

PUBLIC UTILITY DISTRICT NO. 1 OF MASON COUNTY

WATER POLICY MANUAL



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Definitions and Terms

Applicant(s) means the individual, firm or organization who applies for water service from the District. Once the service is connected, the applicant becomes a customer.

Approved Backflow Assembly Device means an assembly that has been investigated and approved by the Washington State Department of Health for preventing backflow. Approval shall be based on favorable laboratory and field evaluation by an approved backflow testing laboratory.

As-built Drawings means plans or drawings that have been submitted by an applicant and reviewed and accepted by the District.

Auxiliary Water Supply means water that is not supplied by the District.

Backflow means the undesirable reversal of flow of water or other substances into the District's public water system.

Backpressure means a pressure (caused by a pump, elevated tank or piping, boiler or other means) on the customer's side of the service connection that is greater than the pressure provided by the public water system and which may cause backflow.

Backsiphonage means backflow due to a reduction in system pressure in the distribution system.

Board of Commissioners or Commission means the Board of Commissioners of Mason County Public Utility District No. 1.

Building Supply Line means the pipe carrying potable water from the water meter or other source of water supply to a building or other point of use or distribution on the lot. Building supply line shall also mean customer supply line or service line.

Capital Improvements means the improvements made to a water system that upgrades, expands or improves the system.

Combined Service means a metered service connection through which water is obtained for the dual purpose of fire protection and domestic use.

Commercial Service means any non-residential service.

Connection means any facility, lot or water system connected to one of the District's water systems by any plumbing, main or meter.

Contamination means a potable water quality impairment by sewage, industrial fluids, or waste liquids, compounds, or other materials to a degree that creates an actual or potential hazard to the public health.

Contractor means a person or firm licensed and bonded by the State of Washington to construct, install or repair water systems and plumbing.

Cross Connection means any actual or potential physical connection between the District's public water system or the customer's water system and any source of potable or non-potable liquid, solid or gas that could contaminate the potable water supply by backflow. This includes connections between the District's water system and a customer's private well.

Cross Connection Control means the installation of an approved backflow prevention assembly to eliminate all actual or potential cross-connection.

Customer means any person receiving water from the District's system from either the meter or point of delivery.

Department of Ecology (Ecology) means the Washington State Department of Ecology which regulates water rights and well construction.

Department of Health (DOH) means the Washington State Department of Health which regulates public drinking water supplies.

Developer means a person or firm who improves a parcel or parcels and applies for water service.

Disconnected means the shutting off of the water service by the District pursuant to Section 2.3.9 of the Water Policy.

Distribution Main or Distribution Line means any pipe in a distribution system that allows a service line connection.

Distribution System means all piping and components used to convey water to a customer's service line.

District or PUD No. 1 means Mason County Public Utility District No. 1, located at North 21971 Highway 101, Shelton Washington, 98584.

Easement means legal right of the District to use real property not owned by the District.

Environmental Protection Agency (EPA) means a US Governmental Agency that regulates the Department of Health.

Fire Hydrant Assembly means the fire hydrant, the valve, the piping from the main and other appurtenances.

Fire Protection Service means a connection to the public water main or to the customer's service line intended only for the extinguishment of fires and the flushing necessary for its proper maintenance. All fire services shall have a detector check valve.

Group A Water System means a public water system with 15 or more service connections used by residents for 180 or more days within a calendar year; serves 25 or more non-residential people for 180 or more days within a calendar year; or serves 25 or more different people each day for 60 or more days within a calendar year; or serves 1,000 or more people for two consecutive days within a calendar year.

Group B Water System means a public water system that does not meet the definition of a Group A water system.

Hydraulic Analysis means the study of the water system's distribution system to determine present or future adequacy for provision of service to customers within the established design parameters for the system under peak flow conditions, including fire flow.

Inspector means the District representative authorized to make detailed inspections for compliance with these standards.

Master Meter means multiple residential or commercial services that are served by one point of delivery.

Meter means the device that measures the flow of water used by the customer.

Meter Box means an enclosure constructed of approved materials protecting one or more water meters installed in the ground outside and allows for a person to read the meters.

Meter Charge means the charge by the District for the installation of a meter.

Meter Setter a device consisting of a lockable stop to allow a cut off of water service and a check valve to allow for basic backflow prevention.

Multiple Family Residential means a building or portion designed thereof for occupancy by two or more families, living independently of each other, as defined by Mason County.

Municipal Water Supplier means the District that supplies water for municipal water supply purposes as defined by WAC 246-290-010 (167).

Municipal Water Supply Purposes means a beneficial use of water: (a) for residential purposes through fifteen (15) or more residential service connections or for providing residential use of water for a nonresidential population that is, on average, at least twenty-five (25) people for at least sixty (60) days a year; (b) for governmental or governmental proprietary purposes by a city, town, public utility, district, county, sewer district, or water district, or (c) indirectly for the purposes in (a) or (b) of this definition through the delivery of treated or raw water to a public water system for such use. WAC 246-290-010 (167).

Non-Potable means water that has not been examined, properly treated, and is not approved by appropriate authorities as being safe for human consumption.

Plans means construction plans, including system site plans, water system design plans, and (when required) profiles, cross sections, detailed drawings, etc., or reproductions thereof, accepted by the District, which show the location, character, dimensions, and details for the work to be done.

Plumbing Code means the International Plumbing Code or the Uniform Plumbing Code as adopted by Mason County, except as otherwise modified by local ordinance.

Point of Delivery means the water meter or the water shut off valve if no meter is present. District ownership and responsibility ends at the Point of Delivery. The customer's responsibility begins after the Point of Delivery. Customers are prohibited from tampering with or turning water on/off at Point of Delivery.

Potable Water means water that has been examined or properly treated and is approved by appropriate authorities as being safe for human consumption.

Preliminary Review means plans stamped "Preliminary Review," dated and signed by the District indicating that the plans have been reviewed and may now be submitted as part of the requirements for approval for construction.

Project Engineer means the engineer in responsible charge, licensed by the State of Washington as a Civil Engineer under whose direction the plans and details for the work are prepared and submitted to the District for review and approval.

Public Water System means any water system providing water for human consumption through pipes or other constructed conveyances, excluding a system serving only one single-family residence and a system with four or fewer connections all of which serve residences on the same farm.

Reconnected means the turning on of a water service by the District pursuant to Section 2.3.11 of the Water Policy.

Residential Use means any building, structure, or portion thereof that is occupied or intended to be occupied as a dwelling for one or more families and each unit has its own point of delivery.

Right of Way (ROW) means all land or interest therein which by deed, conveyance, agreement, dedication, usage, or process of law is reserved for or dedicated to the use of the general public, within which the District shall have the right to install and maintain water mains.

Service Connection means a connection to a public water system designed to provide potable water to a single family residence, or other residential or nonresidential population. When the connection provides water to a residential population without clearly defined single family residences, the following formulas shall be used in determining the number of services to be included as residential connections on the WFI form: (a) divide the average population served each day by two and one-half (2.5); or (b) using actual water use data, calculate the total ERUs represented by the service connection in accordance with DOH design guidance; (c) in no case shall the calculated number of services be less than one.

Service Line / Lateral means the line or pipe connecting from the point of delivery to the customer.

Single Family Dwelling means any residential building designed to house one family.

Small Water System Management Program (SWSMP or Plan) means the written report approved by the Commission that describes the water system and determines the system's future capacity and capital improvements.

Standard Plans means the drawings of structures or devices commonly used on the District's work and referred to on the plans.

System Development Fee (SDF) means the payment required prior to water service connection and prior to the District sending the Water Adequacy Form to Mason County.

System Development Fund means the account comprised of funds received through payment of the System Development Fees based on the cost of financing capital improvements to serve new or enlarged customer connection. The fund is restricted by the Commission and is used for growth, capacity or upgrade related projects.

Temporary Service means all service connections for use of less than 12 months.

Tenant means any person or persons renting or occupying a residence or business that does not own the building or property.

Unapproved Auxiliary Water Supply means a water supply (other than the District's water supply) on or available to the customer's premises that is either not approved for human consumption by the health District having jurisdiction or is not otherwise acceptable to the District.

Water Adequacy Form means the form required by Mason County for certain permitting decisions.

Water Right means a permit, claim, or other authorization, on record with or accepted by Ecology, authorizing the beneficial use of water in accordance with all applicable state laws.

Water System Plan (WSP or Plan) means the written report approved by the Commission and DOH that describes the water system and determines the system's future capacity and capital improvements.

Work/Job Order means the assigned number that indicates work to be completed and is provided by the District Office to the District Crew performing the work.

