

**BEFORE THE UTILITIES
AND TRANSPORTATION COMMISSION**

UW-_____

**APPLICATION FOR SALE AND TRANSFER OF ASSETS
FROM LEHMAN ENTERPRISES, INC.
TO CASCADIA WATER, LLC**

Exhibit 2

Cascadia Tariff

July 17, 2018

CASCADIA WATER, LLC

NAMING RATES FOR WATER SERVICE

FOR THE LEHMAN AND SEA VIEW WATER SYSTEMS

at

Whidbey Island, Washington

and

CONTAINING RULES AND REGULATIONS

GOVERNING SERVICE

Issued Date: [XX/XX/XXX] Effective Date: [XX/XX/XXXX]

Issued By: Cascadia Water, LLC

By: Culley Lehman Title: General Manager

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Issued by: Cascadia Water, LLC

By: Culley Lehman Title: General Manager

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Legend of Symbols

The following symbols are applicable to all tariff schedules and rules of the utility:

- D – discontinued rate, service, regulation, or condition;
- N – new rate service, regulation, condition, or sheet;
- I – a rate increase;
- R – a rate reduction;
- C – changed condition or regulation;
- K – that material has been transferred to another sheet in the tariff. (A footnote is required on the tariff sheet to identify the new sheet number);
- M – that material has been transferred from another sheet in the tariff. (A footnote is required on the tariff sheet to identify the former sheet number);
- T – a change in test for clarification;
- O – no change (This symbol is discretionary unless specifically requested by the commission).

Issued: XX/XX/XXXX Effective: XX/XX/XXXX

Issued by: Cascadia Water, LLC

By: Culley Lehman Title: General Manager

WATER SERVICE
RULES AND REGULATIONS
LEHMAN SYSTEM

Rule 1 - Adoption of Rules of Regulatory Authorities

The regulation rules pertaining to water service prescribed by the Washington Utilities and Transportation Commission (Commission) described in Revised Code of Washington (RCW) Title 80 and Washington Administrative Code (WAC) Title 480 are thereby adopted and made a part of this tariff.

Rule 2 - Schedules and Conditions

The schedules and conditions specified in this tariff for water service are subject to change according to the public service laws of the State of Washington. The amount of water-furnished is subject to the Department of Health required standards of quantity and quality. All schedules for water service apply to applicants for or customers receiving water service from the utility.

Rule 3 - Application and Agreement for Service

Each prospective customer desiring water service will be required to sign the Utility's standard form of application before service is supplied.

An application for service is notice that the prospective customer desires water service from the Utility and represents agreement to comply with the Utility's rules and regulations on file with the Commission and in effect at the time service is furnished. In the absence of a signed application for water service, the delivery of water by the Utility through a standard connection and the taking thereof by the customer will constitute an agreement by and between the Utility and the customer for the delivery and acceptance of service under the applicable rate schedule(s) and these rules and regulations. For new customers, a survey will be required as part of the application prior to accepting the applicant as a customer.

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WATER SERVICE
RULES AND REGULATIONS
LEHMAN SYSTEM

Rule 4 – Definition of Service

Service will be supplied as described in these rules and under the applicable rate schedule(s). Service will be supplied only to those who secure their source of water exclusively from the Utility, unless otherwise provided under written contract. Water service will be used only for the purpose specified in the service agreement and applicable rate schedule(s). A customer will not sell or permit others to use such service, unless authorized to do so under written contract with the Utility.

The customer will not increase demand or use of service as stated in the application for service without giving prior notice of such increase. In the event of such increase, the customer is required to pay the Utility's regularly published rates for the increased service from the date of connection and use of the service.

Whenever the customer wants to permanently discontinue the use of water through any fixtures mentioned in the original application, the customer must cause the fixture to be removed and the branch pipe or service supplying the same to be capped or plugged, and must notify the Utility in writing before any reduction in charge will be made.

Rule 5 - Reconnection Charge / Disconnection Visit Charge

A reconnection charge, as specified in Schedule X, will apply for reconnection of the customer's service to the utility's distribution system. Such charge is to apply only in cases where service has been discontinued for non-payment of delinquent account, request of the customer (seasonal reconnection), and refusal to make proper repairs or similar cause. No charge will be made for reconnection of service if the shut-off was made for the convenience of the utility in making repairs, changes, etc.

When a utility employee is dispatched to disconnect service, that person must accept payment in full of a delinquent account and disconnect visit charge as specified in Schedule X. If amount owing is tendered in cash, utility employee will not be required to dispense change for excess of the amount due and owing. Any excess payment will be credited to the customer's account. The utility will restore service when the cause of discontinuance has been removed and payments of all proper charges due from customer have been made.

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Cascadia Water, LLC

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WATER SERVICE
RULES AND REGULATIONS
LEHMAN SYSTEM

Rule 6 - Installation of Service Pipes and Meters

The utility will construct service connections of a proper size from its distribution mains to the customer's property. The utility reserves the right to refuse to construct a service connection to any property if the applicant's pipes are not properly constructed and protected.

Meter Installation (Utility) - The utility may meter any flat rate service at its discretion. The utility's metered service rates will become effective, after the customer has received 30 days' written notice. All meters so placed will be installed and maintained by the utility without direct retrofit cost to the customer.

