

**A REGULATION OF THE MUSICK MEADOWS MUTUAL WATER COMPANY #2
(MMMWC#2)
INSTITUTING A TIERED WATER RATE STRUCTURE FOR COMMERCIAL WATER
CONNECTIONS
Regulation 2018 - 01**

MMMWC#2 DOES ORDAIN AS FOLLOWS:

SECTION I – PURPOSE

The purpose of this regulation is to implement a tiered water rate and excessive water use fine structure that will encourage water conservation, ensure the water supply is adequate to meet the needs of all Shareholders, and provide for the costs of meeting water demands.

SECTION II – RESPONSIBILITY

The MMMWC#2 Board of Directors has the responsibility and authority pursuant to the bylaws to levy and collect assessments necessary to pay the expenses of corporate activities.

SECTION III – WATER RATE STRUCTURE

Exhibit 1, *Musick Meadows Mutual Water Company #2 Commercial Water Rate Structure*, of this regulation was adopted by the MMMWC#2 Board on January 12, 2018. These commodity rates are in addition to and do not replace the annual assessment. However, usage up to 5000 gallons per month is included with the annual assessment.

SECTION IV – BILLING CYCLE

Customer meters will be read on a monthly basis. Commodity based water usage will be billed quarterly with the following billing cycles:

July 1 – September 30
October 1 – December 31
January 1 – March 31
April 1 – June 30

Bills will be sent within 30 days of the end of the billing cycle and are due within 60 days.

SECTION V – REMEDIES FOR NON-PAYMENT

Remedies for non-payment will be governed by the provisions of ARTICLE XVII, Assessments, Collections, and Liens, of the MMMWC#2 bylaws as well as any delinquent fees or interest penalties adopted by the Board as a part of the annual assessment determination.

SECTION VI – EXCESSIVE USAGE

MMMWC#2 has an obligation to all shareholders to provide safe and adequate potable water. Should any Shareholder use an excessive amount that compromises the water company's ability to provide said water supply to all Shareholders, MMMWC#2 reserves the right to restrict water usage by reducing water pressure at the connection, or any other means feasible.

SECTION VII – EFFECTIVE DATE

These water rates will be effective July 1, 2018.

SECTION VIII – VERIFICATION

This Regulation was passed and adopted by the MMMWC#2 Board on January 12, 2018, 2018. I certify that the foregoing is a full, true, and correct copy of Resolution 2018 – 01.

A handwritten signature in black ink, appearing to read "Mike Leonardo", written over a horizontal line.

Mike Leonardo

MMMWC#2 Board President

EXHIBIT 1
Musick Meadows Mutual Water Company #2
Commercial Water Rate Structure

Adopted January 12, 2018

Effective July 1, 2018, MMMWC#2 will have the following rate structure for all Commercial Water Customers. Water Usage rates as detailed below are per month.

COMMERCIAL WATER RATES		
Tier	Water Usage	Rate per 100 gallons
1	0-5000 gallons	Included in annual assessment
2	5001 – 10,000 gallons	\$0.75
3	10,001 – 20,000 gallons	\$1.50
4	20,001 – 30,000 gallons	\$2.50
5	Over 30,000 gallons	\$2.50 plus excessive water use fines

Effective July 1, 2018, MMMWC#2 will have the following excessive water use fine structure for Commercial Water Customers.

EXCESSIVE WATER USE FINES	
First offense within a calendar year	\$100
Second offense within a calendar year	\$250
Third and subsequent offenses within a calendar year	\$500

At the Board's sole discretion, any Tier 4 usage may trigger additional measures to reduce water consumption by the water user. Any Tier 5 usage may also trigger restrictions on water deliveries to that water user.

Water meters will be read monthly and billed quarterly. All water rates are in addition to the normal annual assessments for water and snow removal.