

POLICY AND PROCEDURE
UNION PUBLIC UTILITY DISTRICT

DATE ADOPTED: 03/27/2024	MANUAL	POLICY NO. 3030
APPROVED BY: Board of Directors	POLICY TITLE Developer Deposits	Page 1-2

PURPOSE OF POLICY

The Union Public Utility District mandates that parties (whether developers or owners) embarking on development projects within the District's boundaries and seeking services from the District must cover all costs and expenses related to providing service to the development project. This includes activities such as reviewing, evaluating, processing, and approving service requests, assessing water system changes or additions, and conducting other pertinent studies, evaluations, reports, or plans ("Development Related Services"). These costs and expenses encompass consultant services, legal counsel fees, and District administrative staff costs, among others. Existing Union Public Utility District customers will not bear the burden of paying for or subsidizing services provided to new development projects. To enforce this policy, the following procedures have been established:

BASIC POLICY AND OBJECTIVES

1. Each developer requesting services from the District will receive a copy of this policy upon their initial request. Before commencing any Development Related Services for development projects, District Staff and the District Engineer will assess the project scope and estimate the District's costs for providing these services.
2. Subsequently, District Staff and District Engineer will inform the developer in writing of the estimated cost for the required Development Related Services, providing reasonable and available documentation, and seek the developer's approval of the service scope.
3. A Developer Deposit Agreement will be established between the District and the developer or owner. This agreement mandates the developer to deposit the full estimated cost of Development Related Services and cover any additional actual costs incurred beyond the initial deposit.
4. Once the deposit agreement is executed by the District's General Manager and the developer or owner, along with receipt of the developer's initial deposit, the District can proceed with providing the necessary Development Related Services. If the initial deposit falls below an agreed minimum balance without additional funds being deposited as per the agreement, the District will suspend all Development Related Services until sufficient funds are deposited.
5. If any changes to the service scope are required or requested, the District will notify the developer in writing, presenting the extent of the change, a revised budget estimate, and a request for additional funds if necessary. Work will only resume upon completion of this process, written agreement by the developer as an amendment to the Deposit Agreement, and receipt of the necessary funds by the District.

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6. Upon finishing the Development Related Services, the District will refund any remaining funds to the developer or owner after ensuring all outstanding liabilities are settled.
7. In cases where the District incurs costs for developer-initiated projects without adequate deposits, such as construction inspection, the developer must bring the account current before the District authorizes any service extensions or additional water/sewer services for the project. Work will commence only after completion of this process, written agreement by the developer, and receipt of the required funds by the District.

Any exception to this policy requires Board action.