

TARIFF NO. 2

FOR

WATER SERVICE

BUMBLEBEE WATER SYSTEM, INC.

Drinking Water System # _____PENDING_____

CPCN # _____PENDING_____

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A. Preliminary Statement

Bumblebee Water System, Inc. (the “Company”) was originally incorporated under the name “Hunter Ridge Mutual Water Company” on July 31, 2012. The Company was incorporated as, and remains, a non-profit entity under the laws of the State of Utah.

The Company’s Service Area is now known as the “Sunset Subdivision”, which is more fully described in the Official Plat thereof on file with the Iron County Recorder. The Sunset Subdivision was begun by others years ago and is now owned by Iron Dirt, LLC, a Utah limited-liability company which is the Developer. The Developer has successfully undertaken to inspect, repair and renovate as needed, the existing wellhead and water delivery infrastructure in the Service Area.

The Developer has also caused Covenants, Codes and Restrictions for the Sunset Subdivision to be created and properly recorded with the Iron County Recorder.

Water rights sufficient to service the lots in the Sunset Subdivision have been conveyed from Iron Dirt, LLC to the Company. Company bylaws call for transfer of the Company’s assets and operations to the Sunset Subdivision HOA upon sale of more than 50% (half) of the lots to homeowners. Until that time, the Company seeks to be regulated as a public utility by the State of Utah.

A map of the Company’s service area is attached to this Tariff.

Copies of this Tariff are available from the Company for a nominal copying charge.

B. Service Rate Schedule

1. *Applicability:* The Rate Schedule in section B.2. is applicable to the entire service area for culinary water service at a single point of delivery for use on a single parcel and for no more than a single dwelling unit.
2. *Residential Rate Schedule:*

RATE SCHEDULE	
Base Rate (includes usage of 0 gallons) Connected Users whose water usage is less than one gallon per month (expected to be absentee owners during winter or other periods of using no automated irrigation) Constitutes the system fee for all users; Usage Rates are in addition to the Base Rate.	\$25.00
Usage Rates Level #1 (1 to 12,000 gallons) Level #2 (12,001 to 20,000 gallons) Level #3 (20,001 to 30,000 gallons) Level #4 (30,001 and more gallons per month)	\$0.60 per 1,000 gallons \$0.75 per 1,000 gallons \$1.00 per 1,000 gallons \$1.50 per 1,000 gallons
Bulk User Rate	\$50.00 per month plus \$0.35 per 1,000 gallons
Service Connection Fee	\$500.00
Impact Fee on Development of Lot	\$2,500.00
Temporary Service Suspension Fee	\$50.00
Reconnection Fee (after disconnection)	\$250.00
Account Transfer Fee	\$25.00
Meter Test Fee	\$10.00
Customer Late Fee	\$14.00 per month
Security Deposit	\$140.00
Returned Check Fee	\$25.00

3. *Base Rate:* The base rate shall be charged to all customers connected to and capable of receiving water from the Company's water system. The base rate applies to water usage less than or equal to the maximum amount allowed in the rate schedule.

