

May 28 2004

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IDAHO PUBLIC
UTILITIES COMMISSION

TO: Idaho Public Utilities Commission
Commission Secretary

FROM: Diamond Bar Estates LLC dba
Diamond Bar Estates Water Co

SUBJECT: Area Extension

PURPOSE: Extension of water lines

DIA-W-04-01

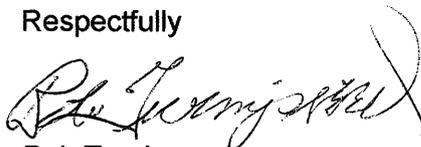
We need to expand our certificated service territory to agree with the enclosed map and legal description involved.

It is requested that the Diamond Bar Estates LLC dba Diamond Bar Water Co, a water utility in Kootenai County, Idaho, more particularly described as a portion of the North ½ of section 3, Township 51 North, Range 4 West, Boise Meridian, Kootenai County Idaho, be granted an extension of its service area to include a portion of the SE ¼ of Section 33, Township 52, North Range 4 West, Boise Meridian Kootenai County Idaho (70 acres) to service approximately 14/5 acres lots with domestic/irrigation water from 1/1 to 12/31. See enclosed area map.

The rate that was established for the Diamond Bar Estates Water Co will be applied for this subdivision order #29247.

Please review and grant permission at your earliest convenience as the construction is due to start July 15 2004.

Respectfully



Bob Turnipseed
Diamond Bar Estates Water



STATE OF IDAHO
DEPARTMENT OF
ENVIRONMENTAL QUALITY

2110 Ironwood Parkway • Coeur d'Alene, Idaho 83814-2648 • (208) 769-1422

Dirk Kempthorne, Governor
C. Stephen Allred, Director

June 1, 2004

Mr. Craig Singer
11463 Riverview Dr
Post Falls, ID 83854

RE: Boekel Estates Subdivision

Dear Mr. Singer:

Revised plans and specifications submitted by Roger Glessner to DEQ on May 5, 2004 have been reviewed. This project was originally reviewed and approved by our office on May 11, 2004 conditional to the following. The revisions appear to be minor with regards to the water system, however these conditions still apply.

1. Irrigation services are shown at each connection. Installation of appropriate backflow prevention devices at each irrigation connection are required prior to providing water service.
2. Several of the details shown on the plans were unreadable. Clear details should be shown on plans for construction. Clear details must be shown on the as-built plans.

The revised plans and specifications have been reviewed and are hereby approved for construction purposes in accordance with the Idaho Rules for Public Drinking Water Systems and Section 39-118 of Idaho Code.

Inspection of construction activities approved herein must be done by an Idaho licensed Professional Engineer (P.E.) or by someone under the direct supervision of a P.E.

If major modifications to this accepted design are necessary, the design engineer must secure DEQ approval of the changes prior to implementation of the changes.

Section 39-118 of Idaho Code requires preparation of complete and accurate as-built plans as certified by the inspecting engineer. The as-built plans need to be submitted to DEQ for review and approval within thirty (30) days of completion of construction. If construction is not completed within one year of the date of this letter, the DEQ construction approval expires. An extension may be granted if the design engineer submits a written request that DEQ re-approve the plans and specifications.

Sincerely,



Alan Miller, EIT

c: Roger Glessner, Inland NW Consultants, 620 Post St, Post Falls 83854
Robert Turnipseed, Diamond Bar Est., PO Box 1870, Hayden 83835
Robert Smith, Idaho PUC, PO Box 83720, Boise 83720-0074
PHD/CDA
File: Diamond Bar Estates (# 8061 & 7988_D-6)

**WATER MAIN EXTENSION AGREEMENT
DIAMOND BAR ESTATES LLC**

THIS AGREEMENT is entered into on the date set forth below, by and between DIAMOND BAR ESTATES LLC, an Idaho limited liability company, dba DIAMOND BAR ESTATES WATER COMPANY located at P.O. Box 1870, Hayden, Idaho 83835 (herein referred to as "DIAMOND WATER") and WALTER AND GRACE SINGER, husband and wife at 11463 W. Riverview, Post Falls Idaho 83854 (herein referred to as "SINGER").

RECITALS:

A. DIAMOND WATER owns two wells and currently provides domestic water services to DIAMOND BAR ESTATES, and is a public Utility governed by the Idaho Public Utility Commission (Commission).

B. SINGER is the owner of and is developing approximately 70 acres of land neighboring DIAMOND BAR ESTATES, LLC, and intends to plat 14 lots, more particularly described in Exhibit "A" (herein referred to as "BOEKEL ESTATES") all of which lots require domestic water service.

C. It is the purpose and intent of the parties that DIAMOND WATER will provide domestic water delivery and maintenance under the terms of this Agreement and the General Rules and Regulations Governing this Agreement attached hereto as Exhibit "C" and by this reference made a part hereof.

NOW, THEREFORE, based on the agreements and covenants provided herein, it is agreed as follows:

1. DEFINITIONS

All definitions provided herein shall apply to this Agreement and the General Rules and Regulations Governing this Water Main Extension Agreement adopted hereunder.

