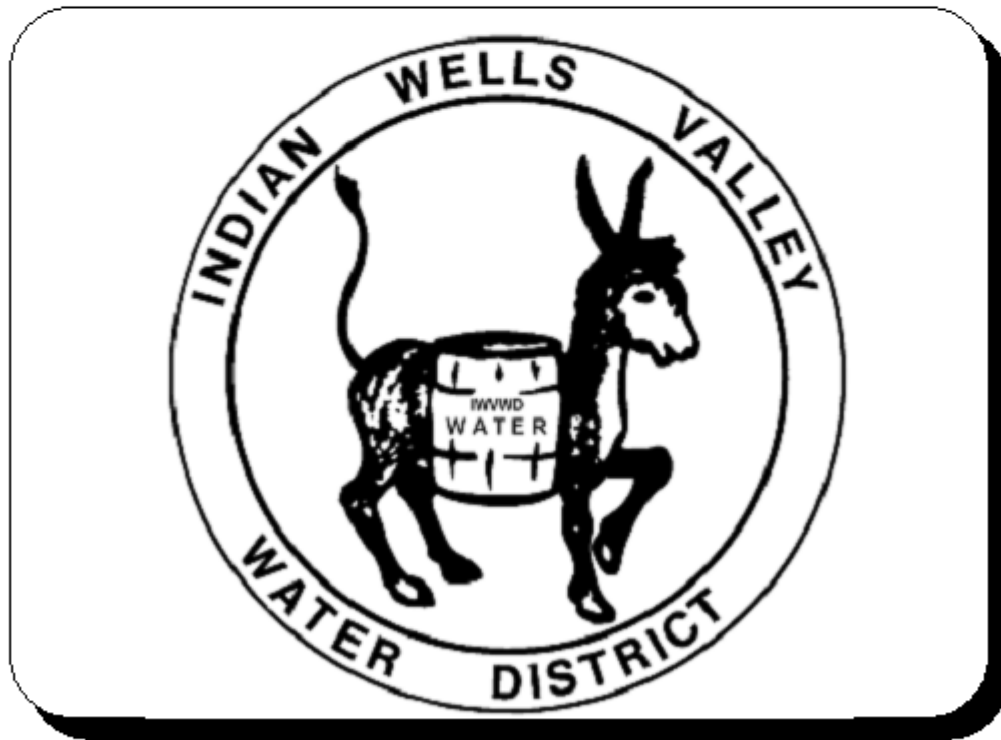


Indian Wells Valley Water District

WATER SALES & SERVICE POLICY MANUAL



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GENERAL PROVISIONS - CONDITIONS OF SERVICE

For conditions of service applicable to new connections to the District's system, see the various fee and charge provisions included within this manual and the District's Standard Construction Specifications, which is under separate cover.

New service is when an applicant 1) would like to start service with the District but does not have an active account, 2) has an active account and would like to open another active account at a new address, or 3) would like to close the active account and start service at a new address.

Before new service is started, applicants shall pay the refundable deposit and service charge.

Before new service is started, applicants and/or others in the residence or business benefitting from the new water service who have existing delinquent accounts shall pay the balance in full including interest. Lease agreements listing all tenants may be required before starting new service.

The District will at all times attempt to deliver to its customers a continuous and sufficient supply of water at adequate pressure at the meter to meet reasonable service demands. However, the District is not and will not be liable for any loss, damage, or inconvenience to any person by reason of shortage, insufficiency, suspension, or discontinuance of water service, or for increases or decreases in water pressure. Additionally, partial or total interruptions in service are sometimes necessary for the repair, maintenance, alteration, or extension of the District's facilities and the District shall not be liable or responsible for such interruptions.

The District reserves the right at any and all times to shut off water delivery for the purpose of maintenance or for making repairs and alterations to its system. Whenever possible, advance notice of interruption of service will be given to all affected water users; however, the District cannot guarantee complete freedom from service interruption at all times.

The District will endeavor to provide potable water (water meeting the applicable water quality requirements of the California State Water Resources Control Board) to its customers. The District does not and shall not accept liability or responsibility for water that meets such applicable standards at the meter but reacts or interacts with non-District owned facilities causing damage or harm.

All water sold or dispensed by the District shall be metered or measured. By applying for and/or receiving water service from the District, each consumer irrevocably licenses the District and its authorized employees and agents to enter upon the consumer's property at reasonable times for the purpose of reading, inspecting, testing, checking, repairing, maintaining, or replacing the District's meters, customer's backflow prevention devices, and other facilities. Meters and service laterals shall be located in dedicated easements that allow entry for reading, repair and other necessary District activity by District personnel, without limitation. When the meter and service lateral are not located in a dedicated easement, the same irrevocable license provisions shall apply.

If a meter cannot be accessed due to a customer-caused obstruction or situation that prevents the reading of a meter and said obstruction/situation cannot be easily remedied by the District, the

customer will be notified to correct the obstruction/situation in a timely manner. If the obstruction/situation prevents the meter from being read, the usage will be estimated for billing purposes until the meter can be properly read by District personnel. At the District's sole discretion, the customer may be billed for expenses incurred by the District to remedy the obstruction/situation, including time and materials plus an overhead and administrative charge of 15%.

District service facilities including meters, boxes and service laterals from the District's water main to and through the meter and customer service valve shall belong to and be maintained by the District. It is the customer's responsibility for installation and maintenance of the customer service line, including all service piping, valves and appurtenances on the discharge side of the meter after the customer service valve. A customer service valve shall be installed on the discharge side of a new meter by the District to allow the customer to turn on/off the supply of water to his/her service line. In the event the customer service valve has been removed from an existing meter, the District may install the valve for the cost of time and materials plus an overhead and administrative charge of 15%. The meter valve (angle stop) on the street side of the meter shall be operated by District personnel only. If a meter valve (angle stop) is damaged by non-District personnel, the customer will be responsible for all repair charges including the cost of time and materials plus an overhead and administrative charge of 15%. If an angle stop has been locked by the District and the lock is damaged or broken, the customer shall be charged \$100.

Title to water furnished by the District, the risk of loss thereof, and full responsibility for the carriage, handling, storage, disposal and use thereof, shall pass from the District to the water user at the outlet of the District meter, the control valve of a fire hydrant, or the control valve for a fire service.

For liability reasons, the District shall not repair leaks nor loan equipment or material for repairs on the customer's side of the meter, unless the installation was done by District personnel, such as in the case of a District installed change over, and then only within one year of installation.

A meter shall not be used to service any parcel or unit other than as assigned by the District. A service line may not cross a parcel or lot to reach another parcel or lot for service. Customers shall not serve water to neighboring properties via a garden hose, similar device or any other method.

Water that has been sold by the District shall not be resold, unless the customer is a local purveyor or water system, and then only in case of an emergency water shortage, and only with written consent of the Board of Directors of the District or General Manager.

In accordance with State Code, a customer's water service may be discontinued for nonpayment of a bill for water service. The District may also discontinue service to any customer for violation of its rules and regulations, or where safety of the water supply is endangered. If an unsafe or hazardous condition is found or is reasonably likely to exist on the customer's premises, or if the use of water thereon by apparatus, appliances, equipment, or otherwise is found and is reasonably suspected to be detrimental or damaging to the District or to its customer, the service may be shut off without notice.