Water Department Acronyms

AC	Asbestos Cement Pipe
AC	Acre
Ac-Ft	Acre-feet
ADA	Americans with Disabilities Act
ADD	Average Daily Demand (gpd/ERU)
ANSI	American National Standard Institute
ASA	American Standard Association
ASTM	American Society of Testing and Materials
AWWA	American Water Works Association
BHC	BHC Consultants (engineering firm)
BM	Bench Mark
CCR	Customer Confidence Report
CCS	Cross-Connection Control Specialist
CFR	Calculated Fixed Radius
cfs	Cubic Feet Per Second
CIP	Cast Iron Pipe
CMP	Corrugated Metal Pipe
COM	Community Water System
CT	Contact Time (chlorinated systems)
DCDA	Double Check Detector Assembly
DCVA	Double Check Valve Assembly
DDBP or DBP	Disinfectant and Disinfection By- Products
DI	Ductile Iron Pipe (AWWA C151)
DOE (WSDOE)	Washington State Department of Ecology (or just Ecology)
DOH (WSDOH)	Washington State Department of Health
DSL	Distribution System Leakage
DWSRF or SRF	Drinking Water State Revolving Fund
EL	Elevation
ERU	Equivalent Residential Unit
EX	Existing
FB	Full Buildout
FF	Fire Flow
FH	Fire Hydrant
fps	Feet Per Second
FT	Foot
G	Gas
Gal	Gallons
G&O	Gray & Osborne Engineers
gpd	Gallons Per Day
gpm	Gallons Per Minute

GW	Ground Water
GW I	Ground Water Under the Influence of Surface Water
HAA5	Haloacetic Acids (five)
HDPE	High Density Polyethylene Pipe
HGL	Hydraulic Grade Line
IBC	International Building Code
ID	Inside Diameter
IOC	Inorganic Compounds
IPC	International Plumbing Code
IPS	Iron Pipe Size
LF	Linear Feet
MDD	Maximum Daily Demand (gpd/ERU)
mg/L	Milligrams per Liter
MLCP	Mortar Lined and Coated Pipe (AWWA C200 & C205)
MWL	Municipal Water Law
NEMA	National Electric Manufacturers Association
NTNC	Non-Transient Non-Community Water System
NSF	National Sanitation Foundation
NWPPA	Northwest Public Power Association
OD	Outside Diameter
Pb/Cu	Lead & Copper Testing
PE	Professional Engineer (letters after Jocelyne's name)
PE or Poly	Polyethylene Pipe (used for service lines)
PHD	Peak Hourly Demand (gpm)
ppm	Parts Per Million
PRV	Pressure Reducing Valve
psf	Pounds per Square Foot
psi	Pounds per Square Inch
psig	Pounds per Square Inch Gauge
PTN	Parcel Tax Number
PVB	Pressure Vacuum Breaker
PVC	Polyvinyl Chloride pipe (AWWA C900, C905)
PWTF	Public Works Trust Fund
RCP	Reinforced Concrete Pipe
ROW or R/W	Right-Of-Way
RPA	Request for Project Approval
RPDA	Reduced Pressure Detector Assembly
RPPA	Reduced Pressure Principle Assembly
SDF	System Development Fee
SMA	Satellite Management Agency
SOC	Synthetic Organic Compounds
SSA	Satellite Service Agreement
SWSMP	Small Water System Management Plan (pronounced "swamp")

TNC	Transient Non-Community Water System	WHPZ	Well Head Protection Zone
TOC	Total Organic Carbon	WPUDA	Washington PUD Association
TTHM	Total Trihalomethane	WQ	Water Quality
UPC	Uniform Plumbing Code	WR	Water Right
VOC	Volatile Organic Compounds	WRIA	Water Resource Inventory Area
W or Wtr	Water	WSP	Water System Plan
WDM	Water Distribution Manager	WUE	Water Use Efficiency
WHPA	Well Head Protection Area	WWUC	Washington Water Utility Council

Section 1

Introduction and Overview

1.1 Purpose

This Manual outlines the policies and procedures to be applied by District staff in providing utility service to individual properties served by the District. The policies guide how the District will manage extensions, make improvement to the District's water system, and provide service to satellite utility systems owned or operated by the District. Nothing in this Manual shall be interpreted to apply to District actions with regard to provision of any other utility services except as specifically listed. A copy of this document shall be available for the public during regular District business hours at the District's Administration Building at N. 21971 Hwy 101(at Potlatch) Shelton, WA.

The District will exercise reasonable care to provide adequate and continuous water service. The District shall not be liable for injury, loss, or damage resulting from any failure or curtailment of water service; nor shall such failure or curtailment of water service constitute a breach of contract. The District shall have the right to temporarily suspend service for the purpose of making repairs or improvements to its facilities, but in such case, when practical, shall give advance public notice.

1.2 Application of Policies and Procedures

In specific instances, the General Manager may, at their discretion, waive or modify the application of the policies and procedures described herein, including the application of standard fees and charges, provided that such waiver or modification allows for more effective or efficient achievement of District goals, objectives, and overall policies.

In cases where such waiver or modification involves a significant cost, or where its relationship to existing policies is not clear, the General Manager must report any waivers or modifications to the Board of Commissioners within the next two regularly scheduled meetings of the Board.

If authorized by the Board of Commissioners, specific fees and charges may be adjusted automatically for inflation on an annual basis. The Board of Commissioners will adjust other standard fees and charges from time to time.

1.3 Revision

These Policies and Procedures cancel and supersede all previous Resolutions. They may be revised, supplemented, or otherwise modified only by action of the Mason County PUD Board of Commissioners; except in an emergency situation, where the General Manager may make such reasonable modifications as he/she deems necessary; provided, however, such modifications must be reported to and ratified by the Commission within the next two regularly scheduled meetings of the Commission.

1.4 Conflict

In case of conflict between this Policy and Procedures Manual and the provisions of any resolution or rate schedule adopted subsequent to the date of this manual by the District, the provisions of the latest resolution or rate schedule shall apply.

In case of conflict between this Policy and Procedures Manual and a special contract, the special contract shall apply.

1.5 Saving Clause

If any clause, sentence, paragraph, section, or portion of these Policies and Procedures, for any reason shall be adjudged invalid by a court of competent jurisdiction, such judgment shall not affect, impair, or invalidate the remainder.

1.6 Related Policies

1.6.1 Water and Wastewater System Plans

The District has prepared a planning document for its water systems as required by Washington State Department of Health (DOH). Similar Wastewater Facilities Plans are prepared and approved by either DOH or Washington State Department of Ecology (Ecology) depending on the system capacity. These Plans project service area needs over a 20-year time frame. The District's capital improvement program and incremental extensions and improvements to the District's system must be consistent with the Plan, as updated from time to time, whether they are carried out by the District or a third party.

Decisions on system extension, pipeline capacity, looping, etc. will be guided by the Plan. The District's General Manager will, at their discretion, determine the extent to which capital improvements are for the purposes of transmission or other general system needs; which are for the purposes of distribution within an area of the District; and which are for the sole benefit of a single subdivision, development, or customer. When new developments are proposed, the District may require the Developer to dedicate permanent utility easements for installation of water pipelines and other facilities in order to facilitate construction of the overall District system in accordance with the Plan. The District's share of the cost of new facilities will be determined by this Manual by the General Manager using this policy manual as a guide.

1.6.2 Mason County Comprehensive Land Use Plan

The District's function is not to plan land uses within its boundaries, but to provide water service for land uses planned and adopted by Mason County or other local governments and documented in the Mason County Comprehensive Land Use Plan. The District's facilities, their encumbrances and their impact on the community are not to be used as tools for implementing changes in the character or timing of planned land uses.

1.7 Funds and Fund Accounts

The District is classified as a special purpose district and as a stand-alone governmental entity. Governmental accounting systems are established on a fund basis. As defined as a governmental entity in the utility business, the governmental accounting profession defines the District's utility as a Proprietary Fund and further defines the utility as an Enterprise Fund. Enterprise Funds are governmental classifications used to account for operations that are financed and operated in a manner similar to private business enterprises. An Enterprise Fund has the intent of providing goods or services to the general public on a continuing basis and the costs are primarily recovered through user charges.

For management and administrative purposes, the District has established specific funds dedicated for tracking cash activities and balances in the following District functional areas:

1.7.1 Revenue Fund

Also referred to as the "General Fund". This fund receives all income, revenues, receipts, and profits derived by the District plus any proceeds from the sale, lease, or disposition of any properties or facilities of the District. The funds in this account are used for the purpose of operation and maintenance, repairs, renewals and replacements, and may be used for constructing additions, extensions, improvements, and principal and interest on bonds.

1.7.2 System Development Fund

This account is comprised of funds received from new services based on the cost of financing general capital facilities improvements to serve customer connections. The funds are restricted by the Commissioners of the District and used for growth, capacity or upgrade related projects.