Meter Installation (Customer Request) - A meter will be installed upon any flat rate service at the request of the customer, provided that the actual cost of the meter and installation is paid by the customer. The amount paid will be reimbursed to the customer, by bill credit, at least ten (10) percent of the meter and installation charge each month until fully paid. All meters will be installed and maintained by the utility without future cost to the customer. The charge and conditions for this service are specified in **Schedule 11**.

Rule 7 - Distribution Main Extension

Utility Allowance - Where elevation and construction conditions allow and one or more bona fide prospective permanent customers request a main extension, the utility will construct and pay for the same, if the utility has sufficient capacity available to meet Department of Health standards of quantity and quality.

Customer Pro-Rata Share - The cost of main extension in excess of the estimated customer(s) revenue for three years (utility allowance) must be paid by the prospective customers in advance.

Construction Contract - No main extension will be considered as coming under this rule where the total cost of the main extension is greater than the estimated customer(s) revenue for six years. Water main extensions and/or fire hydrants will be installed after contracts have been approved by the Washington Utilities and Transportation Commission pursuant to WAC's for special contracts for water utilities and distribution extensions.

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WATER SERVICE
RULES AND REGULATIONS
LEHMAN SYSTEM

Rule 8-Responsibility for, and Maintenance of, Services

The point at which water will be delivered to and received by the customer will be on the property line (Point of Delivery) of the customer's property at a point designated by the utility. The utility will install its meter or other connection device at the Point of Delivery, except, at its option, the utility may install its meter at some other agreed point on the property of the customer, provided that in such event the property line will nevertheless be deemed the Point of Delivery.

The customer will assume all responsibility after Point of Delivery for water supplied by the utility. The utility will be exempt from all liability for loss or damage caused by leakage or escape of water furnished by the utility, after water has passed the Point of Delivery.

All service pipes and fixtures on the customer's side of the Point of Delivery shall be provided, maintained and protected from freezing at the customer's expense. Where there are leaking or defective pipes or fixtures, the water may be turned off at the option of the utility until properly repaired. The utility may require any service to be equipped with freeze prevention devices to be used during cold weather conditions instead of permitting water to run continuously from faucets.

Rule 9 - Access to Premises

The utility's regularly authorized agents or employees will have access to the premises of the customer at reasonable hours for meter reading, inspection, connection, disconnection, repair or removal of the utility's property.

Rule 10-Interruption to Service

The utility will make a diligent effort to render uninterrupted service and supply of water. In cases where shut-off is necessary for repair, reconstruction, damage prevention or similar cause, the utility will give advance notice to its customers of such scheduled shut-off. However, the utility will not be responsible for any damage that may result from any cessation of services such as above outlined, nor for failure to give notice of shut-off when circumstances are such that it is impracticable to give notice as stated above.

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By: Culley Lehman Title: General Manager

Cascadia Water, LLC

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WATER SERVICE
RULES AND REGULATIONS
LEHMAN SYSTEM

Rule 11 - Bills / Late Payment Charge

All bills shall be paid monthly and are due and payable upon receipt and are considered delinquent no less than fifteen (15) days after the date mailed. Bills will be deemed received upon personal delivery to customer or three (3) days following the deposit of the bill in the United States mail to the customer's last known address. Where the meter has not been read, a minimum bill will be rendered and adjusted when the next succeeding meter reading is available.

A Late Payment Charge as specified in **Schedule X** of the unpaid balance shall be added to each account for each month the bill is unpaid. The late payment charge will not be applied to any disputed amount unless such amount remains unpaid for more than 15 days after the dispute has been resolved.

Rule 12 - Deposits

The utility may require a deposit in situations where a customer's service has been disconnected for nonpayment of amounts owed to the utility or when a customer is unable to establish or maintain credit with the utility.

The deposit will not be more than an average three-twelfths of estimated annual billing. (For customers billed monthly)

Interest on deposits will be accrued at the rate calculated as a simple average of the effective interest rate for new issues of one year Treasury bill, computed from December 1 of each year, continuing through November 30 of the following year. Interest is computed from the time of deposit to the time of refund and is compounded annually.

Deposits, plus any accrued interest, less any amount owed for service rendered, will be refunded to the customer: 1) where the customer has for 12 consecutive months paid for service when due or 2) upon termination of service.

In addition, the utility will comply with all provisions of the Commission's deposit rules, specifically, the WAC on Deposits.

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WATER SERVICE
RULES AND REGULATIONS
LEHMAN SYSTEM

Rule 13 - Discontinuance of Service

The Utility will disconnect service under WAC 480-110-355:

Discontinuance of service. (1) Service may be disconnected either by customer direction or by company action:

(a) **Customer-directed** - Customers wanting to discontinue service must notify the water company. The company must disconnect the service as requested by the customer. If the customer fails to request disconnection of service the customer will be responsible to continue paying for water service at the company's tariff rate until the company becomes aware that the customer vacated the property.

(b) **Company-directed: Notice requirements** - After properly notifying the customer, as explained in subsection (3) of this section, the water company may discontinue service to its customers for:

- (i) Unpaid bills, as provided for in WAC 480-110-375;
- (ii) Water use for purposes or properties other than those specified in the customer's application for service;
- (iii) Willful waste of water through improper or defective piping, equipment, or otherwise;
- (iv) Piping or equipment that does not meet the company's standards or fails to comply with other applicable codes and regulations;
- (v) Tampering with the company's property;
- (vi) Vacating the premises;
- (vii) Nonpayment of any proper charges, including deposit, as provided in the company's tariff;
- (viii) Refusing to allow access as required in WAC 480-110-305;
- (ix) Violating rules, service agreements, or effective tariffs, including violation of outdoor watering instructions given to customers in order to curtail water use during time of shortage;
- (x) Use of equipment that detrimentally affects the company's service to its other customers.

