San Miguel Community Services District
Water Code

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SAN MIGUEL COMMUNITY SERVICES DISTRICT WATER CODE

SECTION 1: GENERAL PROVISIONS.

1.1 Title.

This document shall be known as the "San Miguel Community Services District Water Code" and may be cited as such.

1.2 Definitions.

Except as otherwise expressly provided, the following words used in this Code shall have the meanings hereinafter set forth:

(a) Agent. The person, firm, corporation, partnership or other entity duly authorized by the applicant to act for the applicant.

(b) Air-Gap Separation. The term "air-gap separation" means a physical break between a supply pipe and a receiving vessel. The air-gap separation shall be at least double the diameter of the supply pipe measured vertically above the top rim of the vessel, in no case less than one inch.

(c) Applicant. The person, firm, corporation, partnership, public entity, or other entity applying to receive a commitment of water and/or sewer service or applying to receive water and/or sewer service for property owned by the applicant.

(d) Approved Backflow Prevention Device. The term "approved backflow prevention device" means devices that have passed laboratory and field evaluation tests performed by a recognized testing organization that has demonstrated their competency to perform such tests to the California Department of Health Services.

(e) Approved Tentative Map. Approved tentative map means an approved or conditionally approved tentative map or vesting tentative map for a subdivision, as such terms are found in Government Code Sections 66410, et seq.

(f) Approved Water Supply. The term "approved water supply" means any water supply whose potability is regulated by a State or local health agency.

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(g) Auxiliary Water Supply. The term "auxiliary water supply" means any water supply on or available to the premises other than the approved water supply.

(h) Available Water Capacity. Available water capacity means that District water supply which is or becomes available to serve new or additional water service connections over and above that water supply required to serve users of existing water service connections and development for which will serve commitment letters have been issued.

(i) AWWA Standard. The term "AWWA Standard" means an official standard developed and approved by the American Water Works Association (AWWA) for water treatment and supply.

(j) Backflow. The term "backflow" means a flow condition, caused by a differential in pressure, that causes the flow of water or other liquids, gases, mixtures or substances into the distributing pipes of a potable supply of water from any source or sources other than an approved water supply source. Back-siphonage and back pressure are both causes of backflow.

(k) Board. Board shall mean the Board of Directors of the San Miguel Community Services District.

(l) Certified Backflow Prevention Device Tester. The term "certified backflow prevention device tester" means a person certified by the District pursuant to Section Six herein to test backflow prevention devices within the District.

(m) Code. The San Miguel Community Services District Water Code.

(n) Construction Purposes. Construction Purposes are limited to building construction, dust control, and irrigation for erosion control (including revegetation).

(o) Contamination. The term "contamination" means a degradation of the quality of the potable water by any foreign substance which creates a hazard to the public health or which may impair the usefulness or quality of the water.

(p) Cross-Connection. The term "cross-connection" means any unprotected actual or potential connection between a potable water system used to supply water for drinking purposes and any source or system containing unapproved water or a substance that is not or cannot be approved as safe, wholesome, and potable. By-pass arrangements, jumper connections,

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removable sections, swivel or changeover devices, or other devices through which backflow could occur, shall be considered to be cross-connections.

(q) County. County shall mean San Luis Obispo County.

(r) Development Plan. Development Plan shall have the same meaning as that term is used within San Luis Obispo County's land use ordinance, currently codified as Title 22 of the San Luis Obispo County Code, as such may be amended from time to time.

(s) District. District shall mean the San Miguel Community Services District.

(t) Double Check Valve Assembly ("DC"). The term "double check valve assembly" means an assembly of at least two independently acting check valves including tightly closing shut-off valves on each side of the check valve assembly and test cocks available for testing the water-tightness of each check valve. At a minimum, a double check valve assembly shall conform to AWWA Standard C506-78 (R83) adopted on January 28, 1978 for Double Check Valve Type Backflow Preventive Devices.

(u) Final Map. Final map means a final map or parcel map that is recorded for a subdivision pursuant to California Government Code Sections 66464, et seq.

(v) Guesthouse. Guesthouse shall have the same meaning as such word is used in section 22.08.030(G) of Title 22 of the San Luis Obispo County Code, as such may be amended from time to time.

(w) Health Agency. The term "health agency" means the California State Water Resources Control Board, Division of Drinking Water, or the local health agency with respect to a small water system.

(x) Local Health Agency. The term "local health agency" means the County of San Luis Obispo Health Agency.

(y) Lot. Lot means any piece or parcel of land bounded, defined, or shown upon a final map or deed recorded or filed in the Office of the County Recorder of San Luis Obispo County; provided, however, that in the event any building or structure covers more area than a lot as defined above, the term "lot" shall include all such pieces or parcels of land upon which said building or structure is wholly or partly located, together with the yards, courts or other unoccupied spaces legally required for the building or structure.

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(z) Person. The term "person" means an individual, corporation, company, association, partnership, municipality, public utility, or other public body or institution.

(aa) Plot Plan. Plot plan shall have the same meaning as that term is used within the San Luis Obispo County's land use ordinance.

(bb) Premises. Premises shall mean any lot or any piece or parcel of land comprising two or more lots of record in one ownership, or any building or other structure or any part of any building or structure used or useful for human habitation or gathering or for carrying on a business or occupation or any commercial or industrial activity.

(cc) Property Profile. A document issued by a title company containing the property owner's name and address, assessor's parcel number and map, and a copy of the deed of the property described in the application.

(dd) Public Water System. The term "public water system" means a system for the provision of water through pipes or other constructed conveyances to the public for human consumption that has 15 or more service connections or regularly serves at least 25 individuals daily at least 60 days out of the year. A public water system may include the following:

(i) Any collection, treatment, storage, and distribution facilities under control of the operator that are used primarily in connection with the system.

(ii) Any collection or pretreatment storage facilities not under the control of the operator that are used primarily in connection with the system.

(iii) Any water system that treats water on behalf of one or more public water systems for the purpose of rendering it safe for human consumption.

(ee) Recycled water. The term "recycled water" means wastewater that as a result of treatment is suitable for uses other than potable use.

(ff) Reduced Pressure Principle Backflow Prevention Device ("RP"). The term "reduced pressure principle backflow prevention device" means a device incorporating two or more check valves and an automatically operating differential relief valve located between the two check valves, a tightly closing shut-off valve on each side of the check valve assembly and equipped with necessary test cocks for testing. As a minimum, a reduced

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pressure principle backflow prevention device shall conform to AWWA Standard C506-78 (R83) adopted on January 28, 1978 for Reduced Pressure Principle Type Backflow Prevention Devices.

(gg) Retrofit. The replacement of all plumbing fixtures within an existing building or other structure within the District with the following:

(i) Toilets: ultra-low flush, 1.6 gallon per flush maximum;

(ii) Urinals: 1.0 gallon flushometer positive pressure type;

(iii) Showerhead with shut off valve: 2.0 gallons per minute maximum;

(iv) Lavatory faucets: 2.0 gallons per minute maximum; and

(v) Kitchen faucets: 2.0 gallons per minute maximum

(hh) Secondary Dwelling. Secondary Dwelling shall have the same meaning as such word is used in section 22.80.030(S) of Title 22 of the San Luis Obispo County Code, as such may be amended from time to time.

(ii) Service Connection. The term "service connection" means the point of connection of a user's piping to the water supplier's facilities.

(jj) Site Plan. Site plan shall have the same meaning as that term is used in San Luis Obispo County's land use ordinance.

(kk) Subdivision. A subdivision as defined in Section 66424 of the California Government Code.

(ll) Sub-Meter. Sub-meter means a water flow measuring device approved by the District that is owned, installed, operated, maintained, repaired and replaced by the property owner, at its expense. The District shall have rights of access across the property owner's property to read the sub-meter.

(mm) Unit of Use. A unit of use is equivalent to 575 gallons of water per day ("gpd"), which is the average amount of water used on a daily basis in one apartment, one single family residence, one condominium unit and one mobile home unit.

(nn) Water Supplier. The term "water supplier" means the person who owns or operates the approved water supply system.

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(oo) Water User. The term "water user" means any person obtaining water from an approved water supply system.

1.3 Enforcement of this Code.

The District General Manager, Director of Utilities, Fire Chief and Assistant Fire Chief are authorized by Government Code sections 53069.4 and 61064 to cite violators of District Ordinances, including all provisions of this Code, and they shall perform the aforementioned task in a professional manner without malice or personal bias.

1.4 District Access onto Private Property

a) District agents, employees and representatives shall have the right of access, ingress and egress, to the premises of customers of the District water system at all reasonable hours for any purposes reasonably connected with the furnishing of water service, including, but not limited to, inspecting and closing such laterals as necessary to protect the public health and District operations and facilities, and inspecting, maintaining, improving, replacing and operating District water system facilities, equipment and apparatus located on such premises. Such agents, employees and representatives also shall have the right of access to install and construct on the customer's dwelling or building an automatic meter reading system, including necessary connections to the telephone utility line, and the installation of necessary cable lines, equipment and apparatus.

(b) District employees, agents and representatives shall identify themselves upon request when entering upon the premises of any customer for the purposes allowed by this section.

1.4.1 Interference with Access

No person shall install, construct, place or locate any structure, building, or facility of any kind, whether permanent or temporary, or any other object which is difficult to remove, on any District water line easement, or in such manner as to interfere with the District's ready and easy access to any District water system equipment, facility or apparatus. Any such obstruction, upon request of the General Manager, or Director of Utilities shall be removed immediately by the violator at no expense to District and shall not be replaced.

1.4.2 Enforcement

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The rights conferred, and restrictions imposed, by this Section 1.4 shall be conditions of receiving District water service. By receiving District water service, the customer agrees to comply with and consents to access by the District, in accordance with the terms of this Section 1.4. If a customer fails to comply with this Section 1.4, or otherwise violates any provision of this Section 1.4, such action shall be grounds for termination of water service to the affected premises in the manner provided by Section 8.7, or in any manner provided by law.

1.5 Service to Separate Premises.

Each separate premise under single control or management shall be supplied through separate, individual service connections and meters, unless the District elects otherwise.

Service connections to separate premises must be solely on the lot which that premise resides or may be allowed to cross property lines with a recorded easement prior to the installation of the water service.

1.6 Service to Multiple Units on Same or Adjoining Premises.

Separate houses, buildings, living or business establishments on the same premises or on adjoining premises under single control or management, or separately owned lots or units in multi-lot or unit structures, may be served at the option of the District by either of the following methods:

(a) Through separate service connections and meters to each and any unit or structure, provided that the piping system from each service connection is independent and not interconnected.

(b) Through one or more service connections or meters, which supply the entire premises or lots. Each separate premise shall be provided with a sub-meter, unless the District elects otherwise.

Service connections to separate premises must be solely on the lot which that premise resides or may be allowed to cross property lines with a recorded easement prior to the installation of the water service.

1.7 Division of Presently Serviced Lots or Premises.

When a lot or premises which is presently serviced by the District is divided into two or more lots or premises, the existing service connection and/or meter shall be considered as belonging to the lot or premises which the service connection and/or meter directly enters. Prior to the delivery of water to the new lot (s) or premises, the new lot (s) or premises shall require the installation of a service connection and

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meter, payment of appropriate fees, such as water capacity fees, and compliance with other District ordinances.

1.8 Meters.

(a) All equipment associated with metering, including valves, fittings, settings, meter box and meter, shall be supplied by the District at the permittee's expense.

(b) At the District's option, the meter and related equipment shall be installed by the District at the permittee's expense or by the permittee at the permittee's expense.

(c) If the District elects to allow the permittee to install the meter and related equipment, the District shall inspect and approve the meter and related installation. Until the District inspects and approves the installation, water service shall not be charged to any permittee based upon metered usage. The District reserves the right, for any meter installation determined to be inadequate by the District, to complete the installation and charge the permittee for the District's installation costs.

(d) The size of the meter and related equipment supplied by the District shall be based upon the information provided in the permit, upon existing construction, and upon the estimated water usage computed from this data.

(e) The District reserves the right to require the location of the meter and meter box on the curb line or property line most accessible for the District from existing distribution lines. Existing service connections shall determine the point of delivery of water to the permittee.

(f) When the District is to install the meter, the permittee or the permittee's agent shall notify the District at least five days (District holidays and weekends excluded) in advance of the time the meter is required for installation. Multiple meter installation shall be scheduled with the District at the time the permit is issued.

1.9 Operation and Maintenance of Distribution System.

(a) The owner of the property served by the District's distribution system shall be responsible for the operation and maintenance of the private water line, and all devices or safeguards required by the District, which are located upon the owner's property and which are after the meter and/or customer service valve whether they are outside the public right-of-way line or not.