4. *Service Connection Fee:* The Service Connection Fee shown in this tariff includes a meter, a meter box, a cover, and a valved service line to the property line. The service connection fee is a one-time charge.
5. *Temporary Service Suspension Fee:* Temporary service suspension is discussed in §C.5.
6. *Impact Fee:* The Impact Fee shown in this Tariff relates to the costs of initial development of each lot as the subdivision is developed. Preparing each lot for water service and providing water entails substantial impacts offsite and to the water delivery system as a whole, including possible needs to upgrade or replace capital assets. Impact Fees will be deposited into the Company's reserve account.
7. *Reconnection Fee:* The reconnection fee shall be charged to new or former water users who desire to receive water from the Company's water system. This charge applies only when the residence had previously been connected to, and received water from the Company's water system. Reconnection service is discussed in §C.6.
8. *Account Transfer Fee:* The account transfer fee shall be charged to all changes to account billing. This shall include any tenant (if any) who places the billing in his or her name rather than the record owner's name, any change from two record owners to one, any change from one record owner to two, or any other such change not associated with the transfer of title of the subdivision lot being served by the Company.
9. *Meter Test Fee:* Meter test fees are discussed in §C.4.
10. *Customer Late Fee:* The customer late fee shall be charged when any portion of a customer's account balance is twenty-one days or more delinquent. It is the customer's responsibility to ensure that payments for amounts due are *received by the Company before the account becomes thirty days delinquent*. Delinquency is defined in §C.3.
11. *Security Deposit:* In order to secure payment of water billings, the Company may require a security deposit from either an applicant or an existing customer. When a security deposit is required by the Company, such security deposit will be held to be a guarantee fund. The Company may also terminate service to the customer upon failure to pay a required security deposit. The Company shall place all customer deposits in a separate, interest bearing and federally insured account and return the deposit together with the interest accrued following twelve timely payments of monthly billings.

At the time a customer discontinues service, the security deposit plus accrued interest will be applied to any arrears and to the final bill, with any excess refunded to the customer.

Security deposits, when required, shall be due and payable on demand.

13. *Returned Check Fee:* When a check is returned to the Company for insufficient funds, the Company shall charge the customer the returned check fee plus the bank fees charged.

C. Conditions of Service

1. *Water Service Agreement:* All current and new customers, along with current renters, shall be required to complete a Water Service Agreement. If a current Water Service Agreement is not on file, or if a new one is requested, the customer shall be required to provide a signed Water Service Agreement within 10 days of receipt of request. This includes all customers on the system. Water service may be terminated for failure to provide a signed Water Service Agreement. Water service will not be provided to new customers nor to account transfer customers until the Water Service Agreement has been signed.
2. *Service Connection:* Any party desiring to obtain a supply of water from the Company agrees to pay for all water, transportation of all water, all connections or other related fixtures or appliances needed to connect Applicant to the Company. Any party desiring to obtain a supply of water from the Company shall make application in writing. All applications shall be reviewed by the Company's legal counsel at the expense of the Applicant.

Any party desiring to obtain water from the Company for property within the Company's Service Area must have a residence, i.e. a home or an approved building permit prior to any connections being made.

The meter and meter box will be located as directed by the Company. All materials furnished by the Company shall remain the property thereof. Excavation and installation shall be made by the Company from the main line connection to the meter.

No unauthorized person shall tap any water main or distribution pipe of the Company or insert therein any corporation stop, 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 part of the waterworks system or attachment thereto. No unauthorized person shall connect or disconnect any service pipe to or from the mains or distribution pipes of said waterworks system nor to or from any other service pipe now or hereafter connected with said system; nor make any repairs to, additions to, or alterations of any such service pipe, tap, stop cock, or any other fixture or attachment connected with any such service pipe. Any unauthorized tampering of the Company's system shall constitute an immediate termination of service

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 premises without written permission of the Company.

3. *Service Line and Use Restrictions:* Applicants for water service shall furnish the Company a complete, detailed description of all existing and proposed supply line connections and pipes and/or other water sources within their lot. Such documentation shall be reviewed by a Company authorized, licensed engineer at the expense of the Applicant. Any and all distribution pipes and connections within the Applicant's lot shall be inspected at any time, by the Company or its agent as deemed necessary by 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. Installation shall be inspected and approved by the Company before the service line trench is backfilled. All customers of the Company shall comply with all State of Utah Public Drinking Water Regulations and shall agree to install or have installed, where required and enforced by the Utah Department of Health, Utah Plumbing Code, Hi-Country Estates Phase I Water Company and the Division of Public Utilities, all protective equipment, that may include, but not be limited to, backflow preventers, check valves, pressure reducing equipment, and shut-off valves. The expense for the process is the responsibility of the Applicant.

