

Roy Water Conservancy District

5440 South Freeway Park Drive
Riverdale, UT 84405

AGENDA

Monthly Board of Trustees' Meeting
July 14, 2021
5:00 P.M.

- 5:00 p.m.
- | | |
|---|------------|
| I. CALL TO ORDER | Chair Zito |
| II. PLEDGE OF ALLEGIANCE | Mark Ohlin |
| III. APPROVAL OF MINUTES | MOTION |
| IV. BUSINESS | |
| A. Public Comments | |
| B. Consideration of Resolution 2021-07 Amended and Restated Rules and Regulations | MOTION |
| C. Consideration of Roy Dental Office Development Agreement | MOTION |
| D. Consideration of Holiday Oil Development Agreement | MOTION |
| V. REPORTS FROM MANAGER AND TRUSTEES | |
| A. Manager & Trustees Reports | |
| B. Review of Monthly Bank Statements and Cancelled Checks | Mark Ohlin |
| VI. APPROVAL OF FINANCIAL REPORTS | |
| A. Monthly Financial Report | MOTION |
| B. 2 nd Quarter Financial Report | MOTION |
| VII. APPROVAL OF CHECKS | |
| A. Current Checks | MOTION |
| VIII. ADJOURNMENT | MOTION |

In compliance with the Americans with Disabilities Act, persons needing auxiliary communicative aids and services for this meeting should call the District at (801) 825-9744, giving at least three (3) working days notice.

FINANCIAL REPORT

• JULY 2021 •

GENERAL FUND

PREVIOUS MONTH

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Balance as of June 1	\$ 205,583.94	\$ 160,094.30	\$ 100,074.12
Deposits	\$ 30,511.35	\$ 85,689.93	\$ 310,621.72
Interest on checking	\$ 57.73	\$ 197.13	\$ 321.07
Withdrawals	\$ 129,613.35	\$ 99,736.25	\$ 243,106.82
Balance	\$ 106,539.67	\$ 146,245.11	\$ 167,910.09

TO DATE

Balance as of July 1	\$ 106,539.67	\$ 146,245.11	\$ 167,910.09
Deposits	\$ 153,075.05	\$ 54,132.35	\$ 37,775.93
Withdrawals	\$ 54,475.32	\$ 66,074.22	\$ 68,034.44
Balance	\$ 205,139.40	\$ 134,303.24	\$ 137,651.58

CAPITAL FACILITIES FUND

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Balance as of June 1	\$ 228,563.58	\$ 259,044.60	\$ 246,088.05
Deposits	\$ -	\$ -	\$ -
Interest on checking	\$ 61.01	\$ 288.21	\$ 447.34
Withdrawals	\$ 106,451.01	\$ -	\$ -
Balance	\$ 122,173.58	\$ 259,332.81	\$ 246,535.39

TO DATE

Balance as of July 1	\$ 122,173.58	\$ 259,332.81	\$ 246,535.39
Deposits	\$ -	\$ -	\$ -
Withdrawals	\$ -	\$ -	\$ -
Balance	\$ 122,173.58	\$ 259,332.81	\$ 246,535.39

WEBER BASIN FUND

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Balance as of July 1	\$ 446,867.73	\$ 354,957.19	\$ 200,217.55

CONNECTIONS

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Connections made during the previous month (June)	2	58	9
Total connections made during the current year	20	100	111
Total active connections	10,790	10,756	10,645

SHARES

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Shares of D&WCCC Water Stock to date:	1,512.5	1,512.5	1,500.5
Shares of D&WCCC Water Stock leased to date:	144.0	144.0	123.0
Shares of Wilson Irrigation Water Stock to date:	20.5	20.5	-

UTAH PUBLIC TREASURER'S INVESTMENT FUND

· OPERATIONS & MAINTENANCE ACCOUNT ·

		<u>RATE</u>	<u>DATE</u>
Balance as of June 1	\$ 3,778,641.51	0.3675%	Ongoing-Flexible
Deposits (by Weber County)	\$ 109,327.85		
Interest	\$ 1,164.46		
Withdrawals (by wire)	\$ -		
Balance	\$ 3,889,133.82		

· CAPITAL FACILITIES ACCOUNT ·

		<u>RATE</u>	<u>DATE</u>
Balance	\$ 1,365.60	0.3654%	Ongoing-Flexible

1:58 PM
07/14/21

ROY WATER CONSERVANCY DISTRICT
O&M Checks

	Num	July 14, 2021 Name	Amount
Jul 14, 21			
	19022	CHAD ZITO	-275.01
	19023	DARL R FIELD	-275.01
	19024	GARY L. NEWMAN	-275.01
	19025	JAY L. COTTLE	-275.01
	19026	MARK W. OHLIN	-275.01
	19027	ACE RECYCLING & DISPOSAL	-121.23
	19028	BLUE STAKES OF UTAH	-741.92
	19029	BRADY INDUSTRIES	-78.23
	19030	CHILD RICHARDS CPAs & ADVISORS	-6,075.00
	19031	CLEAR LINK IT, LLC	-1,465.00
	19032	CLYDE SNOW & SESSIONS	-1,054.00
	19033	COMCAST	-543.76
	19034	CONNECTION PUBLISHING	-875.00
	19035	CRUS OIL, INC.	-593.60
	19036	DAY POWER EQUIPMENT	-22.30
	19037	DOMINION ENERGY	-41.13
	19038	DURK'S PLUMBING SUPPLY, INC.	-253.54
	19039	FERGUSON ENTERPRISES	-5,161.42
	19040	FUEL NETWORK	-1,705.20
	19041	HERRICK INDUSTRIAL SUPPLY CO.	-91.33
	19042	HOME DEPOT	-147.77
	19043	J. D. YOUNG & SON LANDSCAPE	-2,053.00
	19044	JAN-PRO of Utah	-215.00
	19045	JOHNSON ELECTRIC MOTOR	-370.70
	19046	MOUNTAINLAND SUPPLY CO.	-750.48
	19047	O'REILLY AUTOMOTIVE	-35.70
	19048	OPTICARE OF UTAH	-96.30
	19049	PEHP Group Insurance	-11,221.26
	19050	PEHP LTD Program	-469.78
	19051	PRAXAIR DISTRIBUTION, INC.	-38.12
	19052	RIVERDALE CITY	-141.64
	19053	ROCKY MOUNTAIN POWER	-38.98
	19054	ROCKY MOUNTAIN POWER	-10.26
	19055	ROCKY MOUNTAIN POWER	-8,790.55
	19056	SAM'S CLUB	-108.85
	19057	SANDEE'S SOIL & ROCK, INC.	-134.00
	19058	SOUTH FORK HARDWARE - ROY	-41.81
	19059	STEVE REGAN CO.	-4,190.00
	19060	TECHNOLOGY NET COMPANY, LLC	-75.00
	19061	THE DATA CENTER, LLC	-585.03
	19062	VERIZON WIRELESS (V)	-409.49
	19063	ZIONS BANK	-1,216.82
	19064	UTAH LOCAL GOVERNMENTS TRUST	-796.27
	19065	UTAH STATE TAX COMMISSION	-2,209.00
	19066	AFLAC	-131.80
Jul 14, 21		TOTAL	-54,475.32

MEMORANDUM

TO: Board of Trustees

FROM: Rodney Banks, Manager

DATE: July 9, 2021

SUBJECT: **IV.B. Consideration of Resolution 2021-07 Amended and Restated Rules and Regulations**

Attached are proposed revisions regarding the District's Rules and Regulations. This resolution is intended to replace the resolution adopted by the Board of Trustees in 2018. The proposed resolution addresses several concerns that have been encountered by District personnel.

A suggested motion for approval would be, "I move that we approve Resolution 2021-07 Amended and Restated Rules and Regulations."

ROY WATER CONSERVANCY DISTRICT

RESOLUTION NO. ~~202118~~ - ~~0710~~

A RESOLUTION AMENDING AND RESTATING UNIFORM RULES AND REGULATIONS FOR THE ALLOTMENT OF WATER AND PROVIDING OF WATER SERVICE ~~SECOND-THIRD~~ AMENDMENT

WHEREAS, the Board of Trustees (the “Board”), of the Roy Water Conservancy District, a political subdivision of the State of Utah, organized and existing pursuant to the laws of the State of Utah (the “District”), previously adopted Resolution Nos. ~~2018-10~~ and 2016-07, Amended and Restated Uniform Rules and Regulations for the Allotment of Water and Providing Water Service (the “First ~~and Second~~ Amended and Restated Rules and Regulations”); and

WHEREAS, the Board has determined it to be necessary to further amend and restate the ~~First Second~~ Amended and Restated Rules and Regulations for the purpose of adding new provisions and clarifying provisions set forth in the Rules and Regulations, and that the adoption of this Resolution again Amending and Restating Uniform Rules and Regulations for the Allotment of Water and Providing Water Service (the “~~Second-Third Amended~~ and Restated ~~Amended~~ Rules and Regulations”), is in the best interest of the general health, safety and welfare of the citizens it serves within the District.

NOW, THEREFORE, be it resolved by the Board of the District as follows:

SECTION 1 GENERAL

The District hereby adopts the following ~~Second-Third~~ Amended and Restated Uniform Rules and Regulations governing water service to be provided by the District (the “Regulations”).

SECTION 2 DEFINITION OF KEY TERMS

2.1. Definition of Key Terms. The following key terms are defined for the purpose of these Regulations as follows:

Act. Collectively, the Utah Local District Act, Title 17B-1-101 *et seq.*, Utah Code Ann. (1953), as amended, and the Utah Water Conservancy District Act, Title 17B-2a-1001 *et seq.*, Utah Code Ann. (1953), as the same may be amended from time-to-time.

Applicant. Each owner of a Premises petitioning for a Water Allotment Contract and each owner of a Premises applying for a Water Lease Contract in connection with a New Property to be served, or an agent duly authorized by said Owner pursuant to a legal power of attorney. Upon execution of a Water Contract, the Applicant becomes a Customer of the District.

Board. The duly appointed governing board of trustees of the District, having such powers as are enumerated in Section 17B-1-301 Utah Code Ann. (1953), as the same may be amended from time to time, and those powers necessarily implied therefrom.

Customer. The legal owner of real property being served with District irrigation water and as to which a contract assessment has attached pursuant to an approved petition and executed Water Allotment Contract, or the legal owner of real property which is being served by District irrigation water pursuant to a Water Lease Contract, as defined herein.

Commercial Allotment. An allotment of water for property that is being utilized for commercial, industrial, and multi-family residential uses, including condominiums, townhouses, and apartments, and which are not otherwise designated by the District as a Residential Allotment or an Institutional Allotment.

D&WCCC. Davis & Weber Counties Canal Company.

District Water System. The water storage reservoirs, water wells, main water transmission pipelines, pumps and pump stations, motors, valves, water meters, and all systems, facilities and equipment related thereto and associated therewith, which are now or may hereafter be owned, operated and maintained by the District and utilized for the development, storage, diversion, production, transportation and distribution of water to individual Customers, within the service area of the District, as adjusted from time-to-time. As illustrated in Figures 1 and 3 of Exhibit “E”, the District Water System shall extend up to and include the tee on a double service lateral without a meter and to within 1 foot of the back of the sidewalk or to the property line if there is no sidewalk on a single service lateral without a meter as long as the service lateral material is SDR9 polyethylene tubing or galvanized pipe. If an unmetered service lateral material is anything else, the District Water System shall extend only to and include the curb stop typically located in the park strip. As illustrated in Figures 2 and 4 of Exhibit “E”, the District Water System shall extend up to and include the meter box on a double or single service lateral with a meter as long as the service lateral material is SDR9 polyethylene tubing or galvanized pipe. If a metered service lateral material is anything else, the District Water System shall extend to and include the curb stop typically located in the park strip and also only include the meter box and its contents. As illustrated in Figures 5 and 6 of Exhibit “E”, the District Water System shall extend up to and include the meter box on a double or single service lateral with a meter. As illustrated in Figures 1 through 6 of Exhibit “E”, the point of connection of the District Water System to the Individual Water System is considered the water connection point (the “Water Connection Point”).

Individual Water System. As illustrated in Figures 1 and 3 of Exhibit “E”, the individual water system for unmetered double service laterals begins at the connection of the tee with the nipple and to within 1 foot of the back of the sidewalk or to the property line if there is no sidewalk on a single service lateral without a meter as long as the service lateral material is SDR9 polyethylene tubing or galvanized pipe. If an unmetered service lateral material is anything else, the Individual Water System shall begin at the connection to the curb stop typically located in the park strip. As illustrated in Figures 2 and 4 of Exhibit “E”, the Individual Water System shall begin at the outside of the meter box on a double or single service lateral with a meter as long as the service lateral material is SDR9 polyethylene tubing or galvanized pipe. If a metered service lateral material is anything else, the Individual Water System shall begin at the connection with the curb stop typically located in the park strip and also excludes the meter box and its contents. As illustrated in Figures 5 and 6 of Exhibit “E”, the Individual Water System shall begin at the outside of the meter box on a double or single service lateral with a meter. For all illustrations, the individual water system includes the gate valve, the box containing the gate valve and related equipment and facilities, excluding the water meter assembly when installed (“Water Connection Assembly”), generally located on the Customer’s side of the sidewalk for old services or the park strip for new services, and the water service pipeline extending from the Water Connection Point into the Premises of the Customer being served (the “Water Service Lateral”), and including all other water pipelines,

fixtures, equipment and facilities situated on and related to the Premises being served which is not a part of the District Water System as defined herein.

Institutional Allotment. An allotment of water for property that is being utilized for governmental, church, school, or other institutional uses which render the property exempt from the levy of ad valorem property taxes, as designated by the District.

New Property. (i) Any property, including vacant lots or property, but excluding Unconnected Lots, as to which there is no current allotment of water under a Water Allotment Contract for which an application for service is made, or (ii) property, including vacant lots or property as to which there is a current allotment of water under a Water Allotment Contract, that is being subdivided into lots or parcels which therefore requires that a new application for service be made.

Premises. The property, the legal title of which is owned by a Customer, to which water service is being provided by the District through the District Water System, pursuant to Water Allotment Contract or a Water Lease Contract.

Residential Allotment. An allotment of water for property that is being utilized for single-family residential use, and which is not otherwise designated by the District as a Commercial Allotment or an Institutional Allotment.

Service Fees. Collectively, Water Allotment Contract assessments, levied as provided in Section 6.2.2 herein (“Contract Assessments”), Water Lease Contract fees imposed as provided in Section 6.2.2 herein (“Lease Fees”), and other fees and charges due levied and imposed by the Board which are payable as a condition to a Customer receiving irrigation water service from the District, as provided in Section 6.2.3 herein.

Unconnected Lot. A lot that is considered located in Service Area 4 which was created in the District’s Capital Facilities Plan and Impact Fee Update in June 2004 and Revised in March 2005 and updated in each subsequent Capital Facilities Plan Update since, which are not connected to the District Water System. Unconnected lots are considered to have water available to them and are not required to bring water to the District through the exaction process. The District will provide a service lateral to serve Unconnected Lots if there is not one available or if an existing service lateral can be modified to provide water to the unconnected lot, a connection will be provided in this manner.

Water Allotment Contract. A Water Allotment Contract entered into by and between a Customer and the District pursuant to and in connection with a petition for allotment of District irrigation water in conformance with the provisions of 17B-2a-1007 of the Act, pursuant to which District irrigation water is allotted to a customer under a Residential Allotment, Commercial Allotment or Institutional Allotment, as applicable, and pursuant to which irrigation water service is provided to the Customer by the District.

Water Connection Assembly. The portion of the District Water System beginning at a point where either a saddle or other form of connection is made to the District’s secondary water main pipe and extends to the Water Connection Point where the Individual Water System begins and extends through to include all pipelines, gate valves, and other appurtenances to provide secondary water to the property line of the Premises.

Water Contract. Collectively, a Water Allotment Contract and/or a Water Lease Contract.

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Water Interest. Primarily, shares of D&WCCC irrigation water stock, and/or other appropriated and decreed water rights, including (i) rights represented by a certificate of beneficial use, an approved application to appropriate, and an approved application to exchange water; (ii) rights represented by a diligence claim for surface or underground water; (iii) rights represented by a decree entered by a court; (iv) rights represented by a permanent change application approved in connection with the foregoing types of appropriated and decreed rights; and (v) WBWCD and other contract rights to the use of water, as may be approved by the Board in the sole and absolute discretion, on a case-by-case basis.

Water Lease Contract. A water lease contract entered into by and between the District and a Customer, pursuant to which District irrigation water is provided by the District for use by the Customer by lease (“Lease”), and not by allotment.

WBWCD. Weber Basin Water Conservancy District.

SECTION 3 PURPOSE; SERVICE TO BE PROVIDED

3.1. Purpose of this Resolution. This Resolution has been adopted to promote the orderly construction, operation, maintenance, repair, replacement and enlargement of the District Water System, and to establish a uniform set of rules and regulations, contractual in nature, as conditions precedent to the allotment and/or lease of irrigation water and the District providing irrigation water service to Customers, by Water Contract.

3.2. Service Pursuant to Water Contract. The District shall provide retail irrigation water service to Customers who have entered into a Water Contract with the District, subject to the terms of the Water Contract and subject to the rules and regulations forth in this Resolution, as amended from time-to-time.

3.3. District Water Supply. The water to be allotted and delivered by the District hereunder shall be raw, untreated river and underground water to which the District is entitled under its shares of stock in D&WCCC, under contract with WBWCD, under individual or corporate leases, and/or under other appropriated and contract rights of the District. The District’s irrigation water supply is non-potable and is unfit for human consumption. District irrigation water is to be delivered for irrigation use only.

3.4. Service Provided Through the District Water System. Service will be provided through the District Water System developed and/or acquired for this purpose through construction, purchase, lease, contract, rental, donation, gift or condemnation, or any combination of the foregoing, or through any other lawful means available to the District under its express or implied powers.

3.5 Temporary Suspension of Service.

3.5.1 By District Personnel. The District shall have the right, at any time, and by any means, to shut off the water anywhere within its District Water System for the purpose of making any repairs and/or extensions to the District Water System, or for other temporary purposes, and no liability, claim or cause of action shall be made against the District by reason of any breakage, or for any damages that may result from the temporary shutting down of any portion of the District Water System for repair and maintenance purposes, or by reason of the stoppage of water or interruption of water service due to the scarcity of water, damage to any water work or facility of the District, or any emergency other cause

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beyond the reasonable control of the District. Reasonable notification shall be given but not required to be given in an emergency situation.

3.5.2 By Request of Customer. A Customer may request, in writing or by other electronic communication, that the District temporarily turn off the curb stop of the District Water System so as to enable the Customer to make or cause to be made repairs to the Customer's Individual Water System, or for other temporary purposes. The District shall not have any liability, nor shall the Customer have any claim or bring any cause of action against the District by reason of water service to the Customer being temporarily suspended at the Customer's request pursuant to this section. The Customer shall notify the District when the repairs are completed; whereupon, the District will restore water service to the Customer. In the event the curb stop serving the Customer also serves any other Customer, the Customer shall be required to make all needed repairs not later than 72 hours following turn off.

3.6 Cross-connection. In order to prevent contamination of a culinary water system, the Customer's Individual Water System shall not be cross-connected, in any way, with a culinary water system serving the Premises. For purposes of these Regulations, "cross-connection" is defined to include any physical connection or arrangement of piping or fixtures which may allow the District's non-potable, irrigation water supply to come into contact with any potable water inside a culinary water system serving the Premises, and shall include, but not be limited to, any temporary conditions such as swing-connections, removable sections, four-way plug valves, spools, dummy sections of pipe, hoses of any kind, swivel or change-over devices, sliding multiport tubes or any other such plumbing device. Upon discovery of a cross-connection by the District or proof of a cross-connection provided by any of the culinary water providers within the District's boundaries, the cross-connection shall be immediately removed. In the event the Customer does not immediately remove the cross-connection upon notification from the District, the District reserves the right to physically disconnect the cross-connection from the District's Water System and to terminate secondary water service in any manner the District sees fit. Once the District physically disconnects the cross-connection, water service will be restored to the Customer only after the Customer has contacted the District and the District inspects and verifies that means have been established by the Customer to insure that the cross-connection will remain permanently disconnected. Notwithstanding the foregoing, the terms and provisions of Section 6.2.1 shall apply and remain enforceable as against the Customer. Customer may also be subject to criminal prosecution by those in authority where the cross-connection occurs.