When the Utility collects customer deposits, interest must be paid for each calendar year, at the rate for the one-year Treasury Constant Maturity calculated by the U.S. Treasury, and published in the Federal Reserve's Statistical Release H.15 on January 15 of that year. Interest is computed from the date of deposit to the date of refund or when applied directly to the customer's account.

The Utility must refund deposits plus accrued interest when there has been satisfactory payment, as defined by Commission rules or upon termination of service, less any amounts due to the Utility by the customer.

In addition, the Utility will comply with all provisions of the Commission's deposit rules pursuant to WAC's for establishing credit and deposits for water utilities.

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WATER SERVICE
RULES AND REGULATIONS
LEHMAN SYSTEM

Rule 14- Sprinkling and Irrigation

Water used for sprinkling and irrigation must be paid for at the regular prescribed tariff rates for such service. The hours for such use will be as prescribed from time to time by the utility. During peak use months (June through September), and at such other times when demand may be high, the utility may prohibit or limit sprinkling and irrigation to preserve water for domestic consumption.

No person will use water for sprinkling or irrigation purposes during any fire in the area or as otherwise directed by the Utility and all sprinkling or irrigation must be stopped immediately when a fire alarm is sounded. Use of water may be resumed three (3) hours after the fire has been extinguished.

Rule 15 - Rates

Rates for water service and supply are those published in the utility's tariff on file with the Commission. Unless otherwise stated in this tariff, the rates apply to a single service, to one customer at one premise. Where two or more families with separate housekeeping establishments occupy the same or separate dwellings, each family using water is considered a separate customer. Each separate housekeeping establishment or business, using water service, will each be considered a customer.

When conditions require that more than one customer be supplied through one meter, (Accessory Dwelling Units) each customer will be charged the minimum charge as provided by the schedule of rates. If the consumption as shown by the meter exceeds the allowance for the minimum charge multiplied by the number of customers, the excess consumption charge will be computed at the regular rates for one customer and the amount prorated equally to the multiple customers, or otherwise as may be agreed among the customers and the utility.

Water service must be subscribed to on an annual basis. No proration or reduction in billing is allowed unless this tariff proscribes temporary or seasonal rates.

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By: Culley Lehman **Title:** General Manager

WATER SERVICE
RULES AND REGULATIONS
LEHMAN SYSTEM

Rule 16 - Account Set-Up Charge/NSF (Non-Sufficient Funds) Charge

An account set-up charge as specified in **Schedule X** will be made for each new account or change of account responsibility on an existing service. Such charge will be included in the initial billing to the customer. This charge includes the utility dispatching an employee to establish a base meter reading. This account set-up charge does not apply to:

- (a) Installation of a new meter.
- (b) Temporary or seasonal reconnection.
- (c) Owners or agents assuming temporary responsibility for service to vacant premises.

An NSF check charge as specified in **Schedule X** will be made for handling customer checks that have been returned by the bank as NSF or account closed. This charge will be applied to the next billing to the customer.

Rule 17 - Water Availability Letter Charge

Any prospective customer seeking a water availability letter or certificate of water availability from the utility must first pay the appropriate charge as specified in **Schedule X**. The water availability letter will include the date issued and the date of expiration. Water availability letters will be valid for no more than one (I) year, or until the expiration of the associated building permit, whichever occurs last.

Rule 18 - Cross Connection Control

The customer shall not permit the plumbing on their premises to be connected to any source of water supply other than the utility's, or to any potential source of contamination, without first obtaining the utility's written permission and meeting the utility's cross connection control criteria. The customer shall assure that effective back-flow prevention measures are implemented to ensure continual protection of the water in the public water distribution system. Any back-flow prevention device deemed necessary by the utility to prevent entry of contaminants shall be installed at the customer's expense.

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Cascadia Water, LLC

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WATER SERVICE
RULES AND REGULATIONS
LEHMAN SYSTEM

Rule 19 - Limitations on Liability

(a) **General**

The company's liability, if any, for its gross negligence, willful misconduct or violation of Chapter 19.122 RCW is not limited by this tariff. With respect to any other claim or suit, by a customer or by any others, for damages associated with the installation, provision, termination, maintenance, repair or restoration of service, the company's liability, if any, shall not exceed an amount equal to the proportionate part of the monthly recurring charge for the service for the period during which the service was affected. This liability shall be in addition to any amounts that may otherwise be due the customer under this tariff as an allowance for interruptions. There shall be no liability for consequential or incidental damages.

(b) **Disclaimer**

The Company expressly disclaims all warranties, express or implied, except those expressly set forth in this tariff, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose.

(c) **Relation to Charges**

The charges for services rendered under this tariff are expressly based on the limitations on damages and disclaimer of warranties set forth above.