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(b) The District shall be responsible for the operation and maintenance of that portion of the distribution system, which is in the public right-of-way, which has been dedicated to the District, or which is not located upon the owner's property served by the District's distribution system.

(c) The owner served by the District's distribution system shall be responsible and liable for all costs involved in the repair of all damage caused by the owner or agents thereof to any portion of the owner's distribution system, wherever located.

SECTION 2: WATER AVAILABILITY & WATER WILL SERVE COMMITMENTS.

2.1 Water Availability Letter.

Upon receiving a written request, the District shall issue a letter giving the current status of water availability to a project or parcel of land. This letter will state, in general terms and without making a commitment to serve the project or parcel, whether the project or parcel is within the boundaries of the District, if water supply and facility capacity are currently available to serve the project or parcel, and under what conditions service would be made available. The District will attempt to identify potential problems that may be associated with making water service available to the project or parcel.

2.1.1 Fee for Water Availability Letter

The written request for a water availability letter shall be accompanied by a fee, as established by Resolution of the District's Board of Directors, to cover the District's administrative costs in processing and responding to the request and issuing the letter.

2.2 Application for a Will Serve Commitment.

2.2.1 Information Required of the Applicant

(a) Any person desiring a will serve commitment for water service for a subdivision, final map, development plan, site plan, plot plan or premises shall submit an application to the District on a form and in such manner as determined by the District. At a minimum, said application shall include the following information:

(i) Date of application;

(ii) Name, address, and telephone number of owner and agent of the subject premises;

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(iii) Location and legal description of the subject premises, number of lots to be served, and proposed zoning;

(iv) Number of expected water units of use for each expected lot; and size and number of water meters for needed water service;

(v) Date that water service is expected for all or any part of the subject premises;

(vi) Purpose for which water service will be used; and

(vii) Such other information as District may reasonably require.

(b) The District shall be notified by the applicant of any change in the information provided above within thirty (30) days after such change.

(c) If an agent will act for the owner of the subject premises in matters concerning the application, the agent shall submit to the District written evidence of such agency and authority, having a notarized signature of the owner of the subject premises.

(d) All applications for a will serve commitment shall be accompanied by a Lot Book Guarantee issued no more than thirty (30) days prior to the date of the application or such other written evidence satisfactory to the District evidencing the applicant's ownership of the subject premises. The Lot Book Guarantee shall be issued by a title company located within San Luis Obispo County and shall be at the expense of the applicant.

(e) The District shall not accept applications for water will serve commitments or applications for water service for service outside its boundaries except as provided in the succeeding sentence. Annexation shall be required to become eligible for such service, provided that commitments may be issued and service may be provided pursuant to an agreement entered into pursuant to District ordinances, rules and regulations, and as otherwise may be decided by the Board and may be required by law.

(f) The applicant shall pay a non-refundable application fee of $200 per parcel at the time of submittal of the application to cover the District's costs of processing the application; provided that if the application concerns a proposed subdivision, which includes more than fifteen Assessor's Parcel, then the application fee shall be $1000 for proposed subdivision. If a subdivision is proposed, the application and fees for individual parcels will be also required at the time those parcels are developed. In the event that

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sewer service is also required additional fees will be required for such service.

(g) Application fees will be those in effect at the time of application as adopted by Board Resolution.

2.2.2 Determination of Water Availability.

Upon the furnishing of the information required in Section 2.2.1 above, the District shall determine within sixty (60) days whether or not there is available water supply and facility capacity to serve the subject premises at the time of application.

(a) If the determination is affirmative or conditionally affirmative, then the District will so notify the applicant.

(b) If the District determines there is not available water supply or facility capacity to serve the premises at the time of application, then the application shall be denied without prejudice and placed on the District's waiting list. At the time water supply or facility capacity becomes available to serve the subject premises on the waiting list, the applicant and his/her successor shall be so notified and, if the applicant or his/her successor still desires water service, the application that was denied without prejudice shall be reconsidered and the District shall follow the procedures set forth in Sections 2.2.3 to 2.2.9.

2.2.3 Deposits.

2.2.3.1 Deposits Required for Non-Discretionary Projects.

For any application for a will serve commitment which is not required by the County in connection with any discretionary approval of a project for the subject premises, such as a tentative map, development plan, use permit, site plan or plot plan, the applicant shall deposit with the District, within fifteen (15) days after the date of the notice referenced in Section 2.2.2, one-fifth of the water connection fees owing on the application which are in effect at the time of the notice. The applicant and District shall enter into an agreement affecting the subject premises providing for the applicant's payment of the balance of the connection fees by the completion of the project. Such agreement shall provide that if, during the term of the agreement, the District pursues formation of a special zone covering those lands subject to will serve commitments and the payment of water connection fees, the applicant's property shall be proposed for inclusion in the zone and whatever balance may be owing on the water capacity fees at the time of formation of the zone shall be paid through whatever taxes, assessments, fees and/or charges are approved for such zone. The agreement also shall provide for an annual fee to administer the agreement and the payment of any installments, and the

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consequences if any such installment is not timely paid. Such agreement further shall provide that the then balance owing on the connection fees shall be fully paid prior to the issuance of a building permit for the subject premises as no water service shall be provided until 100% of the connection fees is paid. On the date of such one-fifth payment and full execution of such agreement, the application for a will serve commitment shall be deemed complete. Refunds on money paid in connection with the application are nonrefundable, except as provided in Section 2.2.5.

2.2.3.2 Deposit Required for Discretionary Projects.

With respect to applications for will serve commitments that will be submitted to the County in connection with the discretionary approval of a project for the subject premises, such as a tentative map, site plan, use permit, development plan or plot plan, the applicant, within thirty (30) days after the date of the notice provided in Section 2.2.2. above, shall submit proof from the County that it has accepted the applicant's application for a tentative map, development plan, site plan, use permit, plot plan or other project approval application for the subject premises ("County Accepted Application") and shall deposit within said thirty (30) day period one fifth of the water connection fees due for the units of use applied for consistent with the County Accepted Application. The amount of the connection fees due shall be based on those in effect at the time of the payment. The District and applicant shall enter into an agreement affecting the subject premises providing for the applicant's payment of the balance of the connection fees by the completion of the project. Such agreement shall provide that if, during the term of the agreement, the District pursues formation of a special zone covering those lands subject to will serve commitments and the payment of water connection fees, the applicant's property shall be proposed for inclusion in the zone and whatever balance may be owing on the water connection fees at the time of formation of the zone shall be paid through whatever taxes, assessments, fees and/or charges are approved for such zone. The agreement also shall provide for an annual fee to administer the agreement and the payment of any installments, and the consequences if any such installment is not timely paid. Such agreement further shall provide that the then balance owing on the connection fees shall be paid prior to the recording of a final map pursuant to the County Accepted Application or within thirty (30) days after County approval of the project for the subject premises, whichever is applicable. No water service shall be provided to the subdivision or project until 100% of the connection fees are paid. As of the date of such submission of proof of the County Accepted Application, the full execution of the agreement and the payment of the deposit with the District, the application for a will serve commitment shall be deemed complete. Refunds of money paid in connection with the application are nonrefundable, except as provided in Section 2.2.5 below.

2.2.4 Issuance of Will Serve Commitment.

2.2.4.1 Issuance of Will Serve Commitments for Non-Discretionary Projects.

(a) With respect to an application for a will serve commitment for water service only which is not required by the County in connection with any discretionary approval of a project for the subject premises, the District shall issue to the applicant a will serve commitment for the subject premises upon receipt of the deposit submitted pursuant to Section 2.2.3.1, execution of the agreement also referenced in Section 2.2.3.1 and compliance with any other requirements of the District. The will serve commitment shall obligate the District to provide water service to the premises to the extent that water service applications for such premises propose no more units of water use than are stated for such premises in the application for the will serve commitment. The will serve commitment shall terminate at the sooner to occur of ten (10) years after the date of the will serve commitment or unless connection to the District water system has been made prior to the termination or expiration of any permit or approval, or upon the termination or expiration of any building permit issued to the applicant for construction of improvements on the parcel subject to the will serve commitment.

(b) If an applicant fails to pay an installment of the connection fees due pursuant to an agreement, as referenced in Section 2.2.3.1, within 60 days after the date that it is due, then the will serve commitment shall be deemed forfeited and the water units of use specified in such commitment shall be relinquished to the District as of the date of such forfeiture. Interest at 1 % per month and a penalty of 10% of the installment payment due shall be paid with respect to any late installment payment made prior to such forfeiture. Upon forfeiture, refunds of installment payments made on forfeited units shall be made without interest and in accordance with Section 2.2.5.

2.2.4.2 Issuance of Will Serve Commitments for Discretionary Projects.

(a) With respect to applications for will serve commitments that will be submitted to the County in connection with the discretionary approval of a project for the subject premises, the District shall issue the applicant a will serve commitment for such premises upon payment of the deposit, the execution of the agreement, submission of proof of the County Accepted Application and compliance with any other requirements of the District. The will serve commitment shall be effective for the soon to occur of ten (10) years or for so long as the County accepted application remains in effect and its continued validity shall be subject to timely payment of the installments of the connection fees, and County approval of the project for

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the subject premises consistent with such Application. If the County approves the project consistent with the
County approved application, then the will serve commitment shall remain in effect consistent with such County approval.

(b) If the County accepted application is withdrawn, expires, is denied or fails for any reason in whole or in part, then the units of use in the will serve commitment no longer required for the project, as described in said County accepted application, because of the withdrawal, expiration, denial or other failure shall be deemed forfeited and relinquished to the District as of the date of such withdrawal, expiration, denial or other failure. Refunds of money paid on units of use so forfeited and relinquished shall be refunded in accordance with Section 2.2.5.

(c) If County approval of the project reduces the number of units of use required for the subject premises from that stated in the County Accepted Application, then those units not so approved shall be forfeited and relinquished to the District as of the date of the County approval. Refunds of money deposited on units of use so forfeited and relinquished shall be refunded in accordance with Section 2.2.5.

(d) Upon forfeiture of a will serve commitment, the applicant must apply for a new will serve commitment for the subject premises in accordance with District rules, regulations and ordinances.

(e) The will serve commitment issued pursuant to Section 2.2.4.2 shall obligate the District to provide water service to the subject premises to the extent that applications for water service to any portion or all of the subject premises propose no more units of use than such are stated for such premises in the application for the will serve commitment consistent with any County approval.

(f) If an applicant fails to pay an installment of the capacity fees due pursuant to an agreement, as referenced in Section 2.2.3.2, within 60 days after the date that it is due, then the will serve commitment shall be deemed forfeited and the water units of use specified in such commitment shall be relinquished to the District as of the date of such forfeiture. Interest at 1 % per month and a penalty of 10% of the installment payment due shall be paid with respect to any late installment made prior to such forfeiture. Upon forfeiture, refunds of installment payments made on forfeited units shall be made without interest and in accordance with Section 2.2.5.

2.2.5 Refunds of Connection Fees.

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No refunds on water connection fees paid shall be allowed, except under the following circumstances:

(a) With respect to connection fees paid pursuant to Section 2.2.3.1 or 2.2.3.2, the applicant may request a refund of the capacity fees paid without interest for any unit of use forfeited as long as a written request therefor is made within thirty (30) days after the units of use were forfeited to the District. The amount of the refund shall be equal to the amount of connection fees paid on the units of use forfeited. All refunds shall be made in accordance with (b) below. The District finds that it incurs certain administrative costs with respect to the processing of applications for will serve commitments and requests for refunds. The applicant requesting a refund shall pay a $150 administrative fee at the time of making the refund request. Such fee reasonably covers the District's costs incurred in such refund processing.

(b) Upon the timely submittal of a request for refund, the District, so long as it does not have a water supply to allocate, shall make the units of use forfeited available to the next applicant for a will serve commitment or service consistent with such applicant's application. Within five (5) business days after the date of the District's notice of availability of such units, the next applicant shall provide the District with written notice as to the acceptance of all or any portion of the units made available. The applicant shall pay one hundred percent (100%) of the connection fees due on the accepted units within twenty (20) days after the date of the District' notice referenced above. The amount of the connection fees due shall be based on the water capacity fees in effect at the time of the payment for the accepted units. Upon payment of the connection fees due, the District shall make the refund due, as provided in (a) above within ten (10) days after the next applicant who accepts the forfeited units pays the requisite connection fees in the case of a non-discretionary project, and in the case of a discretionary project, within ten (10) days after the applicant accepting the forfeited units timely submits a County Accepted Application.

