ENTERPRISE
COMMUNITY DEVELOPMENT DISTRICT

POTABLE WATER
DOMESTIC WASTEWATER
AND REUSE WATER
UTILITY SYSTEM

OPERATING POLICIES AND PROCEDURES

TABLE OF CONTENTS

Section 1	Short title, authority and applicability	1
Section 2	Intent, Findings and Purpose	1
Section 3	Rules of Construction	2
Section 4	Definitions	3
Section 5	Master Developers	7
Section 6	Service Availability Inquiry and Service Request Application	8
Section 7	Payment of Charges	10
Section 8	Reservation of Capacity, Expiration of Reservation	12
Section 9	Cost of Constructing Development Facility	13
Section 10	Construction of Development Facility by District	13
Section 11	Construction of Development Facility by Developer	13
Section 12	Connection of Development Facility	15
Section 13	Use of System by Developer During Construction	15
Section 14	Dedication	15
Section 15	Customer Service Application	16
Section 16	User Fees	17
Section 17	Meters	17
Section 18	All Potable and Reuse Water Through Meter	17
Section 19	Introduction of Wastewater	17
Section 20	Reuse Water Service	18
Section 21	Fire Service Connection	18
Section 22	Private Systems	19
Section 23	Improvements and Extensions to the Distribution and Collection System	20
Section 24	Refundable Advances and Oversizing Policies	20
Section 25	Limitations of Use	21
Section 26	Unauthorized Connection or Use	21
Section 27	Access to Premises	21
Section 28	Inspections of Development Facility or Customer Facility	21
Section 29	Utility Inspection Fees	22
Section 30	Protection of District Property	22
Section 31	Customer deposits	22
Section 32	Billing	23
Section 33	Delinquent Bills, Liens in Favor of the District, Procedures for Contesting Charges	23
Section 34	Adjustment of Bills, Meter Readings, Standards of Accuracy and Inspections	25
Section 35	Refusing Service	25
Section 36	Termination of Service by District	26
Section 37	Resumption of Service	27
Section 38	Remedies of the District	27
Section 39	Damaging, Tampering with, or Altering District Facilities	27
Section 40	Maintenance and Standards	27
Section 41	Continuity of Service	28
Section 42	Compliance with Laws	28
Section 43	Water Conservation Program	28
Section 44	Change of Occupancy, Termination or Transfer of Service	29
Section 45	Amendments to Rate Schedule	29
Section 46	Effective Date	29

ENTERPRISE COMMUNITY DEVELOPMENT DISTRICT
POTABLE WATER, DOMESTIC WASTEWATER AND REUSE WATER UTILITY SYSTEM
OPERATING POLICIES AND PROCEDURES

Section 1 Short Title, Authority and Applicability

(a) This document shall be known and may be cited as the "Operating Policies and Procedures, Enterprise Community Development District Water, Domestic Wastewater and Reuse Water Utility Services"

(b) The Board of Supervisors of the District (as defined herein) has the authority to adopt operating policies and procedures pursuant to Chapter 190 of the Florida Statutes, as amended.

(c) These operating policies and procedures shall be applicable to all those receiving Potable Water, Domestic Wastewater and Reuse Water service from the District.

Section 2 Intent, Findings and Purpose

The District owns, operates and maintains a Potable Water, Domestic Wastewater and Reuse Water Utility System which serves development within the Service Area as described in the Large User Agreement between the District and the Toho Water Authority ("Toho"), ("Large User Agreement").

Under the terms of the Large User Agreement, the District will receive from Toho Potable Water, Domestic Wastewater and Reuse Water service for distribution to retail customers within the Service Area. Service shall be provided by the District in accordance with these operating policies and procedures.

The purpose of these operating policies and procedures is to set forth guidelines to ensure the orderly provision of Potable Water, Domestic Wastewater and Reuse Water to development within the Service Area. New development will require extension of mains and, from time to time, expansion of facilities to provide Potable Water, Domestic Wastewater and Reuse Water. In some instances, the District, in anticipation of future growth and development, has already provided mains and other facilities to service development within its Service Area. The cost of providing extensions, modifications, and expansions of the District's facilities shall be borne by Customers within the Service Area.

It is the declared policy of the District to establish in the operating policies and procedures a reasonable method of calculating, assessing and collecting charges for the provision of Services to its Customers. As authorized by Chapter 190, Florida Statutes, and as set forth in these operating policies and procedures, the District shall establish, determine and may revise and amend rates, fees, rentals, charges and contributions required for the provision of Potable Water, Domestic Wastewater and Reuse Water to its Customers.

The Board of Supervisors finds that Potable Water is a scarce resource. In an effort to efficiently utilize available Potable Water, the District will require its Customers to abide by

Potable Water conservation measures and to utilize Reuse Water when available, all as more fully described in these operating policies and procedures and to the extent permitted by law.

Customers may not use well water or Potable Water for the Irrigation of trees, shrubbery or other landscaping at any residential, commercial or agricultural establishment if Reuse Water is unavailable. Reuse Water from a source other than the shall not be introduced into the District, unless the District does not have sufficient supplies of Reuse Water for distribution to its Customers within the District's Service Area and only after receipt of the District's prior written consent.

Section 3 Rules of Construction

(a) The provisions of these policies and procedures shall be liberally construed to effectively carry out its purpose in the interest of the public health, safety and welfare.

(b) For purposes of the administration and enforcement of these policies and procedures, unless otherwise stated, the following rules of construction shall apply to these policies and procedures:

(1) If there is any conflict between the text of these policies and procedures and any schedule, table, summary table or illustration, the text shall control.

(2) The word "shall" is always mandatory and not discretionary; the word "may" is permissive.

(3) The phrase "used for," includes "arranged for," "maintained for," or "occupied for."

(4) The word "person" includes an individual, a corporation, a partnership, an incorporated association, or any other similar entity.

(5) The word "includes" shall not limit a term to the specific example but is intended to extend its meaning to all other instances or circumstances of like kind or character, unless otherwise stated.

(6) Words used in the present tense include the future; words used in the singular include the plural and the plural the singular, unless the context clearly indicates the contrary.

(7) Unless the text clearly indicates the contrary, where a policy or procedure involves two (2) or more items, conditions, provisions, or events connected by the conjunction "and," "or," or "either…or," the conjunction shall be interpreted as follows:

i. "And" indicates that all the connected terms, conditions, provisional or events shall apply.

ii. "Or" indicates that the connected items, conditions, provisions or events may apply singly or in any combination.

iii. “Either…or” indicates that the connected items, conditions, provisional or events shall apply single but not in combination.

(8) If any section, subsection, sentence, clause or provision of these policies and procedures is held invalid, the remainder of these policies and procedures shall not be affected by such invalidity.

(9) If a conflict exists between the policies and procedures of the District and any other governing body, such as federal, State, County or other local agencies, then the strictest rule or regulation shall apply.

(10) These policies and procedures shall be interpreted as minimum standards necessary for the protection of public health, safety and general welfare.

Section 4 Definitions

The following terms and phrases, when used herein, shall have the meaning ascribed to them in this Section, except where the context clearly indicates a different meaning.

(a) *Application Review Fee* shall mean the charge established by the District and set forth in the Rate Schedule for the review of a Developer’s Service Request Application.

(b) *Backflow Preventer* shall mean an appurtenance or fixture that allows fluids to pass through it in only one direction.

(c) *Base Facility Charge* shall mean the fixed charge set forth in the Rate Schedule, which is based on the projected average daily Potable Water and Wastewater consumption flows in the District. The charge is payable monthly by a Developer commencing at the time the Developer is obligated to pay the Connection Charge, as set forth in greater detail in Section 7(d) herein. The Base Facility Charge represents the fixed component of the User Fee and is intended to recover a portion of the District’s cost under the Large User Agreement, a portion of the District’s capital cost of the System and a portion of the District’s administrative and general costs.

(d) *Board of Supervisors* shall mean the Board of Supervisors of the District.

(e) *Capacity Reservation Fee* shall mean the charge of the District payable monthly in advance by the Master Developer or a Developer in consideration of the District’s reservation of capacity in the System for a Development Facility until a Developer is obligated to pay the Connection Charge, as set forth in greater detail in Section 7(a) herein. The Capacity Reservation Fee is intended to recover a portion of the District’s cost incurred under the Large User Agreement and the District’s administrative and general costs.

(f) *City* shall mean the City of Kissimmee, Osceola County, Florida.

(g) *Commercial Establishment* shall mean any enterprise that is nongovernmental and non-single family residences in use including, but not limited to, multi-family residences.

(h) *Connection Charge* shall mean the charge of the District set forth in the Rate Schedule required to be paid by a Developer or any new Customer as a condition precedent to the connection of the System with the Customer Facility, as set forth in greater detail in Section 7(b) herein. The Connection Charge is intended to recover a portion of the District's capital cost of the System.

(i) *County* shall mean Osceola County, Florida, a political subdivision of the State of Florida.

(j) *Cross-Connection* shall mean any type of joining, linking or connection which allows a transfer of flows between the Reuse Water facilities and the Potable Water facilities, and which requires the consent of the FDEP and the District.

