

EXHIBIT "D"

SCHEDULE OF RATES, RULES AND REGULATIONS

Issued:
By:

Effective January 1, 2014

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WATER SERVICE RATE SCHEDULE

Applicability

This water schedule is applicable to the entire service area of Red Canyon Estate Water Users Association, ("Company") for the purposes of providing water service for culinary purposes at one point of delivery for each lot.

Rates as herein set forth shall apply to each consumer unit. A consumer unit is defined as a single unit dwelling, establishment or concern that might apply for culinary water service for domestic purposes.

The following rate is for a period of twelve (12) month(s).

<u>Usage</u>	<u>Charges</u>
Yearly 651,851.40 January 1 - December 31	\$30.00 monthly minimum charge for each service connection plus actual usage of power determined per percentage of water usage each month

Service Connection Charges

1" Service to Property Line One-time charge for each service requiring new meter installation (This does not include lot owners cost for installing the waterline and fire hydrant on each lot commencing at the right-of-way line to the fire hydrant and water meter.)	\$900.00
Turn-on service where meter is already in place.	\$45.00

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 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 person shall, without first

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obtaining a permit from the Company, 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, stoop cock, or any other fixture or attachment connected with any such service pipe.

2. Application for Permit: A permit shall be obtained from the Company before any service connection can be made to any part of the waterworks system or before any water work can be performed upon old or new connections. 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.

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, 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.

4. Meter Adjustments: 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 in the customer's previous bill as are just and fair under the circumstances.

5. 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, in the amount of \$900.00, include maintenance, engineering inspection fees, standby-maintenance fees and establishment fees. The meter and meter box will be located as directed by the Company. All materials furnished by the Company shall remain the property thereof. All funds shall be retained for the benefit of the shareholders to insure financial stability of system.

6. 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 back filled. The applicant shall provide a shut-off valve 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 premises without written permission of the Company.

8. Service Turn-on and Turn-off: Only authorized representatives of the Company shall

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turn on or off water at the meter box except in case of 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 be turned on again only upon payment in full of the applicable charge shown in the rate schedule.

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 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 the water supply caused by scarcity of water; accidents to works; water main alterations, additions or repairs; acts of God or other unavoidable causes.

10. 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 or owner which is 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.

11.a. 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, and during the period in between. The 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 on the bill for the first meter reading in the spring. The charges during the remaining billing periods shall be based upon meter readings, except as provided for in paragraph 4 herein above.

11.b. Reading of Meters: All meters shall be read by the Company and charges shall be based upon meter readings except as provided for in paragraph 4 herein above.

12. Billing and Payments: Bills covering charges shall be rendered quarterly and shall be due twenty (30) days from the date the current bill was prepared. If a bill becomes delinquent, the Company, after following the procedures required in Public Service Commission Rule "R746-200-6 Termination", including the delivery of notices at least 10 days and at least 48 hours prior to the proposed termination, shall have the right to go upon the premises, post a notice of intent to turn off water, and do such work as may be necessary to prepare to disconnect the water service. Before service is restored to the customer whose bill has become delinquent, 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.

13. 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 billing shall be due and

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payable upon receipt.

14. 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.

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 as such amendments or additions are approved by the Public Service Commission of Utah.

16. Credit Deposit: The Company does not intend to require a deposit. However, if necessary, 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 ninety (90) days' estimated bill or \$120.00. This deposit may be refunded when credit has been established. Deposits held over twelve (12) months shall earn interest from the Company at the rate of 3% per annum, beginning with the first day of deposit. Interest will be credited to the customer's account.

FACILITY EXTENSION POLICY

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 customer's requirements.

1. Costs: The total cost of extensions including 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 or upon such other basis as may be mutually agreed by the applicants. Sufficient valves and fire hydrants must be included with every installation.

2. Construction Standards: Minimum standards of the Company shall be met, which standards shall also comply with the standards of the Utah State Bureau of Environmental Health. Pipe sizes shall be designated by the Company, but the size shall never be smaller than 4" (four inches) in diameter. The pipeline shall be installed only along dedicated streets and highways .