(c) If the next applicant does not accept all or any portion of the units made available to him or her pursuant to subdivision (b), then the applicant shall retain his or her position on the waiting list with respect to any units covered by his or her application and not accepted pursuant to the notice of availability.

(d) If the applicant accepting the forfeited units of use pursuant to (b) above has submitted an application for a will serve commitment which will be submitted to the County in connection with the discretionary approval of a project for the subject premises, as specified in Section 2.2.3.2, and the

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applicant has deposited the required amount of the connection fees for all of the units of use requested in the applicant's application, then the applicant shall have on hundred twenty (120) days from the date of the applicant's deposit of connection fees to submit proof of submission of a County Accepted Application. As of the date of such submission, the application for a will

serve commitment shall be deemed complete. Thereafter, the District shall issue a will serve commitment consistent with the provisions of Section 2.2.4.2. If the applicant fails to timely submit proof of submission of the County Accepted Application, then the District shall refund the amount deposited without interest, less an administrative fee of $150 to cover the District's costs in processing the refund, and the applicant will be removed from the waiting list and will have to reapply for a will serve commitment in accordance with District rules, regulations and ordinances. Further, any units of use previously accepted and paid for by the applicant shall be forfeited and shall revert to the District as of the date of the deadline for submission of proof of submittal of a County Accepted Application. Refunds of money paid on such forfeited units of use shall be refunded in accordance with Sections 2.2.5(a) and (b).

(e) A request for refund of forfeited units may be made only by the then legal owner of the premises for which the will serve commitment regarding such units was issued. The person making the refund request must submit to the District, at such person's cost, a Lot Book Guarantee evidencing the person's ownership of the subject premises, which is issued no more than thirty (30) days prior to the date of the refund request or submit other evidence satisfactory to the District evidencing the person's ownership of the subject premises. The Lot Book Guarantee shall be issued by a title company located within San Luis Obispo County. All refunds made pursuant to such request shall be made to the legal owner at the time of the refund request.

2.2.6 Water Allocation System.

(a) The District's water supply shall be allocated and regulated in accordance with the policies, priorities and procedures set forth in this Section 2.2.6.

(b) The District's water service waiting list will begin at the adoption of this water code.

2.2.6.1 Allocation of Supply.

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(a) Any newly developed District water supply source that the District determines can be made available to new users shall be allocated first to those applicants on the waiting list who already have secured from the District all of the sewer units of use applied for by such applicants or have applied for only water service or a water will serve commitment only. Such allocation shall be based on the applicant's priority on the waiting list. The District shall provide that applicant with a written notice of availability of units of use. If an applicant receives such a notice of availability, then, within ten (10) business days after the date of such notice, the applicant shall notify the District in writing whether the applicant will accept the units of use offered in the notice. An applicant for a water will serve commitment of a water/sewer will serve commitment shall pay one-fifth of the connection fees due on the accepted units within thirty (30) days after the date of the District's written notice of availability. An applicant for water service shall pay 100% of the connection fees due within 30 days after the date of the District's written notice of availability. The amount of the connection fees due shall be based on the water connection fees in effect at the time of the payment for the accepted units. If there is any remaining water supply after completion of the allocation process addressed above, then such remaining supply shall be allocated to other applicants on the District's waiting list based on their priority on that waiting list and pursuant to the procedures set forth in the District's Water Code.

(b) If the applicant's application is for a water will serve commitment only that will be submitted to the County in connection with the discretionary approval of a project for the subject premises, as specified in Section 2.2.3.2, and the applicant has timely deposited the required amount of the connection fees for all of the water units of use requested in the applicant's application or has otherwise secured the requisite water units of use needed for the applicant's application, then the applicant shall execute an agreement consistent with Section 2.2.3.2 and submit proof of submission of a County Accepted Application within one hundred and twenty (120) days from the date that the applicant deposited the connection fees as required in (a) above. As of the date of such submission, the applicant's application for a will serve commitment shall be deemed complete. Thereafter, the District shall issue a will serve commitment consistent with the provisions of Section 2.2.4.2. If the applicant fails to timely submit proof of submission of the County Accepted Application, then the District shall refund the amount deposited without interest, less a $500 administrative fee to cover District's costs in processing the refund, and the applicant will be removed from the waiting list and will have to reapply for a will serve commitment in accordance with District rules, regulations and ordinances. Further, any units of use previously accepted and paid for by

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the applicant shall be forfeited and shall revert to the District as of the date of the deadline for submission of proof of submittal of a County Accepted Application. Refunds of money paid on such forfeited units of use shall be refunded in accordance with Section 2.2.5.

(c) If the applicant's application is for a water and sewer will serve commitment that will be submitted to the County in connection with the discretionary approval of a project for the subject premises, as specified in Section 2.2.3.2, and the applicant has timely deposited the required amount of the capacity fees for all of the water and sewer units of use requested in the applicant's application or has otherwise secured the requisite water and sewer units of use needed for the applicant's application, then the applicant shall execute an agreement consistent with Section 2.2.3.2 and submit proof of submission of a County Accepted Application within one hundred-twenty (120) days from the date that the applicant deposited the capacity fees as required in (a) above. As of the date of such submission, the applicant's application for a will serve commitment shall be deemed complete. Thereafter, the District shall issue a will serve commitment consistent with the provisions of Section 2.2.4.2. If the applicant fails to timely submit proof of submission of the County Accepted Application or fails to timely submit proof of submission of the County Accepted Application or fails to timely execute the agreement, then the District shall refund the amount deposited without interest, less a $150 administrative fee to cover the District's costs in processing the refund, and the applicant will be removed from the waiting list and will have to reapply for a will serve commitment in accordance with District rules, regulations and ordinances. Further, any units of use previously accepted and paid for by the applicant shall be forfeited and shall revert to the District as of the date of the deadline for submission of proof of submittal of a County Accepted Application. Refunds of money paid on such forfeited units of use shall be refunded in accordance with Section 2.2.5.

(d) If the applicant is offered all of the water and sewer units of use requested or the balance needed by the applicant to complete the applicant's application but the applicant declines such offer or fails to timely deposit the required amount of the connection fees as specified in (a) above and (g) below, the applicant shall be removed from the waiting list and will have to reapply for water and sewer service or a will serve commitment in accordance with District rules, regulations and ordinances. Any units of use previously accepted and paid for by the applicant shall be forfeited and shall revert to the District as of the date that the applicant declines the offer or fails to timely make the required deposit. Refunds of money paid on such forfeited units of use shall be refunded in accordance with Section 2.2.5.

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(e) If the applicant is offered only a portion of the remaining balance of the water units of use needed to complete the applicant's application, then the applicant may decline such offer and retain his or her position on the waiting list with respect to any units of use covered by his application and not accepted and paid for pursuant to the notice of availability. If the applicant accepts some or all of the portion of water units needed to complete his/her application, then the applicant shall pay one-fifth of the capacity fees due on the accepted units within thirty (30) days after the date of the District's written notice of availability and within said period of time also shall execute an agreement consistent with Section 2.2.3.1.

(f) If the applicant's application is for a water will serve commitment only and the applicant does not require County discretionary approval for the project for the subject premises, then the applicant, to the extent it accepts the units of use offered in the notice provided in (a) above, shall pay one-fifth of the capacity fees due on the accepted units within thirty (30) days after the date of the District's written notice of availability and within that period of time also execute an agreement consistent with Section 2.2.3 .1.

(g) When an applicant is offered all or the balance of the water units of use needed to complete the applicant's application and the applicant has not secured all of the sewer units of use needed to complete the applicant's application for a sewer will serve commitment or application for sewer service, then, assuming there is sewer treatment capacity available, the District shall offer the sewer units needed to complete the applicant's application at the same time that it offers the water units. The total amount of the sewer connection fees due shall be paid within the same period of time required for the payment of the deposit on the water connection fees.

(h) After any waiting list is exhausted, then any remaining water supply shall be allocated on a first-come, first-served basis with the date of a completed application establishing the applicant's priority. If the District exhausts any newly developed supply, then it shall reestablish a waiting list for all applicants.

2.2.6.2 Public Interest Variance, Applicant Dedication of Additional Water Supply.

At times when the District does not have available water capacity, the Board of Directors of the District may consider and allow exceptions to the foregoing allocation scheme and priorities when the Board finds that an applicant can provide the District an additional source of water sufficient in quantity to meet the water service demands of the applicant's development. A will serve commitment for new or additional units under this section will be issued by the District only after the District and the applicant have executed a contract in a form acceptable to the

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District whereby the applicant firmly commits and binds itself to provide and dedicate to the District the additional source of water, such source is actually developed and can be made available for use, and the applicant complies with all other provisions of this Section 2.2 concerning issuance of will serve commitments, unless the District determines otherwise.

2.2.6.3 Public Interest Variance, Service to Public Agencies.

(a) If, at any time, a public agency applies for water service for one of its facilities when the District does not have water supply or facility capacity available, then the application of such public agency shall be placed at the top of the District's then existing waiting list. If more than one public agency applies for water service when the District does not have water supply or facility capacity available, then those applicants shall be considered in accordance with the priority date of each completed application; and when water capacity becomes available, it shall be allocated in accordance with such priorities. This section shall apply to any need of the District for water service to one of its facilities.

(b) The Board finds that the above provisions serve valid public purposes and are necessary in order to provide assistance to other governmental entities to allow the carrying out of public services and functions within the District and to make such services more available, responsible, efficient and effective for the inhabitants of the District.

2.2.6.4 Service to Address Failing Water Wells.

In considering applications for water service, the Board of Directors of the District may allow exceptions to the allocation system in this Section 2.2.6 when the Board finds that an applicant's current water supply for the applicant's residence is failing and no longer adequate to provide the water supply necessary to meet health, safety, sanitation and fire protection needs. If the Board of Directors grants such an exception, the applicant shall disconnect the well from the residence and install a District approved backflow prevention device on the customer side of the District meter. District water service to the residence shall not commence until such disconnection and installation have occurred. The applicant, at its cost, shall be responsible for the operation, maintenance, repair and replacement of the backflow prevention device. The District shall have the right to periodically test the device at the applicant's cost. If the device is not functioning properly, the District shall so notify the applicant and may disconnect service until the applicant repairs or replaces the device to the satisfaction of the District.

2.2.6.5 Highest Priority Water Service for Low Income Housing.

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(a) If, at any time, a proposed development that includes housing units affordable to lower income households, as defined in Government Code Section 65589.5(h)(3), applies for water service when the District does not have sufficient water supply as defined in paragraph (2) of subdivision (a) of Government Code section 66473.7, or is operating under a water shortage emergency as defined in Water Code section 350, or does not have sufficient water treatment or distribution capacity to serve the needs of the proposed development, as demonstrated by a written engineering analysis and report, or the District is subject to a compliance order issued by the State Water Resources Control Board, Division of Drinking Water that prohibits new water connections, then the application of such proposed low income housing shall be placed at the top of the District's then existing waiting list. If more than one proposed development that includes housing units affordable to lower income households applies for water service when such service cannot be provided for the aforementioned reasons, then those applicants shall be considered in accordance with the priority date of each completed application; when water capacity becomes available, it shall be allocated in accordance with such priorities.

(b) This priority shall take precedent over any other public interest variance.

2.2.6.6 Additional Service to Existing Permanent Structures.

(a) If, after the property owner has diligently attempted to reduce water usage, additional water units of use are needed in order to effect a change in water use at an existing permanent building and/or modify or expand an existing permanent building which already is served by the District, then the property owner shall submit an application for water service requesting the additionally needed water units of use. Upon District review and approval of said application, the application shall be placed on a waiting list separately created for additional service to existing structures. Applications placed on such list shall be listed based on the date that the District approves the application with the oldest dated application placed first on the list. With respect to any newly developed District water supply source that the District determines can be made available to new users in accordance with Section 2.2.6.1, 15 percent of such supply shall be allocated to those on the waiting list created by this Section 2.2.6.6 after allocating any such supply to those on the Section 2.2.6 (b) waiting list pursuant to Section 2.2.6.5. If, after the allocation is provided as provided herein, there is an unused portion of such allocation, then such unused portion shall be allocated pursuant to Section 2.2.6.1.

(b) The Board finds that this Section 2.2.6.6 is reasonable and serves valid public purposes in order to facilitate changes in use at existing buildings

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approved by the County where the increased water demand is known and limited.

2.2.6.7 Priority of Water Service.

If the District's waiting list contains pending applications for service pursuant to more than one of the above-referenced sections providing a priority for service (Sections 2.2.6.3, 2.2.6.4, and 2.2.6.5), then when allocating a new supply or newly available water units of use, the District shall make such allocation in the following order of priority: 2.2.6.5, 2.2.6.4, and 2.2.6.3.

