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WATER SERVICE RATE SCHEDULE

Applicability

Applicable in entire service area to alter service for culinary purposes at one point of delivery.

Rate

The following rate is for a period of one month:

<i>Item</i>	<i>Usage</i>	<i>Charges</i>
Standby/Reservation	0.....	\$17.75 per month
Minimum Usage Fee.....	Up to 1,000 Gallons	\$20.75 per month
Tier 1	Next 4,000 gallons	\$0.75 per 1,000 gal
Tier 2.....	Next 5,000 gallons	\$1.50 per 1,000 gal
Tier 3.....	Over 10,000 gallons	\$3.00 per 1,000 gallons

Fees

<i>Item</i>	<i>Fee</i>
Disconnection Fee per Incident	\$100.00
Reconnect Fee per Incident.....	\$100.00
Late Fees	\$5.00 or 1.5% of unpaid balance, whichever is greater
System Expansion Impact Fee	\$2,000.00
Hook-up Fee.....	\$900.00
Name Transfer Fee.....	\$25.00
Returned Check/NSF Fee	\$25.00
Unwarranted Service Call.....	\$50.00

RULES AND REGULATIONS

1. **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 of 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 attachments connected with any such service pipe, without first procuring a permit from the Company.
2. **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 and lay and install all that portion of the service not provided by the Company, at their own expense, subject, however, to the supervision and inspection of the Company.
3. **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. The lines to the meter are the Company's responsibility to maintain. The individual homeowner is responsible for maintenance of the meter and lines on his side of the meter. Replacement meters will be replaced by Company and homeowners will be billed.
4. **Meter Adjustments:** If the meter fails to register at any time, the water delivered during such a period shall be estimated on the basis of previous consumption. In the event a meter is found to be recording less than 97 percent or more than 103 percent of accuracy, the Company may make such adjustments in the customer's previous bill as are just and fair under the circumstances.
5. **Service Connections:** The Company is authorized a total of 800 service connections. Any party 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 in an area that is accessible by the Company.
6. **Service Main:** All service main materials and installation shall be provided by the applicant. Installation shall be inspected and approved by the Company before the service main 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.
7. **Water Use Restriction:** The owner or occupant of any building or premises entitled to the use of water from the Company shall not supply water to any other building or premise, except upon written permission of the Company.

8. Service Turn-on and Turn-off: No unauthorized person shall turn the water from any main or distribution pipe into any service pipe. Service may be turned off by the applicant or by the Company when applicant fails to abide by these regulations. Whenever the water is turned off by the Company from any premise, it shall not be turned on again until the applicable charge shown in the rate schedule has been paid.
9. 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, free from injurious substance. 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 or water main alterations, additional repair, acts of God, or other unavoidable causes.
10. Damage to Facilities: Water meters may be installed upon any premises supplied with water, and any damage to said meter, or other facilities of the Company, resulting from the failure of the owner, agent or tenant to properly protect the same 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.
11. Reading of Meters: All meters shall be read by the Company as early in the Spring and as late in the Fall as shall be practicable. The monthly charges for the period between the last meter reading in the Fall and the first meter reading in the Spring shall be estimated based upon previous consumption and shall be adjusted in the billing period immediately preceding the first meter reading in the Spring. The monthly charges during the remaining billing periods shall be based upon meter readings, except as provided for in Paragraph 4 hereinabove. The charges for the period between the last meter reading in the Fall and the first meter reading in the Spring will be at the regular \$20.75 a month minimum billing amount. If the new reading shows more than 1,000 gallons per month average use the user will be billed according to the normal rate schedule. High water usage amounts (typically between April 1st and October 31st) shall be used to cover expenses during the minimum billing months of November through March.
12. Billing and Payments: Bills covering the charges will be rendered monthly and shall be due fifteen (15) days after being rendered. If any customer neglects, fails, 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, then, upon five (5) days written notice the Company's employees shall have the right to go upon the premises and make such excavation or do such work as may be necessary to disconnect the water service. Before the service is reconnected, the delinquent bill or bills shall be paid in full, or arrangements made for payment that are satisfactory to the Company, and the established tariff charge for reconnection shall be paid by the delinquent customer. If the Company chooses not to exercise its option to disconnect, bills will incur an interest penalty of 18% annually.
13. 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 as they mature; such deposits shall be a minimum of ninety (90) days' estimated bill or \$30.00. Deposits may be refunded when credit has been established. Deposits held over twelve (12) months shall earn interest from the Company at the rate of 7% per annum. Interest will be credited to the account of the customer.

