SHERWOOD WATER COMPANY

RATE SCHEDULES
AND
RULES AND REGULATIONS

TARIFF NO. 2
SUPERSEDES FIRST REVISED TARIFF NO. 1

Issued: August 3, 1995

Effective: August 4, 1995

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WATER SERVICE RATE SCHEDULE

Applicability

Applicable in entire service area to water service for culinary purpose at one point of delivery.

Rate

The following rates are for a period of one month:

Usage	Charges
0 - 8,000 gallons	$15.00 minimum charge
8,001 plus gallons	$ .50 per 1,000 gallons/month

Service Connection Charges

New Service Connection	$2,200.00
Turn-on service where meter is already in place	$ 25.00
Turn-off service	$ 25.00

Standby Service Charge

Standby Service Charge*	$ 15.00 per month

*Applies to lots where service mains are in place and where water service is available, but no water service has been connected and no water service is used; or where water service has been disconnected by the Company at the request of the customer; or involuntarily by the Company after proper notice to the customer.

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 attachment, being part of the waterworks system and attached thereto. No person shall install any water service pipe or connect or disconnect any such service pipe with or from the mains or distribution pipes of said waterworks system, nor with or from any other service pipe now or hereafter connected with said system, nor make any repairs, additions to, or alterations of any such service pipe, tap, stop cock, or any other fixture or attachments connected with any such service pipe, without first producing 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. Due to the limited number of available connection rights the applicant may have to be placed on a waiting list for connection to the system. 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. Connection Waiting List: Due to the limited number of available connection rights the Company has established a waiting list for connection to the system. A lot owner wishing to be placed on the waiting list must make application for service on forms provided by the Company. The date that the application is received by the Company will establish the applicant's position on the waiting list.

Anyone who owns more than one lot and wishes to have a water connection for more than one lot must make a separate application for each lot for which a water connection is desired.

The Company had an "existing waiting list" at the date of the filing of this tariff. Those on the "existing waiting list" must file a new application within 45 days of the effective date of this tariff to retain their position on the waiting list. Anyone dropped from the list for failure to apply within 45 days must make a new application and will be placed at the bottom of the waiting list.

4. Assignment of Connections: All connection rights will be assigned strictly according to the waiting list. The Company will notify each applicant in writing when it is his turn to receive a connection. The applicant will have 30 days from the date of the notice to pay a connection fee or forfeit his place on the waiting list. If a person (lot) is dropped from the waiting list a new application must be submitted and the applicant will be placed on the bottom of the waiting list. Notice of an available connection will be mailed to the address listed on the application for service. It is the applicant's responsibility to notify the Company of any change of address.

RULES AND REGULATIONS (cont'd.)

5. 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. Meter boxes shall not be opened for the purpose of turning on or off water, except by an authorized representative of the Company, unless special permission is given, or except in case of emergency.

6. 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 to the customer's previous bill as are reasonable to correct the error. If the customer requests that its meter be tested. the Company will perform the test free of charge if the meter has not been tested within twelve (12) months of the request. If the meter has been tested within twelve (12) months and the test performed at the customer's request discloses an accuracy range of 97% to 103%, the customer will be required to pay for the costs of the test.

7. Service Connections: Any person desiring to obtain a supply of water from the Company shall make application in writing. The service connection charges shown in this tariff include a meter, meter box, a cover, and a valved service line to the property line. The meter and meter box will be located as directed by the Company. All materials furnished by the Company shall remain its sole and exclusive property. Excavation and installation shall be made by the Company from the main line connection in the road to 3 feet beyond the meter.

8. Service Line: All service line materials and installation shall be provided by the customer. Installation shall be inspected and approved by the Company before the service line trench is backfilled. A shut-off valve shall be provided by the customer on each service line, in an accessible location. separate from the water meter box.

9. Water Use Restriction: The owner or occupant of any building on premises entitled to the use of water from the Company shall not supply water to any other building or premise, except upon written permission of the Company.

10. Service Turn-on & 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 Company when so requested by the customer or when the customer fails to abide by these regulations. Whenever the water is turned off from any premise, it shall not be turned on again until the customer pays all delinquent balances owing, late charges, and reconnection charges or enters into a Deferred Payment Agreement under these regulations.

