PALMDALE WATER DISTRICT

RULES AND REGULATIONS

Palmdale Water District

Rules and Regulations

Updated & Distributed June 2015

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ARTICLE 5: CONFLICT OF INTEREST CODE AND DISCLOSURE
(Appendix Revised 11-26-14)

The District has adopted a Conflict of Interest Code in accordance with state law and incorporates such Code herein. The District Conflict of Interest Code is attached hereto as Appendix B.

ARTICLE 6: INDEMNIFICATION OF OFFICERS, DIRECTORS AND EMPLOYEES

The District has adopted an express policy concerning defense and indemnity of its employees, former employees, officers or former officers and members or former members of its Board of Directors to the fullest extent permitted by law. A copy of Resolution 93-4, which outlines this policy, is attached hereto as Appendix R.

ARTICLE 7: CALIFORNIA ENVIRONMENTAL QUALITY ACT GUIDELINES
(Appendix Revised 2-7-05)

The District has adopted CEQA Environmental Review Guidelines in accordance with state law and incorporates such guidelines herein. The District CEQA Environmental Review Guidelines are attached hereto as Appendix L.

ARTICLE 8: RULES APPLICABLE TO EXISTING CONSUMERS **(Revised 2-27-95)**

8.01: DESCRIPTION OF SERVICE

A. Quantities: The District will use its best efforts to supply water dependably and safely in adequate quantities and pressures to meet the reasonable needs and requirements of Consumers.

B. Pressures: The District's goal is to maintain normal operating pressure of not less than 40 pounds per square inch nor more than 125 pounds per square inch at the service connection except that during periods of hourly maximum demand the pressure at the time of peak seasonal loads may not be less than 30 pounds per square inch and that during periods of hourly minimum demand the pressure may not be

more than 150 pounds per square inch. However, there exist some isolated areas where pressure normally drops below 40 pounds per square inch or exceeds 125 pounds per square inch. Variations in pressure under normal operation will not exceed 50 percent of the average operating pressure. (The average operating pressure will be determined by computing the arithmetical average of at least 24 consecutive hourly pressure readings.) The District does not, however, make any guarantee to the consumer as to operating pressures or flows.

C. Quality: Whenever furnished for human consumption or for domestic uses, the District will endeavor to provide water that is wholesome, potable, in no way harmful or dangerous to health and, insofar as practicable, free from objectionable odors, taste, color and turbidity.

D. Responsibility for Loss or Damage: Consumers shall accept such conditions of pressure and service as are provided by the District system and hold the District harmless from any loss or damage to Consumers resulting from the District's failure to meet the service goals stated within this section or due to any interruptions in service or any change in pressure. The District shall not be liable for any damage resulting from inadequate capacity, defective plumbing, broken or faulty service lines, or any conditions beyond the control of the District or otherwise.

8.02: CONDITIONS OF SERVICE AND RIGHTS OF THE DISTRICT AND CONSUMERS

A. Notices:

1. Notice to Consumers

Notice to a Consumer will normally be in writing and will be delivered or mailed to the consumer's last known address. In

emergencies or when circumstances warrant, the District, where feasible, will endeavor to promptly notify the consumer affected and may make such notification orally, either in person or by telephone, or by leaving a written notice on the door.

2. Notice from Consumers

A Consumer may make notification in person, by telephone or by letter to the District at its commercial office.

B. Change in Consumer's Equipment, Operations or Land Use: A Consumer making any material change in the size, character, or extent of the equipment, operations, or nature of land use such as using water for commercial activities where water has been previously used for residential purposes only, shall immediately give the District written notice of the nature and extent of the change.

C. Continuity of Service: The District expressly reserves the right to restrict, curtail, allocate or apportion District water supplies as necessary, in the sole discretion of the District.

1. Emergency Interruptions

The District will make all reasonable efforts to prevent interruptions to service and, when such interruptions occur, will endeavor to re-establish service with the shortest possible delay consistent with the safety of the District's customers and the general public.

Where an emergency interruption of service affects the service to any public fire protection device, the District will promptly endeavor to notify the Fire Chief, or other public official responsible for fire protection, of such interruption and of subsequent restoration of normal service.

2. Scheduled Interruptions

Whenever the District finds it necessary to schedule an interruption to its service, it will, where feasible, notify all Consumers to be affected by the interruption, stating the approximate time and anticipated duration of the interruption. Scheduled interruptions will be made at such hours as will be least inconvenient to the Consumers consistent with reasonable utility operations.

