER DISTRICT as it now exists and as it may later be added to, extended and improved and shall include buildings, structures, utilities or other income providing facilities from the operation of, or in connection with which revenues for the payment of any obligation of the BAYVIEW WATER AND SEWER DISTRICT will be derived and the lands appertaining thereto, including, without limitation, any facilities to be

later acquired.

Section 4: SERVICE AREA

The area serviced by the BAYVIEW WATER AND SEWER DISTRICT shall be all that area included within the corporate limits of the BAYVIEW WATER AND SEWER DISTRICT. The area served may be expanded by annexation into the BAYVIEW WATER AND SEWER DISTRICT or by the execution of appropriate agreements between the WATER SYSTEM and those seeking services from the water system as the BOARD may determine.

Section 5: DESCRIPTION OF SERVICES

- A. **Supply.** The BAYVIEW WATER AND SEWER DISTRICT will exercise reasonable diligence and care to deliver a continuous and sufficient supply of water to the CUSTOMER at a reasonable pressure and to avoid so far as reasonably possible, any shortage or interruption in delivery.

The BAYVIEW WATER AND SEWER DISTRICT shall not be liable for damage resulting from the interruption in service or from the lack of service. Temporary suspension of service by the BAYVIEW WATER AND SEWER DISTRICT for improvements and repairs will be necessary occasionally. Whenever possible, and when time permits, all CUSTOMERS affected will be notified prior to shutdowns.

- B. **Quality.** The BAYVIEW WATER AND SEWER DISTRICT will exercise reasonable diligence to supply safe and potable water at all times.
- C. **Ownership of System.** All water mains, valves, fittings, hydrants and other appurtenances, except "CUSTOMER service lines", as defined in Section 8, Subsection (A) herein, shall be the property of the BAYVIEW WATER AND SEWER DISTRICT.
- D. **Classes of Service.** The classes of service shall be Residential, Commercial, and Contract as further qualified by the number after the class as follows:
- (1) **Residential Service.** Residential services shall consist of all services for domestic purposes, single family dwellings, homes and municipal purposes.
 - (2) **Commercial Service.** Commercial services shall consist of those services where water is used for commercial services,

such as businesses and multifamily dwellings.

- (3) Contract Service. Contract services shall consist of those services for industrial or independent water system purposes under contracts authorized by the BOARD.

Said rates and charges are, and shall continue to be, uniform as to all persons or properties which are of the same class.

- E. Special Contracts. When the APPLICANT'S requirements for water are unusual or large, such as an independent water district, or necessitate considerable special or reserve equipment or capacity, the BAYVIEW WATER AND SEWER DISTRICT by authorization of the BOARD, reserves the right to make a special contract; the provisions of which are different from and have exceptions to the regularly published water rates and rules. This special contract shall be in writing, signed by the APPLICANT and approved by the BOARD and the WATER SYSTEM attorney, and signed by the CHAIRMAN OF THE BOARD.
- F. Resale of Water. Resale of water shall be permitted only under special contract, in writing, between the BOARD OF DIRECTORS and the persons, parties or corporations selling the water.
- G. Service Preference. In case of shortage of supply, the BAYVIEW WATER AND SEWER DISTRICT reserves the right to give preference in the matter of furnishing services to CUSTOMERS and interests of the BAYVIEW WATER AND SEWER DISTRICT from the standing of public conveniences or necessity.

Section 6: APPLICATION FOR SERVICE

- A. Application Form. Each APPLICATION for water service shall sign an application form provided by the BAYVIEW WATER AND SEWER DISTRICT, giving the date of application, location of premises to be served, the date APPLICANT desires services to begin, purpose for which service is to be used, the owner of the property, address for mailing of the billings, the class and size of the meter service and such other information as the BAYVIEW WATER AND SEWER DISTRICT may reasonably require.

