

Sheet No. 1
Replacing all Previous Sheets

UNITED WATER IDAHO INC.

UNITED WATER IDAHO INC.
RATE SCHEDULES
AND
RULES AND REGULATIONS
GOVERNING THE RENDERING OF WATER SERVICE
AND WATER MAIN EXTENSIONS

UNITED
Issued Per IPUC Order No.
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Issued by UNITED WATER IDAHO INC.
Gregory P. Wyatt, Vice President
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UNITED WATER IDAHO INC.

TABLE OF CONTENTS

	<u>Sheet Number</u>
Title Page	1
Table of Contents	2
Schedules of Rates	
Schedule Number 1	3
Schedule Number 1A	4
Schedule Number 1B	5
Schedule Number 2	6
Schedule Number 3	7
Schedule Number 4	8
Schedule Number 5	9, 10
Schedule Number 6	11
Application for Service	12
Service Connection	12,13,14
Meters	14
Meter Setting	14,15
Meter Testing	15
Bills	16
Discontinuance of Service	16,17
Customer's Deposits	17
Builder's Temporary Service	17,18
Fire Protection	18
Miscellaneous	18
Definitions – Water Service	18, 19
Definitions – Water Main Extension	20
Water Main Extensions – General	20
Water Main Extensions - Connection Fees	20,21
Water Main Extensions - Individual Residences	21,22
Water Main Extensions - Residential Subdivision or Multiple Family Housing Development	22
Water Main Extensions - Commercial, Industrial, or Municipal Development	22,23
Special Facilities	23,24
Non-contiguous Expansion	25
Water Main Extension Agreement, Individuals, Advances, Refunds	26,27,28, 29,30
Water Main Extension Agreement, Residential, Multiple Family Housing, Commercial, Industrial, or Municipal Development	31,32,33, 34,35,36, 37,38,39,40
Residential or Multiple Family Housing Non-contiguous Water System Agreement	41,42,43, 44,45,46, 47,48,49

UNITED WATER IDAHO INC.

SCHEDULE NO. 1
GENERAL METERED SERVICE

Availability: To all metered customers not served under a separate schedule.

Customer Charges:	Bi-Monthly Per Meter Charge
<u>Meter Size</u>	
5/8"-3/4	\$17.81
1"	\$23.42
1"-1/4" and 1-1/2"	\$37.95
2" or multiple meters of equivalent capacity	\$54.78
3" or multiple meters of equivalent capacity	\$100.65
4" or multiple meters of equivalent capacity	\$160.19
6" or multiple meters of equivalent capacity	\$308.29
8" or multiple meters of equivalent capacity	\$465.06
10" or multiple meters of equivalent capacity	\$650.13

<u>Volume Charge:</u>	Winter Rates
For all water used less than 3CCF (100 cubic Feet) (CCF)(1 CCF=748 gallons):	\$1.3311

For all water used greater than 3CCF \$1.3311

<u>Volume Charge:</u>	Summer Rates
For all water used less than 3CCF (100 cubic Feet) (CCF)(1 CCF=748 gallons):	\$1.3311

For all water used greater than 3CCF \$1.6640

Conditions of Contract:

The customer shall pay the total of the customer charge plus the volume charge. The volume charge is based on all metered water for the billing period. Consumption is expressed in hundred cubic foot units or thousand gallon units as determined by the meter installed by the Company. The customer charge will be prorated whenever the customer has not been a customer for the entire billing period.

Summer Period:

The summer rate will apply to water consumed between May 1 and September 30. Meter readings straddling these dates will be prorated.

UNITED WATER IDAHO INC.

SCHEDULE NO. 1
GENERAL METERED SERVICE

Availability: To all metered customers not served under a separate schedule.

Customer Charges:	Bi-Monthly Per Meter Charge
<u>Meter Size</u>	
5/8"-3/4	\$18.10
1"	\$23.79
1-1/4" and 1-1/2"	\$38.55
2" or multiple meters of equivalent capacity	\$55.65
3" or multiple meters of equivalent capacity	\$102.23
4" or multiple meters of equivalent capacity	\$162.71
6" or multiple meters of equivalent capacity	\$313.15
8" or multiple meters of equivalent capacity	\$472.39
10" or multiple meters of equivalent capacity	\$660.37

<u>Volume Charge:</u>	Winter Rates
For all water used less than 3CCF (100 cubic Feet) (CCF)(1 CCF=748 gallons):	\$1.3521

For all water used greater than 3CCF \$1.3521

<u>Volume Charge:</u>	Summer Rates
For all water used less than 3CCF (100 cubic Feet) (CCF)(1 CCF=748 gallons):	\$1.3521

For all water used greater than 3CCF \$1.6902

Conditions of Contract:

The customer shall pay the total of the customer charge plus the volume charge. The volume charge is based on all metered water for the billing period. Consumption is expressed in hundred cubic foot units or thousand gallon units as determined by the meter installed by the Company. The customer charge will be prorated whenever the customer has not been a customer for the entire billing period.

Summer Period:

The summer rate will apply to water consumed between May 1 and September 30. Meter readings straddling these dates will be prorated.

UNITED WATER IDAHO INC.

SCHEDULE NO. 1A
DEQ FEE

Purpose:

The Idaho Department of Environmental Quality (IDEQ) assesses a fee to fund its drinking water program.

Applicability: All Customers

Rate:

State Drinking Water Program \$.50 bi-monthly per customer

Since this fee is not recovered in tariffed water rates, the cost will be passed along to customers as a fixed charge appearing as a separate item on each bill.

UNITED WATER IDAHO INC.

SCHEDULE NO. 1B
FLAT RATE SERVICE

Availability:

To non-metered residential customers pursuant to Residential or Multi-Family Housing Non-Contiguous Water Systems Agreement Paragraph 11(a) addressing flat rate systems.

Customer Charges:

Based on United Water Idaho residential consumption for the year ending June 1998 of 208.75 ccf, the average residential bill, assuming a ¾" meter and 65% / 35% summer/winter split, is \$434.16. Billed bi-monthly, equals \$ 72.36.

Bi-Monthly Charge: \$ 72.36

Conditions of Contract:

The monthly charge will be prorated whenever the customer has not been a customer for the entire billing period. The Company or the customer may convert to metered service pursuant to Subparagraphs (b) or (c) of Paragraph 11 as follows:

- (d) If Company should determine that a flat rate customer is using water in excess of the average residential customer, the Company will provide a meter setting and meter. Customer will then pay Company's metered tariff rates as approved by the IPUC, which rates may be amended from time to time.

If a customer prefers to pay Company's approved metered tariff rates, the customer shall pay the installation and material costs associated with the installation of a meter setting

UNITED WATER IDAHO INC.

SCHEDULE NO. 3
PRIVATE FIRE SPRINKLER AND SERVICE

Availability:

To all customers who have sprinkler systems and/or inside hose connections for fire fighting purposes.

Rate:

For service through a separate line for fire fighting purposes.

For 3" service or smaller, per month	\$15.59
For 4" service per month	\$23.64
For 6" service per month	\$58.71
For 8" service per month	\$96.46
For 10" service per month	\$150.43
For 12" service per month	\$225.32

Miscellaneous:

Provided that if the installation of a private fire service shall require an extension of the existing mains of the company, the cost of such extension shall be borne by the customer.

All private fire services shall be equipped with sealed gate valves or thermal automatic openings.

Meters may be placed on fire services by the utility at any time; however, metered rates will not apply unless improper use of water is disclosed, and if such be the case, usage will be billed to the consumer under Rate Schedule No. 1.

UNITED WATER IDAHO INC.

SCHEDULE NO. 3
PRIVATE FIRE SPRINKLER AND SERVICE

Availability:

To all customers who have sprinkler systems and/or inside hose connections for fire fighting purposes.

Rate:

For service through a separate line for fire fighting purposes.

For 3" service or smaller, per month	\$15.84
For 4" service per month	\$24.01
For 6" service per month	\$59.63
For 8" service per month	\$97.98
For 10" service per month	\$152.80
For 12" service per month	\$228.87

Miscellaneous:

Provided that if the installation of a private fire service shall require an extension of the existing mains of the company, the cost of such extension shall be borne by the customer.

All private fire services shall be equipped with sealed gate valves or thermal automatic openings.

Meters may be placed on fire services by the utility at any time; however, metered rates will not apply unless improper use of water is disclosed, and if such be the case, usage will be billed to the consumer under Rate Schedule No. 1.

Sheet No. 8
Replacing all Previous Sheets

UNITED WATER IDAHO INC.

SCHEDULE NO. 4
PRIVATE FIRE HYDRANT SERVICE

Availability:

To all customers having private fire hydrant installations.

Rates:

For fire hydrants installed and maintained by the customer at customer's expense:

Each fire hydrant, per month \$9.45

Miscellaneous:

Service pipe from the fitting on the company water main to the fire hydrant is to be installed and maintained by the customer.

Sheet No. 8
Replacing all Previous Sheets

UNITED WATER IDAHO INC.

SCHEDULE NO. 4
PRIVATE FIRE HYDRANT SERVICE

Availability:

To all customers having private fire hydrant installations.

Rate:

For fire hydrants installed and maintained by the customer at customer's expense:

Each fire hydrant, per month \$9.60

Miscellaneous:

Service pipe from the fitting on the company water main to the fire hydrant is to be installed and maintained by the customer.

UNITED WATER IDAHO INC.

SCHEDULE NO. 5
MISCELLANEOUS FEES AND CHARGES

1. Return Check Charge

Application:

This charge is applicable to all customers where the customer's check or bank draft is returned by the bank for insufficient funds, closed account, or some other appropriate reason.

Rate:

	<u>Each Occurrence</u>
Returned check charge	\$20.00

2. Reconnection Charge for Nonpayment Terminations

Application:

This charge is applicable to all customers where water has been physically turned off for nonpayment of a delinquent bill.

Rates:

	<u>Each Occurrence</u>
Reconnection Charge (during normal business hours)	\$20.00
Reconnection Charge (other than normal business hours)	\$30.00

3. Field Collection Trip Charge

Application:

This charge is applicable to all customers who pay outstanding bills for service at the time that Company personnel arrive at the customers' premises to terminate service.

Rate:

	<u>Each Occurrence</u>
Field Collection Trip Charge	\$15.00

4. Service Connection Charge for Other Than Normal Business Hours

Application:

UNITED WATER IDAHO INC.