(k) *Customer* shall mean any person, firm, association, corporation, governmental agency or similar organization that ultimately uses, will use or desires to use Service. The term "Customer" specifically includes Developers that use Service. In the case of a mixed use, multi-tenant improvement, the term "Customer" shall refer to the owner of the improvement.

(l) *Customer Facility* shall mean all pipes, fixtures, and appurtenances of any kind and nature, used in connection with or forming a part of an installation for utilizing Service. A Customer Facility shall include the Meter and Backflow Preventer Assembly and anything located on the Customer side of the Backflow Preventer, whether such installation is owned outright by a Customer or by contract, lease or otherwise. However, if the District constructs a Development Facility, the term "Customer Facility" shall include the Meter and Backflow Assembly.

(m) *Delinquent Bill* shall mean any amount due and owing under these policies and procedures from the Master Developer, a Developer or a Customer which is not paid within twenty (20) days of the due date.

(n) *Developer* shall mean any person, corporation, or other legally recognized entity, or any personal representative, successor, or assign of the Developer who engages in the business of making or otherwise makes improvements to or upon unimproved real property located within the District's Service Area as owner, tenant or legally constituted agent for the owner of such real property.

(o) *Developer's Agreement* shall mean an agreement between the District and a Developer pursuant to Section 10 of these policies and procedures.

(p) *Development* shall mean the particular parcel or tract of land described by a Developer in a Service Request Application and owned by the Developer.

(q) *Development Facility* shall mean all pipes, fixtures, meters, structures and appurtenances of any kind or nature of Potable Water distribution, Domestic Wastewater collection and Reuse Water facilities located in a Development commencing at the District Facilities and continuing up to the Meter and Backflow Preventer Assembly. Generally, it is anticipated that each Development Facility will be conveyed by the Developer to the District by dedication after the Development Facility is fully constructed and accepted by the District and shall thereafter be considered a District Facility.

(r) *District* shall mean the local unit of special purpose government of the State of Florida, created pursuant to the provisions of Chapter 190, Florida Statutes, known as the Enterprise Community Development District.

(s) *District Engineer* shall mean the professional engineer or engineering firm selected and retained from time to time by the District to perform engineering services on behalf of the District.

(t) *District Facilities* shall mean all pipes, fixtures, Meters and appurtenances of any kind and nature of that Potable Water and Reuse Water distribution or Domestic Wastewater collection and transmission facilities owned and operated by the District.

(u) *District Manager* shall mean the person designated as the manager for the District, or the District Manager's authorized agent.

(v) *Domestic Wastewater* shall have the meaning found in Rule 62-600.200(25), Florida Administrative Code, as it may be amended from time to time, and shall specifically include, to the extent permitted by law and provided that it will not cause any receiving treatment plant to be designated as other than a Domestic Wastewater treatment plant, Wastewater that is not exclusively of domestic origin but that has received pretreatment, as such terms are defined in Rule 62-600.200(67), Florida Administrative Code, as it may be amended from time to time, before being discharged into the System.

(w) *Engineering Design Guidelines* shall mean the engineering standards developed by the District Engineer which govern the design, construction and installation of all facilities within the District's System and the Customer's Installations.

(x) *FDEP* shall mean the Florida Department of Environmental Protection or its successor agency of the state charged with similar duties.

(y) *Finance Director* shall mean the District Manager or his authorized representative.

(z) *Fiscal Year* shall mean the District's fiscal year which is October 1 to September 30.

(aa) *Gallonage Charge* shall mean the per gallon rate, payable monthly, set forth in the Rate Schedule for consumption of Potable Water and Reuse Water and for collection of Domestic Wastewater.

(ab) *Hazardous Waste* shall have the meaning set forth in Section 403.703(13), Florida Statutes, as it may be amended from time to time.

(ac) *Industrial Wastewater* shall have the meaning found in Section 367.021(8), Florida Statutes as it may be amended from time to time.

(ad) *Irrigation* shall mean the application of Potable Water or Reuse Water to a parcel of land through artificial means, including a drip irrigation or sprayhead system.

(ae) *Large User Agreement* shall mean the Large User Service Agreement executed by and between District, City of Kissimmee, and The Celebration Company and the City dated January 15, 1993, as amended from time to time and as subsequently assigned to the Tohopekaliga (Toho) Water Authority as successor in interest to the City.

(af) *Master Developer* shall mean The Celebration Company, a wholly owned subsidiary of the Walt Disney Company.

(ag) *Master Developer's Agreement* shall mean an agreement entered into between the District and a Master Developer pursuant to Section 5 hereof.

(ah) *Master Development Property* shall mean any real property owned by a Master Developer located within the District and described in a Master Developer's Master Development Plan.

(ai) *Main* shall mean any pipe, conduit or other facility which is installed to convey Service from individual laterals or to other main.

(aj) *Meter* shall mean a device used to measure the amount of Potable Water, domestic Wastewater or Reuse Water flowing to or from a Customer's Property.

(ak) *Meter and Backflow Preventer Assembly* shall mean a Meter, Backflow Preventer and only appurtenances thereto.

(al) *Multi-Phase Development* shall mean a Development for which the Developer intends to pay Connection Charges for different portions of the Development one (1) year or more apart.

(am) *Permit Criteria Manual* shall mean the specifications and general review and permitting requirements developed by the District Engineer to govern the design, construction and installation of improvements to the System.

(an) *Point of Delivery* shall mean the point at which Potable Water, Domestic Wastewater and Reuse Water is distributed to and collected from a Customer and where such distribution may be monitored by one or more Meters. Unless otherwise indicated, the point of delivery for Potable Water and Reuse Water shall be at the discharge side of a Backflow Preventer. Unless otherwise indicated, the point of delivery for Domestic Wastewater service shall be at the upstream connection of the clean-out which is placed at or about the public right-of-way or utility easement. In the absence of a clean-out, the point of delivery is at the wastewater lateral connection to the wastewater Main of the District.

(ao) *Potable Water* shall have the same meaning set forth in Section 381.0062(2)(j), Florida Statutes, as it may be amended from time to time.

(ap) *Property* shall mean the land or improvements upon land of which the Customer is the owner or over which Customer has control either by contact or possessory interest which is sufficient to authorize Customer to obtain Service. The District may require proof of such interest, such as a copy of the instrument of conveyance, warranty deed, lease, contract or appropriate verified statement in the application for Service, prior to furnishing Service to such land and/or improvements.

(aq) *Rate Schedule* shall mean the schedule of connection and Service rates, fees and charges for Service which, in the discretion of the Board of Supervisors, may be revised from time to time.

(ar) *Service Request Application* shall mean a Developer's application for the District's commitment to provide Service to a Development.

(as) *Reuse Water* shall mean treated Domestic Wastewater, which is intended for reuse, as such term is defined by Rule 62-610.200(52), Florida Administrative Code, as it may be amended from time to time.

(at) *Service* shall mean all Potable Water, Domestic Wastewater, and Reuse Water provided to or collected from a Customer, and shall include the readiness, availability and ability on the part of the District to furnish Potable Water, Domestic Wastewater, and Reuse Water service to the Customer.

(au) *Service Area* shall mean the property described in Exhibit A to the Large User Agreement as the area of land that is served by the System.

(av) *Stand-By Fee* shall mean the charge of the District set forth in the Rate Schedule and payable monthly by a Developer upon the Developer's failure to timely pay the Connection Charge until the Developer pays the Connection Charge or the reservation of capacity is terminated upon the Developer's failure to pay the Connection Charge within six (6) months as set forth in greater detail in Section 7(f) herein. The Stand-By Fee is intended to recover the interest carry of the estimated Connection Charge.

(aw) *System* shall mean all or any part of the combination of the District's Facilities, any Development Facility and any Customer Facility necessary to or involved with Potable Water distribution Reuse Water distribution, and Domestic Wastewater collection in the District.

(ax) *User Fees* shall mean the total charges to be paid monthly by a Customer for the Service provided to the Customer by the District. The User Fees are comprised of the fixed Base Facility Charge and the Gallonage Charge. User Fees may vary in total from month to month.

Section 5 Master Developer

(a) The District and the Master Developer shall enter into a Master Developer's Agreement substantially in the form as attached hereto as Appendix B. The Master Developer's Agreement shall set forth a forecast of required System capacity in the System for the Master Development Property for a period commencing as of the date of the Master Developer's Agreement and continuing until the end of the fifth (5th) Fiscal Year following the execution of the Master Developer's Agreement. Thereafter, the Master Developer shall annually, prior to April 1, submit a five-year forecast of required System capacity for the portion of the Master Development Property owned by the Master Developer and set forth any other matters the District and the Master Developer deem necessary or appropriate.

(b) Upon execution of the Master Developer's Agreement, the District shall reserve capacity in the System in the amount of the master Developer's capacity forecast and the Master Developer shall commence payment of the Capacity Reservation Fee. The Master Developer

shall also pay to the District the Capacity Reservation Fee the Master Developer would have been obligated to pay had the Master Developer reserved capacity for the period commencing May 1, 1994 and ending on the date the District actually reserves capacity for the Master Developer less any amounts previously advanced to the District under the terms of the Guarantee Agreement between the Walt Disney Company and the District, dated August 1, 1994.