In signing the application, the CUSTOMER agrees to abide by the rules of the BAYVIEW WATER AND SEWER DISTRICT. The application is merely a written request for service and does not bind the BAYVIEW WATER AND SEWER DISTRICT to provide any service or access to the WATER SYSTEM.

- B. Application Amendments. CUSTOMERS desiring a material change in the size, character or extent of equipment or operation which would result in a material change in the amount of water used shall give the BAYVIEW WATER AND SEWER DISTRICT written notice of such change two weeks prior to the change and the application for service shall be amended.

CUSTOMERS desiring a change in the size, location or number of services shall fill out an amended application.

Section 7: MAIN EXTENSIONS

Water main extensions to areas within the BAYVIEW WATER AND SEWER DISTRICT limits not presently served with water shall be installed under procedures to be established by the BOARD. The Developer for newly partitioned properties will assume all costs of main extensions with the approval of the BOARD and must be done consistent with the rules of the BAYVIEW WATER AND SEWER DISTRICT. The BAYVIEW WATER AND SEWER DISTRICT will make water main extensions only on right-of-ways, easements or publicly owned property. Easements or permits secured for main extensions shall be obtained in the name of BAYVIEW WATER AND SEWER DISTRICT along with all right and title to the main at the time the service is provided to the CUSTOMERS paying for the extension.

Section 8: SERVICES

- A. Definition. The “service connection” shall be that part of the water distribution system which connects the meter to the water main and shall normally consist of corporation stop, service pipe, curb stop, meter, meter yoke and meter box. The “CUSTOMER service line” shall be that part of the piping on the CUSTOMER’S property that connects the service to the CUSTOMER’S distribution system.
- B. Ownership, Installation, and Maintenance. The BAYVIEW WATER AND SEWER DISTRICT shall own, install and maintain all services. Installation and maintenance shall only be performed by authorized employees of the BAYVIEW WATER AND SEWER DISTRICT. The CUSTOMER shall own, install and maintain the CUSTOMER service line.
- C. Service Connection Charges. At the time the APPLICATION files for service where no service previously existed, or if he is filing for a change in service size or location, he shall submit with his application the service connection charge. See Exhibit A which is part of this Resolution.

This charge is to cover the actual cost to the BAYVIEW WATER AND SEWER DISTRICT to install the service from the main to the CUSTOMER property line, including the meter and the meter housing. Additionally, the BAYVIEW WATER AND SEWER DISTRICT may also charge the cost to dig up and repair streets and rights-of-way to the standards of other municipalities. The service connection charge shall be as determined by the BAYVIEW WATER AND SEWER DISTRICT in the current published water rate schedule.

- D. Size of Service. The BAYVIEW WATER AND SEWER DISTRICT will furnish and install a service of such size and at such locations as the APPLICATION requests, provided such requests are reasonable and that size requested is one that is listed by the BAYVIEW WATER AND SEWER DISTRICT. The minimum size of service shall be three-fourths inch. The BAYVIEW WATER AND SEWER DISTRICT may refuse to install a service line which is undersized or oversized as determined by a study and report of the SYSTEM OPERATOR of the water system.
- E. Change in Service Size. Permanent changes in the size of the service line requested by the CUSTOMER shall be paid by the CUSTOMER on the basis of actual cost to the BAYVIEW WATER AND SEWER DISTRICT for making the change.
- F. Length of Service. Where the main is in a public right-of way, the meter will be placed at the right-of-way line nearest the property to be served for the standard connection fee, provided the length of service line does not exceed the width of the right-of-way.

Where the main is on an easement or publicly owned property other than designated rights-of-way, the services shall be installed to the boundary of the easement or public property by the BAYVIEW WATER AND SEWER DISTRICT provided the length of service line does not exceed thirty (30) feet.

If, in either case cited above, the length of service line to the meter location exceeds the maximum stated, the APPLICANT shall pay the extra cost of the line on the basis of actual cost to the BAYVIEW WATER AND SEWER DISTRICT for labor, materials and equipment.