1.1 "Adjusted Construction Cost", for the purposes of this Rule, shall be reasonable and shall not exceed the costs recorded in conformity with generally accepted water Utility accounting and sound engineering practices, and as specifically defined in the Uniform System of Accounts for Water Utilities prescribed by the Commission, of installing facilities of adequate capacity for the service requested. If the Utility, at its option, should install facilities with a larger capacity or resulting in a greater footage of extension than required for the eservice requested, the "adjusted construction cost", for the purposes of this Rule, shall be determined by the application of an adjustment factor to actual construction cost of facilities installed. This factor shall be the ratio of estimated cost of required facilities to estimated cost of actual facilities installed.

1.2. "Agreement" and "Main Line Extension Contract" shall mean this Agreement between DIAMOND BAR ESTATES LLC, SINGER and his assigns, the future Customers in BOEKEL ESTATES.

1.3. "Applicant" shall mean SINGER.

1.4. "Commission" shall mean the Idaho Public Utilities Commission.

1.5. "Customer" or "all Customers" shall mean SINGER, for so long as Singer owns any lots in BOEKEL ESTATES, and the assigns of SINGER; all of which shall be water users in BOEKEL ESTATES.

1.6. "Main Line Extension Contract" shall mean this Agreement between DIAMOND BAR ESTATES LLC and SINGER and his assigns, the future Customers in BOEKEL ESTATES.

1.7. "Rule" shall mean the General Rules and Regulations Governing this Water Main Extension Agreement attached hereto.

1.8. "Utility" shall mean DIAMOND BAR ESTATES LLC dba Diamond Bar Water Co. also referred to as DIAMOND WATER.

21.9. "Water System" or "Facilities" shall mean the main line(s) connections, easements and all necessary appurtenances supporting the water system constructed under this Agreement all of which is more particularly described in Exhibit "B" attached hereto and by this reference made a part hereof.

2. DOMESTIC WATER DELIVERY

2.1. DIAMOND WATER shall deliver domestic water to Customers of BOEKEL ESTATES for residential use under the terms and conditions set forth herein. Residential use is those uses reasonably necessary to support a single family unit such as drinking water, cooking, bathing, laundry, sanitary uses and irrigation.

2.2. The rates or charges of DIAMOND WATER for domestic water shall conform to the regulations of the COMMISSION. It is agreed as of this date, that the current DIAMOND WATER rate for water delivered to Customers is Twenty-One Dollars (\$21.00) per month, per customer, for the first 7,500 gallons of water and forty-five cents (\$.45) per 1,000 gallons thereafter.

2.3. Customers shall pay to DIAMOND WATER the water charges within ten (10) days of the date of mailing of the billing statement. Water delivery may be terminated by DIAMOND WATER as provided in this Agreement for the reasons set forth herein including, but not limited to, failure to pay DIAMOND WATER water charges or failure to comply with the terms of this Agreement. DIAMOND WATER shall provide all required notices and due process proceedings related to termination of water to Customers under this Agreement.

2.4. Water supplied by DIAMOND WATER is interruptible and terminable. SINGER and all Customers understand and agree that DIAMOND WATER shall not deliver water to BOEKEL ESTATES at any time when DIAMOND WATER is unable to meet the water requirements of the users within BOEKEL ESTATES boundaries as such boundaries may exist from time to time or when DIAMOND WATER is unable to meet the water requirements of other water users with rights to receive water from DIAMOND WATER superior to rights of SINGER and all Customers pursuant to this Agreement. SINGER and all Customers understand and agree that DIAMOND WATER does not grant water rights or water priorities, but, rather, delivers water only as permitted by state law.

2.6. Water supplied by DIAMOND WATER shall not be used for commercial purposes.

2.7. DIAMOND WATER agrees and does hereby waive its usual and ordinary connection fees, (hook-up fees) related to individual connections.

2.8. SINGER, for so long as Singer owns any lots in BOEKEL ESTATES, and all Customers shall abide by the General Rules and Regulations Governing the Water Main Extension Agreement attached hereto as Exhibit "C".

2.9. DIAMOND WATER shall provide water to each lot in BOEKEL ESTATES at a tap-on location stubbed to the property line. The property owner shall be responsible for construction, maintenance and repair of the water service line and required cross-connection devices from the tap-on location to the point of ultimate use. The owner of each lot shall be responsible for any damages to real property, equipment, personal property, or persons, caused by, or related to, an activity associated with tap-on to the water system.

2.10. Any unauthorized tap-on by SINGER, for so long as Singer owns any lots in BOEKEL ESTATES, or any Customer is grounds for immediate and permanent termination of service with notice as provided. SINGER, for so long as Singer owns any lots in BOEKEL ESTATES, or any Customer responsible for such unauthorized tap-on will be prosecuted to the full extent of the law.

2.11. Water meters shall be installed by DIAMOND WATER. No meter shall be moved without the prior written consent of DIAMOND WATER. A Customer is liable for all damages relating to the unauthorized moving of a meter and/or meter tampering and such unauthorized movement or tampering of any sort shall be grounds for immediate and permanent termination of service without notice. Should a meter fail to register, billing for the water used shall be equal to the higher of (a) the same month of the preceding year, or (b) the average of the preceding two (2) months.

