

REGULATIONS FOR RURAL WATER SERVICE FOR CUSTOMERS OF CENTRAL MONTANA REGIONAL WATER AUTHORITY

Central Montana Regional Water Authority
P.O. Box 660
Roundup, MT 59072
406-323-6060

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Central Montana Regional Water Authority does not discriminate on the basis of race, color, national origin, sex, religion, age, marital status or disability in employment or the provision of services.

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Pursuant to the By-Laws of Central Montana Regional Water Authority (hereinafter referred to as CMRWA), the Board of Directors (hereinafter referred to as the Board) hereby adopts the following Regulations for Water Service. The Board may, from time to time, amend and revise these Regulations as it deems necessary to continue the efficient operation and management of the system.

I. DEFINITIONS

As used herein, the following terms have the following meanings. Terms with initial capital letters that are not defined in this Section I shall have the meanings given them in subsequent sections.

New Service: A service that is added to an existing mainline segment after the final design cut-off date has passed.

Base Rate: The minimum monthly charges for water service that does not include the consumption rate.

CMRWA Service: The service connection constructed and maintained by CMRWA that is dedicated to one customer, normally 1.0-inches in diameter including connection to the CMRWA pipeline, up to 10-feet of minimum 1.0-inch diameter service line from the CMRWA pipeline to the meter pit, additional lineal feet of service line and county road crossing if necessary, corporation stop, meter pit and ¾-inch minimum meter, curb stop, pressure reducing valve, backflow preventer (if required by CMRWA), and remote readout.

Constant Flow: Uniform delivery of water throughout a 24-hour period by using a flow restrictor device.

Consumption Rate: Charges for the amount of water used, as metered and billed in 1,000 gallon units.

Cost Shared Funding: Funds from Federal, State and local sources used to pay the costs to build the CMRWA system.

Cross Connection: Any actual or potential connection between the CMRWA water supply and any other water source.

Customer Connection Point: The point at which the customer's private system is connected to the CMRWA system. Said point will be on the customer's side of the meter pit.

Customer Service Line: Minimum 1.0-inch diameter service line from the CMRWA mainline or mainline extension to the point of use.

Demand Flow: Delivery of water on a demand basis to meet needs identified in the Water User's Agreement or Local Government Water Supply Agreement.

Expansion Tank/Pressure Relief Valve: A device for controlling pressure caused when water is heated.

Final Design Cut-Off Date: Date set by CMRWA Board and either published as a notice in local newspapers or noticed through mailings as a deadline for applicants to make written application and pay applicable fees for service in a specific project segment. The deadline for Phase 1 passed in August of 2023, The deadline for submitting Phase 2 rural water service agreements is set for March 30, 2024. Payment for Phase 2 rural service connections must be made by July 1, 2024 The deadlines for subsequent phases will be established based on the anticipated construction schedule for that phase.

Hook-Up Fee – Pre-Construction: A fee paid when construction is pending for a specific project segment and payable when the Water User Agreement is signed. This is also referred to as Pre-Construction Hook-Up-Fee.

Hook-Up Fee – New: A fee paid when mainline construction is complete and a new service connection is requested on the completed project segment. The hookup fee downpayment and Water User Agreement must be signed prior to a new service being installed. This is also referred to as New Hook-Up-Fee.

Hook-Up Fee – Existing Meter Pit: A fee paid when a new customer or previously disconnected customer requests a service connection in a location where a meter pit and service line to the mainline already exists. The fee and Water User Agreement must be signed prior to a new service being activated. This is also referred to as an Existing Service Hook-Up-Fee or Reconnection Fee and is outlined in the current water rates and is subject to change.

Hydraulic Study: An analysis of the water system's pressure and supply capability when customers are added to the existing design.

Livestock Service: Water supplied for livestock watering only. Livestock services will be charged a base rate based on the meter size for the service and will be a minimum of 1 EDU.

Local Government Water Supply Agreement: The agreement between CMRWA and a municipality, water and/or sewer district, other local government, or colony that sets forth the terms and conditions pertaining to the supply of water by CMRWA to the local government, as amended or restated in accordance with its terms.

Mainline: CMRWA pipelines used to convey water to customers. Mainlines are those pipelines identified in Figure 1-1 and included in Appendix D.

Pressure Reducing Valve: An automatic valve designed to reduce the higher inlet pressure to a steady lower downstream pressure regardless of changing flow rates and/or varying inlet pressures.

Reconnection Fee: See Hook-Up Fee – Existing Meter Pit.

Rural Residential Development Area: A tract of property that has been properly platted into rural residential lots for resale to individual homeowners.

RV Park: A site that provides services for recreational vehicles and other vehicles or facilities used for overnight accommodations.

Temporary Disconnect: Any non-permanent interruption of water service.

Temporary Dwelling Units: Units intended for dwelling, but that are not long-term or permanent in nature or construction. For illustrative purposes only, a barrack or tent structure at a work camp or military installation could be a Temporary Dwelling Unit, as could a camper unit.

Water User's Agreement: The document in which the customer makes an application for service, designates the point at which service is desired, identifies their design water requirements and agrees to comply with the regulations for water service from CMRWA.

Wet Tap Hook Up: Any new service connection to an existing main or branch line where the connection is performed while the mainline or mainline extension remains in service.