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Issued by: Cascadia Water, LLC

By: Culley Lehman Title: General Manager

Cascadia Water, LLC

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LEHMAN SERVICE AREAS

Water System List:

<u>System Name</u>	<u>County</u>	<u>DOH WFI#</u>
Beachcombers H2O Co.	Island	04979V
CAL Waterworks	Island	310406
T.E.L. #1	Island	030995
T.E.L. #3	Island	939458
T.E.L. #4	Island	76976N
T.E.L. #5	Island	15533A
T.E.L. #6	Island	38451X
T.E.L. #10	Island	62060V
T.E.L. #11	Island	00678P
WB Waterworks	Island	466703 (N)

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By: Culley Lehman Title: General Manager

SCHEDULE NO. 1
NON-METERED FLAT RATE SERVICE
LEHMAN SYSTEM

Available

Available within the limits of all Water Service Areas and at utility's option and capability to maintain Department of Health standards of quantity and quality.

Applicable

Applicable to domestic residential customers, where meters have not yet been installed.

Conditions

The charge for service is not subject to cancellation or reduction for seasonal or temporary periods, unless seasonal rates apply per this tariff. This charge will be the monthly minimum bill for this class of service.

Monthly Rates

Each connection or customer \$26.74
All rates are plus State Utility Tax

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By: Culley Lehman Title: General Manager

Original Sheet No. 15

WN U-1

Cascadia Water, LLC**For Commission's Receipt Stamp**

SCHEDULE NO. 2
METERED RATE SERVICE
LEHMAN SYSTEM

Availability

Available within the limits of all Water Service Areas and at utility's option and capability to maintain Department of Health standards of quantity and quality.

Applicable

Applicable to domestic residential customers served by the Utility on a metered basis.

Conditions

The charge for this service is not subject to cancellation or reduction for seasonal or temporary periods, unless seasonal rates apply per this tariff. This charge will be the monthly minimum bill for this class of service.

All metered rate service(s) have zero allowance for water usage in base rate(s), usage rate(s) are based on consumption per one-hundred (100) cubic feet (cu.ft.), and base rate and water usage block(s) are modified by the meter size factor.

Monthly Rates

Each connection or customer.

Meter Size	Base Rate	1st Block (cu.ft.)	1st Usage Rate	2nd Block (cu.ft.)	2nd Usage Rate	3rd Block (cu.ft.)	3rd Usage Rate
5/8 - inch	\$17.50	0 – 500	\$0.75	501 – 1,500	\$1.80	Over 1,500	\$4.00
¾ - inch	\$26.25	0 – 750	\$0.75	751 – 2,250	\$1.80	Over 2,250	\$4.00
1-inch	\$43.75	0 – 1,250	\$0.75	1,251– 3,750	\$1.80	Over 3,750	\$4.00
1 ½ - inch	\$87.50	0 – 2,500	\$0.75	2,501– 7,500	\$1.80	Over 7,500	\$4.00
2-inch	\$140.00	0 – 4,000	\$0.75	4,001– 12,000	\$1.80	Over 12,000	\$4.00

All rates are plus State Utility Tax

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Issued by: Cascadia Water, LLC

By: Culley Lehman **Title:** General Manager

Cascadia Water, LLC

For Commission's Receipt Stamp

SCHEDULE NO. 3
READY TO SERVE SERVICE
LEHMAN SYSTEM

Availability

Available within the limits of all Water Service Areas and at Utility's option and capability to maintain Department of Health standards of quantity and quality.

Applicable

Applicable to domestic residential customers, where meters have not yet been installed. Facility charge has been paid and Service line to property has been completed.

Conditions

The charge for this service is not subject to cancellation or reduction for seasonal or temporary periods, unless seasonal rates apply per this tariff. This charge will be the monthly minimum bill for this class of service.

The Ready to Serve charge may be discontinued upon receiving written request from the customer or for non-payment of the Ready to Serve charge after 90 days. If discontinued, the obligation to serve shall be voided. Termination of the charge will allow the Utility to remove the service line and/or connection. This disconnection or removal will allow the Utility to make that available service capacity to supply other connections on the water system. After a service line and/or connection has been removed for discontinued service, future service to the property will require a new application for service, payment of service connection charges and will be subject to the availability of service capacity at such time as the future application for service is made. At the time water service begins, the customer shall be transferred to Schedule 2, Metered Service.

Monthly Rates

Rate

Each connection or customer.

\$17.50

All rates are plus State Utility Tax

SCHEDULE NO. 5

Issued: XX/XX/XXXX **Effective:** XX/XX/XXXX

Issued by: Cascadia Water, LLC

By: Culley Lehman **Title:** General Manager

Cascadia Water, LLC

For Commission's Receipt Stamp

WATER SYSTEM FACILITIES CHARGE
RESIDENTIAL EQUIVALENT CUSTOMER
LEHMAN SYSTEM

Available

Within the limits of all Water Service Areas and at utility's option and capability to maintain Department of Health standards of quantity and quality.

Applicable

Applies to all new applicants for properties not currently served and not within the Commission Service Area (as defined in the tariff) for the utility only when surplus system capacity is available and a direct connection can be made to an existing main that has adequate hydraulic capacity.

Conditions

1. The utility will own and maintain all materials involved in the allocation of water service.
2. The Water System Facilities Charge will be in addition to any line extension, service connection, or any other charges that may be provided elsewhere in this tariff.
3. The Water System Facilities Charge will be made one time only at which time the applicant's property is brought into the Water Service Area. If further subdivision of the property is made at a later date, each newly created lot will be subject to an additional facilities charge upon application for water service. If service is greater than residential equivalent, then multiple equivalents may be charged.
4. Exemptions:
 - (a) Any end use customer covered by an existing written contract, which specifies that, no charge or a lower charge will be paid.