RULES AND REGULATIONS (cont'd.)

11. 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, or for termination due to the existence of a clear emergency or a serious health or safety hazard.

12. 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 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 nor shall they divert service for any unauthorized use.

13. 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 bi-monthly during the period in-between. The bi-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 bimonthly charges during the remaining billing periods shall be based upon meter readings.

14. Billing and Payments: Bills covering the charges will be rendered bi-monthly and shall be due twenty (20) days following the statement date. If any customer neglects, fails, or refuses to pay a water service bill or any other obligation due to the Company within twenty (20) days from the date of said bill, a late charge in the amount of 18% per annum (1.5% monthly) shall be assessed against the delinquent amount. If the customer disputes any portion of his bill. notice must be given to the Company and an attempt made to resolve the disagreement. Any amounts not in dispute must continue to be paid when due.

15. Termination of Service - Non-Voluntary: If any customer neglects, fails or refuses to pay his water service bill or any other obligation due to the Company as specified in Rule 14 above, then, upon ten (10) days written notice to the customer, the Company shall have the right to enter the premises and do such work as may be necessary to disconnect the water service. Before service is reconnected, the amount of the delinquency shall be paid in full, including the reconnection charge and the Standby Service Charge, when applicable. The customer may elect to enter into a Deferred Payment Agreement and pay his delinquent account in not more than twelve (12) equal installments.

RULES AND REGULATIONS (cont'd.)

When a customer's water is shut off for non-payment, the Company reserves the right to transfer the connection right previously utilized for that hook-up to an additional customer. If this occurs, the Company may not have a connection right available to serve the delinquent customer when his account is paid in full, unless the customer makes immediate arrangements to pay the delinquent bill plus a standby charge until the delinquency is paid and service is reconnected. If this occurs the customer must make a new application for service and be placed on the connection waiting list.

16. Termination of Service - Voluntary: When a customer voluntarily requests turn-off, as in the case of a summer only recreation user, the Company will notify the customer at least fifteen (15) days prior to reassignment of water capacity to a new user, and allow that customer an opportunity to pay the turn-on charge and the appropriate monthly standby charge and, therefore, protect his right to water service. The customer must give three (3) days notice when he requests termination of service and the Company will disconnect the service within four (4) working days of the requested termination date.

17. Forfeiture of Connection Rights: Any connection right which is forfeited, either voluntarily or involuntarily, becomes the property of the Company and will be reassigned according to the Company's policy for assignment of connection rights. When a connection right is forfeited and reassigned the customer who forfeited the connection right is entitled to a refund of the net amount of the actual connection fee paid at the time the connection was established. The "net amount" will be determined as follows: The original connection fee actually paid minus $500.00, minus any outstanding water charges owed to the Company at the time of the forfeiture. The amount of the "original connection fee" will be determined from the records of the Company.

18 Lots With Dwellings: In no case will the water connection right for a lot with a dwelling be transferred or forfeited, either voluntarily or involuntarily. The only exception to this rule would be if an individual owned two or more contiguous lots and the dwelling was on more than one of those contiguous lots. The customer would only need to have one connection for the dwelling. Excess connection rights could be forfeited and reassigned according to the Company's policy for reassignment of connection rights.

19. Reassignment of Connection Rights: All connection rights are the property of the Company. Sale or transfer of water connection rights between private parties is prohibited. All transfers of water connection rights from one lot to another must be done through the Company. This applies to both voluntary and involuntary transfers. A full connection fee will be charged for each water connection right, regardless of whether it is for a new water connection right or for the transfer of an existing water connection right.

20. 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. Deposits held over twelve (12) months shall earn interest from the Company at the rate of 7% per annum. The interest paid will be credited to the account of the customer. When credit has been established, the Company may, at its option, refund the deposit to the customer.

RULES AND REGULATIONS (cont'd.)

21. 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.

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 Customers' requirements.

2. Costs: The total cost of extensions including engineering, labor, and materials shall be paid by the customer(s). Where more than one customer is involved in an extension the costs shall be pro-rated.

3. 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". The pipeline shall be installed in accordance with Company standards and engineering specifications.

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 for proper pressure regulation of the system.