3.7 Water Conservation. Customers within the District shall be encouraged to voluntarily conserve water to the extent possible and to follow District recommendations pertaining to outdoor use of water including irrigation systems, plant types and other matters as determined and published by the District from time-to-time. (anything to add?)

3.8 Wasting of Water Prohibited. It is a violation of these Regulations to waste water, and to allow any appliance, fixture, equipment, sprinkler system, faucets, or other similar water using facility to leak, overflow, run unattended or otherwise be operated in a wasteful manner.

3.9 Emergency Situations. In times of water storage due to drought, system failure or any other natural or man-made conditions or occurrences, the District shall have full authority to declare a water emergency, and to ration or otherwise regulate the distribution and use of water from the District Water System. Such action by the Board may include a moratorium on new water connections until the emergency has been alleviated.

3.10 Tampering; Unauthorized Use of Water. A tampering charge shall be assessed and/or court action may be taken for any unauthorized turn-on, turn-off of District water, theft of District water, ~~{01445130-1}~~

or tampering or vandalizing any of the District Water System. The Customer shall further pay and be responsible for any unauthorized use of water at the Premises, if any, during the period of termination. Any violation hereof will be prosecuted under the theft of service statutes of the State of Utah.

**SECTION 4
ALLOTMENT AND LEASE OF IRRIGATION WATER AND
SERVICE TO INDIVIDUAL CUSTOMERS**

4.1. Allotment of District Irrigation Water under Water Allotment Contracts; Payment of Contract Assessments, Fees and Charges.

(a) In conformance with the provisions of Section 1007 of the Act, the District shall allot District irrigation water and provide irrigation water service under Water Allotment Contracts to be entered into by and between the District and its Customers pursuant to a petition for a Water Allotment Contract; and the District's Customers shall receive an allotment of irrigation water for beneficial use on the Premises described in the Water Allotment Contract, subject to the terms, provisions, covenants and conditions of the Water Allotment Contract and these Regulations as they now exist or as they may be established and/or amended from time-to-time in the future. Allotments issued under Water Allotment Contracts shall be designated by the District as Residential Allotments, Commercial Allotments or Institutional Allotments as defined herein, as determined by the District in its sole discretion, using the District's standard form contracts therefor as applicable, which forms may be modified on a case-by-case basis as determined to be necessary by the District. For the allotment of irrigation water granted to a Customer, the Customer shall annually pay to the District the full amount of the Contract Assessments levied by the Board against the Premises in conformance with the terms of the Water Allotment Contract, and shall also timely pay all property taxes and such other fees and charges as shall be imposed from time-to-time by the Board as a condition to the delivery and use of District irrigation water, in conformance with these Regulations.

(b) Holders of Commercial Water Allotment Contracts and Institutional Allotment Contracts may, upon the contract holder's written request, be amended and restated so as to reduce the allotment of water contracted for, using the District's standard amended and restated contract forms, as applicable, which forms may be modified on a case-by-case basis as determined to be necessary by the District. The allotment may be reduced to that amount, quantified in acre-feet, which is sufficient for the irrigation of the actual acreage being irrigated on the land parcel described in the contract holder's existing Water Allotment Contract at the time of the contract holder's request. The annual assessment due and owing under the applicable amended and restated contract shall be levied against the reduced acreage; however, the perpetual assessment lien held by the District shall remain attached to the entire land parcel described in the existing contract, in conformance with these Regulations. All other terms and conditions of the amended and restated contract shall be the same as the existing contract. The difference in the quantity of water contracted for under the existing contract and the amended and restated contract (the "Released Water"), shall no longer be reserved for the contract holder but shall be forfeited by the contract holder back to the District for its use, and the contract holder shall have no further claim to or interest in the Released Water. Upon approval by the Board, the applicable amended and restated contract shall replace and supersede the existing contract in its entirety, and the amended and restated contract shall be recorded by the District and notice of the same shall be given to Weber County.

4.2. Lease of District Shares to D&WCCC; Placement into Rental Pool.

(a) Lease of Shares Back to D&WCCC. The District, pursuant to written agreement, may lease such shares of its stock as it may determine back to D&WCCC, thereby enabling D&WCCC to

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utilize water under the District's shares for D&WCCC purposes. The shares may be leased for such period of time and upon such terms and conditions as the District and D&WCCC may agree.

(b) Placement of Shares into the D&WCCC Rental Pool. In any given year, the District may, in accordance with D&WCCC regulations and policy, place into the D&WCCC rental pool such shares of stock as the District may determine.

4.3. Lease of District Shares to BWCD. The District, pursuant to written agreement, may lease such shares of its stock as it may determine to BWCD, thereby enabling BWCD to utilize water under the District's shares for BWCD purposes. The shares may be leased for such period of time and upon such terms and conditions as the District and BWCD may agree.

4.4. Lease of Irrigation Water under Water Lease Contracts. In conformance with the provisions of Section 1004(d) of the Act, the District may lease irrigation water and provide irrigation water service under Water Lease Contracts to be entered into by and between the District and its Customers, as approved by the Board, using the District's standard Water Lease Agreement form, which form may be modified on a case-by-case basis as determined to be necessary by the District. The District's lease Customers shall receive delivery of irrigation water for beneficial use on the Premises described in the Water Lease Contract, subject to the terms, provisions, covenants and conditions of the Water Lease Contract and these Regulations as they now exist or as they may be established and/or amended from time-to-time in the future. For the lease of irrigation water provided to a Customer, the Customer shall annually pay to the District such fees and charges as shall be fixed by the Board and paid by the Customer in conformance with the terms of the Water Lease Contract, and shall also timely pay such other fees and charges as shall be imposed from time-to-time by the Board as a condition to the delivery and use of District irrigation water.

4.5. Other Water Agreements. Notwithstanding the foregoing, other water agreements may be drawn and executed by and between the District and land owners within the District, on a case-by-case basis, as authorized by the Board, upon the advice and approval of the District's legal counsel.

SECTION 5 APPLICATIONS FOR WATER SERVICE

5.1 Applications for Water Service to New Properties. Water service to any New Property shall be provided subject to and in compliance with the following:

5.1.1 Execution of a Water Contract. Before providing water service to any New Property to be served, an Applicant for water service to any New Property shall, subject to the provisions of Section 5.1.3, be required to duly execute and submit a Petition for a Water Allotment Contract, in the form attached as EXHIBIT "A" hereto, in conformance with the requirements and procedures set forth in Section 17B-2a-1007 of the Act and this Section.

5.1.2 Annexation Required as a Condition to Service. As a condition to approval of any Water Allotment Contract, the Board hereby confirms its policy that the property to be served shall first be annexed into the legal boundaries of the District. All annexations shall proceed in conformance with and subject to the requirements of Section 17B-1-401 of the Act. Petitions for annexation into the District shall be considered by the Board in conformance with the following:

(a) Pre-annexation Conference. Prior to filing any petition for annexation to the District, the Applicant shall arrange a conference with the District Manager and staff to review the details
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of the proposed new service, including the legal description of the property proposed for annexation, the potentially irrigable areas within the property to be served, the internal irrigation water distribution system proposed to be constructed within the property to be served, required easements and rights of way, Water Interest dedication requirements, if any, and any other relevant information requested by the District at the conference. The Applicant shall be obligated to provide, in writing, such specific details concerning the proposed new service as discussed at the conference or otherwise as directed by the District Manager.

(b) Reimbursement of Costs; Annexation Deposit. All costs and expenses incurred by the District in reviewing and processing the annexation petition and all matters related to the annexation of the property to be served shall be reimbursed by the Applicant as billed by the District. Payment in full of all such costs and expenses shall be a condition precedent to approval of the annexation petition. As a further condition to approval, the Applicant, at the sole discretion of the District Manager, may be required to deposit funds with the District, in such amount as shall be determined by the District Manager to adequately compensate the District for the cost of consulting engineering, legal, hydrological, accounting and other professional services incurred by the District in reviewing and processing the annexation petition and all related matters.

5.1.3 Service to Properties Situated Outside the District's Boundaries. Notwithstanding the provisions of Section 5.1.2., the Board may, in its sole discretion and on a limited, case-by-case basis, provide water service to property situated outside the legal boundaries of the District ("Outlying Property"). The District may provide water service to any Outlying Property, at the request of an Applicant who is the owner of an Outlying Property, pursuant to a written Water Lease Contract, in the form attached as EXHIBIT "B" hereto, in accordance with and pursuant to such terms and conditions as the District may therein impose and subject to these Regulations. All uses of water pursuant to a Water Lease Contract shall be metered in conformance with the requirements of Section 8 herein.

5.1.4 System Connection Requirements. No connection to the District Water System shall be made except in compliance with the following:

(a) Each Applicant shall be required to pay such fees and charges in such amounts as may be imposed by the Board from time-to-time, if any, which shall be used by the District to pay actual out-of-pocket costs and expenses incurred by it relative to any new connection, including, but not limited to its inspection of the Individual Water System constructed and installed by the Applicant's contractor.

(b) No water connection of any size shall be made to the District Water System unless and until a diagram and plan for the connection have been approved by the District and any fees due and owing with respect to the new connection have been paid pursuant to the provisions of Section 6.2.4 below.

(c) The Water Connection Assembly shall be acquired, constructed and installed by the Applicant's contractor, at the Applicant's sole cost and expense, in strict conformance with and subject to the District's standards, specifications and requirements therefor as may be modified from time-to-time.

(d) New service connections to the District Water System and repairs to an existing Water Connection Assembly and/or Water Service Lateral shall be excavated, constructed and installed only by contractors qualified and authorized to proceed under the provisions of Section 5.2.4(f) below. No water shall pass through the Water Connection Assembly to a Premises unless and until the

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District has inspected and approved the respective connection. Upon the District's inspection and approval thereof, and its written receipt of any applicable fees and charges, the District shall turn irrigation water on to the Customer's Premises subject to all other applicable requirements of these Regulations.

(e) All Water Connection Assemblies and the acquisition, construction, installation and connection of the same with the District Water System of the District, and any other improvements required to be constructed and installed in order to provide irrigation water service to any New Property or Outlying Property which are to be conveyed to and accepted, owned, and maintained and repaired by the District as a part of the District Water System as required by the District, and all other aspects of the Individual Water System shall be designed, constructed and installed in strict compliance with all District standards and specifications and these Regulations, as amended from time-to-time, and shall be subject to inspection and approval by the District as a condition to water service.

(f) No individual or entity intending to perform the construction work of connecting a Water Service Lateral to the District Water System, or to repair an existing Water Connection Assembly and/or Water Service Lateral connected to the District Water System ("Contractor"), may commence such work without first making application to the District and qualifying in conformance with the following:

(1) To qualify, every Contractor shall submit an application to the District (the "Contractor Application").

(2) The Contractor Application shall be completed on a form supplied by the District which includes the name of the Contractor, the Contractor's business name, contractor license number, insurance company, principal owner or supervisor of the work, and the name and telephone number of every person supervising a crew which will be qualified to work for the Contractor within the District. The Contractor Application shall include a written statement signed by the Contractor wherein the Contractor affirms that he has read, understands and will comply with all applicable District rules, regulations, plans, standards and specifications regarding the installation and repair of a Water Connection Assembly and/or Water Service Lateral.

(3) The Contractor Application shall be accompanied by a License and Permit Bond in favor of the District in an amount of not less than \$5,000.00 to assure that the Contractor will comply with these Regulations and the construction and installation plans, standards and specifications of the District. The License and Permit Bond may consist of a cash bond, a deposit of funds in escrow in an amount determined by the District, or a corporate surety bond by a qualified insurer licensed to do business in the State of Utah.

(4) The Contractor shall, as part of the Contractor Application: (i) provide to the District for approval a diagram of and plan for the proposed Water Connection Point; (ii) if necessary, secure a permit from Roy City, Hooper City, or West Haven City, Utah to cut the road and excavate in the roadway and agree to maintain strict compliance with each city's standards for excavation and restoration of the road; (iii) provide to the District a current certificate of liability insurance demonstrating that the contractor who will perform the work has in force a comprehensive liability policy with limits of not less than \$1,000,000.00 per occurrence and \$1,000,000.00 per individual for payment of loss; (iv) provide a current certificate of workmen's compensation and employer's liability insurance or a Utah State approved workmen's compensation insurance waiver; and (v) notify the respective city's dispatcher in the event of any road closing so as to facilitate rerouting of emergency vehicles.

(5) If the Contractor furnishes the required bond and is not subject to contractor license or other known non-compliance or workmanship complaints and demonstrates satisfactory knowledge of the procedures necessary to complete the work in a professional manner, the District may find that the Contractor is qualified to perform the work as required by this Section and he may commence the same.

5.2 Application of Water Service and Water Contract for Unconnected Lot. Before providing water service to any Unconnected Lot to be served, an Applicant for water service to any Unconnected Lot shall, subject to the provisions of Sections 5.1.3 and 5.1.4, be required to duly execute and submit a Petition for a Water Allotment Contract, in the form attached as EXHIBIT "A" hereto, in conformance with the requirements and procedures set forth in Section 17B-2a-1007 of the Act and this Section.

5.3 Dedication of Water Interests.

5.3.1 Water Interest Defined. For the purpose of these Regulations, "Water Interest" is defined to mean:

- (a) shares of D&WCCC irrigation water stock (preferred),
- (b) shares of Hooper Irrigation Company stock,
- (c) shares of Wilson Irrigation Company stock, and/or
- (d) appropriated and decreed water rights, including (i) rights represented by a certificate of beneficial use, an approved application to appropriate, and an approved application to exchange water; (ii) rights represented by a diligence claim for surface or underground water; (iii) rights represented by a decree entered by a court; (iv) rights represented by a permanent change application approved in connection with the foregoing types of appropriated and decreed rights; and (v) WBWCD and other contract rights to the use of water, as may be approved by the Board in its sole and absolute discretion, on a case-by-case basis.

5.3.2 Exaction of Water Interests. As a condition to approval of a water service petition for any New Property under a Water Allotment Contract which: (i) is comprised of vacant land within the legal boundaries of the District, and (ii) as to which there is no prior allotment of District irrigation water currently of record, or to any Outlying Property under a Water Lease Contract (collectively, "Exaction Property"), the Applicant shall be required to dedicate and convey to the District a Water Interest in an amount sufficient to satisfy the calculated proportional, secondary irrigation water requirements of the Exaction Property as provided in this Section.

(a) Calculation of Water Interest Required. The Water Interest required to be dedicated and conveyed to the District shall be determined and calculated using a Contract Assessment Schedule to be promulgated from time-to-time by the Board, and in conformance with the following:

(1) Water Interests Represented by D&WCCC Shares of Stock. Water Interests represented by shares of D&WCCC stock shall be calculated at the standard minimum D&WCCC allocation of 6.0 acre-feet of water per share, as follows:

(A) Commercial Allotment. The number of shares to be dedicated and conveyed to the District for an Exaction Property to be developed for use under a

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Commercial Allotment shall be determined by: (i) calculating the total number of potentially irrigable square footage within said property, (ii) applying the applicable referenced acre-foot requirement to the total irrigable square footage, as set forth in the Water Exaction Schedule attached as EXHIBIT “C” hereto, (iii) dividing the acre-foot requirement by 6.0, and (iv) rounding up to the nearest half share of D&WCCC stock.

(B) Institutional Allotment. The number of shares to be dedicated and conveyed to the District for an Exaction Property to be developed for use under an Institutional Allotment shall be determined by: (i) calculating the total number of potentially irrigable square footage within said property, (ii) applying the applicable referenced acre-foot requirement to the total irrigable square footage, as set forth in the Water Exaction Schedule attached as Exhibit “C” hereto, (iii) dividing the acre-foot requirement by 6.0, and (iv) rounding up to the nearest half share of D&WCCC stock.

(C) Residential Allotment. The number of shares to be dedicated and conveyed to the District for an Exaction Property to be developed for use under a Residential Allotment shall be determined by: (i) applying the applicable acre-foot requirement to the gross square footage of each individual lot with the Residential Development Project, as set forth in the Water Exaction Schedule attached as Exhibit “C” hereto, (ii) summing the acre-foot requirements of each individual lot, (iii) dividing the acre-foot requirement by 6.0, and (iv) rounding up to the nearest half share of D&WCCC stock.

(2) Other Water Interests. Water Interests represented by other water rights, as approved at the discretion of the Board, shall be calculated based upon the number of acre-feet authorized for irrigation use within the service area of the District. The amount of the water right to be dedicated and conveyed to the District for the Exaction Property shall be determined in accordance with the provisions of this Section.

(b) Approval of Water Interests to be Proposed to be Conveyed. Water Interests proposed by the Applicant to be dedicated and conveyed to the District, must first be reviewed and formally accepted by the District. Prior to acceptance of such Water Interest, the District shall evaluate the Water Interest proposed for conveyance and in its sole and absolute discretion, may either: (i) accept said Water Interest subject to such terms and conditions as the District may impose, or (ii) refuse to accept any such Water Interest which the District determines to be defective with respect to legal title, insufficient with respect to annual quantity or flow rate, unsuitable for District use, or for any other reason as determined by the District. The District’s refusal to accept a proposed Water Interest shall not constitute a waiver of, and shall not relieve the Applicant from, its obligation of complying with the requirements of this Section as a condition to approval of the Applicant’s petition.

(c) Conveyance of Title.

(1) Title to approved Water Interests represented by shares of D&WCCC stock shall be dedicated and conveyed by endorsement of said shares by the Applicant over to the District and physical delivery of the endorsed certificate(s) to the District, together with a letter executed by D&WCCC that the shares of stock are assignable to the District without restriction or other encumbrance, subject to approval by the District’s legal counsel.

(2) Title to approved Water Interests represented by other than shares of D&WCCC shares shall be dedicated and conveyed by such instruments and means of conveyance in form and substance as shall be directed and approved by the District’s legal counsel.

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(d) Conveyance Free of Encumbrances. All conveyances of Water Interests shall be free and clear of all liens, encumbrances and adverse claims, of whatsoever kind or nature.

(e) Equal Claim to Water Supply. Upon conveyance of title of the Water Interests to the District, the Water Rights represented by the Water Interests shall be commingled with and become a part of the total secondary irrigation water rights of the District, pursuant to which all of its customers, including the Applicant, will be served on an equal priority basis.

5.3.3 Request for the Basis of Calculation. As provided by Utah law, if requested by the Applicant, the District shall provide the basis for the calculation of the Water Interest exacted of the Applicant for the Exaction Property.

5.3.4 Water Contract Approval. The approval of a Water Interest by the District shall not guarantee the District's approval of a petition for a Water Allotment Contract, or any authorized use of District water under a Water Lease Contract, which shall be considered by the Board on its merits.

5.4 Development Agreement. Each Applicant requesting service to a New Property to be served shall be required to enter into a development agreement with the District, in the form attached as EXHIBIT "D" hereto (the "Development Agreement"), which shall set forth the specific requirements and obligations of the Applicant with respect to obtaining irrigation water service from the District for the Applicant's Premises to be served, which requirements may be in addition to the requirements of these Regulations. The execution of a Development Agreement shall be a condition precedent to water service by the District. In the event of any conflict between the terms and provisions of these Regulations and the Development Agreement, the terms and provisions of the Development Agreement shall govern and control.