The System Development Fund shall be used for the following water system improvements: transmission lines, storage and/or other general service distribution facilities, additional water supply, pumping and pressure boosting stations, gridding of existing lines to improve service, over sizing of water lines and other items deemed necessary for a substantial area of the water system.

For the wastewater system, the System Development Fund shall be used for interceptors and interceptor capacity in collection systems, regional pumping systems, treatment facilities and out fall structures.

Any exceptions or exclusions of customer(s) to or from the System Development Fund must be on a case-by-case basis. In order for an exclusion to be considered, the new service or services cannot be an impact to the existing infrastructure's ability to fulfill its intended purpose.

The Board of Commissioners must approve any and all recommended uses, exceptions or exclusions concerning the System Development Fund.

1.7.3 Customer Deposit Fund

This account contains the accumulated outstanding deposits received from customers as a condition for service. The funds are returned to customers by application to their account if a satisfactory payment record is maintained for one year for residential and two years for commercial accounts.

1.7.4 Water Revenue Bond Funds

Revenue bond funds are set aside from the Revenue Fund and are used solely for the purpose of paying principal and interest on bonds. Sometimes, the District also sets aside funds to a Reserve Account within the Bond Funds as additional security for bond payments.

1.7.5 Local Utility District Bond Funds

Local Utility District (LUD) Bond Funds are received from special assessments against properties that benefit from the installation of District facilities. The LUD Bond Funds are used for principal and interest on bonds.

1.7.6 Construction and Grant Funds

Construction funds are most commonly obtained from the issuance of bonds and the proceeds are restricted for the use as stated in bond covenants. They are usually used for large projects. Grant funds are usually obtained from federal or state government, are also dedicated to specific projects, and are typically large construction projects.

Section 2 General Terms, Conditions, and Policies

2.1 General Provision

Section 2 of this Policies and Procedures Manual provides the General Terms, Conditions, and Policies for furnishing and receiving water service.

2.2 Water Service Policies

2.2.1 Water Service

Consistent with sound business judgment, the District shall undertake to furnish water in the County to those who are in need of a residential, commercial and/or industrial water supply, where such service is consistent with the Mason County Comprehensive Plan and Development code.

2.2.2 Water Services for Fire Protection

- a) A water service for fire protection must be designed and installed in accordance with the plumbing code. A system designed for fire service purposes shall not be used for any purpose except for extinguishing fire on the premises.
- b) The full cost of installing water systems for fire protection must be borne by the customer.
- c) No charge will be made for water used from fire protection service in extinguishing fire on the premises, if the owner or occupant of premises gives written notice to the District within 10 days, and confirmed by a representative of the fire district with jurisdiction.
- d) If the District determines that a customer is improperly using water from the fire service system, a detector check meter may be installed on the fire-service line, without prior notice being given to the customer.

Should experience subsequent to the installation of the detector check meter indicate that water was being used in violation of paragraph (a) of this section, then the District shall charge the customer for the cost of such installation and a meter charge for at least two meter reading cycles for each month of use.

2.2.3 No Guarantee of Adequate Water for Fire Protection

Notwithstanding all other provisions for fire protection service, or for other metered service, including water furnished to any fire hydrant or other equipment used, or which may be used for fire-fighting purposes, it is understood that the District cannot guarantee any minimum quantities of water or pressure of the water to be furnished to any of such hydrants or water services, and the District shall not be liable in any manner for any loss or claim by reason of the quantity of water, or pressure of the same furnished to such hydrant or water services.

2.2.4 Unauthorized Use of Water

- a) Withdrawal of District water from a non-metered connection standpipe, or fire hydrant without a permit with the District is prohibited. Illegal use will be assessed at minimum, a basic charge equivalent to the District Meter Tamper charge for each month of use. Extended illegal use and consumption charges will be based on the District's estimate of use and highest current rate.
- b) Tampered services will be charged a penalty to be determined by the District's rates and fee schedule and may be referred to the Mason County Sheriff's Department for legal action.
- c) Water is not to be resold by the customer except by written permission of the District. In no case may the resale rate exceed the rate charged by the District for a similar service.

2.3 Rules and Regulations for Initiating and Terminating Service

2.3.1 Service Application or Contract

- a) Each New Customer desiring water service shall make application prior to service connection.

Application for water service may be made at the District's Office at N. 21971 Hwy 101 (at Potlatch) Shelton, WA. 98584.

- b) The customer must enter into a signed written contract to pay the appropriate System Development Fees before any work has begun and before a Determination of Water Adequacy form has been signed and released by the District. Customers may spread the payment of the System Development Fee over a period of twenty-four (24) months. The provision of continuing water service is contingent on the customer making each monthly payment. In the case of default on payment of the System Development Fee, the District shall disconnect the water service and the full amount of the remaining System Development Fee must be paid in full before restoration of water service.

A cost estimate to install a new water service must be established by the District, and the customer must submit this payment prior to having the service installed.

The customer may be required to provide a 10 foot recorded easement in a form acceptable to the District, for access and future extensions of service to other customers.

The customer must provide all trenching for a water hook-up installation and for installing all plumbing on their side of the water service (meter box to the dwelling).

2.3.2 Owner/Agent Agreement

A contract may be entered into by any owner of rental property for the provision of uninterrupted service to such property between tenancies. The owner agrees to pay for water service charges during this period and until a tenant assumes responsibility for water service under these policies.

The District will allow tenants to assume sole financial responsibility for water service provided they have completed the necessary District requirements for initiation of service as stated in Section 2.3.3. If the tenant has not initiated service and there is evidence that the service is in use, the Landlord shall be responsible and the service is subject to immediate shut-off unless such landlord has signed an agreement as provided for in this Section.

2.3.3 Agreement

Acceptance of service is subject to current District policies, rates, service requirements and regulations, with or without a written application or contract. The applicant agrees that the District shall have the right to shut off the water service, with or without notice, for (1) repairs, extensions, etc. of the water line, (2) non-payment of water bills, or (3) any operating condition requiring suspension of service, and that the District shall not be responsible for any damage due to stoppage or interruption of the water supply.

2.3.4 Initiation of Service

Service will be initiated when the customer has met all District requirements and submitted:

- Proper application and a demonstration of credit sufficient for reasonable assurance that service bills and fees will be paid.
- Valid service and mailing address(es).
- Payments as required on delinquent accounts.
- Payment of applicable deposits and other fees.

2.3.5 Water Availability

The District will determine if water is available for water service. If the District has a system that has a limited number of authorized connections as specified by the Washington State Department of Health, Department of Ecology, or other State Agency, the availability of water for a new connection may be precluded. Unless restricted or otherwise controlled by restrictive covenants or acquisition documents of such water system, the following principles apply.

- If there are more individuals desiring service than authorized connections, new connections will be assigned within the system's service area on a first come, first serve basis (no other connections will be assigned outside the approved service area). Once assigned, new connections must be activated within 36 months from the date of assignment by the installation of a water service and establishing an account with the District and paying for monthly water service. If the account is not activated within 36 months or if the account is closed for a period of two months in the first twelve months, the connection will be made available to the next person desiring service. If the person who has a water service re-assigned desires to be connected to the system, they shall be returned to the bottom of the list. See policy 2.3.11 for Reconnection.
- If there are more authorized connections than there are lots within the service area, the service area may be amended to allow a connection to other property if the person desiring such service pays all costs for extending the service including amendment of the water system plan.

2.3.6 Water Service Limitations

Because hydraulic limitations can restrict the District's ability to provide water for a service connection, the District reserves the right to limit the size of the water service to be installed. This determination will be based on hydraulic and supply considerations.

During the months of July, August, and September, residential outdoor watering conservation schedule will apply. Outdoor watering includes: irrigation utilizing individual sprinklers from hoses, or buried sprinkler systems for the purpose of watering lawns, gardens, landscaped areas, trees shrubs and other plants; washing vehicles; spraying/washing of driveways and sidewalks; filling of pools and hot tubs should not be used except on designated days as follows:

Odd numbered street addresses will water on odd numbered days of the month and even numbered street addresses will water on even numbered days of the month.

2.3.7 Separate Service for Each Lot, Property, or Residence

Each lot, property, or residence is required to have a separate water service, except as provided for in this subsection. Customers shall not extend a service line to an additional lot, property or residence without the written consent of the District.

- a) Each existing multi-family residential structure may be served by either a master meter or individual meters for each unit, at the option of the property owner. If master metering is used, the customer shall be the property owner or another person who agrees to be responsible for the entire billing.
- b) Existing Multi-tenant commercial, industrial, institutional, or governmental properties or structures may be served by either master meters or individual meters for each tenant, at the option of the owner. If master metering is used, the customer shall be the property owner or another person who agrees to be responsible for the entire billing.
- c) New multiple family Residential or Commercial structures on the same water service will be metered and charged separately.