Where public fire protection is provided by the mains affected by the interruptions, the District will promptly endeavor to notify the Fire Chief, or other officials responsible for fire protection, stating the approximate time and anticipated duration of the interruption. In addition, the Fire Chief or other official responsible for fire protection will be notified promptly upon restoration of service.

3. Apportionment of Supply During Times of Shortage

During times of threatened or actual water shortage, the District will apportion its available water supply among its Consumers as directed by the appropriate state and local authorities. In the absence of direction from such authorities, it will apportion the supply in the manner that appears most equitable under circumstances then prevailing and with due regard to public health and safety.

D. Ownership of Facilities on Consumer's Premises

The service lateral, meter, and meter box furnished at the Consumer's expense and located wholly or partially upon a Consumer's premises are the property of the District. No rent or other charge will be paid by

the District where the District-owned service facilities are located on a Consumer's premises.

E. District Access to Consumer's Premises

The District shall at all reasonable hours have access to meters, service connections and other property owned by it which may be located on Consumer's premises for purposes of installation, maintenance, operation or removal of the property at the time service is to be terminated. The Consumer's system shall be open for inspection at all reasonable times to authorized representatives of the District. Any inspection work or recommendations made by the District or its agents in connection with plumbing or appliances, cross-connections or any use of water on the Consumer's premises, either as a result of a complaint or otherwise, may result in a charge to the Consumer.

F. Service Calls

Where the District requires access to the Consumer's premises for maintenance, service, or otherwise, and the Consumer's presence is required for such service call, the District shall give the Consumer a one day's notice during which the service call shall be made. Service call may occur anytime between 8 a.m. and 5 p.m. during normal operating hours. However, if requested, the District can schedule a service call with the Consumer for a shorter time frame between the hours of 3-5 p.m. during normal District operating days.

G. District's Responsibilities for Damage or Loss to Consumer

The District will not be responsible for any loss or damage caused by any negligence or wrongful act of a Consumer or of a Consumer's authorized representatives in installing, maintaining, operating or using any or all appliances, facilities or equipment which is supplied.

H. Consumer's Responsibility for District Property

The Consumer will be charged for damage to District's meters and other property resulting from the use or operation of appliances and facilities on Consumer's premises, including but not limited to, damage caused by steam, hot water or chemicals.

I. Resale of Water

Except by special agreement with the District, no Consumer shall resell water received from the District, nor shall such water be delivered to a property other than that specified in the application for service. When property provided with a service connection is subdivided, the service connection shall be considered as belonging to the lot or parcel of land which it directly enters. Except by special permission of the District's Board of Directors, a service connection shall not be used to supply water to any parcel of land other than the parcel on which the service connection is located and for which all relevant connection fees have been paid.

8.03: RATES (Appendix Revised 12-10-14)

A. General Provisions: Rates and charges for water consumption, as specified under various classifications of service, and other miscellaneous charges are set by the Board from time to time. Current rates and charges are set forth in the attached appendices according to section and rate classification as set forth below.

B. Water Rates: Retail charges consist of a minimum monthly service charge based on meter size, a water budget commodity rate charge based on allocation and usage, a water quality fee, a drought surcharge, and an elevation booster surcharge, if applicable, attached hereto as Appendix C.

1. **Variances:** **(Approved 9-30-09)**

Variances to the water rate budget structure are available to qualifying consumers. Variance policies for the water rate budget structure and the variance application are attached hereto as Appendix C.1. If approved, the variance adjustment will apply to the current and the previous month's billing.

2. **Adjustments:** **(Approved 7-28-10)**

A courtesy adjustment is available to customers who exceed their allocation caused by extraordinary water consumption due to leaks. The application and program conditions are attached hereto as Appendix C.2.

3. **Rate Assistance Program:** **(Approved 8-13-14)**

A rate assistance program has been developed to assist low income ratepayers by offering an assistance amount up to fifty percent (50%) off of the monthly service charge to those who qualify. The program conditions and application are attached hereto as Appendix C.3

C. Miscellaneous Charges: **(Revised 3-11-09)** In order to recover the cost associated with afterhours service calls, late payments, disconnections, reconnections and other damages sustained by the District, the specified items listed below are charged to Consumers; the dollar amounts associated with each item are determined by the Board and are attached hereto as Appendix D.

