

Attachment 1

***TARIFF APPLICABLE TO
CULINARY WATER SERVICE
WATERPRO, INC.***

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WATERPRO, INC.

FEE SCHEDULE

Connection Fees

3/4-Inch Connection Fees

Meter Set Fee	550.00
Construction Water	100.00
Impact Fee	<u>2,776.00</u>
TOTAL	\$3,426.00

3/4-Inch Little Valley Connection Fees

Meter Set Fee	550.00
Construction Water	100.00
Impact Fee	2,776.00
Improvements	<u>4,800.00</u>
TOTAL	\$8,226.00

1-Inch Connection Fees

Meter Set Fee	620.00
Construction Water	100.00
Impact Fee	<u>4,627.00</u>
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Impact fees for water connections larger than 1-inch in diameter should be set individually based on a formula that considers the expected acreage water use of the improvements and the peak capacity for the desired size must be known or estimated to calculate impact fees.

The following formula is recommended to calculate the impact costs:

$$\text{Water Impact Fee} = \$2,776.00 [(0.478\text{RE}) + (0.52*\text{MC}/30*(\text{PF}/59 - 1/59))]$$

Where: RE = Residential Equivalent (expected annual average demand in gallons per day divided by the residential average usage of 715 gallons per day)

MC = Maximum Safe Intermittent Meter Capacity (gpm)

PF = Peaking Factor (MC divided by average annual demand in gpm)

Culinary Water Rates

Lifeline, Multiplex and Apartments

Residential Monthly Base Fee	\$25.98/ Month
Lifeline Monthly Base Fee	\$16.50/ Month
Multiplex Monthly Base Fee	\$25.98/ Month for First Unit \$18.78/ Month for each Additional Unit
Apartment Monthly Base Fee	\$25.98/ Month for First Unit \$18.78/ Month for each Additional Unit

Additional Usage Fees:

Main Resident Usage (All Other Residents)

Base Fee Residential	\$25.98/ Month
Tier 1 \$1.77 per 1000 gallons	0 gallons used up to 12,000 gallons
Tier 2 \$2.40 per 1000 gallons	12,001 gallons up to 30,000 gallons
Tier 3 \$3.74 per 1000 gallons	30,001 gallons up to 75,000 gallons
Tier 4 \$5.28 per 1000 gallons	75,001 gallons per month and over

South Mountain (Country Club)

Base Fee Residential	\$25.98/ Month
Tier 1 \$1.97 per 1000 gallons	0 gallons used up to 12,000 gallons
Tier 2 \$2.61 per 1000 gallons	12,001 gallons up to 30,000 gallons
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Tier 4 \$5.38 per 1000 gallons	75,001 gallons per month and over

Little Valley – Pressure Zone 13

Base Fee Residential	-\$25.98/ Month
Tier 1 \$2.22 per 1000 gallons	0 gallons used up to 12,000 gallons
Tier 2 \$2.75 per 1000 gallons	12,001 gallons up to 30,000 gallons
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Tier 4 \$5.60 per 1000 gallons	75,001 gallons per month and over

Miscellaneous Fees and Penalties

Late Fee	1.5% charged monthly on all delinquent accounts 30-days past due
Spec Books	\$15.00
Application Process Fee	\$25.00 Residential \$75.00 Rental \$150.00 Commercial/Business \$300.00 Restaurants
Delinquency Shut-off /	\$15.00
Culinary Turn-On Fees	\$15.00
Culinary Turn-On fee after Hours	\$50.00
Returned Check Fee	\$25.00
Meter Reconnection Fee	\$75.00
Tampering Fee/Theft of Water	\$500.00 per meter connection
Unauthorized Damage Fee	\$500.00
Water theft from fire hydrant	\$1,000.00
Water Construction Fee	\$100.00 collected w/ impact fee
Relocation of Water Meter Box	\$200.00 with inspection \$400.00 without inspection
Authorized Jumper Purchase	\$100.00
Water Meter Flow Test Fee	\$50.00
Fire Hydrant Flow Test Fee	\$100.00
Fire Hydrant Meter Deposit	\$1,000.00
Fire Hydrant Meter Usage Fee	\$10.00 rental per day (excluding weekends & holidays) \$1.89 per 1,000 gallons used / \$50.00 min. water usage

Private Fire Service Annual User Fee: Effective 6/13/13

Size (in inches)	Annual Administrative Cost	Annual Fire Protection Capacity Cost	Total Annual Fire Service User Fee
2	\$23.06	\$3.07	\$26.13
4	\$23.06	\$19.01	\$42.07
6	\$23.06	\$55.09	\$78.15
8	\$23.06	\$117.62	\$140.68
10	\$23.06	\$211.91	\$234.97