2.3.8 Policy for Water Service Installations in Mobile Home Courts and/or Trailer Parks

Each mobile home or trailer park lot may be required to have a separate water meter and pay a System Development Fee.

Master Metering will be considered when a connection to each space/mobile home is not feasible, practical, or in the best interest of the District.

Expansions to mobile home courts and/or trailer parks will require District review and acceptance by the District.

This policy may not apply to seasonal recreation lots.

2.3.9 Disconnection of Service

- a) Service may be disconnected for good cause, including (but not limited to):
 - Violation of service requirements or regulations, rate schedules, contracts or plumbing codes.
 - Failure to pay fees, deposits or water charges when due.

- Theft or illegal diversion of water.
 - Customer system leaks of which the District becomes aware and which cause or may result in significant water loss and/or property damage.
 - No one assumes responsibility for service.
 - Failure to meet cross-connection control, installation and maintenance requirements.
 - Use of water in a manner which is seriously detrimental to the service being rendered to other customers as further described in Section 2.4.3.
- b) When disconnection occurs, the customer will be given a notice concerning such action and the process for reconnection of service. In the customer's absence, the notice will be left in a prominent place on the premises. Notice will also be mailed.
- The nature of the notice required and the period of time before disconnection shall be reasonable under the particular circumstances with special consideration for the potential dangers to public health, safety and property.
- c) The termination of service for any cause shall not release the customer from the obligation to pay for water received, fees owed, and charges specified in this Manual or in any existing contract.
- d) At the District's discretion, termination of service may be by locking meter isolation valves or physical disconnection.

2.3.10 Terminating Service Associated with Landlord /Tenant Relationship

If a tenant has not terminated service and is the party responsible for initiating service, the District will only terminate service for the following reasons:

- The tenant requests termination of service.
- The tenant is not meeting the requirements and conditions of the District to continue service.
- The landlord signs an order to terminate because the tenant has not requested termination of service and no longer is a tenant of the premises, or the landlord needs the service off to protect the premises and to repair or maintain the premises. The District will not terminate service for non-payment of rent to the landlord as State law does not allow landlords to terminate utilities for non-payment of rents.
- A new tenant has indicated they are now new renters and meet the District's requirements for initiation of service. In this case, the District will terminate service in the name of the previous tenant and immediately activate service with the new tenant.

2.3.11 Reconnection

The District is responsible for maintaining its distribution systems on a year round basis. The District's rates and schedules, except where otherwise specifically provided for, are based upon continuous service at a single service location for a period of twelve consecutive months.

A water service that is reconnected within three years from the disconnection period will be charged the basic service charge for each month the water service was disconnected. After three years, one-half of the System Development Fee will be required. Reconnection fees shall apply to all customers, including new customers re-establishing a connection.

When service is disconnected for noncompliance with service requirements or regulations, nonpayment or fraudulent use, the service will not be reconnected until the situation is corrected to the District's satisfaction.

Before reconnection, the customer (existing or new customer for that particular connection) will be advised of current fees and charges for service restoration. Only authorized District personnel may initiate and turn on service to a water service connection. Appropriate charges, as specified in the Rate Schedule, for turning on or reconnecting service will be assessed as applicable.

2.3.12 Termination of Service by a Customer

Except as may be otherwise provided for by a special contract or agreement with the District, when a change of occupancy or of legal responsibility takes place for water service to any premise being served by the District, the customer may terminate service by notification in person, by telephone or in writing to the District within a reasonable time prior to such change. The outgoing customer may be held responsible for all service supplied to the date specified in the notification, or the date notification is received by the District, whichever is later. The District reserves the right to read the meter(s) for a final bill and such reading(s) may be adjusted for consumption, if any, used by subsequent customer(s). The final reading may be estimated by mutual consent of the customer and the District. Under some circumstances the District may, at its option, require written authorization from the customer paying for water service before discontinuing such water service.

2.3.13 Movement and Relocation of Water Services

A customer may have a water service relocated at their expense, subject to standard District installation requirements. The water service that is relocated shall be restricted to relocation on the same lot or parcel that it originally served.

If the water service with meter remains the same size, a new system development fee will not be required for the new location. If the water service with meter is increased in size, the customer should be required to pay an additional system development fee and the fee applying to the new, larger service. (See Rate Schedule). Any additional ERU's would be accounted for and reflect on the customer's account. If the water service taken out of service due to relocation is left in place, and is later reactivated, it shall require a system development fee at the level applicable at the time of reactivation.

The District may permit the movement and relocation of water services under the following conditions:

- When the continuation of a service at its present location appears unlikely to serve any useful purpose in the future or presents a hardship to the customer, and
- When the proposed future location is on the District's water system where adequate water mains exist to properly serve the customer requirements at that location, and
- When an amount equal to the estimated cost of removal and relocation is paid prior to relocation work.

After all work has been completed, all conditions satisfied, and all accounting completed, the customer shall be billed for additional costs incurred over the payment(s), or refunded any unused balance.

2.4 Service and Equipment Requirements

2.4.1 Customer Facilities

Plumbing and Equipment: The customer shall install, own, and maintain all plumbing and equipment beyond the point of delivery (See Definitions), excepting meters and special facilities installed or furnished by the District. The customer's plumbing is to conform to:

- District service requirements and regulations.
- Municipal, county, and state requirements.
- Accepted modern standards as set forth in the International Building Code, International Residential Code and International Fire Code as adopted by Mason County.

2.4.2 Responsibility for Maintenance

The District is responsible for maintaining its facilities and equipment to the point of delivery (See Definitions). The customer owns and maintains equipment beyond the point of delivery (See Section 2.5.1).

2.4.3 Safeguard of District Facilities

The customer shall provide space for, and exercise proper care to protect any of the District's facilities on the customer's premises. This shall include meters and other facilities installed by and remaining the property of the District. Any person knowingly and maliciously damaging or tampering with District meters and other equipment, reconnecting a previously disconnected meter for the purpose of restoring utility service or tampering with any District equipment with the intent of defrauding or illegally diverting utility service shall be prosecuted by the District in accordance with Chapter 9A.56 RCW. In addition, in the event of unauthorized connection, and loss or damage to the District's property, the District may collect from the customer the charge for estimated unmetered water, the cost of facility repairs and replacement, administrative costs, attorneys' fees, and other costs authorized or awarded pursuant to RCW 80.28.240.

- a) The District may refuse or disconnect service to customers when conditions are known by the District to be defective or out of compliance with codes, regulations or requirements.

The District is not liable for loss or damage to persons or property resulting from defects or negligence:

- By the customer beyond the point of delivery, or
 - In the customer's installation, facilities, or equipment.
- b) When an individual's action might endanger District property or interrupt water service, prearrangements can be made for a crew or service personnel to stand by. Cost for this service may be charged to the responsible party.

Should loss or damage occur to District property, the responsible party may be charged for repair or replacement cost, administrative time and expense, and estimated loss of unmetered water. However, if a District employee is at the site and approves the method and work, the charge to the customer may be modified or waived.

2.4.4 Access to Premises

- a) The customer is to provide District representatives with safe, clear access and entry to customer premises for service related work. The District's facilities must remain unobstructed and accessible at all reasonable times so the District may:
- Install, inspect, maintain, or remove District equipment or plumbing.
 - Read, connect, disconnect, or inspect metering devices.
 - Inspect customer owned cross-connection control devices.
 - Inspect all water facilities on the premises served to ensure there are no cross-connections. At any time a cross-connection is discovered and the customer does not immediately remedy it, the District reserves the right to terminate water service to the customer until such cross-connection is removed. Such inspection shall not make the District responsible for guaranteeing the absence of cross-connections.
 - Although the customer is responsible at all times for maintaining customer-owned equipment, the District may inspect customer equipment before or after service connection. However, such inspection, or lack of inspection, shall not be construed as placing upon the District any responsibility for the condition, or maintenance of the customer's plumbing
- b) For locked District equipment, the customer will provide the District with an access key.
- c) The customer shall provide space and protection for District facilities on the customer's premises, including meters, and other equipment installed by and belonging to the District to ensure the compliance with the District's policies.

2.4.5 Cross Connection Control

The installation and maintenance of any cross-connection that could endanger any water supply of the District is prohibited. Existing or future water service to any premises will not be allowed to exist by the District if a cross-connection control assembly required by the Department of Health or by the District is not documented in writing to be permanently installed, maintained, and tested annually. Water service will be discontinued to any customer that refuses admittance of District personnel to their premises for the purpose of cross

connection control. Water service will not be restored until such conditions or defects are documented to be correct. The customer shall pay expenses incurred to enforce these provisions before water service is restored.