II. TYPES OF CUSTOMERS

- A. Individual Customer:** A customer service located at a dwelling, place of business or other approved location, if served by a meter no greater in size than a $\frac{3}{4}$ -inch meter unless otherwise approved by the Board, so long as the use does not place special demands on the system. Water use at said location will be primarily for domestic purposes, and limited livestock, lawn & garden irrigation, or recreation uses.
- B. Multiple Customers with Shared Service Line:** A group of two or more customers who share a common service line from the mainline with approval from the Board. The CMRWA will install an appropriately sized meter at the mainline connection. The installation and cost of the common service line is the responsibility of the customers from the CMRWA's meter pit at the mainline to their points of use. The CMRWA will determine the size of the meter servicing the multiple customer group and the number of EDUs charged the group. Water use at said locations will be primarily for domestic purposes, and limited livestock, lawn & garden irrigation, or recreation uses. A shared service line shall serve no more than 10 individual customers unless otherwise approved by the Board.
- C. Commercial/Municipal Customer:** Any customer service which cannot be adequately served by one $\frac{3}{4}$ -inch meter or that places special demands on the system. Examples include recognized MTDOT Rest Areas, feed lots, motels, car washes, filling stations, dairies, laundromats, restaurants, multiple housing facilities, factories, schools, cities, towns, water and/or sewer districts, colonies or other similar high demand customers. Commercial Customers may, in the sole determination of the CMRWA, be required to have flow restrictors and supply their own water storage. Commercial rates will be based upon the amount of water used, the size and number of meters, burdens placed on the system, and will be calculated in terms of the number of equivalent $\frac{3}{4}$ -inch meters. EDUs for municipalities or other local governments, such as water and/or sewer districts, will be calculated based on the total of all services within the municipality or other local government and the respective meter sizes (EDUs) of those services, as set forth more particularly in the applicable Local Government Water Supply Agreement.
- D. Recreation Vehicle (RV) Park or Temporary Dwelling Customer:** A customer service used for the purpose of an RV Park or other Temporary Dwelling Units will be serviced by a meter size as determined by the CMRWA Board. The Base Rate charge will be $\frac{1}{3}$ of 1 EDU per RV hookup and such other Base Rate Charge as the CMRWA Board determines for other Temporary Dwelling Units. The minimum base rate charge will be 1 EDU. An Individual Customer who chooses to change their classification to an RV Park/Temporary Dwelling Unit Customer will be required to complete a new Water User Agreement that reclassifies the type of customer to an RV Park/Temporary Dwelling Unit Customer. The new Agreement will remain in effect for a period of not less than 24 months. An Individual Customer who allows more than one RV Unit or Temporary Dwelling Unit to utilize the water supplied by CMRWA will automatically be required to change their classification to a RV Park/Temporary Dwelling Unit Customer. An RV Park/Temporary Dwelling Unit Customer may be allowed to use water for livestock purposes but under the Board's discretion the minimum charge will be increased to 1 EDU minimum.
- E.** In addition to other requirements herein relating to industrial customers or developments, use of the system by industrial customers will be reviewed by the Board on a case-by-case basis.

III. CLASSES OF APPLICANTS

Applicants for service will be classified according to the date, intended use and circumstances surrounding, their application for service as follows:

- A. **Pre-Construction Service:** An applicant who made application for service prior to the final design/construction cut-off date for a project segment. Pre-Construction applicants will pay the set Pre-Construction Hook-Up Fees. Pre-Construction customers are responsible for installation of their service line from the meter pit to the point of use. For customers on the same side of the county road as the mainline the meter pit will be 10-feet off the CMRWA mainline. For services located on the opposite side of the county road as the mainline, the meter pit will be placed across the road at the edge of the County Road right-of-way.

- B. **New Service:** An applicant who makes application for service after the final design cut-off date. The applicant is responsible for installation of their service line from the meter pit to the point of use. Additionally, the applicant would be responsible for the New Hook-up Fee:
 - 1. **New Hook-Up Fee:** Applicant is responsible for the actual cost of installation of the service connection. This includes the service tap, service line to the meter pit, meter pit, and meter. For customers on the same side of the county road as the mainline the meter pit will be 10-feet off the CMRWA mainline. For services located on the opposite side of the county road as the mainline the meter pit will be placed across the road at the edge of the County Road right-of-way and applicant is responsible for the full cost of crossing the County Road.
 - 2. Prior to starting any installation of a new service connection, the New Hook Up Fee downpayment of \$5,000 is required. The balance will be calculated when work is complete. The balance is due prior to water being available for use. The installation of the new service connection will be completed by CMRWA or their selected subcontractor.
 - 3. If for any reason it is determined that the applicant cannot be served, the New Hook-Up Fee downpayment will be refunded.

- C. **Developer:** Applicants who request service on property for which a future land sale is planned, or for a rental housing unit, or other rental purposes after the final design cutoff date will be classified as a Developer. Eligibility for service will be based on the following conditions:
 - 4. Must be hydraulically feasible to serve the location. The cost of any hydraulic study will be charged along with a New Hook-Up Fee if applicable.
 - 5. Applicant must bear all costs of construction including permits and easements.
 - 6. Such applications ARE subject to Board approval.
 - 7. See Appendix C – Policy 2020-1.

IV. FEES RELATED TO CONSTRUCTION

Fees for all types of service will be set by the CMRWA Board and are subject to change.

- A. **Pre-Construction Hook-Up Fees** entitle the customer to receive water service and are paid when the customer signs the Water User's Agreement. Up to two notices will be sent to potential customers along each mainline segment soliciting their Hook-Up Fees and Agreement. The first notice occurs when CMRWA canvasses an area for customers. This notice will advise that the landowner's property is located in the project segment which is scheduled for design and will ask that the fee be paid in full, if interested in becoming a customer of CMRWA. The final notice will be sent after the project segment is authorized for final design but before substantial completion

of the segment is complete. A final notice may be published in the newspaper and will state that the customer will be eliminated from the design plan unless the fee is paid in full by the cut-off date. Partial payments of Hook-Up Fees are not allowed. Hook-Up Fees, once paid, will be refunded only if the water system does not become a reality, if it is determined that the customer cannot be served, or if extenuating circumstances occur before construction that render the service no longer necessary. Refunds will not include interest.

Customers will be responsible for the monthly service and water use charges from the time water is made available. Delayed billing is not allowed. Charges will not be suspended unless the customer formally requests to be disconnected from the system. If the customer requests to be disconnected from the system and later requests to be reconnected, a reconnection fee will apply. The reconnection fee will be the same as a standard hook-up fee for a service with an existing meter pit (see definitions). The rate for a reconnection fee is set by the Board and is subject to change.