2.2.7 Will Serve Commitments and Applications for Water Service for Guesthouses and Secondary dwellings.

(a) A Secondary Dwelling shall be subject to the provisions respecting will serve commitments and applications for service and to all other provisions of this Code.

(b) Upon application to the District in the forms provided for in Sections 2.2 and 2.3, a guesthouse shall be entitled to a will serve commitment and water service from the District without payment of any capacity fees or the need for a water unit of use and shall not otherwise be subject to the provisions of this Code, on condition that the primary residence, through whose meter the guesthouse will receive water service, has allocated to it a valid water unit of use. Except as otherwise specifically provided for herein, a guesthouse shall be subject to District rules, regulations, resolutions and ordinances governing sewer and water service.

2.2.8 Request for More Units of Use.

If an applicant for a will serve commitment for any premises requests additional units of use for such premises over that amount stated in the initial application after the will serve commitment has been issued, then the applicant shall reapply for such additionally requested units of use in accordance with the provisions of this Section 2.

2.2.9 Non-Transferability of Will Serve Commitments.

The water units of use set forth in a will serve commitment issued to premises described in an application for a will serve commitment shall not be transferable to any other premises; provided, however, that if adjacent lots under one legal ownership are combined into one legal lot by virtue of a lot line adjustment or other means, units of use committed to any one of said adjacent lots can be used anywhere on the newly created combined legal lot.

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2.3 Applications for Water Service.

2.3.1 Information Required.

(a) Each applicant for water service shall be required to sign an application form, provided by the District, which, at a minimum, will set forth:

(i) Date of application;

(ii) Names, addresses and telephone numbers of the owner, agent, and the customer, who is the person to whom District bills shall be mailed;

(iii) Legal description (Assessor's Parcel No.(s)) of premises to be served;

(iv) The number and size of meters required for requested services;

(v) Date applicant will be ready for service;

(vi) Whether the premises have been previously served by the District;

(vii) Purpose for which water service is to be used;

(viii) Whether water capacity fees have been previously paid for such premises, and, if so, the amount of such fees, and the date that they were paid;

(ix) Number of water units of use required for the subject premises, as determined by the District upon information provided by the applicant;

(x) Such other information as the District may reasonably require.

(b) The District shall be notified by the applicant of any change in the information provided above within thirty (30) days after such change.

(c) If an agent will act for the owner of the subject premises in matters concerning the application, the application shall so provide, and the agent shall submit to the District written evidence of such agency and authority, having a notarized signature of the owner of the subject premises.

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2.3.2 Service to Premises for Which a Will Serve Commitment Has Been Issued.

(a) If the application is for service to premises for which a will serve commitment is outstanding and effective, and the number of units of use applied for such premises do not exceed that stated in the will serve commitment, then a water service permit shall be issued for the premises upon submission of the information required in Section 2.3.1, payment of a Water Connection Fee, payment of any applicable charges and compliance with other District rules and regulations governing water service. The Water Connection Fee was established by the District Board and is effective as of July 1st, 2018. There shall be no time limit on the permit once all fees are paid in full.

2.3.3 Service to Premises for Which a Will Serve Commitment is Not Outstanding and Effective.

(a) Determination of Water Availability. Once the applicant has supplied the information required in Section 2.3.1, the District shall determine within sixty (60) days whether there is water supply and facility capacity available to provide the requested service. If the determination is affirmative, then within sixty (60) days of such determination, the District shall notify the applicant to pay all applicable charges, including the requisite water connection fees in effect at the time of the notice, which shall be paid within sixty (60) days of the date of the request.

(b) Determination of Non-Availability. If the District determines there is not available water supply or facility capacity to provide the required service at the time of application, then the application shall be denied without prejudice and placed on the District's waiting list. At the time water supply and/or facility capacity becomes available to serve the applicant on the waiting list, the applicant shall be so notified and, if the applicant still desires service, the application that was denied without prejudice shall be reconsidered, and the District shall proceed in accordance with the provisions of subdivision (a) above.

(c) Once the applicant has supplied all of the information required pursuant to Section 2.3.1, has paid all applicable fees, and has otherwise complied with other District rules and regulations governing water service, then the application shall be deemed complete. The date of such completion shall be stated on the application. As of that date, the applicant shall be entitled to a water service permit for the service provided to the subject premises. There shall be no time limit on such permits. The permit shall not be transferable to other property.

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2.3.4 Refunds.

The applicant shall not be entitled to any refund of monies paid pursuant to this Section 2.3, except that the applicant shall be entitled to a refund of the capacity fees paid for any unit of use no longer required by the applicant, if a request therefor is made in writing and is received by the District prior to commencement of service. The request for refund shall be accompanied with a non-refundable fee in the amount $150 to cover the costs to process the request. The District shall make the refund in accordance with Section 2.2.5(c). The Board finds that it incurs certain administrative costs with respect to the processing of applications for service and requests for refunds, and that a non-refundable fee of $150 reasonably covers the District's costs incurred in such processing.

2.3.5 Limitations on Water Use.

Use of water by an applicant on different premises, through more and/or larger meters, for different purposes, or for more units of use than stated in the application shall be considered an unauthorized use and is prohibited. Water and/or sewer service to the applicant may be entirely disconnected pursuant to District ordinances, rules and regulations for any such unauthorized use. Use of water on any unauthorized premises, through an unauthorized meter, for unauthorized purposes, or for more units of use shall require the submittal of a new application and shall be subject to the availability of water supply or facility capacity and/or sewer treatment capacity at the time of such application, the payment of all application charges then in effect, and the District ordinances, rules and regulations then in effect.

2.3.6 Property Owner's Liability.

Applicants for service to rental units may be the lessee or renter of the premises for which service is requested or may be the owner of said premises. Bills shall be mailed to the person designated as the customer on the application who shall be liable for payment of all District rates and charges, and shall otherwise be subject to the District ordinances, rules and regulations. In any situation where the lessee or renter is the designated customer for the premises to be served by the District, the owner of the premises so leased or rented shall guarantee payment of all District rates and charges incurred for service to his/her premises, shall otherwise be subject to District ordinances, rules and regulations, and shall be responsible jointly and severally with the designated customer for payment of any delinquent bill.

2.3.6 Individual Liability for Joint Service.

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Two or more parties who join in one application for service shall be jointly and severally liable for payment of bills. One person shall be designated on the application for receipt of the bills.

2.3.8 Change in Applicant's Equipment.

Applicants desiring to make any material change in the size, character or extent of the equipment utilized in receiving District service, as such equipment is stated in the completed application for service, shall give the District advance written notice of the extent and nature of the change. If the proposed change requires more water units of use, then the applicant shall submit a new application for service and shall be subject to the availability of water supply and facility capacity at the time of such application, the payment of all applicable charges then in effect, and the District ordinances, rules and regulations then in effect.

2.3.9 Allocation of Units of Use When a Lot Split Occurs and Payment of Increased Connection Fees.

Upon the subdivision of a lot to which water units of use have been committed by the District, units of use so committed in excess of those required to serve any existing building or other structures on any of the newly created lots may be used on any of the other newly created lots; provided that upon application for service to such lots where such application is based on utilization of all or any portion of the excess units, the applicant shall pay the difference between the connection fees previously paid for such units of use and the connection fees in effect at the time of the application for service.

2.3.10 Water Service Only When No Available Sewage Treatment Capacity.

2.3.10.1 Request for Water Service Only.

An applicant may apply for a will serve water commitment or apply for water service only, and the District shall provide such commitment or service upon compliance with the applicable provisions for obtaining such commitments or service as provided in this Code, if the following conditions apply:

(i) The new construction or development on the subject premises does not require District sewer service, or will not utilize any additional sewage treatment capacity; and

(ii) The District has available water supply and facility capacity to serve the new construction or development.

2.3.10.2 Conditions of Will Serve Commitment Issuance.

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(a) The issuance of a will serve commitment pursuant to this Section 2.3.10 shall be made notwithstanding a waiting list established for applicants who require both water and sewer service when sewage treatment capacity is not available, but water supply and facility capacity is available.

(b) Notwithstanding Section 2.2.4, a will serve commitment issued pursuant to this Section 2.3.10 shall be valid for ten (10) years. Upon the expiration of such period, the applicant may request renewal of such commitment. Such request shall be in the form of a new application for a will serve commitment. The application shall be treated the same as any other new application for a will serve commitment. For instance, it will be subject to any then existing waiting list established, shall be subject to the availability of water supply and facility capacity at the time of the application, and shall otherwise be subject to District ordinances, rules and regulations then in effect. However, with respect to connection fees, the applicant shall pay the difference between the connection fees in effect at the time of the notice given pursuant to Section 2.2.2 and the fees already paid.

2.3.10.3 Conditions for Providing Water Service.

(a) The provision of water service pursuant to this Section 2.3.10 shall be provided notwithstanding a waiting list established for applicants who require both water and sewer service when sewage treatment capacity is not available, but water supply and facility capacity is available.

(b) Notwithstanding Sections 2.3.2 and 2.3.3 hereof, any permit issued on an application for water service shall be valid for two (2) years from the date of issuance. Service shall commence to the subject premises within that two (2) year period. The applicant may request renewal of the permit. Such request shall be in the form of a new application for water service. The application shall be treated the same as any other new application for water service. For instance, it will be subject to any then existing waiting list established pursuant to Section 2.2 hereof, shall be subject to the availability of water supply and facility capacity at the time of the application, and shall otherwise be subject to District ordinances, rules and regulations then in effect. However, with respect to connection fees, the applicant shall pay the difference between connection fees in effect at the time of the notice given pursuant to Section 2.3.3 and the fees already paid.

2.3.10.4 Subsequent Need for Sewer Service.

If subsequent to the issuance of a will serve commitment or permit pursuant to this Section 2.3.10, an applicant requests sewer service before water service

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commences, then the will serve commitment or permit shall no longer be effective, as of the date of the request. The applicant shall be required to reapply for both water and sewer service in accordance with the provisions of the San Miguel Community Services District Sewer and Water Codes; provided, however, the applicant shall be credited for any Capacity fees paid.

SECTION 3: TEMPORARY CONSTRUCTION SERVICE.

3.1 General Provisions.

The District may authorize the use of water for temporary construction service pursuant to the terms of this Section 3.

If a District non-potable water source is available and within reasonable distance to the construction project, then that source will be required to be used before any potable sources. Non-potable sources will be billed in accordance with standard hydrant meter billing rates.

3.2 Application for Temporary Construction Service.

Prior to receiving temporary construction water service from the District and connecting into any District facility, including fire hydrant connections, a contractor shall make written application for such service on the forms provided by the District. No temporary construction water service shall commence until the application is complete and approved by the District, and the applicant has made all deposits required by this Section 3.

3.3 Limits of Temporary Construction Service.

Temporary service shall not exceed 6 months of use without District approval and use is limited to use of water to facilitate Construction Purposes, as that term is defined in Section 1.2.

3.4 Temporary Construction Service Usage Rates.

(a) The contractor shall pay the District for temporary construction water service at the rates for water service established by the District, as such may be amended from time to time, based on a hydrant meter to be used by the contractor.

(b) If the amount required by subdivision (a) is not paid within ten (10) days of the date of the demand, interest and penalties shall accrue on said amount at

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the rates and penalties charged by the District for late payment of water rate bills.

3.5 Security Deposit.

(a) The contractor shall be responsible for the correct and safe operation of the meter and other facilities.

(b) The contractor shall deposit with the District the sum of $750 as a hydrant security deposit and a $100 monthly fee (to be billed with the regular monthly billing) to cover the cost of installing, billing and removing any service facilities necessary to furnish the applied service. Such amounts are subject to change pursuant to District Board Resolution.

(c) Upon termination of temporary construction water service, the District shall refund to the contractor the deposit paid, less any amount owed for actual usage, and less an amount necessary to repair or replace any District facilities damaged or not returned by the contractor, including but not limited to the fire hydrant meter. In the event that the amount to repair and/or replace damaged or not returned facilities exceeds the amount of the remaining deposit, then the contractor shall pay the difference within thirty days of the date of a District bill therefor. Interest and penalties shall accrue on any late payment at the rates and penalties charged by the District for late payment of water rate bills.

3.6 Change of Temporary Construction Water Service Prohibited.

(a) A contractor applying for temporary construction water service shall receive such service at the location approved and designated by the District and at no other location. Relocation of fire hydrant meter or other District facility necessary to furnish temporary water service to an unapproved location is a violation of this Section 3, and in addition to other applicable enforcement mechanisms, will result in forfeiture of the contractor's hydrant security deposit and immediate confiscation of the fire hydrant meter.