The control or elimination of cross connections shall be in accordance with the provisions of the Washington Administrative Code, WAC 246-290-490 or subsequent updates. The policies, procedure, and criteria for determining appropriate levels of protections shall be in accordance with the accepted procedures and practices defined in Cross Connection Control Manual - Pacific Northwest Section - American Waterworks Association, 5th Edition, or any superseding edition and Manual of Cross Connection Control – Foundation for Cross-Connection Control and Hydraulic Research, University of Southern California. Policies will be interpreted and carried out by a State certified cross connection control specialist or backflow assembly tester, whichever applies. All cross connection control devices must comply with DOH requirements.

2.4.6 System Disturbances

Water service shall not be utilized in such a manner as to cause severe disturbances or pressure fluctuations to other customers of the District. If any customer uses equipment that is detrimental to the service of other customers of the District, the District may require the customer to install, at his own expense, equipment to control such disturbances or fluctuations.

2.4.7 Interruption of Service

- a) It is the District's intent to provide adequate and continuous service with minimum interruption. However, the District:
 - Does not guarantee against occasional curtailment or failure of water service;
 - Shall not be liable for resulting injury, loss, or damage; and
 - Shall not be considered in breach of contract for temporary interruption of service.
- b) Repairs or improvements to facilities requiring temporary service interruption will be expedited and timed to minimize customer inconvenience. When possible, notice will be sent to the customer in advance of such service interruption.
- c) If the customer's water service fails, the customer shall endeavor to determine if the cause is on the District's side or the customer's side of the meter.
- d) When the District responds to a customer call after service hours, and the problem is found to be with customer equipment, the customer will be notified and will be responsible for repairs and the afterhours service charge.

2.4.8 Interlocal Agreement for Maintenance Purposes

The District's may approve an Interlocal Agreement for Maintenance Purposes (IAMP) for governmental agencies in lieu of a one-year maintenance bond.

2.4.9 District Representation by Employees

No inspector, agent, or employee of the District may ask, demand, receive or accept any personal compensation for any service rendered to water customers or other persons, in connection with supplying or furnishing water by the District. No promise, agreement, or representation of any employee or agent of the District with reference to the furnishing of water shall be binding on the District except as consistent with these water service policies and procedures.

2.5 Temporary Water Use

2.5.1 Hydrant Use

At the District's discretion, authorization may be granted to take water from a fire hydrant connected to the District's water system. Procedures for authorizing use of fire hydrants shall be as follows:

- When a customer desires to use a fire hydrant for Temporary Water Service (short-term water service at a fixed site) these procedures shall be followed. The customer shall utilize only the hydrant specifically designated by the District for this purpose, and will obtain water through a separate valve, and meter installed by the District on that hydrant.
- The customer shall obtain a Hydrant Use Permit from the District. A permit will be issued either for a daily (one to three days); monthly; or six-month period. The customer shall pay a fee established by the District for the Permit (see Rate Schedule).
- Metering will be required for this type of use. An administrative charge will be assessed for the unauthorized use of water as noted in Rate Schedule. Charges for water shall be per the appropriate District Rate Schedule. Reference “Unauthorized Use of Water” in Section 2.2.4, and Reference Section 2.4.3 Safeguard of District Facilities for collection of unmetered water and damage to District facilities.
- The customer shall utilize a backflow-prevention device, and a double check valve approved by the District. As a condition of obtaining a Hydrant Use Permit, the customer shall permit District inspection of equipment to be used, to ensure backflow-prevention devices are adequate.

2.6 Dispute Resolution

2.6.1 Mandatory Hearing

Any customer or other person who believes that he/she has been adversely affected by a decision that the District has made regarding the furnishing of water service, or the application of fees and charges has the right to have that decision reviewed in a hearing to be held by the District's Hearing Officer. The District's General Manager will act as the Hearing Officer for the District.

2.6.2 Representation

A customer may represent himself/herself or may be represented by an attorney, relative, friend, or any person other than a District employee. An attorney will not represent the District unless the customer is so represented. If the customer is to be represented by an attorney, the customer must inform the District of that fact at the time the written request for a hearing is delivered to the District, or if the services of an attorney are procured later, then as soon as such representation is arranged.

2.6.3 Legal Authority

As the first source of law, the Hearing Officer shall apply District Resolutions, Code and Regulations, including the policies and procedures described in this manual. If none of these govern or decide the issue(s) presented, the Hearing Officer shall resolve the issue(s) on the basis of state and federal constitutions, statutes, and court decisions.

2.6.4 Limitation on Authority

The Hearing Officer shall not have the power to declare a District Resolution, Code provision, regulation or any portion thereof invalid for any reason, but may allow argument to be made for purposes of subsequent review.

Section 3

Metering and Billing Procedures

3.1 Separate Metering

When a customer's service requires application of more than one water connection, one meter will be installed for each applied connection. Each meter will be billed separately unless otherwise specified in a special contract.

The customer will be responsible for purchasing and installing any additional meters desired for customer purposes, and for placing such meters on the customer side of the District meter. Such meters shall be installed and maintained at the customer's sole expense.

3.2 Determining Meter Types

3.2.1 Single Family Residence Meters

A 5/8-inch or 3/4-inch meter shall typically be installed for a single-family residence.

3.2.2 Other Meters

The District requires the installed water meter to meet the peak water demand unless an alternative means acceptable to the District is provided to meet the peak water demand. The water meter size required for installation will be dependent on the peak flow requirement and the water pressure of the water main that will supply the metered water service. For services, other than a single family residence, all applicants for water service will be required to submit a completed questionnaire listing fixtures and number of fixture units to determine the peak water demand as determined by the applicable plumbing code.

3.2.3 Special Meters

Special meters may be installed on any account when the nature of the customer's equipment and operation so indicates for correct rate schedule application and/or customer service improvement.

3.3 Meter Installation and Removal

3.3.1 Meter Box Installation

It is necessary to install the meter box at proper grade in order to make it level with sidewalk, driveways, or lawns. The property owner must have the correct grade established, located, and marked for the benefit of the District service installation crew.

3.3.2 Installation Procedures

Installation procedures are described in the Appendix and their respective water service fees are provided in the Rate Schedule.

3.3.3 Irrigation Service Installations

Two alternative types of irrigation-metering services may be installed:

Manifold

This type of water service installation will be located next to the domestic meter. The District will connect the service pipe to the domestic meter, provide and install the service piping, meter, meter box, and associated appurtenances.

The manifold irrigation meter cannot be larger than the domestic service.

Non-Manifold

This type of water service installation will be located on the property served. A water service agreement will be executed between the applicant and the District outlining the duties of the District to provide water and the duties of the applicant in the use of the water.

3.3.4 Unused Connections

A water service that is reconnected within three years from disconnection period will be charged the monthly base rate for each month the water service was disconnected. After three years, 50% of system development fee will be required.

On water service connections unused for a period of one year or longer, the District may padlock the meter until such time as the property owner requests renewal of service. If the District should determine that the existing service is unusable, the necessary restorations shall be made and the cost of replacement paid by the person, or persons, authorizing renewal of the service. This cost shall be based on time and material of actual cost to restore the service.

Restrictions imposed by the Department of Health (DOH), the Department of Ecology (Ecology), or other regulatory agency may result in an inability to reconnect.

3.3.5 Automatic Meter Opt-Out

The District provides an option for customers that desire to opt-out of the use of automatic meter technology. A monthly fee will be applied to the customer's bill to cover the costs of monthly manual meter reads. This fee is included in the District's Fee Schedule as a "Manual Meter Read Fee".

PUD 1 will return the service to automatic meter reading (or capability) at its discretion after the customer moves, or the service transfers into another name. There may be an exception if a new customer follows the approved opt-out request process prior to installation of an automatic meter by the PUD, which includes the completion of the "Automatic Meter Reading Opt-Out Form" located on the District's website and in the PUD office.

At no time is the owner/tenant/account holder authorized to remove, adjust or tamper with District equipment.

If safe and convenient access to read the electric and/or water meter is prevented by customer action or inaction, PUD 1 can deny the opt-out request and install an automatic meter. The account holder shall be responsible for any costs relating to the change.

3.4 Meter Reading Procedures

3.4.1 Frequency of Meter Reading

Meters will be read on monthly cycles at District option.

The District may alter or reroute its meter reading and billing cycle dates when such alteration or rerouting is in the best interest of the District.

Opening or closing readings may be prorated.

3.4.2 Detector Check Meters

Detector check meters (e.g. for fire protection service) will be read monthly. If a detector check meter registers water for non-emergency use, the customer will be assessed a meter charge for at least two meter reading cycles for each month of use.

3.5 Billing

3.5.1 Mailing and Notification

Bills will be sent to the mailing address furnished by the applicant. Failure to receive a bill will not release the customer from the obligation to pay for services provided.