- B. New Hook-Up Fees** entitle the customer to receive water service and a deposit of \$5,000 must be paid when the customer signs the Water User's Agreement. The balance of the new hookup fee will be charged after the service connection is in place and must be paid prior to water service being turned on. The fee will be the total cost to install the service line, connection to the mainline, county road crossing if necessary, meter pit, and meter. Hook-Up Fees, once paid, will be refunded only if it is determined that the customer cannot be served, or if extenuating circumstances occur before construction that render the service no longer necessary. Refunds will not include interest.

Customer is responsible installation of the service line from the meter pit to the point of use of the water. Customers will be responsible for the monthly service and water use charges from the time water is made available. Delayed billing is not allowed. Charges will not be suspended unless the customer formally requests to be disconnected from the system. If the customer requests to be disconnected from the system and later requests to be reconnected, a reconnection fee will apply. The reconnection fee will be the same as a standard hook-up fee.

- C. Waiver of Hook-Up Fees – Easements**
See Section XVIII F.

- D. Hydraulic Study Fees** if required will not be refunded. Actual costs of the study will be charged.

V. APPLICATION FOR WATER SERVICE

- A.** Application for service will be made to the office of CMRWA or at a place designated by CMRWA.
- B.** CMRWA may reject an application for service which involves excessive cost or which may affect the supply of water to other customers, or for other good and sufficient reasons as determined by CMRWA.
- C.** CMRWA may reject an application for service when the applicant is delinquent in payment of bills or fees for service previously supplied at any location or for violation of any CMRWA Regulations at any location.
- D.** Individual Customers who apply for changes to an existing Water User's Agreement will be required to sign a new Water User's Agreement under the terms and policies currently in effect.
- E.** Applicants who signed up as commercial/municipal customers must continue as

commercial/municipal customers. However, should the customer's water needs change, these customers may request a change to standard service if any excess cost to provide the original service is paid in full. Such a change is subject to review and approval of CMRWA.

VI. SERVICE CONNECTIONS

- A.** A standard CMRWA service will include connection to the CMRWA mainline, up to 10-feet of a minimum 1.0-inch diameter service line from the mainline to the meter pit, a corporation stop, meter pit and minimum ¾-inch meter, curb stop, pressure reducing valve, a backflow preventer (if required by CMRWA), and remote meter readout. For services located along the county road, the service line will be extended up to 10-feet to the meter pit if located on the same side of the road as the mainline. If the service is requested across the County Road from the mainline, the CMRWA will extend the service line across the county road to the edge of the County Road right-of-way where the meter pit will be installed.
- B.** Customers who do not use a standard ¾-inch meter will be provided a service meter that is sized to meet their water demand, and may be classified as a commercial/municipal customer. The CMRWA Board will determine the required meter size for each service.
- C.** A cross connection with the CMRWA system is not allowed.

VII. NUMBER OF SERVICES PER METER - METER INSTALLATION

- A.** All water usage on the system will be metered and billed according to the rates and charges adopted by the CMRWA Board.

Two or more customers on a single service line and meter pit will be classified under the Multiple Customers on Shared Service Line. The meter size of the service and the accompanying EDUs for the common service line will be determined by the CMRWA board.
- B.** Trailer courts, RV parks and multiple housing units may be classified as a commercial/municipal customer. These units may be served by one meter provided there is one owner who receives the water bill. A separate storage facility may have to be installed by the customer in cases where there may be a peak water demand in excess of what the system can provide. Each case will be reviewed by CMRWA Board on an individual basis.

VIII. CMRWA RESPONSIBILITY AND LIABILITY

- A.** For standard, multiple customers on shared service lines and commercial/municipal customers, CMRWA will install a service line from its mainline to a point adjacent to the mainline and convenient to CMRWA, up to 10-feet in length or 10-ft plus county road crossing, at which point CMRWA will install a meter pit, meter assembly, curb stop, PRV, backflow preventer (if required by CMRWA), and remote meter readout.
- B.** For commercial/municipal customer applicants, the details of service and meter size will be described in the Water User's Agreement or Local Government Water Supply Agreement, as applicable.

- C. CMRWA will provide to the customer's connection point a minimum static pressure of 35 pounds per square inch (psi) and a minimum dynamic pressure of 20 psi. The pressure reducing valve will be set at an outlet pressure at the meter pit not to exceed 80 psi unless otherwise requested by the customer.. Depending on the mainline and service line hydraulics, CMRWA may require in some cases the pressure reducer be installed at the point of use. Customer is responsible for checking the pressure at the place of use to ensure it does not exceed what the end use plumbing or fixtures are designed for.
- D. CMRWA will not be liable for damage resulting from water, or the use of water, on customer's premises unless such damage results directly from negligence on the part of CMRWA. CMRWA will not be responsible for any damage done by or resulting from any defects in the piping, fixtures, or appliances on the customer's premises. CMRWA will not be responsible for negligence of third persons or forces beyond the control of CMRWA resulting in any interruption of service. Nor will CMRWA be liable for damage of any kind resulting from snow melt or rain water runoff. CMRWA will not be responsible for any damages resulting from a customer's decision to install cross connections. The Customer shall indemnify CMRWA for any such damages.

IX. CUSTOMER'S RESPONSIBILITY

- A. The meter pit location will be arranged so that it is conveniently located with respect to CMRWA's mainline.
- B. The customer's piping and equipment from the meter pit to the point of use will be installed and maintained by the customer and at the customer's expense, in a safe and efficient manner and in accordance with CMRWA Regulations for Water Service and in full compliance with the applicable regulations of the State of Montana.
- C. Where a customer has granted an easement to CMRWA, the customer will provide CMRWA ingress and egress across their premises and shall guarantee that CMRWA's mainline or mainline extension and features may be permanently placed on the customer's premises and will permit access to such property by authorized representatives of CMRWA.
- D. In the event that any loss or damage to the property of CMRWA or any accident or injury to person or property is caused by or results from the negligence or wrongful act of the customer, his agent, or employees, the cost of the necessary repairs or replacement will be paid by the customer to CMRWA and any liability otherwise resulting will be assumed by the customer. The amount of such loss or damage or the cost of repairs will be added to the customer's bill and if not paid, services may be disconnected by CMRWA.
- E. Water furnished by CMRWA will be used according to the classification of the customer. The customer will not sell water to any other person or entity, without specific written approval of CMRWA. Water will not be used for irrigation other than lawn & garden purposes. Disregard for this rule will be sufficient cause for the restriction, refusal or discontinuation of service.
- F. Flow Restrictors: The customer may be required to pay for the cost of a flow restrictor, constant flow valve or other device, acceptable to CMRWA, so that water will be more uniformly delivered to livestock, to spray tanks and other high water usage equipment that could cause undue hardship to other customers of CMRWA.
- G. Expansion Tank/Pressure Relief Valve: The customer will be responsible for installing & maintaining any necessary expansion control equipment at the customer's point of use. Such

equipment is necessary if water temperatures within the customer's pipes rise to a level that may cause the customer's pipeline to burst.