(b) The contractor receiving temporary water service shall use such water received for Construction Purposes only and at the location approved and designated by the District. Use of water for purposes other than Construction Purposes or at an unapproved location is cause for immediate termination of the supply of temporary water service.

3.7 District's Termination of Temporary Construction Water Service.

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The District may terminate the supply of water to any contractor receiving temporary construction water service for any of the following reasons:

(a) The contractor's violation of this Section 3 or any other provision in this Code, or ordinance, rule or regulation of the District pertaining to the provision of water service;

(b) Upon the District's determination that the water provided is required for the District's permanent customers; or

(c) Upon the District's determination that such water is necessary to maintain adequate minimum pressure within the District's distribution systems.

3.8 Contractor Liable for All Reasonable Expenses.

The contractor who receives temporary construction water service shall be liable for all reasonable expenses, including but not limited to attorney's fees, incurred by the District in its enforcement of this Section 3.

3.9 Billing for Temporary Construction Water Service.

The contractor shall be billed monthly or at the time service is terminated whichever is first. The charges shall be based on a current reading of usage from the meter and be billed in accordance with Section 3.4.

3.10 General Rules Applicable.

Where applicable, the provisions of this Code, and other District rules, regulations and ordinances governing District water service shall apply to the provision of temporary construction water service, including but not limited to, the procedures for the collection and enforcement of delinquent water rates.

SECTION 4: WATER CONSERVATION STANDARDS & REGULATIONS.

4.1 Purpose.

It is the purpose of this Section 4 to reduce the demand of potable water within the District boundaries, and to its uses outside the District. This Section 4 provides the method by which certain water use restrictions are implemented, depending on the level of scarcity of the District's water supplies.

4.2 Definitions.

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The following words used in this Section 4 will have the meanings hereinafter set forth:

(a) Resident, Customer, User. The terms Resident, Customer, User, or any other term used in reference to a direct or indirect consumer of water provided by or through the District, shall apply to every person, firm, partnership, association, government agency or entity of any kind receiving water from the District. All water customers whose names are shown on the District's account records shall be equally responsible and liable for water use by tenants, lessees, co-owners, and all other persons utilizing water on the premises through the account.

(b) Pumping Threshold. Pumping Threshold means the number of hours that all available District wells are being pumped for a specific number of days. Each resource severity level, identified in sections 4.3 through 4.5, has its own pumping threshold, which when exceeded, triggers certain restrictions on water use.

(c) Resource Severity Level. Resource Scarcity Level represents the relative availability of groundwater as a function of its assigned pumping threshold; or a climatic history of insufficient rainfall which indicates the reaching of any Resource Severity Level is probable or eminent. The computer basin model deriving from the San Miguel Groundwater Basin
Study is also a factor in determining the severity level, in terms of the available water storage of the basin.

4.3 Resource Severity Levels: Stage I.

(a) The Pumping Threshold for Stage I will have been exceeded when all available District wells have pumped seventeen (17) or more hours per day for five consecutive days, or for a total of five (5) days in any ten (10) day period.

(b) When the Pumping Threshold has been reached, or the Board of Directors has determined that based on the climatic history or available groundwater basin storage data a potential water supply crisis is probable or imminent, a Stage I status will go into effect upon declaration by the General Manager or designee when the Pumping Threshold has been exceeded or upon declaration by the Board of Directors in the event that it has been determined that there is a potential water supply crisis.

(c) Upon the declaration of a Stage I Resource Severity Level, the following actions and use restrictions will be implemented:

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(i) Written notice of the Stage I Resource Severity Level will be mailed to all customers of the District within three working days of its declaration. The notice will contain the reason for the declaration, and describe the use restrictions imposed, the estimated duration of the restrictions and the penalties for non-compliance;

(ii) Water conservation brochures will be mailed out with the notices referenced in 4.3(c)(i) above. The brochure will contain tips and suggestions that will help customers reduce their consumption;

(iii) All watering of lawns, shrubs, or other landscaping, including any other form of outside irrigation, will be prohibited between the hours of 8 a.m. to 5 p.m.;

(iv) The local newspapers, and radio and television stations will be asked to publicize the declaration of the Stage I level and the implementation measures; and

(v) Any other special measures that the Board may adopt.

4.4 Resource Severity Levels: Stage II.

(a) The Pumping Threshold will have been exceeded when all available District wells have pumped nineteen (19) or more hours per day for five (5) consecutive days, or for a total of five (5) days in any (10) day period.

(b) When the Pumping Level has been exceeded, or the Board of Directors has determined that based on the climatic history or available groundwater basin storage data that a potential water supply crisis is probable or imminent, a Stage II status will go into effect upon declaration by the General Manager or designee when the Pumping Threshold has been exceeded or upon declaration the Board of Directors in the event that it has been determined that there is a potential water crisis.

(c) Upon the declaration of a Stage II Resource Severity Level, the following actions and use restrictions will be implemented:

(i) Written notice of the Stage II Resource Severity Level will be mailed to all customers of the District, within three working days of its declaration. The notice will contain the reason for the declaration, and describe any use restrictions, the estimated duration of the restrictions and the penalties for non-compliance;

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(ii) All watering of lawns, shrubs, or other landscaping including any other form of outside irrigation, will be prohibited between the hours of 8 a.m. to 5 p.m. In addition, all outside watering will be further restricted to alternate days. All residences, businesses, or any other customers of the District whose street address is even numbered will be allowed to water during the appropriate hours on the corresponding even numbered days. Odd numbered street addresses will be allowed to water on the corresponding odd numbered days.;

(iii) All wasting of water will be prohibited. Examples of water wasting include, but are not limited to: washing streets, sidewalks and driveways down instead of sweeping, letting hoses run open and/or without a controlling device at the end, and outside watering or irrigation practices that result in water running off the property;

(iv) The local newspapers, and radio and television stations will be asked to publicize the declaration of the Stage II level, and the implementation measures;

(v) A request of the community to voluntarily conserve water will be publicly made by the District. The percentage of water use reduction requested will be determined by the Board of Directors as soon as possible after the declaration of the Stage II level; and

(vi) Any other special measures that the Board may adopt.

4.5 Resource Severity Levels: Stage III.

(a) The Pumping Threshold will have been exceeded when all available District wells have pumped twenty-one (21) or more hours per day for five (5) consecutive days, or for a total of five (5) days in any ten (10) day period.

(b) When the Pumping Level has been exceeded, or the Board of Directors has determined that based on the climatic history or available groundwater basin storage data a potential water supply crisis is probable or imminent, a Stage III status will go into effect upon declaration by the General Manager when the Pumping Threshold has been exceeded or upon declaration by the Board of Directors in the event that it has been determined that there is a potential water supply crisis.

(c) Upon the declaration of a Stage III Level, the District will set a date for a public hearing to consider the declaration of a water shortage emergency, pursuant to Water Code sections 350 through 358. The following measures

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will be considered for adoption at the hearing if the water shortage emergency is declared:

(i) Mandatory water use reductions, and the percentage of reductions;

(ii) The prohibition of all outside watering, irrigation or use of water other than for the use of pets or livestock;

(iii) An appeal process for those District customers that are dissatisfied with the District's water use restrictions, and are seeking redress from the Board;

(iv) Penalties to be imposed for non-compliance with the adopted rules and regulations pertaining to the water shortage emergency; and

(v) Any other identified measures.

4.6 Penalties for Violations of Use Restrictions.

(a) Upon the observance by District personnel of a violation of use restrictions imposed by the District in response to the declaration of a Stage I or II Resource Severity Level, the District employee shall fill out a violation form, and return the form(s) to the District office for action. The violation form shall at a minimum include the following information:

(i) Address and meter serial number of violator;

(ii) Date and time violation was observed; and the

(iii) Nature of the violation.

(b) First Violation. A copy of a violation notice will be left with someone at the establishment, or left in a conspicuous spot, at the time of the violation observance.

(c) Second Violation. A copy of the violation notice will be sent to the address of the violator by certified mail, return receipt requested, with a form letter explaining the gravity of the situation, and the penalties for future violations.

(d) Third Violation. A civil administrative penalty of one hundred (100) dollars will be assessed to the account of the violator. Charges shall be subject to change pursuant to District Board Resolution.

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(e) Fourth and Subsequent Violations. A civil administrative penalty of a two hundred fifty (250) dollars will be assessed to the account of the violator. Charges shall be subject to change pursuant to District Board Resolution.

(f) In addition to any other remedies provided herein or available under applicable law, the district may alternatively seek injunctive relief in the Superior Court or take enforcement action, including discontinuing or appropriately limiting water service to any single-family residential customer, locking a service, or installing a flow restricting device, for violations of Section 4 of this Code. All remedies provided herein shall be cumulative and not exclusive.

(g) The cumulative impact of multiple violations is limited to a period of one year from the date of the first violation.

SECTION 5: WATER CONSERVATION RETROFIT PROGRAM.

5.1 Purpose.

This program is intended to extend the District's present water supply and/or sewage treatment capacity. In order to accomplish these objectives, the program will allow an applicant for a water and/or sewer will serve commitment or water and/or sewer service to obtain such commitment or service if such applicant undertakes the retrofit of existing buildings within the District, which will permanently reduce water use equal to twice the water requirements of the applicant's proposed project.

5.2 Applications for Participation.

(a) Any person or entity desiring water and/or sewer service, or a will serve commitment for water and/or sewer service to a specific premises within the District or its sphere of influence, whether or not such person or entity is on the District's current waiting list for will serve commitment or service, may apply to the District for participation in the water conservation retrofit program. Such person or entity shall submit an application for such will service commitment or service, as applicable, in accordance with the provisions of Sections 2.2 or 2.3. An application for participation in the water conservation retrofit program shall be for service or a will service commitment for service to a specific premises within the District or its sphere of influence.

(b) In the event that an application for participation in the water conservation retrofit program concerns premises outside of the District, but within its sphere of influence, then the applicant shall enter into a contract with the

District in a form acceptable to the District addressing the applicant's participation in the District's water conservation retrofit program and the terms and conditions pursuant to which the District will extend service to the applicant's premises. Such participation shall be consistent with the terms and conditions of this Section 5.2. The District shall not proceed with the determination set forth in Section 5.3 until such contract is executed. In addition, and also prior to the District's determination set forth in Section 5.3, the applicant, at its sole cost and expense, shall obtain approval from the San Luis Obispo County Local Agency Formation Commission for the extension of service by the District to the applicant's premises.

5.3 Determination of Required Number of Retrofits for Approval of Application.

(a) Based on the information set forth in the applicant's application, the District shall determine the number of buildings or other structures within the District that the applicant shall retrofit in order for the applicant's application for a water will serve commitment or water service, as applicable, to be approved. The District's determination shall be pursuant to Table A, below. The applicant shall be required to retrofit that number of buildings or other structures, which will conserve the amount of water equivalent to twice the number of water or sewer units of use, as applicable, proposed by the applicant for the premises identified in his or her application.

(b) In the event an applicant applies for a water will serve commitment only or for water service only and such applicant retrofits buildings or other structures receiving District sewer service, any sewer units of use conserved by such retrofit work shall belong to the District, not the applicant, and shall be allocated by the District in whatever manner it determines to be in the public interest.

(c) The District requires the applicant to retrofit that number of buildings or other structures which will conserve that amount of water equivalent to twice the number of water or sewer units of use, as applicable, proposed by the applicant for the premises identified in his application for, among other purposes, to make the District's water supply more reliable and to ensure that the amount of water that is actually conserved as a result of the applicant's retrofit efforts at least equals that number of water or sewer units of use, as applicable, that will be committed to the applicant pursuant to his application. If the District determines that the efforts of its retrofit applicants actually conserve more water than the applicable number of units of use committed to those applicants and such excess is not needed for the reliability of the District's water supply or to conserve its sewage treatment

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capacity, then the District can allocate units of use in whatever manner it determines to be in the public interest.

Table A
Residential Retrofit Unit Required

	Average Usage	Retrofit Units Required*
Single Family Residence Small (up to 10,000 square feet)	0.64 AFY/unit	12
Single Family residence Medium (10,000 to 22,000 square feet)	1.02 AFY/unit	20
Single Family Residence Large (22,000 square feet to 1 acre)	1.7 AFY/unit	32
Single Family residence (over 1 acre)	2.9 AFY/unit	54

* Estimated retrofit units required are calculated by dividing the average usage by the anticipated retrofit savings from retrofitting one equivalent single-family dwelling, as illustrated below.

1 new SFR up to 10,000 square feet = 17,250
(gal/mo used)/2857 (gal/mo saved)
= 6.04 units
x 2 (offset factor)
= 12 units to retrofit

The number of retrofit units required for other examples is found by dividing projected usage by the estimated water savings per residential unit retrofitted (2857 gal/mo) and multiplying by the off-set factor (2).