The District will send bills and notices by first class mail. A customer, who does not provide a proper mailing address or a means of receiving mail, may be subject to disconnection.

3.5.2 Issuance of Bills

Bills will be issued monthly depending on the reading cycle and assigned payment plan and generally will be based on exact meter readings. Bills may be estimated when:

- Meter is not accessible to meter reader;
- Meter is under snow or water;
- Meter malfunctions;
- Other circumstances beyond District control interfere with meter reading.

In the event that bills are estimated, an adjustment will be made at the time of the next regular billing that is based on an actual meter reading if available.

3.6 Procedures for Collecting Past Due Accounts

3.6.1 Water Bills

Each water bill shall include a billing date. The date will be the date the bill is mailed to the customer. Note: BILLING DUE DATES- All District bills are due and payable by the 10th of each month or the first business day thereafter. Unless otherwise noted on the bill, it becomes “past due” 7 calendar days after the due date.

3.6.2 Past Due Reminder Notices/Penalty

A past due reminder notice may be sent to the customer on the 17th of each month or the first business day thereafter. A 1.5% late fee will be incurred on any past due balances, except for System Development Fees and Meter Installation Fees when a service has not been installed. Penalties may not be incurred on past due backflow assembly testing.

3.6.3 Disconnect Notice

In the event the customer has not paid their bill or made satisfactory arrangements for payment within 10 days of the “Past Due” reminder, the District will send a disconnection notice to the customer by first-class mail requesting payment in full or to make satisfactory payment arrangements before the disconnect date shown on the notice. If the full amount due is not paid by the date requested on the disconnection notice, unless satisfactory payment arrangements have been made, the customer shall be disconnected. The District may require the customer sign a payment arrangement agreement. A disconnect notice may still be mailed even if a customer has made satisfactory payment arrangements, but the service will not be disconnected unless the customer fails to meet the payment arrangements. Service will be restored upon payment in full plus disconnect and reconnect charges as listed in the Rate Schedule.

Any payments made in the field to prevent disconnection shall incur additional fees pursuant to the Rate Schedule, even if service is not disconnected.

3.6.4 Reconnection Charges

Water services that are disconnected shall require the past due bill to be paid in full prior to reconnection. There shall be a standard reconnection charge providing the reconnection is completed during the hours of 8:00 a.m. through 4:30 p.m. Monday through Friday excluding holidays. Should the reconnect be completed outside the above hours or on Saturday, Sunday, or a Holiday, a different reconnect charge shall apply. See Rate Schedule for applicable reconnection charges.

3.6.5 Hardship or Extenuating Circumstances

The General Manager or their designated agent is authorized to grant extensions or accept partial payments for water services where the customer documents extenuating circumstances or hardship. Extensions may be granted on a case-by-case basis. Extensions or partial payments will not be automatic and may only be granted if requested as outlined in the past due notice. Extensions or partial payments shall generally not exceed thirty (30) days in duration. Complete payment for extensions allowed under this clause shall generally be made in full no later than thirty (30) days after the past due date as specified in Section 3.6.1.

3.6.6 Minimum Balances

At the District’s discretion balances or credit balances of less than one dollar (\$1.00) for customers no longer being serviced water may be dropped.

3.6.7 Collection Procedures

The District may retain collection agencies licensed under Chapter 19.16 RCW for the purpose of collecting debts owed by any person.

The District shall not assign an account to a collection agency unless (a) there has been an attempt to advise the Customer (i) of the existence of the debt and (ii) that the debt may be

assigned to a collection agency for collection if the debt is not paid, and (b) at least thirty days have elapsed from the time notice was attempted.

The District will add a fee, payable by the Customer, to the outstanding debt for the collection agency fee incurred or to be incurred. The amount to be paid for collection services shall be fifty percent of the unpaid debt per account. The minimum fee shall be the full amount of the debt up to one hundred dollars per account.

3.7 Unduly High Water Bills

The General Manager or their designated agent is authorized to adjust unduly high water bills that meet the conditions provided below.

3.7.1 Conditions

The policy for adjusting unduly high water bills is subject to the following conditions:

- a) Where the knowledge of water loss causing the excessive water bill is not reasonably ascertainable by the customer during the time the loss occurred.
- b) Where the customer, upon becoming aware or being made aware of the situation, takes immediate steps to correct the faulty plumbing and/or equipment causing the loss.
- c) Where the customer informs the District so that investigation, meter readings and records can be made reflecting the action and the effects thereof taken by the customer and the dates of such action.

3.7.2 Adjustment Procedure

The District shall adjust a customer's water bill(s) when the conditions in Section 3.7.1 have been satisfied. It shall be adjusted as follows:

- a) Where the cost of the excess water is not equal to more than the monthly minimum charge, the customer will be charged the monthly minimum and no adjustment will be made.
- b) Once the District has been advised of the leak by the customer, adjustments will be made only on the excessive water bills accumulated, not to exceed the last three billing periods.
- c) Services that have been billed inaccurately due to improper metering (including but not limited to a faulty installation or administration of a metering system) will be billed for an estimated amount of usage based upon a maximum of thirty six (36) months.
- d) Retroactive billing adjustments arising out of incorrect application of rates, faulty meters, or clerical errors will be made.

Section 4

Water Rates and Fees

4.1 Rates

4.1.1 General Provision

The financing of the District's utility system is based on the following rates and charges system:

1. *Monthly Operations and Maintenance Charge* finance costs based on actual service and on meter size, the quantity of water used, or special costs associated with the customer's service requirement. The rates normally cover all operation, administration, maintenance, and renewal/replacement costs and general facilities (SDF) costs.

2.

(See *Rate Schedule*.) In case of conflict between the provisions of any special contract or any rate schedule adopted after the effective date of this Policies and Procedures Manual, the provisions of the special contract or new rate schedule shall apply.

4.1.2 Wholesale or Contract Customers

The rates and charges for wholesale or contract customers shall be based on the District's Rate Schedule and as specified in their contracts with the District.

4.1.3 Private Fire System

A monthly charge for standby service for automatic sprinkler equipment connected to the water system shall be calculated per inch of nominal pipe diameter of the customer's pipe at the point that such pipe connects to the District-owned facilities.

Privately owned fire protection facilities other than automatic sprinkler systems will be subject to a monthly charge for standby water for fire protection.

4.2 System Development Fees

4.2.1 Basis for System Development Fee

The System Development Fees (SDF) are utilized to help finance the cost of facilities to supply the system's existing (buy-in) or additional infrastructure costs needed to meet the new customers' demand on the system.

When a customer requests a new water service with meter (providing the District has the capacity to meet the customer's request) the customer shall be required to enter into an agreement to pay a SDF based on the current SDF schedule that is effective at the time of the customer's request per Section 2.3.1b of this policy.

System Development Fee was established through Cost Of Service Analysis (COSA) and board approved.

Once a customer enters into agreement to pay the SDF for a water hookup, the customer has 36 months from the date of payment to connect to the District's water system. If the customer has not connected to the water system within 36 months from the date of an SDF contract to hook-up to the District's water system, the following shall apply at the time the customer (or current owner of subject property) requests connection, where applicable:

To the extent that the District has the capacity and legal ability to accommodate the connection request, the District will connect the subject property to the water system upon receipt of payment of the SDF, applicable as of the date of actual connection, less any SDF previously paid.

4.2.4 Contract Adjustments

If the annual use of a customer with a meter 2-inch or larger exceeds their contracted-for maximum consumption, on or about January 1 of the following year, the District will notify the customer and request a reduction in usage or require the customer to pay an additional SDF.

4.3 Distribution System Cost & Other Fees

4.3.1 Distribution Extensions

Where no distribution line is immediately available to the property of an applicant, all costs related to bringing the distribution line to the applicant's property line shall be paid by the applicant.

4.3.2 Latecomers Agreement

If a property owner pays to extend the distribution system that is later accessed for water service by other vacant property owners, the District may enter into a "latecomers agreement"

with the party that financed the line extension for a period of ten (10) years whereby the District will recover for, and pay to the applicant, the new applicant's proportionate share of the line extension cost originally paid by the applicant.

4.3.3 Connection Fees

The cost of connecting to the District's distribution system and installing a service line and meter to the meter location is a connection fee that is payable at the time of application for water service. The construction of the service line from the meter to the house is the responsibility of the property owner. (See Rate Schedule)

4.3.4 Related Charges, Fees, and Expenses for Service

All charges, fees, and expenses charged by local, State or federal agencies to the District to fulfill a customer's service application shall be added to the cost of the service installation.

4.4 Service Deposits

4.4.1 Applicants

Service deposits or sufficient proof of a satisfactory credit history shall be received at the time of application for service. Applicants for a water service that are not simply transferring from an existing District service obligated in their name to another District service, shall provide a service deposit or show sufficient proof of a satisfactory credit history. Indication of a satisfactory credit history is defined as a soft credit check from the Online Utilities Exchange, indicating a satisfactory payment history. The District shall have sole discretion in determining the acceptability of the credit report and the satisfactory analysis thereof.