(c) When the Master Developer transfers a portion of the Master Development Property, the Master Developer shall assign to the transferee the System capacity reserved for the transferred property. Thereafter, the master Developer's obligations (including its obligation to pay any fees or charges) with respect to the transferred property shall terminate. Subsequent to the conveyance of the master Development Property, the transferee shall be obligated as a Developer under these policies and procedures. However, the Master Developer's obligations shall not terminate unless the transferee complies with the requirements of Sections 6, 7 and 8 hereof and commences payment of any applicable fees or charges within thirty (30) calendar days of the transfer.

(d) If the Master Developer desires to construct a Development Facility on all or any portion of the Master Development Property, the Master Developer shall proceed and be treated as a Developer with respect to the portion of the Master Development Property the Master Developer develops, including executing a Developer's Agreement for said portions of the Master Development Property.

<u>Section 6</u> Service Availability Inquiry and Service Request Application

(a) **Service Availability Inquiry.** The Master Developer and every Developer shall be responsible for obtaining the necessary information regarding Service, System facilities and District requirements. The Master Developer or a Developer may request and the District shall issue a non-binding, information letter of Service availability. The administrative cost of preparing the Service availability letter, as determined and published by the District, shall be paid by the Master Developer or the Developer simultaneously with submitting the request. Any such request shall also be accompanied by a legal description, sketch or map of the Master Development or the Development, or other information providing a reasonable description of the Master Development or the Development; a description of the improvements to be built; the purpose of the Master Development or the Development; and a schedule for the construction of the improvements. The non-binding response letter will describe the general location of existing System mains and lines capable of serving the Master Development or the Development and the aggregate available capacity in the System. Issuance by the District of the non-binding letter shall not entitle either the Master Developer or the Developer to receive from the District, nor shall it impose an obligation on the District to provide, Service for the Master Development or the Development. At the Master Developer's or the Developer's request, the District Manager shall meet with the Master Developer or the Developer prior to the Master Developer's or the Developer's submitting a request for the non-binding letter. The purpose of such meeting shall be to discuss the availability of capacity in the System, the potential locations of any point of connection, the proposed Service demands of the Master Development or the Development, and any special conditions that may be imposed by the District as part of its agreement to provide Service.

(b) **Service Request Application Submittal Requirement.** A Developer shall submit a Service Request Application, in a form determined by the District, to the District at the

place or places designated by the District Manager. Each Service Request Application shall provide, at a minimum, the following information:

(i) the name of the Developer;

(ii) evidence of the Developer's ownership or other interest in or to the Development;

(iii) the location of the Development (street address, or the legal description of the Development);

(iv) a description of the Development;

(v) summary development schedule (which shall include permitting, design and construction schedule), including a breakdown of the phases for the Development with an indication of whether the Development is a Multi-Phase Development; and

(vi) estimated utility demands (flows and capacity).

If the Developer has previously submitted a service availability inquiry (pursuant to subparagraph (a) above) the Developer is not obligated to submit the information required by subparagraphs (iii) – (v) but may merely reference the service availability inquiry. The Service Request Application shall be accompanied by the Application Review Fee. Service Request Applications by Developers that are firms, partnerships, associations, corporations and other legal entities shall be accepted only from persons authorized to act on behalf of the entity and the District Manager may require evidence of such authority.

(c) **Application Review and Approval Procedure.** The District shall review each Service Request Application and determine whether to approve or deny the Service Request Application. The District, in its sole discretion, may withhold approval on any reasonable basis, including but not limited to, inconsistencies between the Master Developer's and the Developer's capacity forecast, unusual capacity demands, excessive peak time demands and potential for introduction of Industrial Wastewater or Hazardous Waste into the System. The District's review and approval process shall specifically include the review and approval of the development schedule for Multi-Phase Developments. The District shall set a schedule for payment of Connection Charges for approved Multi-Phase Developments. Said payment schedule shall be set forth in the Developer's Agreement entered into by the District and the Developer pursuant to Section 10 herein. The District shall notify the Developer of its approval or disapproval within thirty (30) days of receipt of the Application of Service.

(d) **Construction Determination.** A Developmental Facility shall be constructed by either the District or the Developer. Upon approval of the Service Request Application, the District may notify the Developer of the District's interest in constructing the Development Facility. The District and the Developer shall, thereafter agree as to who shall construct the Development facility and enter into the Developer's Agreement as set forth in Section 10 hereof within sixty (60) calendar days of approval of the Service Request Application. Regardless of who actually constructs the Development Facility, the Developer shall be responsible for the construction cost of the Development Facility.

Section 7 Payment of Charges

(a) **Capacity Reservation Fee.**

(i) With the Service Request Application, the Developer shall submit to the District a forecast of the System capacity requirements of the Development for the subsequent five Fiscal Years and shall reserve capacity either (i) for the Fiscal Year in which the Service Request Application is made and the following five Fiscal Years or (ii) if the Developer acquired the Development from a Master Developer, for the remainder of the five-year period for which the Master Developer submitted a capacity forecast. If the Developer acquired the Development from a Master Developer, the Developer shall accept the Master Developer's assignment of the capacity reserved for the Development. The Developer shall also submit a System capacity requirement forecast and reserve capacity identical to the Master Developer's forecast and reservation for the Development, unless the District grants prior written approval of a different forecast and capacity reservation (said approval shall be granted or withheld in the sole discretion of the District).

(ii) If the time for completion of the Development will extend past the five-year period forecasted by the Developer or by the Master Developer (if the Development was acquired from a Master Developer), the Developer shall submit annually (prior to April 1) a forecast of the required capacity for the following five years. The Developer may not adjust the forecast either upward or downward without the prior written consent of the District.

(iii) Upon approval of the Developer's Service Request Application, the Developer shall commence payment of the Capacity Reservation Fee by paying the pro rata portion of the Capacity Reservation Fee for the current month. The Developer shall, thereafter, pay the applicable Capacity Reservation Fee at the beginning of each month until the Developer becomes obligated to pay the Connection Charge.

(iv) The District shall reserve capacity upon the Developer's first payment of the Capacity Reservation Fee.

(v) For the month in which a Developer becomes obligated to pay this Connection Charge, the Developer shall pay the pro rata portion of the monthly Capacity Reservation Fee for the period beginning the first day of the month in which the Developer becomes obligated to pay the Connection Charge and ending the day on which the Developer becomes obligated to pay the Connection Charge. In the circumstance of Multi-Phase Developments, the Developer shall terminate payment of the Capacity Reservation Fee only with respect to those portions of the Development for which the obligation to pay the Connection Charge has occurred. The Developer shall remain obligated to pay the portion of the Capacity Reservation Fee applicable to the portions of the Development for which the obligation to pay the Connection Charge has not arisen.

(b) **Connection Charge.**

(i) Except as otherwise provided in this Section 7, Section 11 or Section 23 the Developer shall deliver to the District Manager payment of the applicable Connection Charge for each Customer Facility projected to be constructed in the Development prior to the sooner of (x) six (6) months after capacity is reserved by the Developer, (y) in the case of assignment

of capacity by a Master Developer and assignment of the reserved capacity to the Developer, six (6) months after the capacity is assigned by the Master Developer, or (z) upon obtaining building permits for the Development; provided, however that Connection Charges for Multi-Phase Developments shall be paid as provided in the Developer's Agreement applicable to the Multi-Phase Development. Payment of the Connection Charge shall terminate the Developer's obligation to pay the Capacity Reservation Fee with respect to the property for which the connection Charge was paid as of the day on which the Developer pays the Connection Charge.

(ii) Once the Developer pays the applicable Connection Charge, the District will, upon request, provide the Developer with a certificate that the Developer has paid the Connection Charge. The Developer shall prepare and deliver to the Developer a letter to the appropriate building official or regulatory agency indicating the District's commitment to provide Service to the Developer, and the amount of capacity reserved. The District shall be under no obligation to provide assurance of service if applicable Connection Charges have not been paid.

(c) **Prepaid Connection Charges.** Under the terms of the Guarantee Agreement (the "Guarantee Agreement") between the District and the Walt Disney Company ("Disney"), dated August 1, 1994, Disney, as the sole shareholder of the Master Developer, agreed to make, when and if necessary, payments to facilitate the District's financing of the cost of the construction of the System. Under the terms of the Guarantee Agreement, the Master Developer may purchase Prepaid Connection Credits (as such term is defined in the Guarantee Agreement) from the District which may be applied by the Master Developer or its assignees and transferees against the District's then-current Connection Charges. The Prepaid Connection Charges shall be accepted by the District and applied against the then-current Connection Charges in lieu of payment of Connection Charges.

(d) **Base Facility Charge.** When the Developer is obligated to pay or commence payment of the Connection Charge, the Developer shall cease payment of the Capacity Reservation Fee and commence payment of the Base Facility Charge. The Developer shall continue paying the Base Facility Charge until a Customer enters into an agreement regarding Service with the District pursuant to Section 15 below.

(e) **Stand-By Charge.** If the Developer fails to pay the applicable Connection Charge within the time provided in Section 7(b) but has timely paid its Capacity Reservation Fees, the Developer shall have an additional six (6) months within which to pay the applicable Connection Charge, but only if the Developer commences payment to the District (starting with the date the Connection Charge was first due) of the Stand-By Charge. Accordingly, during such period, the Developer shall be obligated to pay both the Base Facility Charge and the Stand-By Charge. The Developer shall cease payment of the Capacity Reservation Fee upon commencing payment of the Stand-By Charge. Once the Developer pays or commences payment of the Connection Charge, the Developer shall no longer be obligated to pay the Stand-By Charge and shall be obligated to pay only the Connection Charge and the Base Facility Charge.