An offset factor of 2 is used (amount of water initially saved versus water estimated to be consumed = 2:1) because the District needs to be assured that the water savings generated is a permanent savings.

Retrofit requirements for the other proposed uses, such as commercial uses, will be calculated by converting the anticipated water usage to equivalent single family residences using the flow requirements shown in Metcalf and Eddy, Second Edition, as currently required by the District ordinances, and then dividing the projected usage by the retrofit unit saving (2857 gal/mo) and multiplying by the offset factor of 2 to calculate the number of retrofit units required.

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5.4 Retrofit Program Procedure.

The procedure for retrofitting buildings or other structures within the District shall be as follows:

(a) Once the applicant has completed and submitted the requisite application form and paid any applicable application fees, the District shall make available to the applicant a list of District customers who have expressed an interest in participating in the water conservation retrofit program. Only District customers can qualify for such participation. The applicant shall complete a form for each District customer who has expressed a willingness to participate in the program and has agreed to have the applicant retrofit his premises. The District shall provide the applicant with the requisite form. A form shall be completed for each District customer whose premises will be retrofitted. The customer must sign the form.

(b) Before the District will conduct a pre-inspection of any customer premises to be retrofitted, the applicant must submit to the District completed and signed forms from District customers, equivalent to the required number of retrofits specified by the District pursuant to Section 5.3. Upon submission of such forms, the District shall inspect each customer premises proposed to be retrofitted by the applicant. The District inspector shall determine which fixtures within each premises shall be retrofitted. When the pre-inspections have been completed, the District shall notify the applicant whether the requisite number of retrofits has been submitted. If the requisite number has not been submitted, then the applicant shall procure any additional District customer participation needed and submit completed and signed forms associated therewith. The District shall conduct further pre-inspections once such completed forms have been submitted. No retrofit work shall be performed by the applicant until the District determines that the required number of retrofits has been arranged by the applicant. The District shall provide the applicant with written notice of such determination. Upon providing such notice, the applicant shall be required to retrofit each of the premises approved by the District for retrofit, subject to the continued participation by the District customer. The customer at all times has the right to withdraw from participation in the water conservation retrofit program, unless the work has already commenced. If any customer withdraws, then the applicant shall obtain the additional customer participation needed consistent with the above procedures.

(c) The applicant shall be fully responsible financially and otherwise for all work related to the retrofit of the premises of the District customer. The

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District shall not be a party to any financial or liability agreements between the customer and the applicants.

(d) Retrofits shall be conducted by licensed, bonded and insured contractors. The General Manager of the District may require that a contractor submit a bond or cash deposit to the District and attend the District sponsored orientation programs. On request, the contractor shall provide the District with a detailed invoice of all costs associated with any retrofit.

(e) The retrofit shall be conducted so that the customer's premises shall meet the requirements of the definition of retrofit as provided herein this Section 5. The District shall maintain a list of approved replacement fixtures/reduction devices which meet the requirements of such definition. Other fixtures/devices may be approved by the District so long as they meet applicable State of California standards and the requirements set forth herein. The District customer shall have the right to choose any approved fixture or device and the color thereof of like type. If the customer wishes to upgrade, they may do so at their expense.

(f) At the time of the retrofit, the plumbing system of the District customer's premises shall be inspected for leaks. If minor leaks (less than two gallons per hour) are found, they shall be repaired by the applicant, at his cost. In addition, a water pressure test shall be conducted. Water pressure regulators shall be adjusted or installed in order that the water pressure does not exceed 50 psi. The regulator shall be installed as close to the water meter as practical. This work shall be done by the applicant or his contractor at his cost. Major leaks (two gallons or more an hour) found in the plumbing system shall require repair by the District customer before a retrofit is approved.

(g) The contractor shall be responsible for the disposal of old toilets and the replacement of the toilet seat if required by the District customer. Old toilets, all refuse and discarded materials generated by the retrofit shall be removed from the customer's premises on the same day that the work is performed. Failure to remove materials as required shall result in the assessment of a mandatory reinspection fee. All additional repairs needed to make the toilet fit the customer's bathroom, as well as repairs for damage, shall be at the applicant's expense.

(h) When all of the retrofit work has been completed for a District customer, the applicant shall notify the District for the purpose of arranging a final inspection. The District's final inspection shall not occur until all of the retrofit work has been completed for that premises.

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5.5 Approval of Water Service Applications or Issuance of Water Will Serve Commitment Upon Completion of the Retrofit Work.

(a) Upon District determination that the applicant has completed all of the required retrofit work, the District shall provide the applicant with written notice thereof.

(b) If the applicant's application is for a water will serve commitment, then upon such notice, the applicant shall be subject to the same terms and provisions of Section 2.2, applicable to an applicant who has received a notice of availability of facility capacity, and shall otherwise be subject to this Code, and District rules, regulations and ordinances governing will serve commitments.

(c) If the applicant applied for water service, then within 60 days of such notice, the applicant shall pay all applicable charges, including the requisite water capacity fees in effect at the time of the notice. Once such fees have been paid and the applicant has otherwise complied with other District rules and regulations governing water service, then the applicant's application for water service shall be deemed complete. As of that date, the applicant shall be entitled to a water service permit for the subject premises, and such permit shall be subject to the terms and provisions of Section 2.3.

5.6 Retrofit Program Application Fees.

(a) At the time of submittal of the application to participate in the water conservation retrofit program, the applicant shall submit an application fee to the District. The fee shall be $400 for applications for water will serve commitments or water service involving three or less units of use and $800 for applications for water will serve commitments or water service involving more than three units of use. Charges shall be subject to change pursuant to District Board Resolution.

(b) The fee set forth in subdivision (a) shall cover the District's costs of administering the water conservation retrofit program, as well as pre-inspections and final inspections required in connection with the applicant's application.

(c) Upon the District's determination that the applicant has completed all of the required retrofit work, any fees advanced by the applicant in excess of the District's actual costs shall be refunded to the applicant without interest. Conversely, any costs incurred by the District over and above the fees advanced by the applicant shall be paid by the applicant upon demand and

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before the issuance of any water service permit or water will serve commitment, as applicable.

(d) In the event that an applicant withdraws from participation in the program prior to completing the required retrofit work, the District shall refund without interest any fees deposited by the applicant that have not been used by the District prior to the date of withdrawal. Conversely, any costs incurred by the District in excess of the fees advanced by the applicant shall be paid by the applicant within 30 days of the date of a bill therefor.

(e) Interest shall accrue on any late payment at the legal rate.

SECTION 6: BACKFLOW CONNECTION CONTROL PROGRAM

6.1 Cross Connection Protection Requirements: General Provisions.

(a) Unprotected cross-connections with the public water supply are prohibited.

(b) Any and all water supply lines from the District's mains entering any premise, building, or structure shall be protected by an approved backflow prevention device wherever backflow protection has been found necessary on a water supply line entering that premises, such as where the premises, building or structure has any supplemental water supply. The type of device to be installed will be in accordance with the requirements of this Section 6.

(c) Whenever backflow protection has been found necessary, the District will require the water user to install an approved backflow prevention device by and at his/her expense for continued services or before a new service will be granted.

6.1.4 Backflow Device Charges.

Each water user with a backflow prevention device installed in compliance with this program or any law, or who is required to install a backflow prevention device pursuant to this program or any other law, must pay a monthly service charge of $1 to the District. The monthly service fee offsets the costs to the District for the County of San Luis Obispo's administration of the backflow device monitoring program. Said charge will be included on the water user's regular monthly bill provided by the District. The charge shall be subject to change pursuant to District Board Resolution.

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6.2 Where Cross Connection Protection Required.

(a) Each service connection from the District water system for supplying water to premises having an auxiliary water supply shall be protected against backflow of water from the premises into the public water system unless the auxiliary water supply is accepted as an additional source by the District and is approved by the public health agency having jurisdiction.

(b) Each service connection from the District water system for supplying water to any premises on which any substance is handled in such fashion as may allow its entry into the water system shall be protected against backflow of the water from the premises into the public system. This shall include the handling of industrial or process waters, waters originating from the District water system subjected to deterioration in sanitary quality, and where the customer is engaged in the handling of especially dangerous or corrosive liquids. In such situations, the District may require the customer to eliminate certain plumbing or piping connections as an additional precaution and as a protection of the backflow prevention device.

(c) Backflow prevention devices shall be installed on the service connection to any premises having (i) internal cross-connections that cannot be permanently corrected and controlled to the satisfaction of the state or local health department and the District, or (ii) intricate plumbing and piping arrangements or where entry to all portions of the premises is not readily accessible for inspection purposes, making it impracticable or impossible to ascertain whether or not cross-connections exist.

6.3 Type of Protection Required.

(a) The type of protection that shall be provided to prevent backflow into the approved water supply shall be commensurate with the degree of hazard that exists on the consumer's premises. The type of protective device that may be required (listed in an increasing level of protection) includes: Double Check Valve Assembly (DC), Reduced Pressure Principle Backflow Prevention Device (RP), and an Air-gap Separation (AG). The water user may choose a higher level of protection than required by the District. The minimum types of backflow protection required to protect the approved water supply at the user's water connection to premises, with varying degrees of hazard, are given in Table B. Situations that are not covered in Table B shall be evaluated on a case-by-case basis, and the appropriate backflow protection shall be determined by the District or health agency.

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Table B

TYPE OF BACKFLOW PROTECTION REQUIRED

	Degree of Hazard	Minimum Type of Backflow Prevention
a)	Sewage and Hazardous Substances:	
	(1) Premises where there are wastewater pumping and/or treatment plants and there is no interconnection with the potable water system. This does not include a single-family residence that has a sewage lift pump. An RP may be provided in lieu of an AG if approved by the health agency and the District.	AG
	(2) Premises where recycled water is used and there is no interconnection with the potable water system. An RP may be provided in lieu of an AG if approved by the health agency and the District.	AG
	(3) Premises where hazardous substances are handled in any manner in which the substances may enter a potable water system. This does not include a single-family residence that has a sewage lift pump. A RP may be provided in lieu of an AG if approved by the health agency and the District.	AG
	(4) Premises where there are irrigation systems into which fertilizers, herbicides, or pesticides are, or can be, injected.	RP
b)	Auxiliary Water Supplies:	
	(1) Premises where there is an unapproved auxiliary water supply that is interconnected with the public water system. A RP or DC may be provided in lieu of an AG if approved by the health agency and the District.	AG
	(2) Premises where there is an unapproved auxiliary water supply and there are no interconnections with the public water system. A DC may be provided in lieu of an RP if approved by the health agency and the District.	RP
c)	Recycled Water:	

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	(1) Premises where the public water system is used to supplement the recycled water supply.	AG
	(2) Premises where recycled water is used, other than as allowed in paragraph (3), and there is no interconnection with the potable water system.	RP
	(3) Residences using recycled water for landscape irrigation as part of an approved dual plumbed use area unless the District and local health agency approves an alternative backflow protection plan that includes an annual inspection and annual shutdown test of the recycled water and potable water systems.	DC
d)	Fire Protection Systems:	
	(1) Premises where the fire system is directly supplied from the public water system and there is an unapproved auxiliary water supply on or to the premises (not interconnected).	DC
	(2) Premises where the fire system is supplied from the public water system and interconnected with an unapproved	AG
	auxiliary water supply. A RP may be provided in lieu of an AG if approved by the health agency and the District.	
	(3) Premises where the fire system is supplied from the public water system and where either elevated storage tanks or fire pumps which take suction from the private reservoirs or tanks are used.	DC
	(4) Buildings where the fire system is supplied from the public water system and where recycled water is used in a separate piping system within the same building.	DC
e)	Premises where entry is restricted so that inspections for cross connections cannot be made with sufficient frequency or at sufficiently short notice to assure that cross-connections do not exist.	RP
f)	Premises where there is a repeated history of cross-connections being established or re-established.	RP

Two or more services supplying water from different street mains to the same building, structure, or premises through which an inter-street main flow may occur, shall have at least a standard check valve on each water service to be located adjacent to and on the property side of the respective meters. The check valve is inadequate if backflow protection is deemed necessary to protect the District's mains from pollution or contamination; in such cases, the installation of approved backflow devices at such service connections shall be required.

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6.4 Backflow Protection Devices.

(a) Only backflow prevention devices that the District approves and that meet the requirements of sections 7601 and 7602 of Title 17 of the California Code of Regulations shall be acceptable for installation by a water user connected to the District's potable water system.