MISCELLANEOUS FEES AND CHARGES (cont'd)

This charge is applicable to all customers who request service after regular office hours, weekends or holidays.

Rate:

	<u>Each Occurrence</u>
Service Charge	\$25.00

5. Temporary Disconnection at Customer Request Charge:

Application:

This charge is applicable when the Company is requested by customer to shut off the water at the meter for repairs to customer's plumbing.

Rates:

	<u>Each Occurrence</u>
Water Disconnection at Customer Request (during normal business hours)	\$15.00
Water Disconnection at Customer Request (other than normal business hours)	\$25.00

6. Meter Test at Customer Request Charge

Application:

This charge is applicable when the customer requests the Company to test the accuracy of a meter in the case of a disputed bill.

Rate:

	<u>Each Occurrence</u>
Error in registration of 1-1/2% or less	\$10.00

7. Meter Rental Charge for Construction

Application:

This charge is applicable when contractors, builders, or others request temporary service from a fire hydrant.

Rate:

	<u>Each Occurrence</u>
Temporary Meter Charge	\$25.00

UNITED WATER IDAHO INC.

SCHEDULE NO. 6
MUNICIPAL FRANCHISE FEES

Purpose:

The purpose of this schedule is to set forth the charges such as license, franchise, business occupation, operating, excise, use of street taxes or other charges that are imposed on the Company by municipal corporations and billed separately by the Company to its customers within the corporate limits of a municipality.

Applicability:

This schedule is applicable to the gross operating revenues received by the Company from the sale of water and water services within the corporate limits of the city.

Rate:

The rates and charges for the sale of water and water services provided under the Company's schedules will be proportionately increased by the following charge within the municipality on and after the effective date of the applicable municipal ordinance. Since this fee is not recovered in tariffed rates, the cost will be passed to customers. The charge will be shown as a separate item on the customer's billing.

<u>Municipality</u>	<u>Ordinance No.</u>	<u>Effective Date</u>	<u>Charge</u>
City of Boise	5623	December 17, 2003	3.0%
City of Eagle	414	May 15, 2003	1.0%

UNITED WATER IDAHO INC.

RULES AND REGULATIONS GOVERNING THE RENDERING OF SERVICE

APPLICATION FOR SERVICE

1. Water service will be provided at all existing service locations after the prospective customer (or a properly authorized agent) makes application for service and the Company approves the application. The service request may be taken by telephone, in writing, or by personal visit to the Company office. Each service request will be prepared on a separate order form specifically designed for this purpose.

2. On all new service applications requiring the installation of a service line and/or meter box, or connections necessary after a customer has altered their plumbing, service will be provided after the plumbing has been inspected and approved by the appropriate plumbing authority and the prospective customer has made an application for service that the Company approves.

3. The application for new service or the connection request on existing services will state clearly the class, scope and type of use for each service.

4. Office hours are 8:00 a.m. to 4:30 p.m., Monday through Friday. Any request for service after regular office hours, weekends or holidays will result in a service charge as shown on Schedule 5, Miscellaneous Fees and Charges.

5. The application for service and/or connection request and these rules and regulations constitute a contract between the customer and the Company. Each customer agrees to be bound by this contract after the service application is made, approved and service rendered. Copies of the Company's presently approved rules and regulations are on file at the Company's office and are available for public inspection.

SERVICE CONNECTION

6. Each customer shall be supplied through a separate service line.

7. The Company will make all connections to its existing mains which front the property to be served and will furnish, install, and maintain all service lines from the main to and including the meter box or vault, meters and service setting. The meter box or vault shall be placed inside the curb line or Company right-of-way. All service lines shall be property of the Company and shall be accessible to and under its control. In instances where the existing mains do not front the property to be served, the Applicant shall enter into the appropriate main extension agreement as provided under Company's Rules and Regulations Governing Main Extensions.

8. All service lines from the meter box or Company right-of-way line to the customer's building or place of consumption shall be approved by the Company as to

UNITED WATER IDAHO INC.

RULES AND REGULATIONS GOVERNING THE RENDERING OF SERVICE (cont'd)

size, kind of pipe, and installation and shall be installed and kept in good repair by the customer at the customer's expense. All such service lines within Boise City limits shall be placed in conformance with Boise City Code 4-01-12. All such service lines outside Boise City limits shall be placed in conformance with Uniform Plumbing Code Chapter 6 Section 609.1.

9. No service lines shall be laid in the same trench with the wastewater pipe.

10. When a meter is located within the customer's building, a positive shutoff valve easily accessible to the occupants shall be placed in the service line within the building supplied with water. Such valve shall be located so that it will be possible to drain the meter and all pipes in the building. When the meter is located outside the customer's building, a positive shut off valve shall be located between the customer's building and the meter. When the Company is requested by customer to shut off the water at the meter for repairs to customer's plumbing, a charge will be made in accordance with Schedule 5, Miscellaneous Fees and Charges.

11. The customer shall promptly repair all leaks inside the premises, in sprinkling systems and in the customer's service line. Failure to repair leakage promptly may result in termination of service as allowed under the IPUC's Rules and Regulations Governing Customer Relations.

12. The Company shall, at its own expense, replace or enlarge service connections whenever it is necessary to change the location of any service connection due to relocation or abandonment of the Company's mains. The Company will also furnish all work and materials that are necessary to connect to the new service.

13. The use of water service by a customer shall be in accordance with the class, scope and type of use, and for the purpose stated in the application. A customer shall not use or allow use of water service through the service facilities for others or for purposes other than those covered by the application. To make service available for other purposes or character of use, a new application and contract is required.

14. In accordance with its Cross Connection Control Program, as approved by the State Health Department, the Company shall require an appropriate backflow prevention device be installed on any customer's service connection whenever an actual or potential health hazard is deemed to exist. Any such required device shall appear on the State Health Department's list of approved backflow prevention devices and/or be approved by the Company prior to installation.

UNITED WATER IDAHO INC.

RULES AND REGULATIONS GOVERNING THE RENDERING OF SERVICE (cont'd)

15. In the event a backflow prevention device is required, it shall be installed, maintained and tested at the customer's expense. Failure to properly install, maintain or test the required device will result in termination of service to the customer in accordance with the IPUC's Customer Relations Rules and Regulations.

16. When the premises served by the Company is also served in any manner from another supply of water, public or private, the customer must install the appropriate backflow prevention device or maintain a physical separation between the two systems at all times. The type of device or separation and the installation of the device or separation shall be determined by the Company in accordance with its Cross Connection Control Program as approved by the State Health Department.

METERS

17. All water service, except flat rate service under Schedule 1B and water for fire fighting purposes, will be rendered only through meters.

18. Each customer shall have a separate meter to register the amount of water consumed.

19. All meters will be furnished by, and remain the property of, the Company. The Company reserves the right to establish the size and location of meter required by each customer.

20. Meters will be maintained by the Company for ordinary wear and tear. The costs of repair or replacement resulting from damages to the meter, meter box or setting, caused or allowed by the customer, will be charged to the customer. The customer will not permit anyone other than the Company to remove, inspect or tamper with the Company's meter or other Company property located on the customer's premises.

21. The customer shall notify the Company of any damage to the meter or of any malfunction in the registration, as soon as the customer is aware of the problem.

METER SETTING

22. All meters shall be set at convenient locations, accessible to the Company, and subject to its control. The meter will normally be placed in a meter box or vault between the curb and property line. Each meter box or vault shall be provided with a suitable cover.

UNITED WATER IDAHO INC.

RULES AND REGULATIONS GOVERNING THE RENDERING OF SERVICE (cont'd)

23. Where it is not convenient or if both the customer and the Company agree not to place the meter in a box or vault, as provided in Rule 22, the meter will be placed inside the building in a suitable location.

24. If the customer requests the meter be placed inside of a building or in a place where accessibility to the Company is difficult, a remote readout shall be installed at the customer's expense.

25. The Company shall furnish and install meter boxes or vaults for all meters up to and including 2-inch. The customer shall be responsible to furnish and install meter boxes or vaults for all meters larger than 2-inch. The meter boxes or vaults and covers for outside meter settings shall conform to a proper uniform standard established by the Company. The covers shall be of uniform design for convenience and efficiency in the Company's operation.

26. To prevent heat damage to the meter where steam or hot water under pressure is used, other than for normal residential use, an approved backflow prevention device with appropriate hot water kit and a thermal expansion tank must be placed, at the expense of the customer, on the discharge side of meter and before any outlets are taken off the service line.

METER TESTING

27. The quantity of water recorded by the meter shall be conclusive for both the customer and the Company, except when the meter has been found to be registering inaccurately or has ceased to register. In either of such cases, the meter will be promptly repaired or replaced by the Company and the quantity of water consumed shall be estimated by the average registration of the meter on previous corresponding periods.

28. In case of a disputed bill involving the accuracy of a meter, the meter shall be tested upon the request of the customer. If the meter is found to have an error in registration of one and one-half percent (1-1/2%) or less, the Company will charge a fee in accordance with Schedule 5, Miscellaneous Fees and Charges, as compensation of such test. If the error in registration is found to be greater than one and one-half percent (1-1/2%), the cost of the test shall be borne by the Company. When a meter is to be tested, the customer will be notified of time and place and may be present. If the test shows the meter to be over or under registering by more than one and one-half percent (1-1/2%), the meter will be replaced and an adjustment for the over-registration will be made according to the Rules and Regulations Governing Customer Relations of Gas, Electric, and Water Public Utilities and the jurisdiction of the Idaho Public Utilities Commission.

UNITED WATER IDAHO INC.

RULES AND REGULATIONS GOVERNING THE RENDERING OF SERVICE (cont'd)

BILLS

29. Each customer is subject to a customer charge, the amount of which is set forth in the Schedule of Rates.

30. Bills for water service will be rendered and are due and payable as specified in Rules 200 through 299 of the IPUC's Customer Relations Rules and Regulations.

31. The presentation or non-presentation of a bill shall not be held to be a waiver of any of the rules and regulations.

DISCONTINUANCE OF SERVICE

32. When a customer wishes to terminate water service, the Company must be notified. This request for disconnection may be made in writing, by telephone or a personal visit to the Company office. The customer will be responsible for payment of all service rendered prior to the termination of water service.

33. If the premises will be temporarily unoccupied and the customer wishes to cease charges during the vacancy period, the customer must notify the Company. The Company will terminate the service and cease the billing until the property is again occupied and the customer notifies the Company to restore the service and resume billing. No refund or allowance will be made for unoccupied property if the customer fails to request a disconnect. Only one temporary disconnect will be granted per season.