Fire Line Inspection	\$50.00 per visit
Pressure Test	\$100.00 per test
Commercial Property	
Fire Flow Impact Fee	\$500.00 per acre for impact fee on fire flows
Engineering Fee	\$585
Engineering Plan Review Fee	\$650 plus \$0.50 / foot over 500 feet of pipe
Return Meter Set Fee	\$50.00
Meter Flow Test Fee	\$50.00

RULES AND REGULATIONS

A. GENERAL RATE AND CONNECTION RULES AND REGULATIONS

1. METERS

- (a) All meters must be purchased through the Company and installed according to Company specifications.
- (b) All meters shall be purchased and installed at the expense of the customer.
- (c) If, for any reason, any meter fails, does not register accurate readings, or cannot be read, Company personnel may make an estimate of usage based on historical usage and other relevant information.
- (d) Any authorized Company employee shall be allowed free access to examine, read, or maintain any meter at all times.
- (e) All culinary water customers of the Company shall be metered.

2. WATER RATES FOR CUSTOMERS SERVED BY COMPANY

- (a) All culinary water customers shall be charged the minimum monthly fee as set forth in the Fee Schedule. If a customer uses more culinary water than is covered by the minimum monthly fee, the customer shall pay for such additional culinary water in accordance with the additional water usage fees set forth in the Fee Schedule.
- (b) The minimum monthly fee set forth in the Fee Schedule shall also be charged for each additional family unit living on the premises of a single dwelling unit.

3. CULINARY WATER CONNECTIONS AND METER INSTALLATION

All applicants for culinary water connections shall pay the applicable fees, including engineering, connection meter set, inspection, and permit fees, as set forth in the Fee Schedule. The applicant is responsible for all installation costs in addition to the Company's fees. Applicants for culinary water connections must run an approved line from the applicant's property to the Company's main line at their own expense.

4. REQUIREMENT FOR BOTH CULINARY AND PRESSURE IRRIGATION WATER SERVICES

Any customer that receives culinary water service from the Company will also receive pressure irrigation service from the Company if such service is available. The pressure irrigation is not mandatory at this time; however, if a customer does not wish to use the pressure irrigation, the customer will need to sign a refusal. If no refusal has been signed, charges for the pressure irrigation will be applied to the customer account. In the event that a customer has land that lies partly within the Company's service area and partly within another entity's service area, the extent to which culinary water is to be provided by the Company shall be negotiated between the Company and the customer.

5. FIRE PROTECTION

- (a) The Company provides water to fire hydrants for fire protection purposes free of charge. If the Company determines that fire hydrants on residential private property are needed for the protection of the residents of its service area, the property owners shall grant to the Company, upon demand, a right-of-way or easement to install, maintain, monitor, and use such "public" fire hydrants on their premises. All other fire hydrants on private property are considered to be "private" fire hydrants.
- (b) Installation, maintenance, and repair of "public" fire hydrants on public and private property shall be at the Company's expense and under its direction. Installation, maintenance, and repair of "private" fire hydrants shall be the customer's responsibility. A flow check vault and meter shall also be installed on all "private" fire hydrants at the customer's expense as set forth in the Fee Schedule, unless the Company Engineer expressly waives this requirement in writing because said "private" fire hydrant is readily accessible and observable to Company personnel. Company personnel shall have access to such flow check meters for inspection and monitoring purposes.
- (c) Any person desiring to use water from Company hydrants for other than fire protection purposes shall make written application therefor and pay to the Company the deposit set forth in the Fee Schedule. The applicant shall be required to have a meter assembly installed to the Company-designated hydrant and shall be subject to all applicable fees in the Fee Schedule. No water usage shall occur at any hydrant other than the metered hydrant designated by the Company. The applicant shall be responsible for any and all damage to Company property.
- (d) If Company personnel determines that water from a fire hydrant has been used without authorization, the Chief Executive Officer may give notice of the violation and assess a water usage fee as set forth in the Fee Schedule for the volume of water the Company believes was used. Any party tampering with Company fire hydrants may also be prosecuted criminally in accordance with state and/or local laws.

6. INSPECTIONS

- (a) Prior to commencing any service, the Company Inspector will have the right to inspect all plumbing, lines, laterals, connections, and related facilities within and upon the premises. If the Company Engineer does not approve of the same, the applicant shall cause each deficiency identified to be corrected at the applicant's sole expense so as to meet the requirements of the Company and of any governmental entity having jurisdiction.
- (b) All customers have the duty to keep their plumbing, lines, laterals, connections, and related facilities operational and in good repair and shall promptly repair any leaks and defects at their own expense. After service has commenced, Company Inspector will have the right to inspect all lines, laterals, connections, related facilities, and reasonably accessible plumbing within and upon the premises with reasonable notice to the customer to ensure that the Company's rules and regulations are being complied with and may require that leaks, defects, and/or violations be corrected.
- (c) The various inspection fees are set forth in the Fee Schedule and will be determined on a project by project basis in cooperation with Company Engineer.