Section 8 Reservation of Capacity; Expiration of Reservation

(a) **Failure to Pay Capacity Reservation Fee.** Because of the District's investment in utility capacity at the request of a Developer, a delinquency in payment of more than 30 days of the Capacity Reservation Fee shall, pursuant to the Service Request Application, constitute a contractual lien to be placed on the property for which the capacity has been reserved. Failure to pay shall allow the District to release the amount of reserved capacity for which payment has not been made, as calculated by the District. If the District is able to utilize the released capacity, then the District shall release the related portion of the contractual lien. The District may utilize any and all methods available under Florida law to enforce its lien. If capacity in the System is available the Developer may request the reserved capacity upon full payment of the overdue and currently due Capacity Reservation Fee (together with interest accrued at the maximum rate allowable by law within six (6) months of initial due date of the installment).

(b) **Information Regarding Reserved Capacity.** At a Developer's request (for information purposes only) the District shall: (i) certify to the Developer, but not more frequently than annually, that the System has sufficient capacity to provide Service to the Development in accordance with the Developer's reservation of capacity; and (ii) transmit to the Developer a copy of any reports or certificates delivered by the City under the terms of the Large User Agreement regarding the remaining capacity in the City's system. The District shall also certify to the Developer: (A) the date the District Facilities serving the Development are anticipated to reach their total capacity, and (B) that Capacity reserved by the Developer will be available, subject to the payment by the Developer of all applicable charges due, including Connection Charges and Capacity Reservation Fees.

(c) **Termination of Reservation.** If the Developer desires to terminate its capacity reservation before the expiration of the reservation period, the Developer (with written consent of the District) may relinquish the reserved capacity, but only if another Developer is ready, willing and able to reserve the relinquished capacity. If the Developer elects to release a portion or all of the capacity previously reserved, the District shall have the right to retain all of the Capacity Reservation Fee previously paid by the Developer. If the Developer elects to release a portion or all of the capacity previously reserved by the District after payment of the Connection Charge applicable to the reserved capacity the District shall retain five percent (5%) of the Connection Charge paid with respect to the released capacity and refund the balance to the Developer.

(d) **Security Interests In Reserved Capacity**. No Developer may grant a security interest in the capacity reserved in the System without (i) the prior written consent of the District and (ii) execution by the District, the Developer, and the proposed security party of an agreement regarding return of fees and charges and procedures upon the non-payment of any fee or charge by the Developer.

(e) **Expiration of Reservation.** Except when there is a security interest in the reserved capacity to which the District has consented, if the Developer fails to pay the applicable Connection Charges within the time frames outlined in Section 7, the District shall have the right to reclaim the capacity reserved. If the Developer (with the District's consent) grants a security interest in the reserve capacity, the District may reclaim the capacity reserved only after first giving the secured party an opportunity to pay the Connection Charges on behalf of the Developer. If the District reclaims the capacity, the Developer shall pay to the District an amount

equal to five percent (5%) of the Connection Charge that would have been paid by the Developer as the District's administrative cost of maintaining the capacity reservation.

(f) **Transfer of Reserved Capacity.** Notwithstanding anything contained herein to the contrary, a Developer may transfer capacity to a third party only upon the prior written consent of the District and only if the transferee (i) assumes the Developer's obligations under the policies and procedures and the applicable Developer's Agreement, (ii) enters into a Developer's Agreement with the District prior to receiving service; and (iii) gives any required notice to the FDEP if a collection or transmission system permit has been issued for the use of said capacity.

Section 9 Cost of Constructing Development Facility

Except as otherwise provided in a Developer's Agreement, the cost of constructing a Development Facility shall be borne by the District, regardless of the identity of party constructing the Development Facility.

Section 10 Construction of Development Facility

The District and the Developer shall mutually agree whether the District or the Developer shall construct the Development Facility. If the District and the Developer cannot reach agreement, the District shall determine whether the District or the Developer will construct the Development Facility. Upon said agreement or determination, the District shall prepare and the Developer shall, within thirty (30) calendar days of the District's preparation execute, a Developer' Agreement substantially in the form attached hereto as Appendix C. The Developer's Agreement shall set forth the necessary improvements to be made, the number of equivalent residential connections (calculated to represent 280 gallons per day of use of Potable Water and Domestic Wastewater) by phases, if applicable, the schedule of connection to the System, the schedule for the payment by the Developer of the applicable Connection Charges, an agreement between the District and the Developer regarding liens of the District for Delinquent Bills in accordance with Section 33 hereof, any terms with respect to reimbursement of the Developer by the District pursuant to Section 23 hereof and terms regarding transfer of the Development Facility to the District. No Developer's Agreement shall be binding on the District until its acceptance by the Board of Supervisors. The District Manager shall notify the Developer of the date, place and time for the Board of Supervisors' consideration of the proposed Developer's Agreement. If the Development Facility is to be constructed by the District, the Developer's Agreement shall further address: easements for construction; construction plans; the District's obligation to consult with the Developer; construction schedule; payment for construction; and transfer of the Development Facility to the District.

Section 11 Construction of Development Facility by Developer

(a) **Connection Credits.** If a Developer constructs a Development Facility, the District, in its sole discretion, may provide the Developer with credits applicable towards the payment of Connection Charges. The provision for such credits (if any) shall be addressed in the Developer's Agreement.

(b) **Permit Application Review.** Prior to the submittal (by the Developer) to the FDEP, the City, the County or any other regulatory agency of a permit application for construction of the Development Facility, the Developer shall submit the permit application to

the District for review and approval. In no circumstance shall a Developer submit any permit application without the approval and consent of the District.

(c) **Certificates of Compliance and Pre-Construction Review**

(i) The Developer shall deliver to the District (for review by the District Engineer) copies of the design documents and a certificate of compliance from the Developer's engineer certifying the Development Facility has been designed in accordance with all applicable local, state and federal laws and regulations and the District's Permit Criteria Manual and Engineering Design Guidelines (including the Developer's compliance with the design requirements for the connection of the Development Facility with the System).

(ii) The District shall review and reject, approve, or approve with conditions any plans and specifications submitted pursuant to this Section 11. The Developer shall make corrections and modifications to any portion of the plans and specifications deemed unacceptable by the District (at the Developer's cost and expense) and shall resubmit the corrected or modified plans and specifications to the District for further review until the District has approved the plans and specifications. The District's approval of such plans and specifications shall not constitute a warranty or representation as to the sufficiency, fitness or adequacy of the Development Facility, nor shall such review and approval result in the imposition of liability on the District as a result of the failure or inadequacy of such Development Facility.

(iii) The Developer shall not commence construction of the Development Facility until the District has received a certificate of compliance from the Developer's engineer. The commencement of construction by the Developer prior to the receipt of a certificate of compliance by the District shall, in the District's discretion, constitute a reason to refuse connection of the Development Facility to the System.

(iv) If a Development Facility will be constructed in phases, the Developer may initially submit design drawings and the certificate of compliance for the first phase of development. The Developer shall submit design drawings and a certificate of compliance for each subsequent phase. Each of the phases (when viewed as a whole) shall conform to the requirements of these policies and procedures.

(d) **Completion of Construction.** Prior, and as a prerequisite to, physical connection of the Development Facility to the System, the Developer shall deliver to the District Engineer an engineer's certificate from the Developer's project engineer, certifying to the District that the Development Facility was built in accordance with the Permit Criteria Manual, the Engineering Design Guidelines and all applicable permits. The District may at any time inspect the Development Facility to ensure compliance with the permit Criteria Manual, the Engineering Design Guidelines and the approved design drawings and permits. Prior to any inspection of the Development Facility by the District Engineer or connection of the Development Facility to the System, the Developer shall deliver to the District all documents required by Permit Criteria

Manual. The Developer shall also submit to the District at least one (1) copy of any final plans or engineering drawings to show the location of any proposed easements for buried power cables and facilities (if applicable), television and telephone cables and gas lines. The District shall notify the Developer in writing of the Developer's satisfactory compliance with this Section 11.

<u>Section 12</u> **Connection of Development Facility**

Upon satisfactory compliance with Section 11, the Developer shall connect the Development Facility to the System thereby making Service available to the Development Facility and any Customer Facilities in the Development. The Developer shall notify the District in writing of the connection to the System. Upon completion of the connection and written notice to the District, the District shall notify the County in writing of the Developer's compliance with Section 11 hereof and the connection of the Development Facility to the System.

<u>Section 13</u> **Use of System by Developer During Construction**

If a Developer requires use of the System during construction of a Development Facility, the Developer may use the System and shall pay to the District any applicable Gallonage Charge.