(b) The District will provide, upon request, to any affected customer a list of approved backflow prevention devices.

6.5 Backflow Protection Device Installation.

(a) General Provision. Backflow prevention devices shall be installed in a manner prescribed in Section 7603, Title 17 of the California Code of Regulations. Location of the devices should be as close as practical to the user's connection. The District shall have the final authority in determining the required location of a backflow prevention device.

(b) Air-gap Separation (AG) - The air-gap separation shall be located on the user's side of the service connection and shall be located as close to the service connection as is practical. All piping from the service connection to the receiving tank shall be above grade and be entirely visible. No water use shall be provided from any point between the service connection and the air-gap separation. The water inlet piping shall terminate a distance of at least two (2) pipe diameters of the supply inlet, but in no case less than one (1) inch above the overflow rim of the receiving tank.

(c) Reduced Pressure Principle Backflow Prevention Device (RP) - The approved reduced pressure principle backflow prevention device shall be installed on the user's side of the service connection and located as close to the service connection as is practical. The device shall be installed a minimum of twelve inches (12") above grade and not more than thirty-six inches (36") above grade measured from the bottom of the device and with a minimum of twelve inches (12") side clearance. The device shall be installed so that it is readily accessible for maintenance and testing. Water supplied from any point between the service connection and the RP device shall be protected in a manner approved by the District.

(d) Double Check Valve Assembly (DC) - The approved double check valve assembly shall be located as close as practical to the user's connection and it shall be installed above grade, if possible, and in a manner where it is readily accessible for testing and maintenance. If a double check valve assembly is put below grade, it must be installed in a vault such that there is

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a minimum of six inches (6") between the bottom of the vault and the bottom of the device, so that the top of the device is no more than a maximum of eight inches (8") below grade, so there is a minimum of six inches (6") of clearance between the side of the device with the test cocks and the side of the vault, and so there is a minimum of three inches (3") clearance between the other side of the device and the side of the vault. Special consideration must be given to double check valve assemblies of the "Y" type. These devices must be installed on their "side" with the test cocks in a vertical position so that either check valve may be removed for service without removing the device. Vaults that do not have an integrated bottom must be placed on a three-inch (3") layer of gravel.

6.6 Backflow Prevention Device Testing and Maintenance.

(a) The owners of any premises on which, or on account of which, backflow prevention devices are installed, shall have the devices tested by a person who has demonstrated to the District his competency in testing of these devices. Backflow prevention devices must be tested by a certified backflow prevention device tester on an annual basis, or more often if so required by the District, and immediately after installation, relocation, or repair. The District may require a more frequent testing schedule if it is determined to be necessary. No device shall be placed back in service unless it is functioning as required. A report in a form acceptable to the District shall be filed with the District each time a device is tested, relocated, or repaired. These devices shall be serviced, overhauled, or replaced whenever they are found to be defective, and all costs of testing, repair, and maintenance shall be borne by the water user.

(b) The District will supply affected water users with a list of certified backflow prevention device testers who may test backflow prevention devices. The District will notify affected customers by mail when the testing of a device will occur. The District will also supply users with the necessary forms that require completion each time a device is tested or repaired.

(c) The District will maintain reports of testing and maintenance of backflow prevention devices for a minimum of three years.

6.7 Backflow Prevention Device Removal.

(a) Approval must be obtained from the District before a backflow prevention device is removed, relocated, or replaced.

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(b) Removal: The use of a device may be discontinued, and the device removed from service upon presentation of sufficient evidence to the District to verify that a hazard no longer exists and is not likely to be created in the future;

(c) Relocation: A device may be relocated following confirmation by the District that the relocation will continue to provide the required protection and satisfy installation requirements set forth in this Section 6 and by law. A retest will be required following the relocation of the device;

(d) Repair: A device may be removed for repair, provided the water use is either, (1) discontinued until repair is completed and the device is returned to service, or (2) the service connection is equipped with other backflow protection approved by the District after the District is notified about the removal of the device. A retest will be required following the repair of the device; and

(e) Replacement: A device may be removed and replaced provided the water use is discontinued until the replacement device is installed. All replacement devices must be approved by the District prior to removal of the existing device and must be commensurate with the degree of hazard involved. A retest will be required following the replacement of the device

6.8 User Supervisor.

At each premises where the District has determined that it is necessary, a user supervisor shall be designated by and be at the expense of the water user. This user supervisor shall be responsible for the monitoring of the backflow prevention devices and for avoidance of cross connections. In the event of contamination or pollution of the drinking water system due to a cross-connection on the premises, the user supervisor shall promptly notify the District so that appropriate measures may be taken to overcome the contamination. The water user shall annually inform the District of the identity of the user supervisor, and whenever a change occurs.

6.9 Administrative Procedures, Water System Survey.

(a) The District shall review all requests for new services to determine if backflow protection is needed. As a condition of service for new service connections, plans and specifications must be submitted to the District, if requested, for review of possible cross-connection hazards. If it is determined that a backflow prevention device is necessary to protect the public water system, the required device must be installed before service will be granted.

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(b) The District may require an on-premise inspection to evaluate cross connection hazards. The District will transmit a written notice requesting an inspection appointment to each affected water user. Any customer who cannot or will not allow an on-premise inspection of his or her piping system shall be required to install the backflow prevention device considered necessary by the District.

(c) At its discretion, the District may require a reinspection for cross connection hazards of any premise to which it serves water. The District will transmit a written notice requesting an inspection appointment to each affected water user. Any customer who cannot or will not allow an on-premise inspection of his or her piping system shall be required to install the backflow prevention device considered necessary by the District.

6.10 Administrative Procedures, Customer Notification – Device Installation.

(a) The District will notify the water user of the survey findings, and it will list required corrective actions. All corrective action required, including installation of backflow prevention devices, must be completed within 60 days of the date of the notice.

(b) The District will provide a second notice to each water user who does not take the required corrective action prescribed in the first notice within the allowed 60-day period. The second notice will give the water user one month to take the required corrective action. If no action is taken within the one-month period, then the District may terminate water service to the affected water user until the required corrective actions have been completed.

6.11 Administrative Procedures, Customer Notification – Testing and Maintenance.

(a) The District will notify each affected water user that the backflow prevention device installed on his or her service connection must be tested. This written notice shall give the water user 30 days to test the device and provide to the District the necessary form that must be completed.

(b) A second notice shall be sent to each water user who does not have his/her backflow prevention device tested as prescribed in the first notice within the 30-day period allowed. The second notice will give the water user a two-week period to have his or her backflow prevention device tested. If within the two-week period the device is not tested, and the necessary form is not completed and provided to the District, the District may terminate water service to the affected water user until the subject device is tested and the necessary form is completed and provided to the District.

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(c) If the water user fails to have a backflow prevention device tested which serves a fire sprinkler system, fire hydrant system, multifamily building or other essential service, as determined by the District, in which termination of service to that system would adversely affect the public or multiple tenants, then the District, at its sole discretion may have the backflow device tested and change to the water users account one hundred and twenty dollars ($120.00) or the actual cost to perform the testing. Whichever is more to the water users water service account. The retest fee is subject to change by Board resolution.

6.12 Water Service Termination.

(a) When the District encounters water uses that represent a clear and immediate hazard to the potable water supply that cannot be immediately abated, the District shall institute the procedure for discontinuing the District water service. Conditions or water uses that create a basis for water service termination shall include, but are not limited to, the following items:

(i) Refusal to install a required backflow prevention device;

(ii) Refusal to test a backflow prevention device;

(iii) Refusal to repair a faulty backflow prevention device;

(iv) Refusal to replace a faulty backflow prevention device;

(v) Direct or indirect connection between the public water system and a sewer line;

(vi) Unprotected direct or indirect connection between the public water system and a system or equipment containing contaminants;

(vii) Unprotected direct or indirect connection between the public water system and an auxiliary water system; and

(viii) A situation that presents an immediate or imminent health hazard to the public water system.

(b) For conditions (i), (ii), (iii), or (iv) set forth in subdivision (a), the District will terminate service to a customer's premise after two written notices have been sent specifying the corrective action needed and the time period in which it must be done. Water service may be terminated if no action is taken within the allowed time period.

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(c) For conditions (v), (vi), (vii), or (viii) set forth in subdivision (a), the District will take the following steps:

(i) Make a reasonable effort to advise water user of the District's intent to terminate water service; and

(ii) Terminate the water user's water supply and lock the water user's service valve. The water service will remain inactive until the District has approved the correction of the violations that caused the basis for water service termination.

6.13 Requirements for Certification as a Backflow Prevention Device.

Competency in all phases of backflow prevention device testing and repair must be demonstrated by means of education and/or experience in order to obtain certification. Such proof of competency shall be submitted in writing to the District prior to certification.

The following are the minimum requirements that must be furnished to the District before an applicant can be certified by the District as a backflow prevention device tester:

(a) Approval by County of San Luis Obispo as a backflow tester may serve as certification to the District.

(b) Evidence that demonstrates at least two (2) years' experience in plumbing or pipe fitting or equivalent qualifications;

(c) A valid and current certificate from the American Water Works Association (AWWA) California-Nevada Section, from a County certification program, or equivalent training in the opinion of the District and the Health Agency; and

(d) Evidence that demonstrates that the applicant has available the necessary tools and equipment to properly test such devices. The applicant shall be responsible for the competency and accuracy of all tests and reports he or she prepares. The certificate issued to any backflow prevention device tester is valid for a period of one year and may be revoked, suspended, or not renewed by the District for improper testing, repairs, and/or reporting.

SECTION 7: FEES AND CHARGES.

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7.1 Water Connection and Capacity Fees.

Each connector may be required to pay, at a rate established by District ordinance, fees for the following:

(a) Connection fees for each connection.

(b) Fees for the inspection of the connection of the water line from the District's water line to the building.

(c) Backflow protective service inspection fee providing a backflow protective device required to be installed in accordance with Section 6.

7.2 Application Fees.

When a person applies for a District water service permit, the applicant may be required to pay, at a rate established by District ordinance, fees for the following:

(a) Application fee for the administrative costs involved in processing each application.

(b) Inspection fees to cover the cost of field and structure inspection of the proposed construction.

(c) Plan checking fees to cover the cost of reviewing all plans for compliance with District Standards and Specifications.

(d) Any other necessary administrative, engineering and legal fees incurred by the District for work performed.

Any person who pays these fees and whose application expires or is canceled, withdrawn, voided, terminated or abandoned, whether voluntarily or involuntarily, shall not be entitled to a refund or credit of these fees.

7.3 Water User Rates.

7.3.1 Rates.

The monthly water user rates have been adopted by the District in Resolution 2018-19. District rates may be amended from time to time by Ordinance or Resolution of the Board.

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7.3.2 Time Charges Become Due.

All accounts are due upon receipt and payable at the District office. Bills are sent as a courtesy and failure to receive a bill does not relieve owner of responsibility to pay, or of penalties levied for non-payment.

7.4 Returned Check Charge.

For any check which has been received by the District for payment of rates, charges, fees or other costs of the District as set forth in District ordinances, regulations and this Code, which check has been deposited twice and returned to the District unpaid by the bank upon which it is drawn, a charge of $30.00 for the returned check shall be imposed upon the account to which the payment was originally applied. The amount of the returned check charge is subject to change pursuant to District Board Resolution.

7.5 Administrative and Inspection Fees.

7.5.1 Plan Checking and Inspection for New Subdivision.

A fee of $1000 will be charged for plan review, and inspection of water improvements for all new subdivisions of over 15 parcels and a fee of $500 for new subdivisions with 15 or less parcels. Projects with both water and sewer improvements will also be required to pay the plan review and inspection fees for sewer.

Subdivisions with active will serves at the time of the adoption of this code will not be subject to the new subdivision fee.

7.5.3 Copying fees.

A copy fee of 10 cents per letter size page will be charged. The copy fee is subject to change pursuant to District Board Resolution.

7.5.4 Notification to Disconnect Fee.

There shall be a fee, as established by Resolution of the District Board, for each notification to disconnect service notice that the District places at the customer's premises.

SECTION 8: ENFORCEMENT OF WATER FEES & DISCONTINUATION OF WATER SERVICE.

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8.1 Collection and Enforcement of Water User Rates and Charges.

The provisions in this Section 8 shall apply to the collection and enforcement of District water user charges and rates.

8.2 Established as a Means of Enforcement.

The District hereby declares that the procedures set forth herein are established as a means of enforcement of the terms and conditions of its Code, ordinances, rules and regulations, and not as a penalty.