2.12. Service lines and other associated facilities from the tap-on location to point of water usage shall be constructed at the sole expense and risk of the Customer. Construction criteria for service lines, back flow preventer(s), shut-off valve(s), reducing valve(s), and other necessary equipment shall be provided by owner pursuant to all federal, state and local standards. Service may be immediately terminated without notice until installation of service lines, back flow preventer(s), shut-off valve(s), and/or pressure

reducing valve(s), and other necessary equipment meet the criteria established by any federal, state or local agency with jurisdiction. Installation of such equipment shall be at the sole expense and risk of the Customer and each Customer shall indemnify and hold harmless DIAMOND WATER for any loss or damage related to such installation.

2.13 DIAMOND WATER shall remedy defects in the system main lines, pumps and meters. Each Customer is responsible for repairs and maintenance of all service lines, cross-connection devices, valves, and equipment from the tap-on location to the point of ultimate usage. Should DIAMOND WATER be required by any federal, state, or local agency to increase line size, pump capacity or provide water storage facilities once the Water System is installed, Customers shall be billed for such costs to reimburse DIAMOND WATER for such additional Water System expenses.

2.14 Customers shall immediately repair all line breaks or leaks in service lines or residences to preclude water waste or damage to property. Failure to immediately repair such leaks may result in immediate termination of service without notice until such repairs are completed. Additionally, DIAMOND WATER, in its sole and absolute discretion, has the right to have such leaks repaired at the sole expense and liability of the Customer, without prior notice to the Customer. Costs incurred by DIAMOND WATER for such repairs may be, at the sole discretion of DIAMOND WATER, collected from the Customer in the same manner as provided for mechanics liens. Each Customer hereby grants consent to DIAMOND WATER to place a lien upon their property for costs associated with repairing leaks on their property. Each Customer is responsible for any loss/damage caused to DIAMOND WATER or third parties by leaks on the Customer's lot and costs for such water usage.

2.15. Each Customer grants an irrevocable license on, over, under and across their property to DIAMOND WATER for the purpose of maintaining, expanding, repairing the Water System, including, the right to make repairs to the Customer's waster facilities, as set forth in paragraph 2.14. No compensation shall be paid for any use of this license. DIAMOND WATER has the right to enter any lot at any time for the purpose of monitoring, maintaining, constructing, repairing, or any other activity related to the Water System, without prior notice to the Customer. Obstruction or denial of access to any portion of the lot shall be grounds for immediate and permanent termination of service without notice.

2.16. Each Customer shall be responsible for the cost of all water used for fire fighting on the Customer's Lot and shall be responsible for any loss/damage caused to the DIAMOND WATER or third parties by water used for fire fighting on the Customer's Lot.

2.17. DIAMOND WATER shall not be liable for any actual or consequential damages arising from, or related to the intentional or unintentional interruption of water services, regardless of the cause of the interruption. DIAMOND WATER shall at all times use reasonable diligence and care to prevent interruption of said water service. Each Customer, and their successors and assigns agree to indemnify and hold harmless the DIAMOND WATER for any and all liability related in any fashion to interruption of service. Further, Customer, and their successors and assigns agree to never file, or assist in the prosecution of any claim against DIAMOND WATER related in any fashion to the provision or lack of provision of water service.

2.18 To reinstitute service that has been disconnected by DIAMOND WATER a written application must be made to DIAMOND WATER requesting removal of restrictions or

reinstitution of service after termination. The decision to remove restrictions or reinstate service is in the sole and absolute discretion of DIAMOND WATER. DIAMOND WATER shall not be responsible for any liability/damage arising from the restriction or termination of service, and each Customer agrees to indemnify and hold harmless DIAMOND WATER for any and all liability relating to restriction or termination of service. DIAMOND WATER shall charge a disconnect and reconnect fee as allowed by the Commission, as of this date the fee is \$15.00 for service provided during normal business hours and \$30.00 for service provided after business hours and on weekends.

2.19 DIAMOND WATER reserves the right to sell or transfer (at its option) the Water System to a home owners association, legally organized water district, public corporation, non-profit corporation, private individual or corporation. DIAMOND WATER reserves the unqualified right to extend future water service using the Water System constructed for BOEKEL ESTATES.

2.20 No failure to enforce, delay or omission in the exercise of any right or remedy by DIAMOND WATER of any violation or default by Customer(s) shall impair such a right or remedy, or be construed as a waiver. The receipt and acceptance by DIAMOND WATER of delinquent fees or payments shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular payment involved.

2.21 In case any one or more of the provisions contained in this Agreement or the General Rules and Regulations authorized hereunder shall, for any reason, be held to be invalid, illegal, unconscionable or unenforceable in any respect, such invalidity, illegality, unconscionability, or unenforceability shall not effect any other provision hereof and this Agreement and the Rules and Regulations shall be construed as if such invalid, illegal, unconscionable or unenforceable provision had never been contained herein, and all other terms and provisions hereof will nevertheless, remain effective and be enforced to the fullest extent permitted by law.

2.22 In addition to the remedies set forth above, DIAMOND WATER reserves the right to enforce any restrictions contained herein by any other appropriate action at their option.