1. **Non-Payment Shutoff Fee**

If a Consumer requests resumption or continuance of service after such service has been disconnected, then the non-payment which led to the disconnection shall be deemed to be evidence of non-credit worthiness and the Consumer shall be required to

make a security deposit, pay a Non-Payment Shutoff Fee, unpaid user and late charges, advance payments required by these Rules and Regulations, and meet any other conditions set forth by the District.

2. Rejected Payment Charge (Revised 5-11-11)

When a Consumer's payment for water service or other charges is rejected for any reason, the District shall issue a Notice of Rejected Payment on a 48-Hour Disconnect Notice as set forth in Article 8.04(G)(6) below. The 48-Hour Disconnect Notice will become effective if the water service charges together with the Rejected Payment Charge and the 48-Hour Disconnect Notice Fee are not paid in cash or other certified funds before or on the date specified on the 48-hour notice. No additional 48-hour notice will be given in the event the rejected payment was tendered as payment for water service disconnected for non-payment. Upon shutoff of water service for a rejected payment, a Non-Payment Shutoff Fee will be charged to the account per Item 1 of Appendix D. When a second rejected payment occurs for reason within a year of the first rejected payment, service shall be discontinued without notice to the Consumer and will not be restored until all charges, fees and deposits specified herein have been paid in cash or other certified funds at the District office. In addition, for a period of one year, the customer will be required to pay all charges for water service with cash or certified funds.

3. Meter Test Charge

The District shall endeavor to keep the meters in good condition and registering accurately. Any Consumer may

request that his meter be examined and tested to see if it is correctly recording water delivered through it. Said request shall be made on a form furnished by the District and shall be signed by the Consumer. If such examination and test reveals that quantities of water recorded by the meter fall outside of a range between 97 percent and 103 percent of the actual quantities of water passed through the meter during the test, the cost of such test shall be paid by the District. If the meter is found to be registering within three (3) percent accuracy, the cost of such test as set forth in Appendix D shall be paid by the Consumer to the District on demand. All other tests and examinations of meters shall be at the District's expense.

4. Pulled Meter Charge

If a Consumer's service has been disconnected and the meter has been "pulled" or removed from the premises, then the Consumer shall pay at the District office a pulled meter charge along with any other charges before the service and meter can be reconnected.

5. Unauthorized Water Use

Any person or entity found taking water from or through any of the District's facilities without District authorization will be assessed a fine payable to the District, as set forth in Appendix D, in addition to applicable District charges for the quantity of water taken. Written notice of the assessment of such fine shall be given by personal service or by registered or certified mail.

6. Charge for Turn Off at Main

If the water to a property is turned on more than once without District authorization, the service may be shut off at the main,

and the Consumer shall be required to pay, in addition to any other applicable charges, a charge for the expense of reconnection prior to the re-establishment of service.

7. Property Damage

If a Consumer, new applicant or developer is found to be responsible for any damage done to District property, such damages shall be reimbursed to the District at cost plus administrative overhead. If responsibility for damage is not known, charges will be made to the current Consumer or property owner.

a. Consumers who operate the District owned angle stop in order to stop leaks or flooding at their property and damage the angle stop in the process, the District will review the service location to determine the last time the angle stop was replaced. If the angle stop replacement was over 5 years ago, the District will assess the charge on the consumers account, but waive the charge as a courtesy. The consumer must also agree in writing to install or have installed at their own expense an isolation value on their side of the service.

8. Cleaning and Walk-Thru Water Service

Temporary service will be provided to an existing water service for a maximum of five working days to facilitate cleaning and showing of property for sale or rent. This service is not to be used for maintenance requiring high volumes of water. Allowed usage of water is five (5) units of water or less. Any water usage in excess of five (5) units will be charged at the District rates and billed directly to the user. Charges are as listed in Appendix D.

9. Turn-on/off Fee

If a customer requests that a service be turned on after paying all applicable fees and charges as described herein and a Palmdale Water District representative turns the water service on and water is found to be running, or when a customer requests that water be turned off due to the customer working on plumbing, the customer shall then be required to pay a Turn-on/off Fee.

10. 48-Hour Disconnect Notice Fee

When a 48-Hour Disconnect Notice has been issued by the District as set forth in Article 8.04(G) (4) below, the customer shall be required to pay a 48-Hour Disconnect Notice Fee.