<u>Section 14</u> **Dedication**

(a) **Development Facility.** Except when the District constructs a Development Facility (because construction by the District will create ownership rights in the District), as a condition to the connection of a Development Facility to the System, the District may require a Developer to dedicate to the District the Development Facility together with rights-of-way necessary for the installation, operation, maintenance and, if necessary, relocation of the Development Facility. Such grants or conveyances shall be made to the District without cost, free of all liens and encumbrances, and in form and substance acceptable to the District's legal counsel. The Development Facility shall be conveyed to the District upon the completion of construction by the Developer and receipt by the District Engineer of the certificate of the Developer's project engineer. The Developer shall provide evidence of title required by the District Manager, such as a current title insurance policy or commitment to issue title insurance issued by a reputable and licensed title insurance company for the Development Facility.

(b) **Customer Facility.** Except for the Meter and Backflow Preventer Assemblies, any facilities installed by the Developer and located on the Customer's side of the Point of Delivery shall not be transferred to the District and shall remain the property and responsibility of the Developer, its successors and assigns. The District may require the Developer to dedicate the Meter and Backflow Preventer Assembly to the District upon completion of construction of the Customer Facility.

(c) **Conditions to Acceptance of Development Facility or Meter and Backflow Preventer Assembly.** The District shall not accept title to any Development Facility or Meter and Backflow Preventer Assembly constructed or installed by a Developer until the District Engineer, as applicable: (1) has inspected and approved the construction; (2) has accepted and/or conducted the tests or certifications to determine that such construction is in accordance with federal, state and local government requirements, as well as the provisions of these rules, the District's permit Criteria Manual and Engineering Design Guidelines, and the terms and conditions of the Large User Agreement; (3) has accepted the Development Facility for the

District's ownership, operation and maintenance; and (4) has received two (2) sets of as-built plans for any facility being conveyed.

(d) **Compliance with Section Required.** The District may refuse connection and deny the commencement of Service to any Customer seeking to be connected to the System until the Developer (or Developer's successors and assigns) has fully complied with the provisions of this Section.

(e) **Repairs to Development Facility.** Prior to conveyance to the District the Developer shall (at its own cost and expense) make repairs to the Development Facility or Meter and Backflow Preventer assembly necessary (in the sole opinion of the District) to ensure compliance with all applicable requirements.

(f) **Security for the District.** Simultaneously with the conveyance of the Development Facility, a Developer shall deliver to the District an executed contract bond, irrevocable letter of credit, or corporate undertaking, in form and substance reasonably acceptable to the District and the District's counsel, in the amount of ten percent (10%) of the actual cost of construction of the Development Facility. The contract bond (if the Developer elects to provide a bond) shall have as the surety thereon a company authorized to write bonds of such character and amount in accordance with the laws of the State of Florida. The attorney-in-fact, or other officer who signs such contract bond for the surety company, shall file with such bond a certified copy of his power of attorney. The contract bond, irrevocable letter of credit, or corporate undertaking may be written either with the Developer's contractor as "principal" and the Developer and the District as "co-obligees," or alternatively, with the Developer as principal and the District as "obligee." The contract bond, letter of credit, or corporate undertaking shall remain in force for one (1) year following the date of conveyance of the Development Facility to the District and shall cover the District against losses resulting from any and all defects in installation, materials and workmanship. Upon written demand by the District, the Developer shall correct or cause to be corrected within thirty (30) days (or such longer period of time as may be requested by the Developer and as may be approved by the District in its sole discretion) all defects which are discovered and claimed by the District within said warranty period or periods as set forth above. If the defects are not corrected within thirty (30) days or such other period of time as may be agreed to by the parties, or if the Developer is not proceeding in good faith to promptly correct the defects, the District may give the Developer notice that the District intends to correct such defects whereupon: (a) the Developer and its surety or the provider of the corporate undertaking shall be liable to the District for the District's actual costs arising from the repairs and correction of defects, or (b) the District may draw on the letter of credit to cover its actual costs arising from the repairs and correction of defects.

Section 15 Customer Service Application

Upon connection of a Development Facility to the System, the Developer shall require each individual owner of any improvements to establish an account for Service with the District. The owner of such improvements shall then be considered a Customer and shall commence payment of the User Fees and any other applicable fees and charges, as set forth in the Rate Schedule. Each customer shall execute an agreement regarding Service setting forth the Customer's agreement to accept and pay for Service, to abide by these policies and procedures and that the District shall have a lien on the Property for all Delinquent Bills. The Customer shall pay the applicable Connection Charge only if the Development Facility was constructed by the District (because if the Developer constructed the Development Facility, the Developer would

have previously paid the Connection Charge). The Developer's obligation to pay Base Facility Charges shall cease with respect to units for which an individual owner establishes an account for Service.

<u>Section 16</u> User Fees

Once a Customer establishes an account for Service, the Customer shall commence payment of the User Fees and shall continue payment of User Fees for so long as the Customer receives Service.

<u>Section 17</u> Meters

Each Customer receiving Potable Water shall have a Meter of adequate size and capacity (in accordance with the Engineering Design Guidelines and Permit Criteria Manual) to measure the amount of Potable Water delivered to the Customer as a basis for the preparation of commercial Customer bills. Each commercial Customer receiving Reuse Water Service shall have a separate Meter of adequate size and capacity to measure the amount of Reuse Water delivered to the Customer as a basis for the preparation of Customer bills. All Potable Water Meters and, where applicable, Reuse Water Meters shall conform to District standard established in the Permit Criteria Manual and Engineering Design Guidelines unless otherwise approved by District and shall be approved by, be accessible and subject to the District's control. Meters are not transferable to another residence or business site unless approved by the District. The Customer shall provide adequate and proper space for the inspection and maintenance of Meters and other similar devices.

<u>Section 18</u> All Potable and Reuse Water Through Meter

That portion of the Customer Facility for Potable Water Service and, if applicable, Reuse Water Service shall be arranged so that all Service shall pass through Meters. Without the prior written consent of the District, no person shall receive Potable Water and, in the case of Commercial Establishments, Reuse Water without such Potable Water and Reuse Water first passing through a Meter used for measuring and registering the quantities delivered to the Customer.

<u>Section 19</u> Introduction of Wastewater

(a) **Limitation.** Wastewater introduced into the System shall be limited to Domestic Wastewater. Every Customer shall abide by all applicable provisions of Division 4 of the code of the City, as now in effect and as subsequently amended, and by stricter standards or requirements that may be adopted by the District from time to time. The provisions of Section 29130.3 (b) and (c) of the City's Code shall be applicable in the circumstance of introduction by a Customer of high strength waste or toxic pollutants into the System, as those terms are used therein. The introduction of Industrial Wastewater or Hazardous Waste into the System by any person or party is strictly prohibited.

(b) **Unauthorized Discharge.** Every Customer Facility shall have appropriate detection and remedial procedures and measures to prevent the introduction of Industrial Waste and Hazardous Waste and the unauthorized or accidental dumping of wastes of any nature whatsoever by any person into the System, all of which shall meet all applicable District, state and federal requirements. If any Customer of the System is notified or receives any evidence of

the introduction of waste other than Domestic Wastewater into the System, the Customer shall immediately notify the District.

(c) **Remedial Action.** If the point of introduction of Non-Domestic Wastewater is determined to be within a Customer's Property, then such Customer shall immediately take all necessary and reasonable remedial actions (at its cost and expense) to ensure that such wastewater meets the criteria of Domestic Wastewater. The Customer shall be liable for all corrective action, fines and damages, including initial testing.

Section 20 Reuse Water Service

(a) **Development.** The Developer or the District, whichever constructs a Development Facility, shall install Reuse Water lines so as to provide Reuse Water Service to the entire Development. Distribution Mains shall be extended across the Development so as to facilitate future extensions. Reuse Water facilities shall be designed, signed and sealed by an engineer, registered in the State of Florida in accordance with the Permit Criteria Manual and the Engineering Design Guidelines and all applicable laws and regulations, including Chapter 62-610, Florida Administrative Code, as amended from time to time.

(b) **Exclusive Use of Reuse Water for Irrigation.** Only Reuse Water may be used for Irrigation purposes, unless otherwise required by FDEP, the County or any other regulatory agencies. However, if Reuse Water is unavailable, Potable Water may be used for Irrigation purposes. The owner of all Property not used for single-family residences shall connect or cause to be connected such Property with the Reuse Water facilities of the District. All residential Customers shall pay the applicable charges in accordance with the Rate Schedule for Reuse Service, which may include a Base Facility Charge, even if no Reuse Water is consumed in any given month. All connections shall be made in accordance with the Permit Criteria Manual and Engineering Design Guidelines. Notwithstanding anything contained in this Section to the contrary, no person or entity shall be entitled to cross the Property of another to make such connection to the System. For purposes of this Section, the term "available" shall mean Service that is contiguous to or within 100 feet of any Property line.

(c) **Cross-Connections.** No Cross-Connections from Reuse Water to any Potable Water facility shall be allowed.

(d) **Irrigation.** Irrigation systems that are permanently installed shall be the only Systems allowed to connect to the District's Reuse Water Service line. Above-ground hose connections or faucets shall not be connected to Reuse Water Service lines. If Reuse Water faucets are installed, they shall be located in a locked underground vault and Reuse Water shall be clearly marked as a non-Potable Water source. Reuse Water shall not enter a single-family residential dwelling.