2.23 The failure of any Customer to comply with the provisions of the Rules and Regulations shall give rise to a cause of action in favor of DIAMOND WATER and any aggrieved lot Customer for the recovery of damages, or for injunctive relief, or both. If legal action is brought to interpret or enforce compliance with the provisions of this Agreement or the Rules and Regulations of the Association, then DIAMOND WATER shall be entitled to judgment against the other party for its reasonable expenses, court costs and attorney's fees in the amount awarded by the court.

2.24 DIAMOND WATER shall provide water for fire flow at the locations and in the amounts required by the Fire District.

2.25 DIAMOND WATER shall abide by all rules and regulations, including the testing requirements of the State of Idaho Department of Environmental Quality.

3. CONNECTIONS AND EASEMENT.

3.1. SINGER agrees and confirms that DIAMOND WATER is the owner of the Water System.

3.2. Prior to execution of this Agreement, DIAMOND WATER shall deliver to SINGER a copy of the plans and specifications which will be used to construct the WATER SYSTEM. SINGER shall deliver to DIAMOND WATER written documentation, recorded in the official records of the Recorder's Office, Kootenai County, Idaho. In form satisfactory to DIAMOND WATER, granting to SINGER and DIAMOND WATER a good and valid easement to that property identified and described in Exhibit "B". The purpose and terms of the easement should provide substantially as follows:

(Grant of) an easement to enter upon, over, across, through, and under the property and real estate more particularly described as set forth in Exhibit "A" to construct, reconstruct, operate, inspect, maintain, remove, replace and repair the pipeline, vaults, valving, meters and appurtenances of the Water System.

This easement shall be, at a minimum, five (5) feet each side of the pipe line location and is for the purpose of conveying water through the pipeline and includes the right of ingress and egress of persons, materials, vehicles and equipment. The timing, manner and use of the easement rights herein granted shall be at the sole discretion of DIAMOND WATER.

3.4. DIAMOND WATER is the sole OWNER and controller of the Water System which shall be, repaired, maintained, operated, replaced or reconstructed only under the direction and control of DIAMOND WATER. Such ownership and control by DIAMOND WATER shall survive any termination of this Agreement.

4. RESPONSIBILITY OF THE PARTIES.

4.1. DIAMOND WATER reserves the right at any time, upon notice, to shut off the water for maintenance or expansion and, in emergencies, may do so without notice. DIAMOND WATER shall at all times use reasonable diligence and care to prevent interruption of said water service.

4.2. Except in the case of an emergency, no one, except an authorized DIAMOND WATER representative, is allowed to turn-on or turn-off the water to BOEKEL ESTATES at the designated service connection.

4.3 DIAMOND WATER agrees to build, repair and maintain and reconstruct the main line and the connections in accordance with standards set by local, state and federal agencies with legal jurisdiction over water delivery by DIAMOND WATER. However, DIAMOND WATER shall not be liable or responsible for harm, loss or damage arising from a defect or break-down of the DIAMOND WATER pumps or water supply or arising from requirements of water

users superior to SINGER'S and Customer's rights under this Agreement. Nor with DIAMOND WATER be liable or responsible for harm, loss or damage arising from power outages, weather related interruption in water service or other acts of nature beyond the control of DIAMOND WATER. DIAMOND WATER does not warrant the quality of water to be furnished to SINGER, and Customers. DIAMOND WATER shall not be subject to any debt or liability of SINGER and shall not pledge any of its faith or credit to aid SINGER.

5. NOTICE

5.1 Unless either party provides notice to the other in writing of change of address as specified in this paragraph, any notice required by this Agreement shall be deemed sufficient if delivered personally or mailed, postage prepaid, to DIAMOND WATER or to SINGER as follows:

Diamond Bar Estates Water Company
P.O. Box 1870
Hayden, ID 83835-0081

Walter and Grace Singer
11463 W. Riverview
Post Falls Idaho 83854

6. PRIOR UNDERSTANDINGS AND AGREEMENTS NULL AND VOID.

6.1 This Agreement sets forth the entire Agreement between the parties.

6.2 This Agreement may not be amended or modified except in writing signed by the parties.

7. CAPTIONS.

The paragraph heading are for convenience of reference only and shall not control or affect the meaning of any provision of this Agreement.

8. AUTHORITY OT EXECUTE AGREEMENT

All signatories to this Agreement warrant and represent that they have the power and authority to execute this Agreement and bind the entity they indicate they are representing.

9. AGREEMENT RUNS WITH THE LAND

This Agreement shall run with the land and shall be binding on and inure to the benefit of the future Customers of each lot in BOEKEL ESTATES. The easements and rights granted herein exist in perpetuity and shall inure to the benefit of and be binding upon the heirs, assigns and successors in interest of DIAMOND WATER and SINGER.

10. GOVERNING LAW

This agreement shall be governed by and construed in accordance with the laws of the State of Idaho.

11. INTERPRETATION

The parties agree in all cases that the language of this Agreement will be construed simply, according to its fair meaning, and not strictly for or against either party.

