White Hills Water Co. Inc. Servicing Cedar Valley, Utah

APPROVED RATE SCHEDULES AND APPROVED RULES AND REGULATIONS

TARIFF NO. 3

Effective: January 1, 2009

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WATER SERVICE RATE SCHEDULE

Applicability

Applicable in entire service area to water service for culinary purpose at one point of delivery. Rates as herein set forth shall apply to each customer unit. A consumer unit is defined as a single unit dwelling or any store service station, cafe, factory, shop, processing plant, or other establishment or concern that might apply for culinary water service for domestic purposes.

The following rate is for a period of one month:

Residential Rate (Billed Bi-Monthly) Beginning Jan 1, 2009 3/4", 1" Connections

<u>Usage</u> <u>Charges</u>

The	First 10,000 gallons	\$ 38.00	minimum charge for each service connection
The	second 10,000 gallons	\$ 1.25	per 1,000 gallons
The	third 10,000 gallons	\$ 2.00	per 1,000 gallons
The	fourth 10,000 gallons	\$ 4.40	per 1,000 gallons

Premises temporarily without a meter will be charged the minimum rate.

Commercial Rate (Billed Bi-Monthly) Beginning Jan 1, 2009 ¾", 1" or Larger Connection

Usage Charges

The First 10,000 gallons	\$ 75.00	minimum charge for each service connection
Above 10,000 gallons	\$ 1.50	per 1,000 gallons

Premises temporarily without a meter will be charged the minimum rate.

Industrial Rate (Billed Bi-Monthly) Beginning Jan 1, 2009

34", 1" or Larger Connection

<u>Usage</u> <u>Charges</u>

The <u>First 10,000</u> gallons \$75.00 minimum charge for each service connection per 1,000 gallons

Premises temporarily without a meter will be charged the minimum rate.

WATER SERVICE RATE SCHEDULE (Cont'd.)

Agriculture Rate

(Billed Bi-Monthly)

Beginning Jan 1, 2009

3/4", 1" or Larger Connection

<u>Usage</u> <u>Charges</u>

The First 10,000 gallons \$75.00 minimum charge for each service connection

Above 10,000 gallons \$ 1.50 per 1,000 gallons

Premises temporarily without a meter will be charged the minimum rate.

Institutional Rate

(Billed Bi-Monthly)

Beginning Jan 1, 2009

3/4", 1" or Larger Connection

<u>Usage</u> <u>Charges</u>

The First 10,000 gallons \$75.00 minimum charge for each service connection

<u>Above 10,000</u> gallons **<u>\$ 1.50</u>** per 1,000 gallons

Premises temporarily without a meter will be charged the minimum rate.

Service Connection Charges

Size (3/4") of service to Property Line One-time charge

for each service requiring new

meter installation \$3,800.00

Size (1") of service to

Property Line One-time charge for each service requiring new

meter installation \$4,750.00

Size (1 1/4") of service to

Property Line One-time charge for each service requiring new

meter installation \$6,400.00

Turn-on or turn-off, service where

Meter is already in place \$50.00

Standby Service Charge

Standby Service Charge*

\$ 30.00

*Applies to lots where service mains are in place and where water service is available, but no water service has been connected and no water service is used; or where water service has been disconnected by the Company at the request of the customer; or involuntarily by the Company after proper notice to the customer.

Compliance Service Charge

Beginning Jan. 1, 2009

After 30 days notice. The company can correct any water user compliance issue or deficiency by hiring a contractor and entering into a binding contract with the contractor to correct any water user service issue or deficiency. The cost of the compliance issue, deficiency, or contract may be billed at the cost of the contract entered into by the water service provider. The water user shall pay the water purveyor all costs incurred including collection fee's and or reasonable attorney's fee's if applicable.

Late Payment Service Charge

Beginning Jan. 1, 2009

The water purveyor or company may charge a minimum late fee of \$10.00 or 10% of the outstanding unpaid balance, whichever is greater. Late fee's are incurred 30 days after the date of the billing cycle.