Section 21 Fire Service Connection

(a) **Installation.** Each Commercial Establishment shall have a fire service Connection on the Customer's Property used exclusively for fire purposes. No commercial Customer shall allow any connections between its fire service lines and any other lines used for purposes other than fire service and (because of the danger of contamination) such fire service facilities shall have no connection with any other source of supply, except for a tank or fire pump which may be installed as a secondary supply. Every fire service connection shall be equipped

with a fireline Meter and Backflow Preventer Assembly, installed by the commercial Customer (at its expense) to prevent Potable Water flows from the fire service line to the System.

(b) **Use of Fire Service Line.** The commercial Customer shall not draw any Potable whatsoever through the fire service connection for any purpose except extinguishing fires, or for periodic tests of the fire system. The commercial Customer shall give the District notice of any such tests by telephone not less than forty eight (48) hours in advance of any such test so as to afford the District an opportunity to have a member of its staff present during the test. The District shall have free access to the Commercial Establishment at any reasonable time for the purpose of inspecting any equipment related to the fire service connection.

(c) **Meter.** The commercial Customer, at its sole cost and expense, shall acquire and install at the Point of Delivery, a Meter used only for the fire service connection and related apertures, the purpose of which shall be to monitor Potable Water use through the fire service connection and to show leakage, if any exists. All Meters shall be the property of the District.

(d) **Violation of Requirements Regarding Fire Service Connection.** Upon notice that a commercial Customer has violated any of the provisions of this Section or any other part of these operating policies and procedures, the District may; (i) enter the Property for inspection and repair; (ii) petition the circuit court for the County for a specific injunction; or (iii) impose a reasonable fine the amount of which shall be determined by the District. The District may interrupt the supply of service to the commercial Customer's fire service connection from time to time in case of an accident, or to make alterations, extensions, connections or repairs and, whenever possible, the District shall give advance notice of interruption in service to the commercial Customer.

(e) **No Guarantee, Representation or Warranty.** Nothing in this Section shall be interpreted as a guarantee or representation on the part of the District as to the pressure or quantity of Potable Water in the pipe or in the Main supplying Potable Water to the commercial Customer's fire service connection. The District shall not (under any circumstances) be held liable for any loss or damage sustained by the owner of the premises served or the commercial Customer for a deficiency or failure in the supply or pressure of Potable Water, whether occasioned by an interruption in service because of an accident or by the alteration, extension, connection or repair of the System, or for any cause whatsoever.

(f) **Notification to District.** When fire line valves or connections are used for fire or any other reason whatsoever, the commercial Customer shall immediately notify the District and the District shall reseal the used valves or connection.

<u>Section 22</u> **Private Systems**

(a) **Inspection and Repair.** If gravity wastewater facilities remain under the ownership, operation, maintenance and control of the Developer as a private system, the District shall have the right to inspect the installation and operation of the gravity collection and transmittal facilities for the purpose of determining whether such facilities were built and are being operated with acceptable rates of exfiltration, infiltration and inflow. If any such private system is found to have excessive infiltration, exfiltration or inflow, the Developer shall (at its own cost and expense) make repairs to the private system necessary to bring the private system into compliance with the acceptable rates of exfiltration, infiltration and inflow. If the Developer

fails to make such repairs the District may enter the private system and make the repairs it deems necessary. The Developer shall pay all costs incurred by the District in making repairs.

(b) **Compliance with District Requirements.** The private system shall meet the same exfiltration, infiltration and inflow criteria as that of the System. Representatives of the District may be present at any test of components of the private system for the purpose of determining that the private system, as constructed, conforms to District's criteria for exfiltration, infiltration, inflow, pressure testing, line and grade. Such tests will be performed by the Developer, but only under the direct supervision of the Developer's engineer. The results of such testing shall be certified by the District Engineer. The District shall be notified at least forty-eight (48) hours prior to any inspections or testing of the private system.

Section 23 Improvements and Extensions to the Distribution and Collection System

The location, size or the density of a Development may make the extension of Service by the District to the Development difficult or impossible at the time the Developer requires access to the System or Service. In such circumstances, the Developer may (upon prior written approval of the District) construct extensions to the District Facilities at the Developer's sole cost and expense (to be reimbursed later by the District if provided in the Developer's Agreement). At the District's option, the Developer shall either (i) build and install the necessary facilities for conveyance to the District pursuant to the terms of a Developer's Agreement, the form of which is attached to these policies and procedures as Appendix B or (ii) contribute funds to the District to enable the District to finance the design, permitting, construction and inspection of such facilities and extensions. If the District elects to have the Developer construct the facilities, the District, in its sole discretion, may provide the Developer with credits applicable toward the payment of Connection Charges. The provision for such credits (if any) shall be addressed in the Developer's Agreement. If the District elects to construct the extensions, upon the completion of the design of the facilities, the District shall solicit competitive bids in accordance with applicable laws and regulations, and shall (subject to financing) proceed to have the improvements constructed.

Section 24 Refundable Advances and Oversizing Policies

The District may require in the Developer's Agreement (and in addition to the contribution provisions set forth in Section 23) a Developer refundable advance to temporarily defray the cost of any extension or improvements to the Mains and pumping stations of the District necessary to connect a Development to the System. The District may also require the Developer to advance the cost applicable to other undeveloped property so the necessary District District Facilities may be constructed to serve the Development while being sized in accordance with the District's master plan (i.e., so they are capable of providing future Service to other properties). All amounts expended by the Developer (above the Developer's allocable share of the cost of the District Facilities) shall be refunded to the Developer in accordance with the terms and conditions of a refunding agreement or refunding provisions in the Developer's Agreement. The refunding agreement or provisions shall provide for a refund schedule based upon the actual connection of other properties to the aforesaid facilities allocated in accordance with the other properties' incremental share of the cost of the facilities. Notwithstanding the provisions of this Section 24, the effective period of such refunding agreement and obligation shall not exceed twelve (12) years. In no event shall the Developer recover an amount greater than the difference between the capitalized cost of such off-site improvements and the Developer's share of the cost

of such Improvements. The District shall pay interest on the Developer's advance, which interest shall be calculated at a rate of six percent (6%) per annum.

Section 25 Limitations of Use

Service purchased from the District shall be used only by the Customer purchasing the Service. The Customer shall not sell, resell or otherwise dispose of such Service without the District's prior written consent. All Service furnished by the District to a Customer shall be provided through District Meters and may not be re-metered by the customer for the purpose of selling, reselling or otherwise disposing of such Service without the prior written consent of the District. In no case shall a Customer, except with the prior written consent of the District, extend Potable Water, Domestic Wastewater and Reuse Water lines across a street, alley, lane, court, property line, avenue, or other public thoroughfare or right-of-way in order to furnish Service to adjacent property even if such adjacent property is under common ownership with the Property for which Service was purchased.

Section 26 Unauthorized Connection or Use

No person shall connect with or use the System for any purpose whatsoever without the prior consent of the District. In case of any unauthorized connection with the System, extension, re-metering, sale, resale or disposition of Service, the person or entity making the unauthorized use or connection shall pay the District for the amount of Service used, which payment shall be calculated using the appropriate classification of Service as shown on the Rate Schedule. If the person or entity making the unauthorized connection or use is a Customer, that Customer's Service shall be discontinued until such unauthorized use or disposition is discontinued and full payment is made to the District for such Service. In addition, prior to resuming Service to the Customer, the Customer shall reimburse the District for any expenses incurred by District as a result of such unauthorized use, but not limited to, administrative costs, testing, inspections and, if applicable, attorney's fees (at trial and appeal), court costs and any costs incurred by other Customers.

Section 27 Access to Premises

As a condition to providing Service to a Customer, the Customer shall grant to the District (its agents or employees) access to the Property during all reasonable hours and, in the event of an emergency, at any time. Access shall be for the purpose of reading Meters or maintaining, relocating, inspecting, repairing, installing or removing any and all of the District's property, and other purposes incidental to the performance under or termination of any agreement with a Customer (or such Customer's predecessor in interest) or to the use of the facilities or services by the Customer.

Section 28 Inspections of Development Facility or Customer Facility

The District reserves the right to inspect and approve, which approval shall not be unreasonably withheld, any Development Facility or Customer Facility prior to providing Service to a Customer and from time to time thereafter to ensure the Customer's compliance with applicable laws, the Permit Criteria Manual, the Engineering Design Guidelines, these policies and procedures, and the rules and regulations of the District. No changes of any Development Facility or Customer Facility which may affect the proper operation of the System shall be made without the prior written consent of the District Engineer. The Developer or the

Customer, as applicable, shall be fully responsible for the cost of making changes or repairs to the System which result from any unauthorized alteration to the Development Facility or Customer Facility, as well as the cost of any restoration related to those changes or repairs, and any damages incurred by any other Customer. If any of said costs are paid by the District, the Developer or the Customer shall reimburses the District prior to the District providing continued Service.

Section 29 Utility Inspection Fees

To the extent the District is required to employ its staff or contract for services to inspect and observe improvements installed or constructed on a Development Facility, the District's actual cost of the inspection of the required improvements shall be paid by the Developer within thirty (30) days of any such inspection.