In the event of unusual or other circumstances deemed appropriate by the District's Board of Directors, any of the rules, regulations, rates, fees, or charges, contained herein, are subject to review and or modification as the Board of Director's may determine, in its sole and absolute discretion, on a case by case basis.

METERED AND FLAT RATES AND CHARGES - GENERAL

Flat rate bulk water accounts and flat rate private fire protection accounts shall be billed on a monthly basis. All other categories of rates shall be read and billed on a monthly basis. Since it is not always possible to read meters at exactly the same intervals every month, the period between reading dates may vary slightly. Meters will be read as nearly as possible on the same day of each month. Special readings will be made on commencement and termination of service for purposes of pro-rating opening and closing bills.

If a meter fails to register correctly or cannot be read due to a malfunction, the usage may be estimated at 75% of the customer's historical consumption for the same period of time for the previous year, if available, or estimated by taking into consideration seasonal water demand, or any other factors that are material and significant to arriving at fair usage, or the District may use any other reasonable usage deemed appropriate after consultation with the customer. The District will endeavor to correct in a timely manner those situations that prevent a meter from being read so that the meter reading will not have to be estimated for a second consecutive billing period.

If a meter is not registering water usage, through no fault of the customer, the non-working meter will be repaired or replaced by the District by the next scheduled meter reading date, or the customer will be billed the minimum rate only until such time as repairs are made except in circumstances where prompt repair or replacement may be impossible, including circumstances such as natural disasters.

Meter boxes will be scheduled for cleanout or meters will be replaced, as circumstances dictate, in a prompt manner.

To increase the operating efficiency of the District and provide better service to customers, the 3/4-inch meter is the standard size meter for the District's smallest sized water service. All new single family residential services will use the 3/4-inch meter.

The following rates and charges are listed for a monthly billing schedule. All meter connections, excepting Private Fire Protection Service, will be charged the monthly Ready-to-Serve charge, the Arsenic Compliance charge plus metered monthly quantity rates and a zone charge if applicable. Landscape meter usage shall be billed at the Non-Single Family Residence rates.

MONTHLY READY-TO-SERVE CHARGES

The Monthly Ready-to-Serve Charge is generally intended to cover the fixed expenses of the District, excluding interest expense.

<u>Meter Size</u>	<u>Effective 04/01/2015</u>	<u>Effective 02/01/2016</u>	<u>Effective 02/01/2017</u>
5/8" x 3/4"	\$23.99	\$27.20	\$30.48
3/4"	\$29.99	\$30.22	\$30.48
1"	\$49.99	\$50.37	\$50.80
1-1/2"	\$99.97	\$100.75	\$101.60
2"	\$159.96	\$161.20	\$162.56
3"	\$319.92	\$322.39	\$325.11
4"	\$499.87	\$503.74	\$507.99
6"	\$999.75	\$1,007.48	\$1,015.97
8"	\$1,599.60	\$1,611.96	\$1,625.55
10"	\$2,299.42	\$2,317.20	\$2,336.73

MONTHLY ARSENIC COMPLIANCE CHARGES

The Monthly Arsenic Compliance Charge is intended to cover the District's total arsenic compliance costs, including both debt principal and operations expenses.

<u>Meter Size</u>	<u>Effective 04/01/2015</u>	<u>Effective 02/01/2016</u>	<u>Effective 02/01/2017</u>
5/8" x 3/4"	\$8.61	\$9.76	\$10.93
3/4"	\$10.76	\$10.84	\$10.93
1"	\$17.93	\$18.07	\$18.22
1-1/2"	\$35.87	\$36.14	\$36.45
2"	\$57.39	\$57.83	\$58.32
3"	\$114.77	\$115.66	\$116.64
4"	\$179.33	\$180.72	\$182.24
6"	\$358.67	\$361.44	\$364.49
8"	\$573.86	\$578.30	\$583.18
10"	\$824.93	\$831.31	\$838.32

ZONE CHARGE

The Zone Charge is intended to recover from customers all the variable direct costs of power to supply water to the higher zones. Other variable direct costs could be charged to these customers when there is a reasonable way to identify and quantify them.

The Zone Charge is assessed as a multiple of the customer's zone against their usage. Each zone represents a difference of approximately 100 feet in elevation. The zones are designated A (lowest), B, C, D, and E (highest). Zone Charges are applied to customers in zones B, C, D, and E.

The zone charges are, per 100 cubic feet:

	<u>Effective</u> <u>04/01/2015</u>	<u>Effective</u> <u>02/01/2016</u>	<u>Effective</u> <u>02/01/2017</u>
B-Zone	\$0.122	\$0.130	\$0.139
C-Zone	\$0.242	\$0.259	\$0.276
D-Zone	\$0.364	\$0.389	\$0.415
E-Zone	\$0.485	\$0.518	\$0.553

METERED MONTHLY QUANTITY RATES BASED UPON METER SIZE

SINGLE FAMILY RESIDENCE RATES

All Meter Sizes

Rate per Hundred Cubic Feet (HCF)

	<u>Hundred Cubic</u> <u>Feet (HCF)</u>	<u>Effective</u> <u>04/01/2015</u>	<u>Effective</u> <u>02/01/2016</u>	<u>Effective</u> <u>02/01/2017</u>
Tier 1	0 - 7	\$0.52	\$0.54	\$0.56
Tier 2	7.01 - 24	\$0.82	\$0.85	\$0.88
Tier 3	24.01 - 45	\$2.23	\$2.31	\$2.39
Tier 4	45.01 and Over	\$4.34	\$4.49	\$4.65

+ zone charge

NON-SINGLE FAMILY RESIDENCE RATES
Rate per Hundred Cubic Feet (HCF)

5/8" X 3/4" Meter
Rate per HCF

	<u>Hundred Cubic Feet (HCF)</u>	<u>Effective 04/01/2015</u>	<u>Effective 02/01/2016</u>	<u>Effective 02/01/2017</u>
Tier 1	0 - 7	\$0.52	\$0.54	\$0.56
Tier 2	7.01 - 24	\$0.82	\$0.85	\$0.88
Tier 3	24.01 - 45	\$2.23	\$2.31	\$2.39
Tier 4	45.01 and Over	\$4.34	\$4.49	\$4.65
		+ zone charge		

3/4" Meter
Rate per HCF

	<u>Hundred Cubic Feet (HCF)</u>	<u>Effective 04/01/2015</u>	<u>Effective 02/01/2016</u>	<u>Effective 02/01/2017</u>
Tier 1	0 - 7	\$0.52	\$0.54	\$0.56
Tier 2	7.01 - 24	\$0.82	\$0.85	\$0.88
Tier 3	24.01 - 45	\$2.23	\$2.31	\$2.39
Tier 4	45.01 and Over	\$4.34	\$4.49	\$4.65
		+ zone charge		