3. Water Storage and Supply: 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

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required for proper pressure regulation of the system.

4. Ownership: Completed facilities shall be owned, operated, and maintained by the Company, in the public right-of-way, as detailed in the Tariff Rules and Regulations.

5. 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.

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**RED CANYON ESTATES WATER USERS ASSOCIATION
AMENDED POLICY OF BILLING AND COLLECTION**

Adopted by the Board of Directors - Effective January 1, 2014

All home sites/lots shall be billed by their Lot Number.

All water meters shall belong to each lot owner and all costs incurred in purchasing and maintaining the same shall be the responsibility of the lot owner. Notwithstanding the same, the Association reserves the right to make all repairs to the waterworks from the delivery system to and including the water meter. All waterworks from the water meter to the residence shall be the responsibility of the lot owner. Red Canyon Estates Water Users Association reserves the right to terminate water to any lot in accordance with the provisions contained herein or the Rules and Regulations.

All water meters will be of the same basic make and style as set forth herein.

ADOPTED SCHEDULE OF RATES:

Basic Monthly Water Rate For Serviceable Lot: per share consisting of:	\$30.00/Per Residence plus actual average usage for electrical charges
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Water Usage Based on Basic Monthly Water Rate for Serviceable Lot:

Yearly Average usage permitted:	Maximum 651,851.40 gallons per year per acre foot of water
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Meters will be read monthly and billed quarterly according to actual usage, with a minimum assessment according to the basic monthly rate as set forth herein.

INVOICING:

Bills covering the use of water will be rendered every month on the first week of the respective billing period and shall be due 30 days after billing. A late fee of \$10.00 will be charged if payment is not received by thirty (30) days of the billing invoice. A late fee of \$20.00 will be added after the sixtieth (60) day of delinquency.

When any property becomes delinquent in payment of the water billing for two (2) consecutive quarters, the resident will be notified by being given a ten (10) day written notice that the water will be turned off at the water meter. In addition to the ten (10) day notice, a (48) hour notice will be posted on the property of the delinquent Owner prior to turn off. If the bill remains unpaid, the water will be turned off. If a lot owner is to be absent for any extended period of

time, payment of the water fees may be made in advance.

A turn-on fee of \$45.00 will be charged to all properties that have had water turned off as a result of delinquent payment once the account is brought current. Company reserves the right to require a deposit at the time of turn-on if usage was terminated due to unpaid payments.

UNBUILT/UNIMPROVED LOTS:

It will be the policy of the Allard Ranch Water Company to bill each unbuilt lot owner that portion of the basic charge which is for general operating expenses (also referred to as standby fees), which is beneficial to all lot owners exclusive of actual water use. These fees include fire protection, costs and ongoing maintenance of the water works system.

Invoices for these charges will be rendered quarterly. Based on current rates, the annual bill will be \$360.00 for full service and \$180.00 for stand-by service. The invoices will be due within thirty (30) days of issuance. Any unpaid invoices can result in a lien being filed against the property, in addition to discontinuance of water service.

WATER CONNECTION FEES:

The charge or connection fee for a lot owner to connect to the Allard Ranch Water Company water system is \$900, which is due and payable upon approval of architectural plans and prior to construction.

The right is reserved by the Allard Ranch Water Company to amend or add to these policies as such charges are approved by the Allard Ranch Water Company Board of Directors. No fees shall be utilized for personal purpose. All fees shall be used for the benefit of the Company and its members.

WATER METER:

The lot owner shall use the water meter identified in Exhibit A. No other water meter shall be used without the express consent of the Company's Board of Directors. It is vital for the benefit of all lot owners that the system remain consistent and universal for ease of maintenance of the system.

RULES AND REGULATIONS:

The Company shall be regulated by an adopted set of Rules and Regulations. These Rules and Regulations shall govern the specifications and standards under which the Water Company and the lot owners shall operated. The Rules and Regulations are attached as Exhibit B.