4.4.2 Existing Customers

Existing customers with an unsatisfactory payment history with the District may be required to provide a service deposit as a condition of continuing to receive water service.

4.4.3 Waivers

Customers applying for the installation of a new water service that includes the payment of a system development fee and/or meter installation charge shall be waived from the requirements of a service deposit or payment history as the customer has demonstrated financial capacity to the District. This waiver is conditioned on the provision that the customer does not have a previous unsatisfactory payment history with the District.

4.4.4 Basis for Deposit

The service deposit amount shall be based on Rate Schedule.

4.4.5 Unusual or Exceptional Cases

Service deposits may be required and/or increased in unusual or exceptional cases where the District deems it necessary in order to adequately protect the District. The District may waive service deposit and credit reference requirement if, in the judgment of the District, there is substantial indication of de minimus exposure to loss. An example of this modification would be to a governmental entity such as a city or county.

4.4.6 Refund

When a customer with a service deposit discontinues service, the District will refund the service deposit, less the amount of unpaid bills. No interest shall accrue on the deposit. Refund checks will not be distributed until all necessary internal processing is completed. A customer continuing service with the District will have the service deposit applied to their account or provided a refund check at the customer's request when the customer obtains a twelve (12) month payment history for residential and twenty-four (24) month payment history for commercial that is acceptable to the District.

4.4.7 Unpaid Bills

The District may submit to an Attorney or collection agency for collection of any unpaid bills after District collection attempts have failed, including unpaid bills remaining after the service deposit has been applied.

Any unpaid bills may be assigned to any other active accounts of the customer. A request for service by the customer may require payment of any unpaid bills prior to service activation.

4.5 Financing

4.5.1 Introduction

The District can fund water improvements through formation of a LUD, a charge-in-lieu of assessment, or through rates.

4.5.2 LUD Formation

Property owners within a defined area may petition the District Commissioners to extend water mains to their properties, and/or provide other facilities. The District may accommodate this request by formation of a LUD. All engineering, construction, administrative costs, attorney and consultant fees, feasibility studies, title reports, costs of easements, permits, environmental reports, and shoreline permits and other related costs are a part of the LUD costs. If this method is used, benefited properties will be assessed as provided by law.

Extension Policies

Section 5 Extension Policies

5.1 Introduction

5.1.1 General Provisions

The District will provide facilities for the distribution of water within its service areas in accordance with approved land use plans, policies or other regulatory requirements governing service provisions. Extension of a system to serve additional customers, properties, tracts, or subdivisions will be paid for by the individuals that are benefited.

The Applicant for an extension will be responsible for financing the entire cost of an extension. Costs include but are not limited to planning, engineering design and construction, administrative fees, new facilities, replacement of existing system components when necessary for making the extension or improvement, and upgrades to meet requirements such as fire flow, which are associated with the Applicant's project. The Applicant will pay the actual true costs.

Advance payment will be made up front based on phases of the engineer's estimated bid items. The District reserves the right to consider other financial options for payment at its sole discretion.

All water facilities must be located on property owned by the District, public rights-of-way, or dedicated easements. All water facilities (except fire hydrants in certain cases) must be transferred to the District's ownership for operation, maintenance, and service responsibilities, and will be subject to maintenance bonding requirements. The point of District ownership shall end at the meter, private fire system gate valve, or hydrant gate valve, unless otherwise stated on the District's letter of final acceptance.

5.1.2 Application of Policies and Procedures

In specific instances, the District General Manager may, at their discretion, waive or modify the application of the policies and procedures described herein, including the application of standard fees and charges, provided that such waiver or modification allows for more effective or efficient achievement of District goals, objectives, and overall policies. Conditions for waiver or modification of the application of these policies and procedures are contained in Section 1.2 of this Manual.

5.2 Administrative Procedures for Initiating System Extension

5.2.1 Plan Approval

The District, prior to construction, must approve all plans for extensions, improvements, or additions to water facilities. Plans may require approval by Mason County and Washington State Department of Health.

5.2.2 Application for Line Extension

Applicants shall make requests for extension or improvement of a District water system to serve newly developed and/or existing properties using the District's application. Application for line extension agreements must be signed by the legal property owner, authorized project representative, or the lessee of State, Federal, or Municipal property. Lessee/Renters on private property may sign only with the consent of the owner in writing. Proof of ownership (title report, deed, or other indicia of ownership) may be required of any Applicant in the discretion of the District.

The application fee amounts are as follows:

Line Extension Type	Fee Amount
Residential or Small Commercial	\$1,000
Large Commercial	\$3,200
Developments	\$1,000 per lot

The application fee will be applied toward the contribution-in-aid of construction cost for District-built extensions or toward review fees for Applicant-built extensions. The District reserves the right to request additional construction and/or review funds if the project costs overrun the set application amount.

Each application shall contain a legal description of the property to be served and be accompanied by two (2) copies of preliminary plans, showing the location of all water lines, hydrants, and valves needed to serve the area.

Plans of sewers, buried wire service, other utilities, street design and final plat shall also be furnished, unless waived by the District, to illustrate the relationships of other facilities to water pipe. The plan shall identify proposed water pipeline in bold, and all other existing and proposed utilities on the drawing in half-tones. Water pipeline survey stationing shall be referenced to roadway centerline or right-of-way line. Water lines that are to be installed in areas where finished grades do not exist or where the finished grades may be realigned shall have final grades established prior to installation. Grade and alignment stakes shall be required for the water pipe installation.

Developments or projects that are to be phased shall be shown in their entire concept prior to approval of any phase, so the District can be assured that adequate design criteria are established.

It is recommended that Applicants schedule a meeting with the District staff to discuss the proposed project, prior to completion of the application.

5.2.3 District Review

The District will review the application and associated plans following payment of the application fee.

The Applicant will be notified of the feasibility of the service requested, conditions for construction, and any additional facilities (e.g. water source, storage, booster stations, water main upgrades, telemetry, etc.) that may be required as a result of the proposed extension/development. Additional special requirements such as cross connection control assemblies shall also be specified. This process will enable an Applicant to estimate more accurately, construction costs and District charges.

If fire protection facilities are required, the location and minimum capacity of the facilities shall be as specified by Mason County Community Development.

5.2.4 Work Order Authorization Agreement

If an Applicant decides to proceed with a project, the Applicant shall then execute a Work Order Authorization Agreement with the District, which will specify the terms and conditions of the extension or system improvement in accordance with the District's standards. An authorized District employee as designated by the General Manager must sign Work Order Authorization agreements.

5.2.5 Submittal of Plans and Specifications

At the time the Work Order Authorization Agreement is submitted, minimum of two (2) sets of detailed plans and specifications shall be submitted by the Applicant to the District for review, potential revision and acceptance. All drawings and specifications shall be prepared per the District's *Minimum Design Standards and Standard Construction Materials* and must be stamped by a registered Professional Engineer licensed in the State of Washington.

As the project construction progresses, any deviations from originally accepted plans and specifications must be presented to the District for review in advance, and must be accepted by the District in writing prior to commencement of the revised work. The District may require updated plans identifying any approved deviations.

A minimum of two corrected final design sets of water plans and specifications shall be furnished to the water department prior to the start of construction.

5.2.6 Permits, Easements, and Approvals

All permits shall be obtained by the Applicant in the District's name, as required by law. These could include, but not be limited to, permits by Mason County, Washington State Department of Health, Washington State Department of Ecology, game and fish agencies, Department of Transportation, Department of Natural Resources, State land agencies, Tribal agencies, gas or oil pipeline companies, railroads, etc. Copies of all permits and/or approvals shall be furnished to the water department prior to commencement of work. All rights shall be granted to or transferred to the District prior to final acceptance by the District Board of Commissioners. The project designer shall verify submittal requirements with the permitting agencies.

All plant not to be located on public dedicated rights-of-way shall be on easements dedicated to the District, either shown on the plat, an instrument acceptable to the District, or on the District's "Utility Easement" form. Easements shall be a minimum of fifteen feet in width (with exceptions for special topographic conditions or other District requirements). An easement may coincide with another utility easement, except all sanitary sewer lines must be ten feet or more from water lines. Structures shall be located no closer than five feet from the edge of easement areas.

5.3 System Extension Design and Construction Standards

5.3.1 General Provisions

Water system extensions, improvements, or new facilities must be designed and constructed in accordance with the District requirements provided in this Section and the most current standards and specifications. System Extension Design Criteria included in the District's *Minimum Design Standards and Standard Construction Materials* are the most current standards and specifications as of the publication date of that manual. It is the responsibility of the developer to ensure that the most current standards and specifications are used.