The Company's customers shall keep all of the above equipment in good operating condition. All connections shall be tested to maintain appropriate health standards. The expense to have a Company approved tester is the responsibility of the Applicant. In the event that such equipment becomes inoperable, or the Company's water quality is affected, the water service may be disconnected by the Company until such conditions are corrected. Any reconnection shall be at the expense of the Applicant.

It is recommended that each residential customer install a "Residential Dual Check Valve Backflow Preventer" in their water line downstream of their shutoff valve. This valve is designed to prevent polluted water from entering the potable water system by preventing the reverse flow of water in supply lines. This valve will also protect water heaters in case of pressure drop in main water lines. It is also recommended that the applicant provide a shut-off valve on each service line in an accessible location separate from the water meter box.

At locations within the service area, where the main line water pressure exceeds 80 psi, and where required by the Utah Department of Health, an approved pressure reducing valve must be installed by the customer to avoid damage to the customer's water system. This equipment is to be maintained and kept in good operating condition by the customer.

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. 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. Any unauthorized tampering of a meter may constitute an immediate termination of service.

The Company shall make a test of the accuracy of any service water meter upon request of the customer. The cost of the test is identified in the rate schedule sheet. When a customer requests a meter test within twelve months of the date of the last previous test, he may be required to pay the full cost of such a test if the meter is found to record from 97 to 103 percent accuracy under methods of testing that are satisfactory to the Company. Meters that are not within this accuracy range shall not remain in service.

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 outside the acceptable accuracy range, the Company will refund any overbilling if the meter records at more than 103 percent of actual, and the customer will pay any under billings if the meter records at less than 97 percent of actual water use. Correction of consumption and billing for inaccurate meters will be limited to six months immediately preceding the date of removal of the meter for testing, except in cases where tampering is evident or access has been denied.

5. *Temporary Service Suspension:* Service may be temporarily suspended by the Company when so requested by a Customer in writing. The term of such temporary service suspension shall not be less than two months nor longer than six months. During the period of suspended service, the customer shall be billed at the Level #0 rate. Service shall be restored only upon payment in full of the applicable Temporary Service Suspension Fee, shown in the rate schedule, and any past due amounts and required service deposits due from the customer.
6. *Reconnection Fee:* All reconnections are subject to review by the Company. Any reconnections may also be subject to any other provision as defined in this document. Any dispute for reconnections will be forwarded to the Company's legal counsel. All legal fees will be the responsibility of the water user asking for the reconnection to the Company water system.
7. *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 a 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; temporary interruptions for alterations, additions, or repairs; acts of God; the acts of the customer; or other unavoidable causes.

8. *Damage to Facilities:* Costs of any damages resulting from the failure by the owner, agent or tenant to properly protect the water meter or other facilities of the Company installed upon the premises, shall be assessed against such owner, agent, or tenant. No one shall tamper with or remove the meter, or interfere with the reading thereof. When any Company equipment is damaged for any reason and where repair, replacement, and/or excavation is required to restore normal water system operation, the actual total cost of making such repairs must be paid in full before water service will be provided to the customer. The Company shall not be liable for any damage to customer property due to low water pressure in the main water lines.
9. *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 § C.4 hereinabove. Customers are required to allow Company access to said meter for the purpose of reading the meter. Customer's denial of access to Company for the purpose of reading the meter shall be cause for termination of service. During the winter months of November through February, meters shall be read as the weather and accumulated snow permit. In those months that the meters are not read, customers shall be billed at the same rate as the previous month, with adjustment to be made to conform with actual metered usage after the next meter reading. Any excess payment, if any, shall be applied towards the next month's/months' charges.
10. *Discontinuance of Service:* Any customer wishing to discontinue service shall notify the Company in writing so that the meter can be read for a final billing. Such final bill shall be due and payable upon receipt. Discontinuance of all service, including Level #0 service, shall be only upon a customer no longer owning the lot serviced.
11. *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 of all users during such emergency. Such rules and regulations may include, but not be limited to, the restriction to certain hours for, or total prohibition of, the use of water for outdoor watering.