SECTION 6

AD VALOREM TAXES, CONTRACT ASSESSMENTS, SERVICE FEES AND CHARGES

6.1. Levy of Taxes, Contract Assessments; Lease Fees; Other Fees and Charges. The District shall levy property taxes, levy Contract Assessments, impose Lease Fees, and fix and impose other water service fees and charges for the use of District irrigation water for the purpose of generating revenues as necessary for: (i) purchasing, using, leasing or obtaining water and sources of water supply; (ii) operating, repairing, maintaining, replacing, rebuilding or making capital improvements to the District Water System; (iii) establishing and funding a reserve fund to cover major repairs, improvements and replacement of the District Water System; (iv) paying debt service on bonds, notes, contracts and other obligations of the District; (v) administering the District; (vi) paying insurance on the District Water System and the District; (vii) complying with local, state and federal laws, ordinances, statutes and regulations governing the ownership, operation and maintenance of the District Water System; (viii) paying legal and other professional and consulting fees and charges, and (ix) paying and providing for and/or accomplishing all other purposes, items, obligations or services as shall be necessary or desirable to enable the District properly administer the District and provide water service to its Customers in conformance with State law.

6.2. Contract Assessments; Taxes; Lease Fees; Other Fees and Charges.

6.2.1. Contract Assessments.

(a) Levy; Perpetual Lien; Collection. Any allotment of District irrigation water granted pursuant to a Petition and Water Allotment Contract shall be subject to the timely payment of all annual Contract Assessments duly levied by the District in conformance with the provisions of Section 17B-2a-1007 of the Act. The Contract Assessment shall be paid by the Customer, annually, in a lump-sum or in installments as determined by the Board. Upon Board approval of a certified copy of the resolution of the Board levying the Contract Assessment and certification of the same to the Weber County Auditor, the Contract Assessment shall become a perpetual lien on the Premises. The Contract Assessment shall be collected by Weber County in the same manner as taxes levied by Weber County, and payment shall be enforced in conformance with the terms of the Water Allotment Contract.

(b) Take or Pay Contracts. The full Contract Assessment shall be collected from, and any other Service Fees shall be paid by, the Customer in full, when due, without setoff, whether or not the total quantity of water allotted under the Water Allotment Contract is fully utilized by the Customer or is otherwise available from the District as set forth in the Water Allotment Contract and these Regulations.

6.2.2. Property Taxes. Payment by the Customer of the Contract Assessment shall be in addition to, and the Customer shall not be construed to be exempt from paying, any and all real property and other taxes and assessments duly levied by the District pursuant to the authority of Section 17B-2a-1006 of the Act.

6.2.2. Lease Fees.

(a) Imposition. Any authority for the use of District irrigation water granted pursuant to a Water Lease Contract shall be subject to the timely payment of all Lease Fees duly imposed by the District.

(b) Surcharge Based Upon Non-payment of Property Tax. The amount of the Lease Fees to be paid in connection with a Water Lease Contract shall be established by the Board in such amount as shall account for not only the cost of District irrigation water used at a per-acre foot rate, but shall also take into account the fact that the property of a Customer being served under a Water Lease Contract is not within the boundaries of the District and is, therefore, not paying ad valorem property taxes to the District as are the Customer whose property is situated within the District and is being served under a Water Allotment Contract. Accordingly, the Lease Fees shall be surcharged to account for an amount equivalent to ad valorem property taxes that are not being paid. Lease Fees imposed under the terms of a Water Lease Contract shall be timely paid as a condition to water service.

6.2.3. Other Fees and Charges. The Customer shall also be obligated to pay to the District any connection fees, impact fees and other fees and charges, if any, which may be lawfully imposed from time-to-time by the Board in connection with the use of the District's irrigation water supply.

6.3. Customer Liability for Payment in Connection with Rental Property. Consistent with the provisions of Section 17B-1-904(1)(b) of the Act, the owner of any rented or leased Premises, and not the renter or lessee of said Premises, is deemed to be the Customer for said Premises being served, and shall be responsible to the District for payment of all property taxes, Contract Assessments, and other fees and charges levied and imposed for services to the Premises owned by the Customer, and the Customer and not the tenant or lessee of any rental property owned by the Customer shall be solely obligated to pay all such taxes, Contract Assessments, Lease Fees and other fees and charges as levied and billed by the District.

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6.4 Termination of Water Service

6.4.1 Upon Request of a Customer.

(a) Service to the Premises of a Customer may be terminated by the Customer upon request to the District. Upon receipt of said request, service to the Premises shall be terminated and remain terminated unless and until Customer notifies the District, in writing, that service to the Premises is to be reinstated in conformance with the provisions of Section 6.5 hereof. Notwithstanding the foregoing, the terms and provisions of Section 6.2.1 shall apply and remain enforceable as against the Customer.

(b) A Landlord shall not be authorized to utilize District water and the threat to terminate or the termination of water service to any Premises being rented or rental unit within the Premises as a means of enforcing the collection of delinquent rent from the tenant of the Premises or unit being served therein by the District.

6.4.2 For Non-Payment of Service Fees.

(a) In addition to the remedies provided for the non-payment of Contract Assessments under the terms of a Water Allotment Contract, in conformance with the provisions of Section 17B-1-901 and 903 of the Act, in the event of non-payment of any Service Fees imposed by the District as a condition to water service, the District may initiate proceedings to terminate water service to the delinquent Premises, and the District shall refuse to restore water service unless and until all delinquent Service Fees, together with accrued interest thereon and a resumption of service fee, if required, have been paid in full.

(b) Prior to terminating water service to the Premises, the District shall provide written notice of the delinquency to the Customer, pursuant to which the Customer shall be given an opportunity to cure the default. The Customer may request a hearing of the Board regarding any such delinquency, and petition for the resumption of services without payment of any resumption of service charges due and owing as a result of the delinquency. In the event a delinquency is not cured within the period provided for in the notice, the District shall terminate water service to the Premises. The Customer shall be required to pay a resumption of service fee as a condition to the resumption of water service to the Premises.

6.4.3 For Using More Than the Contractually Allotted Amount. Customers who are connected through a meter and use more than their contractually allotted amount of water or the amount reduced through a drought declaration will be terminated by virtue of the current watering regulations resolution adopted by the District's Board of Trustees.

6.5 Reinstatement of Service. Service to a Premises in which water service has been terminated pursuant to Section 6.3 above shall only be reinstated by duly authorized District personnel. Turning on water that has been turned off by order of the District by anyone other than authorized District personnel is strictly prohibited, subject to Section 3.10.

6.6 Collection of Delinquent Service Fees.

6.6.1 The terms and provisions of this Section 6.6 are set forth pursuant to and are in conformance with the terms and provisions of Section 17B-1-901 *et seq.*, of the Act.

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6.6.2 As used in this Section 6.6:

(a) "Collection Costs" means an amount, not to exceed \$20, to reimburse the District for expenses associated with its efforts to collect past due service fees from a Customer.

(b) "Damages" means an amount equal to the greater of \$100 and triple the past due service fees.

(c) "Default Date" means the date on which payment for Service Fees becomes past due.

(d) "Past Due Service Fees" means Service Fees that on or after the Default Date have not been paid.

(e) "Pre-litigation Damages" means an amount that is equal to the greater of \$50 and triple the past due service fees.

6.6.3 A Customer is liable to a local district for Past Due Service Fees and Collection Costs if:

(a) the Customer has not paid Service Fees before the default date;

(b) the District mails the Customer notice as provided in Subsection 6.6.6; and

(c) the Past Due Service Fees remain unpaid 15 days after the District has mailed notice to the Customer as provided herein.

6.6.4 If the Customer has not paid the District the Past Due Service Fees and Collection Costs within 30 days after the District mails notice, the District may make an offer to the Customer that the District will forego filing a civil action under Subsection 6.6.6 if the Customer pays the District an amount that:

(a) consists of the Past Due Service Fees, Collection Costs, Pre-litigation Damages, and, if District retains an attorney to recover the Past Due Service Fees, a reasonable attorney fee not to exceed \$50; and

(b) if the Customer's Premises is residential, may not exceed \$100.

6.6.5 Each notice under Subsection 6.6.3(b) shall be in writing, be mailed to the Customer by the United States mail, postage prepaid; notify the customer that if the Past Due Service Fees are not paid within 15 days after the day on which the District mailed notice, the Customer is liable for the Past Due Service Fees and Collection Costs; and the District may file a civil action if the Customer does not pay the Past Due Service Fees and Collection Costs to the District within 30 calendar days from the day on which the District mailed notice.

(a) The notice shall be in substantially the following form:

Date: _____

To: _____

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Service address: _____

Account or invoice number(s): _____

Date(s) of service: _____

Amount past due: _____

You are hereby notified that water or sewer service fees (or both) owed by you are in default. In accordance with Section 17B-1-902, Utah Code Annotated, if you do not pay the past due amount within 15 days from the day on which this notice was mailed to you, you are liable for the past due amount together with collection costs of \$20.

You are further notified that if you do not pay the past due amount and the \$20 collection costs within 30 calendar days from the day on which this notice was mailed to you, an appropriate civil legal action may be filed against you for the past due amount, interest, court costs, attorney fees, and damages in an amount equal to the greater of \$100 or triple the past due amounts, but the combined total of all these amounts may not exceed \$200 if your property is residential.

(Signed) _____

Roy Water Conservancy District

[Address]

[Telephone number]

(b) Written notice under this Section is conclusively presumed to have been given if the notice is properly deposited in the United States mail, postage prepaid, by certified or registered mail, return receipt requested; and addressed to the customer at the Customer's address as it appears in the records of the local district, or last-known address.

6.6.6 The District may file a civil action against the Customer if the Customer fails to pay the Past Due Service Fees and Collection Costs within 30 calendar days from the date on which the District mailed notice as set forth above.

(a) In a civil action, a Customer is liable to the District for an amount that consists of Past Due Service Fees, Collection Costs, interest, court costs, a reasonable attorney fee, and damages; and if the Customer's Premises is residential, may not exceed \$200.

(b) The District may not file a civil action under this Subsection unless the Customer has failed to pay the Past Due Service Fees and Collection Costs within 30 days from the day on which the district mailed notice.

(c) All amounts charged or collected as Pre-litigation Damages or as damages shall be paid to and be the property of the District and may not be retained by any other person. The District may not contract for a person to retain any amounts charged or collected as pre-litigation Damages or as damages.

6.6.7 This section shall not be construed so as to limit the District from obtaining relief to which it may be entitled under a Water Allotment Contract, Water Lease Contract and applicable statutes or causes of action under Utah law.

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6.7 Certification of Lien for Delinquencies.

6.7.1 In addition to and notwithstanding the provisions of Section 6.6, pursuant to the provisions of Section 17B-1-902 of the Act, any unpaid Service Fees, including reasonable attorney's fees incurred through collection, that are delinquent as of June 1 of a year shall be certified by the Clerk of the District to the treasurer of Weber County; whereupon, the amount of delinquent Service Fees, together with accrued interest and penalties thereon, and attorney's fees, shall immediately upon certification become a lien on the delinquent Premises on a parity with and collectible at the same time and in the same manner as general property taxes are a lien on the Premises and are collectible. All methods of enforcement available for the collection of general county property taxes, including sale of the Premises, shall be available for the collection of delinquent Service Fees.

6.7.2 Unless a valid lien has been established as provided in Section 6.7.1, has not been satisfied, and has not been terminated by a sale as provided in Section 17B-1-902(2), the District may not:

(a) use a Customer's failure to pay for irrigation water provided to the Customer's Premises as a basis for not furnishing water to the Premises after ownership of the Premises is transferred to a subsequent owner; or

(b) require an owner to pay for water that was furnished to the Premises before the owner's ownership.

6.8 Other Remedies Available. The aforesaid remedies set forth in this Section 6 shall be in addition to, and not in lieu of, any and all other remedies legally available to the District, at law or in equity, for the collection of delinquent Service Fees.

SECTION 7 WATERING RULES AND REGULATIONS

7.1 Wasteful Irrigation Practices are Prohibited.

7.1.1 Watering Policy. It is the policy of the District to conserve and protect the District's irrigation water supply. Irrigation practices, such as watering multiple times in a given day (except for a genuine cycle and soak process as programmed into a sprinkler controller), watering on consecutive days, allowing water to run waste down the gutter, and the failure to promptly repair leaking water lines and sprinkler heads, which result in the waste of the District's irrigation water supply are prohibited. The District's irrigation water supply shall not be used for washing or spraying down any hard surfaces including, but not limited to, asphalt, concrete, sidewalk, curb and gutter, or driveways.

7.1.2 Uniform Watering Hours. The water supply of the District shall only be authorized for use in any water year for irrigation purposes during the authorized irrigation season, as determined from year to year by the Board, on any residential, commercial or agricultural land, during the evening, night and morning hours, each day, beginning at 6:00 p.m. and ending at 10:00 a.m. the following day.

7.1.3 Drought Regulations. The existence and extent of drought conditions will vary from year to year and may even vary during a given irrigation season. As such, each year, the Board shall ascertain whether and to what extent a drought condition exists within its service area. If a drought condition is determined to exist, the Board shall, in its sole discretion designate and declare the intensity of the drought utilizing as a guide the U.S. Drought Monitoring Report published by the State of Utah
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(the “Drought Report”), at:

<https://droughtmonitor.unl.edu/CurrentMap/StateDroughtMonitor.aspx?UT>

The intensity of drought conditions defined in the Drought Report include: abnormally dry, moderate drought, severe drought, extreme drought and exceptional drought.

7.1.4 Limitations and Restrictions. The Board shall each year establish regulations, including limitations and restrictions governing the delivery and use of the District’s water supply which are determined by the Board to be necessary and appropriate for the drought intensity as determined by the Board for that year, consistent with the authority of this Resolution. Water use regulations, including all applicable limitations and restrictions, shall be published each year by the District and made available to all contract holders, customers and other users of District water on the District’s website at www.roywater.com.

7.2. Enforcement Proceedings.

7.2.1 Enforcement Authority. The General Manager of the District is hereby vested with the authority to enforce the watering regulations and rules of enforcement set forth herein, either through the use of District personnel, by contract or otherwise.

7.2.2 Rules of Enforcement Proceedings. Any ~~contract holder, c~~Customer, or other user of the District’s water supply who is discovered or reported to be utilizing the ~~District’s water supply~~ in violation of the watering regulations set forth in this Section 7 hereof (each, a “*Violator*”), shall, upon confirmation of the violation by District personnel, be subject to the following ~~rules~~enforcement proceedings:

(a) WATER EDUCATION NOTICE: Upon initial discovery of a violation, the Violator will be notified in person, by door hanger, by phone, or by mail, of the reported violation, and educational materials will be shared with the Violator, and the Violator shall be given a period of 24 to 48 hours to correct the violation and conform with the regulations imposed by the Board for that year. The Violator shall further be instructed to thereafter conform with the District’s watering regulations or be subject to further enforcement proceedings. This will be considered an educational opportunity, and no other action will be taken if the Violator remains in compliance with the regulations.

(b) FIRST OFFENSE: For a first offense in the same water year after a water education notice, the Violator shall be notified in person, by door hanger, by phone, or by mail, of the reported violation, and shall be instructed to thereafter conform with the District’s ~~uniform~~-watering regulations or be subject to further enforcement proceedings.;

(~~cb~~) SECOND OFFENSE: For a second offense in the same water year, the Violator shall be served with a formal written citation and be required to pay a fine ~~in an amount established from time to time by the Board of \$250.00~~. The fine shall be due and payable as indicated in the Citation. Failure to pay the fine when due shall result in the termination of the Violator’s water service until the fine is paid in full. In the event of termination of water service, a reconnection fee ~~in an amount determined from time to time by the Board of \$500.00~~ shall also be paid as a condition to restoration of water service by the District.

(~~de~~) THIRD OFFENSE: In the event of a third offense in the same water year, the Violator’s water service shall be terminated for the balance of the water year. A ~~double~~-reconnection fee of \$1,000.00 (the “Reconnection Fee”) shall be paid by the Violator to the District as a condition to restoration of water service for the following water year. The District in its sole discretion may require,
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as a condition to reconnection and service the following year, that a water meter be installed through which all District water delivered through the connection shall be measured and accounted for. As determined by the Board, on a case-by-case basis, the money paid for the Reconnection Fee may be used by the District to pay for the acquisition and installation of the water meter; otherwise, all costs associated with the acquisition and installation of the meter shall be paid by the Violator in addition to the Reconnection Fee, as a condition to restoration of water service. Written notice shall be ~~given~~ provided by the District to the Violator ~~by the District~~ confirming the termination of the Violator's water service, the conditions for restoration of service, and of the Violator's right of appeal thereof to the Board. Restoration of the Violator's water service and the terms and conditions thereof, shall be determined by the Board in its sole discretion, consistent with the provisions of Section 7.

(e) REPEAT VIOLATORS YEAR-TO-YEAR: Enforcement proceedings for Violators who are continually reported for violations from water year to water year will commence with the First Offense.

7.3. Full Payment ~~Due of Assessments Notwithstanding a Violation Termination.~~

Notwithstanding any termination of service, the Violator's full annual assessment and special assessments ~~Contract Assessment and/or Lease Fee~~ shall remain payable in full and be collected by the County, in the event of a contract assessment, or otherwise by the District in conformance with the terms of the Violator's contract with the District.

7.4. Exceptions; Exception Permits. Exceptions may be considered and granted to a contract holder, customer or other user of District water for water usage ~~Use of water by a Customer~~ that would otherwise be a Violation of the Water Regulations set forth in Section 7.1 hereof (each, an "Exception"), may be considered in conformance with the following:

7.4.1 The granting of an Exception ~~Exceptions~~ shall only be considered on a case-by-case basis, in connection with the following uses: (i) irrigation of newly planted lawn, and (ii) agricultural irrigation. The "top-seeding" or "over-seeding" of an already established lawn will not qualify for an Exception. No other exceptions will be considered by the District.

7.4.2 To qualify for an Exception, the ~~Customer contract holder, customer or other user~~ shall submit a written application to the District setting forth the ~~Customer's contract holder's, customer's or other user's~~ name, address, home telephone and cell phone numbers, and email address, stating the place of use of the District's water, the purpose for which the Exception is requested, and the period of time during which the Exception is required. The District's General Manager will review and consider the Exception request and approve or deny the same in his sole discretion. If the Exception is approved, a written permit ("Exception Permit"), will be issued to the ~~Customer contract holder, customer or other user~~ setting forth the terms, conditions and date of expiration of the Exception. If the Exception is denied by the General Manager, the ~~Customer denial~~ may be appealed to the Board, the decision to the Board, whose decision shall be final. It is anticipated that Exception Permits will not be issued during times of sever, extreme, or exceptional drought.

7.4.3 Upon expiration of the Exception Permit, the water regulations set forth in this Section shall thereafter apply and be enforced in accordance herewith.

SECTION 8 METERING OF WATER DELIVERIES

8.1. Metered Use Required. All uses of water from the District Water System under a Water Allotment Contract or a Water Lease Contract, executed after August 14, 2013, or as otherwise adopted by the Board, shall be metered in conformance with the requirements of this Section 8.

8.1.1 Unauthorized Use Prohibited. Anyone using water through an unmetered connection installed after the effective date hereof, and does not have a Water Contract, without the express prior authorization of the District, shall be prosecuted under the theft of services statutes of the State of Utah, subject to the provisions of Section 3.10.

8.1.2 One Premise Per Meter. Not more than one Premises shall be connected to any one meter; however, multiple dwelling units within the Premises may be served by a single metered connection, subject to the prior, written approval of the District as determined, in its sole discretion, on a case-by-case basis.