- H. Cross Contamination: Installations of bottom fill livestock tanks, or connections to a customer's well water system, that may allow back flow into the CMRWA distribution system, are considered potential sites for cross contamination and are strictly prohibited. The customer shall be solely liable to CMRWA and its customers for any damages resulting from any unauthorized cross connections to the CMRWA system. Backflow control requirements for customers are detailed in Appendix E.
- I. Any customer desiring to extend water service shall make application to CMRWA describing the location of the extension, the type of installation proposed, use of the water and where the new use will occur. CMRWA may make periodic inspections of the water service extension, and the service extension must be remedied or terminated if CMRWA determines that there has been a change of circumstances that would disqualify the extension.
- J. A customer who would like to request a temporary shutoff of water to their service due to lack of use can do so at no charge if the shutoff period will be for a minimum of 3 months. Temporary shutoff of water to services is recommended for services which are only used in the summer months, i.e. livestock taps, to prevent stagnant and freezing water in the service lines and meters. An annually scheduled shutoff/turn-on can be set up with CMRWA at the customer's request. Temporary water shutoff **does not** alleviate the customer of the responsibility for payment of the monthly base rate charge.

X. WATER RATES – BILLING - METER READING – COLLECTIONS – FEES

- A. As described in Appendix A, water rates and charges shall be determined and established by the Board and may be adjusted from time to time as the Board deems necessary to meet the financial obligations of the project or the system. Water rates will have a base rate component (determined by number of Equivalent Dwelling Units (EDUs)) and a consumption rate component (cost per 1,000 gallons) and may have any other component, which may apply to some services and not others, as determined by the CMRWA Board from time to time. Individual Customers having a ¾-inch or smaller meter will equate to one EDU and will be charged one base rate plus a cost per 1,000 gallons of water used. Commercial/Municipal customers and Multiple Customers on a Shared Service Line with a meter size greater than ¾-inches shall have a base rate that reflects higher demand from use of a larger meter, i.e. a 1.5-inch meter is equivalent to four individual ¾-inch meters in accordance with the following table. EDUs for municipalities and water districts will be the total of all services in the municipality or water district and the respective meter sizes (EDUs) of those services.

Meter Size (inches)	EDUs
5/8	1
3/4	1
1	1.79
1.5	4
2	7.14
3	16
4	28.57

- B. The information set forth in Section X.A. is provided to give initial customers an understanding of the basic methodology for determining water rates and charges. By including such information in these Regulations, CMRWA in no way limits or fixes the way in which rates or charges may be determined in the future. Notwithstanding any provision in these Regulations to the contrary, CMRWA may adopt or approve rates and charges and the means and manner of establishing or changing rates and charges by resolution following a public hearing, if a public hearing is required, in accordance with Montana law.
- C. Start of Billing. During the initial construction of the system, each customer will be notified in advance of the time service will be available. The charge for service commences when water is available at the customer connection point whether used or not. If water is available for less than a complete billing period, the monthly base rate charges will be prorated.
- D. Billing Multiple Customers with Shared Service Line. Customers under this service category will designate one individual in the group to whom the CMRWA will send the bill. The designated individual for the group will be responsible for collecting funds and making payment to the CMRWA. In the event the CMRWA does not receive prompt payment, the CMRWA will shut off the water at the mainline which will deny water to all of the users in the Multiple Customer group.
- E. Duration of Billing. Once water becomes available from CMRWA, municipal and other local government customers and colonies shall pay for such water service for the term of the debt service of bonds that financed all or a portion of the capital costs of such water service, not to exceed 40 years, even during periods when the service is not used. Customers whose service equates to 10 or more EDUs and remain going concerns shall pay for water service for a minimum of 10 years.
- F. For inaccessible rural taps, CMRWA may require the customer to read their meter the first week of each month and remit the reading on the monthly billing card, along with payment due indicated on the bill, to the office of CMRWA.
- G. A remote meter readout device will be installed by CMRWA; however, in the event that a difference occurs in the amount of water use recorded by the remote readout device versus the meter, the reading on the meter will govern.
- H. Readings from different meters will not be combined for billing, irrespective of the fact that said meters may be for the same or different services or locations.
- I. CMRWA will verify all meter readings randomly, and as often as determined necessary. If the meter reading reported by a rural customer has been falsified a penalty will be assessed, with charges of at least four times the consumption rate on the estimated amount of unreported water.
- J. Bills will be declared delinquent after the 20th day of the month for services billed monthly. Thereafter, service may be discontinued by CMRWA, and notice will be sent to the customer. All delinquent bills are subject to a late charge. When deemed necessary CMRWA personnel will obtain a meter reading for billing purposes and a service charge will be added to the customer's bill.
- K. CMRWA will use whatever means are lawfully available to recover bad checks received for payment of water bills, materials and supplies, or any other services performed by CMRWA. There will be a charge on all checks returned from the bank. Such accounts will be treated as delinquent accounts, and expenses incurred in the collection of past due accounts will be added to the account.

- L. CMRWA may refuse personal checks for payment of amounts due from customers who have established an unreliable payment record; or CMRWA may require a security deposit (which will not accrue interest) in an amount sufficiently equal to three month's average bills. CMRWA reserves the right to check credit references before accepting application for service, renewing service, or to continue water service. CMRWA reserves the right to refuse service to anyone because of bad credit.
- M. CMRWA may request that its attorney or collection agency recover accounts over 60 days past due.
- N. Any necessary court action will take place in the appropriate court (Small Claims, District Court or other) so that a lien may be placed against the property where the unpaid service is located.
- O. Any expenses or fees incurred in the collection of past due accounts may be added to the delinquent account.
- P. Once water service is permanently disconnected it can only be restored after all delinquent water charges are paid, and all expenses incurred in the collection of past due amounts and other fees required of the delinquent or subsequent customers are paid.