34. If the customer's property is vacant and the Company is not notified to terminate service, the customer will be responsible for any damage to the property arising from freezing, water damage, injury to the meter or any other failure.

35. The Company may deny or terminate water service under the provisions of Rules 300 through 400 of the IPUC's Rules and Regulations Governing Customer Relations of Gas, Electric and Water Public Utilities.

The customer has the right to file an informal or formal complaint with the IPUC concerning the denial or termination of service. If the customer files a complaint, the service will not be terminated providing the customer pays all undisputed charges.

Service that has been disconnected for nonpayment will not be restored until the amount due plus the applicable reconnect fee has been paid. Reconnection of service

UNITED WATER IDAHO INC.

RULES AND REGULATIONS GOVERNING THE RENDERING OF SERVICE (cont'd)

by anyone other than the Company is strictly prohibited and may result in an additional service charge(s).

36. In case of a break, an emergency or other similar situations, the Company shall have the right to temporarily discontinue the water supply in order to make necessary repairs, connections, etc. The Company shall use all reasonable and practical measures to notify the customer in advance of discontinuance of service. The Company shall not be liable for any damage or inconvenience suffered by the customer, or for any claim for interruption in service, lessening of supply, inadequate pressure, poor quality of water, or any other cause. The Company may restrict or regulate the quantity of water used by customers in case of scarcity or whenever the public welfare may require it.

37. The Company may at any time restrict the use of water for air conditioning and refrigeration by requiring the installation of cooling towers and recirculation pumps.

38. The right to discontinue service for any of the above reasons may be exercised whenever and as often as such reasons may occur, and neither delay nor omission on the part of the Company to enforce this rule at any one or more times shall be deemed a waiver of its right to enforce the same at any time, so long as the reason continues.

CUSTOMERS' DEPOSITS

39. The Company reserves the right to require a deposit according to Rules 100 through 199, Deposit and Guarantee Practices for Residential and Small Commercial Customers, of the IPUC Customer Relations Rules and Regulations. Reasonable deposits may be collected for customers not covered under the IPUC's Customer Relations Rules and Regulations.

40. The Company will refund said deposit when the customer (1) discontinues service, or (2) establishes and maintains good credit as defined by the IPUC's Customer Relations Rules and Regulations.

TEMPORARY SERVICE FOR CONSTRUCTION PURPOSES

42. Contractors, builders, or others who wish temporary service from a designated fire hydrant will:

- A. Obtain a permit for use of the fire hydrant from the appropriate fire department.
- B. Present the approved permit and pay a fee to the Company in accordance with Schedule 5, Miscellaneous Fees and Charges, for the use of a temporary meter.
- C. Comply with Company's Cross Connection Control Program.
- D. Agree that water used will be billed at Company's approved rate schedule for general metered service.

UNITED WATER IDAHO INC.

BUDGET BILL PLAN

41. **Residential Budget Bill Plan:** A Budget Bill Plan is available to Residential Customers, as defined in paragraph 51 of these Rules, desiring to levelize payments for water service. A Residential customer may enroll in the Budget Bill Plan at any time during the year. To be eligible for the Budget Bill Plan, the customer must have a minimum of 12 consecutive months of service at the current location and have no past due balance owing at the time of enrollment. Residential Budget Bill Plan participants will receive monthly billing statements, though their meters will continue to be read on a bi-monthly basis.

The levelized monthly payment will approximate the 12 month average of the most current 6 bi-monthly bills. Budget Bill Plan amounts will be recalculated annually at the 12-month anniversary of the date the customer began paying the most current Budget Bill amount. The new monthly payment will be the recalculated Budget Bill amount. A customer's Budget Bill amount may decrease, increase, or remain the same from year to year.

Customers with a negative (underpaid) balance in their Budget Bill Plan account at the time of recalculation will have new monthly Budget Bill Plan charges equal to the recalculated Budget Bill amount plus one-twelfth of the negative balance. At the customer's option, a negative balance may be paid in full and disregarded for purposes of calculating the next period's Budget Bill amount. If the negative balance exceeds 25% of the estimated annual bill for the ensuing annual period, the Company may request that the negative balance be paid in full. Customers with a positive balance exceeding \$25 in their Budget Bill Plan account at the time of recalculation may be refunded at the customer's request. If no request for refund is made, the monthly Budget Bill Plan charge will be equal to the recalculated Budget Bill Plan amount reduced by one-twelfth of the positive balance. Upon termination of the Budget Bill Plan agreement, after all charges for services are paid, positive balances will be refunded at the customer's option.

Estimates of future costs based on historical charges furnished by the Company with such Budget Bill Plan should not be construed by the customer as a guarantee that the total actual charges will not exceed the estimates. In the event of a significant change in rates for water service or substantial deviation from the customer's historical water consumption, the Company may at any time submit a revised estimate to the customer and require that the customer pay the revised monthly Budget Bill installment amount as a condition of continuation in the Budget Bill Plan.

The Budget Bill amount will be billed monthly. Once established, the Budget Bill Plan will remain in effect from year to year until the customer notifies the Company not less than 30 days prior to the desired date of cancellation or unless the customer fails to pay the Budget Bill amount.

UNITED WATER IDAHO INC.

RULES AND REGULATIONS GOVERNING THE RENDERING OF SERVICE (cont'd)

- E. Return the meter to the Company in the time frame outlined in the permit and agree that the customer is responsible for any damage to the meter or fire hydrant resulting from misuse or negligence on their part.

FIRE PROTECTION

43. Water from fire hydrants or other fire fighting facilities shall be used only for firefighting purposes and for water sold pursuant to Rule No. 42.

44. All private fire service connections from the main to inside the curb line or Company right-of-way, including all valves, shall be furnished and installed by the Company.

45. The Company reserves the right to require a meter and appropriate backflow prevention device to be furnished and installed by the customer on any fire service connection. The meter and required backflow prevention device shall be inspected and approved by the Company prior to providing service.

MISCELLANEOUS

46. The authorized employees and agents of the Company shall have the right of access, between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, and with approval of the customer, to the premises supplied with water for the purpose of reading meters, examining pipes and fixtures, observing manner of using water, and for any other purpose which is proper and necessary in the conduct of the Company's business. Such employees and agents shall carry proper credentials evidencing their employment by the Company.

47. Except in case of an emergency, no one other than Company personnel shall open or close any of the Company's curb stops or valves in any public or private line.

48. The Company reserves the right to alter or amend these Rules and Regulations in the manner provided by law.

DEFINITIONS

49. The word "Company" as used herein shall mean United Water Idaho Inc. acting through its properly authorized officers, agents or employees, each acting within the scope of the particular duties entrusted to them.

50. "Customer" shall be the party contracting for a supply of water through a single meter and service through each meter shall be considered, for billing purposes, as service to a separate customer.

UNITED WATER IDAHO INC.

RULES AND REGULATIONS GOVERNING THE RENDERING OF SERVICE (cont'd)

51. Residential customer shall designate a building under one roof which is owned, leased or rented by one party and occupied as a residence.
52. Commercial, Industrial and Municipal customers shall be designated by the following:
- I. Commercial customer shall designate:
 - A. A building containing two or more apartments or family units which are rented or leased to tenants.
 - B. A building occupied by a retail or service business which does not manufacture any item or items on the premises.
 - C. Any building containing any combination of `A' and `B' above.
 - D. A hotel, motel, tourist court, trailer court or mobile home park which rents or leases rooms or spaces to tenants.
 - II. Industrial customer shall designate any building or combination of buildings in the same compound whose primary use is for the manufacture, fabrication, and/or assembly of any product.
 - III. Municipal customer shall designate a publicly owned building such as a school, city hall, court house, fire house, hospital, or other public institution.
53. The purpose of the foregoing rules and regulations and definitions is to preserve, to the maximum extent possible, the obligation of the Company to furnish service. The rules and regulations and definitions contained herein shall be construed and applied in accordance with the spirit and intent of Title 61 of the Idaho Code

UNITED WATER IDAHO INC.

RULES AND REGULATIONS GOVERNING WATER MAIN EXTENSIONS

DEFINITIONS

54. Individual(s) shall mean a person or group of persons requesting a water main extension to make water service available to an existing detached, single family residence(s) occupied by or to be occupied by the requesting Party(ies).

55. Developer shall mean a person, firm or corporation who (1) sells two or more lots, parcels or tracts of land to others for the purpose of constructing thereon any type of building or (2) constructs any type of building, on land which is for sale, lease or rent by or to another party(ies).

56. Subdivision shall mean the legal dividing of a tract of land into two or more tracts, lots or parcels.

57. Multiple family housing development shall mean any building or buildings consisting of two or more living units.

58. Applicable overheads shall be overhead cost to the Company such as supervision, engineering, accounting, legal expenses and the cost of any necessary governmental permits.

GENERAL

59. Any individual or developer may request water service to be made available to any lot(s) or subdivision under these rules and regulations.

60. The minimum size of water main to be installed under these rules and regulations shall be 8-inch inside diameter.

61. The normal routing for water main extensions shall be in dedicated streets. The Company may, but will not be required to, make extensions under this rule in easements or rights-of-way where final grades have not been established or where street grades have not been brought to those established by public authority. If extensions are made when grades have not been established and there is a reasonable probability that existing grade will be changed, the Company shall require the Applicant(s) to deposit the estimated cost for altering the facilities installed.

This deposit shall be made at the time of execution of the agreement. Such alterations may be, but are not limited to, relocating, raising or lowering of facilities. Adjustment of any difference between the amount so deposited and the actual cost of relocating,

UNITED WATER IDAHO INC.

RULES AND REGULATIONS GOVERNING WATER MAIN EXTENSIONS (continued)

raising or lowering facilities shall be made within thirty (30) days after the Company has ascertained such actual cost. The net deposit representing actual cost is not subject to refund. The deposit related to the proposed relocation, raising or lowering shall be refunded when such displacements are determined by proper authority not to be required.

62. Company shall design and be the sole judge as to the adequacy of any water main extension and appurtenances.

EXTENSIONS FOR INDIVIDUAL RESIDENCE(S)

63. Free-Footage Allowance. The utility shall extend its water distribution mains to serve new individual residential customers at its own expense when the cost of constructing a main extension from the nearest existing utility facility capable of providing adequate flow is not in excess of five hundred dollars (\$500.00) per service connection.