Charge

Water System Facilities Charge

\$2,200.00

All rates are plus State Utility Tax

SCHEDULE NO. 10
SERVICE CONNECTION CHARGE

Issued: XX/XX/XXXX **Effective:** XX/XX/XXXX

Issued by: Cascadia Water, LLC

By: Culley Lehman **Title:** General Manager

Cascadia Water, LLC

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LEHMAN SYSTEM

Available

Within the limits of all Water Service Areas and at utility's option and capability to maintain Department of Health standards of quantity and quality.

Applicable

Applies to all new applicants for properties not currently served and not within the Commission Service Area (as defined in the tariff) for the utility only when surplus system capacity is available and a direct connection can be made to an existing main that has adequate hydraulic capacity.

Conditions

1. A charge will be made the first time a customer's service pipe, 3/4 inch or smaller, is connected to the utility's main. The charge for a larger connection will be the cost of labor and materials. This charge does not include the cost of a meter, or its installation. A meter will be furnished, installed and maintained by the utility without direct cost to the customer.
2. The utility owns and maintains all materials involved in making a service connection.
3. The service connection charge must be paid before the water is turned on.
4. In addition, when it is necessary to bore under an existing road the cost of boring will be in addition to the Service Connection Charge.
5. Meter will be placed in a suitable meter box located at the customer's property line, except when this is not practicable. The meter will be installed upon the customer's premises in some convenient location approved by the utility where the meter will at all times be accessible for reading, inspection and testing. (See Rule 8 & 9)
6. Service Connections will be installed within 7 days from payment, unless prior arrangements in writing are agreed upon by both the customer and the utility.

SCHEDULE NO. 10
SERVICE CONNECTION CHARGE
LEHMAN SYSTEM

Issued: XX/XX/XXXX Effective: XX/XX/XXXX

Issued by: Cascadia Water, LLC

By: Culley Lehman Title: General Manager

Cascadia Water, LLC

For Commission's Receipt Stamp

Size of Service Connection

Service Connection Charge

3/4 inch service	\$519.00
Tax Gross-up of 51%	<u>\$264.95</u>
Total Service Connection Charge	\$783.95
Larger than 3/4 inch service	Labor and Material Contract

SCHEDULE NO. 11
METER INSTALLATION CHARGE
CUSTOMER REQUEST

Issued: XX/XX/XXXX Effective: XX/XX/XXXX

Issued by: Cascadia Water, LLC

By: Culley Lehman Title: General Manager

LEHMAN SYSTEM

Available

Within the limits of all Water Service Areas and at utility's option and capability to maintain Department of Health standards of quantity and quality.

Applicable

Applies to all customer requests where service is currently being rendered on a flat rate service basis.

Conditions

1. A charge will be made the first time a customer's service pipe, 3/4 inch or smaller, has a meter installed at the customer's request. The charge for a larger connection will be the cost of labor and materials.
2. The utility owns and maintains all materials involved in making a meter installation.
3. The meter installation charge must be paid before the installation and meter rate schedules are applied.
4. The meter will be placed in a suitable meter box located at the customer's property line, except when this is not practicable. The meter will be installed upon the customer's premises in some convenient location approved by the utility where the meter will at all times be accessible for reading, inspection and testing. (See Rule 8 & 9)
5. Meter installation will be installed within 30 days from customer request, unless prior arrangements in writing are agreed upon by both the customer and the utility.
6. Meter installation charge will be reimbursed to the customer, by bill credit, of at least ten (10) percent each month until fully paid.

Size of Meter Service

3/4 inch service
Larger than 3/4 inch service

Meter Installation Charge

\$65.00
Labor and Material Contract

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By: Culley Lehman **Title:** General Manager

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SCHEDULE X
ANCILLARY CHARGES
LEHMAN SYSTEM

Rule 5 & Rule 14	Reconnection Charge Disconnection Visit Charge	\$75.00 \$30.00
Rule 11	Late Payment Charge of unpaid balance at time of billing	1%
Rule 17	Account Set-up Charge NSF Check Charge	\$48.00 \$15.00
Rule 18	Water Availability Letter Charge	\$18.00

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Issued by: Cascadia Water, LLC

By: Culley Lehman Title: General Manager

WATER SERVICE
RULES AND REGULATIONS
SEA VIEW SYSTEM

Rule 1 - Adoption of Rules of Regulatory Authorities

The rules regulating water service prescribed by the Washington Utilities and Transportation Commission, after this called the Commission, are adopted and by this reference are made a part of this tariff.

Rule 2 - Schedules and Conditions

The schedules and conditions specified in this tariff for water service are subject to change according to the public service laws of the State of Washington. The amount of water furnished is subject to the Department of Health required standards of quantity and quality. All schedules for water service apply to applicants for or customers receiving water service from the utility.

Rule 3 - Application and Agreement for Service

Each prospective customer desiring water service will be required to sign the utility's standard form of application before service is supplied.