- G. Joint Service Connections. The BAYVIEW WATER AND SEWER DISTRICT may, at its option, serve two or more premises with one connection, the inside diameter of such joint lines shall be sufficient to

provide a carrying capacity of not less than the combined capacity of individual service lines of the same size as the meters installed.

Service extensions from an existing service to occupancies or ownerships other than that for which the existing service was intended shall not be permitted nor shall separate residents be permitted to receive services through one meter except under special conditions approved by the BOARD.

H. Number of Service Connections on Premises. The owner of a single PARCEL of property may apply for and receive as many services as he and his tenants may require, provided his application or applications meet the requirements of the policies and rules.

I. Fire Service Connections. A service having fire protection facilities on the premises and water for other purposes flowing through the same service connection shall be considered as an ordinary service and metered as such. All water used through that service, regardless of its use, will be charged at the regular rates.

J. CUSTOMER'S Plumbing.

(1) Plumbing Code. The CUSTOMER'S plumbing, which shall include the CUSTOMER'S service line and all plumbing, piping, fixtures and other appurtenances carrying or intended to carry water, sewer or drainage, shall comply with the plumbing code of the State of Idaho and other rules which may be adopted from time to time by the BOARD.

(2) Control Valves. CUSTOMERS shall install a suitable control valve in the CUSTOMER service line in an easily accessible location, the operation of which will control the entire water supply to the premises served.

It shall be a violation of these rules and regulations for the CUSTOMER to operate, cause or permit unauthorized operation of the meter stop or any appurtenances on the service connection.

K. Reimbursement to the BAYVIEW WATER AND SEWER DISTRICT for Costs.

If any repairs, change in service or new service requires that any streets, rights-of-way or sidewalks need to be disrupted or torn up, the BAYVIEW WATER DISTRICT reserves the right to pass on to the USER the cost of taking up the asphalt, cement or other covering and

the cost of repairing or replacing the same to the standards of the municipality owning or controlling the street, right-of-way or sidewalk.

Section 9: METERS

- A. **Ownership:** The BAYVIEW WATER AND SEWER DISTRICT will own and maintain all water meters. The BAYVIEW WATER AND SEWER DISTRICT will not pay rent or any other charge for a meter or other water facilities, including housing and connections on a CUSTOMER'S premises.
- B. **Installation.** Installation of water meters shall be performed only by authorized employees of the BAYVIEW WATER AND SEWER DISTRICT. All meters shall be sealed by the BAYVIEW WATER AND SEWER DISTRICT at the time of installation, and no seal shall be altered or broken except by one of its authorized employees.
- C. **The Size and Type of Meter.** APPLICANTS may request and receive any size meter regularly stocked or furnished by the BAYVIEW WATER AND SEWER DISTRICT provided the request is reasonable and further provided the meter is not greatly oversized or undersized, as determined by the SYSTEM OPERATOR. The BAYVIEW WATER AND SEWER DISTRICT reserves the right to determine the type of meter to be installed.
- D. **Location of Meters.** Meters shall normally be placed at the curb or property lines; the meter will be installed wherever the APPLICANT desires within reason, but the location must be approved by the BAYVIEW WATER AND SEWER DISTRICT. The meters will not be located in driveways or other locations where damage to the meter or its related parts may occur.
- E. **Joint Use of Meters.** The joining of several CUSTOMERS to take advantage of the single minimum charges and large quantity rates shall be prohibited, except under special contracts, in writing, with the BOARD.
- F. **Changes in Size or Location.** If for any reason a change in the size of a meter and service is required, the installation will be accomplished on the basis of a new connection, and the CUSTOMER'S application shall be amended. Meters or services moved for the convenience of the CUSTOMER will be relocated only at the CUSTOMER'S expense.