The Company or its agent shall not be liable for any damages to customer or customer property due to events or non-events which result from diminished volumes of water in the Company's system.

12. *Demarcation of Ownership:* The Company shall own the input supply line to the meter, the meter, the meter yoke, the meter box, and, where installed, the backflow preventer. The customer shall own all of the line from the point where such line attaches to Company owned equipment. The Company shall not be responsible for the repair or maintenance of customer owned lines. However, if the Company determines repairs are needed on the customer owned lines, the

Company may terminate service until such time the repairs are corrected at the expense of the customer.

D. Billing

1. *Billing and Payments:* Bills covering the charges shall be rendered monthly and shall be due 20 days after being rendered. If any customer neglects or refuses to pay the water service bill or any other obligation due to the Company by the due date of said bill, the account shall be considered delinquent and shall be governed by §E.
2. *Delinquent Accounts:*
 - a. A bill which has remained unpaid beyond the statement due date is a delinquent account.
 - b. When an account is a delinquent account, the Company shall issue a written late notice to inform the account holder of the delinquent status. A late notice or reminder notice must include the following information:
 1. A statement that the account is a delinquent account and should be paid promptly;
 2. A statement that the account holder should communicate with the Company if he has a question concerning the account;
 3. A statement of the delinquent account balance, using a term such as "delinquent account balance."
 - c. When the account holder responds to a late notice or reminder notice the Company shall investigate disputed issues and shall attempt to resolve the issues by negotiation. During this investigation and negotiation no other action shall be taken to terminate the water service if the account holder pays the undisputed portion of the account subject to the Company's right to terminate pursuant to §G, Termination Without Notice.
 - d. If a dispute cannot be resolved by negotiation, the matter will be forwarded to the Company's legal counsel. All legal fees will be the responsibility of the customer.

E. Reasons for Termination

1. *Permitted Grounds for Termination:*
 - a. Nonpayment of a delinquent account that is 90 days old or older;
 - b. Nonpayment of a deposit where required;

- c. Failure to comply with an order of the Company;
 - d. Unauthorized use of or diversion of water service or tampering with wires, pipes, meters, or other equipment;
 - e. Subterfuge or furnishing of false information in connection with obtaining water service;
 - f. Failure to sign a Water Service Agreement (§C.1);
 - g. Denial of access to the water meter for the purpose of reading said meter (§C.9).
2. *Prohibited Grounds for Termination:*
- a. A delinquent account, accrued prior to the commencement of a divorce or separate maintenance action in the courts, in the name of a former spouse, cannot be the basis for termination of the current account holder's service.
 - b. Cohabitation of a current account holder with a delinquent account holder who was previously terminated for non-payment, unless the current and delinquent account holders also cohabited during the time the delinquent account holder received the Company's service, whether the service was received at the current account holder's present address or another address;
 - c. When the delinquent account balance is less than \$55.00, unless no payment has been made for two months;
 - d. Failure to pay an amount in bona fide dispute before the Company, which has been provided to the Company's legal counsel, and which the customer has paid all legal fees pertaining to the dispute.

F. Restrictions upon Termination Practices:

The Company shall not employ termination practices other than those set forth in these rules. The Company shall have the right to employ or pursue legal methods to ensure collections of obligations due it.

1. *Restrictions upon Termination During Serious Illness:* Water service may not be terminated and will be restored if terminated where termination will cause or aggravate a serious illness or infirmity of a person living in the residence. Water service will be restored or continued for one month or less as stated in §F.2.

Upon receipt of a physician's statement, either on a form obtained from the Company or on the physician's letterhead stationery, identifying the health infirmity or potential health hazard, the Company will continue or restore water service for the period set forth in the physician's statement or one month,

whichever is less; however, the person whose health is threatened or illness aggravated may petition the Company for an extension of time.