RULES AND REGULATIONS

- 1. Water Use per Customer: Each residential user will be entitled to use 500,000 gallons of water per year. In the event water is utilized in excess of the 500,000 gallons per year, the residential user will be obligated to pay an additional \$100.00 per hundred thousand gallons for any portion of a 100,000 gallons above the 500,000 gallon limit. This obligation is in addition to the above residential water rate user schedule.
- 2. <u>Connections:</u> No unauthorized person shall tap any water main or distribution pipe of the Company or insert therein any corporation cock, stop cock or any other fixture or appliance or alter or disturb any service pipe, corporation stop, curb stop, gate valve, hydrant, water meter or any other attachment, being part of the waterworks system and attached thereto. No person shall install any water service pipe or connect or disconnect any such service pipe with or from the mains or distribution pipes of said waterworks system, nor with or from any other service pipe now or hereafter connected with said system, nor make any repairs, additions to, or alterations of any such service pipe, tap, stop cock, or any other fixture or attachments connected with any such service pipe, without first obtaining a permit from the Company.
- 3. **Application for Permit:** Before any service connection shall be made to any part of the waterworks system, or any work performed upon old or new connections, a permit shall be obtained from the Company. Such permit shall be issued upon written application on forms obtainable from the Company. Applicants for water service shall furnish, lay and install at their own expense, all that portion of the service not provided the Company, subject however, to the supervision and inspection of the Company.
- 4. <u>Metering of Service:</u> All water delivered by the Company to its customers shall be metered through water meters. Meters may be checked, inspected, or adjusted at the discretion of the Company, and shall not be opened or adjusted except by authorized representatives of the Company. Only authorized representatives of the Company shall open meter boxes to turn on or off water except in case of emergency or when special permission is given by the Company.
- 5. <u>Meter Adjustments:</u> If the meter fails to register at any time, the water delivered during such a period shall be billed at the minimum rate. In the event a meter is found to be recording at less than 97 percent or more than 103 percent of actual, the Company may make such adjustments to the customer's previous bill as are just and fair under the circumstances.
- 6. <u>Service Connections:</u> Any person desiring to obtain a supply of water from the Company shall make application in writing. The service connection charges shown in this tariff include a meter, meter box, a cover, and a valved service line to the property line. The meter and meter box will be located as directed by the Company. All materials furnished by the Company shall remain its sole and exclusive property. Excavation and installation shall be made by the Company from the main line connection in the road to 3 feet beyond the meter.

RULES AND REGULATIONS (cont'd.)

- 7. **Backflow protection:** All water users connected to the water system shall provide at their expense any and all backflow protection device or device's deemed necessary by the company to keep the water system protected from any and all backflow conditions. Including but not limited to the following devices. Sprinkler lines, hose bibs, swimming pools, chemical lines, equipment connections etc.
- 8. **Service Line:** All service line materials and installation shall be provided by the applicant. Installation shall be inspected and approved by the Company before the service line trench is backfilled. A shut-off valve shall be provided by the applicant on each service line, in an accessible location separate from the water meter box.
- 9. <u>Insurance Coverage:</u> All water users are required to carry flood insurance for the protection of their personal and real property. Any flooding of personal or real property must be reported in a timely manner. The water user must use their best efforts to keep property damage from occurring. In a case of company gross negligence, the company's liability to each water user is limited to \$50,000 dollars or current insurance policy limits, whichever is greater.
- 10. <u>Water Use Restriction:</u> The owner or occupant of any building on premises entitled to the use of water from the Company shall not supply water to any other building or premise without written permission of the Company.
- 11. **Service Turn-on and Turn-off:** Only authorized representatives of the Company shall turn on or off water at the meter box except in case of an emergency or when special permission is granted by the Company. Service may be turned off by the Company when so requested by the applicant or when the applicant fails to abide by these regulations. Whenever the water is turned off at any premises, it shall not be turned on again until the customer pays all delinquent balances owing, late charges, and reconnection charges as shown in the rate schedule.
- 12. <u>Disruption Liability:</u> The Company shall use reasonable diligence to provide continuous water service to its customers, and shall make a reasonable effort to furnish them with clean, pure supply of water, but the Company shall not be held liable for damages to any water user by reason of any stoppage or interruption of his water supply caused by scarcity of water, accidents to works, water main alterations, additions or repairs, acts of God or other unavoidable causes.
- 13. **Damage to Facilities:** Costs of any damage resulting from the failure of the owner, agent or tenant to properly protect the water meter or other facilities of the Company installed upon premises supplied with water, shall be assessed against such owner, agent or tenant. Water consumers shall not tamper with or remove the meter, or interfere with the reading thereof.

RULES AND REGULATIONS (cont'd.)