D. Rates for Compound Meters Sized for Fire Protection:

(Revised 2-23-98) Effective March 1, 1998, compound meters which are sized for fire protection and used primarily for providing domestic and/or industrial water will be charged using the middle register for meters containing three registers, or by using the smallest register for meters containing two registers as the base for the minimum monthly charge. In addition to the above, there will be a flat rate charge of $100.00 per month for standby pressures and quantities of water for fire protection and to cover the costs of maintenance, repair, and testing of the meter and appurtenances. For example, an 8" x 4" x 2" compound meter will be assessed its minimum bill on the four-inch register and an 8" x 2" compound meter will be assessed its minimum bill on the two-inch register. If any usage is registered on the large component register for any given month, the standard rate for billing for that size meter will be charged plus the standard rate for amounts of water used above the volume allowable per said minimum monthly

charge. In addition, the District will check said compound meters for accuracy at least once, and preferably twice, a year.

8.04: BILLING PROCEDURES (Revised 5-27-15 per Appendix FF)

A. Joint Service: No joint service is allowed. An individual party will be solely liable for payment of bills.

B. Re-establishment of Credit: A Consumer whose service has been discontinued for nonpayment will be required to pay any unpaid balance due the District for the premises for which service is to be restored and may be required to pay a Non-Payment Shutoff Fee as prescribed in Article 8.03(C)(1) before service is restored.

C. Bankruptcy of Consumer: Pursuant to the Bankruptcy Act (P.L. 95-598, as amended from time to time), the District shall not alter, refuse or discontinue service to, or discriminate against, a Consumer, or a trustee of a Consumer, solely on the basis that a debt owed by the Consumer to the District for service rendered before the order for relief was not paid when due. It shall be the responsibility of the Consumer to supply the District with a copy of any applicable order for relief. The District shall discontinue service if neither the Consumer, nor the trustee, within 20 days after the date of the order for relief, furnishes adequate assurance of payment in the form of an advance payment for service after such date. As used herein, "adequate assurance of payment" shall mean a deposit in accordance with the criteria set forth in Appendix E. As used herein, "order for relief" shall have the same meaning as given to it in the Bankruptcy Act. The commencement of a voluntary case under the Bankruptcy Act shall constitute an order for relief. Service may be discontinued in accordance with the rules of the District upon non-payment for service rendered after the order of relief.

D. **Refund of Advance Payment:** Upon discontinuance of a service, the District will refund the balance of the Consumer's advance payment for that service, in excess of any unpaid bills. Refunds will be made within a reasonable period of time.

E. **Rendering and Payment of Bills:** Bills for service will be rendered on a monthly basis unless otherwise provided in the rate schedules (Appendix C). Bills for service are due and payable upon presentation and become delinquent 25 days from the date of the invoice. In the event that the bill is not paid within that time, the Consumer will be assessed a late charge as set forth in Appendix D. Payment may be made at the office of the District or to any representative of the District authorized to make collections. However, it is the Consumer's responsibility to assure that payments are received at the District's office in a timely manner. Partial payments are not authorized unless prior approval has been received from the District's office. Collection of closing bills may be made at the time of presentation.

F. **Separate Meters:** Each meter on a Consumer's premises will be considered separately and the readings of two or more meters will not be combined except where combination of meter readings is specifically provided in the applicable rate schedule, or where the District's operating convenience or necessity may require the use of more than one meter or a battery of meters. In the latter case, the monthly minimum charge will be determined from the monthly minimum charge on the basis of a meter size equivalent in discharge area to the total combined discharge areas of such meters.

G. **Delinquent Bills:** The following rules apply to Consumers whose bills remain unpaid after 25 days from the invoice date.

1. **Small Balance Accounts**. If any balance amounting to $10.00 or less remains unpaid, it shall be carried over and added to the next billing.

2. **Delinquent Balances**. If payment for a billing period is not made on or before the 25th day after the date of the invoice, a late charge will be assessed to the account as listed in Appendix D. The Consumer then has eight (8) days prior to issuance of a 48-Hour Mailed Disconnect Notice to settle the account. After receipt of the invoice and up to 2 days prior to the date set for disconnection, the Consumer may request an amortization payment plan pursuant to Article 8.04(J).

3. **Turn-Off Deadline**. Water service charges and late charges must be paid on or prior to 6:00 p.m. on the date specified on the 48-Hour Disconnect Notice.