During the period of continued service, the account holder is liable for the cost of water service. No action to terminate the service may be undertaken, however, until expiration of the period of continued service.

2. *Restrictions upon Termination to Residences with Life Supporting Equipment:*

The company shall not terminate service to a residence in which the account holder or a resident is known by the Company to be using an iron lung, respirator, dialysis machine, or other life supporting equipment. Account holders eligible for this protection can obtain it by filing a written notice with the Company. The Company reserves the right of inspection of such life supporting equipment. Thereupon, the Company shall mark and identify all meter boxes when this equipment is used.

G. Termination without Notice

Any provision contained in these rules notwithstanding, the Company may terminate water service without notice when, in its judgment, a clear emergency or serious health or safety hazard exists for so long as the conditions exist, or where there is unauthorized use or diversion of water service or tampering with wires, pipes, meters, or other equipment owned by the Company. The Company shall immediately attempt to notify the customer of the termination and the reasons therefore. The Company or its agent shall not be liable for any damages to customer or customer property due to connections which result from termination of water from the Company's system.

H. Termination with Notice

1. *First Notice:* At least ten calendar days prior to a proposed termination of water service, the Company shall give the account holder written notice of disconnection for nonpayment. The ten-day time period is computed from the date the notice is postmarked. The notice shall be given by first class mail or delivery to the premises and shall contain at a minimum the date on which payment arrangements must be made to avoid termination.
2. *Second Notice:* At least 48 hours prior to the time when termination of service is scheduled, the Company shall make good faith efforts to notify the account holder or an adult member of the household, by mail, by telephone or by a personal visit to the residence. If personal notification has not been made, either directly by the Company or by the customer in response to mailed notice, the Company shall leave a written termination notice at the residence. Personal notification, such as a visit to the residence or telephone conversation with the termination party, is required only during the winter months of November 15 through February 15. At all other times of the year, the mailed 48 hour notice can be the final notice prior to termination.

3. *Notice Posting:* For all residential premises when a person other than the occupant is the account holder and that fact is known to the Company, the Company shall post a notice of proposed termination on the premises in a conspicuous place and shall make reasonable efforts to give actual notice to the occupants by personal visits or other appropriate means at least five calendar days prior to the proposed termination. This notice provision applies to residential premises where the account holder has requested termination or the account holder has a delinquent bill. If nonpayment is the basis for the termination, the Company shall also advise the tenants that they may continue to receive water service for an additional 30 days by paying the charges due for the 30-day period just past.
4. *Expiration of Notice:* Upon expiration of the notice of proposed termination, the Company may terminate water service. The Company or its agent shall not be liable for any damages to customer or customer property due to connections which result from termination of water from the Company's system. Any legal fees which may result from termination are the sole responsibility of the customer.

I. Customer Requested Termination:

1. *Service Disconnected:* A customer shall advise the Company at least three days in advance of the day on which he wants service disconnected to his residence. The Company shall disconnect the service within four working days of the requested disconnect date. The customer shall not be liable for the services rendered to or at the address or location after the expiration of the four days.
2. *Non Occupant Customer:* A customer who is not an occupant at the residence for which termination is requested shall advise the Company at least ten days in advance of the day on which he wants service disconnected and sign an affidavit that he is not requesting termination as a means of evicting his tenants. Alternatively, the customer may sign an affidavit that there are no occupants in the residence for which termination is requested, and thereupon the disconnection may occur within four days of the requested disconnection date.

J. 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 as such amendments or additions are approved by the Company.

K. Operation of the Company:

As deemed appropriate and at the direction of Company's Board of Directors, the actual operation of the system may be contracted out to a qualified Operator for day to day operations, maintenance and/or billing.

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Bumblebee Water System, Inc. Original Sheet No. 14
Iron County, Utah

PSC Utah Docket No. 13-2567-01

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L. Service Area Maps

Map #1

General Vicinity, "Sunset Subdivision", to be served by Bumblebee Water System, Inc. under this Tariff