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Section 10: WATER RATES

The water rates to be charged for each class of service, including minimum charges, charges for water used over the minimum amount and service connection charges, shall be set forth in the monthly rate schedule as adopted by the BAYVIEW WATER AND SEWER DISTRICT and as amended from time to time. (The Rates shall be as set forth in Exhibit A). The rate schedule may be revised periodically by the BOARD, according to the User Charge System set forth in Exhibit B, which is part of this Resolution, without invalidating the remainder of these Rules. Said rates and charges are, and shall continue to be, uniform as to all persons or properties which are of the same class.

Section 11: NOTICES

- A. Notices to CUSTOMERS. Notices from the BAYVIEW WATER AND SEWER DISTRICT to the CUSTOMER will normally be given in writing and either mailed to or delivered to him at his last known address. Where conditions warrant and in emergencies, the BAYVIEW WATER AND SEWER DISTRICT may notify either by telephone or messenger.
- B. Notices from CUSTOMERS. Notices from the CUSTOMER to the BAYVIEW WATER AND SEWER DISTRICT may be given by the CUSTOMER or his authorized representative orally or in writing at the office of the BAYVIEW WATER AND SEWER DISTRICT or to an agent of the BAYVIEW WATER AND SEWER DISTRICT duly authorized to receive notices or complaints.

Section 12: BILLINGS AND PAYMENTS

- A. Meter Readings. Meters will be read and CUSTOMERS billed on the basis of the meter reading to the nearest 1,000 gallons, or cubic feet, whichever is applicable.

The BAYVIEW WATER AND SEWER DISTRICT will keep an accurate account on its books of all readings of meters and such accounts so kept shall be offered at all times, places and courts as prima facie evidence of the use of water service by the CUSTOMER.

- B. Rendering of Bills.
 - (1) Billing Period. All meters shall be read and bills rendered therefore once a month. Billing shall begin when water is available to the property.
 - (2) Bills for More than One Meter. All meters supplying a

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CUSTOMER'S premises shall be billed separately, except where the BAYVIEW WATER AND SEWER DISTRICT has installed for operating purposes, two or more meters in place of one. The readings may be combined for billing.

- C. Disputed Bills. When a CUSTOMER disputes the correctness of a bill, he shall deposit the amount of the disputed bill at the time the complaint is lodged, to preclude discontinuance of service pending final settlement of the bill or bills. Subsequent bills shall be paid or placed on deposit in a similar manner until the dispute is settled.

Failure of the CUSTOMER to make such a deposit shall warrant discontinuance of service as provided under Subsection (F) of this Section. Disputes shall be addressed within thirty (30) days by the BAYVIEW WATER AND SEWER DISTRICT.

- D. Failure to Read Meters. In the event that it shall be impossible or impractical to read a meter on the regular reading date, the water consumption shall be prorated on the basis of thirty (30) days per month and the total of the water consumption for billing purposes for that period shall be estimated.

- E. Payment of Bills.

- (1) Each bill rendered shall contain the final date on which payment is due. If the bill is not paid by that date, the account shall be considered delinquent, unless other arrangements in writing have been made with the BAYVIEW WATER AND SEWER DISTRICT that specifies another due date.
- (2) The BAYVIEW WATER AND SEWER DISTRICT will bill the property owner, according to the records for water use and the property owner shall be the responsible party.

- F. Delinquent Account.

- (1) Delinquent Notice. A reminder of account delinquency may be sent, at the discretion of the BAYVIEW WATER AND SEWER DISTRICT to each delinquent account on or about thirty (30) days after the account becomes delinquent.
- (2) Turn-Off Notice. On or about forty five (45) days after an account becomes delinquent, a turn off notice may be sent to the CUSTOMER. Said notice shall state a date on which water will be turned off if delinquent account is not paid in full prior thereto.