12. ATTORNEY'S FEES

In the event of any controversy, claim, or dispute relating to this Agreement or its breach, the prevailing party shall be entitled to recover reasonable expenses, attorney's fees and costs.

13. INDEPENDENT REVIEW

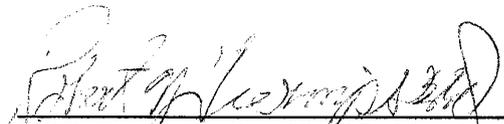
SINGER has been advised to seek review of this Agreement by independent legal counsel, and by his signature below, he represents that he fully understands and accepts the terms set forth herein.

IN WITNESS WHEREOF, the parties pursuant to authority of the respective entities have executed this Agreement on the dates set forth in the respective acknowledgments below.

DATED this 20th June day of May 2004.

"DIAMOND BAR ESTATES WATER DIAMOND WATER"

"SINGER"


ROBERT N. TURNIPSEED, Member


WALTER SINGER


GRACE SINGER

STATE OF IDAHO)
) ss.
County of Kootenai)

On this 28th day of May 2004, before me, a Notary Public, personally appeared ROBERT N. TURNIPSEED, known or identified to me, to be the Managing Member DIAMOND BAR ESTATES WATER DIAMOND WATER, that executed the said instrument, and

GENERAL RULES AND REGULATIONS GOVERNING THE DIAMOND WATER WATER MAIN EXTENSION AGREEMENT

1. INTERRUPTION OF WATER SERVICE

1.1 DIAMOND WATER reserves the right at any time, upon notice, to shut off the water for maintenance or expansion and, in emergencies, may do so without notice. DIAMOND WATER shall at all times use reasonable diligence and care to prevent interruption of said water service.

1.2 Except in the case of an emergency, no one, except an authorized DIAMOND WATER representative, is allowed to turn-on or turn-off the water on the DIAMOND WATER'S side of the service connection.

2. MAIN LINE EXTENSIONS

2.1 All extensions of distribution mains from the DIAMOND WATER existing distribution system, to serve new Customers, except for those specifically excluded below shall be made under the provisions of this Rule unless specific authority is first obtained from the Commission to deviate therefrom. A Main Extension Contract shall be executed by the DIAMOND WATER and the Applicant or Applicants for the main extension before the DIAMOND WATER commences construction work on said extensions or, if constructed by Applicant or Applicants, before the Facilities comprising the main extension are transferred to the DIAMOND WATER.

2.2 Extensions solely for fire hydrant, private fire protection, resale, temporary standby, or supplemental service shall not be made under this Rule.

3. CROSS-CONNECTION BACKFLOW PREVENTION DEVICES

3.1 Backflow prevention assemblies shall be installed at the service connection or within any premises, where in the judgment of DIAMOND WATER or certified cross connection specialist, the nature and extent of activity on the premises, or the materials used in connection with the activities, or materials stored on the premises would present an immediate and dangerous hazard to health should a cross connection occur, even though such cross connection does not exist at the time the backflow prevention device is required to be installed. This includes:

3.1.1 Premises having an auxiliary water supply.

3.1.2 Premises having internal cross connections that are not correctable, or intricate plumbing arrangements which make it impractical to ascertain whether or not cross connections exist.

3.1.3 Premises where entry is restricted so that inspections for cross connections cannot be made with sufficient frequency or at sufficient short notice to assure that cross connections do not exist.

3.1.4 Premises having a repeated history of cross connections being established or re-established.

3.1.5 Premises on which any substance is handled under pressure so as to permit entry into the public water system, or where a cross connection could reasonably be expected to occur. This includes the handling of process waters and cooling waters.

3.1.6 Premises where materials of a toxic or hazardous nature are handled such that if back siphonage should occur, a serious health hazard may result.

3.1.7 All facilities requiring mandatory service protection as provided in IDAPA 16.01.08 - Idaho Rules for Public Drinking Water Systems now as it may be amended from time to time.

3.2 The owner and the occupant of every premises which has a permanently installed irrigation system or which uses on the premises any non-potable water, must obtain a certificate of compliance from the DIAMOND WATER. A certificate will be issued only if the system is in compliance with this Rule.

3.3 DIAMOND WATER, or a designated agent, will administer the provisions of this Rule. DIAMOND WATER will designate cross connection specialists and shall recommend all needful rules and regulations to carry these provisions into effect. Any deviation, modification or changes from approved standards must be approved by DIAMOND WATER or a DIAMOND WATER designated representative.

3.4 Definitions.

"Auxiliary Supply" means any water source or system other than the DIAMOND WATER water system, that may be available in the building or on the premises.

"Backflow" means the flow other than the intended direction of flow, of any foreign liquids, gases, or substances into the distribution of the public water system.

"Back pressure" means backflow caused by a pump, elevated tank, boiler, or other means that could create pressure within the system greater than the potable water supply system.

"Air Gap" (AG) air gap separation means the unobstructed vertical distance through the free atmosphere between the lowest opening from any pipe or faucet supplying water to tank, plumbing fixture, or other device and the flood level rim of the receptacle, and must be at least double the diameter of the supply pipe measured vertically above the flood level rim of the vessel. In no case may the gap be less than one inch.