Section 30 Protection of District Property

In the event of damage to any of the District Facilities which arises out of any act or omission of a Customer (its agents, employees or independent contractors) the cost of repairs or replacement shall be solely the responsibility of the Customer, and full payment or reimbursement of such costs shall be a condition for continued Service by the District. The District may recover such costs by placing it on the Customer's monthly bill. The District may, in its sole and complete discretion, choose to recover the total costs over a period not to exceed 12 months, and if so, may charge interest on said costs at a rate equal to the maximum rate on any of its outstanding bonds issued for utility purposes.

Section 31 Customer Deposits

(a) **Deposit.** Before providing Service to a Customer, the Customer shall pay a security deposit to secure the payment of bills and any expenses incurred by District in the enforcement and collection of bills. Such deposit shall be held by the District but shall not bear interest. Deposits shall be held by the District for the maximum period authorized by Florida law, if any. The amount of the deposit required for Service shall be 1) calculated at three (3) times the average monthly charges for Potable Water, Reuse and Wastewater Service at a location where service has been previously rendered, such monthly average to be determined over the most recent consecutive 12-month period where service was rendered; or 2) at locations where service has not been previously rendered, three (3) times the estimated average monthly bill at the location, based on the size and consumption of comparable properties served by the District. The calculation of the amount of the deposit due shall be in the sole and complete discretion of the District, consistent with these policies. The District shall refer to the Rate Schedule for the appropriate classification of service.

(b) **Application of Deposit; Return of Deposit.** If a Customer is disconnected for non payment, the District shall apply the deposit to the amount outstanding and a new deposit, as well as an additional deposit described in Section 31(c) below shall be required. Upon final settlement of a Customer's account, all monies constituting a deposit shall be applied to any account balance due and the remaining balance of the deposit, if any, will be refunded to the customer. Deposits shall also be returned in accordance with Florida law, if such law requires it prior to final settlement of a Customer's account.

(c) **Additional Deposit.** Together with the deposit set forth herein, the District shall require an additional deposit from any Customer requesting Service if such Customer's Service has been previously disconnected at any location served by the District due to nonpayment or as a result of a tampering violation together with payment of any outstanding sums owed by the Customer to the District for Service as set forth in Section 33. The amount of the additional deposit shall be one time the average of the last two monthly bills sent to the Customer or the last bill if only one billing is available.

Section 32 Billing

Bills for Service shall be rendered monthly or, at the District Manager's election, at periodic intervals not to exceed ninety (90) days. Bills for Service shall be due when rendered. A bill shall be deemed rendered when mailed via United States mail, postage prepaid, or when delivered to the Customer's address. Bills become delinquent 20 calendar days after being rendered.

Section 33 Delinquent Bills; Liens in Favor of the District; Procedures for Contesting Charges

(a) **Delinquent Bills.** Delinquent Bills shall be subject to an interest charge at the rate of eighteen percent (18%) per annum, which interest charge shall begin accruing on the fifth (5th) day after a bill becomes a Delinquent Bill. The acceptance by the District of partial payment of any Delinquent Bill rendered shall not be deemed full satisfaction of the Customer's account. Any balance owed after partial payment shall continue to bear interest as set forth in this Section.

(b) **Liens.** To the extent permitted by law, pursuant to the Application for Service signed by each Customer, the District shall have a lien against and upon the Property to which Service has been provided for all charges, late charges, interest accruing thereupon and costs and attorneys fees incurred by the District in imposing and enforcing the lien, which remain owing and unpaid sixty (60) days after the due date. The District shall give notice of the lien by recording a notice of lien over the delinquent property. Until fully paid and discharged, said charges, late charges, and interest accrued thereupon shall be, remain and constitute a lien for a period of one (1) year from the date said charges become a lien as set forth in this Section, or such other period as provided by Florida law for contractual liens. The liens shall be enforced and satisfied by the District as permitted by law. The lien provided for in this Section shall not be deemed to be in lieu of any other legal remedies for payment available to the District including, but not limited to, the suspension and termination of service. Customers (or their agents) are expected to make inquiry of the District as to whether any utility liens have been placed on a property prior to acquiring it. Customers applying for service who obtained a property without notice of the lien, and who are not otherwise related or affiliated to the Delinquent Customer, may obtain service at that location upon payment of the required deposit and other applicable charges, but shall not be required to pay the outstanding delinquent amount upon demonstration that they (or their agent) made reasonable inquiry and determined that no liens were filed. If notice of a lien has not been filed by the District on a property, then a new Customer taking title to that property shall not be required to satisfy the outstanding obligations; provided however that this shall not prevent the District from seeking to recover the outstanding amounts from the prior Customer in any manner permitted by Florida law.

(c) **Contesting Bills.** Any Customer who wishes to contest any statement or bill shall, within fifteen (15) days of the bill being rendered, file with the District Manager a written statement of explanation, setting forth the grounds for contest. The Customer must pay all amounts not contested when due in order to proceed with the challenge to any other portion of the bill. If the matter is not then resolved, the District Manager shall, within seven (7) days of the receipt of the Customer's statement of explanation, forward the bill, the Customer's statement of explanation and a statement of the District Manager's position to the Chairman of the District, or his/her designee. While a bill is being contested in good faith, the delinquency date of the bill (or portion thereof) being contested shall be tolled until the resolution of the matter. During the period when a bill (or portion thereof) is contested, Customer shall continue to keep current on its bills for service which are not contested. Failure to do so may result in termination of service.

(d) **Finance Director/District Manager Hearing.** The Chairman shall, within seven (7) days of receipt of the transmittal from the District Manager, notify the Customer in writing that the matter will be heard before a panel consisting of the Chairman or his/her designee, and a representative of the District Manager, and a third person selected by the two of them. Notice shall be given to the aggrieved Customer at least seven (7) days prior to the date of the hearing by mailing said notice to the address which appears on the Customer's utility billing, or by personal service by leaving a copy of said notice at such address either by delivery to any person at the premises, or by posting a copy of the notice in a conspicuous place on or about the main entrance to the premises. The refusal by a Customer to accept service of the notice of hearing shall be noted upon the notice when returned, and shall be deemed a waiver by the Customer of the opportunity for a hearing and the determination of the District Manager without conducting a hearing shall become final.

(e) **Location and Time of Finance Director/District Manager Hearing.** If a hearing is held, it shall be conducted at the District's Office (when practical) and during normal business hours. With the consent of the aggrieved Customer, the panel may schedule or continue the hearing to a different date, time, and location. The District shall preserve a record of the panel's proceedings, including the testimony of the aggrieved Customer and any witnesses. The panel may make a decision at the conclusion of the hearing or may take such reasonable time as necessary to render a decision. If the panel finds that an adjustment to the bill or statement is warranted, within seven (7) days following the hearing by the panel, a refund in the recommended amount shall be made to the Customer either by check or as a credit to the Customer's active account, as determined by the panel.

(f) **Board of Supervisors Hearing.** If the Customer is dissatisfied with the recommendation of the panel, the Customer may request an appearance before the Board of Supervisors by filing a request for a hearing with the District Manager. If the Customer timely files a request for a hearing before the Board of Supervisors, all documents and a transcript of the panel's hearing shall be transmitted forthwith to the District Manager. Upon receipt of a timely request for hearing, the District Manager shall schedule a hearing on the next available agenda of the Board of Supervisors. The District Manager shall notify the Customer of the date, time and location of the public hearing at which the Customer is to appear before the Board of Supervisors, by mail or delivery of notice as provided in this Section.

(g) **Adjustments.** If either the panel or the Board of Supervisors finds the Customer was overcharged the amount so determined shall be credited or billed to the customer, as the case may be. The adjustment shall be accomplished over a series of billing cycles, but in no event shall such period of time exceed ninety (90) days, unless otherwise directed by the District

Manager. If the panel or the Board of Supervisors denies the Customer's protest of the bill, then the panel or Board as the case may be shall determine the due date of the amount in contest, which determination shall be reasonable under the circumstances.

Section 34 Adjustment of Bills; Meter Readings, Standards of Accuracy and Inspections

(a) **Presumption of Accuracy.** Meter readings shall determine the amount a Customer is charged for Service and shall be prima facie evidence of the quantity of Service delivered to the Customer. No Meter shall be installed unless it is first tested and determined to be legally accurate by the Developer and the Developer provides certification of such fact to the District. The District will use all practicable means to maintain the accuracy of its Meters. For purposes of this Section, a "legally accurate" Meter is defined as a meter that has been tested and has been determined to register not greater than the higher of (i) the manufacturer's range of acceptable accuracy; or (ii) 102 gallons of liquid for every 100 gallons of liquid which passes through the Meter at the maximum test flow. The District may read and inspect Meters periodically to determine their condition and accuracy as a basis for periodic billings. If a Customer requests an inspection or re-reading of a Meter, the District may impose a service charge for the services performed.

(b) **Certified Test.** When a Customer desires to dispute a Customer's bill because the Meter is not properly registering the amount of Service delivered by the District, the Customer may request a certified test of the Meter by submitting a written request to the District. Following receipt of a written request, the District will remove a Meter from service and will conduct a test which shall be certified by the District. If a Meter tested is determined to be legally accurate, the Customer shall pay the test charge. If a Meter is determined not legally accurate, the District shall be responsible for the test charge.