1" Meter
Rate per HCF

	<u>Hundred Cubic Feet (HCF)</u>	<u>Effective 04/01/2015</u>	<u>Effective 02/01/2016</u>	<u>Effective 02/01/2017</u>
Tier 1	0 - 12	\$0.52	\$0.54	\$0.56
Tier 2	12.01 - 40	\$0.82	\$0.85	\$0.88
Tier 3	40.01 - 75	\$2.23	\$2.31	\$2.39
Tier 4	75.01 and Over	\$4.34	\$4.49	\$4.65
		+ zone charge		

1-1/2" Meter
Rate per HCF

	<u>Hundred Cubic Feet (HCF)</u>	<u>Effective 04/01/2015</u>	<u>Effective 02/01/2016</u>	<u>Effective 02/01/2017</u>
Tier 1	0 - 23	\$0.52	\$0.54	\$0.56
Tier 2	23.01 - 80	\$0.82	\$0.85	\$0.88
Tier 3	80.01 - 150	\$2.23	\$2.31	\$2.39
Tier 4	150.01 and Over	\$4.34	\$4.49	\$4.65
		+ zone charge		

2" Meter
Rate per HCF

	<u>Hundred Cubic Feet (HCF)</u>	<u>Effective 04/01/2015</u>	<u>Effective 02/01/2016</u>	<u>Effective 02/01/2017</u>
Tier 1	0 - 37	\$0.52	\$0.54	\$0.56
Tier 2	37.01 - 128	\$0.82	\$0.85	\$0.88
Tier 3	128.01 - 240	\$2.23	\$2.31	\$2.39
Tier 4	240.01 and Over	\$4.34	\$4.49	\$4.65
		+ zone charge		

3" Meter
Rate per HCF

	<u>Hundred Cubic Feet (HCF)</u>	<u>Effective 04/01/2015</u>	<u>Effective 02/01/2016</u>	<u>Effective 02/01/2017</u>
Tier 1	0 - 75	\$0.52	\$0.54	\$0.56
Tier 2	75.01 - 256	\$0.82	\$0.85	\$0.88
Tier 3	256.01 - 480	\$2.23	\$2.31	\$2.39
Tier 4	480.01 and Over	\$4.34	\$4.49	\$4.65
		+ zone charge		

4" Meter
Rate per HCF

	<u>Hundred Cubic Feet (HCF)</u>	<u>Effective 04/01/2015</u>	<u>Effective 02/01/2016</u>	<u>Effective 02/01/2017</u>
Tier 1	0 - 117	\$0.52	\$0.54	\$0.56
Tier 2	117.01 - 400	\$0.82	\$0.85	\$0.88
Tier 3	400.01 - 750	\$2.23	\$2.31	\$2.39
Tier 4	750.01 and Over	\$4.34	\$4.49	\$4.65

+ zone charge

6" Meter
Rate per HCF

	<u>Hundred Cubic Feet (HCF)</u>	<u>Effective 04/01/2015</u>	<u>Effective 02/01/2016</u>	<u>Effective 02/01/2017</u>
Tier 1	0 - 233	\$0.52	\$0.54	\$0.56
Tier 2	233.01 - 800	\$0.82	\$0.85	\$0.88
Tier 3	800.01 - 1500	\$2.23	\$2.31	\$2.39
Tier 4	1500.01 and Over	\$4.34	\$4.49	\$4.65

+ zone charge

8" Meter
Rate per HCF

	<u>Hundred Cubic Feet (HCF)</u>	<u>Effective 04/01/2015</u>	<u>Effective 02/01/2016</u>	<u>Effective 02/01/2017</u>
Tier 1	0 - 373	\$0.52	\$0.54	\$0.56
Tier 2	373.01 - 1280	\$0.82	\$0.85	\$0.88
Tier 3	1280.01 - 2400	\$2.23	\$2.31	\$2.39
Tier 4	2400.01 and Over	\$4.34	\$4.49	\$4.65

+ zone charge

10" Meter
Rate per HCF

	<u>Hundred Cubic Feet (HCF)</u>	<u>Effective 04/01/2015</u>	<u>Effective 02/01/2016</u>	<u>Effective 02/01/2017</u>
Tier 1	0 - 537	\$0.52	\$0.54	\$0.56
Tier 2	537.01 - 1840	\$0.82	\$0.85	\$0.88
Tier 3	1840.01 - 3450	\$2.23	\$2.31	\$2.39
Tier 4	3450.01 and Over	\$4.34	\$4.49	\$4.65

+ zone charge

CONSTRUCTION METER CHARGES, RATES & PROVISIONS

ACCOUNT SETUP CHARGES

A \$20.00 processing charge will be applied each time a construction meter permit, including permit extensions, is approved.

The construction meter applicant shall submit a deposit in the amount of \$1,550.00. This deposit amount represents the value of replacing a construction meter. The deposit is refundable provided the meter is returned in working condition determined by a District inspection before the account is closed and the meter is returned to service. The inspection results will be documented on the Temporary Construction Meter Use Permit. The final bill, which includes Monthly Service Charge, Metered Monthly Usage Rates, and any cost to repair damages to the construction meter, shall be deducted from the deposit.

The District may hold a deposit for up to five days for immediate return to the permittee if the meter is returned within the designated timeframe and passes a District inspection.

MONTHLY SERVICE CHARGE

Construction meters will be charged a monthly service charge and metered monthly usage rates.

\$36.10 effective April 1, 2015
\$38.65 effective February 1, 2016
\$41.41 effective February 1, 2017

METERED MONTHLY USAGE RATES

(Rate per HCF)
(All Usage)

\$2.70 effective April 1, 2015
\$2.90 effective February 1, 2016
\$3.10 effective February 1, 2017
+ zone charge

GENERAL PROVISIONS - CONDITIONS OF SERVICE

Construction Meter Water Service means service provided through a temporary construction water meter that is installed on a fire hydrant generally for construction and other legitimate non-potable water use as determined by the General Manager.

Fire hydrants are for use by Water District personnel or by organized fire protection agencies, pursuant to contract with the Water District. Other parties desiring to use fire hydrants for any purpose must first obtain a permit from the District prior to the use and shall operate said fire hydrants according to the regulations set forth herein and as otherwise directed by the Water District. The permittee must furnish said permit for inspection if requested to do so by a District employee or by a law enforcement officer. Unauthorized use of fire hydrants shall be prosecuted according to law.

Construction meters may only be connected to District facilities.

Construction meters may be portable or locked onto a fire hydrant by the District.

Each permit will allow for temporary metered water usage from a specific hydrant for up to 90 consecutive days. Permits may be extended up to 270 additional consecutive days at no less than 30-day increments at the discretion of the District. Meters may be returned prior to the permit expiration date.

The permittee must use a wrench specifically designed for opening and closing fire hydrant valves and said opening and closing shall be done slowly to prevent damage to the valve and distribution system. Pipe wrenches or crescent wrenches shall not be used, as these will damage valve stems. The District will furnish a proper fire hydrant wrench for use by the customer and may charge a deposit or a fee for its use. The permittee shall be responsible and solely liable for any damage to said fire hydrant, the wrench, valves or the system for failing to exercise proper care in the opening and closing of any fire hydrant valve.