64. In instances where the cost of main extensions is in excess of five hundred dollars (\$500.00), the individual(s) shall enter into an agreement with the Company of the type attached hereto and marked Exhibit A, INDIVIDUAL RESIDENCE MAIN EXTENSION AGREEMENT. The cost of the water main extension shall be based on the use of an eight-inch inside diameter main. The estimated cost of the main extension less free-footage allowance shall be deposited with the Company.

65. In instances where more than one individual has requested a water main extension, any contribution shall normally be divided in proportion to front footage of the lots. In unusual circumstances, other methods of dividing the deposit may be used, provided they are acceptable to all individuals and the Company.

66. A water main extension must extend to the extreme property lines of the building lot to be served.

67. The deposit referred to in paragraph 64 above, shall normally be a cash deposit. In this instance, the Company shall provide the material and labor for the installation of the project.

However, the Applicant may provide the material and/or contract labor for the installation of the necessary facilities. In this instance, the Applicant shall deposit with the Company an amount equal to the estimated cost of applicable overheads for the entire project and the estimated direct labor costs incurred by the Company for such items as engineering design, estimating, and inspection. Also, the Applicant shall

UNITED WATER IDAHO INC.

RULES AND REGULATIONS GOVERNING WATER MAIN EXTENSIONS (continued)

furnish the Company a certified invoice of sufficient detail to show the separate costs of water mains and appurtenances by size, service laterals by size, meter boxes, meter settings and fire hydrants. The Company shall specify the material to be supplied by the Applicant with respect to size and type. In general the material shall conform to the Company's standard material specifications and applicable AWWA specifications. The Company shall, at Applicant's expense, make all connections to the Company's existing system if, in the opinion of the Company, the contractor does not have sufficient experience or equipment to make the required connection. Applicant's contractor shall comply with Section 1 and Section 2 of Company's *Requirements for Labor in Lieu of Cash Contractors*. In general, areas covered are requirements for inspection, monitoring of construction, acceptance and handling of materials, documentation of costs, correction of faulty installation, insurance, bonding, license requirements, experience, and equipment availability. Company may deny the right of Applicant to provide a contractor who has not complied with its requirements in the past.

EXTENSIONS FOR OTHER THAN INDIVIDUAL RESIDENCES

68. The Applicant(s) for a water main extension shall furnish drawing(s) of suitable scale showing street(s), lot and/or building layouts, storm and sanitary sewer facilities, location and flow capacity of fire hydrants as may be required by appropriate fire department or district, and when requested by the Company contours or other indication of the relative elevation of the various parts of the area to be developed.

69. A water main extension must extend to the extreme property lines of the development.

70. Each separate water main extension to and/or within a development shall be subject to a separate agreement.

71. Applicant(s) shall enter into an agreement of the type attached hereto and marked as Exhibit "D" and deposit with the Company the estimated cost of the required main extension, including service laterals and meter settings to be installed at the time of the main extension. In instances, such as Industrial and/or Commercial Subdivisions, where size and location of domestic service laterals cannot be determined at the time the water main is installed, the cost of such service laterals shall be borne by the Applicant requesting service. The cost shall be based on the average cost, as determined by the Company, for the requested size of service.

72. The Company shall prepare plans, specifications, and cost estimates for proposed main extensions at its own expense. In the event a main extension agreement is not entered into within 120 days after the Company furnishes plans,

UNITED WATER IDAHO INC.

RULES AND REGULATIONS GOVERNING WATER MAIN EXTENSIONS (continued)

specifications, and estimates, the Applicant shall reimburse the Company an amount equal to Company's expenses.

73. The deposit referred to in paragraph 71 above, shall normally be a cash deposit. In this instance, the Company shall provide the material and labor for installation of the project.

However, the Applicant may provide the material and/or contract labor for the installation of the necessary facilities. In this instance, the Applicant shall deposit with the Company an amount equal to the estimated cost of applicable overheads for the entire project and the estimated direct labor costs incurred by the Company for such items as engineering design, estimating, and inspection. Also, the Applicant shall furnish the Company a certified invoice of sufficient detail to show the separate costs of material and labor for water mains and appurtenances by size, service laterals by size, meter boxes, meter settings and fire hydrants. The Company shall specify the material to be supplied by the Applicant with respect to size and type. In general, the material shall conform to the Company's standard material specifications and applicable AWWA specifications. The Company shall, at Applicant's expense, make all connections to the Company's existing system if in the Company's opinion the contractor does not have the experience or equipment to make such connection. Applicant's contractor shall comply with Section 1 and Section 2 of Company's *Requirements for Labor in Lieu of Cash Contractors*. In general, areas covered are requirements for inspection, monitoring of construction, acceptance and handling of materials, documentation of costs, correction of faulty installation, insurance, bonding, license requirements, experience, and equipment availability. The Company may deny the right of Applicant to provide a contractor who has not complied with its requirements in the past.

SPECIAL FACILITIES

74. Special facilities shall include source of supply, storage and booster pumping facilities which may be required to render adequate water service to an area for which such service has been requested. Special facilities do not include transmission or distribution line facilities.

75. Should an Applicant propose a Residential, Commercial, Industrial, or Municipal Development requiring a special facility or special facilities, the Applicant shall advance the cost of such facility or facilities. Normally, the advance shall be a cash advance. In this instance, the Company shall provide the material and labor for the installation of the facilities.

However, the Applicant may, with the Company's approval, provide the material and/or contract labor for the installation of the special facility or facilities. In the instance where an Applicant provides the material and/or contract labor, the Applicant shall deposit with the

UNITED WATER IDAHO INC.

RULES AND REGULATIONS GOVERNING WATER MAIN EXTENSIONS (continued)

Company an amount equal to the estimated cost of applicable overheads for the entire project plus the estimated direct labor costs for such items as engineering design, estimating, and inspection.

An amount equal to the estimated cost of the necessary facilities shall be deposited with the Company prior to construction. The Company shall adjust the deposit based upon the determination of the actual cost of facilities installed. Any difference between the estimated and actual cost of the facilities installed shall be shown as a revision of the amount deposited and shall be payable within thirty (30) days of submission.

The cost of the special facilities advanced, or a portion thereof, shall be refunded based upon customer connections and in accordance with the following equation: $X = [(R-E-D-T)/Y] - (S+M)$, where:

X = Refund per Customer

R = Annual Revenues per Customer (actual revenue received from each customer served from the special facility)

E = Annual Operating and Maintenance Expense per Customer (including Ad Valorem Tax)

D = Annual Depreciation Expense per Customer (Depreciation rate(s) for type(s) of facility installed x investment in that type of facility installed)

Y = Authorized Rate of Return

T = Income Taxes on Net Income per Customer

S = Imbedded investment in Source and Storage plant, less accumulated depreciation and customer advances and contributions against the plant. (Value of plant allocable to support consumption per customer level that produces the annual revenue per customer)

M = Meter Cost Installed

Should the Company agree that the cost of any portion of the special facilities (source, storage, or pumping) not be advanced by the Applicant, the per customer refund shall be reduced by the per customer cost of that facility not advanced. The advance and refund agreement for each development shall be evaluated on a case by case basis and filed with the Idaho Public Utilities Commission for review and approval.

76. The Company shall be responsible to construct and/or install special facilities as may be required from time to time to maintain the rendering of adequate water service to existing customers.

77. The Company shall be the sole judge as to the design of and the time of construction and/or installation of any special facility(ies).

UNITED WATER IDAHO INC.

78.

RULES AND REGULATIONS GOVERNING NON-CONTIGUOUS EXPANSION

79. The definitions and general rules governing water main extensions, Rules 54 through 62, shall be applicable to developer or subdivider requested non-contiguous expansion of the Company's existing service area.

80. The Applicant(s) for a non-contiguous expansion shall furnish drawing(s) of suitable scale showing street(s), lot and/or building layouts, storm and sanitary sewer facilities, location and flow capacity of fire hydrants as may be required by appropriate fire department or district, and when requested by the Company, contours or other indication of the relative elevation of the various parts of the area to be developed.

81. A non-contiguous expansion must extend to the extreme property lines of the development.

81. Each separate water main extension to and/or within a development shall be subject to a separate agreement.

82. In instances where a non-contiguous water system is currently providing customers with a potable water supply, the system owner and Company must notify the customer of the intent to sell the water facilities and inform them of the impact the proposed sale would have on their future water service. This notification must include any change in water rates, anticipated changes in water quality or quantity, added benefits or potential concerns, and inform them that upon public notification by Commission they will have the opportunity to provide comments or concerns regarding the sale.

83. Applicant(s) shall enter into an agreement of the type attached hereto and Marked as Exhibit "F" and deposit with the Company the estimated cost of the required infrastructure, if applicable, including wells, well lots, well houses, distribution lines, reservoirs, pumps, booster pumping stations, valves, pipes, service laterals and meter settings to be installed. The cost shall be based on the average cost, as determined by the Company, for the requested size of service.

84. The rules relating to special facilities under the rules governing water main extensions (Rules 74 through 77) shall be applicable to non-contiguous expansions.

UNITED WATER IDAHO INC.

Exhibit A
INDIVIDUAL RESIDENCE
MAIN EXTENSION AGREEMENT

C.E.A. No. _____

AGREEMENT between UNITED WATER IDAHO INC., hereinafter called "Company", and _____, hereinafter called the "Applicant".

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, THE PARTIES HERETO AGREE AS FOLLOWS:

1. The Applicant(s) hereby applies to the Company for the said extension for its system, and the Company agrees to construct the said extension upon the terms and conditions hereinafter set forth in accordance with its Rules and Regulations. Said extension is described as follows and shown on the attached sketch which is hereto made a part of this Agreement:

2. Applicant shall contribute to the Company upon the execution hereof the sum of _____ Dollars (\$) which amount the Company estimates to be the cost of installing the said "on-site" extension as described above including overhead cost to the Company such as supervision, engineering, accounting, legal expenses and the cost of obtaining any necessary governmental permits. Any difference between the actual cost and the amount contributed, shall be shown as a revision of the amount of contribution, and shall be payable within thirty (30) days of submission. The actual cost thus finally determined shall be referred to as the "contributed cost of on-site facilities". If it is necessary to adjust the amount of Applicant's contribution, in accordance with the terms of this paragraph, a supplemental memorandum will be prepared setting forth the "contributed cost of on-site facilities" and shall be attached hereto and made a part hereof.