7. LETTERS FOR BUILDING PLAN APPROVAL

The fees charged by the Company for letters sent to any governmental entity or other agencies on behalf of applicants are set forth in the Fee Schedule.

8. GENERAL CONNECTION REQUIREMENTS

- (a) All connections shall be made directly to the Company's culinary water mains located in a dedicated roadway or a properly deeded utility easement that is immediately adjacent to or upon the property receiving the service. Installation of "private" culinary water lines across adjacent lots, building premises, or property owned by others shall not be permitted.
- (b) An applicant may request or propose a location for service connections and meters; however, the final decision as to the location is in the sole discretion of the Company.
- (c) Meters are not allowed in a driveway or driveway approach. If a meter needs to be moved out of a driveway, it must be inspected by the Company Inspector and blueprints must be produced for computer-assisted drafting/editing by the Company GPS/GIS Specialist. The meter move inspection fee as set forth in the Fee Schedule shall be paid prior to the setting of the meter.
- (d) Each building or unit shall be serviced through its own separate culinary water line connected to Company mains in a dedicated roadway or a properly deeded utility easement. Two or more buildings or units on the same property may be serviced through a single culinary connection "only" upon written authorization by the Company, which authorization is in the Company's sole discretion. Furthermore, the property owner must agree to be responsible for all payment due the Company for each such building or unit and remain responsible therefore, even after any separation of ownership by sale or otherwise for one or more of the buildings or units, until the new owner has signed a new application and new connections have been made at the expense of the owners. When service is currently being provided to two or more buildings or units through a single connection, the Company may, in its sole discretion, either refuse further service until separate connections have been made or continue to provide service on the condition that the property owner be responsible for all payments due the Company for each such building or unit and remain responsible therefore, even after any separation of ownership by sale or otherwise of one or more of the buildings or units, until the new owner has signed a new application and new connections have been made at the expense of the owners.
- (e) When service is provided to a "homeowners' association," the homeowners' association shall incorporate the following in its covenant document:

Culinary water service is being provided to the project by Draper Irrigation Company. Draper Irrigation Company has agreed to defer a portion of the culinary water connection fee for each unit in the project and to meter culinary water usage from a single meter for each building in the project. Draper Irrigation Company has further agreed to bill the homeowners' association and each unit owner hereby agrees that if the homeowners' association dissolves or defaults on its obligations to Draper Irrigation Company, the amounts owed to Draper Irrigation Company shall be allocated among and paid by all unit owners in proportion to the square footage of their respective units. In the event that the homeowners' association dissolves or defaults on its obligations to Draper Irrigation Company, Draper Irrigation Company shall be entitled to separately meter and separately bill each unit owner for the culinary water usage of each unit. At such time as Draper Irrigation Company commences to separately meter and separately bill each unit owner of the culinary water usage; each unit owner shall be liable to Draper Irrigation Company for the deferred portion of the culinary water connection fee. All costs and expenses chargeable by Draper Irrigation Company to each unit owner shall be secured by a lien against the unit. This agreement by each unit owner shall be deemed to be a mortgage against each unit securing the obligation to pay such assessment.

(f) Each property owner must allow the Company access to its meters, wherever located, and to all other lines and facilities belonging to, and/or operated by, the Company that are within the boundaries of the property being serviced by the Company.

9. RULES COVERING CONNECTION FEES

(a) Any applicant for a culinary water connection to any lot abutting a street or other right-of-way containing a main water line shall pay the full connection fee therefore and provide proof of appropriate stock ownership.

(b) Every single family dwelling unit, whether the unit be part of a duplex or part of a multiple unit complex, and every business establishment, whether it be a part of a shopping center or business complex, must pay a culinary water connection fee and provide proof of appropriate stock ownership for each unit or establishment before connecting to the culinary water lines.

(c) Unit shall mean one or more rooms designed for, or to be occupied by, one family or business establishment.

(d) When a culinary water connection has not been used for a period of more than two years for whatever reason, a new application must be filed before service can be resumed. A connection fee will not be required. However, the applicant will be responsible for all applicable inspections and for all repairs and/or replacements necessary to bring the applicant's system and connection, including meters, up to the then-applicable standards.

(e) Any reduction of connection fees must be approved by the Chief Executive Officer in writing.

10. RENTED PREMISES

The owner of leased premises, including mobile home rentals and spaces, shall be responsible and liable for all culinary water furnished to the tenants of the owner. Billing for culinary water services will be sent to the owner. The owner may pass the costs billed on to the tenant or tenants, but the owner is responsible for making payment on the billing. A separate billing will be made for each meter the owner has installed.

11. LINE EXTENSIONS AND CONSTRUCTION WORK

(a) Any person desiring: (i) to have culinary water service from the Company; (ii) to have culinary water service lines extended; (iii) to install connections to Company facilities; or (iv) to do any other construction work affecting Company facilities must complete all required forms furnished by the Company, comply with all Company requirements, and obtain Company approval before proceeding with any improvements or alterations. The fees applicable to such construction projects are set forth in the Fee Schedule.