"Approved Assembly" shall mean any backflow prevention assembly which has satisfactorily completed laboratory and field test by an independent laboratory recognized by the Idaho Department of Environmental Quality including the following:

"Back siphonage" means a form of backflow due to a negative or subatmospheric pressure within the water system.

"Backflow prevention assembly" means an assembly to counteract back pressures or prevent back siphonage.

"Cross connection" means any physical arrangement whereby a public water system is connected, directly or indirectly, with any other non-potable water system, sewer, drain, conduit, pool, storage reservoir, plumbing fixture, or other device which contains, or may contain, contaminated water, sewage, or other waste liquid of unknown or unsafe quality which may be capable of imparting contamination to the public water system as a result of backflow. Bypass arrangements, jumper connections, removable sections, swivel or change-over devices, or other temporary or permanent devices through which, or because of which, backflow may occur are considered to be cross connections.

"Designee or Designated" means an employee or entity contracted by the DIAMOND WATER to enforce the provisions of this Rule.

"Double check valve assembly" (DCVA) means an assembly composed of two single, independently acting check valves, including resilient seated tightly closing shutoff valves located at each end of the assembly and equipped with properly located resilient seated test cocks for testing the watertightness of each check valve.

"Pressure Vacuum Breaker Backsiphonage Prevention Assembly" (PVBA) means an assembly containing an independently operating internally loaded check valve and an independently operating internally loaded air inlet valve located on the discharge side of the check valve. The assembly is to be equipped with properly located resilient seated test cocks and tightly closing resilient seated shutoff valves attached at each end of the assembly. This assembly is designed to protect against a backsiphonage condition only.

"Reduced pressure principle backflow prevention assembly" (RPBA) means an assembly incorporating two or more check valves and an

automatically operating differential relief valve located between the two checks, two resilient seated shutoff valves, one located at each end of the assembly and equipped with properly located resilient seated test cocks for testing. The assembly must operate to maintain the pressure in the zone between the two check valves, less than the pressure on the public water system side of the assembly. At cessation of normal flow, the pressure between the check valve must be less than the supply pressure. In case of leakage of either check valve the differential relief valve must operate to maintain the reduced pressure by discharging to the atmosphere. When the inlet pressure drops below two pounds per square inch, the relief valve must open to the atmosphere thereby providing an atmospheric zone between the two check valves.

"Water – Metered Water Service Connection" means the terminal end of a service connection from the DIAMOND WATER's water system (that is, where the DIAMOND WATER loses control over the water at its point of delivery to the customer's system), being the downstream end of the meter. There should be no unprotected takeoffs from the service line ahead of any backflow prevention device. Service connections shall also include metered or un-metered water service connections from a fire hydrant and all other temporary or emergency water service connections to the DIAMOND WATER's water system.

3.5 Except as herein provided, all cross connections, whether or not they are controlled by automatic devices such as check valves or by hand operated mechanisms such as gate valves or stop clock, are prohibited. Any reinjection of water by individual, commercial or industrial uses, to the public water system is specifically prohibited. Water to water and water to air heat exchangers are considered a cross connection because of health risks. Any modifications allowing reinjection are prohibited. Failure on the part of persons, firms, or corporations to discontinue the use of all cross connections and to physically separate cross connections is sufficient cause for the immediate discontinuance of public water services to the premises.

3.6 Any protective device required by this Rule shall be a model approved by the certified cross connection specialist. A double check valve assembly or a reduced pressure principle backflow prevention assembly will be approved if it has successfully passed performance tests of the University of Southern California, Foundation for Cross Connection Control and Hydraulic Research, or other testing laboratories satisfactory to the certified cross connection specialist or otherwise meets standards acceptable to the certified cross connection specialist. Backflow prevention assemblies which are in service but are not listed shall be permitted to remain in service provided they (1) were listed on the current Approved Cross Connection Control Assembly List at the time they were installed, (2) are properly maintained, (3) are commensurate with the degree of hazard, and (4) are tested and successfully pass the test annually. When these assemblies are moved, or require more than minimum maintenance, they shall be replaced by an assembly which is on the current list of approved assemblies. To maintain their approval status all assemblies must be delivered to the job site and be installed with the shutoff

valves #1 and #2 and test cocks which are supplied by the device manufacturer. The type of prevention device required depends on the degree of hazard which exists which include but are not limited to the following:

3.6.1. An air-gap separation or reduced principle backflow prevention assembly shall be installed where the water supply may be contaminated by sewage, industrial waste of a toxic nature or other contaminant which could cause a health or system hazard.

3.6.2. In the case of a substance which may be objectionable but not hazardous to health, , a air-gap separation or a reduced pressure principle backflow prevention assembly, or a double-check valve assembly shall be installed.

3.6.3. Lawn sprinkler systems, which are supplied by DIAMOND WATER water only, shall be required to have a double check valve backflow prevention assembly, or a pressure vacuum breaker assembly, or atmospheric vacuum breaker assembly depending on the design of the sprinkler system and potential risk to the potable water supply. Backflow prevention assemblies larger than one inch will submit design and approval will be made by DIAMOND WATER or a DIAMOND WATER designated cross connection specialist. All backflow prevention assemblies shall be of a type approved by the Idaho Department of Environmental Quality.