8.1.3 Meter Inspection and Reading. Customers connected by a meter shall not obstruct in any way the ability of authorized District personnel to gain access to water meters for periodic inspection, reading and maintenance. The cost of removing any physical obstructions may be charged to the Customer as a special water service fee and be enforceable and collectible in conformance with the provisions of Section 6 herein. Meters shall be read at intervals as shall be determined by the Board. By connecting to the District Water System, and agreeing to receive service from the District, a Customer shall be deemed to have consented to granting access to the Customer's Premises by meter readers for the purpose of reading water meters. In the event water meters were installed without a remote readout device, the Customer and/or occupant of the Premises shall be required to permit access to the water meter reader for meter reading purposes during normal business hours, and as an express condition to continued water service.

8.1.4 Meter Error. In the event that a meter malfunctions and a reliable reading is not possible, readings shall be estimated by comparing the past known water usage through the malfunctioning water meter to that of adjoining or similar properties where the past and current month's use is known, or, by reference to the past water usage through the malfunctioning water meter during a corresponding time of the year. Where such data is unavailable, then estimates shall be made by comparing the past known water usage of similar or adjoining properties and averaging the same.

8.1.5 Meter Testing. If a Customer contests the accuracy of his water meter, which when removed and tested proves to be accurately calibrated or under-reading, any costs incurred by the District in the removal, replacing, testing and recalibrating of a meter shall be charged to a Customer on the Customer's next water Service Fee as a special water service fee and be enforceable and collectible in conformance with the provisions of Section 6 herein. If the water meter is over-reading, there will be no charge for the repair to the meter, and appropriate adjustments will be made. Adjustments shall not be made for any period greater than three months. Meter errors of three percent (3%) or less shall be deemed to be accurate readings, warranting no adjustments. If, upon a second meter reading (as requested by the Customer) within a six (6) month period for the purpose of determining meter error, and the meter is found to be accurately calibrated, a rereading charge shall be included in the next Service Fee to Customer as a special water service fee and be enforceable and collectible in conformance with the provisions of Section 6 herein. These charges shall be as set forth by a separate rate resolution adopted by the Board of the District.

8.1.6 Meter Tampering. It shall be a violation of these Regulations to tamper with or bypass any water meter for the purpose of causing it to produce inaccurate readings or for bypassing the meter so as to obtain unmeasured water. Willful consumption of water through a water meter known to be damaged, bypassed or tampered with, shall constitute a theft of service and shall be subject to Section 3.10.

SECTION 9 TITLE TO WATER SYSTEMS

9.1 Title to District Water System. The District shall hold title to the District Water System and shall operate, maintain, repair and replace the same, at its expense, in perpetuity. The District shall own and maintain the Water Meter Assembly regardless of whether the same were installed at the property line or otherwise within the Premises of the Customer.

9.2 Title to Individual Water Systems.

9.2.1 Ownership, Operation and Maintenance. Each individual Customer shall own and shall bear the sole and separate responsibility for operation, maintenance, repair and replacement of the Customer's Individual Water System. The District shall not accept nor bear any responsibility for any leaks, or damages caused by leakage, within the Individual Water System. The Customer shall be required, at the Customer's sole expense, to immediately repair any leaks within the Customer's Individual Water System.

9.2.2 District Access for Emergency Repairs and Maintenance. The District may, without incurring any liability whatsoever, make emergency repairs to a Customer's Individual Water System in order to mitigate damage, prevent waste of water, and to prevent contamination of the District's water supply; and any such repairs by the District shall be at the Customer's sole expense and shall be billed to the Customer by the District. The Customer shall pay any such bill within 30 days of its date. Any such charge shall be considered a special fee for water service, the payment of which shall be enforceable and collectible in conformance with the provisions of Section 6 herein. The Customer, by accepting water service from the District, grants a license to the District to enter upon the Premises of the Customer solely for the purpose of making said emergency repairs.

SECTION 10 **DROUGHT**

10.1 Drought Declaration. The existence and extent of drought conditions will vary from year to year and may even vary during a given irrigation season. As such, each year, the Board shall ascertain whether and to what extent a drought condition exists within its service area. If a drought condition is determined to exist, the Board shall, in its sole discretion designate and declare the intensity of the drought utilizing as a guide the U.S. Drought Monitoring Report published by the State of Utah (the "Drought Report"), at:

<https://droughtmonitor.unl.edu/CurrentMap/StateDroughtMonitor.aspx?UT>

The intensity of drought conditions defined in the Drought Report include: abnormally dry, moderate drought, severe drought, extreme drought and exceptional drought. The District may (or shall?) make a drought declaration based on the conditions as listed in this Section as a motion in a board meeting (is this necessary to make it official). At the same time, the Board may declare a percent shortage of water. Once a drought declaration is made, all rules and regulations that are in conflict with the conditions of the drought declaration shall be suspended for the period of time the drought declaration is in place.

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SECTION 110
MISCELLANEOUS

110.1 Compliance with Applicable Laws and Regulations. The District shall comply with all applicable local, state and federal laws, ordinances, statutes and regulations which now or may hereafter govern the ownership, operation, maintenance, repair and replacement of the District Water System, water rights and sources of water supply, and shall adopt resolutions imposing such additional rules and regulations as shall be necessary to fully implement and comply with the same.

110.2 Amendments to These Regulations. These Regulations may be changed and amended from time to time by appropriate action of the Board. No exceptions to these Regulations will be permitted without the prior written approval of the Board of District.

110.3 Savings Clause. If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid by a court of law, such determination shall not affect the validity of the remaining portions of this resolution, which shall remain binding and enforceable against the Customers of the District.

110.4 Captions. The section and paragraph headings contained in this Resolution are for the purposes of reference only and shall not limit, expand or otherwise affect the construction of any provisions hereof.

110.5 Construction. As used herein, all words in any gender shall be deemed to include the masculine, feminine, or neuter gender, all singular words shall include the plural, and all plural words shall include the singular, as the context may require.

110.6 Enforcement. In addition to termination of water service and other remedies provided by law and in equity, the District shall be entitled to file an action to force compliance with these rules and regulations by injunctive and other appropriate relief.

110.7 Effective Date. This resolution shall be in full force and effect from and after the date of passage and adoption hereof.

PASSED AND ADOPTED this 14²th day of ~~December~~July, 2021~~18~~.

ROY WATER CONSERVANCY DISTRICT

By: _____
Chair, Board of Trustees

EXHIBIT "A"
FORM OF
PETITION FOR A WATER ALLOTMENT CONTRACT

EXHIBIT "B"
FORM OF
WATER LEASE CONTRACT

EXHIBIT "C"

CONTRACT ASSESSMENT/WATER EXACTION SCHEDULE

EXHIBIT “D”
FORM OF DEVELOPMENT AGREEMENT

EXHIBIT “E”
CONNECTION ILLUSTRATION

ROY WATER CONSERVANCY DISTRICT

RESOLUTION NO. ~~2018-10~~2021-07

A RESOLUTION AMENDING AND RESTATING UNIFORM RULES AND REGULATIONS FOR THE ALLOTMENT OF WATER AND PROVIDING OF WATER SERVICE

~~SECOND~~ THIRD AMENDMENT

WHEREAS, the Board of Trustees (the "Board"), of the Roy Water Conservancy District, a political subdivision of the State of Utah, organized and existing pursuant to the laws of the State of Utah (the "District"), previously adopted Resolution ~~No. Nos. 2018-10 and~~ 2016-07, Amended and Restated Uniform Rules and Regulations for the Allotment of Water and Providing Water Service (the "First ~~and~~ Second Amended and Restated Rules and Regulations"); and

WHEREAS, the Board has determined it to be necessary to further amend and restate the ~~First~~Second Amended and Restated Rules and Regulations for the purpose of adding new provisions and clarifying provisions set forth in the Rules and Regulations, and that the adoption of this Resolution again Amending and Restating Uniform Rules and Regulations for the Allotment of Water and Providing Water Service (the "~~Second~~Third Amended and Restated ~~Amended~~ Rules and Regulations"), is in the best interest of the general health, safety and welfare of the citizens it serves within the District.

NOW, THEREFORE, be it resolved by the Board of the District as follows:

SECTION 1 GENERAL

The District hereby adopts the following ~~Second~~Third Amended and Restated Uniform Rules and Regulations governing water service to be provided by the District (the "Regulations").

SECTION 2 DEFINITION OF KEY TERMS

2.1. Definition of Key Terms. The following key terms are defined for the purpose of these Regulations as follows:

Act. Collectively, the Utah Local District Act, Title 17B-1-101 *et seq.*, Utah Code Ann. (1953), as amended, and the Utah Water Conservancy District Act, Title 17B-2a-1001 *et seq.*, Utah Code Ann. (1953), as the same may be amended from time-to-time.

Applicant. Each owner of a Premises petitioning for a Water Allotment Contract and each owner of a Premises applying for a Water Lease Contract in connection with a New Property to be served, or an agent duly authorized by said Owner pursuant to a legal power of attorney. Upon execution of a Water Contract, the Applicant becomes a Customer of the District.

Board. The duly appointed governing board of trustees of the District, having such powers as are enumerated in Section 17B-1-301 Utah Code Ann. (1953), as the same may be amended from time to time, and those powers necessarily implied therefrom.

Customer. The legal owner of real property being served with District irrigation water and as to which a contract assessment has attached pursuant to an approved petition and executed Water Allotment Contract, or the legal owner of real property which is being served by District irrigation water pursuant to a Water Lease Contract, as defined herein.

Commercial Allotment. An allotment of water for property that is being utilized for commercial, industrial, and multi-family residential uses, including condominiums, townhouses, and apartments, and which are not otherwise designated by the District as a Residential Allotment or an Institutional Allotment.

D&WCCC. Davis & Weber Counties Canal Company.

District Water System. The water storage reservoirs, water wells, main water transmission pipelines, pumps and pump stations, motors, valves, water meters, and all systems, facilities and equipment related thereto and associated therewith, which are now or may hereafter be owned, operated and maintained by the District and utilized for the development, storage, diversion, production, transportation and distribution of water to individual Customers, within the service area of the District, as adjusted from time-to-time. As illustrated in Figures 1 and 3 of Exhibit "E", the District Water System shall extend up to and include the tee on a double service lateral without a meter and to within 1 foot of the back of the sidewalk or to the property line if there is no sidewalk on a single service lateral without a meter as long as the service lateral material is SDR9 polyethylene tubing or galvanized pipe. If an unmetered service lateral material is anything else, the District Water System shall extend only to and include the curb stop typically located in the park strip. As illustrated in Figures 2 and 4 of Exhibit "E", the District Water System shall extend up to and include the meter box on a double or single service lateral with a meter as long as the service lateral material is SDR9 polyethylene tubing or galvanized pipe. If a metered service lateral material is anything else, the District Water System shall extend to and include the curb stop typically located in the park strip and also only include the meter box and its contents. As illustrated in Figures 5 and 6 of Exhibit "E", the District Water System shall extend up to and include the meter box on a double or single service lateral with a meter. As illustrated in Figures 1 through 6 of Exhibit "E", the point of connection of the District Water System to the Individual Water System is considered the water connection point (the "Water Connection Point").

Individual Water System. As illustrated in Figures 1 and 3 of Exhibit "E", the individual water system for unmetered double service laterals begins at the connection of the tee with the nipple and to within 1 foot of the back of the sidewalk or to the property line if there is no sidewalk on a single service lateral without a meter as long as the service lateral material is SDR9 polyethylene tubing or galvanized pipe. If an unmetered service lateral material is anything else, the Individual Water System shall begin at the connection to the curb stop typically located in the park strip. As illustrated in Figures 2 and 4 of Exhibit "E", the Individual Water System shall begin at the outside of the meter box on a double or single service lateral with a meter as long as the service lateral material is SDR9 polyethylene tubing or galvanized pipe. If a metered service lateral material is anything else, the Individual Water System shall begin at the connection with the curb stop typically located in the park strip and also excludes the meter box and its contents. As illustrated in Figures 5 and 6 of Exhibit "E", the Individual Water System shall begin at the outside of the meter box on a double or single service lateral with a meter. For all illustrations, the individual water system includes the gate valve, the box containing the gate valve and

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related equipment and facilities, excluding the water meter assembly when installed (“Water Connection Assembly”), generally located on the Customer’s side of the sidewalk for old services or the park strip for new services, and the water service pipeline extending from the Water Connection Point into the Premises of the Customer being served (the “Water Service Lateral”), and including all other water pipelines, fixtures, equipment and facilities situated on and related to the Premises being served which is not a part of the District Water System as defined herein.

Institutional Allotment. An allotment of water for property that is being utilized for governmental, church, school, or other institutional uses which render the property exempt from the levy of ad valorem property taxes, as designated by the District.

New Property. (i) Any property, including vacant lots or property, but excluding Unconnected Lots, as to which there is no current allotment of water under a Water Allotment Contract for which an application for service is made, or (ii) property, including vacant lots or property as to which there is a current allotment of water under a Water Allotment Contract, that is being subdivided into lots or parcels which therefore requires that a new application for service be made.

Premises. The property, the legal title of which is owned by a Customer, to which water service is being provided by the District through the District Water System, pursuant to Water Allotment Contract or a Water Lease Contract.

Residential Allotment. An allotment of water for property that is being utilized for single-family residential use, and which is not otherwise designated by the District as a Commercial Allotment or an Institutional Allotment.

Service Fees. Collectively, Water Allotment Contract assessments, levied as provided in Section 6.2.2 herein (“Contract Assessments”), Water Lease Contract fees imposed as provided in Section 6.2.2 herein (“Lease Fees”), and other fees and charges due levied and imposed by the Board which are payable as a condition to a Customer receiving irrigation water service from the District, as provided in Section 6.2.3 herein.

Unconnected Lot. A lot that is considered located in Service Area 4 which was created in the District’s Capital Facilities Plan and Impact Fee Update in June 2004 and Revised in March 2005 and updated in each subsequent Capital Facilities Plan Update since, which are not connected to the District Water System. Unconnected lots are considered to have water available to them and are not required to bring water to the District through the exaction process. The District will provide a service lateral to serve Unconnected Lots if there is not one available or if an existing service lateral can be modified to provide water to the unconnected lot, a connection will be provided in this manner.

Water Allotment Contract. A Water Allotment Contract entered into by and between a Customer and the District pursuant to and in connection with a petition for allotment of District irrigation water in conformance with the provisions of 17B-2a-1007 of the Act, pursuant to which District irrigation water is allotted to a ~~customer~~Customer under a Residential Allotment, Commercial Allotment or Institutional Allotment, as applicable, and pursuant to which irrigation water service is provided to the Customer by the District.

Water Connection Assembly. The portion of the District Water System beginning at a point where either a saddle or other form of connection is made to the District’s secondary water main pipe and extends to the Water Connection Point where the Individual Water System begins and extends {0144513001894274-1 }

through to include all pipelines, gate valves, and other appurtenances to provide secondary water to the property line of the Premises.

Water Contract. Collectively, a Water Allotment Contract and/or a Water Lease Contract.

Water Interest. Primarily, shares of D&WCCC irrigation water stock, and/or other appropriated and decreed water rights, including (i) rights represented by a certificate of beneficial use, an approved application to appropriate, and an approved application to exchange water; (ii) rights represented by a diligence claim for surface or underground water; (iii) rights represented by a decree entered by a court; (iv) rights represented by a permanent change application approved in connection with the foregoing types of appropriated and decreed rights; and (v) WBWCD and other contract rights to the use of water, as may be approved by the Board in the sole and absolute discretion, on a case-by-case basis.

Water Lease Contract. A water lease contract entered into by and between the District and a Customer, pursuant to which District irrigation water is provided by the District for use by the Customer by lease (“Lease”), and not by allotment.

WBWCD. Weber Basin Water Conservancy District.

SECTION 3 PURPOSE; SERVICE TO BE PROVIDED

3.1. Purpose of this Resolution. This Resolution has been adopted to promote the orderly construction, operation, maintenance, repair, replacement and enlargement of the District Water System, and to establish a uniform set of rules and regulations, contractual in nature, as conditions precedent to the allotment and/or lease of irrigation water and the District providing irrigation water service to Customers, by Water Contract.

3.2. Service Pursuant to Water Contract. The District shall provide retail irrigation water service to Customers who have entered into a Water Contract with the District, subject to the terms of the Water Contract and subject to the rules and regulations forth in this Resolution, as amended from time-to-time.

3.3. District Water Supply. The water to be allotted and delivered by the District hereunder shall be raw, untreated river and underground water to which the District is entitled under its shares of stock in D&WCCC, under contract with WBWCD, under individual or corporate leases, and/or under other appropriated and contract rights of the District. The District’s irrigation water supply is non-potable and is unfit for human consumption. District irrigation water is to be delivered for irrigation use only.

3.4. Service Provided Through the District Water System. Service will be provided through the District Water System developed and/or acquired for this purpose through construction, purchase, lease, contract, rental, donation, gift or condemnation, or any combination of the foregoing, or through any other lawful means available to the District under its express or implied powers.

3.5 Temporary Suspension of Service.

3.5.1 By District Personnel. The District shall have the right, at any time, and by any means, to shut off the water anywhere within its District Water System for the purpose of making any repairs and/or extensions to the District Water System, or for other temporary purposes, and no liability, claim or cause of action shall be made against the District by reason of any breakage, or for any damages that may result from the temporary shutting down of any portion of the District Water System for repair and maintenance purposes, or by reason of the stoppage of water or interruption of water service due to the scarcity of water, damage to any water work or facility of the District, or any emergency other cause beyond the reasonable control of the District. Reasonable notification shall be given but not required to be given in an emergency situation.

3.5.2 By Request of Customer. A Customer may request, in writing or by other electronic communication, that the District temporarily turn off the curb stop of the District Water System so as to enable the Customer to make or cause to be made repairs to the Customer's Individual Water System, or for other temporary purposes. The District shall not have any liability, nor shall the Customer have any claim or bring any cause of action against the District by reason of water service to the Customer being temporarily suspended at the Customer's request pursuant to this section. The Customer shall notify the District when the repairs are completed; whereupon, the District will restore water service to the Customer. In the event the curb stop serving the Customer also serves any other Customer, the Customer shall be required to make all needed repairs not later than 72 hours following turn off.

3.6 Cross-connection. In order to prevent contamination of a culinary water system, the Customer's Individual Water System shall not be cross-connected, in any way, with a culinary water system serving the Premises. For purposes of these Regulations, "cross-connection" is defined to include any physical connection or arrangement of piping or fixtures which may allow the District's non-potable, irrigation water supply to come into contact with any potable water inside a culinary water system serving the Premises, and shall include, but not be limited to, any temporary conditions such as swing-connections, removable sections, four-way plug valves, spools, dummy sections of pipe, hoses of any kind, swivel or change-over devices, sliding multipoint tubes or any other such plumbing device. Upon discovery of a cross-connection by the District or proof of a cross-connection provided by any of the culinary water providers within the District's boundaries, the cross-connection shall be immediately removed. In the event the Customer does not immediately remove the cross-connection upon notification from the District, the District reserves the right to physically disconnect the cross-connection from the District's Water System and to terminate secondary water service in any manner the District sees fit. Once the District physically disconnects the cross-connection, water service will be restored to the Customer only after the Customer has contacted the District and the District inspects and verifies that means have been established by the Customer to insure that the cross-connection will remain permanently disconnected. Notwithstanding the foregoing, the terms and provisions of Section 6.2.1 shall apply and remain enforceable as against the Customer. Customer may also be subject to criminal prosecution by those in authority where the cross-connection occurs.

