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**SCHEDULE NO. 1**  
**RECURRING CHARGES**

Meter Charge	\$	16.50
Units of Water Used	\$	1.30 per 100 cu. ft.

Normal due date shall be thirty (30) days after the billing date.  
2% discount if paid within (10) days

Note - For clarification:

- Business Hours – 8:00 a.m. to 5:00 p.m., Monday through Friday.
- After Hours – 8:01 p.m. to 7:59 a.m., Monday through Friday and weekends.
- Observed holidays – New Year’s Day, Martin Luther King Jr. Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, day after Thanksgiving, Christmas Eve, Christmas Day (or the day observed for any holiday).

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Red Pheasant Holdings, LLC  
H. William Hobbs, Jr-Managing Member

A non-refundable connection fee for each new water service connection. \$ 3,500.00

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**H. William Hobbs, Jr-Managing Member**

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## GENERAL RULES & REGULATIONS FOR SMALL WATER UTILITIES

### 1. GENERAL

- 1.1 The Customer, in receiving water service, and Red Pheasant Holdings, LLC ("Company"), in providing water service, shall both agree to abide by these rules and regulations.
- 1.2 In the event that there is a conflict between these rules and regulations and the Utility Customer Relations Rules ("UCRR"), the Rules and Regulations of the Idaho Public Utilities Commission ("Commission") shall take precedence unless an exception has been granted.
- 1.3 All recurring and non-recurring charges shall be approved in advance by the Commission.
- 1.4 Copies of the Company's rates and summary of rules and regulations shall be available at the Company's office and provided to Customers upon commencement of service, and annually thereafter in accordance with the UCRR.
- 1.5 Ownership of system, all water mains, valves, fittings, hydrants, and other appurtenances, except "Customer Service Lines", shall be the property of Red Pheasant Holdings, LLC

### 2. DEFINITIONS

- 2.1 Applicant – A potential Customer (person, business, or other entity) applying for service to the Company and subject to the Commission's rules and regulations.
- 2.2 Billing Period – The period of time between bills from the Company for normal services rendered.
- 2.3 Commission – Idaho Public Utilities Commission.
- 2.4 Commodity Charge – A recurring charge based only on the quantity of water used. (aka – Usage Charge, Volume Charge).
- 2.5 Company – Red Pheasant Holdings, LLC

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- 2.6 Complete Installation – Includes the costs of tapping the main and installing a service line to the curb stop and installing a complete Pit Setter and meter.
- 2.7 Connection Charge – A non-recurring charge paid by a Customer requesting service for partial or full recovery of the Company's cost of providing a new service connection.
- 2.8 Contribution in Aid of Construction – A non-recurring charge paid by a Customer or developer to help defray the cost of system expansion.
- 2.9 Corp Stop – (Corporation Stop) – A valve, typically located on the service line and adjacent to the Company's Main.
- 2.10 Curb stop – A valve attached to the water line between a water main and a property owner building. The stop box or pit setter/meter enclosure houses the curb stop and can be used to turn off water service in the event of an emergency or when the property owner's shut off valve is broken.
- 2.11 Customer – A person, business, or other entity responsible for paying bills and complying with the rules and regulations of the Company.
- 2.12 Customer Charge – A recurring fixed charge to recover a portion of the cost of providing water service that does not vary with the quantity of water consumed. (aka – Minimum Charge, Monthly Charge).
- 2.13 Developer – 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).
- 2.14 Disconnected Service – Parcel that previously had water service but was turned off voluntarily or involuntarily.
- 2.15 Extraordinary Circumstances – Conditions not typically encountered when performing a hook-up. This may include the installation of service lines longer than 50 feet, excavation through rock outcrops, or excavation in areas with high water tables requiring additional equipment for water removal.
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- 2.16 Fixed or Flat Rate – A recurring charge of a fixed amount, usually in an unmetered system.
  - 2.17 Franchise Charge – The tax imposed on a Company by a governmental entity for the privilege of doing business within its boundaries. (aka – Franchise Tax, Franchise Fee).
  - 2.18 Hook-Up Charge – A non-recurring charge paid by a Customer requesting service for partial or full recovery of the Company’s cost of providing a new service connection. (aka – Connection Charge, New Connection Charge).
  - 2.19 Irrigation Charges – Irrigation services may be discontinued, disconnected, or regulated by the utility company if determined necessary for the utility company to insure availability for all Customers.
  - 2.20 Late Payment Charge – The non-recurring charge levied against any delinquent balance.
  - 2.21 Minimum Charge – The minimum recurring charge for a billing period that may or may not include a specified quantity of water.
  - 2.22 Multiple family housing development – Any building or buildings consisting of two or more living units.
  - 2.23 Non-recurring Charges – The charges that are assessed in certain circumstances and do not occur from one billing period to the next.
  - 2.24 Pit Setter and Meter – Includes the materials and costs necessary to install the Pit Setter (with meter enclosure) and meter and connect it to the Corp Stop.
  - 2.25 Premises – The Customer’s property including outbuildings which are normally located on one lot or parcel of ground.
  - 2.26 Quality – The Company will exercise reasonable diligence to supply safe and potable water.
  - 2.27 Rate Schedule – The schedules of all recurring and non-recurring charges of the Company.
  - 2.28 Reconnection Charge – The charge paid by a Customer to the Company to restore service after disconnection.
  - 2.29 Recurring Charges – Charges that are assessed each billing period.
  - 2.30 Residential customer – Designed as a building under one roof which is owned, leased or rented by one party and occupied as a
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residence, or each unit of a Condominium building where the Condominium units have the ability to be separately owned.