(b) All construction work of any type must be done in accordance with the Company's current standard specifications and typical details. These standard specifications and typical details may be modified or updated from time to time as the Company and the Company Engineer deem appropriate. Copies of the current specifications and details are available in the Company's Development Department.

(c) The Company, in its sole discretion, may classify a construction project as either a "major project" or a "minor project."

- (d) For “major construction projects,” the property owner or developer and the contractor must execute an “Extension Agreement” with the Company, specifying among other things the licensing, insurance, security of performance and payment, and warranty requirements for the project. The terms of each such Extension Agreement shall be substantially based on the terms of the Company’s current standard Extension Agreement, which may be modified or updated from time to time as appropriate.
- (e) For “minor construction projects,” a permit must be obtained by the contractor. A permit may not be issued unless a contractor has on file or places on file with the Company a \$10,000 annual License and Permit Bond in the Company’s name. This License and Permit Bond shall be substantially in the form of the Company’s standard form, which may be modified or updated from time to time as appropriate. Even though the permit is issued to the contractor, the property owner or developer remains responsible for applying for culinary water service, complying with all Company rules and regulations, and paying all applicable fees.

12. APPLICATIONS

- (a) Whenever a customer desires to obtain a supply of culinary water, meter installation, or culinary water connection, the customer shall make written application and sign an agreement that, among other things, the customer will be governed by such rules and regulations as may be prescribed by the Company.
- (b) A preliminary engineering fee as set forth in the Fee Schedule shall accompany the application unless waived by the Development Manager or Chief Executive Officer. Any preliminary engineering fees tendered with an application for which the Development Manager or Chief Executive Officer waives the fee shall be refunded. Also, if the Development Manager determines, either before or after the application is submitted, that the engineering required for that particular application will substantially exceed the amount of the preliminary engineering fee, the Development Manager may require the applicant to pay such additional engineering fees.

13. VOLUNTARY DISCONTINUANCE OF SERVICE

Any customer desiring to discontinue culinary water service shall notify the Company in writing of such fact prior to the date when such service shall be discontinued. Upon giving such written notice, said customer shall not be responsible for culinary water charges incurred after the date specified in said notice. Any credit in favor of the customer as a result of an advance payment will be refunded within 30 days of discontinuance of service.

14. VOLUNTARY REMOVAL OF SERVICE

Any customer desiring to have culinary service removed may do so in writing. The service will be removed at no expense to the owner. If reinstallation is needed, it will be treated as a new service including all costs.

15. UNAUTHORIZED USE OF WATER

If any culinary water customer shall permit any person from other premises or any unauthorized person to use or obtain water from the customer’s building, premises, or fixtures, whether inside or outside, the supply of water may be terminated after being notified by the Chief Executive Officer. A tampering fee as set forth in the Fee Schedule shall be charged to any customer tampering with a Company facility. In addition, such customer shall pay for any and all damage to Company property.

16. PENALTIES

Failure to make the necessary applications, give notice, make payment on the bills rendered, or abide by all the Company's rules and regulations shall subject a customer to the applicable fees or penalties set forth in the Fee Schedule.

17. COMPANY TO HAVE FREE ACCESS

The Company shall be allowed free access, at all ordinary hours, to all places supplied with culinary water from the waterworks system to examine the apparatus, amount of water used, and the manner of its use.

18. BILLING

- (a) All culinary water customers shall be billed monthly. The bill may include a statement for both culinary water and pressurized irrigation service and when such consolidated statement is furnished, the bill shall show the separate charges due for the respective services furnished; *provided however*, that all customers shall pay the total sum of the charges contained on said billing.
- (b) Customers are responsible for water lost through leaks on the customer's side of the meter. Therefore, credits will be issued to customers only for errors in billing.
- (c) Customers wishing to participate in the "Equal Payment Program" will need to be on the system for one year to qualify and must fill out an application. This may be done in the month of February only and will take effect in March of that same year.
- (d) To qualify for "Automatic Withdrawal," the customer will need to be on the system for one year, set up on the Equal Payment Program, provide the Company with a voided check, and fill out an application (equal payments and automatic withdrawal can be set up at the same time). This may be done in the month of February only and will take effect in March of that same year.

19. DELINQUENT ACCOUNTS

All bills rendered for culinary water service, facilities furnished, or any other valid charge made by the Company shall become past due on the 22nd of the month the bill is mailed. The Company may give notice that the account is past due and that service will be discontinued without appropriate arrangements or payment in full within 14 days of receipt of the notice of delinquency. All past-due accounts are subject to the appropriate penalties set forth in the Fee Schedule.

20. IMPLEMENTATION OF THESE PROVISIONS

The Chief Executive Officer may establish reasonable rules and guidelines to assist in the implementation of any or all of these provisions. Such rules and guidelines shall be binding unless expressly revoked by the Company's Board of Directors.