3.7 Water Conservation. Water being a precious resource in this arid State, it is the policy of the District to conserve and protect the District's irrigation water supply and promote conservation in the distribution and use of that supply. In conformance with the requirements of Utah Code Ann. 73-10-32, the District has prepared and filed with the Utah Division of Water Resources a water conservation plan (the "Water Conservation Plan"), which is a written document that contains existing and proposed water conservation measures describing what will be done by the District and its Customers to help conserve water and limit or reduce its use in terms of total consumption of the State's water supply. In connection with that plan, the District has established the Watering Rules and Regulations set forth in Section 7 of this Resolution (the "Watering Rules and Regulations"). Customers within the District shall be

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encouraged wherever and whenever possible to voluntarily conserve water to the extent possible, and shall be required to follow ~~District~~the District's Watering Rules and Regulations, as amended from time-to-time, and other recommendations pertaining to outdoor use of water including irrigation systems, plant types and other matters as determined and published by the District from time-to-time, as a condition to use of the District's water supply.

3.8 Wasting of Water Prohibited. It is a violation of these Regulations to waste water, and to allow any appliance, fixture, equipment, sprinkler system, faucets, or other similar water using facility to leak, overflow, run unattended or otherwise be operated in a wasteful manner.

3.9 Emergency Situations. In times of water storage due to drought, system failure or any other natural or man-made conditions or occurrences, the District shall have full authority to declare a water emergency, and to ration or otherwise regulate the distribution and use of water from the District Water System. Such action by the Board may include a moratorium on new water connections until the emergency has been alleviated.

3.10 Tampering; Unauthorized Use of Water. A tampering charge shall be assessed and/or court action may be taken for any unauthorized turn-on, turn-off of District water, theft of District water, or tampering or vandalizing any of the District Water System. The Customer shall further pay and be responsible for any unauthorized use of water at the Premises, if any, during the period of termination. Any violation hereof will be prosecuted under the theft of service statutes of the State of Utah.

SECTION 4 ALLOTMENT AND LEASE OF IRRIGATION WATER AND SERVICE TO INDIVIDUAL CUSTOMERS

4.1. Allotment of District Irrigation Water under Water Allotment Contracts; Payment of Contract Assessments, Fees and Charges.

(a) In conformance with the provisions of Section 1007 of the Act, the District shall allot District irrigation water and provide irrigation water service under Water Allotment Contracts to be entered into by and between the District and its Customers pursuant to a petition for a Water Allotment Contract; and the District's Customers shall receive an allotment of irrigation water for beneficial use on the Premises described in the Water Allotment Contract, subject to the terms, provisions, covenants and conditions of the Water Allotment Contract and these Regulations as they now exist or as they may be established and/or amended from time-to-time in the future. Allotments issued under Water Allotment Contracts shall be designated by the District as Residential Allotments, Commercial Allotments or Institutional Allotments as defined herein, as determined by the District in its sole discretion, using the District's standard form contracts therefor as applicable, which forms may be modified on a case-by-case basis as determined to be necessary by the District. For the allotment of irrigation water granted to a Customer, the Customer shall annually pay to the District the full amount of the Contract Assessments levied by the Board against the Premises in conformance with the terms of the Water Allotment Contract, and shall also timely pay all property taxes and such other fees and charges as shall be imposed from time-to-time by the Board as a condition to the delivery and use of District irrigation water, in conformance with these Regulations.

(b) Holders of Commercial Water Allotment Contracts and Institutional Allotment Contracts may, upon the contract holder's written request, be amended and restated so as to reduce the allotment of water contracted for, using the District's standard amended and restated contract forms, as

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applicable, which forms may be modified on a case-by-case basis as determined to be necessary by the District. The allotment may be reduced to that amount, quantified in acre-feet, which is sufficient for the irrigation of the actual acreage being irrigated on the land parcel described in the contract holder's existing Water Allotment Contract at the time of the contract holder's request. The annual assessment due and owing under the applicable amended and restated contract shall be levied against the reduced acreage; however, the perpetual assessment lien held by the District shall remain attached to the entire land parcel described in the existing contract, in conformance with these Regulations. All other terms and conditions of the amended and restated contract shall be the same as the existing contract. The difference in the quantity of water contracted for under the existing contract and the amended and restated contract (the "Released Water"), shall no longer be reserved for the contract holder but shall be forfeited by the contract holder back to the District for its use, and the contract holder shall have no further claim to or interest in the Released Water. Upon approval by the Board, the applicable amended and restated contract shall replace and supersede the existing contract in its entirety, and the amended and restated contract shall be recorded by the District and notice of the same shall be given to Weber County.

4.2. Lease of District Shares to D&WCCC; Placement into Rental Pool.

(a) Lease of Shares Back to D&WCCC. The District, pursuant to written agreement, may lease such shares of its stock as it may determine back to D&WCCC, thereby enabling D&WCCC to utilize water under the District's shares for D&WCCC purposes. The shares may be leased for such period of time and upon such terms and conditions as the District and D&WCCC may agree.

(b) Placement of Shares into the D&WCCC Rental Pool. In any given year, the District may, in accordance with D&WCCC regulations and policy, place into the D&WCCC rental pool such shares of stock as the District may determine.

4.3. Lease of District Shares to WBWCD. The District, pursuant to written agreement, may lease such shares of its stock as it may determine to WBWCD, thereby enabling WBWCD to utilize water under the District's shares for WBWCD purposes. The shares may be leased for such period of time and upon such terms and conditions as the District and WBWCD may agree.

4.4. Lease of Irrigation Water under Water Lease Contracts. In conformance with the provisions of Section 1004(d) of the Act, the District may lease irrigation water and provide irrigation water service under Water Lease Contracts to be entered into by and between the District and its Customers, as approved by the Board, using the District's standard Water Lease Agreement form, which form may be modified on a case-by-case basis as determined to be necessary by the District. The District's lease Customers shall receive delivery of irrigation water for beneficial use on the Premises described in the Water Lease Contract, subject to the terms, provisions, covenants and conditions of the Water Lease Contract and these Regulations as they now exist or as they may be established and/or amended from time-to-time in the future. For the lease of irrigation water provided to a Customer, the Customer shall annually pay to the District such fees and charges as shall be fixed by the Board and paid by the Customer in conformance with the terms of the Water Lease Contract, and shall also timely pay such other fees and charges as shall be imposed from time-to-time by the Board as a condition to the delivery and use of District irrigation water.

4.5. Other Water Agreements. Notwithstanding the foregoing, other water agreements may be drawn and executed by and between the District and land owners within the District, on a case-by-case basis, as authorized by the Board, upon the advice and approval of the District's legal counsel.

**SECTION 5
APPLICATIONS FOR WATER SERVICE**

5.1 Applications for Water Service to New Properties. Water service to any New Property shall be provided subject to and in compliance with the following:

5.1.1 Execution of a Water Contract. Before providing water service to any New Property to be served, an Applicant for water service to any New Property shall, subject to the provisions of Section 5.1.3, be required to duly execute and submit a Petition for a Water Allotment Contract, in the form attached as EXHIBIT "A" hereto, in conformance with the requirements and procedures set forth in Section 17B-2a-1007 of the Act and this Section.

5.1.2 Annexation Required as a Condition to Service. As a condition to approval of any Water Allotment Contract, the Board hereby confirms its policy that the property to be served shall first be annexed into the legal boundaries of the District. All annexations shall proceed in conformance with and subject to the requirements of Section 17B-1-401 of the Act. Petitions for annexation into the District shall be considered by the Board in conformance with the following:

(a) Pre-annexation Conference. Prior to filing any petition for annexation to the District, the Applicant shall arrange a conference with the District Manager and staff to review the details of the proposed new service, including the legal description of the property proposed for annexation, the potentially irrigable areas within the property to be served, the internal irrigation water distribution system proposed to be constructed within the property to be served, required easements and rights of way, Water Interest dedication requirements, if any, and any other relevant information requested by the District at the conference. The Applicant shall be obligated to provide, in writing, such specific details concerning the proposed new service as discussed at the conference or otherwise as directed by the District Manager.

(b) Reimbursement of Costs; Annexation Deposit. All costs and expenses incurred by the District in reviewing and processing the annexation petition and all matters related to the annexation of the property to be served shall be reimbursed by the Applicant as billed by the District. Payment in full of all such costs and expenses shall be a condition precedent to approval of the annexation petition. As a further condition to approval, the Applicant, at the sole discretion of the District Manager, may be required to deposit funds with the District, in such amount as shall be determined by the District Manager to adequately compensate the District for the cost of consulting engineering, legal, hydrological, accounting and other professional services incurred by the District in reviewing and processing the annexation petition and all related matters.

5.1.3 Service to Properties Situated Outside the District's Boundaries. Notwithstanding the provisions of Section 5.1.2., the Board may, in its sole discretion and on a limited, case-by-case basis, provide water service to property situated outside the legal boundaries of the District ("Outlying Property"). The District may provide water service to any Outlying Property, at the request of an Applicant who is the owner of an Outlying Property, pursuant to a written Water Lease Contract, in the form attached as EXHIBIT "B" hereto, in accordance with and pursuant to such terms and conditions as the District may therein impose and subject to these Regulations. All uses of water pursuant to a Water Lease Contract shall be metered in conformance with the requirements of Section 8 herein.

5.1.4 System Connection Requirements. No connection to the District Water System shall be made except in compliance with the following:

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(a) Each Applicant shall be required to pay such fees and charges in such amounts as may be imposed by the Board from time-to-time, if any, which shall be used by the District to pay actual out-of-pocket costs and expenses incurred by it relative to any new connection, including, but not limited to its inspection of the Individual Water System constructed and installed by the Applicant's contractor.

(b) No water connection of any size shall be made to the District Water System unless and until a diagram and plan for the connection have been approved by the District and any fees due and owing with respect to the new connection have been paid pursuant to the provisions of Section 6.2.4 below.

(c) The Water Connection Assembly shall be acquired, constructed and installed by the Applicant's contractor, at the Applicant's sole cost and expense, in strict conformance with and subject to the District's standards, specifications and requirements therefor as may be modified from time-to-time.

(d) New service connections to the District Water System and repairs to an existing Water Connection Assembly and/or Water Service Lateral shall be excavated, constructed and installed only by contractors qualified and authorized to proceed under the provisions of Section 5.2.4(f) below. No water shall pass through the Water Connection Assembly to a Premises unless and until the District has inspected and approved the respective connection. Upon the District's inspection and approval thereof, and its written receipt of any applicable fees and charges, the District shall turn irrigation water on to the Customer's Premises subject to all other applicable requirements of these Regulations.

(e) All Water Connection Assemblies and the acquisition, construction, installation and connection of the same with the District Water System of the District, and any other improvements required to be constructed and installed in order to provide irrigation water service to any New Property or Outlying Property which are to be conveyed to and accepted, owned, and maintained and repaired by the District as a part of the District Water System as required by the District, and all other aspects of the Individual Water System shall be designed, constructed and installed in strict compliance with all District standards and specifications and these Regulations, as amended from time-to-time, and shall be subject to inspection and approval by the District as a condition to water service.

(f) No individual or entity intending to perform the construction work of connecting a Water Service Lateral to the District Water System, or to repair an existing Water Connection Assembly and/or Water Service Lateral connected to the District Water System ("Contractor"), may commence such work without first making application to the District and qualifying in conformance with the following:

(1) To qualify, every Contractor shall submit an application to the District (the "Contractor Application").

(2) The Contractor Application shall be completed on a form supplied by the District which includes the name of the Contractor, the Contractor's business name, contractor license number, insurance company, principal owner or supervisor of the work, and the name and telephone number of every person supervising a crew which will be qualified to work for the Contractor within the District. The Contractor Application shall include a written statement signed by the Contractor

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wherein the Contractor affirms that he has read, understands and will comply with all applicable District rules, regulations, plans, standards and specifications regarding the installation and repair of a Water Connection Assembly and/or Water Service Lateral.

(3) The Contractor Application shall be accompanied by a License and Permit Bond in favor of the District in an amount of not less than \$5,000.00 to assure that the Contractor will comply with these Regulations and the construction and installation plans, standards and specifications of the District. The License and Permit Bond may consist of a cash bond, a deposit of funds in escrow in an amount determined by the District, or a corporate surety bond by a qualified insurer licensed to do business in the State of Utah.

(4) The Contractor shall, as part of the Contractor Application: (i) provide to the District for approval a diagram of and plan for the proposed Water Connection Point; (ii) if necessary, secure a permit from Roy City, Hooper City, or West Haven City, Utah to cut the road and excavate in the roadway and agree to maintain strict compliance with each city's standards for excavation and restoration of the road; (iii) provide to the District a current certificate of liability insurance demonstrating that the contractor who will perform the work has in force a comprehensive liability policy with limits of not less than \$1,000,000.00 per occurrence and \$1,000,000.00 per individual for payment of loss; (iv) provide a current certificate of workmen's compensation and employer's liability insurance or a Utah State approved workmen's compensation insurance waiver; and (v) notify the respective city's dispatcher in the event of any road closing so as to facilitate rerouting of emergency vehicles.

(5) If the Contractor furnishes the required bond and is not subject to contractor license or other known non-compliance or workmanship complaints and demonstrates satisfactory knowledge of the procedures necessary to complete the work in a professional manner, the District may find that the Contractor is qualified to perform the work as required by this Section and he may commence the same.

5.2 Application of Water Service and Water Contract for Unconnected Lot. Before providing water service to any Unconnected Lot to be served, an Applicant for water service to any Unconnected Lot shall, subject to the provisions of Sections 5.1.3 and 5.1.4, be required to duly execute and submit a Petition for a Water Allotment Contract, in the form attached as EXHIBIT "A" hereto, in conformance with the requirements and procedures set forth in Section 17B-2a-1007 of the Act and this Section.

5.3 Dedication of Water Interests.

5.3.1 Water Interest Defined. For the purpose of these Regulations, "Water Interest" is defined to mean:

- (a) shares of D&WCCC irrigation water stock (preferred),
- (b) shares of Hooper Irrigation Company stock,
- (c) shares of Wilson Irrigation Company stock, and/or

(d) appropriated and decreed water rights, including (i) rights represented by a certificate of beneficial use, an approved application to appropriate, and an approved application to exchange water; (ii) rights represented by a diligence claim for surface or underground water; (iii) rights

represented by a decree entered by a court; (iv) rights represented by a permanent change application approved in connection with the foregoing types of appropriated and decreed rights; and (v) WBWCD and other contract rights to the use of water, as may be approved by the Board in its sole and absolute discretion, on a case-by-case basis.

5.3.2 Exaction of Water Interests. As a condition to approval of a water service petition for any New Property under a Water Allotment Contract which: (i) is comprised of vacant land within the legal boundaries of the District, and (ii) as to which there is no prior allotment of District irrigation water currently of record, or to any Outlying Property under a Water Lease Contract (collectively, "Exaction Property"), the Applicant shall be required to dedicate and convey to the District a Water Interest in an amount sufficient to satisfy the calculated proportional, secondary irrigation water requirements of the Exaction Property as provided in this Section.

(a) Calculation of Water Interest Required. The Water Interest required to be dedicated and conveyed to the District shall be determined and calculated using a Contract Assessment Schedule to be promulgated from time-to-time by the Board, and in conformance with the following:

(1) Water Interests Represented by D&WCCC Shares of Stock. Water Interests represented by shares of D&WCCC stock shall be calculated at the standard minimum D&WCCC allocation of 6.0 acre-feet of water per share, as follows:

(A) Commercial Allotment. The number of shares to be dedicated and conveyed to the District for an Exaction Property to be developed for use under a Commercial Allotment shall be determined by: (i) calculating the total number of potentially irrigable square footage within said property, (ii) applying the applicable referenced acre-foot requirement to the total irrigable square footage, as set forth in the Water Exaction Schedule attached as EXHIBIT "C" hereto, (iii) dividing the acre-foot requirement by 6.0, and (iv) rounding up to the nearest half share of D&WCCC stock.

(B) Institutional Allotment. The number of shares to be dedicated and conveyed to the District for an Exaction Property to be developed for use under an Institutional Allotment shall be determined by: (i) calculating the total number of potentially irrigable square footage within said property, (ii) applying the applicable referenced acre-foot requirement to the total irrigable square footage, as set forth in the Water Exaction Schedule attached as Exhibit "C" hereto, (iii) dividing the acre-foot requirement by 6.0, and (iv) rounding up to the nearest half share of D&WCCC stock.

(C) Residential Allotment. The number of shares to be dedicated and conveyed to the District for an Exaction Property to be developed for use under a Residential Allotment shall be determined by: (i) applying the applicable acre-foot requirement to the gross square footage of each individual lot with the Residential Development Project, as set forth in the Water Exaction Schedule attached as Exhibit "C" hereto, (ii) summing the acre-foot requirements of each individual lot, (iii) dividing the acre-foot requirement by 6.0, and (iv) rounding up to the nearest half share of D&WCCC stock.

(2) Other Water Interests. Water Interests represented by other water rights, as approved at the discretion of the Board, shall be calculated based upon the number of acre-feet authorized for irrigation use within the service area of the District. The amount of the water right to be dedicated and conveyed to the District for the Exaction Property shall be determined in accordance with {0144513001894274-1 }

the provisions of this Section.

(b) Approval of Water Interests to be Proposed to be Conveyed. Water Interests proposed by the Applicant to be dedicated and conveyed to the District, must first be reviewed and formally accepted by the District. Prior to acceptance of such Water Interest, the District shall evaluate the Water Interest proposed for conveyance and in its sole and absolute discretion, may either: (i) accept said Water Interest subject to such terms and conditions as the District may impose, or (ii) refuse to accept any such Water Interest which the District determines to be defective with respect to legal title, insufficient with respect to annual quantity or flow rate, unsuitable for District use, or for any other reason as determined by the District. The District's refusal to accept a proposed Water Interest shall not constitute a waiver of, and shall not relieve the Applicant from, its obligation of complying with the requirements of this Section as a condition to approval of the Applicant's petition.

(c) Conveyance of Title.

(1) Title to approved Water Interests represented by shares of D&WCCC stock shall be dedicated and conveyed by endorsement of said shares by the Applicant over to the District and physical delivery of the endorsed certificate(s) to the District, together with a letter executed by D&WCCC that the shares of stock are assignable to the District without restriction or other encumbrance, subject to approval by the District's legal counsel.

(2) Title to approved Water Interests represented by other than shares of D&WCCC shares shall be dedicated and conveyed by such instruments and means of conveyance in form and substance as shall be directed and approved by the District's legal counsel.

(d) Conveyance Free of Encumbrances. All conveyances of Water Interests shall be free and clear of all liens, encumbrances and adverse claims, of whatsoever kind or nature.

(e) Equal Claim to Water Supply. Upon conveyance of title of the Water Interests to the District, the Water Rights represented by the Water Interests shall be commingled with and become a part of the total secondary irrigation water rights of the District, pursuant to which all of its ~~customers~~ Customers, including the Applicant, will be served on an equal priority basis.

5.3.3 Request for the Basis of Calculation. As provided by Utah law, if requested by the Applicant, the District shall provide the basis for the calculation of the Water Interest exacted of the Applicant for the Exaction Property.

5.3.4 Water Contract Approval. The approval of a Water Interest by the District shall not guarantee the District's approval of a petition for a Water Allotment Contract, or any authorized use of District water under a Water Lease Contract, which shall be considered by the Board on its merits.

5.4 Development Agreement. Each Applicant requesting service to a New Property to be served shall be required to enter into a development agreement with the District, in the form attached as EXHIBIT "D" hereto (the "Development Agreement"), which shall set forth the specific requirements and obligations of the Applicant with respect to obtaining irrigation water service from the District for the Applicant's Premises to be served, which requirements may be in addition to the requirements of these Regulations. The execution of a Development Agreement shall be a condition precedent to water service by the District. In the event of any conflict between the terms and provisions of these Regulations and the

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Development Agreement, the terms and provisions of the Development Agreement shall govern and control.