The permittee is responsible for closing the hydrant and removing any portable construction meter at the completion of each day. If there is water loss over night or over a weekend from a hydrant that was recently opened for construction meter use, the permittee shall be charged the estimated usage at the current construction meter monthly metered usage rates if the loss is due to the permittee's action or inaction as determined by the District.

If a meter becomes damaged or fails to record the water usage properly, it must be returned immediately to the Water District for repair and/or replacement. The permittee is responsible for any and all labor and material costs associated with repair or replacement of a lost or damaged construction meter.

If the calibration vane, calibration screen, register pin and/or seal pin is missing from the meter or there is other evidence the meter has been tampered with, damaged or removed from the hydrant for the purpose of receiving water without paying the full lawful charge, the permittee shall be charged for estimated usage at the current construction meter monthly metered usage rates plus any and all

labor and material costs associated with repair or replacement of the damaged construction meter. These costs are subject to an overhead and administrative charge of 15%. No further service will be allowed until all fees and charges are paid in full.

All construction meters must be read by District personnel at approximately 30 day intervals for billing purposes. Locked-on meters will routinely be read in the field by District personnel. Permittees with portable construction meters shall return portable construction meters to District Headquarters for a reading by the due date set by the District. Permittees of portable construction meters who do not bring in the meter by the due date will be charged a minimum of \$73.00 for all costs associated with dispatching District personnel to locate and read a portable construction meter, including the cost of time and materials plus an overhead and administrative charge of 15%. Failure of the permittee to make the meter available for reading on a monthly basis or failure to pay charges when due may result in cancellation of said permit in which case the meter will be subject to immediate confiscation.

At the expiration date of the permit or upon completion of use, if sooner, the permittee shall return the permit, and if applicable, the portable meter to the Water District for inspection and final billing. Monthly service charges will not be pro-rated for meters returned prior to the billing due date. The deposit, minus any charges for water use and applicable meter repair, will be returned to the permittee by mail, or the permittee may be billed for any applicable charges exceeding the deposit. If the permit and/or the portable meter is not returned as set forth herein, or within ten days after District provides written or telephone communication to do so, the permit shall be deemed revoked, however the construction meter shall still be deemed property of the District subject to immediate return.

Smaller angle-stop construction meters are prohibited. When permanent service is paid for in advance, construction water may be taken from the permanent meter and service connection intended to serve the parcel. District facilities damaged during construction will be repaired by the District and charged to the developer on a time and material basis plus an overhead and administrative charge of 15%.

Additional terms and conditions of the construction meter agreement are listed in the permit agreement. The District reserves the right to amend the permit agreement.

Consult Ordinance Number 87 and successor agreements for the backflow prevention requirements for construction meters.

BULK WATER STATION CHARGES, RATES & PROVISIONS

FLAT MONTHLY SERVICE RATE

\$33.90 effective April 1, 2015
\$36.25 effective February 1, 2016
\$38.80 effective February 1, 2017

Bulk water is water obtained by the customer from the District's bulk water station facility.

Bulk water customers shall submit a security deposit as specified under the Customer Deposits section.

Bulk water accounts shall pay an additional \$10.00 deposit for each key to the bulk water facility.

If the bulk water account holder does not haul their own water, the name, address and phone number of the account holder's designated agent must be on file with the District.

From time to time it is necessary for the District to change the locks and issue new keys for the bulk water stations due to nonpayment by some bulk water station customers. Those Bulk Water Station customers at that time who are 90 days or more delinquent must pay the cost to re-key the bulk water station (in total or in part) on a time and material basis plus an overhead and administrative charge of 15% in addition to all past due amounts, late charges, and required deposits before they are issued new keys.

It is the responsibility of any applicant who proposes to utilize hauled water as the source of domestic supply to satisfy the requirements of the Indian Wells Valley Water District. Applicants are advised that there may be California State Water Resources Control Board regulations that applicant may need to comply with as well.

PRIVATE FIRE PROTECTION SERVICE CHARGES, RATES & PROVISIONS

FLAT MONTHLY SERVICE RATE

Connection Size	Effective <u>04/01/2015</u>	Effective <u>02/01/2016</u>	Effective <u>02/01/2017</u>
1"	\$ 8.05	\$ 8.60	\$ 9.20
2"	\$ 25.80	\$ 27.60	\$ 29.55
3"	\$ 51.45	\$ 55.05	\$ 58.90
4"	\$ 80.35	\$ 85.95	\$ 91.95
6"	\$ 160.75	\$ 172.00	\$ 184.05
8"	\$ 257.35	\$ 275.35	\$ 294.60
10"	\$ 369.85	\$ 395.75	\$ 423.45

A Private Fire Protection Service consists of facilities serving building sprinkler systems, hydrants, hose reels and other facilities installed on private property for fire protection purposes.

The applicant for private fire protection service shall pay the actual cost of installation of the service from the distribution main to the customer's premises, including the cost of a detector check meter or other suitable and equivalent device, valve, and meter box. The District may also require a check valve of a type approved by the National Board of Fire Underwriters or similar organization, and the District may also require that said check valve be equipped with a bypass meter, at the expense of the property owner. The District may agree to install the connection and meter on a time and material basis plus an overhead and administrative charge of 15%.

There shall be no connections between a fire protection service or system and any other water distribution system on the premises except when the service or system requires a remote fixture connection. There shall be no water used through a non-remote fixture connection fire protection service except to extinguish fires and for testing firefighting equipment. A fire protection service with a remote fixture connection may use up to one hundred cubic feet of water per month at the current metered monthly quantity rate based on meter type and size. If water consumption exceeds one hundred cubic feet in a month or if any consumption is recorded on a non-remote fixture connection meter, the private fire protection service customer shall be charged double the regular flat monthly service rates, except that no charge shall be made for water used to extinguish fires where such fires were reported to the fire department. If the District does not require a meter and if water is used through a fire service connection for any other purpose than extinguishing of fires, the District shall have the right to place a meter on the fire service connection at the owner's expense. If water is used from a private fire service in violation of these regulations, the District may, at its option, discontinue the service. The District assumes no responsibility for loss or damage due to lack of water or pressure, and merely agrees to endeavor to furnish such water quantities and pressures that are available at the time of use. The service is subject to shutdowns and variations required by the operation of the system.

DELINQUENT CHARGES

WATER SALES

All charges for water furnished are due and payable when billed. A late charge of \$2.00 plus five percent (5%) will be assessed on unpaid amounts outstanding at the time of the next billing (typically 30 days). Those customers who have entered into payment arrangements prior to the next billing will not be assessed a delinquent fee on amounts subsequently paid according to the arrangement terms. Other exceptions deemed worthy and appropriate may be granted on a case by case basis by the General Manager or the General Manager’s designate.

Whenever an account becomes delinquent, prior to termination of water service:

- The District shall issue a 10-Day Notice of Termination letter to the customer.
- The District shall issue a 10-Day Notice of Termination letter to the actual user prior to the date of termination of service. The notice shall further inform the actual users that under certain circumstances they have the right to become customers of the District without being required to pay the amount due on the delinquent account.
- The District shall issue a 48-Hour Notice of Termination to the premises.