21. PROHIBITED ACTS

- (a) No person will, after culinary water service has been terminated either for nonpayment of water or for the violation of the rules and regulations pertaining to the water systems of the Company, turn on or allow water to be turned on or used without authority from the Company.
- (b) No person will destroy, deface, injure, or interfere with the operation or appearance of any

part, pipe, fixture, appliance, or meter of the Company culinary water system.

- (c) No person shall place, cause to be placed, or induce any matter, substance, chemical, or compound poisonous to human life or harmful to human health into the Company culinary or pressure irrigation water system or any source of water supplying said systems.
- (d) No person shall open or uncover any meter box or valve box without permission from the Company.
- (e) Only Company authorized “jumpers” or “idler” devices can be used. Use of an unauthorized device will be assessed a damage fee, as set forth in the Fee Schedule.
- (f) Company authorized jumpers shall be purchased for the amount set forth in the Fee Schedule.

22. COMPANY NOT LIABLE FOR DAMAGES

The Company shall not be held liable for damages to any culinary water customer by reason of stoppage or interruption of customer’s culinary water supply caused by scarcity of water, accidents to works or mains, alterations, repairs, or other unavoidable events.

23. WATER CONSERVATION

- (a) It is the policy of the Company to encourage wise and efficient use of the Company’s culinary water by the Company’s water users and to promote conservation of Utah’s limited water resources. Company shall adopt appropriate educational programs for its water users regarding water conservation practices. Company shall adopt, when appropriate, other water conservation policies, technologies, and programs.
- (b) Company shall adopt such policies or take such actions as are necessary and appropriate to prevent any persistent or flagrant waste or misuse of Company’s culinary water by any Company water user.

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Tampering Fee/Theft of Water	\$500.00 per meter connection
Unauthorized Damage Fee	\$500.00
Water theft from fire hydrant	\$1,000.00
Water Construction Fee	\$100.00 collected w/ impact fee
Relocation of Water Meter Box	\$200.00 with inspection \$400.00 without inspection
Authorized Jumper Purchase	\$100.00
Water Meter Flow Test Fee	\$50.00
Fire Hydrant Flow Test Fee	\$100.00
Fire Hydrant Meter Deposit	\$1,000.00
Fire Hydrant Meter Usage Fee	\$10.00 rental per day (excluding weekends & holidays) \$1.89 per 1,000 gallons used / \$50.00 min. water usage

Private Fire Service Annual User Fee: Effective 6/13/13

Size (in inches)	Annual Administrative Cost	Annual Fire Protection Capacity Cost	Total Annual Fire Service User Fee
2	\$23.06	\$3.07	\$26.13
4	\$23.06	\$19.01	\$42.07
6	\$23.06	\$55.09	\$78.15
8	\$23.06	\$117.62	\$140.68
10	\$23.06	\$211.91	\$234.97

Fire Line Inspection	\$50.00 per visit
Pressure Test	\$100.00 per test
Commercial Property	
Fire Flow Impact Fee	\$500.00 per acre for impact fee on fire flows
Engineering Fee	\$585
Engineering Plan Review Fee	\$650 plus \$0.50 / foot over 500 feet of pipe
Return Meter Set Fee	\$50.00
Meter Flow Test Fee	\$50.00

RULES AND REGULATIONS

A. GENERAL RATE AND CONNECTION RULES AND REGULATIONS

1. METERS

- (a) All meters must be purchased through the Company and installed according to Company specifications.
- (b) All meters shall be purchased and installed at the expense of the customer.
- (c) If, for any reason, any meter fails, does not register accurate readings, or cannot be read, Company personnel may make an estimate of usage based on historical usage and other relevant information.
- (d) Any authorized Company employee shall be allowed free access to examine, read, or maintain any meter at all times.
- (e) All culinary water customers of the Company shall be metered.

2. WATER RATES FOR CUSTOMERS SERVED BY COMPANY

- (a) All culinary water customers shall be charged the minimum monthly fee as set forth in the Fee Schedule. If a customer uses more culinary water than is covered by the minimum monthly fee, the customer shall pay for such additional culinary water in accordance with the additional water usage fees set forth in the Fee Schedule.
- (b) The minimum monthly fee set forth in the Fee Schedule shall also be charged for each additional family unit living on the premises of a single dwelling unit.

3. CULINARY WATER CONNECTIONS AND METER INSTALLATION

All applicants for culinary water connections shall pay the applicable fees, including engineering, connection meter set, inspection, and permit fees, as set forth in the Fee Schedule. The applicant is responsible for all installation costs in addition to the Company's fees. Applicants for culinary water connections must run an approved line from the applicant's property to the Company's main line at their own expense.