SECTION 6

AD VALOREM TAXES, CONTRACT ASSESSMENTS, SERVICE FEES AND CHARGES

6.1. Levy of Taxes, Contract Assessments; Lease Fees; Other Fees and Charges. The District shall levy property taxes, levy Contract Assessments, impose Lease Fees, and fix and impose other water service fees and charges for the use of District irrigation water for the purpose of generating revenues as necessary for: (i) purchasing, using, leasing or obtaining water and sources of water supply; (ii) operating, repairing, maintaining, replacing, rebuilding or making capital improvements to the District Water System; (iii) establishing and funding a reserve fund to cover major repairs, improvements and replacement of the District Water System; (iv) paying debt service on bonds, notes, contracts and other obligations of the District; (v) administering the District; (vi) paying insurance on the District Water System and the District; (vii) complying with local, state and federal laws, ordinances, statutes and regulations governing the ownership, operation and maintenance of the District Water System; (viii) paying legal and other professional and consulting fees and charges, and (ix) paying and providing for and/or accomplishing all other purposes, items, obligations or services as shall be necessary or desirable to enable the District properly administer the District and provide water service to its Customers in conformance with State law.

6.2. Contract Assessments; Taxes; Lease Fees; Other Fees and Charges.

6.2.1. Contract Assessments.

(a) Levy; Perpetual Lien; Collection. Any allotment of District irrigation water granted pursuant to a Petition and Water Allotment Contract shall be subject to the timely payment of all annual Contract Assessments duly levied by the District in conformance with the provisions of Section 17B-2a-1007 of the Act. The Contract Assessment shall be paid by the Customer, annually, in a lump-sum or in installments as determined by the Board. Upon Board approval of a certified copy of the resolution of the Board levying the Contract Assessment and certification of the same to the Weber County Auditor, the Contract Assessment shall become a perpetual lien on the Premises. The Contract Assessment shall be collected by Weber County in the same manner as taxes levied by Weber County, and payment shall be enforced in conformance with the terms of the Water Allotment Contract.

(b) Take or Pay Contracts. The full Contract Assessment shall be collected from, and any other Service Fees shall be paid by, the Customer in full, when due, without setoff, whether or not the total quantity of water allotted under the Water Allotment Contract is fully utilized by the Customer or is otherwise available from the District as set forth in the Water Allotment Contract and these Regulations.

6.2.2. Property Taxes. Payment by the Customer of the Contract Assessment shall be in addition to, and the Customer shall not be construed to be exempt from paying, any and all real property and other taxes and assessments duly levied by the District pursuant to the authority of Section 17B-2a-1006 of the Act.

6.2.2. Lease Fees.

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(a) Imposition. Any authority for the use of District irrigation water granted pursuant to a Water Lease Contract shall be subject to the timely payment of all Lease Fees duly imposed by the District.

(b) Surcharge Based Upon Non-payment of Property Tax. The amount of the Lease Fees to be paid in connection with a Water Lease Contract shall be established by the Board in such amount as shall account for not only the cost of District irrigation water used at a per-acre foot rate, but shall also take into account the fact that the property of a Customer being served under a Water Lease Contract is not within the boundaries of the District and is, therefore, not paying ad valorem property taxes to the District as are the Customer whose property is situated within the District and is being served under a Water Allotment Contract. Accordingly, the Lease Fees shall be surcharged to account for an amount equivalent to ad valorem property taxes that are not being paid. Lease Fees imposed under the terms of a Water Lease Contract shall be timely paid as a condition to water service.

6.2.3. Other Fees and Charges. The Customer shall also be obligated to pay to the District any connection fees, impact fees and other fees and charges, if any, which may be lawfully imposed from time-to-time by the Board in connection with the use of the District's irrigation water supply.

6.3. Customer Liability for Payment in Connection with Rental Property. Consistent with the provisions of Section 17B-1-904(1)(b) of the Act, the owner of any rented or leased Premises, and not the renter or lessee of said Premises, is deemed to be the Customer for said Premises being served, and shall be responsible to the District for payment of all property taxes, Contract Assessments, and other fees and charges levied and imposed for services to the Premises owned by the Customer, and the Customer and not the tenant or lessee of any rental property owned by the Customer shall be solely obligated to pay all such taxes, Contract Assessments, Lease Fees and other fees and charges as levied and billed by the District.

6.4 Termination of Water Service

6.4.1 Upon Request of a Customer.

(a) Service to the Premises of a Customer may be terminated by the Customer upon request to the District. Upon receipt of said request, service to the Premises shall be terminated and remain terminated unless and until Customer notifies the District, in writing, that service to the Premises is to be reinstated in conformance with the provisions of Section 6.5 hereof. Notwithstanding the foregoing, the terms and provisions of Section 6.2.1 shall apply and remain enforceable as against the Customer.

(b) A Landlord shall not be authorized to utilize District water and the threat to terminate or the termination of water service to any Premises being rented or rental unit within the Premises as a means of enforcing the collection of delinquent rent from the tenant of the Premises or unit being served therein by the District.

6.4.2 For Non-Payment of Service Fees.

(a) In addition to the remedies provided for the non-payment of Contract Assessments under the terms of a Water Allotment Contract, in conformance with the provisions of Section 17B-1-901 and 903 of the Act, in the event of non-payment of any Service Fees imposed by the

District as a condition to water service, the District may initiate proceedings to terminate water service to the delinquent Premises, and the District shall refuse to restore water service unless and until all delinquent Service Fees, together with accrued interest thereon and a resumption of service fee, if required, have been paid in full.

(b) Prior to terminating water service to the Premises, the District shall provide written notice of the delinquency to the Customer, pursuant to which the Customer shall be given an opportunity to cure the default. The Customer may request a hearing of the Board regarding any such delinquency, and petition for the resumption of services without payment of any resumption of service charges due and owing as a result of the delinquency. In the event a delinquency is not cured within the period provided for in the notice, the District shall terminate water service to the Premises. The Customer shall be required to pay a resumption of service fee as a condition to the resumption of water service to the Premises.

6.4.3 For Using More Than the Contractually Allotted Amount. In the event a District customer, who is connected through a meter, uses more water than authorized under said Customer's Water Allotment Contract and/or Water Lease Contract, or such reduced amount as established by the Board through a duly established drought declaration as provided for in Section 7 herein, water service to said Customer shall be terminated in conformance with the provisions of the Watering Rules and Regulations, as amended from time-to-time.

6.5 Reinstatement of Service. Service to a Premises in which water service has been terminated pursuant to Section 6.3 above shall only be reinstated by duly authorized District personnel. Turning on water that has been turned off by order of the District by anyone other than authorized District personnel is strictly prohibited, subject to Section 3.10.

6.6 Collection of Delinquent Service Fees.

6.6.1 The terms and provisions of this Section 6.6 are set forth pursuant to and are in conformance with the terms and provisions of Section 17B-1-901 *et seq.* of the Act.

6.6.2 As used in this Section 6.6:

(a) "Collection Costs" means an amount, not to exceed \$20, to reimburse the District for expenses associated with its efforts to collect past due service fees from a Customer.

(b) "Damages" means an amount equal to the greater of \$100 and triple the past due service fees.

(c) "Default Date" means the date on which payment for Service Fees becomes past due.

(d) "Past Due Service Fees" means Service Fees that on or after the Default Date have not been paid.

(e) "Pre-litigation Damages" means an amount that is equal to the greater of \$50 and triple the past due service fees.

Costs if: 6.6.3 A Customer is liable to a local district for Past Due Service Fees and Collection

- (a) the Customer has not paid Service Fees before the default date;
(b) the District mails the Customer notice as provided in Subsection 6.6.6; and
(c) the Past Due Service Fees remain unpaid 15 days after the District has mailed notice to the Customer as provided herein.

6.6.4 If the Customer has not paid the District the Past Due Service Fees and Collection Costs within 30 days after the District mails notice, the District may make an offer to the Customer that the District will forego filing a civil action under Subsection 6.6.6 if the Customer pays the District an amount that:

- (a) consists of the Past Due Service Fees, Collection Costs, Pre-litigation Damages, and, if District retains an attorney to recover the Past Due Service Fees, a reasonable attorney fee not to exceed \$50; and
(b) if the Customer's Premises is residential, may not exceed \$100.

6.6.5 Each notice under Subsection 6.6.3(b) shall be in writing, be mailed to the Customer by the United States mail, postage prepaid; notify the customerCustomer that if the Past Due Service Fees are not paid within 15 days after the day on which the District mailed notice, the Customer is liable for the Past Due Service Fees and Collection Costs; and the District may file a civil action if the Customer does not pay the Past Due Service Fees and Collection Costs to the District within 30 calendar days from the day on which the District mailed notice.

(a) The notice shall be in substantially the following form:

Date: _____
To: _____
Service address: _____
Account or invoice number(s): _____
Date(s) of service: _____
Amount past due: _____

You are hereby notified that water or sewer service fees (or both) owed by you are in default. In accordance with Section 17B-1-902, Utah Code Annotated, if you do not pay the past due amount within 15 days from the day on which this notice was mailed to you, you are liable for the past due amount together with collection costs of \$20.

You are further notified that if you do not pay the past due amount and the \$20 collection costs within 30 calendar days from the day on which this notice was mailed to you, an appropriate civil legal action may be filed against you for the past due amount, interest, court costs, attorney fees, and damages in an amount equal to the greater of \$100 or triple the

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past due amounts, but the combined total of all these amounts may not exceed \$200 if your property is residential.

(Signed) _____
Roy Water Conservancy District
[Address]
[Telephone number]

(b) Written notice under this Section is conclusively presumed to have been given if the notice is properly deposited in the United States mail, postage prepaid, by certified or registered mail, return receipt requested; and addressed to the ~~customer~~Customer at the Customer's address as it appears in the records of the local district, or last-known address.

6.6.6 The District may file a civil action against the Customer if the Customer fails to pay the Past Due Service Fees and Collection Costs within 30 calendar days from the date on which the District mailed notice as set forth above.

(a) In a civil action, a Customer is liable to the District for an amount that consists of Past Due Service Fees, Collection Costs, interest, court costs, a reasonable attorney fee, and damages; and if the Customer's Premises is residential, may not exceed \$200.

(b) The District may not file a civil action under this Subsection unless the Customer has failed to pay the Past Due Service Fees and Collection Costs within 30 days from the day on which the district mailed notice.

(c) All amounts charged or collected as Pre-litigation Damages or as damages shall be paid to and be the property of the District and may not be retained by any other person. The District may not contract for a person to retain any amounts charged or collected as pre-litigation Damages or as damages.

6.6.7 This section shall not be construed so as to limit the District from obtaining relief to which it may be entitled under a Water Allotment Contract, Water Lease Contract and applicable statutes or causes of action under Utah law.

6.7 Certification of Lien for Delinquencies.

6.7.1 In addition to and notwithstanding the provisions of Section 6.6, pursuant to the provisions of Section 17B-1-902 of the Act, any unpaid Service Fees, including reasonable attorney's fees incurred through collection, that are delinquent as of June 1 of a year shall be certified by the Clerk of the District to the treasurer of Weber County; whereupon, the amount of delinquent Service Fees, together with accrued interest and penalties thereon, and attorney's fees, shall immediately upon certification become a lien on the delinquent Premises on a parity with and collectible at the same time and in the same manner as general property taxes are a lien on the Premises and are collectible. All methods of enforcement available for the collection of general county property taxes, including sale of the Premises, shall be available for the collection of delinquent Service Fees.

6.7.2 Unless a valid lien has been established as provided in Section 6.7.1, has not been satisfied, and has not been terminated by a sale as provided in Section 17B-1-902(2), the District may not:

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(a) use a Customer's failure to pay for irrigation water provided to the Customer's Premises as a basis for not furnishing water to the Premises after ownership of the Premises is transferred to a subsequent owner; or

(b) require an owner to pay for water that was furnished to the Premises before the owner's ownership.

6.8 Other Remedies Available. The aforesaid remedies set forth in this Section 6 shall be in addition to, and not in lieu of, any and all other remedies legally available to the District, at law or in equity, for the collection of delinquent Service Fees.

SECTION 7 WATERING RULES AND REGULATIONS

7.1 Wasteful Irrigation Practices are Prohibited.

7.1.1 Watering Policy. It is the policy of the District to conserve and protect the District's irrigation water supply. Irrigation practices, such as watering multiple times in a given day; (except for a genuine cycle and soak process as programmed into a sprinkler controller), watering on consecutive days, allowing water to run waste down the gutter, and the failure to promptly repair leaking water lines and sprinkler heads, which result in the waste of the District's irrigation water supply are prohibited. The District's irrigation water supply shall not be used for washing or spraying down any hard surfaces including, but not limited to, asphalt, concrete, sidewalk, curb and gutter, or driveways.

7.1.2 Uniform Watering Hours. The water supply of the District shall only be authorized for use in any water year for irrigation purposes during the authorized irrigation season, as determined from year to year by the Board, on any residential, commercial or agricultural land, during the evening, night and morning hours, each day, beginning at 6:00 p.m. and ending at 10:00 a.m. the following day.

7.1.3 Limitations and Restrictions. The Board shall each year establish regulations, including limitations and restrictions governing the delivery and use of the District's water supply which are determined by the Board to be necessary and appropriate for the drought intensity as determined by the Board for that year, consistent with the authority of this Resolution.

7.1.4 Drought Declaration; Regulations. The existence and extent of drought conditions will vary from year to year and may even vary during a given irrigation season. As such, each year, or at any time during a given year, the Board shall ascertain whether and to what extent a drought condition exists within its service area. If a drought condition is determined to exist, the Board shall, in its sole discretion, make a drought declaration, designating and declaring the intensity of the drought utilizing as a guide the U.S. Drought Monitoring Report published by the State of Utah (the "Drought Report"), at:

<https://droughtmonitor.unl.edu/CurrentMap/StateDroughtMonitor.aspx?UT>

The intensity of drought conditions defined in the Drought Report include: abnormally dry, moderate drought, severe drought, extreme drought and exceptional drought. The Board, in its sole discretion, may by resolution make a drought declaration, establishing, among other things, a shortage of water by percentage, based on such conditions as may be deemed relevant by the Board in consideration of the Drought Report and other factors. In its drought declaration, the Board may make such rules and

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regulations and establish such limitations and restrictions which may be in addition to and/or in substitution for the limitations and restrictions otherwise imposed by the Board pursuant to this Section, which rules, regulations, limitations and restrictions shall govern during such period as established by the Board in the drought declaration.

7.2. Enforcement Proceedings.

~~7.2.1~~ 7.2.1 Publication of Water User Regulations, Limitations and Restrictions. Water use regulations, limitations and restrictions, including such as shall be set forth in a drought declaration in any given year, shall be published each year by the District and made available to all contract holders, Customers and other users of District water on the District's website at www.roywater.com.

7.2.2 Enforcement Authority. The General Manager of the District is hereby vested with the authority to enforce the watering regulations and rules of enforcement set forth herein, including such rules, regulations, restrictions and limitations as may be imposed by the Board in connection with a drought declaration, either through the use of District personnel, by contract or otherwise.

~~7.2.2 Rules of 3~~ Enforcement Proceedings. Any Water Allotment Contract holder, Water Lease Contract holder, Customer, or other user of the District-District's water supply who is discovered or reported to be utilizing the District's water supply in violation of the watering regulations set forth in this Section 7 hereof (each, a "Violator"), shall, upon confirmation of the violation by District personnel, be subject to the following ~~rules~~ enforcement proceedings:

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(a) ~~FIRST OFFENSE:~~ For WATER EDUCATION NOTICE: Upon initial discovery of a first offense violation, the Violator ~~shall~~ will be notified in person, by door hanger, by phone, or by mail, of the reported violation, and ~~shall~~ educational materials will be shared with the Violator, and the Violator shall be given a period of 24 to 48 hours to correct the violation and conform with the regulations imposed by the Board for that year. The Violator shall further be instructed to thereafter conform with the District's ~~uniform~~ watering regulations; ~~or be subject to further enforcement proceedings.~~ This will be considered an educational opportunity, and no other action will be taken if the Violator remains in compliance with the regulations.

~~(b)~~ (b) FIRST OFFENSE: For a first offense in the same water year after a water education notice, the Violator shall be notified in person, by door hanger, by phone, or by mail, of the reported violation, and shall be instructed to thereafter conform with the District's watering regulations ~~or be subject to further enforcement proceedings.~~

(c) SECOND OFFENSE: For a second offense in the same water year, the Violator shall be served with a formal written citation and be required to pay a fine ~~in an amount established from time to time by the Board of \$250.00.~~ The fine shall be due and payable as indicated in the Citation. Failure to pay the fine when due shall result in the termination of the Violator's water service until the fine is paid in full. In the event of termination of water service, a reconnection fee ~~in an amount determined from time to time by the Board of \$500.00~~ shall also be paid as a condition to restoration of water service by the District.

(d) THIRD OFFENSE: In the event of a third offense in the same water year, the Violator's water service shall be terminated for the balance of the water year. A ~~double~~ reconnection fee of \$1,000.00 (the "Reconnection Fee") shall be paid by the Violator to the District as a condition to

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restoration of water service for the following water year. ~~Written notice shall be given to the Violator by the District.~~ The District in its sole discretion may require, as a condition to reconnection and service the following year, that a water meter be installed through which all District water delivered through the connection shall be measured and accounted for. As determined by the Board, on a case-by-case basis, the money paid for the Reconnection Fee may be used by the District to pay for the acquisition and installation of the water meter; otherwise, all costs associated with the acquisition and installation of the meter shall be paid by the Violator in addition to the Reconnection Fee, as a condition to restoration of water service. Written notice shall be provided by the District to the Violator confirming the termination of the Violator's water service, the conditions for restoration of service, and of the Violator's right of appeal thereof to the Board. Restoration of the Violator's water service and the terms and conditions thereof, shall be determined by the Board in its sole discretion, consistent with the provisions of Section 7.

(e) REPEAT VIOLATORS YEAR-TO-YEAR: Enforcement proceedings for Violators who are continually reported for violations from water year to water year will commence with the First Offense.

7.3. Full Payment ~~Due of Assessments Notwithstanding a Violation Termination.~~

Notwithstanding any termination of service, the Violator's full ~~Contract Assessment~~ annual assessment and ~~or Lease Fee special assessments~~ shall remain payable in full and be collected by the County, in the event of a contract assessment, or otherwise by the District in conformance with the terms of the Violator's contract with the District.

7.4. Exceptions; Exception Permits. ~~Use of water by a Customer~~ Exceptions may be considered and granted to a Water Allotment Contract holder, Water Lease Contract holder, Customer or other user of District water for water usage that would otherwise be a Violation of the Water Regulations set forth in Section 7.1 hereof (each, an "Exception"), may be considered in conformance with the following:

7.4.1 ~~Exceptions~~ The granting of an Exception shall only be considered on a case-by-case basis, in connection with the following uses: (i) irrigation of newly planted lawn, and (ii) agricultural irrigation. ~~The "top-seeding" or "over-seeding" of an already established lawn will not qualify for an Exception.~~ No other exceptions will be considered by the District.

7.4.2 To qualify for an Exception, the ~~contract holder, Customer or other user~~ shall submit a written application to the District setting forth the ~~contract holder's, Customer's or other user's~~ name, address, home telephone and cell phone numbers, and email address, stating the place of use of the District's water, the purpose for which the Exception is requested, and the period of time during which the Exception is required. The District's General Manager will review and consider the Exception request and approve or deny the same in his sole discretion. If the Exception is approved, a written permit ("Exception Permit"), will be issued to the ~~contract holder, Customer or other user~~ setting forth the terms, conditions and date of expiration of the Exception. If the Exception is denied by the General Manager, the ~~Customer denial may appeal the decision~~ be appealed to the Board, whose decision shall be final. ~~It is anticipated that Exception Permits will not be issued during times of sever, extreme, or exceptional drought.~~

7.4.3 Upon expiration of the Exception Permit, the water regulations set forth in this Section shall thereafter apply and be enforced in accordance herewith.