3. Applicant shall contribute to the Company upon the execution hereof the sum of _____ Dollars (\$) which amount the Company estimates to be the cost of installing the said off-site main extension including overhead cost to the Company such as supervision, engineering, accounting, legal expenses and the cost of obtaining any necessary governmental permits. Any difference between the actual cost and the amount contributed shall be shown as a revision of the amount contributed and shall be payable within thirty (30) days of submission. The actual cost thus finally determined shall be referred to as the "contributed cost of off-site mains". If it is necessary to adjust the amount of Applicant's advance, in accordance with the terms of this paragraph, a supplemental memorandum will be prepared setting forth the "contributed cost of off-site mains" and shall be attached hereto and made a part hereof.

UNITED WATER IDAHO INC.

INDIVIDUAL RESIDENCE MAIN EXTENSION AGREEMENT (continued)

4. Each additional bona fide customer whose service lateral is directly connected to the extension during the ten (10) year term of this contract shall deposit, with the Company an amount equal to: One half of the actual per foot cost of the extension times the front footage of the property to be served by the service lateral. The per foot cost shall be determined by dividing the actual cost of the extension by the total serviceable footage along the extension. This deposit shall be made prior to the installation of the service lateral necessary to provide the service requested. The monies so deposited shall be refunded to the original Applicant(s) without interest within 30 days of receipt by the Company.

5. The total of monies returned to the Applicant(s) shall not exceed the amount contributed to the Company as described in Paragraph 2.

6. A bona fide customer shall mean any person, firm, Corporation, company, association, governmental unit or owner of property as guarantor furnished water service of a permanent nature by the Company; and the term "Extension" shall mean the mains and appurtenances shown on attached plan.

7. The Company will use its best efforts to commence and carry to completion, as soon as possible, the installation of said extension, having in mind, however, delays which may be occasioned by weather, acts of God or the public enemy, strikes or other matters not within its control.

8. It is further mutually understood and agreed that the mains and appurtenances within the limits of the streets, avenues, roads, ways, or easement areas, whether or not attached to or serving customers but constructed as part of the extension, shall be and remain the property of the Company, its successors and assigns.

The Company shall have the right to extend any main installed by it pursuant to the terms of this Agreement in or to other land, streets, or avenues, but the Applicant(s) shall not by reason thereof be entitled to any refunds other than those above provided for. On labor-in-lieu of cash projects, project becomes Company property only after acceptance.

9. The Applicant(s) will, on the request of the Company, grant to it an exclusive and irrevocable easement, at no cost to Company, for the installation, maintenance, operation, repair and replacement of said main extension and appurtenances within the limits of any existing or proposed street, avenue, road, way or easement area, together with the right of ingress and egress thereto, in a form satisfactory to the Company, duly executed and acknowledged in proper form for record.

UNITED WATER IDAHO INC.

INDIVIDUAL RESIDENCE MAIN EXTENSION AGREEMENT (continued)

10. It is further understood and agreed by and between the parties hereto that the Company's agreement to construct the said extension is subject to the Company obtaining all necessary consents, orders, permits and approvals of public officers or public bodies having jurisdiction over, or lawful interest, in any of the subject matters herein. In the event that the Company, after prompt application and diligent effort is unable to obtain any necessary consent, order, permit, or approval as aforesaid, or in the event that the Company is enjoined or prevented by lawful action of any such public officer of official body from constructing the said extension, the Company's sole obligation will be to repay to Applicant the said sum of _____ DOLLARS (\$). This amount shall be the difference between the amount advanced and estimated expenses incurred by the Company in conjunction with the main extension and appurtenances which are the subject of this Agreement.

11. It is agreed by the Applicant(s) that he will not build at any time hereafter on, in, or over the said easement any structure, the construction or presence of which will endanger, render ineffective, or make difficult the access to the water pipes or appurtenances of the Company. Additionally, Applicant(s) agrees not to lay other pipes or conduits within two (2') feet measured horizontally, from the said water pipes except pipes crossing same at right angles in which latter case a minimum vertical distance of six (6") inches shall be maintained between the pipes. No excavation or blasting shall be carried on which in any way endangers the said water pipes. Provided, however, that should the Applicant(s) wish to do so he may, at his own expense, provide a new location acceptable to the Company for the water pipes and the Company will then move said water pipes and appurtenances to the new location. The whole cost of such moving and altering and any expenses incident thereto, shall be borne by the Applicant(s).

12. It is further understood and agreed that in case of any damage by Applicant(s) or caused by neglect of Applicant(s) to the water pipes or their appurtenances, or other injuries to the property of the Company in connection therewith, which are caused by the acts or neglect of the Applicant(s) the amount of such damage shall be paid to the Company by the said Applicant(s).

13. The term of this Agreement shall be ten (10) years from the date of execution.

UNITED WATER IDAHO INC.

INDIVIDUAL RESIDENCE MAIN EXTENSION AGREEMENT (continued)

IN WITNESS WHEREOF, the parties hereto have caused their respective seals to be hereunto affixed and these presents to be signed this _____ day of _____, _____.

UNITED WATER IDAHO INC.

Title _____

APPLICANT(S)

UNITED WATER IDAHO INC.

INDIVIDUAL RESIDENCE MAIN EXTENSION AGREEMENT
SUPPLEMENTAL MEMORANDUM

C.E.A. No. _____

This supplemental memorandum shall be attached to and made a part of the water main extension agreement between _____ and UNITED WATER IDAHO INC. dated the _____ day of _____, _____.

It is understood and agreed by and between the parties hereto that the actual cost of the main extension referred to above is _____ Dollars (\$ _____). It is further understood and agreed by and between the parties here to that: (1) the Applicant(s) contribution to the Company is being adjusted to _____ Dollars (\$ _____); (2) that the actual onsite cost is _____ Dollars (\$ _____); and 3) that actual offsite costs is _____ Dollars (\$ _____).

UNITED WATER IDAHO INC.

ATTEST:

By _____

Its _____

APPLICANT(S)

ATTEST:

UNITED WATER IDAHO INC.

Exhibit D
RESIDENTIAL, MULTIPLE FAMILY HOUSING, COMMERCIAL,
INDUSTRIAL, OR MUNICIPAL DEVELOPMENT
WATER MAIN EXTENSION AGREEMENT

CEA No. _____

AGREEMENT between UNITED WATER IDAHO INC. hereinafter called the "Company" and _____ hereinafter called the Applicant.

WHEREAS, the Applicant has applied to the Company for an extension to its mains as follows:

and

WHEREAS, the Company has agreed to such extension upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, THE PARTIES HERETO AGREE AS FOLLOWS:

A. GENERALLY

1. For the purposes of this agreement, a bona fide customer shall mean any person(s), firm, Company, corporation, association, governmental unit or owner of property as guarantor furnished water service of a permanent nature by the Company; and the term "Extension" shall mean the water mains and appurtenances and service laterals as shown on the attached plan excluding fire hydrants.
2. The term of this Agreement shall be for ten (10) years from the date hereof.
3. The Applicant agrees to provide all easements and rights of way, which the Company considers necessary either from the Applicant or from third persons, as the case may be, to assure the legal feasibility of the Extension, without cost to the Company.
4. The applicant's right to receive monies from off-site connections is personal to the Applicant and unassignable either as collateral security or otherwise.
5. This Extension shall be made in accordance with the rules and regulations, and specifications of the Company and subject to the approval of the Company, which approvals will not be unreasonably withheld.

UNITED WATER IDAHO INC.

RESIDENTIAL, MULTIPLE FAMILY HOUSING, COMMERCIAL, INDUSTRIAL, OR
MUNICIPAL DEVELOPMENT WATER MAIN EXTENSION AGREEMENT (continued)

B. WHERE THE APPLICANT HAS ASKED THE COMPANY TO PERFORM THE
EXTENSION

1. Applicant hereby applies to the Company for the said Extension of its system and the Company agrees to construct the said Extension upon the terms and conditions hereinafter set forth and in accordance with its Rules and Regulations.
2. Applicant shall contribute to the Company upon the execution hereof the sum of _____ Dollars (\$) which amount the Company estimates to be the cost of installing the said "on-site" Extension as described above including overhead cost to the Company such as supervision, engineering, accounting, legal expenses and the cost of obtaining any necessary governmental permits. Any difference between the actual and the amount contributed shall be shown as a revision of the amount of contribution and shall be payable within thirty (30) days of submission. The actual cost thus finally determined shall be referred to as the "contributed cost of on-site facilities". If it is necessary to adjust the amount of Applicant's contribution, in accordance with the terms of this Paragraph, a supplemental memorandum will be prepared setting forth the "contributed cost of on-site facilities" and shall be attached hereto and made a part hereof.
3. Applicant shall contribute to the Company upon the execution hereof the sum of _____ Dollars (\$) which amount the Company estimates to be the cost of installing the said off-site main Extension including overhead cost to the Company such as supervision, engineering, accounting, legal expenses and the cost of obtaining any necessary governmental permits. Any difference between the actual and the amount contributed shall be shown as a revision of the amount contributed and shall be payable within thirty (30) days of submission. The actual cost thus finally determined shall be referred to as the "contributed cost of off-site mains". If it is necessary to adjust the amount of Applicant's advance, in accordance with the terms of this Paragraph, a supplemental memorandum will be prepared setting forth the "contributed cost of off-site mains" and shall be attached hereto and made a part hereof.
4. The Company will use its best efforts to commence and carry to completion as soon as possible the installation of said Extension, having in mind however, delays which may be occasioned by weather, acts of God or the public enemy, strikes or other matters not within its control.
5. The amount of "contributed costs for on-site" facilities shall be retained by the Company and booked as a contribution in aid of construction.
6. The amount of "contributed costs for off-site mains" shall be retained by the Company and booked as a contribution in aid of construction. However, an applicant for

UNITED WATER IDAHO INC.

RESIDENTIAL, MULTIPLE FAMILY HOUSING, COMMERCIAL, INDUSTRIAL, OR
MUNICIPAL DEVELOPMENT WATER MAIN EXTENSION AGREEMENT (continued)

service for which the service lateral (including laterals to a fire hydrant(s)) will be directly connected to said off-site main Extension within ten (10) years of the date of this Agreement shall deposit with the Company one half the cost per front foot of the main Extension times the Applicant(s) total front footage. The cost per front foot shall be the actual cost of the off-site main Extension divided by the total serviceable footage. This deposit will be forwarded to the Applicant without interest within thirty (30) days of receipt by the Company.