- 2.31 Service Preference – In case of shortage of supply, Company reserves the right to give preference in the matter of furnishing services to first, residential customers and second, interests of the Company from the standing of public conveniences or necessity.
- 2.32 Special Contracts – When the applicant’s requirements for water are unusual or large, such as an independent water system, or necessitate considerable special or reserve equipment or capacity, the company reserves the right to make a special contract, the provisions of which are different from, and have exceptions to, the regularly published water rates and rules. This special contract shall be in writing, signed by the applicant and approved by the Company and the Commission.
- 2.33 Subdivision – The legal dividing of a tract of land into two or more tracts, lots or parcels.
- 2.34 Tap Main and Install service line to the Curb Stop – Includes connection to the main, installing up to 50 feet of line between the Corp Stop and the Curb Stop.
- 2.35 Tariff – The rate schedules and the rules and regulations which govern the Company’s service.
- 2.36 Tiered Rate – An inclining block rate structure. The rate or price of water increases with each consecutive block.
- 2.37 Uniform Main Extension Rule of Water Utilities – All extensions of distribution mains from the Company’s existing distribution system, to serve new Customers, except for those specifically excluded in the rule shall be made under the provisions of this Rule unless specific authority is first obtained from the Commission. (Order No. 7830, Case No. U-1500-22).
- 2.38 Usage Charge – A recurring charge based only on the quantity of water used. (aka – Commodity Charge, Volume Charge)
- 2.39 Utility Customer Relations Rules (“UCRR”) – Customer Relations Rules for Gas, Electric, and Water Public Utilities Regulated by the Commission - IDAPA 31.21.01.000 et seq.

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### 3 SERVICE FOR NEW CUSTOMERS

- 3.1 The Company shall furnish service to applicants within its certificated service area in accordance with rates and the rules and regulations approved by the Commission.
- 3.2 Applicants for water service may be required to sign a standard form of service application.
- 3.3 The Company shall not be obligated to provide service at a service location until any required deposit has been received by the Company in accordance with the UCRR.
- 3.4 Special contracts may be required where large investments in special facilities are necessary to provide the requested service. The Company may require contribution toward such investment and establish such minimum charges as are deemed necessary. All such contracts shall be subject to the approval of the Commission.
- 3.5 The Company reserves the right to place limitations on the amount and character of water service it will supply and to refuse service if, in its opinion:
  - 3.5.1 The Company is required to refuse or limit service by regulatory authorities having jurisdiction over the Company;
  - 3.5.2 The requested service installation is of larger size than is necessary to properly serve the premises;
  - 3.5.3 The permanency of the building, structure, or institution requesting to be served is such that the Company's investment in such service is jeopardized;
  - 3.5.4 The depth of the applicant's service line is less than the minimum depth required for frost protection;
  - 3.5.5 The applicant's proposed service, main or other appurtenance does not conform to good engineering design or meet the standard specifications of the Company; or
  - 3.5.6 If the applicant refuses to agree to abide by the rules and regulations of the Company.
  - 3.5.7 If the Company denies service to an applicant for any reason, it shall immediately provide the applicant with a written explanation of its decision in accordance with the UCRR.

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#### **4. DEPOSITS**

- 4.1 Rules and Regulations regarding deposits can be found in the UCRR.