**SECTION 8
METERING OF WATER DELIVERIES**

8.1. Metered Use Required. All uses of water from the District Water System under a Water Allotment Contract or a Water Lease Contract, executed after August 14, 2013, or as otherwise adopted by the Board, shall be metered in conformance with the requirements of this Section 8.

8.1.1 Unauthorized Use Prohibited. Anyone using water through an unmetered connection installed after the effective date hereof, and does not have a Water Contract, without the express prior authorization of the District, shall be prosecuted under the theft of services statutes of the State of Utah, subject to the provisions of Section 3.10.

8.1.2 One Premise Per Meter. Not more than one Premises shall be connected to any one meter; however, multiple dwelling units within the Premises may be served by a single metered connection, subject to the prior, written approval of the District as determined, in its sole discretion, on a case-by-case basis.

8.1.3 Meter Inspection and Reading. Customers connected by a meter shall not obstruct in any way the ability of authorized District personnel to gain access to water meters for periodic inspection, reading and maintenance. The cost of removing any physical obstructions may be charged to the Customer as a special water service fee and be enforceable and collectible in conformance with the provisions of Section 6 herein. Meters shall be read at intervals as shall be determined by the Board. By connecting to the District Water System, and agreeing to receive service from the District, a Customer shall be deemed to have consented to granting access to the Customer's Premises by meter readers for the purpose of reading water meters. In the event water meters were installed without a remote readout device, the Customer and/or occupant of the Premises shall be required to permit access to the water meter reader for meter reading purposes during normal business hours, and as an express condition to continued water service.

8.1.4 Meter Error. In the event that a meter malfunctions and a reliable reading is not possible, readings shall be estimated by comparing the past known water usage through the malfunctioning water meter to that of adjoining or similar properties where the past and current month's use is known, or, by reference to the past water usage through the malfunctioning water meter during a corresponding time of the year. Where such data is unavailable, then estimates shall be made by comparing the past known water usage of similar or adjoining properties and averaging the same.

8.1.5 Meter Testing. If a Customer contests the accuracy of his water meter, which when removed and tested proves to be accurately calibrated or under-reading, any costs incurred by the District in the removal, replacing, testing and recalibrating of a meter shall be charged to a Customer on the Customer's next water Service Fee as a special water service fee and be enforceable and collectible in conformance with the provisions of Section 6 herein. If the water meter is over-reading, there will be no charge for the repair to the meter, and appropriate adjustments will be made. Adjustments shall not be made for any period greater than three months. Meter errors of three percent (3%) or less shall be deemed to be accurate readings, warranting no adjustments. If, upon a second meter reading (as requested by the Customer) within a six (6) month period for the purpose of determining meter error, and the meter is found to be accurately calibrated, a rereading charge shall be included in the next Service Fee to

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Customer as a special water service fee and be enforceable and collectible in conformance with the provisions of Section 6 herein. These charges shall be as set forth by a separate rate resolution adopted by the Board of the District.

8.1.6 Meter Tampering. It shall be a violation of these Regulations to tamper with or bypass any water meter for the purpose of causing it to produce inaccurate readings or for bypassing the meter so as to obtain unmetered water. Willful consumption of water through a water meter known to be damaged, bypassed or tampered with, shall constitute a theft of service and shall be subject to Section 3.10.

SECTION 9 TITLE TO WATER SYSTEMS

9.1 Title to District Water System. The District shall hold title to the District Water System and shall operate, maintain, repair and replace the same, at its expense, in perpetuity. The District shall own and maintain the Water Meter Assembly regardless of whether the same were installed at the property line or otherwise within the Premises of the Customer.

9.2 Title to Individual Water Systems.

9.2.1 Ownership, Operation and Maintenance. Each individual Customer shall own and shall bear the sole and separate responsibility for operation, maintenance, repair and replacement of the Customer's Individual Water System. The District shall not accept nor bear any responsibility for any leaks, or damages caused by leakage, within the Individual Water System. The Customer shall be required, at the Customer's sole expense, to immediately repair any leaks within the Customer's Individual Water System.

9.2.2 District Access for Emergency Repairs and Maintenance. The District may, without incurring any liability whatsoever, make emergency repairs to a Customer's Individual Water System in order to mitigate damage, prevent waste of water, and to prevent contamination of the District's water supply; and any such repairs by the District shall be at the Customer's sole expense and shall be billed to the Customer by the District. The Customer shall pay any such bill within 30 days of its date. Any such charge shall be considered a special fee for water service, the payment of which shall be enforceable and collectible in conformance with the provisions of Section 6 herein. The Customer, by accepting water service from the District, grants a license to the District to enter upon the Premises of the Customer solely for the purpose of making said emergency repairs.

SECTION 10 MISCELLANEOUS

10.1 Compliance with Applicable Laws and Regulations. The District shall comply with all applicable local, state and federal laws, ordinances, statutes and regulations which now or may hereafter govern the ownership, operation, maintenance, repair and replacement of the District Water System, water rights and sources of water supply, and shall adopt resolutions imposing such additional rules and regulations as shall be necessary to fully implement and comply with the same.

10.2 Amendments to These Regulations. These Regulations may be changed and amended from time to time by appropriate action of the Board. No exceptions to these Regulations will be permitted without the prior written approval of the Board of District.

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10.3 Savings Clause. If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid by a court of law, such determination shall not affect the validity of the remaining portions of this resolution, which shall remain binding and enforceable against the Customers of the District.

10.4 Captions. The section and paragraph headings contained in this Resolution are for the purposes of reference only and shall not limit, expand or otherwise affect the construction of any provisions hereof.

10.5 Construction. As used herein, all words in any gender shall be deemed to include the masculine, feminine, or neuter gender, all singular words shall include the plural, and all plural words shall include the singular, as the context may require.

10.6 Enforcement. In addition to termination of water service and other remedies provided by law and in equity, the District shall be entitled to file an action to force compliance with these rules and regulations by injunctive and other appropriate relief.

10.7 Effective Date. This resolution shall be in full force and effect from and after the date of passage and adoption hereof.

PASSED AND ADOPTED this ~~12th~~ 14th day of ~~December, 2018~~ July, 2021.

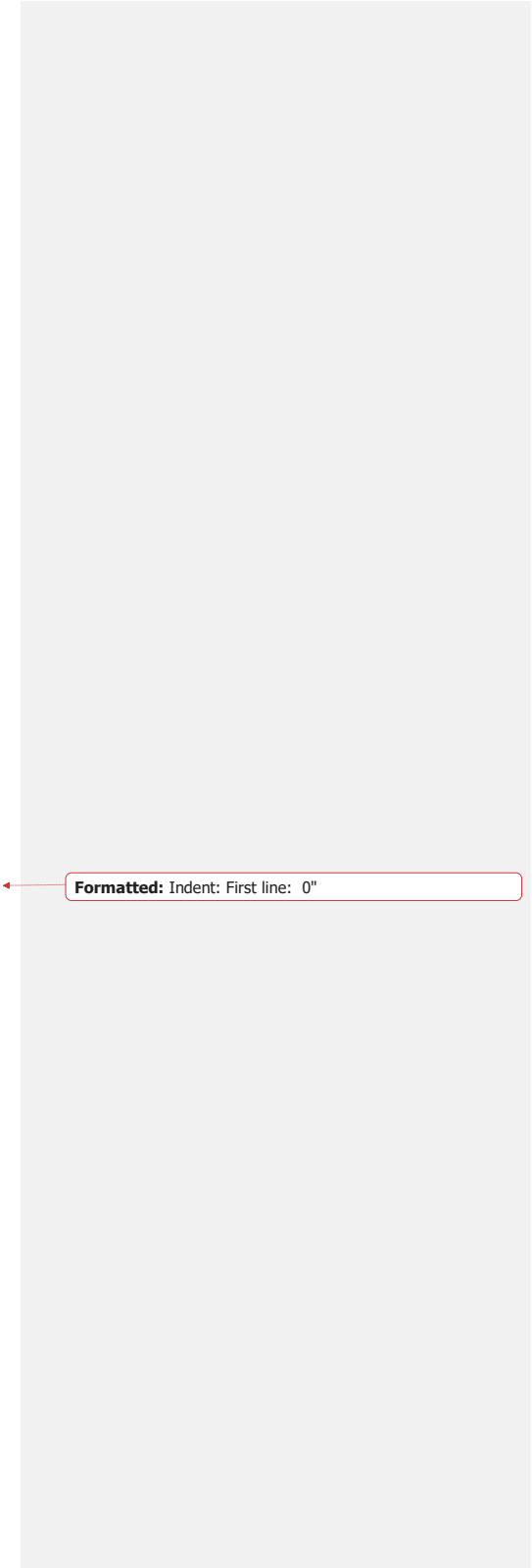
ROY WATER CONSERVANCY DISTRICT

By: _____
Chair, Board of Trustees

ATTEST:

By: _____
District Clerk

seal



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EXHIBIT "A"
FORM OF
PETITION FOR A WATER ALLOTMENT CONTRACT

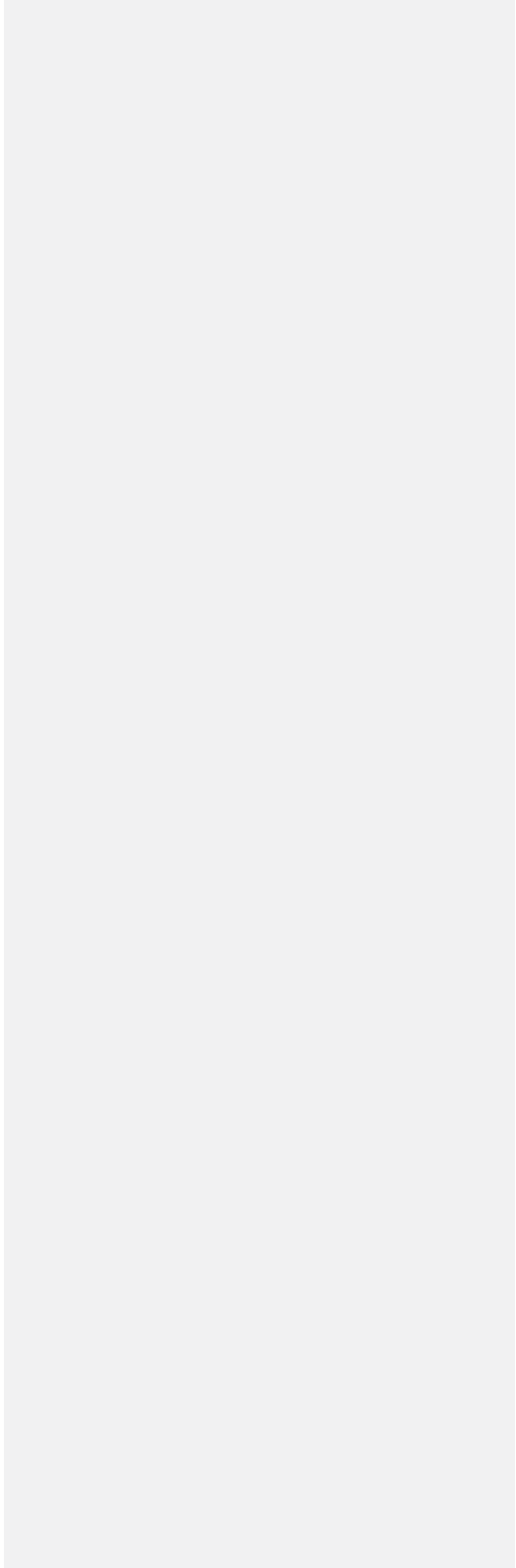


EXHIBIT "B"
FORM OF
WATER LEASE CONTRACT

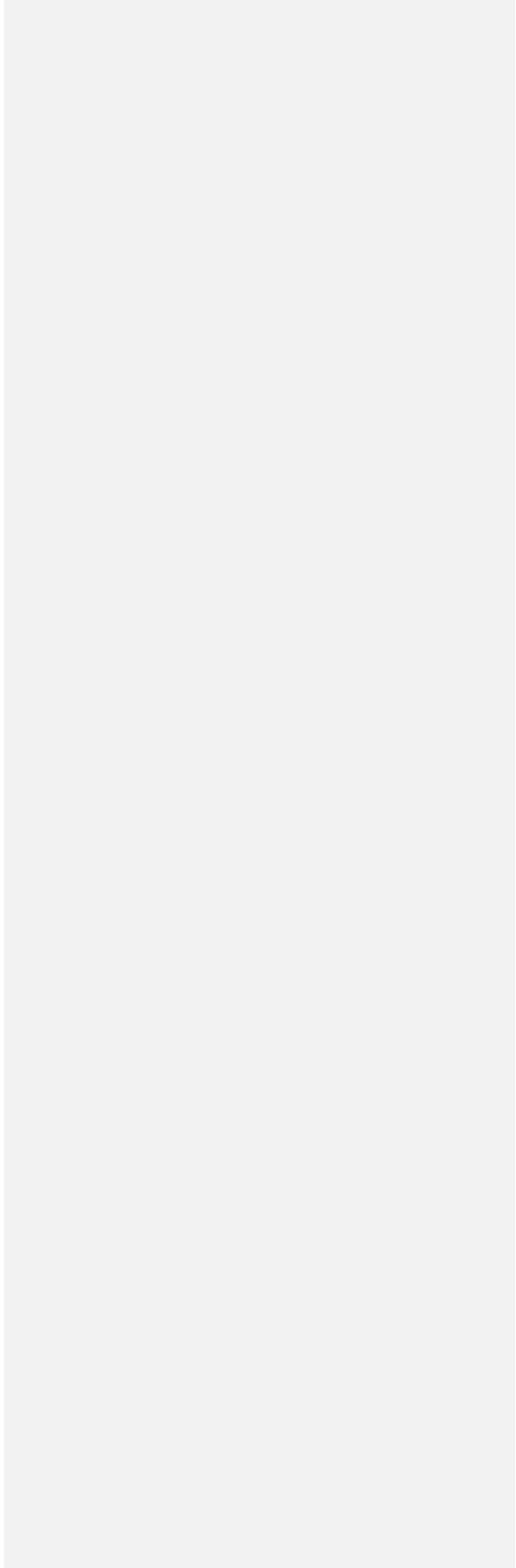


EXHIBIT "C"
CONTRACT ASSESSMENT/WATER EXACTION SCHEDULE

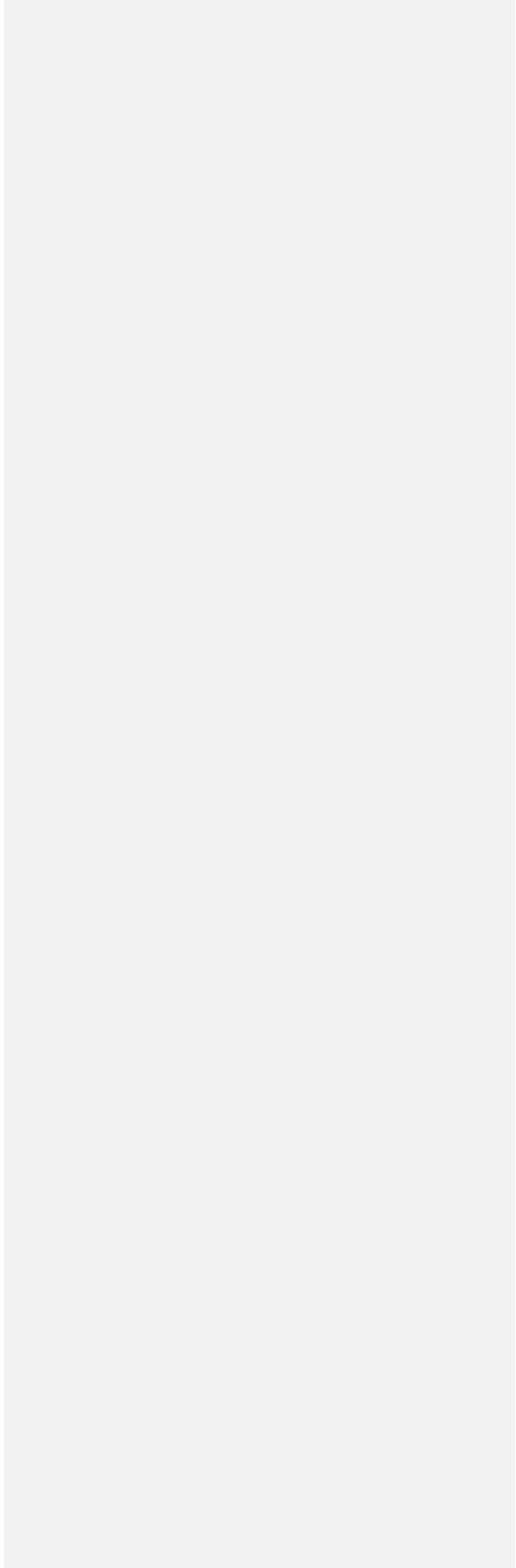


EXHIBIT "D"
FORM OF DEVELOPMENT AGREEMENT

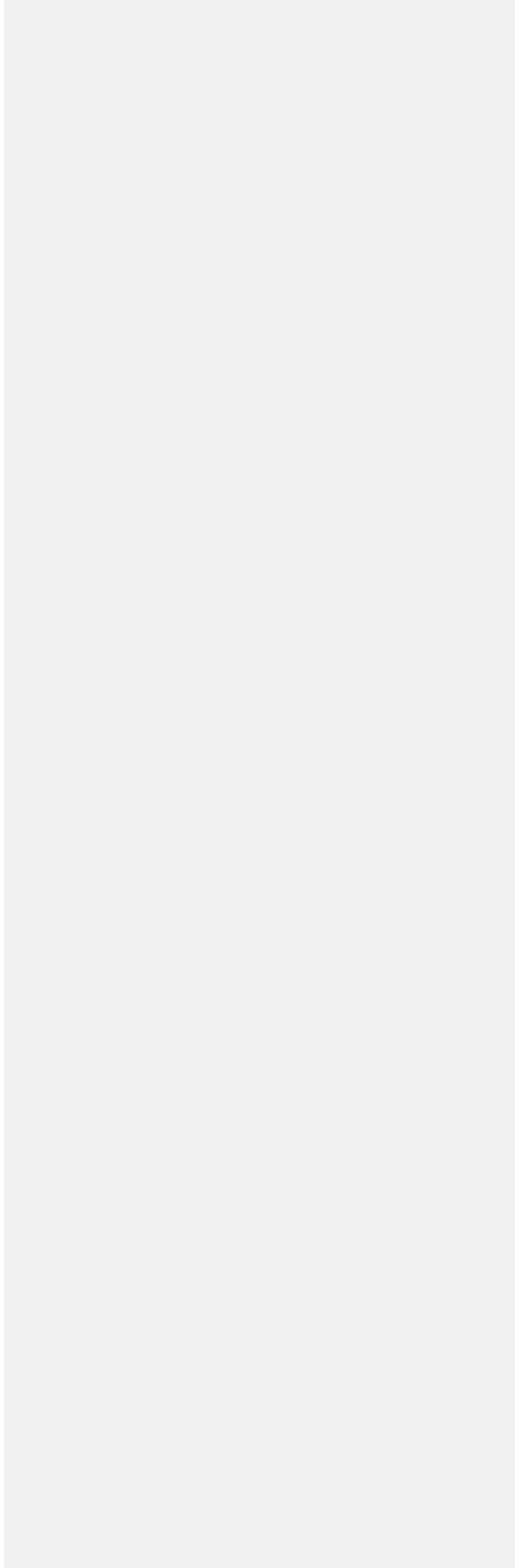
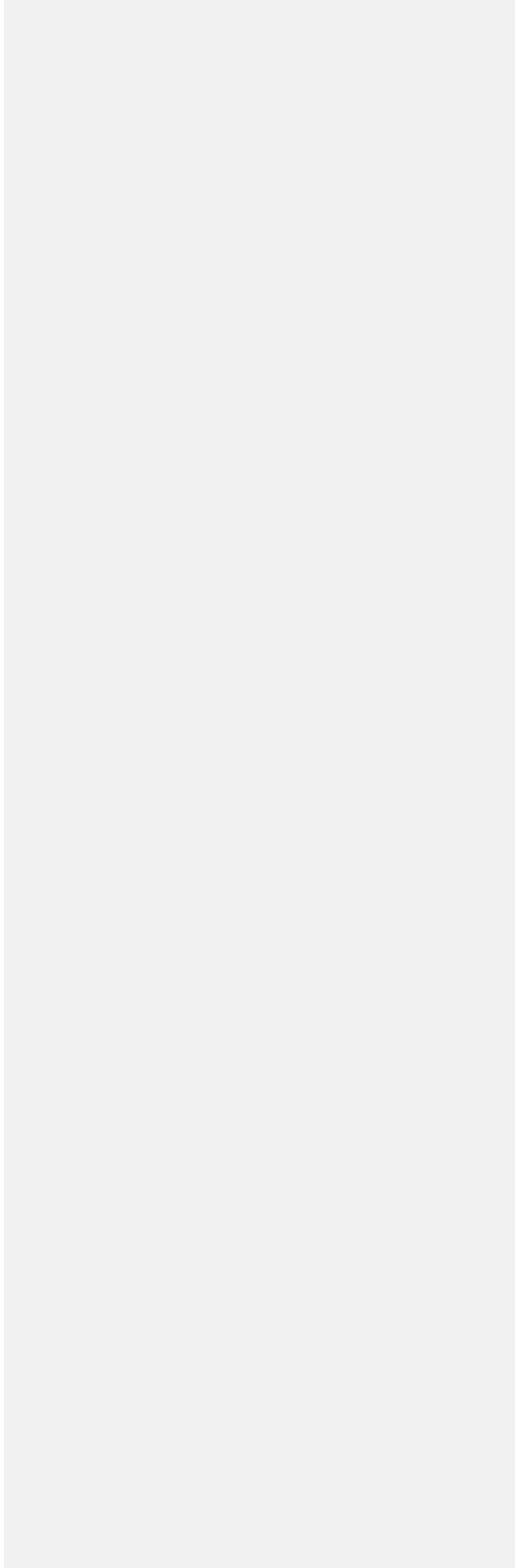


EXHIBIT "E"
CONNECTION ILLUSTRATION



MEMORANDUM

TO: Board of Trustees

FROM: Rodney Banks, Manager

DATE: July 9, 2021

SUBJECT: **IV.C. Consideration of Roy Dental Office Development Agreement**

Roy Dental Office is located at approximately 6020 South 3500 West in Roy which is the southeast corner of 6000 South and 3500 West. It is located in the same commercial development as Winco. Water was previously allocated to this parcel, but there was never a connection installed for the parcel or the two other parcels yet to be built on. Otherwise, this is a standard development agreement.