Upon failure to remit payment within the specified time per a 48-hour notice, service shall be terminated until payment in full is made, which includes payment of Notice of Termination charges, Service Reinstatement charge, and payment of a security deposit, if one is not already on file. Other outstanding account charges may also be collected. Delinquent charges are as follows:

10-Day Notice of Termination	\$ 6.00 per letter to customer or actual user
48-Hour Notice of Termination	\$ 13.00 per meter
Service Reinstatement Charge	\$ 38.00 per meter/\$195.00 per meter after hours
Damaged or Broken Lock	\$100.00

(Reference: Government Code Section 60370 through 60375)

If an account becomes uncollectible as determined by the District, the total balance will be turned over to a Collection Agency. The customer must pay the total balance, plus interest, before service is resumed.

BACKFLOW PREVENTION DEVICE TEST

All backflow prevention devices, which are required by the District, must be tested on an annual basis according to District Ordinance 87 or succeeding ordinances. An additional fee of \$6.00 will be charged when a 10-Day Notice of Termination letter is issued and a fee of \$13.00 will be charged when a 48-hour notice is issued to the customer's premises. Upon failure to provide successful test results within the time specified in a final notice, service shall be discontinued until the device is tested and passes, and a \$38.00 Service Reinstatement charge is paid.

RETURNED PAYMENT CHARGES

If a check, credit card transaction or automatic payment service is used for payment of District fees, rates or charges and the payment is declined by the bank upon which it is drawn, for whatever reason, the customer will be charged the amount payable to cover the returned check, credit card transaction or automatic payment; the actual Non-Sufficient Funds (NSF) bank fees assessed to the District; and a Returned Payment Charge of \$20.00. Payment to cover these charges must be made in cash or with certified funds. Customers having more than two returned payment transactions within six months may be required to pay future bills in cash or with certified funds and may be removed from Auto-Pay at the discretion of the District.

DISPUTED BILLS

In the event of a disputed reading, the meter shall be reread. If the accuracy of the meter is questioned by a customer, the customer shall be given the option of placing a \$75.00 deposit with the District for a meter registration accuracy test. The District recommends that the customer be present to watch the meter being removed from the meter box and to record the serial number. The meter will then be shipped to a third party tester.

If the results of the test show the meter is greater than 101.5% accurate, the meter is over-reading usage, the meter will be replaced, a pro-rated adjustment will be made on previous bills up to a maximum of six months and the \$75.00 deposit will be returned to the customer.

If the meter is less than 98.5% accurate, the meter is under-reading usage, the meter will be replaced, the \$75.00 deposit will be forfeited and no further action will be taken.

If the results of the test show that the meter is at least 98.5% to 101.5% accurate, the customer shall forfeit the \$75.00 deposit to cover the District's expense to perform the meter accuracy test.

CUSTOMER DEPOSITS

Applicants for metered and bulk rate water service shall deposit with the District, an amount equal to the estimated average monthly water bill, fixed as follows:

<u>METER SIZE</u>	<u>DEPOSIT</u>
5/8" X 3/4"	\$70.00
3/4" & Bulk Customers	\$70.00
.....	
1"	\$90.00
1-1/2"	\$160.00
2"	\$230.00
3"	\$460.00
4"	\$570.00
6"	\$805.00
8"	\$1,145.00
10"	\$2,290.00

Security deposits are required of all applicants for water service.

Any service discontinued for nonpayment shall require a security deposit, if said deposit is not already on file, in addition to payment of all other applicable fees and charges, before water service is resumed. The amount of the security deposit for reinstatement of discontinued service will be the estimated average monthly water bill, but in no case less than the fixed deposit schedule stated above.

Any account having three or more delinquencies within the past twelve months will be required to pay and maintain a deposit according to the schedule stated above, even though water service may not have actually been disconnected, if said deposit is not already on file.

A security deposit will be refunded on any account that has remained in good standing for twelve consecutive months. Accounts will be reviewed for potential refund on an annual anniversary basis. Any security deposits on file when service is discontinued will be applied towards the final billing.

Developers/Customers may be required to provide the District with a deposit when applying for a new service. The amount will be determined on a case by case basis. The deposit will be returned upon final approval by the District's Field Service Department of the meter, meter box installation and all other connection facilities. In the event the meter, meter box and other connection facilities do not meet the time and/or other requirements of the District, the deposit will be used to pay for District labor, materials and/or outside contracts to remedy the situation plus an overhead and administrative charge of 15%.

CUSTOMER SERVICE CHARGES

New Account Charge (Regular hours turn-on)	\$20.00
New Account Charge (After hours turn-on)	\$195.00
Service Reinstatement Charge (Regular hours)	\$38.00
Service Reinstatement Charge (After hours)	\$195.00

In addition to the above, other customer service visits may include, but are not limited to, emergency turn-offs, turn-ons and meter re-readings and may be subject to a \$38.00 charge during regular working hours or a \$195.00 charge during non-working hours. Other applicable fees, charges and security deposits may also be required for customer service visit requests.

These Customer Service Charges are not applicable to Continuity of Service Agreements to accounts that are in good standing.

WATER THEFT

California law, including but not limited to Penal codes 498, 624 and 625, defines various methods of water theft. In the event that a suspected water theft is discovered, District personnel will contact law enforcement personnel. Water theft can result in the District pressing charges.

To prevent further water delivery from occurring, the District may remove or lock the meter or confiscate the equipment or materials that allow the unauthorized connection. The customer/individual will be charged all costs incurred by the District associated with reporting the incident including but not limited to labor, materials and equipment used to report the incident and all costs incurred by the District to replace or repair any District facilities or other items that were tampered with, damaged or removed for the purpose of receiving water without paying the full lawful charge. These costs are subject to an overhead and administrative charge of 15%. No further service will be allowed at the address until all fees and charges are paid in full.

When the District has discovered that a customer has obtained water service by fraudulent means, or has diverted the water service for unauthorized use, the service to that customer may be discontinued without notice. The District shall not restore service until the customer has complied with all rules and requirements of the District and the District has been reimbursed for the full amount of the actual cost to the District incurred by reason of the said fraudulent use. For additional information on the District's unauthorized service policy, refer to Ordinance No. 82 adopted August 23, 1993, and any successor ordinances.

Tampering, altering, modifying, reconnecting, bypassing, or any otherwise unauthorized or fraudulent control of water meters and appurtenances are violations of the California Penal Code. Breaking or obstructing water pipes or meters, diverting flow or drawing water from any stopcock or faucet by which the flow of water is controlled, after the service has been closed or shut off for a specific cause, is also a violation of the California Penal Code and will be addressed according to the "Procedure for Suspected Water Theft" adopted on June 12, 2006.

Any violation that causes the District to repair, restore, replace, or relocate a District-owned facility will be billed on a time and material basis plus an overhead and administrative charge of 15%. Nonpayment of such amounts may result in termination of service or collection action.

CUSTOMER COMPLAINTS

Should Customer Accounts staff be unable to satisfy a customer's billing complaint, the customer may file a complaint with the Chief Financial Officer. Should the Chief Financial Officer be unable to satisfy the customer's complaint, the customer may file a complaint with the General Manager. Should the General Manager be unable to satisfy the customer's complaint, the customer may file a complaint with the Board of Directors by submitting the complaint in writing. The decision of the Board of Directors shall be final.