4. REQUIREMENT FOR BOTH CULINARY AND PRESSURE IRRIGATION WATER SERVICES

Any customer that receives culinary water service from the Company will also receive pressure irrigation service from the Company if such service is available. The pressure irrigation is not mandatory at this time; however, if a customer does not wish to use the pressure irrigation, the customer will need to sign a refusal. If no refusal has been signed, charges for the pressure irrigation will be applied to the customer account. In the event that a customer has land that lies partly within the Company's service area and partly within another entity's service area, the extent to which culinary water is to be provided by the Company shall be negotiated between the Company and the customer.

5. FIRE PROTECTION

- (a) The Company provides water to fire hydrants for fire protection purposes free of charge. If the Company determines that fire hydrants on residential private property are needed for the protection of the residents of its service area, the property owners shall grant to the Company, upon demand, a right-of-way or easement to install, maintain, monitor, and use such "public" fire hydrants on their premises. All other fire hydrants on private property are considered to be "private" fire hydrants.
- (b) Installation, maintenance, and repair of "public" fire hydrants on public and private property shall be at the Company's expense and under its direction. Installation, maintenance, and repair of "private" fire hydrants shall be the customer's responsibility. A flow check vault and meter shall also be installed on all "private" fire hydrants at the customer's expense as set forth in the Fee Schedule, unless the Company Engineer expressly waives this requirement in writing because said "private" fire hydrant is readily accessible and observable to Company personnel. Company personnel shall have access to such flow check meters for inspection and monitoring purposes.
- (c) Any person desiring to use water from Company hydrants for other than fire protection purposes shall make written application therefor and pay to the Company the deposit set forth in the Fee Schedule. The applicant shall be required to have a meter assembly installed to the Company-designated hydrant and shall be subject to all applicable fees in the Fee Schedule. No water usage shall occur at any hydrant other than the metered hydrant designated by the Company. The applicant shall be responsible for any and all damage to Company property.
- (d) If Company personnel determines that water from a fire hydrant has been used without authorization, the Chief Executive Officer may give notice of the violation and assess a water usage fee as set forth in the Fee Schedule for the volume of water the Company believes was used. Any party tampering with Company fire hydrants may also be prosecuted criminally in accordance with state and/or local laws.

6. INSPECTIONS

- (a) Prior to commencing any service, the Company Inspector will have the right to inspect all plumbing, lines, laterals, connections, and related facilities within and upon the premises. If the Company Engineer does not approve of the same, the applicant shall cause each deficiency identified to be corrected at the applicant's sole expense so as to meet the requirements of the Company and of any governmental entity having jurisdiction.
- (b) All customers have the duty to keep their plumbing, lines, laterals, connections, and related facilities operational and in good repair and shall promptly repair any leaks and defects at their own expense. After service has commenced, Company Inspector will have the right to inspect all lines, laterals, connections, related facilities, and reasonably accessible plumbing within and upon the premises with reasonable notice to the customer to ensure that the Company's rules and regulations are being complied with and may require that leaks, defects, and/or violations be corrected.
- (c) The various inspection fees are set forth in the Fee Schedule and will be determined on a project by project basis in cooperation with Company Engineer.

7. LETTERS FOR BUILDING PLAN APPROVAL

The fees charged by the Company for letters sent to any governmental entity or other agencies on behalf of applicants are set forth in the Fee Schedule.

8. GENERAL CONNECTION REQUIREMENTS

- (a) All connections shall be made directly to the Company's culinary water mains located in a dedicated roadway or a properly deeded utility easement that is immediately adjacent to or upon the property receiving the service. Installation of "private" culinary water lines across adjacent lots, building premises, or property owned by others shall not be permitted.
- (b) An applicant may request or propose a location for service connections and meters; however, the final decision as to the location is in the sole discretion of the Company.
- (c) Meters are not allowed in a driveway or driveway approach. If a meter needs to be moved out of a driveway, it must be inspected by the Company Inspector and blueprints must be produced for computer-assisted drafting/editing by the Company GPS/GIS Specialist. The meter move inspection fee as set forth in the Fee Schedule shall be paid prior to the setting of the meter.
- (d) Each building or unit shall be serviced through its own separate culinary water line connected to Company mains in a dedicated roadway or a properly deeded utility easement. Two or more buildings or units on the same property may be serviced through a single culinary connection "only" upon written authorization by the Company, which authorization is in the Company's sole discretion. Furthermore, the property owner must agree to be responsible for all payment due the Company for each such building or unit and remain responsible therefore, even after any separation of ownership by sale or otherwise for one or more of the buildings or units, until the new owner has signed a new application and new connections have been made at the expense of the owners. When service is currently being provided to two or more buildings or units through a single connection, the Company may, in its sole discretion, either refuse further service until separate connections have been made or continue to provide service on the condition that the property owner be responsible for all payments due the Company for each such building or unit and remain responsible therefore, even after any separation of ownership by sale or otherwise of one or more of the buildings or units, until the new owner has signed a new application and new connections have been made at the expense of the owners.
- (e) When service is provided to a "homeowners' association," the homeowners' association shall incorporate the following in its covenant document:

Culinary water service is being provided to the project by Draper Irrigation Company. Draper Irrigation Company has agreed to defer a portion of the culinary water connection fee for each unit in the project and to meter culinary water usage from a single meter for each building in the project. Draper Irrigation Company has further agreed to bill the homeowners' association and each unit owner hereby agrees that if the homeowners' association dissolves or defaults on its obligations to Draper Irrigation Company, the amounts owed to Draper Irrigation Company shall be allocated among and paid by all unit owners in proportion to the square footage of their respective units. In the event that the homeowners' association dissolves or defaults on its obligations to Draper Irrigation Company, Draper Irrigation Company shall be entitled to separately meter and separately bill each unit owner for the culinary water usage of each unit. At such time as Draper Irrigation Company commences to separately meter and separately bill each unit owner of the culinary water usage; each unit owner shall be liable to Draper Irrigation Company for the deferred portion of the culinary water connection fee. All costs and expenses chargeable by Draper Irrigation Company to each unit owner shall be secured by a lien against the unit. This agreement by each unit owner shall be deemed to be a mortgage against each unit securing the obligation to pay such assessment.

(f) Each property owner must allow the Company access to its meters, wherever located, and to all other lines and facilities belonging to, and/or operated by, the Company that are within the boundaries of the property being serviced by the Company.

9. RULES COVERING CONNECTION FEES

(a) Any applicant for a culinary water connection to any lot abutting a street or other right-of-way containing a main water line shall pay the full connection fee therefore and provide proof of appropriate stock ownership.

(b) Every single family dwelling unit, whether the unit be part of a duplex or part of a multiple unit complex, and every business establishment, whether it be a part of a shopping center or business complex, must pay a culinary water connection fee and provide proof of appropriate stock ownership for each unit or establishment before connecting to the culinary water lines.

(c) Unit shall mean one or more rooms designed for, or to be occupied by, one family or business establishment.

(d) When a culinary water connection has not been used for a period of more than two years for whatever reason, a new application must be filed before service can be resumed. A connection fee will not be required. However, the applicant will be responsible for all applicable inspections and for all repairs and/or replacements necessary to bring the applicant's system and connection, including meters, up to the then-applicable standards.

(e) Any reduction of connection fees must be approved by the Chief Executive Officer in writing.

10. RENTED PREMISES

The owner of leased premises, including mobile home rentals and spaces, shall be responsible and liable for all culinary water furnished to the tenants of the owner. Billing for culinary water services will be sent to the owner. The owner may pass the costs billed on to the tenant or tenants, but the owner is responsible for making payment on the billing. A separate billing will be made for each meter the owner has installed.

11. LINE EXTENSIONS AND CONSTRUCTION WORK

(a) Any person desiring: (i) to have culinary water service from the Company; (ii) to have culinary water service lines extended; (iii) to install connections to Company facilities; or (iv) to do any other construction work affecting Company facilities must complete all required forms furnished by the Company, comply with all Company requirements, and obtain Company approval before proceeding with any improvements or alterations. The fees applicable to such construction projects are set forth in the Fee Schedule.

(b) All construction work of any type must be done in accordance with the Company's current standard specifications and typical details. These standard specifications and typical details may be modified or updated from time to time as the Company and the Company Engineer deem appropriate. Copies of the current specifications and details are available in the Company's Development Department.

(c) The Company, in its sole discretion, may classify a construction project as either a "major project" or a "minor project."

- (d) For “major construction projects,” the property owner or developer and the contractor must execute an “Extension Agreement” with the Company, specifying among other things the licensing, insurance, security of performance and payment, and warranty requirements for the project. The terms of each such Extension Agreement shall be substantially based on the terms of the Company’s current standard Extension Agreement, which may be modified or updated from time to time as appropriate.
- (e) For “minor construction projects,” a permit must be obtained by the contractor. A permit may not be issued unless a contractor has on file or places on file with the Company a \$10,000 annual License and Permit Bond in the Company’s name. This License and Permit Bond shall be substantially in the form of the Company’s standard form, which may be modified or updated from time to time as appropriate. Even though the permit is issued to the contractor, the property owner or developer remains responsible for applying for culinary water service, complying with all Company rules and regulations, and paying all applicable fees.

12. APPLICATIONS

- (a) Whenever a customer desires to obtain a supply of culinary water, meter installation, or culinary water connection, the customer shall make written application and sign an agreement that, among other things, the customer will be governed by such rules and regulations as may be prescribed by the Company.
- (b) A preliminary engineering fee as set forth in the Fee Schedule shall accompany the application unless waived by the Development Manager or Chief Executive Officer. Any preliminary engineering fees tendered with an application for which the Development Manager or Chief Executive Officer waives the fee shall be refunded. Also, if the Development Manager determines, either before or after the application is submitted, that the engineering required for that particular application will substantially exceed the amount of the preliminary engineering fee, the Development Manager may require the applicant to pay such additional engineering fees.