A *suggested* motion would be, “I move that we approve the Roy Dental Office Development Agreement.”

MEMORANDUM

TO: Board of Trustees

FROM: Rodney Banks, Manager

DATE: July 9, 2021

SUBJECT: **IV.D. Consideration of Holiday Oil Development Agreement**

Holiday Oil is located at approximately 4356 West 5500 South in Roy which is the northwest corner of 5500 South and 4300 West. It is located across the street from Roy City's sewer lift station. The existing parcel has not had an existing water allotment. The developer will be required to bring either one half ($\frac{1}{2}$) share of D&WCCC stock or one half ($\frac{1}{2}$) share of Wilson Irrigation or an equivalent amount of Hooper Irrigation shares. Otherwise, this is a standard development agreement.

A suggested motion would be, "I move that we approve the Holiday Oil Development Agreement."

MEMORANDUM

TO: Board of Trustees

FROM: Rodney Banks, Manager

DATE: July 9, 2021

SUBJECT: **V.A. Manager and Trustees Reports**

The following is a reminder of upcoming meetings and events:

Board Meeting – July 14, 2021 at 5:00 p.m.
Board Meeting – August 11, 2021 at 5:00 p.m.
Summer BBQ – September ?, 2021 at 6:00 p.m.
Board Meeting – September 8, 2021 at 5:00 p.m.
UWUA Summit – October 12, 2021 at 8:00 a.m. in Provo
Board Meeting – October 13, 2021 at 5:00 p.m.
UASD Annual Convention – November 3 – 5, 2021 in Provo
NWRRA Annual Conference – November 8 – 10, 2021 in Phoenix
Board Meeting – November 17, 2021 at 5:00 p.m.
Board Meeting – December 8, 2021 at 5:00 p.m.
Public Hearing for Allotment of Water – December 8, 2021, at 6:00 p.m.
Public Hearing for 2022 Budget – December 8, 2021, at 6:00 p.m.
D&WCCC Stockholders Meeting – December 15, 2021 at 6:30 p.m.

As of July 8th, East Canyon is 63% full, Echo Reservoir is 29% full, and the Weber River basin precipitation is 62% of normal. Currently about 98% of the state of Utah is in severe to exceptional drought condition. The District's boundaries are in an extreme drought condition.

Wilson Irrigation Company sent a letter to its shareholders indicating they will try to deliver water until August 27th before they turn off for the water season. This will have a tremendous impact on Weber Basin's West Haven system. Weber Basin has not decided yet what they will do.

Weber Basin Water Conservancy District is hosting their Weber River watershed tour on Tuesday, August 31st, from 7:30 am to 3:30 pm. This is an excellent tour where you will go by bus from the top of the watershed (Smith Morehouse reservoir) down to Weber Basin's water treatment plant in Layton. Weber Basin needs us to RSVP as soon as possible. Please let me know as soon as you can if you are interested in attending.

INTERNAL AUDIT REPORT

JULY 13, 2021
(JUNE 2021 STATEMENTS)

- | YES | NO | |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1. Obtain bank statements unopened. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. Review checks for unusual payees. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 3. Review signatures on checks for authenticity. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 4. Review any cash transfers or large debit memos for property. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 5. Question any large or unusual checks that you do not remember discussing or approving. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. Summarize your questions. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 7. Distribute the report to board members, Child Richards CPAs & Advisors, Rodney Banks, and Linda Toupin. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 8. Obtain replies to questions from Rodney Banks and distribute with the report. |

COMMENTS: FOUND ALL IN ORDER TO THE BEST OF MY ABILITY & KNOWLEDGE.

Bank of Utah

- O & M Account No. [REDACTED] 0122: _____
- C.F. Account No. [REDACTED] 1928: _____
- Weber Basin Account No. [REDACTED] 0846: _____

Zions Bank

- Account No. [REDACTED] 9775 (Bond): _____

PTIF

- O & M Account No. 1141: _____
- C.F. Account No. 2340: _____

I have completed the above procedures for the month of July 13, 2021 (June 2021 Statements).


Mark W. Ohlin, Vice-Chair

ZION BANK CREDIT CARDS
INTERNAL AUDIT REPORT

JULY 13, 2021
(JUNE 2021 STATEMENTS)

- | YES | NO | |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1. Obtain credit card statements. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. Review statements for unusual charges. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 3. Review receipts for charges. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 4. Question any large or unusual charges not previously discussed or approved during board meeting. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 5. Summarize your questions. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. Distribute the report to board members, Child Richards CPAs & Advisors, Rodney Banks, and Linda Toupin. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 7. Obtain replies to questions from Rodney Banks and distribute with the report. |

COMMENTS: FOUND NO PROBLEMS

-
1. Zions Bank Control Account: _____
 2. Jay Cottle Credit Card: _____
 3. Darl Field Credit Card: —
 4. Gary Newman Credit Card: —
 5. Mark Ohlin Credit Card: CARD IN SAFE
 6. Chad Zito Credit Card: —
 7. Rodney Banks Credit Card: _____
 8. Phil Durbano Credit Card: _____
 9. Kent Thurgood Credit Card: _____
 10. Nathan Doxey Credit Card: _____
 11. Justin Sandberg Credit Card: NO CARD
 12. Linda Toupin Credit Card: CARD IN SAFE
 13. Courtney Harris Credit Card: _____

I have completed the above procedures for the month of July 13, 2021 (June 2021 Statements).



Mark W. Ohlin, Vice-Chair

ROY WATER CONSERVANCY DISTRICT
2021 Profit & Loss Budget vs. Actual
 January through December 2021

	Jan - Dec 21	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
3016 · Cell Tower Leases	27,752.36	54,000.00	-26,247.64
3020 · Surplus Water Sales/Wheeling Ch	1,120.19	13,000.00	-11,879.81
3028 · Interest-Checking & Investments	9,194.65	45,000.00	-35,805.35
3030 · Ad Valorem Tax	8,893.99	127,000.00	-118,106.01
3034 · Delinquent Assessments	16,960.54	30,000.00	-13,039.46
3035 · Direct Charges/Assessments	123,377.58	2,085,000.00	-1,961,622.42
3036 · Registered Vehicle F.I.L.	5,064.03	13,000.00	-7,935.97
3037 · Delinquent Ad Valorem Tax	980.81	2,000.00	-1,019.19
3040 · Non-Taxable Entity Assessments	0.00	62,000.00	-62,000.00
3045 · Homeowners 1 Yr Only Assmnt.	0.00	1,000.00	-1,000.00
3050 · Homeowners Yearly Assessments	0.00	5,000.00	-5,000.00
3150 · Misc. Income	360.00	1,000.00	-640.00
3156-21 · Sale of 2021 Vehicles	0.00	280,000.00	-280,000.00
3158-20 · Sale of 2020 CAT 938M	0.00	174,000.00	-174,000.00
3300 · Weber Basin - West Haven System	233,130.31	225,000.00	8,130.31
3301 · Weber Basin Administrative Fee	0.00	11,250.00	-11,250.00
3601-18 · WaterSmart Grant R18AP00263	4,000.00		
3601-20 · WaterSmart Grant R21AP10016	75,000.00	75,000.00	0.00
Total Income	505,834.46	3,203,250.00	-2,697,415.54
Gross Profit	505,834.46	3,203,250.00	-2,697,415.54
Expense			
4900 · Trustees Fees & Extra Meetings	10,422.65	20,000.00	-9,577.35
4903 · Scada	0.00	1,500.00	-1,500.00
4906 · Engineering	10,547.17	52,500.00	-41,952.83
4907 · Audit / CPA	10,822.00	20,000.00	-9,178.00
4908 · Attorney	2,624.50	33,000.00	-30,375.50
4909 · Advertising & Publishing	8,582.14	21,000.00	-12,417.86
4911 · Liability	11,002.90	37,000.00	-25,997.10
4912 · Workers Compensation	484.56	11,500.00	-11,015.44
4913 · Bonding	0.00	1,000.00	-1,000.00
5100 · Roy City Water Rental	0.00	25,000.00	-25,000.00
5101 · D & W Water Assessment	0.00	379,000.00	-379,000.00
5103 · Other Water Rental	0.00	15,000.00	-15,000.00
5105 · Weber Basin Lease Contract	0.00	42,000.00	-42,000.00
5106 · Wilson Water Assessment	1,722.00	2,000.00	-278.00
5200 · Utah Water Users Association	500.00	1,000.00	-500.00
5201 · Association Special Districts	2,050.00	3,000.00	-950.00
5202 · Water Education	0.00	1,000.00	-1,000.00
5204 · American Water Works	242.00	700.00	-458.00
5205-1 · Irrigation Caucus	400.00	400.00	0.00
5206-1 · Water Conservation (Other)	0.00	500.00	-500.00
5300 · Director Workshops/Training	872.10	22,000.00	-21,127.90
5301 · Employee Workshops/Training	2,612.53	26,000.00	-23,387.47
5302 · Medicare	4,766.09	9,950.00	-5,183.91

ROY WATER CONSERVANCY DISTRICT
2021 Profit & Loss Budget vs. Actual
 January through December 2021

	Jan - Dec 21	Budget	\$ Over Budget
5303-00 · Gross Wages-RWCD	233,354.92	430,000.00	-196,645.08
5303-01 · Overtime-RWCD	10,631.96	30,500.00	-19,868.04
5303-04 · Overtime-West Haven	4,757.38	8,000.00	-3,242.62
5303-05 · Double Time-RWCD	48.98	1,800.00	-1,751.02
5303-06 · Gross Wages-West Haven	33,386.14	121,000.00	-87,613.86
5303-07 · Double Time-West Haven	73.47	1,500.00	-1,426.53
5303-10 · Sick Leave Pay	4,301.49	28,000.00	-23,698.51
5303-11 · Annual Leave Pay	22,114.49	31,500.00	-9,385.51
5303-12 · Pager Time-RWCD	611.31	9,000.00	-8,388.69
5303-13 · Compensation Time	0.00	1,750.00	-1,750.00
5303-14 · Holiday Pay	10,545.04	24,500.00	-13,954.96
5303-15 · Pager Time-West Haven	562.65	6,000.00	-5,437.35
5303-20 · Vehicle Compensation	2,178.01		
5304 · FICA	20,379.09	43,500.00	-23,120.91
5307 · Retirement	49,694.25	97,000.00	-47,305.75
5308-04 · Medical FSA (Pre Tax)	1,673.56		
5308 · Health Insurance	69,291.62	139,500.00	-70,208.38
5309 · 401K	15,581.17	30,500.00	-14,918.83
5311 · Unemployment Comp.	260.16	3,100.00	-2,839.84
5312 · Disability	1,472.59	3,500.00	-2,027.41
5315 · General Office Expenses	3,574.36	20,000.00	-16,425.64
5316 · Office Travel Reimbursement	325.12	1,500.00	-1,174.88
5317 · Managers Expense	0.00	1,500.00	-1,500.00
5318 · Air Conditioning & Heating	248.00	2,000.00	-1,752.00
5319 · Computer Tech. Repair & Agrmnts	10,063.00	18,000.00	-7,937.00
5321 · Adjustments & Refunds	0.00	500.00	-500.00
5323 · Computer Hardware & Software	4,575.32	15,000.00	-10,424.68
5324 · Radio Maintenance	0.00	1,000.00	-1,000.00
5325 · Bldg Cleaning & Maint. Supplies	180.21	500.00	-319.79
5326 · Janitorial Services	1,462.00	3,000.00	-1,538.00
5327 · Office Improvements	2,175.00	5,000.00	-2,825.00
5328 · Conservation Study & Incentives	0.00	3,000.00	-3,000.00
5401 · Telephone	6,263.63	20,000.00	-13,736.37
5402 · Dominion Energy	2,043.83	4,500.00	-2,456.17
5403 · Rocky Mountain Power/Electrical	15,176.17	65,000.00	-49,823.83
5404 · Culinary Water (Riverdale)	854.34	2,500.00	-1,645.66
5405 · Trash	753.75	1,500.00	-746.25
5501 · Fuel	7,774.44	16,000.00	-8,225.56
5502 · Oil, Grease & Filters	795.37	1,250.00	-454.63
5503 · Tires	0.00	2,000.00	-2,000.00
5504 · Batteries	0.00	300.00	-300.00
5505 · Equipment Repair	1,244.71	5,000.00	-3,755.29
5506 · Equipment Tune-Up	586.39	750.00	-163.61
5507 · Truck Repair & Registration	0.00	1,500.00	-1,500.00
5509 · Portable Equipment	3,948.75	9,000.00	-5,051.25
5510 · Small Hand Tools - Shop	722.73	2,000.00	-1,277.27
5511 · Small Tools - Trucks	496.15	2,500.00	-2,003.85
5512 · Equipment Rental	0.00	1,500.00	-1,500.00
5600 · Oxygen, Acetylene & Welding Rod	301.85	1,500.00	-1,198.15

ROY WATER CONSERVANCY DISTRICT
2021 Profit & Loss Budget vs. Actual
 January through December 2021

	Jan - Dec 21	Budget	\$ Over Budget
5601 · Rock & Road Base	1,009.59	3,500.00	-2,490.41
5602 · Concrete Products	172.59	400.00	-227.41
5603 · Nuts & Bolts	0.00	600.00	-600.00
5604 · Uniforms	497.91	2,000.00	-1,502.09
5605 · Safety Equipment	252.49	1,000.00	-747.51
5606 · Shop Clean & Maint. Supplies	247.62	1,000.00	-752.38
5608 · Building Maintenance (Shop)	1,202.71	2,000.00	-797.29
5609 · Shop Improvements	35.49	5,000.00	-4,964.51
5700 · District Property Maintenance	13,454.47	30,000.00	-16,545.53
5900 · Asphalt	0.00	3,500.00	-3,500.00
5901 · Contractor	0.00	28,000.00	-28,000.00
5902 · Concrete	134.00	2,000.00	-1,866.00
5903 · Roy City Cut & Patch Fees	738.00	3,000.00	-2,262.00
5904 · Dispose Concrete & Asphalt	0.00	2,000.00	-2,000.00
6000 · Reservoir & Pumphouse	32,505.08	30,000.00	2,505.08
6001 · Inlet Screen Repairs	192.23	5,000.00	-4,807.77
6100 · Pipeline Maintenance & Supplies	10,708.65	17,500.00	-6,791.35
6101 · Welding of Pipeline	0.00	1,000.00	-1,000.00
6102 · Blue Stakes	3,869.48	9,000.00	-5,130.52
6204 · Depreciation	272,963.95	100,000.00	172,963.95
8219-21 · CF Plan #1 Mainline Valves 21	37,765.09	40,000.00	-2,234.91
8229-20 · CF Plan #2 Connect Unconnecte...	3,063.05		
8229-21 · CF Plan #2 Connect Unconnecte...	21,812.75	48,000.00	-26,187.25
8262-19 · WaterSmart Grant R18AP00263-19	290.37		
8262-20 · WaterSmart Grant R21AP10016-20	142,649.46	187,500.00	-44,850.54
8272 · CF Plan #4 6050 S 2125 W Replac	70,106.43	110,734.00	-40,627.57
8273 · CF Plan #5 5075 S 1825 W Replac	77,745.28	112,528.00	-34,782.72
8274 · CF Plan #6 5175 S 2500 W Servic	27,414.93	32,287.00	-4,872.07
8275 · CF Plan #7 4850 S 2575 W Replac	103,166.75	158,861.00	-55,694.25
8276 · CF Plan #8 2100 W 5125 S Replac	98,284.86	157,780.00	-59,495.14
8277 · CF Plan #9 4700 S 1900 W Replac	158,545.78	191,590.00	-33,044.22
8278 · CF Plan #10 Seal S Res Sidewall	10,575.75	50,000.00	-39,424.25
8305-21 · Truck Upgrades 2021	288,711.25	295,000.00	-6,288.75
8326-21 · 2021 CAT 938M	0.00	180,000.00	-180,000.00
8331 · Pumphouse & Office Solar Arrays	114,335.00	115,000.00	-665.00
Total Expense	2,104,585.05	3,869,280.00	-1,764,694.95
Net Ordinary Income	-1,598,750.59	-666,030.00	-932,720.59
Other Income/Expense			
Other Income			
3700 · Appropriation From Net Assets	0.00	677,280.00	-677,280.00
Total Other Income	0.00	677,280.00	-677,280.00

ROY WATER CONSERVANCY DISTRICT
2021 Profit & Loss Budget vs. Actual
January through December 2021

	<u>Jan - Dec 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Other Expense			
8500 · Weber Basin Admin Expense	<u>0.00</u>	<u>11,250.00</u>	<u>-11,250.00</u>
Total Other Expense	<u>0.00</u>	<u>11,250.00</u>	<u>-11,250.00</u>
Net Other Income	<u>0.00</u>	<u>666,030.00</u>	<u>-666,030.00</u>
Net Income	<u>-1,598,750.59</u>	<u>0.00</u>	<u>-1,598,750.59</u>