7. The total monies forwarded to the Applicant shall not exceed the amount of "contributed cost of off-site mains" as described in Paragraph 3. All future customers whose service lateral connects directly to the said "off-site main(s)" after ten (10) years from the date of this agreement shall not be subject to the deposit described in Paragraph 6 nor shall the Applicant be entitled or receive any reimbursement after ten (10) years from the date of this Agreement.

8. It is further understood and agreed by and between the parties hereto that the Company's agreement to construct the said Extension is subject to the Company obtaining all necessary consents, orders, permits and approvals of public officers or public bodies having jurisdiction over or lawful interest in any of the subject matters herein. In the event that the Company, after prompt application and diligent effort, is unable to obtain any necessary consent, order, permit or approval as aforesaid, or in the event that the Company is enjoined or prevented by lawful action of any such public officer or official body from constructing the said Extension, the Company's sole obligation will be to repay to Applicant the said sum of _____ DOLLARS (\$).

This amount shall be the difference between the amount advanced and estimated expenses incurred by the Company in conjunction with the main Extension and appurtenances which are the subject of this Agreement.

9. It is further mutually understood and agreed that the mains and appurtenances within the limits of the street, avenues, roads, ways or easement areas, whether or not attached to or serving customers but constructed as part of the Extension shall be and remain the property of the Company, its successors and assigns. The Company shall have the right to extend any main installed by it pursuant to the terms of this Agreement in or to other lands, streets, or avenues without incurring any liability to Applicant whatsoever.

10. Applicant agrees that before the commencement of work by the Company, he will clearly indicate upon the ground by means of stakes or in some other equally positive manner the exact lines and grades to which the street, highway, or land in which the said water pipes are to be laid is to be finally built and that he will grade the said street,

UNITED WATER IDAHO INC.

RESIDENTIAL, MULTIPLE FAMILY HOUSING, COMMERCIAL, INDUSTRIAL, OR
MUNICIPAL DEVELOPMENT WATER MAIN EXTENSION AGREEMENT (continued)

highway, or land so that it will be at all points within less than one (1) foot of the above finished grades before the Company commences the work of installing the said water pipes. The Applicant also agrees to stake the exact location and grade of all meter settings. The Company, however, shall not be required to lay its pipes according to lines or grades of which it does not approve. And it is agreed that in case of any time, prior to the dedication and acceptance as a public street or highway by the municipality of any street or highway under which water mains are laid in conformity with this agreement it shall become necessary to change or move the said pipes or their appurtenances by reason of any change or alteration in the lines or grades of the street, highway, or land in which they are laid, then the expense of such change or moving of said pipes and their appurtenances, and any other expense incidental thereto, shall be borne by Applicant.

11. It is agreed by Applicant that he will not build at any time hereafter on, in or over the said easement any structure, the construction or presence of which will endanger or render ineffective or difficult of access the water pipes or appurtenances of the Company, or lay other pipes or conduits within two (2') feet, measured horizontally, from the said water pipe except pipes crossing same at right angles in which latter case a minimum vertical distance of eighteen (18") inches shall be maintained between the pipes. No excavation or blasting shall be carried on which in any way endangers the said water pipes. Provided, however, that should the Applicant wish to do so he may at his own expense provide a new location acceptable to the Company for the said water pipes and the Company will then move said water pipes and appurtenances to the new location. The cost of moving and altering and any expenses incident thereto, shall be borne by the Applicant. It is further understood and agreed that in case of any damage by Applicant or caused by neglect of Applicant to the water pipes or their appurtenances, or other injuries to the property of the Company in connection therewith, these facilities will be repaired and brought to proper grade by the Company or Company's contractor at Applicant's expense.

C. WHERE THE APPLICANT HIRES A THIRD PARTY CONTRACTOR TO PERFORM THE EXTENSION

1. Applicant hereby applies to the Company for the said Extension of its system, and the Company agrees to allow said Extension upon the terms and conditions hereinafter set forth and in accordance with its Rules and Regulations.

2. The Applicant hereby agrees that it will hire only those contractors that have been approved by the Company and that it will require all such contractors to comply with the Labor and Materials In-Lieu-of-Cash Contractors Rules for Performance and Conduct, annexed hereto and made a part hereof as exhibit A. The Applicant further agrees that it

UNITED WATER IDAHO INC.

RESIDENTIAL, MULTIPLE FAMILY HOUSING, COMMERCIAL, INDUSTRIAL, OR
MUNICIPAL DEVELOPMENT WATER MAIN EXTENSION AGREEMENT (continued)

will require its contractor to comply, via its contract with contractor, with all terms and conditions set forth herein.

3. The Company estimates that _____ (\$ _____) will be the cost of installing the said "on-site" Extension as described above including overhead cost to the Company such as supervision, engineering, accounting and legal expenses. Any difference between the actual and the amount contributed shall be shown as a revision of the amount of contribution and shall be payable within thirty (30) days of submission. The actual cost thus finally determined shall be referred to as the "contributed cost of on-site facilities". If it is necessary to adjust the amount of Applicant's contribution, in accordance with the terms of this Paragraph, a supplemental memorandum will be prepared setting forth the "contributed cost of on-site facilities" and shall be attached hereto and made a part hereof.

4. The Company estimates that _____ (\$ _____) will be the cost of installing the said "off-site" Extension as described above including overhead cost to the Company such as supervision, engineering, accounting and legal expenses. Any difference between the actual and the amount contributed shall be shown as a revision of the amount of contribution and shall be payable within thirty (30) days of submission. The actual cost thus finally determined shall be referred to as the "contributed cost of off-site facilities". If it is necessary to adjust the amount of Applicant's contribution, in accordance with the terms of this Paragraph, a supplemental memorandum will be prepared setting forth the "contributed cost of off-site facilities" and shall be attached hereto and made a part hereof.

5. The Applicant agrees to advance to the Company, simultaneously with the execution of this Agreement, the sum of _____ Dollars (\$ _____) which represents the cost of the Company's overhead fees, and such items as inspection and testing. Such amount shall be subject to reconciliation after all such costs are known and the difference shall be either refunded to or collected from the Applicant.

6. The installation shall be subject to the Company's inspection, testing and acceptance, however, absence of such inspection or testing by the Company shall not relieve the Applicant of any of its obligations. The Company shall require the Applicant and the Applicant's contractor (via its contract with the Applicant) to warrant the work in accordance with Paragraph 15 below. The Company shall further require the Applicant and the Applicant's contractor (via its contract with the Applicant) to maintain insurance as follows:

UNITED WATER IDAHO INC.

RESIDENTIAL, MULTIPLE FAMILY HOUSING, COMMERCIAL, INDUSTRIAL, OR
MUNICIPAL DEVELOPMENT WATER MAIN EXTENSION AGREEMENT (continued)

- a) Worker's Compensation with Statutory limits and any applicable Federal (e.g., Longshoremen's), and Employer's Liability of \$100,000.
- b) General Liability, Comprehensive Form (including Premises-Operations; Independent Contractors' Protective; Products and Completed Operations; Broad Form Property Damage; Blanket Contractual Liability, Personal Injury with Employment Exclusion deleted) with the following limits and endorsements:
 - (i) Bodily Injury & Property Damage: Single-Limit \$1,000,000
 - (ii) Products and Completed Operations to be maintained for two (2) year(s) after final payment.
 - (iii) Property Damage Liability Insurance shall provide X, C and U coverage.
 - (iv) Railroad Protective Liability Coverage as applicable with \$5,000,000 aggregate limit.
- c) Comprehensive Automobile Liability: Bodily Injury & Property Damage: Single-Limit \$1,000,000
- d) Umbrella Excess Liability: \$5,000,000 over primary insurance

The Company shall be named as an additional insured on all policies except Workers' Compensation. All Certificates of Insurance shall include a thirty (30) day notice provision for cancellation or material change in coverage, except ten (10) days notice for non-payment of premium.

7. The amount of said "contributed cost for on-site " facilities shall be booked as a contribution in aid of construction.

8. The amount of said "contributed cost for off-site mains" shall be booked as a contribution in aid of construction. However, an applicant for service for which the service lateral (including laterals to a fire hydrant(s)) will be directly connected to said off-site main Extension within ten (10) years of the date of this Agreement shall deposit with the Company one half the cost per front foot of the main Extension times the Applicant(s) total front footage. The cost per front foot shall be the actual cost of the off-site main Extension divided by the total serviceable footage. This deposit will be forwarded to the Applicant without interest within thirty (30) days of receipt by the Company.

UNITED WATER IDAHO INC.

RESIDENTIAL, MULTIPLE FAMILY HOUSING, COMMERCIAL, INDUSTRIAL, OR
MUNICIPAL DEVELOPMENT WATER MAIN EXTENSION AGREEMENT (continued)

9. The total monies forwarded to the Applicant shall not exceed the amount of “contributed cost of off-site mains” as described in Paragraph 8, above. All future customers whose service lateral connects directly to the said “off-site main(s)” after ten (10) years from the date of this Agreement shall not be subject to the deposit described in Paragraph 8 nor shall the Applicant be entitled or receive any reimbursement after ten (10) years from the date of this Agreement.

10. It is further understood and agreed by and between the parties hereto that the Company’s agreement to allow construction of the said Extension is subject to the Applicant and/or its contractor obtaining all necessary consents, orders, permits and approvals of public officers or public bodies having jurisdiction over or lawful interest in any of the subject matters herein, with the exception of special permits, such as state highway and railroad permits, which the Company is required to obtain. In the event that the Company, after prompt application and diligent effort, is unable to obtain any such special permit, or in the event that the Company is enjoined or prevented by lawful action of any such public officer or official body from constructing the said Extension, the Company’s sole obligation will be to repay to Applicant the said sum _____ (\$). This amount shall be the difference between the amount advanced and estimated expenses incurred by the Company in conjunction with the main Extension and appurtenances which are the subject of this Agreement.

11. It is further mutually understood and agreed that the mains and appurtenances within the limits of the street, avenues, roads, ways or easement areas, whether or not attached to or serving customers but constructed as part of the Extension shall be and remain the property of the Company, its successors and assigns. The Company shall have the right to extend any main installed by it pursuant to the terms of this Agreement in or to other lands, streets, or avenues without incurring any liability to Applicant whatsoever.