8.3 Property Owner Responsibility and Basis of Billing.

Whether or not the customer, the owner of property that is furnished water service shall be responsible for all rates, charges or fees, including penalties and interest thereon, respecting such furnished services. Water and sewer service, and drainage facilities maintenance service shall be billed together on a monthly basis. The billing statement will be for service rendered during the preceding month. A statement shall become delinquent on the 10th day of the month following the month in which service is rendered.

8.4 Penalties.

A one-time basic penalty of ten percent (10%) of the charge, rate or fee (hereinafter in this Section 8, charge, rate and fee shall be collectively referred to as "charge," unless otherwise specifically noted) for a month shall be added to each delinquent charge for the first month that the charge is delinquent. Thereafter, an additional penalty of one percent (1%) per month shall be added to all delinquent charges and basic penalties until such time as the delinquent charges and penalties have been paid. Monies paid when any portion of an account is delinquent shall first be credited to the delinquent portion and then to the current billing. Upon request, a customer shall be entitled once in any twelve-month period as set by the District to a waiver of one basic penalty.

8.5 Judicial Relief and Attorney's Fees.

(a) In the event that any customer fails to timely pay a billing statement, the customer shall be deemed to be in default and in such case, the District may declare the balance or remaining balance due and payable.

(b) The General Manager is authorized and directed to file any and all necessary legal actions in the appropriate court within the County of San Luis Obispo and to appear in Court thereon on behalf of District to collect all unpaid water bills and basic penalties and other penalties thereon that may be due.

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(c) In the event that the District is required to bring an action to collect any sum in default, the customer shall pay any attorneys' fees, court costs or other costs incurred by the District to bring such action.

8.6 Lien.

(a) In case any charge becomes delinquent, the amount of the delinquency may in the discretion of the District be secured by filing for record in the office of any county recorder, a certificate specifying the amount of such charge and the name and address of the person liable therefor. The District may from time to time compile lists of such delinquent charges and record them with the county recorder as liens.

(b) The District shall include a statement on its bill to each customer or property owner or shall provide such statement to each property owner by any other means, that any charge remaining delinquent for a period of sixty (60) days shall constitute a lien against the lot or parcel of land against which the charge was imposed.

8.7 Discontinuance of Service.

(a) Generally, in the event of a violation of any ordinance of the District or of its rules and regulations, or of a failure to timely pay applicable charges, rates or fees, the District shall notify the person or persons causing, allowing or committing such violation, in writing, specifying the violation and that upon the failure of such person or persons to cease or prevent further violation within the time specified in the notice, the District will disconnect service to the property in question.

(b) Residential customers who are 65 years of age or older, or who are dependent adults as defined in section 15610.23 of the Welfare and Institutions Code, shall be notified that they may request that the District notify a designated third person when the customer's account is past due and subject to termination.

8.7.1 Discontinuance of Residential Service.

Water service may be discontinued for any of the following reasons:

(a) Delinquency in the payment of any water service rate or charge, except that residential service shall not be discontinued for nonpayment in any of the following situations:

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(i) During the pendency of any investigation by the District of a customer dispute or complaint;

(ii) When a customer has been granted an extension of the period for payment of a bill respecting water service.

(iii) On the certification of a licensed physician and surgeon that to do so will be life threatening to the customer and the customer is financially unable to pay for service within the normal payment period and is willing to enter into a amortization agreement with the District and requests permission to amortize, over a period not to exceed twelve (12) months, the unpaid balance of any bill asserted to be beyond the means of the customer to pay within the normal payment period.

(b) The unauthorized taking of water or the taking of water in excess of the amount paid for.

(c) Failure of the customer to maintain his facilities in a suitable condition to prevent waste of water.

(d) The existence of any unprotected cross connections on the customer's premises or the lack of adequate backflow protection at the service connection.

(e) Any violation by the customer of any rules and regulations of the District governing water service.

8.7.1.1 Discontinuance of Residential Service for Nonpayment.

(a) At least fifteen (15) days before any proposed discontinuance of residential water service for nonpayment of a delinquent account respecting such service, the District shall mail a notice, postage pre-paid, to the customer to whom the service is billed of the proposed-discontinuance. Such notice shall be given not earlier than five (5) days from the date of mailing the District's bill for such service and the fifteen (15) day period shall not commence until five (5) days after the mailing of the notice. In addition to the fifteen (15) day notice provided for in the preceding sentence, the District shall make a reasonable attempt to contact an adult person residing at the premises of the customer by telephone or personal contact at least forty-eight (48) hours prior to any discontinuance of service, except that, whenever telephone or personal contact cannot be accomplished, the District shall give, by mail, in person, or by posting in a conspicuous location at the premises, a notice of

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discontinuation of service, at least forty-eight (48) hours prior to disconnection.

(b) The notice described in subdivision (a) shall include the following information:

(i) The name and address of the customer whose account is delinquent;

(ii) The amount of the delinquency;

(iii) The date by which payment or arrangements for payment is required in order to avoid discontinuance;

(iv) The procedure by which the customer may initiate a complaint or request an investigation concerning service or charges, unless the District's bill for service contains a description of that procedure;

(v) The procedure by which the customer may request amortization of the unpaid charges;

(vi) The procedure for the customer to obtain information on the availability of financial assistance, including private, local, state or federal sources, if applicable; and

(vii) The telephone number and name of a representative of the District who can provide additional information or institute arrangements for payment.

8.7.1.2 Discontinuance of Residential Service to Customers on Master Meters.

Whenever the District furnishes residential service to a master meter or furnishes individually metered service to a multi-unit residential structure, where the owner or manager is listed by the District as the customer of record, the District shall make a good faith effort to inform the actual users of the service, by means of a notice, when the account is in arrears, that service will be discontinued within 10 days. Such notice shall also inform the actual users that they have the right to become District customers without being required to pay the amount due under the delinquent account. Nothing in this Section 8.7.1.2 shall require the District to make service available to actual users unless each actual user agrees to the District's terms and conditions of service and meets the requirements of the District related to water service. If one or more actual users are willing and able to assume responsibility for the entire account to the satisfaction of the District, or if there is a physical means, legally available to the District, of selectively terminating service to those actual users who have not met the requirement of the District's rules and

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regulations, the District shall make service available to the actual users who have met those requirements.

8.7.2 Discontinuance of Service Other than a Discontinuance of Residential Service for Nonpayment.

At least ten (10) days before discontinuing water service, other than the discontinuance of residential service for nonpayment of a delinquent account, the District shall provide a written notice which shall specify the reason for the proposed discontinuance and inform the customer of the procedure for and the availability of the opportunity to discuss the reason for the proposed discontinuance with the District General Manager, or his or her designee, who is empowered to review disputes and rectify errors and settle controversies pertaining to such proposed discontinuance of service. The name and phone number of the District General Manager, or his or her designee, shall be included in any such notice of proposed discontinuance given to a customer.

8.7.3 No Discontinuance of Service on Weekends, Holidays or After Hours.

No service shall be discontinued to any customer or user because of any delinquency in payment on any Saturday, Sunday, legal holiday or at any time during which the business offices of the District are not open to the public.

8.8 Amortization of Delinquent Bill for Residential Service.

Every complaint or request for investigation by a residential customer that is made within five (5) days after receiving the disputed bill for water service, and every request by a residential customer that is made within thirteen (13) days after the mailing of the notice required for an extension of the payment period of such a bill asserted to be beyond the means of the customer to pay in full during the normal period for payment shall be reviewed by the District General Manager, or his or her designee. The review shall include consideration of whether the customer shall be permitted to amortize the unpaid balance of the account over a reasonable period of time, not to exceed twelve (12) months. Any customer whose complaint or request for an investigation has resulted in an adverse determination by the District General Manager, or his or her designee, may appeal the determination to the Board of Directors.

8.8.1 Discontinuance of Service for Failure to Comply with Amortization Agreement.

If an amortization agreement is authorized, no discontinuance of service shall be affected for any residential customer complying with such agreement, if the customer also keeps the account current as charges accrue in each subsequent billing period. If a residential customer fails to comply with an amortization

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agreement, the District shall not discontinue service without giving notice to the customer at least 48 hours prior to discontinuance of the conditions the customer is required to meet to avoid discontinuance, but the notice does not entitle the customer to further investigation by the District.

8.9 Authority to Settle Controversies Relating to Discontinuance of Service.

The District General Manager, or his or her designee, is hereby authorized to investigate complaints and review disputes pertaining to any matters for which water service may be discontinued and to rectify errors and settle controversies pertaining to such matters and disputes concerning payment of water, sewer and drainage facilities maintenance fees. The District General Manager, or his or her designee, is also authorized upon a proper showing by a residential customer, to grant permission to amortize the unpaid balance of a bill over a reasonable period of time, not to exceed twelve (12) months. At his or her discretion, the District General Manager may bring any such controversies and disputes to the Board of Directors for settlement by the Board.

8.10 Procedure on Appeal to Board.

(a) If a customer timely files an appeal of a decision of the General Manager on discontinuance of service, the Board shall set a hearing not sooner than 10 nor more than 40 days after receipt of such appeal. Upon setting of such hearing, the District shall forthwith give written notice of the time and place thereof to the customer by either first-class mail or personal delivery.

(b) The appeal hearing shall be held before the Board. The customer or his representative shall be permitted to present witnesses, documents or other evidence to show good cause why service should not be discontinued. The Board also may examine District records, documents, witnesses or other evidence tending to show that service should be discontinued for one or more of the grounds stated in the notice of disconnection.

8.11 Reconnection.

When water service has been disconnected as provided in this Code, the customer shall pay the unpaid account balance in full, plus a reconnect charge of seventy-five dollars ($75.00), before any disconnected service will be reconnected.

8.12 Unsafe Apparatus.

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District services may be refused or discontinued to any premises where apparatus or appliances are in use which might endanger or disturb the service to other customers.

8.13 Fraud or Abuse.

Service may be discontinued if necessary to protect the District against fraud or abuse.

8.14 Collection of Delinquent Charges with Taxes

(a) Pursuant to Government Code Section 61115, subdivision (b), all delinquent charges, penalties and interest may be collected in the same manner as the general taxes for the District for the forthcoming fiscal year, as follows:

(i) The District shall prepare a written report, which shall be filed with the District Secretary. The report shall describe each parcel of real property and the amount of the delinquent charges, penalties and interest associated with each such parcel;

(ii) The District Secretary shall publish notice of the report's filing and of the time and place of hearing on the report, prior to the date set for the hearing. The notice shall be published at least once a week for two weeks. The District Secretary also shall mail written notice of the report's filing to each affected property owner. The notice shall state that the delinquencies, penalties and interest will be collected on the County tax roll rather than through billing procedures;

(iii) At the time stated in the notice, the Board of Directors shall hear and consider all objections or protests, if any, to the report. Thereafter, the Board may adopt, revise, change, or modify the report and overrule any or all objections thereto. The Board's determination on each delinquency identified in the report shall be final; and

(iv) Following the Board's hearing, on or before August 10 of each year, the District Secretary shall file with the County Auditor a copy of the report, signed by the Secretary, stating the Board has adopted the report. The Secretary shall request the County Auditor to include the amount of delinquencies, penalties and interest on the bills for taxes levied against the properties identified in the report. Once the transfer of delinquent amounts has been made to the County Auditor's office for collection, no payment shall be accepted by the

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District on said delinquent amounts except as collected by the County Auditor's office.

(b) A fee of $50.00 for each assessment, charge or penalty that is referred for collection to the County Auditor which is revised or removed from such tax roll after submitted by the District shall be imposed on the owner of the property to which such revised or removed item relates. The fee shall be subject to change pursuant to District Board Resolution.

8.15 Public Nuisance.

During any period of disconnection, habitation of such premises by human beings shall constitute a public nuisance, whereupon the District may cause proceedings to be brought for the abatement of the occupancy of said premises by human beings during the period of such disconnection. In such event, and as a condition of reconnection, there is to be paid to the District reasonable attorney's fees and costs of suit arising in said action.

8.16 Enforcement Remedies Cumulative.

Each of the enforcement remedies available to the District as specified in this Code shall be non-exclusive and may be asserted cumulatively and in addition to, or in lieu of, any other remedy available to the District under law.

8.17 Liability.

The District and its directors, officers, agents and employees shall not be answerable for any liability or injury or death to any person or damage to any property arising during or growing out of the performance of any work by any applicant under District ordinances or resolutions. The applicant shall be answerable for, and shall protect, defend, indemnify and save the District and its directors, officers, agents and employees harmless from any and all liability, costs, expenses, damages, claims, demands, causes of action, judgments and attorney's fees, arising out of or in any way connected with the applicant's work, except for the sole or active negligence or willful misconduct of the District. Applicant shall be solely liable for any defects in the performance of his work or any failure that may develop therein.

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