4. **First Written Mailed Notice of Disconnection.** Upon assessment of a late charge on the account, no later than the 25th day after the date of the invoice and no less than 15 days before the account is scheduled to be subject to disconnection, the District will mail notices to the Account Holder, *i.e.,* the person or entity responsible for the payment on the account, and to water users at the property address(es) served on the account (or to property managers, in the case of multi-unit properties), if that address is different from the Account Holder's mailing address, informing them of:

   (1) The name and address of the Account Holder whose account is delinquent.

   (2) The amount of the delinquency.

(3) The date by which payment or arrangements for payment pursuant to Section 8.04(J) is required in order to avoid termination.

(4) The procedure by which the Account Holder may initiate a complaint or request an investigation pursuant to Section 8.04(H) concerning service or charges, except that if the bill for service contains a description of that procedure, the notice is not required to contain that information.

(5) The procedure by which the customer may request amortization of the unpaid charges, pursuant to Section 8.04(J).

(6) The procedure for the Account Holder to obtain information on the availability of financial assistance, including the District's Rate Assistance Program, or any private, local, state, or federal sources, if applicable.

(7) The telephone number of a representative of the District who can provide additional information or institute arrangements for payment pursuant to Section 8.04(J).

(8) Notice to the "Water User" in English, Spanish, Chinese, Tagalog, Vietnamese and Korean as follows:

NOTICE TO ALL PROPERTY OWNERS, LANDOWNERS, AND PROPERTY MANAGERS THIS NOTICE OF TERMINATION MUST BE PROVIDED TO TENANTS/RESIDENTS

WATER SERVICE TO BE TURNED OFF IN 10 DAYS

Date of Mailing:
Date of TurnOff:
Service Property Address:

TO THE WATER USER:

Water service to this address is scheduled to be discontinued in 10 days for non-payment. To avoid the loss of water service, you must contact your landlord, property manager or property owner regarding payment of the water bill.

Please call a customer service representative at (661) 947-4111 to learn how to continue water service at your address; receive an estimated monthly cost of water service, and obtain the address of the local office where you can speak to a customer care representative in person.

5. Second Written Mailed Disconnection Notice. At least seven days prior to actual disconnection, the District shall mail a second notice to the account holder to ensure the Consumer receives notice at least 48 hours before disconnection. This second mailed notice shall include:

(1) The Account Holder's name and address

(2) The amount of delinquency

(3) The date by which payment must be made or arrangements for payment pursuant to Section 8.04(J) is required in order to avoid termination.

(4) The procedure for the Account Holder to obtain information on the availability of financial assistance, including private, local state, or federal sources if applicable.

(5) The telephone number of the District representative who can provide additional information or institute arrangements for payment pursuant to Section 8.04(J).

6. **Waiver of Second Mailed Notice to Public Agencies.** Because of usual sound financial base and variations in warrant payment procedures, public agencies will not be sent a 48-Hour Delinquent Notice for delinquent payment of current accounts.

7. **Notification of Rejected Payment Disposition**. Upon receipt of a rejected payment taken as remittance of water service or other charges, the District will consider the account not paid. The District will make a reasonable, good-faith effort to notify the Consumer of the rejected payment. Water service will be disconnected if the amount of the rejected payment, the rejected payment charge, and a deposit if required, are not paid within 48 hours of the date of notice. All amounts paid must be cash or certified funds.

   In the event a consumer's payment is rejected for any reason and the rejected payment was tendered for water service disconnected for non-payment, and as a result the District restores the service, the District may again promptly disconnect service without providing further notice. No additional notices will be given in the case of a rejected payment tendered for payment of water charges that were subject to discontinuance.

8. **Rejected Payment-Issued to Restore Service**. Any Consumer whose payment is rejected for any reason and the payment was submitted to restore service turned off for non-payment, will be required to pay, for one year, cash or certified funds to have service restored if turned off again within this time period for non-payment.

H. Disputed Bills: The procedure to be used to contest the accuracy of water charges upon receipt of a bill for water service is as follows:

1. Up to five (5) calendar days prior to the Payment Due Date on the bill for water service, the Consumer has a right to initiate a complaint or request an investigation regarding any bill tendered by the District. Such protest shall be made in writing and delivered to the District at its office, along with all evidence and data the Consumer wishes to be considered by the District.