These standards, specifications, and procedures are the minimum allowable by the District for any and all water improvement projects, whether designed by the District or by another engineering firm/agency. Design standards help to ensure final product and cost uniformity. These standards and specifications have been developed as professional, technical guidelines for guiding system design and installation. The General Manager may modify these to maintain consistency with changing technology and industry standards. Quality project design is a goal of the District. Although these standards are intended to apply to physical development within the District, the standards do not apply for all situations. Additionally, compliance with these standards does not relieve the designer of the responsibility to apply conservative and sound professional judgment. These are minimum standards and are intended to assist, but not substitute for competent work by design professionals. The District may at its sole discretion for any reasons require more stringent requirements than would normally be

required under these standards. The District standards will be reviewed by designated personnel on an annual basis and will make recommendations to the policy review committee.

Waiver of specific design criteria indicated herein must be requested in writing and may be approved only by the District's General Manager. The decision to grant, deny or modify the standards will be based upon evidence that the request can meet the following criteria:

1. The change will achieve the intended result in comparable or superior design and a better quality of improvement;
2. The change will not adversely affect safety and/or operation; and
3. The change will not adversely affect maintainability.

5.3.2 Installation Specifications

The District has adopted the Washington State Department of Transportation/ American Public Works Association Standard Specifications for Road, Bridge, and Municipal Construction, including the APWA Supplement, current edition. All construction work of plant or facilities to become final property of the District shall be as specified in the Standard Specifications unless superseded or specifically amended by special conditions within the project specifications that are approved by the District.

5.3.3 Responsibility

Water plant plans and specifications shall be prepared by a registered professional engineer using the design standards of the District. The designer shall consult with the District's Engineer to determine requirements and criteria. The District Engineer will review all plans and specifications prior to construction as well as change orders.

5.3.4 Looping

Looping of water mains may be required in order to satisfy pressure, fire flow, water quality, and system hydraulic requirements. In addition, looping may be desirable to promote system reliability. The determination of looping requirements shall be at the sole discretion of the District.

In determining whether looping is required, the following factors shall be considered:

- Topographical constraints;
- Effects of looping on system hydraulics;
- Expected future development in the area, based on the applicable land use plan, as updated from time to time, municipal comprehensive plans if applicable, the District's Water System Plan, and other available information.

5.3.5 Pressure Testing

All new plans shall be hydrostatically pressure tested as specified in Sections 7-11.3(11), 7-11.3(11)A, 7-11.3(11)B and 7-11.3(11)C (or subsequent change) of the WSDOT Standard Specifications. Exceptions to this requirement must be recommended in writing by the District's Engineer and approved in writing by the District's General Manager. The waterline installer will provide all testing equipment. The final testing performed by other than District personnel shall be in the presence of the District's inspector.

5.3.6 Disinfection

Before being placed into service, all new water mains and repaired portions of or extensions to existing mains shall be chlorinated and a satisfactory bacteriological report shall be provided to the District. Disinfection procedures are detailed in the WSDOT Standard Specifications.

The Applicant or Contractor shall be responsible for disposal of treated water flushed from mains and shall neutralize the disinfection solution for protection of aquatic life in the receiving water before disposal into any natural drainage channel. The Applicant shall be responsible for disposing of disinfection solution to the satisfaction of State and local authorities.

5.4 Water System Improvements Installed for Applicant by District/District's Contractor

5.4.1 Project Estimate

Upon request, the District will provide to an Applicant a written estimate for the installation of water lines and appurtenances by District personnel. If the Applicant and the District agree to proceed with the project, the Applicant shall pay in advance to the District the estimated cost of installing the water lines designed by the Applicant. Costs shall include, but not be limited to, material, labor, equipment rental, engineering, overhead, and right-of-way costs. Permits, easements, environmental and related reports, shoreline permits, railroad and highway crossing permits will be obtained by the District and/or Contractor in some cases and any fees levied shall be paid by the Applicant.

Estimates are subject to change prior to acceptance of payment. The District will charge the Applicant the cost of further revisions to the design or estimate.

5.4.2 Contracts with District

Contractors working for the District must enter into a contract with the District for the work involved. The District will prepare the contract documents.

5.4.3 Contractor Insurance Requirements

Specific contractor insurance requirements are identified in Section 1-07.18, Public Liability and Property Damage Insurance, of the WSDOT Standard Specifications. Substitute District for State and General Manager for Secretary in Section 1-07.18. Certification by the Contractor that a policy or endorsement to an existing policy satisfying all the requirements set forth above has been obtained from a particular insurance company and is in effect shall be forwarded to the District prior to commencing work on the project.

5.4.4 Licenses

Contractors working for the District or the Applicant installing water plant shall be licensed and bonded in the State of Washington. A copy of the installing entity's contractor's license shall be forwarded to the District prior to installation of the water plant.

5.4.5 Indemnify, Defend, and Save Harmless

A contractor or owner working for the District shall agree to indemnify and defend and to save the District, its officers, employees and agents harmless from any and all claims or liability for damages arising from or in any way connected to any acts or omissions of the contractor or owner. Before commencing work the contractor shall furnish the District certificates of his comprehensive general and automobile liability and property damage insurance, in limits acceptable to the District, protecting against all claims for personal injury or property damage, including coverage for underground collapse and explosion damage, arising during the course of the performance of said contract.

5.4.6 A Suspension and Debarment Endorsement

A Suspension and Debarment Endorsement will also be required.

5.5 Water System Improvements Installed by Applicant

5.5.1 New Development with Water Systems

Any new development that the District is expected to take ownership of must substantially meet or exceed the District's current standards and specifications, or equivalent as approved by the District. All approvals from Washington State Department of Health, Washington State Department of Ecology, and Mason County, must be

granted to the Applicant prior to the District approving the water system and transferring ownership to the District, including the transfer of any applicable easements or water rights.

Section 6

Satellite System Management

6.1 Introduction

The District is a Public Utility District organized under Title 54 RCW which is authorized to construct, purchase, condemn and purchase, acquire, add to, maintain, conduct, and operate water works and irrigation plants and systems, within or without its limits, for the purpose of furnishing the District, and the inhabitants thereof, and of the county in which the District is located. The District is also a State approved Satellite Management Agency (SMA) which is approved by the State Department of Health (DOH) to manage and operate public water systems owned by others on a regional or county-wide basis. The District has interlocal agreements with Mason County and Mason County PUD 3 to own and operate public water systems and provide satellite management services throughout Mason County.

6.2 General Policy

Due to its rural nature and lack of incorporated cities, Mason County has been developed with a substantial reliance on small Group A and Group B public water systems. There has been a dramatic increase in regulatory focus on public water systems as the Washington State Department of Health has focused on the potential health hazards posed where systems are not maintained and operated by municipalities or certified Satellite Management Agency.

The District's Satellite Management services are designed to offer public water systems of any size the opportunity to contract with the District for professional maintenance and operation of their water system. The objective of the program is to ensure that customers are receiving high water quality, minimize extended water outages and other inconveniences associated with emergency conditions, and provide a variety of other services with the customer's health a top priority. Through the availability of State certified administrative and technical staff, and necessary equipment and supplies, the District can provide service more economically than smaller utilities.

6.2.1 Annexation Policy

While the District has annexation authority under RCW 54.04.035 it is the policy of the District not to exercise that authority.

6.2.2 Ownership vs. Management Policy

Satellite Management offers the District the opportunity to introduce its services to public water system customers who are considering transferring ownership of their water system within the 24 month term of the SMA. The 24 months allows the water system customers to assemble the documentation and make any necessary repairs or upgrades prior to acquisition by the District..

6.2.3 Operational Decision Criteria

Satellite Management services are offered by the District on a negotiated basis between the Customer and the District. Systems requesting service from the District will be given the opportunity to negotiate the level of service they desire. Services may include routine operation and maintenance, routine water quality monitoring, and other periodic tasks and may include planning for future expansion and improvement. All options are available to customers on a cost reimbursement basis.

6.2.4 Policies Related to New and Existing Water Systems

The District will investigate new or existing water systems to determine if the systems are financially and operationally viable to meet existing requirements and future expansion.

System improvements may be required to eliminate deficiencies in system maintenance and water quality. These improvements may be necessary prior to the District contracting for its services. Satellite Management Services shall be offered to systems where such activities are cost-effective for the District and/or the District is interested in assuming ownership of the system. The decision to utilize levels of services will depend on the needs of the individual system, the plans of existing systems, its growth pressures and the ability of the District to provide cost-effective measures. Therefore, final determination of appropriate level of management services to be provided shall need to occur on a case-by-case basis. Satellite Management Services shall result in the transfer of system ownership to the District within the designated period of time set forth in the Satellite Management Agreement.