3.7 Backflow prevention assemblies required by this Rule must be installed at the meter on metered accounts, at the property line of the premises when meters are not used, or at a location designated by the certified cross connection specialist so as to be readily accessible for maintenance and testing, where no part of the device will be submerged or hidden from proper inspection.

3.8 Backflow prevention assemblies required by this Rule shall be inspected and approved only by the DIAMOND WATER certified cross connection specialist. Inspections shall be required at the time of installation and annually thereafter unless additional inspections are required as specified herein.

3.9 All backflow devices required by this Rule shall be of the correct type as required by the DIAMOND WATER and be selected from the State of Idaho approved list.

3.10 DIAMOND WATER shall establish fees for each inspection of backflow prevention devices by resolution. The fee shall be an additional charge to the regular water bill and shall be paid within 10 days of the date of mailing of the billing statement.

3.11 An annual inspection of the reduced pressure principle backflow assembly, and the double check valve assembly is hereby required. More

frequent inspection may be required, at the discretion of DIAMOND WATER, when successive inspections indicate that the installed device has failed or may fail or the nature of the cross connection hazard reasonable necessitates more frequent inspections.

3.12 Each backflow prevention assembly shall be tested to insure that it functions properly upon installation, after repairs, after being relocated, moved, or reinstalled, and annually. DIAMOND WATER, and/or a certified cross connection specialists shall inspect and test each assembly. If the test indicates the assembly must be repaired, the DIAMOND WATER shall notify the property owner and allow up to sixty (60) days for the property owner to have the assembly properly repaired. Upon repair, the property owner shall immediately submit to DIAMOND WATER a record of the repair work and a report from DIAMOND WATER, or designee, that a satisfactory final test has been completed.

3.13 The failure of the customer to cooperate in the installation, maintenance, test or inspection of backflow prevention assemblies required by this Rule is grounds for termination of water services to the premises or requiring air-gap separation. Any reconnection of a service not authorized by the DIAMOND WATER when water service has been disconnected from the DIAMOND WATER water system for noncompliance with this Rule shall be grounds for termination of water service without notice. Each day of a violation shall be considered a separate offense. Each offense may be punishable by a fine of up to \$300.00 and each day. This Rule may also be enforced by appropriate civil action in a court of competent jurisdiction.

4. OWNERSHIP, DESIGN AND CONSTRUCTION OF WATER SYSTEM FACILITIES

4.1. Any Water System Facilities installed hereunder shall be the sole property of DIAMOND WATER. In those instances in which title to certain portions of the installation, such as fire hydrants, will be held by a political subdivision, such Facilities shall not be included as a part of the main extension under this Rule.

4.2. The size, type, quality of materials, and their location shall be specified by DIAMOND WATER; and the actual construction shall be done by the DIAMOND WATER or by a constructing agency acceptable to it.

4.3. Where the property of an Applicant is located adjacent to a right-of-way exceeding 70 feet in width, for a street, highway or other public purpose, regardless of the width of the traveled way or pavement; or a freeway, waterway or railroad right-of-way, DIAMOND WATER may elect to install a main extension on the same side thereof as the property of the Applicant, and the estimated and adjusted construction costs in such case shall be based upon such an extension.

4.4. When an extension must comply with an Rule, regulation, or specification of public authority, the estimated and adjusted construction costs of said extension shall be based upon the Facilities required to comply therewith.

5. ESTIMATES, PLANS AND SPECIFICATION

5.1 Upon request by a potential Applicant for a main extension, DIAMOND WATER shall prepare, without charge, a preliminary sketch and rough estimates of the cost of installation to be built by DIAMOND WATER.

5.2 Any Applicant for a main extension requesting the DIAMOND WATER to prepare detailed plans, specifications, and cost estimates shall be required to deposit with the DIAMOND WATER an amount equal to the estimated cost of preparation of such material. DIAMOND WATER shall, upon request, make available within 45 days after receipt of the deposit referred to above, such plans, specifications and cost estimates of the proposed main extension. If the extension is to include over sizing of Facilities to be done at the DIAMOND WATER's expense, appropriate details shall be set forth in the plans, specification and cost estimates.

5.3 In the event a Main Extension Contract with the DIAMOND WATER is executed within 180 days after the DIAMOND WATER furnishes the detailed plans and specifications, the deposit shall be for a part of the advance, and shall be refunded in accordance with the terms of the Main Extension Contract. If such contract is not so executed, the deposit to cover the cost of preparing plans, specifications and cost estimates shall be forfeited by the Applicant for the main extension and the amount of the forfeited deposit shall be credited to the account of accounts to which the expense of preparing said material was charged.

5.4 When detailed plans, specifications and cost estimates are requested, the Applicant for a main extension shall furnish a map to a suitable scale showing the street and lot layouts and, when requested by the DIMOND WATER, contours or other indication of the relative elevation of the various parts of the area to be developed. If changes are made subsequent to the presentation of this map by the Applicant, and these changes require additional expense in revising plans, specifications and cost estimates, this additional expense shall be borne by the Applicant, not subject to refund, and the additional expense thus recovered shall be credited to the account or accounts to which the additional expense was charged.