14. **Regulated Usage:** Whenever the Company shall determine that the amount of water available to its distribution system has reached 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. Likewise, the use of water for sprinkling lawns and gardens, and the hours for such use, may be prescribed by regulations adopted for the governing of said water system.
15. **Changes and Amendments:** The right is reserved to amend or add to these Rules and Regulations as experience may show it to be necessary and such changes are approved by the Utah Public Service Commission.
16. **Capital Reserve Account:** The Company shall keep and maintain a Capital Reserve Account. The following regulations apply:
 - a. Capital reserve amounts generated from usage rates shall be deposited into a restricted account, such as a separate escrow account within 30 days from the receipt of rate payments equal to \$7.16 per month per customer who paid their bill.
 - b. Withdrawals shall be made from the Capital Reserve for capital replacements and improvements only.
 - c. For expenditures in excess of five percent of total Utility Plant in Service, the Company shall file a report with the Commission at least 30 days before the purchase or acquisition of the asset or project, and shall obtain written Commission approval before transacting such acquisitions. In this matter, expenditures over \$92,500 (\$1,840,500 times 5%) shall require submission of a written report and Commission approval.
 - d. The Company shall provide an annual accounting of the Capital Reserve Account with its annual report and at any such other times as the Commission or Division may request. The annual accounting shall be in the form of a bank statement encompassing the entire calendar year showing a series of deposits made within 30 days from the receipt of rate payments for each billing cycle and withdrawals that meet requirements a, b and c above.
 - e. The balance in the reserve account shall be clearly identifiable in the audited financial statements as a restricted account.
 - f. Qualifying expenditures from the Capital Reserve Account shall follow the following guidelines:
 - a. "Capital improvements" are defined as high cost items with long service lives including the distribution pipe main lines, storage reservoirs, wells, surface water intakes, etc. Qualifying capital expenditures are those that extend the life of an asset and/or enhance its original value with better quality materials or system upgrades.

- b. Capital improvements do not include minor expenses such as repair clamps, inventory parts and fittings, spare pieces of pipe kept to facilitate repairs, small tools, maintenance supplies such as paint or grease, service contracts, and other day-to-day supplies. Expenses for these items shall be classified as “operating and maintenance” expenses.
- c. Capital replacement funds received from existing customers shall not be used for system expansion to extend main lines to serve new areas or customers or to install new services. Funds for system expansion shall come from new development, connection fees, assessments, or other sources so that those benefiting from the improvements contribute the funds for its construction.

FACILITY EXTENSION POLICY

1. Extensions: 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 Customer's requirements.
2. Costs: The total cost of extensions, including the engineering, labor, and materials shall be paid by the applicants. Where more than one applicant is involved in an extension, the costs shall be pro-rated on the basis of the street frontage distances involved. Sufficient valves and fire hydrants shall 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 Department of Environmental Quality Division of Drinking Water. Pipe sizes shall be designated by the Company, but the size shall never be smaller than 6". The pipeline shall be installed only along dedicated streets and highways.
4. Water Storage and Supply: All costs for providing needed water supply and storage shall be paid by the Company. This cost shall include the installation and operation of pumps as required or proper pressure regulation of the system.
5. Ownership: Completed facilities shall be owned, operated, and maintained by the Company including and through the 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 permanency. The Company will receive the estimated cost from the Customer before beginning work on the extension.