An application for service is notice that the prospective customer desires water service from the utility and represents agreement to comply with the utility's rules and regulations on file with the Commission and in effect at the time service is furnished. In the absence of a signed application for water service, the delivery of water by the utility through a standard connection and the use thereof by the customer will constitute an agreement by and between the utility and the customer for the delivery and acceptance of service under the applicable rate schedule and these rules and regulations. A survey may be required as part of the application prior to accepting the applicant as a customer.

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WATER SERVICE
RULES AND REGULATIONS
SEA VIEW SYSTEM

Rule 4 - Definition of Service

Service will be supplied as described in these rules and under the applicable rate schedule(s). Service will be supplied only to those who secure their source of water exclusively from the utility, unless otherwise provided under written contract. Water service will be used only for the purpose specified in the service agreement and applicable rate schedule(s). A customer will not sell or permit others to use such service, unless authorized to do so under written contract with the utility.

The customer will not increase demand or use of service as stated in the application for service without giving prior notice of such increase. In the event of such increase, the customer is required to pay the utility's regularly published rates for the increased service from the date of connection and use of the service.

Whenever the customer wants to permanently discontinue the use of water through any fixtures mentioned in the original application, the customer must cause the fixture to be removed and the branch pipe or service supplying the same to be capped or plugged, and must notify the utility in writing before any reduction in charge will be made.

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By: Culley Lehman **Title:** General Manager

WATER SERVICE
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Rule 5 Reconnection Charge

When a utility employee is dispatched to disconnect service, that employee must accept payment of a delinquent account. If amount owing is tendered in cash, utility employee will not be required to dispense change for excess of the amount due and owing. Any excess payment will be credited to the customer's account. The utility will restore service when the cause of discontinuance has been removed and payments of all proper charges due from customer have been made.

A reconnection charge, as specified in **Schedule X**, will apply for reconnection of the customer's service to the utility's distribution system. Such charge is to apply only in cases where service has been discontinued for non-payment of delinquent account, request of the customer (seasonal reconnection), and refusal to make proper repairs or similar cause. No charge will be made for reconnection of service if the shut-off was made for the convenience of the utility in making repairs, changes, etc.

Rule 6 - Installation of Service Pipes and Meters

The utility will construct service connections of a proper size from its distribution mains to the customer's property. See Schedule No. 10 for service connection charge. The utility reserves the right to refuse to construct a service connection to any property if the applicant's pipes are not properly constructed and protected.

Meter Installation (Utility) - The utility may meter any flat rate service at its discretion. The utility's metered service rates will become effective, after the customer has received 30 days' written notice. All meters so placed will be installed and maintained by the utility without direct retrofit cost to the customer.

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WATER SERVICE
RULES AND REGULATIONS
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Rule 7 - Responsibility for, and Maintenance of, Services

The point at which water will be delivered to and received by the customer will be on the property line (Point of Delivery) of the customer's property at a point designated by the utility. The utility will install its meter or other connection device at the Point of Delivery, except, at its option, the utility may install its meter at some other agreed point on the property of the customer, provided that in such event the property line will nevertheless be deemed the Point of Delivery.

The customer will assume all responsibility after Point of Delivery for water supplied by the utility. The utility will be exempt from all liability for loss or damage caused by leakage or escape of water furnished by the utility, after water has passed the Point of Delivery. If the customer has an Approved Backflow Prevention Assembly installed the assembly must be tested annually by a certified Backflow Assembly Tester specialist.

All service pipes and fixtures on the customer's side of the Point of Delivery shall be provided and must be maintained and protected from freezing at the customer's expense. Where there are leaking or defective pipes or fixtures, the water may be turned off at the option of the utility until properly repaired. The utility may require any service to be equipped with freeze prevention devices to be used during cold weather conditions instead of permitting water to run continuously from faucets.

Rule 8 - Access to Premises

The utility's regularly authorized agents or employees will have access to the premises of the customer at reasonable hours for meter reading, inspection, connection, disconnection, repair or removal of the utility's property.

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Rule 9 - Interruption to Service

The utility will make a diligent effort to render uninterrupted service and supply of water. In cases where shut-off is necessary for repair, reconstruction, damage prevention or similar cause, the utility will give advance notice to its customers of such scheduled shut-off. However, the utility will not be responsible for any damage that may result from any cessation of services such as above outlined, nor for failure to give notice of shut-off when circumstances are such that it is impossible to give notice as stated above. Original Sheet No. 9

Rule 10 – Bills / Late Payment Charge

All bills shall be paid bi-monthly in arrears and are due and payable upon receipt and are considered delinquent no less than fifteen (15) days after the date mailed. Bills will be deemed received upon personal delivery to customer or three (3) days following the deposit of the bill in the United States mail to the customer’s last known address. Where the meter has not been read, a minimum bill will be rendered and adjusted when the next succeeding meter reading is available.

Bills are due and payable upon receipt. Bills are considered late 15 days after the bill mailing date. A Late Payment Charge as specified in **Schedule X** of the unpaid balance shall be added to each account for each month the bill is unpaid. The late payment charge will not be applied to any disputed amount unless such amount remains unpaid for more than 15 days after the dispute has been resolved.

In addition, the utility will comply with all provisions of the Commission’s deposit rules, specifically, the WAC on Deposits.

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Rule 11 - Deposits

The utility may require a deposit in situations when a customer is unable to establish or maintain credit with the utility, or where a customer's service has been disconnected for nonpayment of amounts owed to the utility as defined by Commission rules.

