

**RULE VII****WATER RATES****1. RATE CLASSIFICATIONS**

Customer accounts shall be classified in 6 categories of use designated as:

Wholesale (W2) [The W2 Account designation replaced the W1 Account designation effective 2-11-2004 concurrent with a change in wholesale rate structure.]

Commercial-Temporary Use (C3)

Large Commercial (C2)

Small Commercial (C1)

Multi-Family Residential (M1)

Single Family Residential (R1)

In the event of ambiguity in classification criterion or divergent uses, the account will be assigned to the rate classification appearing first from among the possible applicable classifications as listed above.

**2. BILLING FREQUENCY**

Single family residential accounts shall be billed bimonthly. All other accounts shall be billed monthly. For possible exceptions see Sub-sections A and B, Section 1 of Rule V.

**3. STANDBY SERVICE CHARGE**

If a customer requests temporary discontinuance of water service at a permanent connection, a Standby Service Charge will be incurred monthly during the period of non-use and such charge will be prorated for partial months of non-use. Such Standby Service Charge shall consist of the appropriate monthly service charge based upon the customer's classification. (See provision in Rule XIV, Section 3). In addition, Field Trip

and Reconnection Trip Charges will be assessed in accordance with Rule V, Section 5, Subsections D.

4. RETAIL WATER RATES

See Rule XVIII, "Fee Schedules".

5. WHOLESALE WATER RATES

Wholesale Water Rates will apply to Customers located outside the Water District's retail service boundaries who enter into a Wholesale Agreement with the District. The Wholesale Monthly Service Charge and Base Volume Charge per 1,000 gallons are set forth in Rule XVIII.

In addition to the service charge and volume charge, the Wholesale (W2) Agreement requires an initial contribution of a Wholesale System Development Charge (see Rule XI).

Other Provisions For Wholesale Customers:

Other provisions, fees, and charges for each Wholesale Customer will be as specified within the Wholesale Agreement, as approved and/or amended by the Water District Board, between the Water District and each Wholesale Customer.

6. TERMINATION OF BILLING EXEMPTIONS FOR WATER USAGE AT FIRE STATION FACILITIES

The District has traditionally exempted fire stations from the application of rates and charges to the metered service for domestic use at these facilities. Effective with January 1995 billing, this exemption is terminated and all existing and future fire station facilities will be subject to billing at the applicable Retail Commercial water rates.