XI. COMPLAINTS - ADJUSTMENTS - FEES

- A. If the customer has an objective reason to determine their meter reading to be in error, they will present a claim at CMRWA's office before the bill becomes delinquent. Such claim, if made after the bill has become delinquent, will not be effective in preventing discontinuance of service. The customer may pay such bill under protest.
- B. Meters will be tested at the request of the customer, upon payment of a meter testing fee to CMRWA. However, if the meter is found to over or under-register beyond three percent of the correct volume, the testing fee will be refunded.
- C. The customer will not break a meter seal. CMRWA may test a meter whose seal is broken. The customer will pay the actual cost to CMRWA of making such test.
- D. There will be a minimum charge as set by CMRWA for a service call. If the problem is with CMRWA pipelines or facilities, the customer will bear no expense. If the problem is with the customer's pipelines or equipment, the customer will be charged mileage and actual expenses in addition to the minimum service charge.
- E. Other than one annual turn on and turn off of a customer's water service, there will be a service charge for turning on and for turning off the customer's water service when requested by the customer.

XII. CHANGE OF OCCUPANCY/TRANSFER OF SERVICE

- A. Not less than seven (7) days' notice will be given by the customer to CMRWA's office, in person or in writing, to discontinue service or change occupancy. A new Water User Agreement must be completed by the customer who will receive service with a change of occupancy.

- B. There will be a no fee applied to those customers who transfer their signup after construction is complete and the project segment is turned over to CMRWA provided that the service has been in continuous use. If the service had been turned off, i.e. the corp stop had been turned off and no water was available, a reconnection fee would apply.
- C. The outgoing party will be responsible for all water consumed up to the time of departure or the time specified for departure, whichever period is longest.
- D. In the case of property being sold, or transferred, CMRWA service will remain with the property. A customer selling property on which a service is located will relinquish their service for that location.

XIII. TEMPORARY SERVICE

CMRWA may supply service for temporary purposes, provided CMRWA has water, materials and equipment available to supply said service. Each applicant for such service must pay in advance to CMRWA the cost of any hydraulic study, labor, mileage, and materials, (less salvage value upon removal), for installing and removing such service at the rates established by CMRWA. Payment for water usage will be billed monthly.

XIV. RESIDENTIAL, COMMERCIAL AND INDUSTRIAL DEVELOPMENTS

Applicants for water service for a proposed residential, commercial or industrial development must adhere to the following requirements and pay the following costs to receive water from CMRWA.

- A. Applicants must submit a written application for water service following CMRWA Policy 2020-1 attached to these Regulations as Appendix C.
- B. Applicants must pay a hydraulic study fee deposit for each lot. Hydraulic study fees will be based on actual cost.
- C. Applicants must pay an annual deposit for each water service within the development, until all services are placed in use by the developer, or subsequent owner.
- D. Individual owners in the development will become customers of CMRWA and will be served as Individual Customers, unless otherwise determined by CMRWA.
- E. The water distribution system constructed by the developer must meet the construction specifications of CMRWA and will carry a four-year workmanship warranty. Plans and specifications must be submitted to CMRWA for approval prior to construction within the development.
- F. Acceptance of the distribution system by CMRWA will be contingent upon conforming to the approved plans and specifications. As-built drawings of the distribution system, an executed copy of the subdivision plat, and an easement for water lines within the development must be provided by the developer before acceptance occurs.
- G. The developer and CMRWA will execute a Water Delivery Contract before any water is delivered to the development. The Contract may be renewed annually with payments of annual deposits as referenced in D. above, or until all water services are utilized by subsequent individual customers.

XV. RURAL FIRE FIGHTING FILL STATIONS/COUNTY ROAD DEPARTMENTS

CMRWA shall have no obligation to build or authorize the building of rural fire fighting fill stations. However, if the CMRWA Board determines to build a rural fire fighting fill station, such stations may be used by rural fire authorities, as approved by the CMRWA Board. CMRWA considers fire fighting fill stations a public service and, if built, there is expected to be no charge for their use by approved authorities. Use of rural fire fighting fill stations, if any, by rural fire authorities shall be determined by the CMRWA Board and the Board may limit or prohibit uses if they have or may have an adverse effect on the system.

The CMRWA also understands the importance of County road maintenance to the rural water project access and maintenance. Therefore, the CMRWA will allow County Road Departments to use water from fire fighting fill stations at no charge. County Road Department use will be coordinated with the CMRWA's water operator(s).

XVI. NEW MAINLINE - RELOCATIONS - WETTAPS

The following conditions will prevail for **New** applications involving additions to CMRWA's mainlines. CMRWA reserves the right to make the final determination as to whether or not the application for additional main line will be approved. This may also be referred to as a mainline extension.

- A.** CMRWA's determination for a mainline extension will be based on review and recommendation of CMRWA staff and project engineer. Items to be reviewed will include availability of water, hydraulics, potential customers, easement acquisition, availability of funding and cost. In the event CMRWA does not have funds necessary for construction of the mainline extension, it may agree to extend the lines provided the applicant agrees to pay for the total cost or a percentage the cost of the extension. In the event that another applicant wants service from such a line extension, financed by a previous new customer, that applicant must pay a pro-rated amount to said customer prior to tapping such lines.
- B.** In those cases, where extension of mainlines proves to be too costly or capacity is not adequate, CMRWA may authorize construction of a smaller diameter mainline extension with water delivered on a "constant flow" basis. In this case, the applicant will be wholly responsible for all costs to provide such mainline extension.
- C.** Request for relocation of CMRWA's facilities to accommodate the needs of customers or others will be done only after there is an agreement entered which provides that the cost of such relocation is borne by the beneficiaries of such relocation.
- D.** A new service connection to be made to CMRWA's mainlines after construction is completed for a given area may require a wet tap hook up. Wet tap hook up procedures allow a tap to be made without disrupting service to other customers. All applicants requiring this procedure will, in addition to all other applicable fees, be responsible for all costs related to the wet tap hook up procedure.
- E.** It is unlawful for any person, other than an authorized employee or agent of the CMRWA, to place a connection on any facility operated or maintained by CMRWA.

