

APPROVED BY BOARD OF TRUSTEES – August 11, 2026
TITLE 3 CHAPTER 7 - ADMINISTRATIVE POLICIES AND PROCEDURES
OVERSIZED LINES

3.7.1 OVERSIZED LINE POLICY

This chapter of the Administrative Policies and Procedures Manual shall be known as the Kearns Improvement District (“District”) “Oversized Line Policy.”

3.7.2 PURPOSE

- A. Motivation. The District periodically receives requests for service to projects which are not contiguous to developed areas where water and sewer services are readily available. The Board of Trustees of the District requires, as a matter of policy, that water and sewer service lines be extended to the developers’ respective subdivisions at their sole cost and expense as “project improvements.” The Board has also concluded as a matter of policy that, in the interest of efficiency and economy, certain lines and related appurtenances should be sized so as to enable service to be provided to areas larger than the subdivisions and projects currently being developed.
- B. Application. This Oversized Line Policy shall be applicable to all developers unless the developer has entered into a written agreement with the District that supersedes this, Policy.
- C. Reimbursements to Developer. The District recognizes that there may be circumstances where the District should pay a portion of the cost of materials used in the installation of oversized water and/or sewer lines and appurtenances. This Oversized Line Policy is intended to identify those circumstances where such payments are appropriate and to define the limits of such payments.

3.7.3 DEFINITIONS

As used in the Oversized Line Policy, the following definitions shall be applicable.

- A. Act: The word “Act” used herein shall refer to applicable portions of the Utah Procurement Code, Utah Code Ann. § 63G-6-101 et seq. as amended from time to time.
- B. Chapter: As used herein, the term “chapter” shall refer to all of Chapter 7 of Title 3 of the District’s Administrative Policies and Procedures Manual.
- C. Developer: The term “developer” shall refer to any landowner, contractor, or other person (including corporations and other legal entities) who, in conjunction with the use, development and/or sale of real property located within the

boundaries of the District, requests culinary water and/or sanitary sewage disposal services from the District.

- D. Engineer: The word “engineer” or the phrase “the District’s engineer” shall refer to the District’s “in-house” engineer, or any staff member who is designated by the engineer to act in his/her place, or any engineering firm employed by the District to act as the engineer for the District either on a particular project or generally. When an engineering firm is acting as the District’s engineer, the phrase “engineer” shall extend to any duly authorized member or employee of the firm.
- E. Oversizing: The term “oversizing” and similar terms shall refer to water and/or sewer lines and related appurtenances which are, in the sole discretion and determination of the District’s engineer, required to be larger than the lines and related appurtenances necessary to serve the developer’s project.

3.7.4 PROCEDURE

- A. Plans and Specifications. The District’s engineer shall review and approve all plans and specifications prepared by the developer’s engineers, in all projects for the construction and installation of water lines and/or sewer lines and related appurtenances to serve the developer’s project which, upon completion and acceptance, will become the property of the District and part of the District’s System (“improvements”). Chapters 1 and 6 of Title 3 of the District’s Policies and Procedures Manual also apply to the provision of service and installation of improvements necessary to provide that service. The developer will be required to enter into an Extension Agreement as provided in Title 3 Chapter 6.
- B. Engineer’s Determination for Development. The District’s engineer, in the engineer’s sole discretion, shall determine the size of the improvements required to serve the developer’s project.
 - 1. Factors. No water main shall be smaller than eight inches in diameter and no sewer main shall be smaller than eight inches in diameter and may be required to be larger as determined by the District’s engineer. In determining the size and quantity of required improvements, the District’s engineer shall consider such factors as the size of the developer’s project, the density of development, the proposed type of development, the grade or slope of the line, the District’s master plans, and any other factors deemed relevant in the sole discretion of the District’s engineer. The mere fact that the improvements specified by the District’s engineer might accommodate connections in addition to those within the developer’s project shall not be deemed to indicate that the improvements have excess capacity or have been oversized.