- 14. **Reading of Meters:** All meters shall be read by the Company monthly and charges shall be based upon meter readings except as provided for in paragraph 4 above.
- 15. <u>Billings and Payments:</u> Bills covering the charges will be rendered and shall be due days after being rendered. If any customer neglects or refuses to pay a water service bill or any other obligation due to the Company within thirty (30) days from the date of said bill, the Company's employees shall have the right to go upon the premises and do such work as may be necessary to disconnect the water service. Before the service is renewed the delinquent bill or bills shall be paid in full, or payment arrangements satisfactory to the Company shall be made, and the established tariff charge for reconnection shall be paid.
- 16. <u>Discontinuance of Service:</u> Any customer wishing to discontinue service shall notify the Company so that the meter can be read for a final billing. Such final bill shall be due and payable upon receipt.
- 15. **Regulated Usage:** Whenever the Company shall determine that the amount of water available to its distribution system has diminished to such a volume that, unless restricted, the public health, safety and general welfare is likely to be endangered, it may prescribe rules and regulations to conserve the water supply during such emergency. Such rules and regulations may include, but shall not be limited to, the restriction to certain hours (or total prohibition) of the use of water for outdoor watering.
- 16. <u>Changes and Amendments:</u> The right is reserved to amend or add to these Rules and Regulations as experience may show it to be necessary and as such amendments or additions are approved by the Public Service Commission of Utah.
- 17. <u>Credit Deposit:</u> The Company may at its option, and in lieu of established credit, require a deposit from the customer to assure payment of bills; such deposits shall be a minimum of 60 days or \$\frac{\\$120.00}{\}\$ This deposit may be refunded when credit has been established. Deposits held over 4 months shall earn interest from the Company at the rate of 2\frac{\%}{0}\$ per annum, beginning with the first day of deposit. Interest will be credited to the customer's account.

FACILITY EXTENSION POLICY

- 1. <u>Definition:</u> An extension is any continuation of or branch from, the nearest available existing line of the Company, including any increase of capacity of an existing line to meet the Customers' requirements.
- 2. <u>Costs:</u> The total cost of extensions including engineering, labor, and materials shall be paid by the applicants. If because of the extension and the additional water customers, additional water rights, pumps, storage, or other water plant must be acquired, the Company may require the applicants to pay these costs. Where more than one customer is involved in an extension the costs shall be pro-rated on the basis of the street frontage distances involved or upon such other basis as may be mutually agreed by the applicants. Sufficient valves and fire hydrants must be included with every installation.
- 3. <u>Construction Standards.</u> Minimum standards of the Company shall be met, which standards shall also comply with the standards of the Utah State Division of Drinking Water. Pipe sizes shall never be smaller than 4" (four inches) in diameter. The pipeline shall be installed only along dedicated streets and highways.
- 4. **Water Storage and Supply:** Except as provided for in paragraph 2 herein above, all costs for providing increased water supply and storage shall be paid by the Company. This cost shall include the installation and operation of pumps as required for proper pressure regulation of the system.
- 5. **Ownership:** Completed facilities and water rights shall be owned, operated, and maintained by the Company, including and through meters as detailed in the Tariff Rules and Regulations.
- 6. <u>Temporary Service:</u> The Customer will pay the total cost for the installation and removal of any extension for service to a venture of a temporary or speculative nature. Such costs will be estimated and paid before work is begun on the extension.

WATER USER DEFINITIONS

Commercial Use – Water use normally associated with small business operations which may include drinking water, food preparation, personal sanitation, facility cleaning, and maintenance, and irrigation of landscapes.

Industrial Use – Water use associated with the manufacturing or assembly of products which may include the same basic uses as a commercial business. The volume of water used by industrial businesses, however, can be considerably greater than water use by commercial business.

Institutional Use – Water use normally associated with operation of various public agencies and institutions including drinking water; personal sanitation; facility cleaning and maintenance; and irrigation of parks, schools, cemeteries, playgrounds, recreational areas and other facilities.

WATER USER DEFINITIONS (cont'd)

Residential Use – Water used for residential cooking, drinking; watering clothes; miscellaneous cleaning; personal grooming and sanitation; irrigation of residential lawns, gardens, and landscapes; and washing automobiles, driveways etc.

Agriculture Use – Water used for producing an agriculture product for sale, transfer, barter, exchange, etc. either through irrigation of pasture and feed for livestock or for livestock which must have clean water for the livestock to drink or for producing plant crops to also include domestic use inside agriculture buildings, outbuildings, barns, living quarters of farm personnel etc. The agriculture use classification is for full time business ventures or full time business concerns. This classification not available for residents that have small animals, horses, chickens, cattle or gardening interests.

Effective: January 1, 2009