XVII. SUSPENSION OR TERMINATION OF SERVICES

- A.** When services are permanently discontinued and all bills paid, any customer deposit will be refunded.
- B.** Upon discontinuance of service for nonpayment of bills, any deposit will be applied by CMRWA toward settlement of the account. Any balance will be refunded to the customer. If the deposit is not sufficient to cover the bill, CMRWA may proceed to collect the balance in any way provided by law for the collection of debts.
- C.** Service discontinued for nonpayment of bills will be restored only after bills are paid in full, provided water capacity is still available. Payment will include the accumulated monthly base rate billing since the date service was discontinued, any requested deposits, service charges, and installation charge for each meter reconnected.
- D.** When water service is discontinued at the request of the customer, the customer waives their rights to water service at the meter location in question. Any application for water service at a later time will be considered and treated as a new applicant and, if necessary, such applicant may, in the sole discretion of the CMRWA Board, be required to pay the cost of a hydraulic study to determine if water capacity exists and agrees to pay a meter reconnection fee and the base rate billing accumulated since the time of discontinuance of service, plus any other costs associated with reconnection. A reconnection fee will be as defined in Hook-Up Fee – Existing Meter Pit.
- E.** CMRWA reserves the right to discontinue its service without notice for the following additional reasons:
 - 1. To prevent fraud or abuse
 - 2. Customer's willful disregard of CMRWA's rules
 - 3. Emergency repairs
 - 4. Insufficiency of water
 - 5. Legal process
 - 6. Direction of public authorities
 - 7. Strike, riot, fire, accident, or any unavoidable cause
 - 8. To prevent system contamination through an unintentional or intentional cross-connection.
 - 9. Other reasons as may be determined by the CMRWA Board from time to time.
- F.** Interruption of service to the customers will be planned whenever practical so that it will be of the least inconvenience to the customers, and when possible, be planned far enough in advance so that the customers may be notified.
- G.** CMRWA may refer to the appropriate authorities for prosecution any person who tampers with or vandalizes the CMRWA system, including a meter or any other equipment, buildings or facilities.
- H.** The CMRWA Board will assess a monetary penalty of at least \$1,000 plus expenses to any customer using water without permission; provided that the CMRWA Board may determine to waive all or a portion of such a penalty if it determines that the facts and circumstances so warrant.
- I.** The provisions governing the suspension of services may be applied by CMRWA as they deem appropriate. Random spot checks may occur from time to time.

- J. Unauthorized cross connections are a very serious violation of the rules and regulations because of the potential to contaminate the CMRWA distribution system. Customers found to have cross connections during random spot checks are subject to immediate termination of service and will be required to pay the necessary cost of disconnection. Customers who have questions concerning cross connections are encouraged to contact CMRWA.
- K. CMRWA may, at the expiration of seven days after mailing a written notice to the last known address of the customer, remove the meter and disconnect service. If the service is being provided to a tenant, CMRWA will also give notice to the tenant, and provide an opportunity to correct any past due accounts for such service. If the customer thereafter requests that the meter be reinstalled, the customer will pay CMRWA a minimum service charge plus actual expenses, including mileage and installation charges. The installation charges will be an hourly rate set by CMRWA, and will be time and a half if after normal working hours.

XVIII. ACCESS TO PREMISES - EASEMENTS- CROPDAMAGES

- A. **Access.** Duly authorized agents of CMRWA shall have access to the premises of those customers who have granted easements to CMRWA for the purpose of engineering, surveying, studies, construction, operation, maintenance, repair, replacement, reading or testing meters or for any other purposes in connection with CMRWA's facilities. This access shall be the most direct route across the property of the Grantor of the easement which allows the least disturbance and inconvenience to the Grantor, and shall include but not be limited to access for all preliminary or subsequent activities above.
- B. **Easements.** Each CMRWA customer who has granted an easement to CMRWA shall grant or convey, or cause to be granted or conveyed, to CMRWA, a temporary construction easement and a maintenance and repair easement (permanent) easement and right-of-way across any property owned or controlled by the customer wherever said permanent mainline easement and right-of-way is necessary for present and future CMRWA water facilities.

The standard temporary construction easement shall be 30 feet on each side of the centerline of the mainline or mainline extension installed during construction. The maintenance and repair easement (permanent easement) shall be 15 feet on each side of the centerline of the constructed pipeline to be used for all repair and maintenance required on the mainline. Additional or expanded easements may be required in certain locations due to the topography or construction concerns which will be negotiated with the landowner on an individual basis.

The landowner shall reserve the right to full use and enjoyment of the land included in the easement hereby granted, subject to the rights granted to CMRWA. Any obstruction placed on the easement by the Grantor without prior approval of the Grantee, which interferes with the use of the easement granted, shall be removed at the Grantor's expense upon the request of the Grantee.

The easements granted shall be nonexclusive easements specifically used for construction, maintenance, and repair of mainlines, mainline extensions, and related features. The landowner shall retain the right to allow access to other utilities within these easements, subject to local, state and federal regulations and non-interference with the use of the easement by CMRWA. The easements granted CMRWA shall be perpetual easements which shall not be for a specific time period; however, such easements shall have a provision whereby the easement shall be cancelled and revert to the property owner if the mainline or mainline extension is unused for a period of 20 years after construction of the pipeline across the property.

- C. Refused Easement.** This policy applies to property on which CMRWA needs an easement to construct its system and on which the owner refuses to grant an easement. For each such parcel, the construction and administrative cost increase caused by the refused easement shall be calculated and recorded in the records of CMRWA. If water service from CMRWA's system is later desired on said parcel, or any other property owned by a person who has refused to grant an easement, such person, or subsequent owner, shall be required to pay the construction and administration cost increases due to such refused easement, in addition to all regularly applicable sign up fees and charges for water service.

