WATER RULE 4

DEPOSITS AND SERVICE TURN-ON CHARGE

A. DEPOSITS

Deposits will be required when a customer is otherwise unable to satisfactorily establish or re-establish credit as set forth in Rule No. 3.

B. AMOUNT OF DEPOSIT TO ESTABLISH SERVICE

A minimum deposit will be required to establish residential service. The amount of deposit required to establish non-residential service will be equal to twice the estimated average monthly bill for water service, but in no event less than a minimum residential deposit as established by the Board of Public Utilities and City Council. The amount of the deposit required for Utility furnished metering and backflow equipment shall be as defined in Rule No. 8.

C. AMOUNT OF DEPOSIT TO RE-ESTABLISH SERVICE

If service is terminated for any reason other than customer requested turn off, or if a notice of discontinuance has been given, the Utility may require the Customer to pay a deposit, or an additional deposit, up to an estimated average three-month bill. In no case shall the amount of deposit be less than the minimum deposit as set forth in APPENDIX A, WATER FEES AND CHARGES SCHEDULE.

D. PAYMENT OF DEPOSIT

1. Deposits are due upon application for service and delinquent 14 days later.

2. Deposits will not be used as payment for past-due bills to avoid discontinuance of service.

E. RETURN OF DEPOSIT

1. Upon discontinuance of service, the Utility shall apply the Customer's deposit and accrued interest to the unpaid bills and refund any balances that exceed $10 by mail. Any refunds with a balance of less than $10 will be refunded to Customers upon request.

2. After the Customer has maintained a good payment record for twelve (12) consecutive months, the Utility shall apply the Customer's deposit, including accrued interest, to the Customer's bill.

3. The Utility may apply the deposit to the Customer's account at any time upon request, provided the Customer's credit may otherwise be established in accordance with Rule No. 3, ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT.

F. INTEREST ON DEPOSITS

1. Simple interest as established annually by the Board of Public Utilities will be accrued for the period that the deposit is held by the Utility.

2. Interest may only be applied to the Customer's active account at the discretion of the Utility.

G. SERVICE TURN-ON CHARGE

1. A service turn-on charge shall be made for turning on water service during normal working hours on the following workday. There will be an additional charge for the same day and after-hours turn-on of service, or special appointment turn-on service, when specifically requested by the Customer. A service charge will be assessed for each additional field visit required to complete the service turn-on order.

2. The Utility shall not be liable for any loss or damage caused by the improper installation, maintenance or malfunction of any water apparatus or appliance, or for damage caused by the turning on and off of water service by the Utility Forces.