(c) **Adjustments.** If a Meter is determined not legally accurate, the Customer's account shall be credited for the amount overcharged for the time period in dispute, but not to exceed the overcharges for the two billing periods immediately preceding the removal of the Meter. The Customer shall be credited for a percent of each bill equal to the percentage the Meter was reading inaccurately (i.e., if the Meter reads that 150 gallons are being delivered when actually 100 gallons are being delivered, the Customer shall be credited for fifty percent (50%) of the bill). The adjustment to the Customer's account shall be accomplished over a series of billing cycles, but in no event shall such period of time exceed ninety (90) days, unless otherwise directed by the Finance Director.

Section 35 Refusing Service

The District may withhold Service to a Developer who fails to pay any applicable charges or fees for all or any portion of a Development or to a Developer who maintains a delinquent service account for another Development within the District. The District shall maintain current records of outstanding accounts and shall make such information available to the public at the District's offices during normal business hours. Service may also be withheld for any Customer Facility which is incomplete or are not in compliance with the requirements of these policies and procedures, other applicable District requirements or any federal, state or local laws, statutes, ordinances, regulations, rules or guidelines.

<u>Section 36</u> **Termination of Service by the District**

Except as otherwise provided herein, the District may, in its sole discretion: (i) refuse Service, or (ii) terminate Service temporarily, or (iii) discontinue service (except fire service which is governed by Section 21 above) in all instances in which the requirements of these policies and procedures have been violated, conditions exist which would constitute an emergency of public concern, or when the provision of Service would constitute a threat to the safety, health or welfare of District residents and visitors, property, a significant portion of the District population or to the proper operation of the System. When discontinuance or termination of Service can be remedied by an act of the Customer, the District shall provide notice of such required remedial action to the Customer and shall restore service upon completion of the required remedial action.

The following acts of the Customer shall constitute a basis for the temporary or permanent termination of Service, but only upon ten (10) days prior written notice to the affected Customer.

(a) The Customer has a Delinquent Bill.

(b) The Customer fails to meet the provisions of any agreement with the District.

(c) The Customer fails to correct deficiencies in piping or other components on the Customer's property, after reasonable notice thereof, provided that if the District determines that the public health, safety or welfare are negatively impacted, less than 10 days notice may be given.

(d) The use of Service for any property or purpose other than as described in the FDEP permit, application for service, or service agreement with the District.

(e) The Customer fails to comply with these policies and procedures.

The following acts on the part of the Customer shall constitute a basis for temporary or permanent termination of Service, without notice to the Customer:

(a) Causing, or allowing to exist, a hazardous condition with respect to the location, use of or access to the System.

(b) Alteration or modification of any transmission or metering component or device used in providing Service to the Customer. In the circumstance of the temporary suspension of Service as a result of unauthorized use of Service or tampering with the metering equipment, the District shall require (as a condition for the resumption of Service to the Customer) the reimbursement by the Customer of any revenues lost by the District and the repair or restoration of the damaged or modified equipment at the Customer's expense.

(c) Total or partial destruction of, or abandonment of, any structure which receives Service from the System, including any vacancy for a duration which, in District Engineer's opinion, may create a hazardous or unsafe condition or constitute a nuisance.

<u>Section 37</u> Resumption of Service

After termination of Service as a result of improper actions by a Customer (and as a condition precedent to resuming Service to the Customer at the same location or at another location) the Customer shall pay any amounts owed by the Customer to the District for Service, any additional deposit required pursuant to Section 31 above (together with all costs reasonably incurred by District as the result of such termination or discontinuance), any reconnection fees, Meter installation or removal and reinstallation costs, inspection costs, or other costs incident thereto in accordance with the Rate Schedule.

<u>Section 38</u> Remedies of the District

The District reserves the right to pursue any and all legally available remedies if the Master Developer, a Developer or a Customer defaults in any of its obligations under these policies and procedures.

<u>Section 39</u> Damaging, Tampering with, or Altering District Facilities

No person or entity shall:

(a) damage or knowingly cause to be damaged any part of the System including, but not limited to Meters, in such a manner as to cause loss or damage to the District;

(b) tamper, damage or remove Potable Water conservation fixtures or Cross-Connection facilities;

(c) prevent any Meter installed from accurately registering flows, alter the index or break the seal of any such Meter;

(d) in any way hinder or interfere with the proper action of accurate registration of any such Meter, or

(e) fraudulently use, waste or suffer the loss of Potable Water or Reuse Water passing through any such Meter, pipe or fitting, or other appliance which is connected to the System after such Meter, pipe, fitting, appliance or appurtenance has been tampered with, injured or altered.

<u>Section 40</u> Maintenance and Standards

All Development Facilities and Customer Facilities shall conform as to type, quality, and quantity to the District’s Permit Criteria Manual and Engineering Design Guidelines. Every Customer shall be responsible for maintaining all Customer Facilities in proper repair, and shall not alter or modify any Customer Facility without the prior written consent of the District. The unauthorized alteration or modification of any Customer Facility shall result in the immediate termination of Service to the Customer. The Customer shall be responsible for the cost of any repairs or restoration which is incurred by District as a result of such unauthorized alteration or modification.

<u>Section 41</u> **Continuity of Service**

Upon the completion and conveyance of a Development Facility to the District, the payment of applicable rates, fees, and charges, and the physical connection of a specific Customer Facility to the System the District shall continuously provide Service to the Customer Facility in accordance with the terms and conditions of these policies and procedures, any applicable Developer's Agreement, and all applicable laws, rules and regulations of any applicable governmental agency, and as set forth below.

(a) The District shall furnish Potable Water at a reasonable constant normal pressure in accordance with public health requirements and these policies and procedures.

(b) The District shall, at all times, operate and maintain the System in an efficient Manner and take actions necessary to provide the capacities required. Circumstances resulting in the temporary or partial failure to provide Service shall be remedied with reasonable dispatch.

(c) The District shall at all times use reasonable diligence to provide continuous Service, and having used reasonable diligence, shall not be liable to the Customer for failure or interruption in the provision of continuous Service. The District shall not be liable for any failure to provide, or interruptions in the provision of, Service to any Customer which is caused directly or indirectly by strikes, labor troubles, accidents, breakdowns, shutdowns for repairs, power failures, floods, fire, use of Potable Water to fight fire, connections or adjustments, acts of sabotage, wars, the failure of the City to provide service to the District under the terms of the Large User Agreement, governmental interference, capacity overloads, Acts of God or of the public enemy, national emergency or other causes beyond the District's control.

<u>Section 42</u> **Compliance with Laws**

All Customer Facilities and Development Facilities shall be designed, constructed, installed and operated in accordance with all applicable federal, state, and local laws and regulations, the Permit Criteria Manual, the Engineering Design Guidelines, the master drainage plan developed by the Master Developer and the terms of any applicable Master Developer's or Developer's Agreement.

<u>Section 43</u> **Water Conservation Program**

All Customers shall comply with the requirements of the Potable Water conservation standards set forth below, which standards incorporate the City's standards for Potable Water conservation. The criteria are subject to future modifications to ensure continued compliance with local, State and federal laws and regulations.

(a) All plumbing fixtures installed within a development shall meet the following minimum Potable Water Conservation criteria.

(i)	Water Closets	1.6 Gallons/Flush *
(ii)	Urinals	1.0 Gallons/Flush
(iii)	Showerheads	2.5 Gallons/Minute
(iv)	Lavatory Faucets	2.0 Gallons/Minute
(v)	Kitchen Faucet	2.5 Gallons/Minute
(vi)	Faucets in nonresidential buildings shall be equipped with automatic shut-off devices.	

* Calculated as an average flow for Potable Water for all Potable Water Closets.

(b) All Potable Water conservation plumbing fixtures shall meet the requirements of the Southern Building Code and the latest applicable ANSI standards.

(c) The District may waive the requirements of this Section if the proposed use of a Device will have no incremental impact on the consumption of Potable Water.

Section 44 Change of Occupancy; Termination or Transfer of Service

The Customer shall notify the District of any change in the identity of the occupant of the Property or other circumstances for which termination or transfer of Service is requested. The current Customer shall be responsible for the payment of all Service charges incurred as of the date of transfer or termination of Service. The District shall have a reasonable time, not to exceed seventy-two (72) hours, from the time and date it receives notification from the Customer, in which to discontinue or transfer Service. Customer deposits shall be applied to balances due as provided in Section 31. The District may accept telephone notices requesting transfer or termination of Service, provided that written notice of such transfer is given to the District within seventy-two (72) hours following the telephonic notice.

Section 45 Amendments to Rate Schedule

The Rate Schedule contains schedules for each rate, fee or charge charged by the District pursuant to these policies and procedures. Pursuant to the authority of Chapter 190, Florida Statues, the Board of Supervisors may from time to time amend, repeal, modify or adopt new rates, fees and charges for Service. Whenever the Rate Schedule is amended by the Board of Supervisors, said amended Rate Schedule shall become part of these policies and procedures. The District Manager shall provide such notice of any proposed amendments to the Rate Schedule and the Board of Supervisors shall hold such public hearings on the proposed amendment to the Rate Schedule as may be required by law.

Section 46 Effective Date

In the absence of a specific written agreement to the contrary entered into prior to the effective date of these operating policies and procedures, these operating policies and procedures shall apply upon their adoption, including amendments thereto, to each and every Master Developer, Developer and Customer.

Amendments as reflected herein effective 11/1/11