METER EXCHANGES

A customer, upon request, may exchange an existing meter for a meter of lesser or greater size, subject to District approval. Installation of the new meter and service lateral, if required, for a 2" or smaller service, will be billed on a time and material basis plus an overhead and administrative charge of 15%. New meters, 3" or larger, or compound meters, shall be purchased and installed at the sole cost of the applicant. Once installed, the meter and service connection becomes the property and maintenance responsibility of the District; however, the applicant must warrant the installation for a period of two years.

Customers shall only be allowed to exchange meters with the approval of the District, and the meter and installation charge shall be computed on an individual basis.

Inasmuch as Capital Facility Fees are based solely upon meter size, any customer/developer who requests a larger meter, whether domestic or landscape, will be responsible for payment of the Capital Facility Fee (aka Basic Facility Fee) differential between the current meter size originally paid and the larger meter Capital Facility Fee in existence at the time of the exchange, in addition to payment of time and material costs plus an overhead and administrative charge of 15% associated with the actual meter and service installation change.

In the event that a customer requests a meter exchange for the purpose of downsizing his/her service, the District will not refund the Capital Facility Fees differential between the current meter size originally paid and the smaller meter Capital Facility Fee. The District will issue a letter to the customer that can be remitted anytime within ten years to permit the service to be restored to the original size without having to pay an additional Capital Facilities Fee. This letter is transferrable to a future property owner.

Single family residential customers will not generally be permitted to exchange an existing meter for a meter size greater than 3/4-inch, since such request shall constitute a significant change in water demand and service. If the District requests the change in meter size, charges, if any, will be determined on an individual basis.

CONTINUITY OF SERVICE AGREEMENT

In order to accommodate interim water service for "clean and show" purposes, an owner or agent may have water service for specific water meter(s) automatically placed in the owner's or agent's name at the time a tenant requests discontinuance of service, if the owner or agent applies for and executes an Application for Continuity of Service Agreement.

Please note that the District reserves the right to disconnect water service to a tenant for nonpayment of water bills, regardless of whether or not a Continuity of Service Agreement is on file. The District will not require that the owner or agent pay the standard Customer Service Charges and/or deposits for establishing a new account for any meter for which there is a Continuity of Service Agreement on file and if the account is in good standing.

When responsibility for a meter reverts to an owner or agent under a Continuity of Service Agreement, the meter must remain on until a new tenant or a new owner applies for the water service or until the Continuity of Service Agreement is canceled with ten days' written notice.

CAPITAL FACILITY FEE

Connection fees are composed of Capital Facility Fees and Distribution System Fees.

<u>Meter Size</u>	<u>Capital Facility Fee</u>
3/4"	\$ 5,068.00
1"	\$ 8,463.00
1-1/2"	\$ 16,875.00
2"	\$ 27,011.00
3"	\$ 54,072.00
4"	\$ 84,478.00
6"	\$ 168,905.00
8"	\$ 270,258.00
10"	\$ 388,537.00

Capital Facility Fees and all other Rates, Charges and Fees associated with new service can only be accepted on behalf of a parcel that has an adjacent District water main that extends completely across one or more sides of the parcel to be served, and only if said main is of adequate size, age and service pressure to serve the development proposed, and for which a meter will be installed within 90 days, or as otherwise allowed or required by the District's Board of Directors in unusual circumstances. Payment of all other Rates, Charges and Fees applicable to the proposed parcel must accompany the payment of Capital Facility Fees.

If an applicant or developer desires to serve a parcel or lot that has had no previous authorized service from the District, and said parcel or lot is not adjacent to an existing water main of a size, condition, and service pressure deemed necessary by the District to serve the proposed development or property, the applicant or developer shall be required to construct all necessary water system facilities including a water main line extension to and across the entire frontage of the parcel(s) to be served, at the applicant or developer's sole expense, in accordance with District specifications,

rules, and regulations. In such case, the applicant or developer shall bear the entire cost of all design, construction, and inspection.

An applicant for service from a main through which prevailing water pressure will be lower than the normal operating limit of 40 psi must apply for a low pressure agreement, and if granted, shall be responsible for installation and maintenance of privately owned pressure equipment, or other devices, as required.

District staff will notify applicants for service from a main through which prevailing water pressure will be higher than the normal operating limit of 90 psi. To mitigate the potential problems/damages from high water service pressure, Customer is recommended to provide and install, at his or her own cost, a pressure regulator on Customer's side of the meter on the service line to Customer's Property. Customer may elect to have the District provide and install said pressure regulator on Customer's side of the meter on the service line to the Customer's Property. District will warranty the installation of the pressure regulator only for one year at which time the pressure regulator will become the sole responsibility of Customer to be maintained by Customer in accordance with District Regulations.

In a parcel split situation, only one division of the original parcel will be given credit for the residential service originally paid for. The remaining newly-formed parcels shall be subject to payment of all applicable Water District rates currently in effect for obtaining water service. In addition, in order to receive water service, the newly-created parcels must be completely fronted on at least one side by a Water District pipeline of a size and pressure adequate to service the newly-created parcels. If additional distribution pipelines are required to reach remote parcel locations, the labor and materials to install such pipelines, to District specifications, will be at the owner's or developer's sole expense.

All residential, commercial, public, industrial and agricultural connections shall be levied a Capital Facility Fee based upon their meter size. Capital Facility Fees are a one-time charge and are used to finance the upgrading and/or rehabilitation or replacement of existing water supply, storage, and transmission facilities as well as the construction of new water supply, water treatment, storage, and transmission facilities in order to service the demand caused by the new development, and must be paid in advance of any service connection to the benefited parcel. It is a charge for facilities in existence at the time a charge is imposed or charges for new facilities to be constructed in the future that are of benefit to the person or property being charged. It is appropriate and necessary to provide for system facilities that have not been constructed, or that have been constructed, but for which new development has not contributed its fair share of the cost. The Capital Facility Fees collected shall be used to cover the cost of the source of supply, storage, major transmission and distribution lines, and any additional related facilities as required to service the demand load caused by the new development.

The Fee shall be solely used to pay (1) for public facilities constructed or to be constructed by the District, (2) for reimbursing the District for the development's fair share of those capital improvements already constructed by the District and/or (3) to reimburse other developers who have constructed basic facilities, where those facilities were beyond those needed for the other developer's project(s).

Certain properties may not be subject to Capital Facility Fees due to an agreement or memorandum of understanding covering the tract or property.

When a customer desires to individually meter a multiple unit building (residential or commercial) that is master metered and where the Capital Facility Fee or Basic Facility Fee was paid for the master metered service, and where individual meters would not constitute a material increase in capacity or demand, as determined by the District, no additional Capital Facility Fee will be charged.

The District reserves the right to determine the appropriate meter size for the development or proposed development from information provided by the applicant and as investigated by the District. Applicants for water service shall have the right to appeal to the Board of Directors a determination made by staff. The decision of the Board of Directors shall be final and binding.