13. VOLUNTARY DISCONTINUANCE OF SERVICE

Any customer desiring to discontinue culinary water service shall notify the Company in writing of such fact prior to the date when such service shall be discontinued. Upon giving such written notice, said customer shall not be responsible for culinary water charges incurred after the date specified in said notice. Any credit in favor of the customer as a result of an advance payment will be refunded within 30 days of discontinuance of service.

14. VOLUNTARY REMOVAL OF SERVICE

Any customer desiring to have culinary service removed may do so in writing. The service will be removed at no expense to the owner. If reinstallation is needed, it will be treated as a new service including all costs.

15. UNAUTHORIZED USE OF WATER

If any culinary water customer shall permit any person from other premises or any unauthorized person to use or obtain water from the customer’s building, premises, or fixtures, whether inside or outside, the supply of water may be terminated after being notified by the Chief Executive Officer. A tampering fee as set forth in the Fee Schedule shall be charged to any customer tampering with a Company facility. In addition, such customer shall pay for any and all damage to Company property.

16. PENALTIES

Failure to make the necessary applications, give notice, make payment on the bills rendered, or abide by all the Company's rules and regulations shall subject a customer to the applicable fees or penalties set forth in the Fee Schedule.

17. COMPANY TO HAVE FREE ACCESS

The Company shall be allowed free access, at all ordinary hours, to all places supplied with culinary water from the waterworks system to examine the apparatus, amount of water used, and the manner of its use.

18. BILLING

- (a) All culinary water customers shall be billed monthly. The bill may include a statement for both culinary water and pressurized irrigation service and when such consolidated statement is furnished, the bill shall show the separate charges due for the respective services furnished; *provided however*, that all customers shall pay the total sum of the charges contained on said billing.
- (b) Customers are responsible for water lost through leaks on the customer's side of the meter. Therefore, credits will be issued to customers only for errors in billing.
- (c) Customers wishing to participate in the "Equal Payment Program" will need to be on the system for one year to qualify and must fill out an application. This may be done in the month of February only and will take effect in March of that same year.
- (d) To qualify for "Automatic Withdrawal," the customer will need to be on the system for one year, set up on the Equal Payment Program, provide the Company with a voided check, and fill out an application (equal payments and automatic withdrawal can be set up at the same time). This may be done in the month of February only and will take effect in March of that same year.

19. DELINQUENT ACCOUNTS

All bills rendered for culinary water service, facilities furnished, or any other valid charge made by the Company shall become past due on the 22nd of the month the bill is mailed. The Company may give notice that the account is past due and that service will be discontinued without appropriate arrangements or payment in full within 14 days of receipt of the notice of delinquency. All past-due accounts are subject to the appropriate penalties set forth in the Fee Schedule.

20. IMPLEMENTATION OF THESE PROVISIONS

The Chief Executive Officer may establish reasonable rules and guidelines to assist in the implementation of any or all of these provisions. Such rules and guidelines shall be binding unless expressly revoked by the Company's Board of Directors.

21. PROHIBITED ACTS

- (a) No person will, after culinary water service has been terminated either for nonpayment of water or for the violation of the rules and regulations pertaining to the water systems of the Company, turn on or allow water to be turned on or used without authority from the Company.
- (b) No person will destroy, deface, injure, or interfere with the operation or appearance of any

part, pipe, fixture, appliance, or meter of the Company culinary water system.

- (c) No person shall place, cause to be placed, or induce any matter, substance, chemical, or compound poisonous to human life or harmful to human health into the Company culinary or pressure irrigation water system or any source of water supplying said systems.
- (d) No person shall open or uncover any meter box or valve box without permission from the Company.
- (e) Only Company authorized “jumpers” or “idler” devices can be used. Use of an unauthorized device will be assessed a damage fee, as set forth in the Fee Schedule.
- (f) Company authorized jumpers shall be purchased for the amount set forth in the Fee Schedule.

22. COMPANY NOT LIABLE FOR DAMAGES

The Company shall not be held liable for damages to any culinary water customer by reason of stoppage or interruption of customer’s culinary water supply caused by scarcity of water, accidents to works or mains, alterations, repairs, or other unavoidable events.

23. WATER CONSERVATION

- (a) It is the policy of the Company to encourage wise and efficient use of the Company’s culinary water by the Company’s water users and to promote conservation of Utah’s limited water resources. Company shall adopt appropriate educational programs for its water users regarding water conservation practices. Company shall adopt, when appropriate, other water conservation policies, technologies, and programs.
- (b) Company shall adopt such policies or take such actions as are necessary and appropriate to prevent any persistent or flagrant waste or misuse of Company’s culinary water by any Company water user.