CMRWA has the right of eminent domain to condemn property in accordance with Montana law, but would prefer to use that right only when it has determined that other options are not feasible.

- D. Crop Damage.** CMRWA will reimburse for actual crop damage resulting from initial construction of CMRWA project features. Damages to annual crops are limited to a onetime payment on fields where seeding occurs before construction activities damage the crop. Initial damages to all perennial crops will be paid if construction activities occur before harvest. CMRWA may also pay damages during the year following construction on perennial crops to the extent such damage is evident. CMRWA will reimburse the cost of reseeding irrigated perennial crops. For all crop damages, compensation shall be based upon the field in question and the estimated damage to such crop at the time the damage occurs. CMRWA is authorized to negotiate a settlement for such crop damage with the crop owner. No crop damage will be paid when the crop exists within existing road rights-of-way.
- E. Pipeline Trench Filling and Settling.** After construction, the contractor is responsible for filling areas where soil has settled in the pipeline trench during the contractor's warranty period. At the end of the warranty period CMRWA will be responsible for trench repairs for the life of the project. CMRWA may pay the landowner to repair subsequent settling of soil where such settling makes the crossing of the pipeline trench hazardous or impassable. If the landowner is to repair the trench line the area must be inspected by CMRWA agents prior to repair, and repair must be completed and inspected again prior to payment. CMRWA will not reimburse a landowner for any repair located within a road right-of-way.
- F. Pre-Construction Hook Up Fees and Easement Payment.**

The Board will waive Hook-Up Fees for landowners that provide easements at no cost for pipelines or other necessary infrastructure for the water project. The Board will waive the Hook-Up Fees for two services for each easement provided up to 1.0 mile. For easements exceeding one mile in length, the landowner will be allowed one additional waived Hook-Up Fees per each additional fraction of 0.5 mile of easement provided. Therefore, if the landowner provides an easement between 1.0 to 1.5 miles they would be allowed 3 waived Hook-Up Fees, an easement between 1.5 and 2.0 miles would receive 4 waived Hook-Up Fees and etcetera for each additional 0.5 miles of easement provided. The water services for which Hook-Up Fees are waived do not need to be located in the same location as the provided easements. The landowner will still be responsible for the monthly base rate plus consumption rate for each service connection in accordance with the Regulations.

Services which are requested in areas in exchange for easements that are granted will be installed at the location specified by the landowner/customer. If the customer intends to utilize water as soon as it becomes available a meter pit and meter will be installed and the customer will be responsible for the monthly service and water use charges from the time water is available. Charges will not be suspended unless the customer formally requests to be disconnected from

the system. If a customer providing an easement has determined that they do not want to utilize water as soon as it becomes available a meter pit will be installed and no meter will be installed. The customer providing an easement can request that a meter be installed at any time at no cost for a one-time installation of the meter. The customer will be responsible for the monthly service and water use charges from the day the meter is installed and charges will not be suspended unless the customer formally requests to be disconnected from the system. If the customer requests to be disconnected from the system and later requests to be reconnected, a reconnection fee will apply.

For those landowners which grant easements but are paid the standard rate for easements (\$30/rod) the hookup fee is deducted from the easement payment if a hookup has been requested.

APPENDIX A

Rates and Charges

Under Montana Code Annotated, Section 75-6-326, as amended, the CMRWA Board is authorized and directed to fix, adjust and collect rates, fees, and charges, for the use and availability of all services rendered and improvements made available by CMRWA. CMRWA may distribute to customers or potential customers rate schedules that show rates and charges of CMRWA as currently or to become in effect.

APPENDIX B

Emergencies and Outages

When an emergency occurs, the customer may call:

406-940-5592

The call will be answered by someone at the office during office hours, or after hours a recording will provide phone numbers of “on call” staff. A CMRWA representative will respond as quickly as possible.

When calling in an emergency, it is important to have the following information on hand:

1. Name, address, and phone number where you can be reached.
2. A legal description (Township, Range, Section, Quarter) where emergency is located.
3. Directions to the site of the emergency.
4. Nature of emergency.
5. Time emergency was first noticed.

Please report a sudden loss of pressure, detection of a leak, or the suspicious activities of an individual(s) in relation to any CMRWA equipment or facilities.

APPENDIX C POLICY 2020-1

Policy For Issuing Letters Regarding Availability Of Water Supply For Proposed Residential, Commercial And Industrial Developments

1. Written Request from Applicant.

Developers requesting a Letter from CMRWA regarding the availability of water for a proposed development must submit a written request to CMRWA with all the following information:

- A. Detailed preliminary plans and drawings describing the proposed development and the water supply requirements of the development, including, but not limited to, the number of residential and/or commercial units within the development, the size of the units, the projected water demand for each unit, and the total projected water demands for the development considering domestic, commercial, or industrial water demands.
- B. Estimated schedule for obtaining all approvals and permits for the development, beginning and completing construction of the development, and installing water meters and turning on water service. The schedule must present the number of connections to be made in 6-month calendar periods over the entire period of development.
- C. Other qualifications that are determined to be in the best interest of the CMRWA.

2. CMRWA Review of Request

- A. If the developer submits all the information, CMRWA, at its sole discretion, will determine if there is sufficient capacity to provide water service to the development. CMRWA will issue a Letter to the developer within 30 days from the date of receipt of the request. CMRWA may issue a Letter denying the request, granting less than the full amount of the request, or granting the full amount of the request.
- B. If the developer did not submit all the information CMRWA needs to evaluate the Request, CMRWA will notify the developer within 15 days from the date of receipt of the request stating that additional information is necessary. Upon receipt of the supplemental information CMRWA will have 30 days to issue a Letter to the developer. Each supplemental submission by the developer will be treated as a new request and CMRWA will respond in accordance with the time frames in Section 2.