The deposit will not be more than an average three-twelfths of estimated annual billing.

When the Company collects customer deposits, interest must be paid for each calendar year, at the rate for the one-year Treasury Constant Maturity calculated by the U.S. Treasury, and published in the Federal Reserve's Statistical Release H.15 on January 15 of that year. Interest is computed from the date of deposit to the date of refund or when applied directly to the customer's account.

The company must refund deposits plus accrued interest when there has been satisfactory payment, as defined by Commission rules or upon termination of service, less any amounts due the company by the customer.

Rule 12 - Responsibility for Delinquent Accounts

The utility will not refuse or discontinue service to an applicant or customer, who is not in arrears to the utility even though there are unpaid charges due from the premises occupied by the applicant or a customer, due to the unpaid bill of a prior tenant unless there is evidence of intent to defraud.

The utility may not permanently deny service to an applicant because of a prior obligation to the utility.

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WATER SERVICE
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Rule 13 - Discontinuance of Service

The utility reserves the right to discontinue service to its customers for:

- (a) Unpaid bills, as provided for in this tariff.
- (b) Water uses for purposes or properties other than those specified in the customer's application for service.
- (c) Willful waste of water through improper or defective piping or equipment.
- (d) Piping or equipment that does not meet the company's standards or fails to comply with other applicable codes and regulations.
- (e) Tampering with the company's property.
- (f) Vacating the premises.
- (g) Nonpayment of any proper charges, including deposit, as provided in this tariff.
- (h) Refusing to allow access as required in commission Rules.
- (i) Violating rules, service agreements, or effective tariffs, including violation of outdoor watering instructions given to customers during time of shortage.
- (j) Use of equipment that detrimentally affects the company's service to its other customers.
- (k) Service obtained by fraud.
- (l) Fails to comply with cross connection control requirements.

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RULES AND REGULATIONS
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Rule 14 - Sprinkling and Irrigation

Water used for sprinkling and irrigation must be paid for at the regular prescribed tariff rates for such service. The hours for such use will be as prescribed from time to time by the utility, subject to protest by any customer affected and reviewed by the Commission. During peak use months (June through September), and at such other times when demand may be high, the utility may prohibit or limit sprinkling and irrigation to preserve water for domestic consumption.

No person will use water for sprinkling or irrigation purposes during any fire in the area, and all sprinkling or irrigation must be stopped immediately when a fire alarm is sounded. Water use may resume three (3) hours after the fire has been extinguished.

Rule 15 - Rates

Rates for water service and supply are those published in the utility's tariff on file with the Commission. Unless otherwise stated in this tariff, the rates apply to a single service, to one customer at one premise. Where two or more families with separate housekeeping establishments occupy the same or separate dwellings, each family using water is considered a separate customer. Each separate housekeeping establishment or business, using water service, will each be considered a customer.

When conditions require that more than one customer be supplied through one meter, (Accessory Dwelling Units) each customer will be charged the minimum charge as provided by the schedule of rates. If the consumption as shown by the meter exceeds the allowance for the minimum charge multiplied by the number of customers, the excess consumption charge will be computed at the regular rates for one customer and the amount prorated equally to the multiple customers, or otherwise as may be agreed among themselves.

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Rule 16 NSF (Non-Sufficient Funds) Charge

An NSF check charge as specified in **Schedule X** will be made for handling customer checks that have been returned by the bank as NSF or account closed. This charge will be applied to the next billing to the customer.

Rule 17 - Water Availability Letter

Any prospective customer seeking a water availability letter or certificate of water availability may apply to the utility. The water availability letter will include the date issued and the date of expiration. Water availability letters will be valid for no more than one (1) year, or until the expiration of the associated building permit, whichever occurs last.

Rule 18 - Cross Connection Control

The customer shall not permit the plumbing on their premises to be connected to any source of water supply other than the utility's, or to any potential source of contamination, without first obtaining the utility's written permission and meeting the utility's cross connection control criteria. The customer shall assure that effective backflow prevention measures are implemented to ensure continual protection of the water in the public water distribution system. Any backflow prevention assembly deemed necessary by the utility to prevent entry of contaminants to the public water system shall be installed at the customer's expense. Cross connection control program is outlined in Schedule 12.

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SEA VIEW SERVICE AREAS

Water System List:

<u>System Name</u>	<u>County</u>	<u>DOH</u> <u>WFI #</u>
Sea View Water	Island	77148Y

Exhibit "A"

All Country roads in the following tracts:

Government Lot 4, Section 6, Township 32N. Range 1E., WM
Government Lots 1 and 2 and the SE1/4 of the NE1/4 of Section 7, Township 32N. Range 1E.
WM

These tracts include the plats of Sea View Nos. 1 through 8, and include the following named roads:

Peacock Lane	Sea View Road
Island View Road	Firwoods Place
Pinewood Way	Barque Road
Sloop Place	Ketch Place
Brigantine Court	Cutter Place
Schooner Lane	Tilbury Lane
West Beach Road (portion)	Ft. Nugent Road (portion)

A detailed map of the Sea View Water System may be inspected in the utility's business office.

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SCHEDULE NO. 10
SERVICE CONNECTION CHARGE
SEA VIEW SYSTEM

Available

Within the limits of all Water Service Areas and at utility's option and capability to maintain Department of Health standards of quantity and quality.

