

GRAND STAIRCASE WATER COMPANY, LLC

**RATE SCHEDULES
AND
RULES AND REGULATIONS**

TARIFF NO. 1

INDEX

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WATER SERVICE RATE SCHEDULE

Applicability

This Tariff is applicable in the entire service area of the Grand Staircase Water Company, LLC (“Company”) to provide water service for culinary purpose at one point of delivery for each residential, commercial, and hotel connection.

The service area of the Company is the Amangiri Resort Amended subdivision, as shown on the plat recorded and on file with the Kane County Recorder’s Office, Book 0350, Pages 247-250, Entry No. 139643. Maps showing the service area are appended hereto.

Rates as herein set forth shall apply to each customer unit. A customer unit is defined as a single unit residential dwelling or any commercial hotel, store, service station, cafe, factory, shop, accessory building, processing plant, or other establishment or concern that might apply for culinary water service for domestic purposes through one or more connections.

The following rates are for a period of one month for each connection:

Rates

Usage Charges

Residential Connections

The First 10,000 gallons	\$ 85.00	minimum charge for each connection
10,001 to 20,000 gallons	\$ 6.00	per 1,000 gallons
20,001 to 30,000 gallons	\$ 6.50	per 1,000 gallons
30,001 to 40,000 gallons	\$ 7.50	per 1,000 gallons
Over 40,000 gallons	\$ 9.00	per 1,000 gallons

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

Commercial Connections

The First 12,000 gallons	\$ 100.00	minimum charge for each connection
12,001 to 30,000 gallons	\$ 6.00	per 1,000 gallons
30,001 to 40,000 gallons	\$ 7.50	per 1,000 gallons
40,001 to 50,000 gallons	\$ 9.00	per 1,000 gallons
Over 50,000 gallons	\$ 10.00	per 1,000 gallons

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

(Continued)

Hotel Connection

The First 100,000 gallons	\$ 800.00	minimum charge for each connection
100,001 to 250,000 gallons	\$ 6.50	per 1,000 gallons
250,001 to 500,000 gallons	\$ 8.00	per 1,000 gallons
500,001 to 750,000 gallons	\$ 9.50	per 1,000 gallons
Over 750,000 gallons	\$ 11.00	per 1,000 gallons

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

Service Connection Charges

Residential Connections

Service line (3/4" or 1") from main line to property line	\$65,000.00	One-time charge for each service requiring new meter installation
Turn-on service where meter is already in place	\$ 5,000.00	One-time charge

Commercial Connections

Service line (3/4" or 1") from main line to property line	\$75,000.00	One-time charge for each service requiring new meter installation
Turn-on service where meter is already in place	\$ 5,000.00	One-time charge

Hotel Connection

Service line (6") from main line to property line	\$100,000.00	One-time charge for each service requiring new meter installation
Turn-on service where meter is already in place	\$ 10,000.00	One-time charge

Other Charges

Disconnection Fee	\$ 500.00	per occurrence
Reconnection Fee	\$ 500.00	per occurrence
Late Payment Fee/ interest	\$ 100.00	per occurrence, or 18% per annum penalty, whichever is greater

RULES AND REGULATIONS

1. **Water Use per Customer:** Unless otherwise approved by the Company, each residential connection will be entitled to use not more than 55,500 gallons of water per month, each commercial connection will be entitled to use not more than 150,000 gallons of water per month, and each hotel connection will be entitled to use not more than 1,000,000 gallons of water per month.
2. **Connections:** 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 by the Company, subject however, to the supervision and inspection of the Company.
4. **Metering of Service:** 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 water service on or off except in case of emergency or when special permission is given by the Company.
5. **Meter Adjustments:** If a meter fails to register at any time, the water delivered during such a period shall be billed at the rate for the average of the last three months water use. 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. **Service Connections:** 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. The connection charges shall apply to all new connections

installed on or after the effective date of this tariff.

7. **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.
8. **Water Use Restriction:** 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 premises without written permission of the Company.
9. **Service Turn-on and Turn-off:** Only authorized representatives of the Company shall turn water service on or off 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, when the applicant fails to abide by these regulations, or as permitted by Utah Administrative Code R746-200-7, Termination of Service. 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 fees as shown in the rate schedule.
10. **Disruption Liability:** 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, acts of third persons, or other unavoidable causes.
11. **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.
12. **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 5 above.
13. **Billings and Payments:** Bills covering the charges will be issued and shall be due within thirty (30) days after being issued. If any customer neglects or refuses to pay a water service bill or any other obligation due to the Company within thirty (60) days from the date of issuance, 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 and reconnected 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.

14. **Discontinuance of Service:** 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. **Changes and Amendments:** The Company reserves the right to change, amend or add to these Rules and Regulations as experience may show it to be necessary and as such amendments or changes are approved by the Utah Public Service Commission.
17. **Credit Deposit:** 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 cover the base water rate for a minimum of 60 days or \$200.00, whichever is greater. This deposit may be refunded when the customer has paid his or her bill on time for 12 consecutive months. Deposits held over 4 months shall earn interest from the Company at the rate of 3.00% per annum, beginning with the first day of deposit. Interest will be credited to the customer's account.
18. **Special Assessments:** The Company reserves the right to levy special assessments as necessary to pay for or reimburse the Company for expenses attributed to emergency or necessary waterworks system improvements, maintenance, or repairs, subject to all necessary approvals of such special assessments by the Public Service Commission.

FACILITY EXTENSION POLICY

1. **Definition:** 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. **Costs:** The total cost of extensions including engineering, labor, and materials shall be paid by the applicants for such extensions. If, because of the extension and the addition of applicants as 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. **Construction Standards.** 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, unless otherwise approved in writing by the Company.
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. **Temporary Service:** 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.