2. Following receipt of a complaint or a request for an investigation, the Manager shall review and evaluate the evidence provided by the Consumer and the information on file with the District concerning the water charges in question, and shall render a decision as to the accuracy of the water charges and shall also render a brief written summary of the decision.

a. If water charges are determined to be incorrect, a corrected invoice will be provided and the revised charges will be due within ten (10) calendar days after the date of invoice for revised charges. If the revised charges remain unpaid after the prescribed period of time, water service will be terminated on the working day following the period allowed for payment, subject to the right of appeal to the Board of Directors. Water service will be restored only after outstanding water charges and any and all applicable Non-Payment Shutoff Fees and other charges are paid in full.

b. If the water charges in question are determined to be correct, the water charges are due and payable at the time the decision of the Manager is rendered.

c. At the time the decision of the Manager is rendered, the Consumer will be advised of the right to further appeal before the Board.

d. If the decision of the Manager is not to the satisfaction of the Consumer, the Consumer may request a hearing before the Board at a regular meeting. A request for hearing must be submitted in writing to the District at least ten calendar days prior to the next regular meeting of the Board.

e. Water service may not be terminated until the investigation is completed and the Consumer has been notified of the District's decision.

3. When a hearing before the Board is requested, such request shall also be made in writing and delivered to the District at its office and the Consumer shall appear at the hearing and present evidence and reasons as to why the water charges in question are not accurate. The Board shall evaluate evidence presented by the Consumer, as well as information on file with the District concerning the water charges in question, and render a decision as to the accuracy of said charges.

a. If the Board finds the water charges in question are incorrect, the Consumer will be invoiced for any additional charges and payment of the invoice is due within ten (10) calendar days from the date of said invoice. Any overcharges will be reflected as a credit on the next regular bill to the Consumer, or refunded directly to the Consumer, in the sole discretion of the Board. If the revised charges remain unpaid after the

prescribed period of time, water service will be terminated on the working day following the period allowed for payment. Service will be restored only after outstanding water charges and any and all applicable Non-Payment Shutoff Fees and other charges are paid in full.

b. If the Board finds that the water charges in question are correct, the Board's decision is final and binding.

I. Adjustment of Bills for Meter Error: (Revised 2-23-98) The Consumer may request an adjustment of the bill on the basis of meter error. Such a request must be made in writing and the rules set forth in Article 8.03(C) (3), Meter Test Charge, will apply. The District will, within one week, proceed to test the Consumer's meter; the meter will be tested in an "as found" condition, in order to determine the average meter error. If the average meter error is found to exceed 3 percent, that is if quantities of water recorded by the meter are outside of a range between 97 percent and 103 percent of the actual quantities of water passed through the meter during the test, the following billing adjustments will be made.

1. Fast Meters

The District will refund to the Consumer the amount of the overcharge based on corrected meter readings of the period the meter was in use and determined to be incorrect, but not to exceed a period of six months.

2. Slow Meters

The District may bill the Consumer, at its option, for the amount of the undercharge based upon corrected meter

readings for the period the meter was in service and determined to be incorrect, but not to exceed a period of four months.

3. Non-Registering Meters

The District may bill the Consumer according to an estimate of water consumed while the meter was not registering, but not exceeding a period of four months. This estimate will be based on the Consumer's prior use during the same season of the previous year if conditions were unchanged during the year, or on a reasonable comparison of consumption of other similar Consumers during the same period.

4. General

If the meter error is caused by some event, the date of which can be determined, then the billing adjustment will be made for the period of time since the date of such event; such a period may exceed the six-month limitation for fast meters and the four month limitation for slow or non-registering meters, as stated in 1 through 3 above.

J. Amortization of Unpaid Balance.

1. Certification by Physician: Where a licensed physician certifies that the termination of service will be life-threatening to the Consumer and the Consumer is unable to pay for the service within the normal payment period but is willing to enter into an amortization agreement, then the Consumer may request, in writing, a 12-month amortization payment plan.

2. Amortization Payment Plan: Upon written confirmation of the doctor's certification of life-threatening conditions, determination by the District of the Consumer's inability to pay and District approval of the request, a written amortization plan

will be entered into between the District and the Consumer. The Consumer will be charged an administrative fee representing the cost to the District of initiating and administering the plan, and the plan shall include a charge for interest of ten percent (10%) per annum or the maximum legal rate, whichever is lower, on the unpaid balance.