#### **5. RATES**

- 5.1 Rates charged for water service and supply shall be those published in the Company's tariff and approved by the Commission.

#### **6. BILLING AND PAYMENT**

- 6.1 All Customers shall be billed on a regular basis as identified on the applicable rate schedule.
- 6.2 If the system is metered, the Company shall try to read the meters prior to each billing unless specified differently on the applicable rate schedule. If the Company's meter reader is unable to gain access to the premises to read the meter, or in the event the meter fails to register, the Company will estimate the Customer's water consumption for the current billing period based on known consumption for a prior similar period or average of several periods. Subsequent readings will automatically adjust for differences between estimated and actual. Bills based on estimated consumption shall be clearly marked as "estimated".
- 6.3 All bills shall clearly indicate the balance due, and may be due and payable no less than 15 days after the date rendered. All bills not paid by due date may be considered delinquent and service may be disconnected subject to the provisions of the UCRR.
- 6.4 A Late Payment Charge may be levied against any delinquent account. All payments received by the next billing date shall be applied to the Customer's account prior to calculating the Late Payment Charge.
- 6.5 The minimum bill or customer charge shall apply when service is provided for less than one month.
- 6.6 Owners of premises with one or more condominiums, buildings, stores, apartments or any other divisions of like or similar character, all of which are served from one (1) service connection

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are responsible for the entire water charges. If the owner desires to cease being responsible for water bills for such places and desires that the occupant of each division will be responsible for her or her respective bill, such transfer of responsibility will not be accepted or recognized by the Company until the plumbing arrangements of the building or premises are so changed by the owner or his or her agent as to permit the Company, to its satisfaction, to serve each division or occupant separately from the other occupants in the same building.

- 6.7 Accounts shall be continued and water bills rendered regularly until the Company has been duly notified to discontinue service.

## 7. METERING (If Applicable)

- 7.1 Meters will be installed by the Company near the Customer's property line or at any other reasonable location on the Customer's premises that is mutually agreed upon.
- 7.2 The Company's representative shall be given access to the Customer's premises at all reasonable hours for the purpose of obtaining meter readings. In the event of recurring inaccessibility the Company may, at its option and after notifying the customer, relocate its metering equipment at the Customer's expense.
- 7.3 The Company shall be responsible for the maintenance of its metering equipment. Meters are considered to be sufficiently accurate if tests indicate that meter accuracy is within  $\pm 2$  percent. When for any reason a meter fails to register within these limits of accuracy, the Customer's use of water shall be estimated on the basis of available data and charges shall be adjusted accordingly. Corrected bills shall then be sent out to the customer and additional payment or refund arrangements shall be made in accordance with the UCRR.
- 7.4 The Company reserves the right to test and/or replace any meter. Upon deposit of a "Meter Testing Fee" by a Customer, the Company will test the Customer's meter. If the test indicates that the meter over-registers by more than 2 percent, it shall be replaced with an accurate meter at no cost to the Customer and the "Meter Testing Fee" shall be refunded and water bills shall be adjusted in accordance with the UCRR. Meter Testing Fees shall require prior approval by the Commission.

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- 7.5 At the Company's discretion, un-metered Customers may be converted to metered service if such transition occurs in a planned, systematic manner without unreasonable discriminations and if the Company has an approved metered rate.
  - 7.6 The Company will have the right to set meters or other devices without notice to the Customer for the detection and prevention of fraud.
  - 7.7 In any building where the meter is to be installed in the basement, the incoming water pipe must enter the basement at least sixteen (16) inches from the riser in order that a meter can be set in a horizontal position in the basement. All pipes to the different parts of the building or grounds must lead from the riser at least one (1) foot above the elbow.

## **8. CUSTOMER PLUMBING AND APPLIANCES**

- 8.1 All plumbing, piping, fixtures and appliances on the Customer's side of the service connection will be installed and maintained under the responsibility and at the expense of the Customer or owner of the premises.
- 8.2 The plumbing, piping, fixtures and appliances shall be maintained in conformity with all municipal, state and federal requirements. The nature and condition of this plumbing, piping and equipment will be such as not to endanger life or property, interfere with service to other Customers or permit those with metered services to divert system water without meter registration.
- 8.3 A stop-and-waste valve will be installed on the Customer's plumbing in a place always accessible and so located as to permit shutting off the water for the entire premises with the least possible delay.
- 8.4 All persons having boilers, water tanks or other equipment supplied by direct pressure from the Company's mains should install a pressure relief valve, or other device to serve the same purpose, so as to prevent excess pressure from forcing hot water and/or steam back into the water meter and mains of the Company. All damage to the Company's property resulting from the failure to properly equip plumbing with a relief valve will be billed to the Customer.