Applicable

Applies to all new applicants for properties not currently served and not within the Commission Service Area (as defined in the tariff) for the utility only when surplus system capacity is available and a direct connection can be made to an existing main that has adequate hydraulic capacity.

Conditions

1. A charge will be made the first time a customer's service pipe, 3/4 inch or smaller, is connected to the utility's main. The charge for a larger connection will be the cost of labor and materials. This charge does not include the cost of a meter, or its installation. A meter will be furnished, installed and maintained by the utility without direct cost to the customer.
2. The utility owns and maintains all materials of a service connection.
3. The service connection charge must be paid before the water is turned on.
4. In addition, when it is necessary to cross an existing road (by boring or cutting) the cost of the crossing will be in addition to the Service Connection Charge.
5. Meter will be placed in a suitable meter box located at the customer's property line, except when this is not practical. The meter will be installed upon the customer's premises in some convenient location approved by the utility where the meter will at all times be accessible for reading, inspection and testing. (See Rule 7 & 8)

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SCHEDULE NO. 10
SERVICE CONNECTION CHARGE (contd.)
SEA VIEW SYSTEM

6. Service Connections will be installed within 7 days from payment, unless prior arrangements in writing are agreed upon by both the customer and the utility.

<u>Size of Service Connection</u>	<u>Service Connection Charge</u>
3/4 inch service	\$300.00
Larger than 3/4 inch service	Labor and Material Contract

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SCHEDULE NO. 12
CROSS CONNECTION CONTROL
SEA VIEW SYSTEM

Applicable

To all customers served by the Utility for purposes of assessing the presence of cross connections and additional requirements applying to those customers that have cross connections.

Conditions:

1. This schedule is established pursuant to the requirements adopted by the Washington State Department of Health in WAC 246-290-490, as it now exists or is hereafter amended or replaced. Copies of this regulation are available from the Washington State Department of Health or from the Utility.

All customers shall be surveyed as to the existence of cross connections pursuant to the definition of cross connections established by the Washington State Department of Health. A second survey shall be sent to those customers who fail to respond to the initial survey. If the customer fails to respond to the second survey, then the following non-response options may be necessary. For new customers, a survey will be required as part of the application prior to accepting the applicant as a customer.

Non-Response Options

- a. Site Visit letter/appointment for on-site review of cross connection potential, followed by a Site Visit for determination of cross connection potential as defined in WAC 246-290-490.
- b. Installation of Approved Backflow Prevention Assembly at customer's expense or as set forth in the rate section above.
- c. Notice of disconnection of service per WAC 480-110-355 (3a).

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SCHEDULE NO. 12
CROSS CONNECTION CONTROL (contd.)
SEA VIEW SYSTEM

2. An on-site inspection is required for every customer meeting any criteria of WAC 246-290-490 (4b) Table 9. The customer will be assessed the appropriate charges set forth above.

3. If a cross connection is detected or is reported by the customer, then the Utility will determine the appropriate remedy and notify the customer of the remedy, options, and dates for compliance. If an Approved Backflow Prevention Assembly is required, the Utility will determine the type of Approved Backflow Prevention Assembly that must be installed, and must provide the customer with a date by which the device must be installed. Installation will be the customer's responsibility and sole expense. The customer may choose to have the Approved Backflow Prevention Assembly installed through any contractor acceptable to the Utility. If the customer does not install the appropriate Approved Backflow Prevention Assembly within thirty days of notification, the Utility may take appropriate action to correct. This may include the Utility installing an Approved Backflow Prevention Assembly at customer's expense if tariffed or may result in the Utility providing a notice of disconnection of service by the date specified in the notice. The Approved Backflow Prevention Assembly will be installed on a customer's side of the service connection.

4. If the customer has an Approved Backflow Prevention Assembly installed the assembly must be tested annually by a certified Backflow Assembly Tester (BAT) specialist. The Utility will maintain a list of certified BAT specialists that are acceptable to the Utility and the customer may choose from any such BAT specialist on the Utility's list. The customer will provide a copy of the acceptable annual report from the BAT specialist. If the annual report is not provided within thirty days of the anniversary date of the installation of the Approved Backflow Prevention Assembly, then the Utility will provide a notice of disconnection pursuant to WAC 480-110-355 (3a). If a copy of the annual report is not received by the date for disconnection as specified in the notice, the Utility will disconnect customer's service.

5. No less often than every three years, the Utility shall re-survey its customers concerning the existence of cross connections. If the customer does not respond to the initial survey, a second survey will be sent. If the customer does not respond to the second survey, then non-response options listed in paragraph 2 will apply.

6. For each customer meeting any criteria of WAC 246-290-490 (4b) Table 9, no less than every three years, the Utility shall conduct a site visit, premises inspection and shall assess the customer the charges set forth in the rate section above.

7. When necessary, the Utility will provide notices of disconnection as required in WAC 480-110-355 (3a).

8. The Utility may immediately shut off water service if a public health emergency exists, including when a backflow is occurring or an unprotected cross-connection with sewage exists.

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SCHEDULE X
ANCILLARY CHARGES
SEA VIEW SYSTEM

Rule 5	Reconnection Charge	\$20.00
Rule 10	Late Payment Charge: Of unpaid balance	1.5%
	Or Minimum Charge	\$1.00
Rule 16	NSF Check Charge	Amount charged by Bank to Utility

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