3. **Compliance with Plan:** The Consumer must comply with the amortization plan and remain current as charges accrue in each subsequent billing period. The Consumer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan. Failure to comply with the terms of an amortization plan will result in delivery of a 48-Hour Disconnect Notice.

8.05: TURN ON AND TURN OFF PROCEDURES AND CHARGES
(Revised 2-27-95)

A. Turn-off at the Consumer's Request: A Consumer may request that service be discontinued either temporarily or permanently. Such request must be made by giving at least one working day's advance notice to the District. If such a notice is not given, the Consumer will be billed for service until one working day after the District acquires knowledge that the Consumer has vacated premises or otherwise has discontinued service. (Form attached hereto in Appendix S)

B. Turn-off by the District: The District may disconnect a Consumer's service for various reasons which are listed below. Such involuntary disconnections are effected by turning off and locking the meter, thereby stopping the water service; the District will make a reasonable attempt to notify the Consumer in person of the disconnection, or will place a disconnection notice on the premises served by the disconnected meter at least 48 hours prior to termination. Reasons for

involuntary disconnection include, but are not limited to, the following:

1. For Non-Payment of Bills

A service may be disconnected for non-payment of periodic bills. Before a service is disconnected, the Consumer will be notified by a 48-Hour Disconnect Notice as set forth in Article 8.04(G). A service may be disconnected for non-payment of bills of a Consumer whether or not the payment delinquency is associated with water service at that service connection or at any other water service connection of that same Consumer.

2. For Waste of Water (Revised 5-27-15)

In order to protect itself and its Consumers against willful or negligent waste or misuse of water, the District has adopted a policy regarding water waste as well as a Resolution declaring water conservation regulations which includes regulations and restrictions on the delivery and consumption of water for public use. Said Water Waste Policy and Resolution 15-9 are attached hereto as Appendix O.

3. For Unsafe or Hazardous Conditions

The District may disconnect a service without notice if unsafe or hazardous conditions are found to exist on the Consumer's premises. The District will immediately notify the Consumer of the reasons and the necessary corrections required before reconnection. Such unsafe or hazardous conditions may exist due to defective appliances or equipment that may be detrimental to either the Consumer, the District, or to the District's other Consumers.

4. For Fraudulent Use of Service

When the District discovers that a Consumer has obtained service by fraudulent means, or has diverted the water service for unauthorized use, the service to that Consumer may be discontinued without notice. The District will not restore service to such Consumer until that Consumer has complied with the District's Rules and Regulations and other reasonable requirements of the District and the District has been reimbursed for the full amount of the service rendered and the actual cost to the District incurred by reason of the fraudulent use.

5. For Failure to Comply with Rules

The District may disconnect a service for failure to comply with the District's Rules and Regulations established as a condition to the use of water, if full compliance with the Rules and Regulations is not obtained within five calendar days after notice to such effect has been given to the Consumer. Where safety of water supply is endangered, services may be discontinued immediately without notice.

C. Restoration of Service: (Revised 2-23-98) In order to resume or continue service that has been disconnected, the Consumer must pay a Non-Payment Shutoff Fee as set forth under Article 8.03C (1). The District will endeavor to make reconnections as soon as practicable, to suit the Consumer's convenience; however, the District shall make the reconnection before the end of the next regular working day following the Consumer's request and payment of any applicable reconnection fees and other charges pursuant to 8.03(C)(1).

8.06: CHANGES IN METER SIZE, LAND USE OR INCLUSION OF ADDITIONAL LAND AREA

The owner of a property who desires a change in meter size or location of such meter or changes substantially the type of land use (such as residential to commercial) or wishes to include adjacent land areas not served at the time of the original commencement of service, shall make a request in writing and, if approved by the District, shall pay various costs and charges as set forth below.

A. **Charges for a Smaller Meter:** **(Revised 9-9-09)** If the desired meter size is the next smaller size meter than the current size, the Owner shall complete a Meter Exchange Application. Upon District approval of the Application, fees associated with desired meter exchange must be paid prior to performance of work. Said Application and fees are attached hereto as Appendix N.1.

B. **Charges for a Larger Meter:** If the desired meter size is larger than the current size, the Owner shall pay the full current charges for a new regular service connection for the desired meter size as set forth in Article 10.05, less any credit on the removed meter. In addition, the Owner must also pay the Assessment Parity Charge and the Capital Improvement Fee as set forth in Articles 10.06 and 10.07, respectively; any charge that has been paid previously by the Owner or predecessors will be credited against the amount due under the current charge.