3. Issuance of Letter.

CMRWA will issue a letter to the developer that, at a minimum, includes the following:

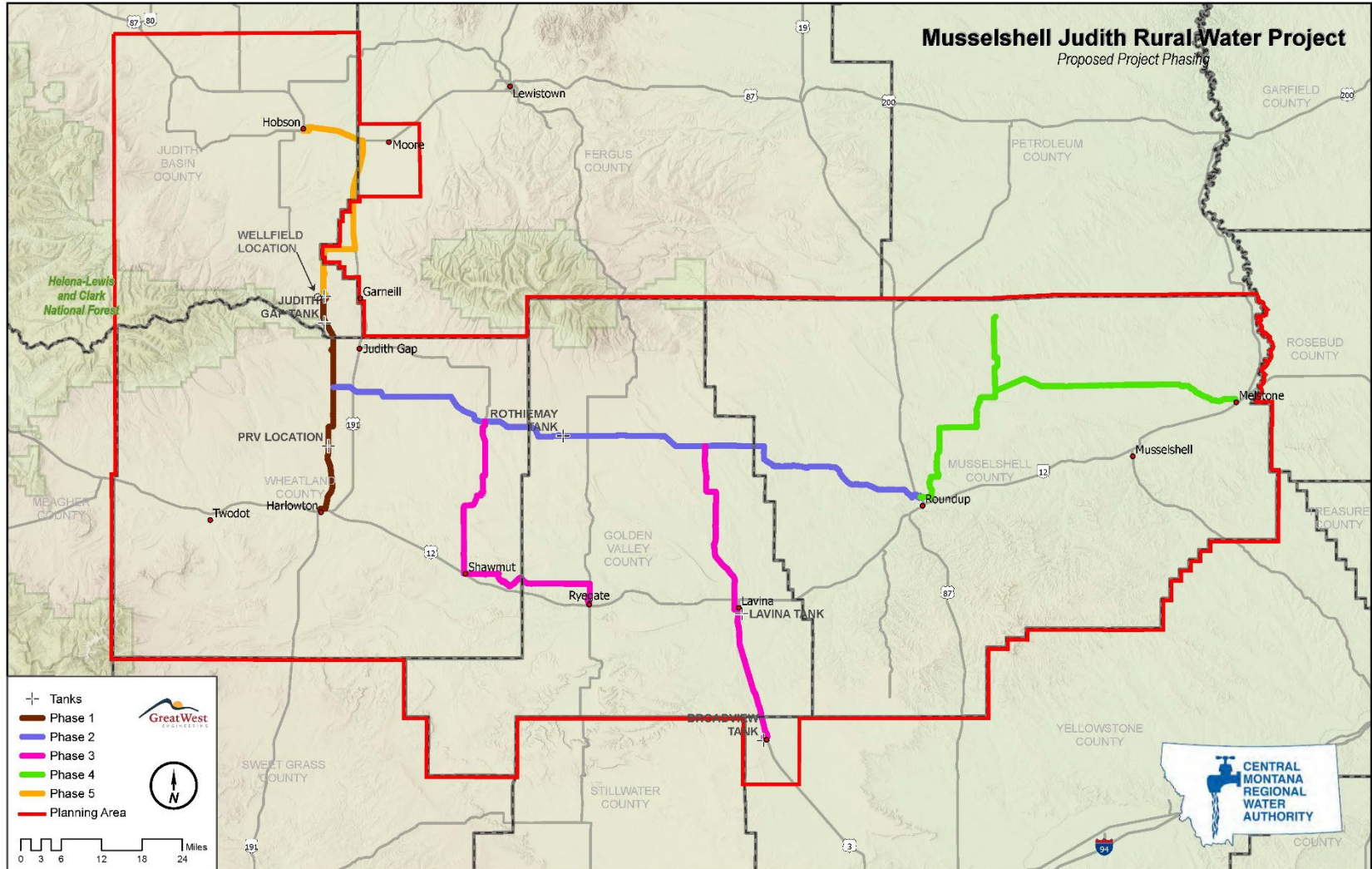
- A. CMRWA based its determination, to connect CMRWA's water system to the development, upon the specific plans, drawings, and information submitted by the developer within their written request. If the developer changes the plans, drawings or other information submitted, CMRWA's ability to provide water service to the development also may change.
- B. CMRWA's ability to provide water service to the proposed development is based on CMRWA's water capacity at the time the letter is issued. Events may occur that produce temporary water shortages, as defined in the Water Service Agreement referenced in 3.D. below, and the developer will be subject to the allocations of water by CMRWA to water users in the event of a water shortage.
- C. CRWA's Letter remains in effect for a period of one year from the date the Letter is issued, and automatically expires after that one year period unless the developer submits a written request to extend the Letter. CMRWA will review the status of the development and determine if the schedules submitted by the developers in 1. B. above are being met. CMRWA may then issue a letter extending the expiration date or modifying the Letter as deemed necessary based upon the status of the development, including modification of the Letter to reduce the number of future connections available to the developer.
- D. CMRWA's issuance of a Letter only indicates CMRWA's intent to supply water to the development. The ultimate decision to provide water service to the proposed development will be made by the CMRWA Board of Directors with the approval of a Water Service Agreement.
- E. No water will be provided to the development unless; 1) final plans and drawings are supplied to CMRWA that have been approved by the local County Planning Board including the location of the water distribution system required to serve the development, the location of the water pipelines, water meters at each point within the development, and the mainline extension needed to connect the proposed development to CMRWA's existing water distribution system, 2) a Water Service Agreement has been signed between CMRWA and the developer.

4. Residential Developments

Where determined by CMRWA that a development is a housing development, the development will be subject to all or parts of the CMRWA's Policy, Section XIV., titled Residential, Commercial and Industrial Developments.

APPENDIX D

Figure 1-1 Proposed Mainline Routes



APPENDIX E

Backflow Control Requirements

Any tap that is used for agricultural purposes (stock water) shall be protected from backflow using an airgap method. All commercial users shall incorporate a Reduced Pressure assembly (RP) immediately after the meter pit and before the first service point in the system, at the user's expense. All plumbing shall be installed and maintained in accordance with the Unified Plumbing Code (UPC), the most recent version. Any special cases shall be brought to the Board for acceptance and approval.

APPENDIX F

Utility Crossing Requirements