6. TIMING AND ADJUSTMENT OF ADVANCES

6.1. Unless the Applicant for the main extension elects to arrange for the installation of the extension himself, as permitted by Section 31.1C, the full amount of the required contribution must be provided to the DIAMOND WATER at the time of execution of the Main Extension Agreement.

6.2. An Applicant for a main extension who contributes funds shall be provided with a statement of actual construction cost and adjusted construction

cost showing in reasonable detail the cost incurred for material, labor, any other direct indirect costs, overheads, and total costs; or unit costs; or contract costs, whichever are appropriate.

6.3. Said statement shall be submitted within sixty (60) days after the actual construction costs of the installation have been ascertained by the DIAMOND WATER. In the event that the actual construction costs for the entire installation shall not have been determined within 120 days after the completion of construction work, a preliminary determination of actual and adjusted construction costs shall be submitted based upon the best available information at that time.

6.4. Any differences between the adjusted construction costs and the amount contributed shall be shown as a revision of the amount of advance and shall be payable within thirty days of submission of statement.

7. INTERPRETATIONS AND DEVIATIONS

7.1. In case of disagreement or dispute regarding the application of any provision of this Rule, or in circumstances where the application of this Rule appears unreasonable to either party, DIAMOND WATER, Applicant or Applicants may refer the matter to the Commission for determination.

8. EXTENSIONS TO SERVE INDIVIDUALS

8.1 The Applicant or Applicants for service shall be required to advance to the DIAMOND WATER, before construction is commenced, the estimated reasonable cost of the main line extension inclusive of the cost of service pipes, meter boxes and meters. Such estimated reasonable costs shall be based upon the cost of a main not in excess of 8 inches in diameter except where a larger main is required by the special needs of the Applicant or Applicants.

9. EXTENSIONS TO SERVE SUBDIVISIONS, TRACTS, HOUSING PROJECTS, INDUSTRIAL DEVELOPMENTS OR ORGANIZED COMMERCIAL DISTRICTS

9.1. An Applicant for a main extension to serve a new subdivision, tract, housing project or industrial development or organized commercial district shall be required to make a non-refundable contribution to the DIAMOND WATER, before construction is commenced, the estimated reasonable cost of the extension to be actually installed, from the nearest DIAMOND WATER facility at least equal in size or capacity to the main required to serve both the new Customers and a reasonable estimate of the potential Customers who might be served directly from the main extension without additional extension. The costs of the extension shall be included necessary service stubs or service pipes, fittings, gates and housing therefore, and meter boxes, but shall not include meters. To this shall be added the cost of fire hydrants when requested by the

Applicant of the main extension or required by public authority, whenever such hydrants are to become the property of the DIAMOND WATER.

9.2. If, for any purpose, special facilities are required primarily for the service requested, the cost of such special facilities may be included in the contribution.

10. MISCELLANEOUS

10.1 No Customer shall permit any person from another premise to take water from his or her water service tap for more than one (1) week without the written permission and consent of the DIAMOND WATER.

10.2 No person acting either on his or her own behalf or as agent of any person, firm, corporation or municipality, not authorized by the DIAMOND WATER, shall take any water from any fire hydrant on the DIAMOND WATER'S system except in the case of an emergency.

10.3 No person shall place upon or about any hydrant, gate, box, meter, meter box or other property of the DIAMOND WATER, any building material or other substance so as to prevent free access at all times to the same.

10.4 Service will be maintained to domestic Customers on a preferential basis. Delivery of water under all schedules may be restricted, interrupted or curtailed at the discretion of DIAMOND WATER in case of shortage or threatened shortage of water.

10.5 No rate contract or application is assignable from one user to another, except upon Agreement of all parties concerned.

10.6 The representative of DIAMOND WATER shall be given access to the premises of the Customer at all reasonable hours for obtaining meter readings, for turning on or shutting off the flow of water, for inspecting, removing, repairing or protecting from abuse or fraud any of the property of the DIAMOND WATER installed on the premises. Access shall be granted at all times for emergency purposes.

10.7 No one, except an authorized agent of DIAMOND WATER, shall tamper with, interfere with, make repairs connections or replacements of or to any of the property of DIAMOND WATER.

10.8 The Customer will not materially increase his demand or use of service without giving due notice of such increases, especially in cases of un-metered service. In the event of such increase, the Customer will pay DIAMOND WATER'S approved rates for such increased service. In cases of un-metered commercial service, DIAMOND WATER may determine that the service should be metered and the Customer will be billed under the appropriate approved metered rates.

10.9 Whenever an Applicant desires services of a character for which there is no available service classification, a contract may be executed in lieu of a tariff. Any such contract is subject to the approval of the Commission.

10.10 The Customer is held responsible for any violation of these Rules and Regulations even though the breach is committed by someone employed either directly or indirectly by the Customer.

10.11 Copies of DIAMOND WATER'S rates and Rules and regulations will be provided to Customers upon request and in accordance with the Rules of Customer Relations.

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**LARGE COLORED MAP
ATTACHED**

SEE CASE FILE