12. The Applicant shall require the Contractor to use its best efforts to commence and carry to completion as soon as possible the installation of said Extension, having in mind however, delays which may be occasioned by weather, acts of God or the public enemy, strikes or other matters not within its control.

13. Applicant agrees that before the commencement of work by the contractor, he or his contractor will clearly indicate upon the ground by means of stakes or in some other equally positive manner the exact lines and grades to which the street, highway, or land in which the said water pipes are to be laid is to be finally built and that he or his contractor will grade the said street, highway, or land so that it will be at all points within less than one (1’) foot of the above finished grades before the contractor commences the work of installing the said water pipes. The Applicant also agrees to require his contractor to stake the exact location and grade of all meter settings. The contractor,

UNITED WATER IDAHO INC.

RESIDENTIAL, MULTIPLE FAMILY HOUSING, COMMERCIAL, INDUSTRIAL, OR
MUNICIPAL DEVELOPMENT WATER MAIN EXTENSION AGREEMENT (continued)

however, shall not lay its pipes according to lines or grades which have not been approved. And it is agreed that in case of any time, prior to the dedication and acceptance as a public street or highway by the municipality of any street or highway under which water mains are laid in conformity with this Agreement it shall become necessary to change or move the said pipes or their appurtenances by reason of any change or alteration in the lines or grades of the street, highway, or land in which they are laid, then the expense of such change or moving of said pipes and their appurtenances, and any other expense incidental thereto, shall be borne by Applicant.

14. It is agreed by Applicant that he will not build or have his contractor build, at any time hereafter on, in or over the said easement any structure, the construction or presence of which will endanger or render ineffective or difficult of access the water pipes or appurtenances of the Company, or lay or have laid other pipes or conduits within two (2') feet, measured horizontally, from the said water pipe except pipes crossing same at right angles in which latter case a minimum vertical distance of eighteen (18") inches shall be maintained between the pipes. No excavation or blasting shall be carried on which in any way endangers the said water pipes. Provided, however, that should the Applicant wish to do so he may at his own expense provide a new location acceptable to the Company for the said water pipes and the Company will then move said water pipes and appurtenances to the new location. The cost of moving and altering and any expenses incident thereto, shall be borne by the Applicant. It is further understood and agreed that in case of any damage by Applicant or his contractor or caused by the negligence of Applicant or his contractor to the water pipes or their appurtenances, or other injuries to the property of the Company in connection therewith, these facilities will be repaired and brought to proper grade by the Company or Company's contractor at Applicant's expense.

15. The Applicant shall have its contractor warrant that the work performed in installing the main and appurtenances is free of any defect of equipment, material or workmanship. Such shall continue for a period of two (2) years from completion and approval of the Extension or within such longer period of time as may be prescribed by law. Pursuant to the warranty, the Applicant's contractor, under Company supervision, shall remedy at his own expense any such failure to conform or any such defect upon receipt of written notice from the Company within a reasonable time after the discovery of any failure, defect or damage. In addition, during the aforesaid warranty period, the contractor shall remedy at his own expense, under Company supervision, any damage to real or personal property, when that damage is the result of any such defect of equipment, material or workmanship installed by the contractor. The warranty with respect to work repaired or replaced hereunder will run for a period of one year from the date of such repair or replacement or shall run for the remainder of the original two year period, whichever is greater. During the warranty periods as defined herein, the contractor shall reimburse the Company for the

UNITED WATER IDAHO INC.

RESIDENTIAL, MULTIPLE FAMILY HOUSING, COMMERCIAL, INDUSTRIAL, OR
MUNICIPAL DEVELOPMENT WATER MAIN EXTENSION AGREEMENT (continued)

costs of any emergency repairs undertaken by the Company to maintain the system in good working order. Without limiting any other provision herein contained, these warranty provisions shall be incorporated in Applicant's contract with contractor. If contractor fails to reimburse the Company as set forth in this Paragraph, within forty-five (45) days of the Company's request for such reimbursement, then the Applicant hereby agrees that it will do so.

16. If the Applicant's contractor, for any reason, should fail to commence installation within sixty (60) days of this Agreement, the Company shall have the right to terminate this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused their respective corporate seals to be hereunto affixed and these presents to be signed by their duly authorized officers this day of _____, _____.

COMPANY

UNITED WATER IDAHO INC.

ATTEST:

By _____

Its _____

APPLICANT

ATTEST:

By _____

Its _____

UNITED WATER IDAHO INC.

RESIDENTIAL, COMMERCIAL, INDUSTRIAL, OR MUNICIPAL DEVELOPMENT
WATER MAIN EXTENSION AGREEMENT

SUPPLEMENTAL MEMORANDUM

CEA No. _____

This supplemental memorandum shall be attached to and made a part of the water main extension agreement UNITED WATER IDAHO INC. and _____ dated the _____ day of _____, _____.

It is understood and agreed by and between the parties hereto that the actual cost of the main extension referred to above is _____ Dollars (\$ _____). It is further understood and agreed that (1.) the actual on-site cost is _____ Dollars (\$ _____). and (2.) the actual off-site cost is _____ Dollars (\$ _____).

COMPANY

UNITED WATER IDAHO INC.

ATTEST:

By _____

Its _____

APPLICANT

ATTEST:

By _____

Its _____

UNITED WATER IDAHO INC.

Exhibit F
RESIDENTIAL OR MULTIPLE FAMILY HOUSING
NON-CONTIGUOUS WATER SYSTEM AGREEMENT

C.E.R. No. _____

AGREEMENT between UNITED WATER IDAHO INC. hereinafter called "Company", its successors and assigns, and _____ hereinafter called "Owner", its successors and assigns.

WHEREAS, Owner has requested Company to expand its system as follows in accordance with the map or plan attached hereto as Attachment No. 1; and

WHEREAS, Company is willing to make such expansion upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, THE PARTIES HERETO AGREE AS FOLLOWS:

1. Owner hereby applies to Company for said expansion of its system, and Company agrees to include said expansion upon the terms and conditions hereinafter set forth and in accordance with its Rules and Regulations.

2. For the purposes of this Agreement the term "Water Facilities" shall include, without limitation:

(a) All property in connection with the operation and maintenance of the Water Facilities and the furnishing of water services including, without limitation, buildings, improvements, structures, equipment, wells, distribution lines, well lots, well houses, reservoirs, pumps, booster pumping stations, valves, pipes, water lines, meter boxes, machinery, inventory, surveys, maps, and supplies;

(b) All right, title and interest of Owner in and to all easement(s) and appurtenances existing and/or necessary for the maintenance and operation of the Water Facilities constructed or to be constructed to serve the project commonly known as _____ (hereinafter called the "Project"), and any approved development of the property in connection with the Project (hereinafter called the "Property"), Source of Supply, which may include well(s), pumps, motors, control equipment, pneumatic storage facilities, or that particular property commonly referred to as "Source of Supply," and water and water rights and interests appurtenant to the Property; and

(c) All tangible property in connection with the operation and maintenance of the Water Facilities and the furnishing of water services including, without limitation, customer lists and records, customer deposits, well logs, maintenance records, tariffs and rules and regulations governing the rendering of service and extension of service to future development, franchises, permits and certificates. The term "Water Facilities" does not include meters.

UNITED WATER IDAHO INC.

RESIDENTIAL OR MULTIPLE FAMILY HOUSING
NON-CONTIGUOUS WATER SYSTEM AGREEMENT (continued)

3. Company shall have the right to conduct, review and confirm, to Company's satisfaction, test results in connection with any and all wells, soil tests, engineering tests, environmental surveys, plans and specifications and/or record drawings, and related studies of the Water Facilities deemed necessary by Company to determine the suitability, in Company's sole discretion, of the Water Facilities for expansion. Should an applicant propose a Development requiring special facilities, upgrades, modifications or, if the Development is deemed by the Company to be unusual or burdened with special needs, that existing water system will be looked at independently and the terms of the acquisition will be set forth in an amendment hereto.

[Add the following paragraph if Owner is to construct the Water Facilities:

4. Immediately after the execution of this Agreement, Owner shall diligently proceed to obtain all governmental approvals including, without limitation, all necessary permits, information, and consents required by the appropriate federal, state, or local governmental authorities, agencies, or officials to permit the construction, operation and maintenance of the Water Facilities. As soon as practicable, after receipt of such governmental approvals, Owner shall diligently proceed to construct the Water Facilities, as described, or to be described, in the Water Facilities plans and specifications prepared and sealed by a licensed professional engineer and reviewed and approved by the parties hereto. The cost of obtaining all governmental approvals, the cost of such plans and specifications, and the cost of the construction of the Water Facilities shall be borne by Owner at Owner's sole cost and expense. At the sole discretion of Company, inspection of the construction of the Water Facilities shall be conducted by Company. Based on proper advice and consideration, Company may alter the performance from strict adherence to such plans and specifications if based on job site experience, or if adherence to such plans and specifications becomes impractical or infeasible under the circumstances. Company shall be the sole judge as to the adequacy of the Water Facilities. The parties hereto shall cooperate fully with each other and all other parties in connection with each other's efforts hereunder.]

[Add the following paragraphs if Company is to construct the Water Facilities:

4. Owner shall contribute to Company upon the execution hereof the sum of _____ Dollars (\$_____) which amount Company estimates to be the cost of installing said Water Facilities including overhead cost to Company such as supervision, engineering, accounting, legal expenses and the cost of obtaining any necessary governmental permits. Any difference between the actual and the amount contributed shall be shown as a revision of the amount contributed and shall be payable within thirty (30) days of submission. The actual cost thus finally determined shall be referred to as the "contributed cost of facilities." If it is necessary to adjust the amount of Owner's contribution, in accordance with the terms of this paragraph, a supplemental Memorandum will be prepared setting forth the "contributed cost of facilities" and shall be attached hereto and made a part hereof. The amount of said "contributed cost for

UNITED WATER IDAHO INC.

RESIDENTIAL OR MULTIPLE FAMILY HOUSING
NON-CONTIGUOUS WATER SYSTEM AGREEMENT (continued)

facilities” shall be retained by Company and, for all Water Facilities except Source of Supply, booked as a “contribution in aid of construction”; Source of Supply shall be booked as an “advance in aid of construction.”