- C. Engineer's Determination for Future Capacity. After determining the size and quantity of improvements required to serve the developer's project, the District's engineer shall determine, again based upon any and all factors and criteria deemed relevant by the District's engineer, the size and quantity of improvements to be installed for the project to receive service from the District.
1. Installation. To the extent that such improvements have not previously been constructed, the developer shall be required to pay for the construction and installation of the same as a condition precedent to receiving culinary water and/or sanitary sewage disposal service from the District.
 2. Reimbursement - Partial Payment by the District. In the event that the improvements required by the District's engineer to be installed by the developer are larger than the improvements determined by the District's engineer to be necessary to meet the needs of the developer's project, the District shall reimburse to the developer the positive difference between the materials cost of the improvements actually paid for by the developer and the amount the materials would have cost for improvements adequate to service the developer's project, as determined by the District's engineer as provided herein.
 3. Covered Lines and Appurtenances. The improvements subject to reimbursement or to the District paying a portion of the cost, as provided in subparagraph two (2) immediately above, shall consist solely of main lines and related appurtenances and there shall be no such reimbursement or payment with respect to lateral lines within the developer's project.
- D. Installation Costs. Except as otherwise provided herein, costs of trench digging, labor and other non-material costs shall not, in whole or in part, be paid or reimbursed by the District provided, however, that the District may "front" such costs, subject to reimbursement by the developer, as provided in the Extension Agreement between the District and the developer. If a sewer line is required to be placed at a greater depth in order to serve additional development not included in the developer's project, the District shall reimburse the related increase in cost.
- E. Documentation of Costs. The developer shall, in all cases, be required to document the materials costs and, where applicable, the additional costs of excavation, and should the District in good faith determine that the materials could have been purchased at a lower price, such lower price shall be used in calculating the amount of the reimbursement. The District reserves the right to determine appropriate costs based on prices available from suppliers within the general area. As such, the contract price which the developer pays may or may not, in the District's discretion, be used to determine the extra charge attributable to oversizing.

- F. Prohibition Against District Employee Participation. No officer or employee of the District shall, except in the course of employment by the District, provide materials to any developer where the District will be responsible for paying or reimbursing all or any part of the cost of the same.
- G. Design Costs. As provided in Title 3, Chapter 6 of the District's Policies and Procedures Manual and the Extension Agreement attached as Addendum "A" to said Chapter 6, the developer will be required to pay all costs of design and engineering associated with the improvements.
- H. Reimbursement Entitlement. No developer shall be entitled to any reimbursement hereunder unless (a) the developer's request for the same shall have been approved by the District prior to the performance of the work, (b) the developer shall have acknowledged, in writing, that the developer will be bound by the rules and regulations of the District and, specifically, this chapter, (c) the developer shall have paid, in full, all costs and expenses arising from installation of the improvements, and (d) the improvements shall have been accepted for service by the District.
 - 1. Rejection of Request. Notwithstanding anything contained in this chapter to the contrary, the District shall have the right to reject any request for reimbursement on any basis reasonably deemed appropriate by the District, notwithstanding the fact that the District's engineer has determined that the improvements are larger than would be required solely to serve the developer's project.
- I. Inspections. Nothing contained in this chapter shall alter, in any way, the District's right to inspect the work in progress and the completed improvements and to accept or reject the same.

3.7.5 PROCUREMENT POLICY

- A. Application. The District is subject to certain provisions of the Act and to its own rules and regulations regarding purchasing as contained in Title 1 Chapter 3 of the Policies and Procedures Manual or elsewhere. It is the intent and desire of the District that, in those cases where the improvements are installed by the developer, the reimbursement provided in this chapter not be considered as the procurement of any materials or supplies by the District and that, consequently, the requirements of the Act and the District's purchasing policy are generally not applicable to activities of the developer in installing water and sewer improvements to serve the developer's project.
 - 1. Developer's Responsibilities. Should the District conclude, for any reason, that the Act or the District's purchasing policy or any other applicable rule, regulation or requirement is applicable to activities of the developer under this chapter, as a condition to being allowed to install the

improvements and to being entitled to any reimbursement from the District, the developer will be required to demonstrate that the Act, the District's rules and regulations and any other applicable rule, regulation or requirement have been satisfied.

3.7.6 FEES

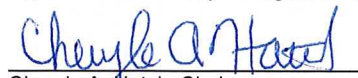
- A.** Impact and Hookup Fees. The District shall be entitled to assess impact, hookup, and other fees as areas connect to any lines or other facilities of the District as provided in Title 3 Chapter 6 of the District's Policies and Procedures Manual. With the exception of any developer having a contrary written contract with the District, a developer shall not be entitled to receive all or any part of the impact, hookup, and/or other fees and shall have no input whatsoever in establishing the fee or determining who is entitled to connect into the District's water and sewer systems.
- B.** Easements. Nothing contained in this chapter shall alter the District's policy of requiring developers to obtain, at the developers' sole cost and expense, all necessary rights-of-way, and easements for the installation of water lines and/or sewer lines and related appurtenances with the content and in the format required by the District. Developers shall be solely responsible for all such costs, including reimbursing the District for engineering and legal costs associated therewith.
- C.** Bonding and Other Requirements. This chapter shall not affect bonding and other requirements imposed by the District, Salt Lake County (if all or any portion of the development is located in unincorporated Salt Lake County) or any municipality (if all or any part of the development is located within the said municipality).

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Approved this 11th day of August 2026


Cheryl A. Hatch, Chair


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