5. Ownership: Completed facilities shall be solely owned, operated, and maintained by the Company.

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 Customer will pay the estimated cost before the Company commences work on the extension, subject to a final accounting for actual costs once the extension is completed.

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Sherwood Water Company

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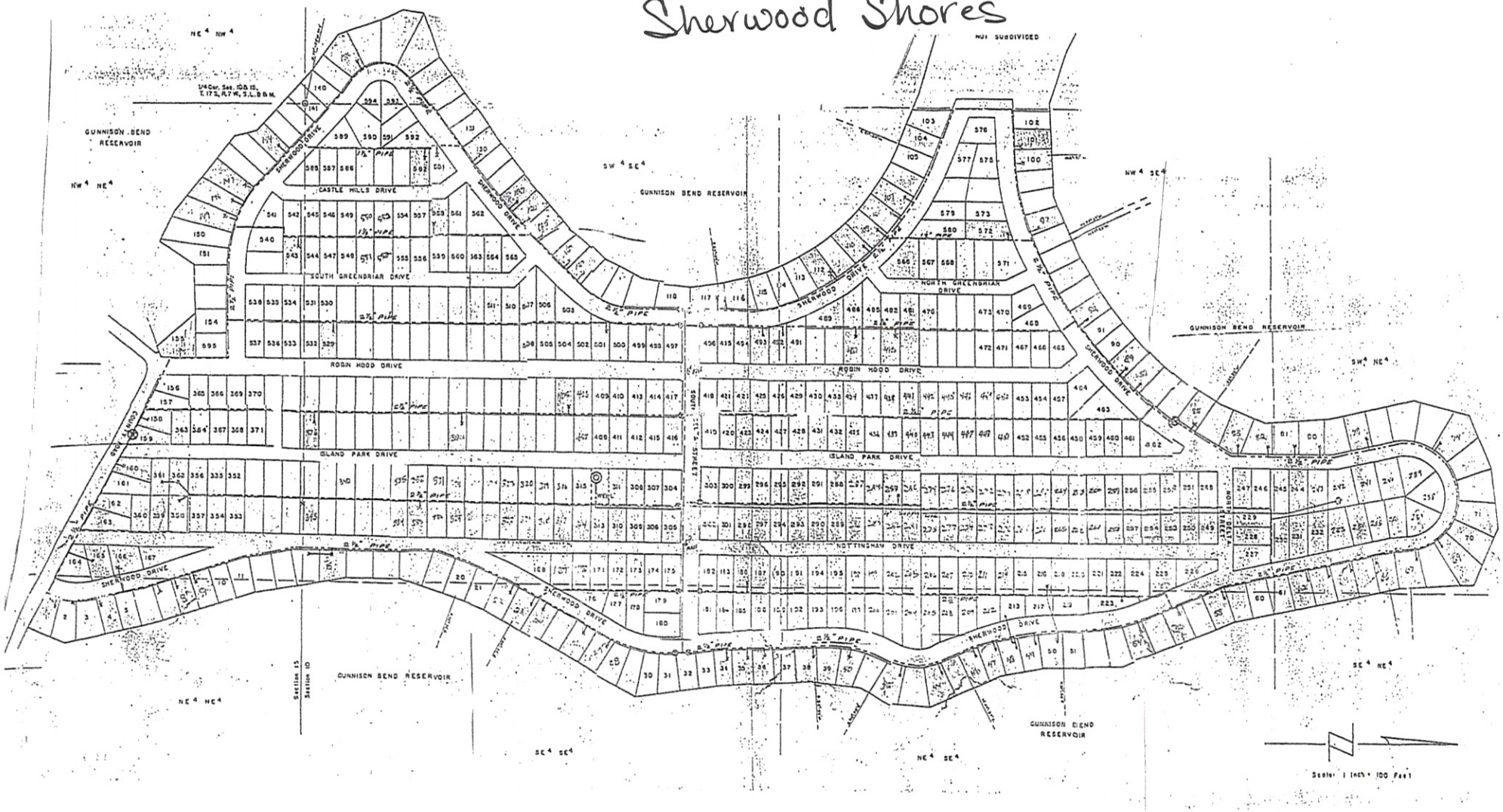
Sherwood Shores