It is further understood and agreed by and between the parties hereto that Company’s agreement to construct said expansion is subject to Company obtaining all necessary consents, orders, permits and approvals of public officers or public bodies having jurisdiction over or lawful interest in any of the subject matters herein, including Idaho Public Utilities Commission approval of an Amendment to the Certificated Area of Company. In the event that Company, after prompt application and diligent effort, is unable to obtain any necessary consent, order, permit or approval as aforesaid, or in the event that Company is enjoined or prevented by lawful action of any such public officer or official body from constructing said expansion, Company’s sole obligation will be to repay to Owner the sum of _____ DOLLARS (\$_____). This amount shall be the difference between the amount contributed and estimated expenses incurred by Company in conjunction with the expansion which is the subject of this Agreement.

Owner agrees that before the commencement of work by Company, Owner will clearly indicate upon the ground by means of stakes or in some other equally positive manner the exact lines and grades to which the street, highway, or land in which said water pipes are to be laid is to be finally built and that he will grade said street, highway, or land so that it will be at all points within less than one (1) foot of the above finished grades before Company commences the work of installing said water pipes. Owner also agrees to stake the exact location and grade of all meter settings. Company, however, shall not be required to lay its pipes according to lines or grades of which it does not approve. And it is agreed that in case of any time, prior to the dedication and acceptance as a public street or highway by the municipality of any street or highway under which any portion of the Water Facilities is laid in conformity with this Agreement it shall become necessary to change or move said pipes or their appurtenances by reason of any change or alteration in the lines or grades of the street, highway, or land in which they are laid, then the expense of such change or moving of said pipes and their appurtenances, and any other expense incidental thereto, shall be borne by Owner.]

5. The completely constructed and approved Water Facilities shall be contributed, transferred and conveyed to Company by Owner, at no cost to Company, through bill(s) of sale, warranty deed(s), easement(s) and/or other transferred documents reasonably acceptable to Company and as required and approved by, without limitation, the Idaho Department of Health and Welfare, Division of Environmental Quality, Idaho Department of Water Resources, and the Idaho Public Utilities Commission (“IPUC”), as applicable, on or before the earlier of: 1) the ___ day of _____, ____; or 2), the transfer of the first lot in the Project from Owner to the first-time buyer. Owner will obtain releases from all subcontractors, laborers, materialmen, suppliers, and any other parties furnishing materials or services in connection with the

UNITED WATER IDAHO INC.

RESIDENTIAL OR MULTIPLE FAMILY HOUSING
NON-CONTIGUOUS WATER SYSTEM AGREEMENT (continued)

construction of the Water Facilities. Owner shall warrant to Company in writing that the Water Facilities has been constructed in accordance with the plans and specifications reviewed and approved by Company, and shall provide Company with as-built record drawings of the Water Facilities. Owner shall also warrant the Water Facilities against defects in construction for a period of one (1) year from execution of such warranty.

6. Owner shall contribute to Company upon the execution hereof the Water Facilities as described above, and shall also contribute overhead costs to Company such as supervision, engineering, accounting, legal expenses and the cost of obtaining any necessary governmental permits. The actual cost of contribution shall be referred to as the "contributed cost of facilities." The Source of Supply costs shall be referred to and be booked as an advance in aid of construction. All other costs shall be referred to, and be booked as, a contribution in aid of construction.

7. Upon conveyance of the Water Facilities to Company, Company shall be solely responsible for management, maintenance and operation of the Water Facilities. The parties agree that the Water Facilities and associated permits and licenses shall be managed and operated by Company in a manner which is comparable to and consistent with Company's management and operation of its other water utility facilities within the State of Idaho. The parties further acknowledge that Company shall serve all residential customers as a public utility, subject to the jurisdiction of the IPUC.

8. Owner shall prepare and record (prior to the sale of any lot in the Project) perpetual restrictive covenants which include, without limitation, that the Water Facilities is or shall be owned and operated by Company. Company shall cooperate with Owner in the preparation of such restrictive covenants and shall have the right to approve such restrictive covenants prior to recordation. Such approval shall not be unreasonably withheld. Owner shall cause a notation to be made on any subdivision plat of the Project that states that the Water Facilities is or shall be owned and operated by Company.

9. If the Project is served by a non-potable irrigation System, appropriate backflow prevention device(s) shall be required to be installed at no cost to Company. Owner shall prepare and record (prior to the sale of any lot in the Project) perpetual restrictive covenants which include, without limitation, that cross-connections are prohibited, and shall delegate to Company the right to inspect such non-potable irrigation system, enforce such restrictive covenants, and to remove any such cross-connections. Company shall cooperate with Owner in the preparation of such restrictive covenants and shall have the right to approve such restrictive covenants prior to recordation. Such approval shall not be unreasonably withheld.

10. An amount not to exceed Eight Hundred Dollars (\$800.00), as more fully described on Attachment No.2 attached hereto, which is subject to modification as Adjusted Average Residential Revenue may change with future rate activity, shall be paid by Company to Owner as soon as practicable after each lot is connected to the

UNITED WATER IDAHO INC.

RESIDENTIAL OR MULTIPLE FAMILY HOUSING
NON-CONTIGUOUS WATER SYSTEM AGREEMENT (continued)

Water Facilities, as payment for the Source of Supply; provided, however, such payment shall be made only once per lot, only to bona fide customers, and not in excess of the original documented advance of construction costs in connection with the Source of Supply. Provided, further, however, if the Project and/or the Property is served by an additional potable Source of Supply, where a portion of the Project's and/or Property's Source of Supply is provided by an entity in addition to Owner, the \$800 payment referred to in this paragraph shall be paid by Company to Owner and each other such provider of Source of Supply according to the percentage of contribution by Owner and each other such provider of Source of Supply. The percentage of contribution by Owner and each other such provider shall be established by Company and set forth in an amendment hereto.

11. All revenue generated by the Water Facilities shall be retained by Company as owner in compliance with all applicable rules and regulations of the IPUC. Charges applicable to the Water Facilities shall be the Company's tariff rates for existing customers as approved by the IPUC, which rates may be amended from time to time. Service shall be provided in compliance with all applicable rules and regulations of the IPUC.

- (a) If the Water Facilities include an existing, non-metered, flat rate system, and the costs for metering the Water Facilities cannot be justified by Company, the tariff rate shall be equal to the average revenue for the balance of company's residential customers.
- (b) If Company should determine that a flat rate customer is using water in excess of the average residential customer, the Company will provide a meter setting and meter. Customer will then pay Company's metered tariff rates as approved by the IPUC, which rates may be amended from time to time.
- (c) If a customer prefers to pay Company's approved metered tariff rates, the customer shall pay the installation and material costs associated with the installation of a meter setting.

12. It is agreed by Owner that Owner will not build at any time hereafter on, in or over any easement for water pipes or appurtenances any structure, the construction or presence of which will endanger or render ineffective or difficult of access the water pipes or appurtenances of Company, or lay other pipes or conduits within two feet (2'), measured horizontally, from said water pipe except pipes crossing same at right angles in which latter case a minimum distance of six inches (6") shall be maintained between the pipes. No excavation or blasting shall be carried on which in any way endangers said water pipes. Provided, however, that should Owner wish to do so Owner may, at Owner's expense, provide a new location acceptable to Company for said water pipes and Company will then move said water pipes and appurtenances to the new location. The cost of moving and altering and any expenses incident thereto, shall be borne by Owner. It is further understood and agreed that in case of any damage by Owner or

UNITED WATER IDAHO INC.

RESIDENTIAL OR MULTIPLE FAMILY HOUSING
NON-CONTIGUOUS WATER SYSTEM AGREEMENT (continued)

caused by neglect of Owner to the water pipes or their appurtenances, or other injuries to the property of Company in connection therewith, these facilities will be repaired and brought to proper grade by Company or Company's contractor at Owner's expense.

13. It is further mutually understood and agreed that the mains and appurtenances within the limits of the street, avenues, roads, ways or easement areas, whether or not attached to or serving customers but constructed as part of the expansion shall be and remain the property of Company. Company shall have the right to extend any main installed by it pursuant to the terms of this Agreement in or to other lands, streets, or avenues without incurring any liability to Owner whatsoever.

14. Owner shall be reimbursed in connection with use of the Source of Supply by "late-comers," that is, bona fide customers who use the Source of Supply and which customers own a lot or property other than a lot in the Project, whereby costs, not in excess of the original advance of construction costs in connection with the Source of Supply, may be reimbursed to Owner over a period of fifteen (15) years from the date of transfer of the Water Facilities. Owner shall not be entitled to receive any reimbursement after fifteen (15) years from the date of this Agreement.

15. For the purposes of this Agreement, a bona fide customer shall mean any person(s), firm, company, corporation, association, governmental unit or owner of property as guarantor furnished water service of a permanent nature by Owner.

16. Each party shall be excused from further performance under this Agreement as a consequence of any delays or defaults in the performance of this Agreement unavoidably caused by the act of any governmental authority, the act of any public enemy, acts of God or the public enemy, nature, weather, war, war defense condition, strikes, walkouts or other causes beyond the control of the party whose performance is impaired.

17. The term of this Agreement shall be for fifteen (15) years from the date hereof.

UNITED WATER IDAHO INC.

RESIDENTIAL OR MULTIPLE FAMILY HOUSING
NON-CONTIGUOUS WATER SYSTEM AGREEMENT (continued)

IN WITNESS WHEREOF, the parties hereto, having been duly authorized, have executed this Agreement this _____ day of _____, _____.

ATTEST:

COMPANY:

UNITED WATER IDAHO INC.

By: _____

Its: _____

ATTEST:

OWNER:

By: _____

Sheet No. 48
Replacing all Previous Sheets

UNITED WATER IDAHO INC.

RESIDENTIAL OR MULTIPLE FAMILY HOUSING
NON-CONTIGUOUS WATER SYSTEM AGREEMENT (continued)

ATTACHMENT NO. 1

Non-contiguous Water System Map/Plan

UNITED WATER IDAHO INC.

RESIDENTIAL OR MULTIPLE FAMILY HOUSING
NON-CONTIGUOUS WATER SYSTEM AGREEMENT (continued)

ATTACHMENT NO. 2

Breakdown of Costs

(Rate Case UWI-W-97-6 Adjusted Average Residential Revenue)

1. Investment	\$800
2. Revenue	335
3. Increase in Expenses	
O&M	145
Ad Valorem @ 1.8%	14
Depreciation @ 2.5%	20
Total Expenses	179
4. Income Before Income Taxes	156
5. Debt @ 53.13% of net investments	425
6. Interest on Debt	35
7. Taxable Income	121
8. Income Tax @ 36.9%	45
9. Income Available for Return	111
10. Return	13.88%