C. **Charges for Change in Meter Location:** If the Consumer desires a change in location of the meter, such change may be effected with the mutual agreement of the District and the property owner, and the owner/Consumer shall pay for the actual costs incurred by the District.

D. **Change in Land Use:** The Consumer/property owner shall notify the District of any change in the character or use of the property or buildings from that for which the service connection was originally

obtained. If a residential property is to be reclassified or used as commercial or industrial or a commercial property is to be reclassified or used as industrial, the owner shall pay the current Assessment Parity Charge as set forth in Article 10.06, less credit for any charge previously paid by the owner or predecessors. In all cases, the Manager's determination of the property's zoning classification or use will be final, subject to an appeal to the Board.

E. Inclusion of Additional Land Area: The Consumer/property owner shall notify the District of any additional land area or adjacent lots not served at the time of original commencement of service that are to be served from the existing service connection. In such cases, the District will assess a current Assessment Parity Charge for the additional land area as set forth in Articles 10.06.

8.07: WATER CONSERVATION

The purpose of this rule is to ensure that water resources available to the District are put to a reasonable beneficial use and that the benefits of the District's water supply and a service extend to the largest number of persons.

A. Wastage: In order to protect itself against serious and negligent waste of water, the District may disconnect service as set forth in Article 8.05(B) (2).

B. Use of Water Saving Devices and Practices: Each Consumer of the District is urged to install devices to reduce the quantity of water to flush toilets and to reduce the flow rate of showers. Each Consumer is further urged to adopt such other water usage and re-usage practices and procedures as are feasible and reasonable.

1. Rebate Programs: **(Revised 10-8-14)**

To help customers reduce indoor and outdoor water use, the District approved water conserving rebate programs are attached

hereto as Appendix O.1 (Rebate forms available in English and Spanish.

8.08: CROSS CONNECTIONS

The District has adopted a Cross-Connection Control Program, District Ordinance No. 88-1, and incorporates such program herein. The District Cross-Connection Control Program is attached hereto as Appendix F.

8.09: UNLAWFUL ACTS (Revised 2-27-95)

In order to protect public water supplies, certain acts are, by state law, misdemeanors and in some instances are punishable by imprisonment in the county jail for not more than one year or in the state prison. Among the more significant statutes involving criminal acts with respect to water systems are:

A. Section 498 Penal Code: This section includes stealing water, as well as diverting other utilities illegally and taking water after service has been disconnected and the meter sealed (including unauthorized connections to fire hydrants - see 9.03.)

B. Section 588 Penal Code: Permitting willful or neglectful seepage or overflow of water on adjacent lands, public or private roads or highways.

C. Sections 4450 to 4457 Health and Safety Code: Any act that leads to the pollution of any conduit or reservoir.

8.10: FIRE HYDRANT DAMAGE

When any person, company, or agency is determined to be the responsible party that has caused damage of a fire hydrant or blow off, the District may charge that party with all costs necessary to repair the damages and the cost of water loss computed on the basis of the duration of flow and the flow rate, based upon the type of land zoning in which the fire hydrant is located:

Industrial - 5,000 gallons per minute

Commercial - 2,500 gallons per minute

Residential - 1,250 gallons per minute

ARTICLE 9: RULES APPLICABLE TO TEMPORARY CONSUMERS

9.01: ESTABLISHMENT OF TEMPORARY SERVICE

The District will, if no undue hardship to its existing consumers would result therefrom, furnish temporary service for construction purposes when the applicant has requested service on this basis or the District reasonably expects the service to be temporary and the applicant therefore has paid advances and established credit. The District contemplates temporary service will be provided for a term approximately 90 days or less and requires the applicant to comply with the following:

A. **Advances:** The applicant must advance to the District the estimated net cost of installing and removing the facilities necessary to furnish the service.

B. **Deposits/Establishment of Credit:** The applicant must deposit a sum of money equal to the estimated bill when the duration of service is to be for a period of one month or less, subject to adjustment or refund according to the actual bill at termination of service. If the duration of service is to exceed one month, then the applicant must establish credit in the same manner as is prescribed for permanent service, under Article 10.03.

9.02: RATES, CHARGES AND CONDITIONS OF SERVICE

The rates, charges and conditions for temporary service will be the same as those prescribed for permanent service.