A customer must notify the District of any new construction upon a parcel with existing water service. Any new construction will be evaluated by the District to determine whether a larger meter or other system modifications would be required to accommodate increased capacity or demand needs caused by new or additional improvements. If the District determines that an additional capacity or demand need will be placed upon the District’s water production, transmission, and storage facilities as a result of the new construction, the District reserves the right to charge and collect from the customer an additional Capital Facility Fee to be determined on a case by case basis.

Except in unusual circumstances, as determined by the District, Private Fire Service shall be exempt from the payment of Connection Fees (Capital Facility Fees and Distribution System Fees). Landscape-only meters may be exempt from Connection Fees (Capital Facility Fees and Distribution Fees), at the sole discretion of the District, provided the landscape-only meter serves no facility whatsoever and is no larger than the meter used to monitor domestic water for which appropriate connection fees have been paid, or for which no structure whatsoever is involved, such as a meter for street island landscaping. All landscape-only meters are subject to engineering analysis by the District.

DISTRIBUTION SYSTEM FEE

The Distribution System Fee is a charge for the water distribution system typically located between transmission lines and service laterals. The applicant shall pay the following Distribution System Fee where a water main abuts applicant's benefited parcel, provided, however, that the applicant shall be exempted from such Distribution System Fee whenever water service is provided from a water main constructed and installed at the sole cost of said applicant or the applicant’s predecessor-in-interest:

<u>Meter Size</u>	<u>Distribution System Fee</u>
3/4"	\$ 3,724.00
1"	\$ 6,206.00
1-1/2"	\$ 12,412.00
2"	\$ 19,860.00
3"	\$ 39,719.00
4"	\$ 62,061.00
6"	\$ 124,122.00
8"	\$ 198,595.00
10"	\$ 285,480.00

An additional fee may also be imposed to include the estimated cost of modifications or additions to infrastructure that may become necessary to bring existing infrastructure up to current District standards or due to unusual or exceptional circumstances related to a customer's application for service.

An applicant shall not be required to pay any Distribution System Fee if the applicant can prove to the satisfaction of the District that the same or a similar charge was imposed upon applicant's predecessor-in-interest and was paid within twenty years of the date of applicant's request for water service from a steel main, or within thirty years of the date of applicant's request for water service from an asbestos cement or polyvinyl chloride pipe main. A predecessor-in-interest shall be deemed to exist where the subject lot is within a subdivision of land in which the developer has installed and dedicated to the District a distribution system which provides service to the lot. A predecessor-in-interest shall be deemed to exist where the property to be served is within Assessment District No. 14 (a city assessment district), 82-1, 87-1, 91-1, or within the Bradley Tract No. 2460.

If an applicant or developer desires to serve a parcel or lot that has had no previous service from the District, and is not adjacent to an existing water main of a size, condition, and service pressure deemed necessary by the District to serve the proposed development or property, the applicant or developer shall be required to construct all necessary water system facilities including a water main line extension to and across the entire frontage of the parcel(s) to be served, at the applicant or developer's sole expense, in accordance with District Specifications, Rules, Regulations and General Plan. The applicant or developer shall bear the entire cost of all design, construction and inspection. Please also see REFUND AGREEMENTS.

As with Capital Facility Fees, Distribution System Fees must be paid in advance of any service connection to the benefited parcel.

Distribution System Fees may also be required from an applicant not otherwise covered by the above, if in the discretion of the District, such charge is reasonably necessary to ensure the applicant pays an equitable fee or charge associated with the District's distribution system.

MASTER METERS

Generally, all residential units must be individually metered, and multiple meters are encouraged for conservation purposes; however, master metering may, at the sole discretion of the District, be allowed with respect to residential developments, under the following circumstances:

1. The property served is a single parcel, owned by a single person, entity, or organization and consisting of more than three residential units.
2. All master meters permitted shall be in the owner's name and all bills shall be the primary responsibility of and shall be paid by said owner. Any agent of the owner shall have their name on file with the District.

3. The master meter shall be located at the property line adjacent to the street or easement.
4. The District reserves the right to require additional meters or to impose conditions in special or unusual circumstances, such as for heavy landscaping or for widely separated buildings on large parcels.
5. An approved backflow prevention device(s) will be required for all master meters, installed and maintained by the owner, at the owner's expense.

The meter size, as required for any particular development, shall be determined by the District, at the District's sole discretion, based upon information provided by the applicant and investigation by the District. In the case of more than one service to the same development, the total charge shall be the sum of the appropriate individual charges. The District reserves the right to require an increase in meter size at any time. The owner-applicant must, at that time, pay any additional fees due, including but not limited to Capital Facility Fees.

Generally, all commercial, public, industrial, and agricultural units must be individually metered, and multiple meters are encouraged for conservation and safety purposes; however, master metering may, at the sole discretion of the District, be allowed with respect to commercial, public, industrial, and agricultural developments in circumstances where separate meters would be impractical, such as hotels and motels or facilities of common use such as common bathrooms or washrooms. If master metering is allowed, an approved backflow prevention device(s) must be installed and maintained by the owner, at the owner's expense. There shall be at least one separate meter for each separate sewer lateral. There shall be a separate meter to each customer for which a backflow prevention device is required. There shall be a separate meter for each culinary establishment, each commercial/industrial establishment which uses water as a part of its commercial or industrial business or process, each medical and dental office, each veterinary clinic and animal grooming or boarding or sales establishment, each grocery and food handling or sales establishment, and as otherwise required by the District in its sole discretion; whether or not such establishments are in separate freestanding buildings and whether or not such establishments require backflow prevention devices. There shall also be a separate meter for all commercial and industrial establishments which contains fifty or more fixture units per Uniform Plumbing Code.

SERVICE INSTALLATION CHARGES

Service Installation Charges cover the cost of a water service lateral (from the water main to the customer's meter location) and the installation of a water meter, meter box, valves, and other appurtenances up to the discharge side of the customer valve. Service Installation Charges are collected at the time application for service is made. Where the premises to which water is to be furnished does not have a meter for use on said premises, the applicant shall pay an installation charge based on all costs of installation, including meters, appurtenances, and appurtenant work and shall make a deposit of the estimated amount. Said charge shall be paid in advance of water service. Once installed, the water service lateral, water meter, meter box, valves, and appurtenances become the property of the District.

Payment for meter installation, in addition to all other usual and regular charges of the District, is as follows:

<u>Meter Size</u>	<u>Amount</u>
3/4"	\$ 382.00
1"	\$ 506.00
1-1/2"	\$ 920.00
2"	\$ 1,056.00

For most meter installations, the above amounts are payment in full. However, when District costs exceed the deposit amount due to special circumstances (such as a non-plastic meter box and lid) the customer shall be billed the additional costs on a time and materials basis plus an overhead and administrative charge of 15%. When it is also necessary for the District to install the service lateral from the main to the meter location, an additional charge of \$757.00 for 3/4" and 1" meters (1" lateral) or \$1,013.00 for 1-1/2" and 2" meters (2" lateral) must be paid by the customer. This charge does not include excavation, backfill and street repair, which must be performed by the developer/customer and inspected by the District to ensure the District's installation specifications are met. Meter and service connections must be installed by the District; however, a service connection may be installed by a California licensed contractor, with the District's prior approval, and in such event, the applicant must warrant the installation for a period of two years.