- (3) Service Turn-Off. On the turn off date, the meter reader or other agent of the BAYVIEW WATER AND SEWER DISTRICT shall deliver a written notice to the CUSTOMER stating that the water service is being turned off until all delinquent amounts have been paid. The meter reader or other agent of the BAYVIEW WATER AND SEWER DISTRICT shall immediately thereafter turn off the service. A delivery to the premises served by the meter shall be considered a delivery to the CUSTOMER. The service shall not be discontinued without a turn off notice being delivered two weeks prior the date of discontinued service.
- (4) Service Charge. In all instances where water has been turned off because of a delinquent account, a \$25.00 service charge shall be made for the restoration of services.

G. Installment Payments of Delinquent Accounts. In cases of extreme hardship, the BAYVIEW WATER AND SEWER DISTRICT shall have the discretion of renewing service to a delinquent account upon receipt of a satisfactory installment plan for the payment of the overdue amount. The installment period shall not exceed the period of time that the account was delinquent.

Section 13: DISCONTINUANCE OF SERVICE

- B. Non-Payment of Bills. A CUSTOMER'S water service may be discontinued if the water bill is not paid in accordance with the procedures listed in Section 12, Subsection (F) of these Rules.
- C. Non-Payment of Water Service Charges. If such rates and charges are not paid when due by any such person, firm or corporation, the amounts so unpaid may be certified by the Secretary to the County Assessor of Kootenai or Bonner County, Idaho and shall be by him or her assessed against the premises served as provided by law and shall be collected and paid over to the BAYVIEW WATER AND SEWER DISTRICT in the same manner as other cases are assessed, collected and paid. Such unpaid charges may also be recovered in an action at law in the name of the WATER SYSTEM with aforesaid interest.
- D. Improper Customer Facilities.
 - (1) Unsafe Facilities. The BAYVIEW WATER AND SEWER DISTRICT may refuse to furnish water and may discontinue service to any premises without prior notice where plumbing facilities, appliances or equipment using water are dangerous, unsafe or not in conformity with the plumbing code of the State of Idaho.

- (2) **Cross Connections.** A cross connection is defined as any physical connection between the BAYVIEW WATER AND SEWER DISTRICT and another water supply.

The Idaho State Health Division and the U.S. Environmental Protection Agency prohibit cross connections.

The BAYVIEW WATER AND SEWER DISTRICT will not permit any cross connections and will discontinue service to any persons or premises where a cross connection exists. Service will not be restored until the cross connection is eliminated. CUSTOMERS using water from one or more sources in addition to receiving water from the BAYVIEW WATER AND SEWER DISTRICT on the same premises shall maintain separate systems for each; and the BAYVIEW WATER AND SEWER DISTRICT water supply facilities shall be separated from any and all other systems by an air gap of not less than one foot, or if in the ground by not less than five feet. Please refer to BAYVIEW WATER AND SEWER DISTRICT CROSS CONNECTION RESOLUTION #03-3 which is separate from this Resolution.

- E. **Water Waste.** Where water is wastefully or negligently used on a CUSTOMER'S premises, seriously affecting the general service, the BAYVIEW WATER AND SEWER DISTRICT may discontinue service if such conditions are not corrected after due notice by the BAYVIEW WATER AND SEWER DISTRICT.
- F. **Service Detrimental to Others.** The BAYVIEW WATER AND SEWER DISTRICT may refuse to furnish water and may discontinue service to any premises where excessive demands by one customer will result in inadequate service to others.
- G. **Fraud or Abuse.** The BAYVIEW WATER AND SEWER DISTRICT will refuse or discontinue service to any premises where it is deemed necessary to protect the BAYVIEW WATER AND SEWER DISTRICT from fraud or abuse. Discontinuation of service from one or both of these causes will result immediately upon receipt of knowledge by the BAYVIEW WATER AND SEWER DISTRICT that the condition or conditions exist.
- H. **Unauthorized Turn-On.** Where water service has been discontinued for any reason and the water is turned on by the CUSTOMER or other unauthorized person, the water may then be shut off at the main or the meter removed. The charges for shutting off the water at the main or removing the meter shall be computed at actual cost to the BAYVIEW WATER AND SEWER DISTRICT. These charges shall be billed to the offending CUSTOMER and

water shall not be furnished to the premises or CUSTOMER until such charges are paid and the BAYVIEW WATER AND SEWER DISTRICT has reasonable assurance that the violation will not recur.

- I. Non-Compliance with Rules. The BAYVIEW WATER AND SEWER DISTRICT may, upon (10) days' notice, discontinue service to a CUSTOMER'S premises for failure to comply with any of the provisions of these rules.

Section 14: RESTORATION OF SERVICE

Restoration of service after discontinuance for nonpayment of bills, shall be made only after payment of current and past due charges plus \$25.00 for a restoration fee is received.

Restoration of service after discontinuance of service for unsafe facilities, water waste, fraud, abuse or for noncompliance with any of the policies or rules will only be made after the irregularity has been corrected and the BAYVIEW WATER AND SEWER DISTRICT has been assured that the irregularity will not recur. The restoration charge shall be \$25.00 plus any other charges due or past due that the BAYVIEW WATER AND SEWER DISTRICT may have incurred to correct the irregularity.

Section 15: UNUSUAL DEMANDS

When an abnormally large quantity of water is desired for filling a swimming pool, log pond or for other purposes, arrangements must be made with the BAYVIEW WATER AND SEWER DISTRICT prior to taking such water.

Permission to take water in unusual quantities will be given only if the BAYVIEW WATER AND SEWER DISTRICT facilities and other consumers are not inconvenienced.

Section 16: ACCESS TO PROPERTY

All duly appointed employees of the BAYVIEW WATER AND SEWER DISTRICT under the direction of the SYSTEM OPERATOR, shall have free access at all reasonable hours of the day to any and all parts of structures and premises in which water is or may be delivered for the purposes of inspecting connections, the conditions of conduits and fixtures, and the manner and extent in which the water is being used.

The BAYVIEW WATER AND SEWER DISTRICT does not, however,

assume the duty of inspecting the CUSTOMER'S lines, plumbing and equipment, and shall not be responsible therefore.

Section 17: RESPONSIBILITY FOR EQUIPMENT

- A. **Responsibility for Customer Equipment.** The BAYVIEW WATER AND SEWER DISTRICT shall not be liable for any loss or damage of any nature whatsoever caused by any defect in the CUSTOMER'S line, plumbing or equipment, nor shall the BAYVIEW WATER AND SEWER DISTRICT be liable for loss or damage due to interruption of service or temporary changes in pressure.

The CUSTOMER shall be responsible for valves on his premises being turned off when the water service is turned on.

- B. **Responsibility for BAYVIEW WATER AND SEWER DISTRICT Equipment.** The BAYVIEW WATER AND SEWER DISTRICT Equipment located on the CUSTOMER'S premises remains the property of the BAYVIEW WATER AND SEWER DISTRICT and may be repaired, replaced or removed as needed by the BAYVIEW WATER AND SEWER DISTRICT employees at any time without consent of the CUSTOMER. No payment will be made to the property owner or CUSTOMER for the right to install, maintain, replace or remove BAYVIEW WATER AND SEWER DISTRICT equipment on his premises. The property owner must keep vicious dogs or other animals secured or confined to avoid interference with the utility operation and maintenance.

- C. **Damage to BAYVIEW WATER AND SEWER DISTRICT Equipment.** The CUSTOMER shall be liable for any damage to equipment owned by the BAYVIEW WATER AND SEWER DISTRICT that is caused by an act of the CUSTOMER, his tenants, agents, employees, contractors, licensees, or permit holders. Damage to equipment shall include but is not limited to breaking of seals and locks, tampering with meters, injury to meters by hot water or steam, and damaged meter boxes, curb stops, meter stops and other appurtenances.

Section 18: FIRE HYDRANTS

- A. **Operation.** No person or persons other than those designated and authorized by the BAYVIEW WATER AND SEWER DISTRICT shall open any fire hydrant belonging to the BAYVIEW WATER AND SEWER DISTRICT, attempt to draw water from it, or in any manner damage or tamper with it. Any violation of this rule will be prosecuted according to law. No tool other than special hydrant wrenches shall be used to operate a hydrant valve. In cases where a temporary service has been granted and received through a fire hydrant, an auxiliary external valve will be provided to control the flow

of water.

- B. Moving a Fire Hydrant. When a fire hydrant has been installed in the locations specified by the proper authority, the BAYVIEW WATER AND SEWER DISTRICT has fulfilled its obligation. If a property owner or other party desires to change the size, type or location of the hydrant, he shall bear all costs of such changes. Any changes in the location of a fire hydrant must be approved by the BAYVIEW WATER AND SEWER DISTRICT and the Fire Department.

Section 19: PENALTIES

Any person in violation of the provisions of these rules shall, upon conviction thereof, be punished by a fine not exceeding \$100.00 dollars for every day the violation continues. Additionally, the BOARD reserves the right to amend or modify this section relating to penalties, if so authorized by the State of Idaho.

Section 20: SUSPENSION OF RULES

No employee of the BAYVIEW WATER AND SEWER DISTRICT is authorized to suspend or alter any of the policies or rules cited herein without specific approval or direction of the BOARD OF DIRECTORS, except in cases of emergency involving loss of life or property or which would place the BAYVIEW WATER AND SEWER DISTRICT operation in jeopardy.

Section 21: EASEMENT

Each APPLICANT and CUSTOMER gives and grants to the BAYVIEW WATER AND SEWER DISTRICT an easement and right-of-way on and across his property for the installation of water mains and the necessary valves and equipment in connection therewith.

Section 22: PRIOR RESOLUTIONS AND ORDINANCES

The provisions of any prior ordinance or resolution of the BOARD that may be in conflict with any of these rules or provisions contained herein are hereby repealed and superseded.

Section 23: CONSTITUTIONALITY, SAVING CLAUSE

If any clause, sentence, paragraph, section or portion of this resolution for any reason shall be adjudged invalid by a court of competent jurisdiction, such judgment shall not affect, impair or invalidate the remainder of this resolution, but shall be confined in its operation to the clause, sentence, paragraph, section or portion of this resolution directly involved in the controversy in which the judgment is rendered.

Section 24: FINDING OF EMERGENCY AND EFFECTIVE DATE

It is hereby adjudged and decreed that existing conditions are such that this resolution is necessary for the immediate preservation of the public peace, health, and safety of the CUSTOMERS of the BAYVIEW WATER AND SEWER DISTRICT and an emergency is hereby declared to exist, and this resolution shall take effect and be in full force and effect from and after its passage. This Resolution, or a summary thereof, shall be published once in a newspaper of general circulation within ten (10) days of its adoption.

Section 25: RATIFICATION

All actions heretofore taken (not inconsistent with the provisions of this Resolution) by the BOARD and the officers of the BAYVIEW WATER AND SEWER DISTRICT directed toward construction and installation of said water system and the issuance of water revenue bonds of the BAYVIEW WATER AND SEWER DISTRICT therefore, and for the holding of a special municipal bond election, is hereby ratified, approved, and confirmed.

PASSED AND APPROVED this 12TH day of AUGUST, 2003.

BAYVIEW WATER AND SEWER DISTRICT
KOOTENAI COUNTY, IDAHO

ATTEST:

Chairman; Board of Directors

Secretary; Bayview Water and Sewer District

(SEAL)

I, the undersigned, the Secretary of the BAYVIEW WATER AND SEWER DISTRICT of Kootenai County, Idaho, hereby certify that the foregoing Resolution is a full, true, and correct copy of a Resolution duly adopted at a regular meeting of the Board of Directors of said BAYVIEW WATER AND SEWER DISTRICT duly held at the regular meeting place thereof held on August 12, 2003, of which meeting all members of said BOARD had due notice and at which a majority thereof were present; and that at said meeting said Resolution was adopted by the following vote:

AYES, and in favor thereof, Board members: _____
NOES, Board members: _____
ABSENT, Board members: _____

ABSTAIN,

Board members: _____

I further certify that I have carefully compared the same with the original Resolution on file and of record in my office; that said Resolution is a full, true, and correct copy of the original Resolution adopted at said meeting; and that said Resolution has not been amended, modified, or rescinded since the date of its adoption, and is now in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the official seal of the BAYVIEW WATER AND SEWER DISTRICT on August 12, 2003.

Secretary

(SEAL)

EXHIBIT A

MONTHLY RATE SCHEDULE

RESIDENTIAL SERVICE

First	0 - 10,000 gal.	\$13.00
	Over 10,000 gal.	See "Water Usage Over Minimum"

MULTI-FAMILY SERVICE

1 - 4 Units	0 - 10,000 gal. each unit	\$13.00
	Over 10,000 gal.	See "Water Usage Over Minimum"

COMMERCIAL SERVICE

<u>Charge</u>	<u>Size of Service</u>	<u>Minimum</u>	<u>Monthly Service</u>
	3/4"	0 - 10,000 gal.	\$13.00
	1 "	0 - 10,000 gal.	\$13.00
	2 "	0 - 10,000 gal.	\$13.00

Water usage over 10,000 gallons per month shall pay rates as set forth in "Water Usage Over Minimum".

WATER USAGE OVER MINIMUM

To the above minimum monthly charges for usage in excess of 10,000 gallons per month shall be added charges according to the following rates:

Next 10,000 gallon rate per 1,000 gal. \$1.30

SERVICE CONNECTION CHARGES

The charge for installing a new service which includes excavation, backfill, tapping the main, laying the pipes, installing the meter, yoke, and meter box, and replacement of surfacing materials shall be as follows:

BAYVIEW RESIDENTIAL HOOKUP FEE \$1,000.00
BAYVIEW COMMERCIAL HOOKUP FEE \$1,500.00
CAPE HORN RESIDENTIAL HOOKUP FEE: Actual cost of installation
CAPE HORN COMMERCIAL HOOKUP FEE: Actual cost of installation

These water rates shall be reviewed annually by the BAYVIEW WATER AND SEWER DISTRICT and adjustments shall be made by action of the BOARD OF DIRECTORS.

The rates herein providing for billing and collection, shall be effective for all collection periods beginning on or after the date of this Resolution.

Chairman; Board of Directors
BAYVIEW WATER AND SEWER DISTRICT

Attest:

Secretary; BAYVIEW WATER AND SEWER DISTRICT

**EXHIBIT B
USER CHARGE SYSTEM**

The **BAYVIEW WATER AND SEWER DISTRICT** determines the current water rates by the following formula:

Water Budget Revenue Requirements divided by ERs in use.

For Example:

\$94,000 Annual Water Budget Expenses divided by 12 months=\$7,950.00 monthly

\$7,950.00 divided by 629 water ERs in use=\$12.64 per month per ER

The **BOARD** reserves the right to adjust water rates annually or more often in accordance to the financial needs of the **BAYVIEW WATER AND SEWER DISTRICT**. The Water Budget is determined annually based on prior expense history plus the Current Consumer Price Index. A cash reserve up to 5% of the Water Budget shall be included in the total amount of the Water Budget expenses, and is provided for according to the rules set forth in Article V, Section 1, subsection i of the Bayview Water and Sewer District By-Laws.

**Chairman; Board of Directors
BAYVIEW WATER AND SEWER DISTRICT**

Attest:

Secretary; BAYVIEW WATER AND SEWER DISTRICT

seal