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- 8.5 The Company is not obligated to perform any service whatever in locating leaks or other trouble with the customer's piping.
  - 8.6 When the premises served by the Company are also served in any manner from another water supply of any kind, an approved backflow prevention device shall be installed at the service connection. Water service for either stand-by or other purposes will not be furnished until piping and connections are inspected and approved by a representative of the Company.
  - 8.7 Property owners will not be allowed to connect the water service of different properties together.
  - 8.8 All of the Customer's service pipes and fixtures must be kept in repair and protected from freezing at his or her expense. When there are leaking or defective pipes or fixtures, the water may be turned off at the option of the Company until the proper repairs are made.

## **9 CROSS CONNECTION CONTROL**

- 9.1 Cross Connection – Backflow Prevention: When the premises served by the Company are also served in any manner from another water supply of any kind, an approved backflow prevention device shall be installed at the service connection. Water service for either stand by or other purposes will not be furnished until piping and connections are inspected and approved by a representative of the Company.
  - 9.1 In accordance with its Cross Connection Control Program, as required by the Idaho State Department of Environmental Quality, the Company shall maintain an inspection program to locate cross connections and determine suitable protection. An appropriate backflow prevention assembly shall be installed on any Customer's service connection where an actual or potential health hazard is determined by the Company to exist. Installed assemblies shall appear on the Idaho State Department of Environmental Quality's list of approved backflow prevention assemblies and be inspected by the Company.
- 9.2 In the event of a backflow prevention device is required, it shall be installed and maintained at the Customer's expense. A dangerous condition posing a threat to public health may result from a

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Customer's failure to properly install or maintain the required device. The required device shall be tested annually by a licensed tester at the Customer's expense. If the Company determines that the device has not been tested annually, it may issue a notice to terminate service absent proof of testing. If the Customer fails to provide proof that the device has been tested or otherwise fails to comply with the Company's notice, the Company may discontinue service. If the Company determines that a dangerous condition exists and immediate action is necessary to eliminate an immediate health hazard, it may discontinue service without notice to the Customer in accordance with the Commission's UCRR (IDAPA 31.21.01.303).

9.2 In accordance with Idaho State Plumbing Code Section 602.0, regarding Unlawful Connections (see IDAPA 07.02.06.011), no potable water supply piping on a premise served by the Company shall be made in such a manner that it will be possible for non-potable water to enter any part of the Company's water system. The Company shall determine the type of device or permanent physical separation required for protection in accordance with its Cross Connection Control Program. Installation of any device or separation shall be inspected by the Company.

## **10. INSTALLATION OF SERVICE CONNECTIONS**

- 10.1 The service connection is the property of the Company and as such, the Company is responsible for its installation and maintenance. It consists of piping, curbstop and valve or meter box and a meter, if the system is metered. The service connection transmits water from the Company's water main to a valve or meter box generally located near the Customer's property line. All piping, valves or appliances beyond this point shall be the property and responsibility of the Customer.
- 10.2 The Company reserves the right to designate the size and location of the service line, curbstop, meter (if applicable) and meter or valve box and the amount of space which must be left unobstructed for the installation and future maintenance and operation thereof.
- 10.3 Where a service connection is desired for premises on which there is no permanent structure, the Company will install a service

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connection to said premises only upon payment by the applicant of the estimated cost of said service connection. If within a period of five (5) years from the installation of said service connection a permanent structure is erected on the premises, the Company will refund, with interest, the difference between any approved new Customer charges in effect at the time of connection, and the applicant's advance.

- 10.4 The extra costs of any out-of-the-ordinary circumstances requiring additional equipment or special construction techniques involved in the installation of a service connection will be agreed to in advance by the Customer and the Company.

## **11. REPLACEMENT OR ENLARGEMENT OF SERVICE CONNECTION**

- 11.1 Unless otherwise provided herein, the Company shall replace or enlarge service connections at its own expense as follows:
- 11.1.1 Whenever it is necessary to change the location of any service connection due to relocation or abandonment of the Company's mains; and,
- 11.1.2 For commercial or industrial services where the type or volume of use has changed and the enlargement will result in sufficient increase in annual revenue to justify the enlargement.
- 11.2 The relocation, enlargement or reduction of service connections for the convenience of the Customer will be at the expense of the Customer. Prior to such relocation, enlargement or reduction, the Customer will deposit the estimated cost thereof with the Company. Within fifteen (15) days, a refund will be made to the Customer in the amount by which the estimated cost exceeds the actual cost. The amount by which the actual cost exceeds the estimated cost will be due and payable within fifteen (15) days after billing for such deficiency.
- 11.3 Enlargement of any service connection will be made only after such time as the Customer's plumbing inside his or her premises have been enlarged sufficiently to accommodate the additional capacity.

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## 12. DISCONNECTION AND RECONNECTION OF SERVICE

- 12.1 When a Customer desires to discontinue service he shall give notice to the Company at least two (2) days in advance and be responsible for all water consumed for the two (2) days after the date of such notice.
- 12.2 The Company shall discontinue a Customer's service on an involuntary basis only in accordance with UCRR.
- 12.3 When it becomes necessary for the Company to involuntarily discontinue water service to a Customer, service shall be reconnected only after all bills for service then due have been paid or satisfactory payment arrangements have been made.
- 12.4 A reconnection fee may be charged each time a Customer is disconnected, either voluntarily or involuntarily, and reconnected at the same premises. The reconnection fee will be paid before service is restored. Reconnection fees shall not be charged for any situation or circumstance in which the Customer's water supply is disconnected by the Company for its convenience.
- 12.5 The Company reserves the right at any time, upon notice, to shut off the water for maintenance or expansion and, in emergencies, may do so without notice. The Company shall at all times use reasonable diligence and care to prevent interruption of said water service.
- 12.6 Except in the case of an emergency, no one, except an authorized Company representative, shall turn on or turn off the water on the Company's side of the service connection.

## 13. EXTENSION OF WATER MAINS

- 13.1 The extension of system water mains for the purpose of providing new service shall be handled in accordance with the "Uniform Main Extension Rules for Small Water Companies" which is attached to these Rules and Regulations as an Appendix.

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## **14. MISCELLANEOUS**

- 14.1 No customer shall permit any person from another premises to take water from his or her water service or tap for more than (1) week without the written permission and consent of the Company.
- 14.2 No person acting either on his or her own behalf or an agent of any person, firm, corporation or municipality not authorized by the Company shall take any water from any fire hydrant on the Company's system except in the case of an emergency.
- 14.3 No person shall place upon or about any hydrant, gate, box, meter, meter box or other property of the Company any building material or other substance so as to prevent free access at all times to the same.
- 14.4 Service will be maintained to domestic Customers on a preferential basis. Delivery of water under all schedules may be restricted, interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of water.
- 14.5 No rate contract or application is assignable from one user to another, except upon agreement of all parties concerned.
- 14.6 The Company representative shall be given access to the premises of the Customer at all reasonable hours for obtaining meter readings, for turning on or shutting off the flow of water, for inspecting, removing, repairing or protecting from abuse or fraud any of the property of the Company installed on the premises. Access shall be granted at all times for emergency purposes.
- 14.7 No one shall tamper or interfere with the Company's equipment or property, nor shall repairs, connections or replacements be made without the Company authorization.
- 14.8 Whenever an applicant desires service of a character for which there is no available service classification, a contract may be executed in lieu of a tariff. Any such contract shall be subject to the approval of the Commission.
- 14.9 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.
- 14.10 If the customer's property is vacant and the Company is not notified to terminate service, the customer will be responsible for

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any damage to the Customer’s property arising from freezing,  
water damage, injury to the water service or any other failure.

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## **APPENDIX**

### **UNIFORM MAIN EXTENSION RULE FOR WATER UTILITIES**

See the Commission web page ([puc.idaho.gov](http://puc.idaho.gov)) to find the Uniform Main Extension Rule of Water Utilities.

All extensions of distribution mains from the Company's existing distribution system, to serve new Customers, except for those specifically excluded in the rule shall be made under the provisions of this Rule unless specific authority is first obtained from the Commission. (Order No. 7830, Case No. U-1500-22).

Also see the See the Commission web page ([puc.idaho.gov](http://puc.idaho.gov)) to find the UCRR – Customer Relations Rules for Gas, Electric, and Water Public Utilities Regulated by the Commission - IDAPA 31.21.01.000 et seq.

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