At the discretion of the District, prior to installation, the developer must provide the final grade and curb stake information placed by a California licensed surveyor or California licensed Professional Civil Engineer.

Meter and service connections larger than two-inches in size, or any size compound meter, shall be installed by a California licensed contractor at the sole cost of the applicant. Once installed, the meter and service connection becomes the property and maintenance responsibility of the District; however, the applicant must warrant the installation for a period of two years.

Upon receipt of an application, a deserted or inactive service may be activated, provided the applicant pays actual time and materials costs plus an overhead and administrative charge of 15% required to locate the service, restore it, and/or upgrade it to current District standards. If the service cannot be located, it will be classified as abandoned. Abandoned services may be considered as new services for purposes of collection of some or all rates, charges and fees for obtaining service.

An existing service connection may be relocated on the same property, or upgraded, with the approval of the District; however, it may not be moved to a new property. All work by the District will be done on a time and material basis plus an overhead and administrative charge of 15%.

If the meter and service installation requires a backflow prevention device, the costs associated with the installation and maintenance of the backflow prevention device are the sole responsibility of the applicant. (Refer to Ordinance No. 87 and any other successor ordinances.)

CONCEPT/PLAN CHECKING FEES/INSPECTION DEPOSITS

An applicant will be required to provide waterworks plans designed by a California licensed Professional Engineer and to adhere to the District's Standard Construction Specifications and Drawings, which are provided under separate cover and available through the District's Engineering Department. Please refer to the Standard Construction Specifications and Drawings for details on requirements for project bonding, insurance, environmental impact reports, and easements. In addition, an applicant and/or developer must follow the procedure outlined in District's Water Main Extension Procedures, also provided under separate cover and available through the District's Engineering Department. The District reserves the right to provide its own engineering plans for any and all waterworks improvements.

1. Concept Plan Approval: Applicant must make an advance payment of a Concept Plan Fee in the amount of \$100.00 to cover facility design requirements review and approval. When required, the applicant must also pay all costs for the District engineering staff, District engineering consultant and/or legal counsel related to the applicant's request plus an overhead and administrative charge of 15%. Any Concept Plan Approval granted is valid for a period of one year from the date of said approval. If construction plans are not submitted to the District during such 12 months, the applicant must resubmit a new concept plan and pay an additional Concept Plan Fee.

A Concept Plan Fee is also required for those variance requests where a conceptual plan or drawing needs to be reviewed by District engineering staff.

2. Plan Checking: Applicant must pay a fee, as follows, in advance, to cover engineering review and approval of construction plans and specifications submitted for each proposed water system improvement project:

<u>Engineer's Cost Estimate</u>	<u>Fee</u>
\$0 - \$200,000	2% (minimum \$500)
> \$200,000	1% (minimum \$4,000)

Applicant must also pay (if applicable) actual costs incurred by the District for engineering consultant and/or legal counsel review plus an overhead and administrative charge of 15%.

Any plan approval is good for a period of one year from the date of said approval. If actual construction work is not initiated during such one year, the applicant must revert back to the Concept Plan or Plan Check approval stage for the proposed project, whichever is determined to be appropriate by the District. At that time, additional Concept Plan and/or Plan Checking fees may be required.

3. Inspection: Applicant must pay a deposit before construction begins to cover the cost of District inspection of water system improvements. The applicant must deposit 3% of the actual construction cost of the water system improvement work (\$180.00 minimum). Inspections or tests shall be charged on an actual time basis, calculated at \$120.00 per hour with a minimum

one hour charge for each official inspection. All construction work necessitating the District Inspector to appear at the construction site before or after normal working hours (8:00 am – 5:00 pm M-F excluding District holidays) may require the applicant to pay an after hour rate of \$155.00 per hour subject to a minimum charge of \$265.00 per after-hours inspection. Any after-hours inspection must be pre-paid and pre-arranged with the District Inspector.

Any refund of the unused portion of the 3% deposit will not be granted until all water system improvements have been completed and dedicated to the District with approval by the Board of Directors.

WILL-SERVE LETTERS

The City of Ridgecrest, as well as other public and governmental agencies, financial entities and private individuals frequently require developers to obtain "Will-Serve" letters from the Water District to establish that the District water service is available for the developer's proposed project. In order to facilitate this process, the developer will supply the District with a tentative project map or site plan for review and pay a "Will-Serve" fee of \$25.00. The District may require submittal and/or approval of a concept/plan prior to issuance of a will-serve letter.

The developer will pay all costs for the District engineering staff, District engineering consultant and or legal/counsel plus an overhead and administrative charge of 15% exceeding \$25.00 related to the developer's request for a "Will-Serve" letter.

The District will review the proposed project to determine if the project lies within the District's boundaries and the extent of the impact on District facilities.

If appropriate, as determined in its sole discretion and upon terms and conditions it deems appropriate, the District will send the requesting agency a "Will-Serve" letter on behalf of the developer's proposed project. Generally this letter will state that the District can provide service, upon demand, to any location within its boundaries, subject to all District Ordinances, Rules and Policies, and upon construction by the developer of any water system facility extensions; relocation of any existing water lines and/or existing fire hydrants; and/or additional improvements or requirements which may be found necessary, and the deposit of applicable charges and fees for obtaining water service. All such offers of service shall be valid for a period of one year.

REFUND AGREEMENTS

Developers may be required, at their sole expense, to install or replace or upgrade existing water system facilities, including, but not limited to, water mains, valves, fire hydrants, backflow prevention devices and service connections, as a condition to receiving water service. If required, developers must furnish all labor and materials necessary to install or replace the water system facilities, in accordance with District-approved plans and specifications.

If the District requires the installation or replacement of a water main to service an applicant's benefited parcel as a condition to receiving water service, and said water main, once installed, may provide water service to neighboring parcels other than those benefiting the applicant, the applicant may be entitled to receive partial reimbursement for eligible costs of improvements. Developers

may request such a reimbursement by applying for a Refund Agreement, at or prior to the time of dedication.

The District may, under the terms and conditions elsewhere described, impose a Distribution System Fee to be paid by new connections where the property owner requesting service or predecessor-in-interest has not participated in the costs of the water main abutting said property. During the term of the Refund Agreement, the District shall credit the developer with 100% of said Distribution System Fees collected on said eligible water line.

The Refund Agreement shall expire ten years from the date of said agreement, or when the developer has been repaid 100% of the eligible costs of said improvements, whichever occurs first. Eligible costs include, but are not limited to, construction, engineering and surveying. Refund Agreements must be approved by the Board of Directors.

Developers may also be eligible for partial reimbursement if required to install water lines larger than would normally be needed for their proposed development alone, and larger than 12" in diameter. Each District requirement for such an "oversized" line will be negotiated with the developer on an individual basis.

CONTINUITY/SPECIAL CONDITIONS/SEVERABILITY

Continuity – Adoption of these rules shall not be construed as a waiver of any right or obligation under any prior agreement, contract or commitment.

Special Conditions – In the event that conditions arise which are not specifically covered by these rules, the Board may take whatever action which, in its sole discretion, is warranted.

Severability – If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this regulation, or any part thereof, is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this regulation, or any part thereof. The Board hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid.