



PICO WATER DISTRICT

ESTABLISHED IN 1926

RULES AND REGULATIONS

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PICO WATER DISTRICT MISSION STATEMENT

As a water retailer, Pico Water District provides its Customers with a high quality and reliable water supply at affordable rates. The District strives to provide the best Customer service, to manage its infrastructure to meet present and future needs, and to minimize economic impacts to its Customers.

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PICO WATER DISTRICT

RULES AND REGULATIONS

The District was formed under the provisions of Division 12 of the Water Code of the State of California. Under the law, the District's primary functions are to acquire, control, conserve, store and distribute water for the beneficial use of inhabitants and water users within the District. The California Water Code Section 31024 authorizes the District to establish rules and regulations governing its operations. The District has determined that it is in its best interest to adopt the following rules and regulations regarding the provision of water service.

ARTICLE 1

GOALS AND OBJECTIVES

The overall objective of the District is to make available high quality water at a rate that allows the District to serve its Customers with a reliable supply of quality water for domestic use and for fire protection purposes; and to provide recycled water for outdoor use where available at an affordable rate. To this end the District shall provide water service with the following guidelines:

1.1 OPERATIONS

To operate the water supply, treatment, storage, and distribution facilities in a manner that provides economical and dependable service.

1.2 PLANNING

To provide for the studies, designs and plans for water system facilities that will meet present and future water service demands.

1.3 EQUITABLE ALLOCATION OF COSTS

To establish such rates, charges, fees, and assessments necessary to meet the costs of providing service and to equitably allocate such costs.

1.4 CONSERVATION

To promote water conservation practices wherever practicable.

- END OF ARTICLE 1 -

ARTICLE 2

SCOPE OF RULES AND REGULATIONS

2.1 APPLICABILITY

These are the Rules and Regulations adopted by the Board of Directors with respect to the operation of the District and the provision of water service. The Board has the right to amend, charge, and supplement these Rules and Regulations at any time. Except as specifically limited, these Rules and Regulations apply to all District personnel and any person obtaining potable, non-potable, or recycled water service from the District.

2.2 SEVERABILITY

If any article, section, subsection, sentence, clause, or phrase of these Rules and Regulations is for any reason held to be invalid or unenforceable, such decision shall not affect the remaining portions of these Rules and Regulations.

- - END OF ARTICLE 2-

ARTICLE 3

DEFINITIONS

Unless the context specifically indicates otherwise, the following terms shall, for the purposes of these Rules and Regulations, have the following meanings:

- 3.1 Applicant:** Any person or entity applying to the District for water service.
- 3.2 Administrative Charge:** Shall mean a percentage charge to be added to the total direct cost of a project charged to a Customer or developer as specified in these Rules and Regulations, to reimburse the District for labor-related costs not directly charged but expended by District administrative and managerial staff, and for other indirect general and administrative costs.
- 3.3 Approved Water Supply:** Shall mean the District's water supply, the potability of which is regulated by the State Water Resources Control Board – Division of Drinking Water.
- 3.4 Board:** Board of Directors of the Pico Water District.
- 3.5 CEQA:** The California Environmental Quality Act (Public Resources Code Sections 21000 et seq.).
- 3.6 Commercial Service:** Shall mean the provision of water for use in connection with a premises, other than residential, devoted primarily to operations for profit or non-profit (i.e., churches, community center, governmental, and commercial/retail).
- 3.7 Customer:** Any person, business, corporation, governmental agency or entity supplied or entitled to be supplied with water service (potable or recycled) by the District.
- 3.8 Cross-Connection:** Shall mean any unprotected actual or potential connection or structural arrangement between a public or a Customer's potable water system and any other source or system through which it is possible to introduce into any part of the potable system any used water, industrial fluid, gas or substance other than the intended potable water with which the system is supplied. Bypass arrangements, jumper connections, removable sections, swivel or change-over devices, and other temporary or permanent devices through which or because of which backflow can occur are considered to be cross-connections.
- 3.9 Delinquent Notice:** The Delinquent Notice of Non-Payment and Disconnection of Service, sent to the Customer when payment is not made on or before the 20th day after the date of the bill, in accordance with the provisions of the rules included herein.

- 3.10 Disconnection:** The termination of water service to the Customer, affected by turning off and locking the meter at the service connection.
- 3.11 District:** The Pico Water District.
- 3.12 Engineer:** A California certified civil engineer acting on behalf of the District.
- 3.13 Facilities:** The wells, pipelines, meters, pumps, storage facilities, buildings, fittings, valves and other fixtures and appurtenances comprising the District's production, transmission and distribution system, including the recycled water meters, meter stops and meter boxes owned by the District for the purpose of delivering both potable and recycled water to the Customers.
- 3.14 Infrastructure Surcharge:** Shall mean a charge imposed by the District for the purpose of funding necessary capital projects and improvements, including payment of debt service on any loans or other indebtedness that is to pay for such projects and improvements to District facilities.
- 3.15 Manager (General Manager):** The General Manager of the Pico Water District, or the person authorized by the General Manager, or the Board, to act on behalf of the General Manager.
- 3.16 Meter:** A device owned and operated by the District used to measure the quantity of water delivered to the Customer.
- 3.17 Non-Potable Water:** Shall mean that water that has not been treated for human consumption in conformance with the Drinking Water Standards referred to in the definition of Potable Water.
- 3.18 Potable Water:** Shall mean that water furnished to a Customer which does not endanger the lives or health of human beings and conforms to the latest edition of the United States Public Health Service Drinking Water Standards, the federal Safe Drinking Water Act, the California Safe Drinking Water Act, Environmental Protection Agency, or any other applicable standards.
- 3.19 Premises:** The integral property or area, including improvements thereon, to which water service is, or is to be, provided.
- 3.20 Private Fire Protection:** Provision of standby quantities and pressures of water as available for fire protection purposes through sprinkler systems and fire hydrants located on private property, rather than through public fire hydrants operated by public authorities for general fire protection.

- 3.21 Residential Service:** Provision of water for household and other domestic purposes to single family dwellings, including town houses and condominiums, and to multi-dwellings used for residential purposes.
- 3.22 Recycled Water:** Shall mean all water as defined in Title 22, Division 4, Chapter 3, of the California Code of Regulations, hereinafter referred to as Title 22, which as a result of treatment of domestic wastewater, is suitable for a direct beneficial use or a controlled use that otherwise could not occur; such treatment of domestic wastewater having been accomplished in accordance with the criteria, including the level of constituents in combination with the means for assurance of reliability, as set forth in Title 22.
- 3.23 Service Laterals:** The connection between the District's water mains and the water meter and Service Connection, including all the pipe, fittings and valves necessary to make the connection.
- 3.24 Service Connection:** The point of connection of the Customer's piping with the meter and service lateral.
- 3.25 Surplus Property:** Real property owned by the District that is determined by the Board to be unnecessary for District purposes.
- 3.26 Temporary Water Service:** Shall mean a provision for a short-term use of District water, either potable or recycled, for temporary needs such as seasonal sales or minor construction.

- END OF ARTICLE 3 -

ARTICLE 4

RULES APPLICABLE TO EXISTING CUSTOMERS

4.1 DESCRIPTION OF SERVICE

- 4.1.1 Quantities:** The District will use its best efforts to supply water dependably and safely in adequate quantities and pressures to meet the reasonable needs and requirements of Customers, but does not guarantee any specific pressures or flows.
- 4.1.2 Pressures:** The District reserves the right to modify the pressure supplied to a region or individual service. The District's goal is to maintain normal operating pressure of not less than 40 pounds per square inch (PSI) or more than 90 PSI at the service connection.
- 4.1.3 Potable Water Quality:** Whenever furnished for human consumption or for domestic use, the District will endeavor to provide water that is wholesome, potable, in no way harmful or dangerous to health, and insofar as practicable, free from objectionable odors, taste, color, and turbidity.
- 4.1.4 Recycled Water Quality:** Generally, recycled water supplied by the District will meet all applicable standards set forth in Title 22, Division 4, California Code of Regulations. The District will endeavor to maintain the quality of the water received from sources outside the control of the District. However, the District cannot guarantee the quality of the recycled water.
- 4.1.5 Responsibility for Loss or Damage:** Customers shall accept such conditions of pressure and service as are provided by the District's system, and hold the District harmless for any loss or damage to Customers resulting from the District's failure to meet the service goals stated within this section, or due to any interruptions in service.

4.2 CONDITIONS OF SERVICE AND RIGHTS OF THE DISTRICT AND CUSTOMERS

- 4.2.1 Notice to Customers:** Notice to a Customer will normally be in writing and will be delivered or mailed to the Customer's last known address. In emergencies or when circumstances warrant, the District, where feasible, will endeavor to promptly notify the Customer affected and may make such

notification orally, either in person or by telephone, or by leaving a written notice at the service premises.

4.2.2 Notice from Customers: A Customer may make notification in person, by telephone or by letter to the District at its office.

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

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

4.2.4.1 Emergency Interruptions: The District will make all reasonable efforts to prevent interruptions to service and, when such interruptions occur, will endeavor to re-establish service with minimal delay consistent with the safety of the District's Customers and the general public.

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

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

Where public fire protection is provided by the mains affected by the interruptions, the District will promptly endeavor to notify the local Fire Department, or other officials responsible for fire protection, of the interruption. In addition, the local Fire Department or other official responsible for fire protection will be notified upon restoration of service.

4.2.4.3 Apportionment of Supply During Times of Shortage: During times when the District determines that a water supply shortage or threatened water shortage exists and it appears the demand for water consumption exceeds or threatens to exceed the District's available allocation, the District's Board may implement the water supply shortage stages established in the District's water conservation ordinance. In the absence of direction from the Board or such authorities, the District will apportion the supply in the manner that appears most equitable under circumstances then prevailing and with due regard to public health and safety in accordance with State Law.

4.2.4.4 Loss or Damage: The District will not be liable for any damage or loss resulting from an emergency, scheduled interruption of water service, or from any act of the District in connection with the repair or replacement of District facilities required by such emergency or interruption.

4.2.5 Ownership of Facilities on Customer's Premises: The service lateral, angle meter stop, meter, and meter box located within public right-of-way or wholly or partially upon a Customer's Premises, are the property of the District. No rent or other charge will be paid by the District where the District-owned service facilities are located on a Customers' Premises.

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

4.2.7 Service Calls: Where the District requires access to the Customer's Premises for maintenance, service, or otherwise, Customer the District shall provide the Customer with a 3-hour period during which the service call shall be made. If District personnel cannot make the scheduled appointment, the office will contact the Customer to reschedule the appointment.

- 4.2.8 District's Responsibilities for Damage or Loss to Customer:** The District will not be responsible for any loss or damage caused by any negligence or wrongful act of a Customer or of a Customer's authorized representatives in installing, maintaining, operating or using any or all appliances, facilities or equipment which is the District owns or supplies.
- 4.2.9 Customer's Responsibility for District Property:** The Customer will be charged for damage to District's meters and other property resulting from the use or operation of appliances and facilities on Customer's Premises, including but not limited to damage caused by steam, hot water or chemicals. All such damage shall be repaired by the District at the Customer's expense. Costs for repairs may be added to the Customer's water bill.
- 4.2.10 Resale of Water:** Except by special agreement with the District, no Customer shall resell water received from the District, nor shall such water be delivered to a property other than that specified in the application for service. When property provided with a service connection is subdivided, the service connection shall be considered as belonging to the lot or parcel of land which it directly enters. Except by special permission of the District's Board of Directors, a service connection shall not be used to supply water to any parcel of land other than the parcel on which the service connection is located and for which all relevant connection fees have been paid.
- 4.2.11 Access to District Customer Records by the Public or Public Agencies:** The District shall make available a copy of any District Customer record not exempt from disclosure in accordance with the Public Records Act (Government Code Sections 6250 et seq.) as follows:
- 4.2.11.1 Disclosure of Water Usage Data to Public Agencies:** The District will, pursuant to Government Code Section 6254.16, provide water usage data for its Customers upon the completion and filing of the Public Agency Request form for Consumer Information - Appendix K.
- 4.2.11.2 Form of Request:** The request for a copy of District Customer records must be in writing and must describe, with reasonable particularity, a record readily identifiable by District personnel.
- 4.2.11.3 District Determination of Compliance:** The District, within ten (10) days of actual receipt of a proper request, shall determine whether to comply with the

request and will notify the person making the request of such determination and the reasons therefore.

4.2.11.4 Extension of Time for Determination: In unusual circumstances, as specified below, the time for determination of District compliance may be extended for a period not to exceed fourteen (14) days, by written notice from the Manager to the person making the request, setting forth the reasons for the extension and the date on which a determination will be mailed. Unusual circumstances are:

- a. The need to search District facilities or other locations that are separate from the main office.
- b. The need to search for, collect, and examine a voluminous amount of separate and distinct records demanded in a single request.

4.2.11.5 No Compilation of Extraction: The District will provide, unless impracticable to do so, an exact copy of the record requested. The District is not obligated to create a compilation or extract of its records in response to a request.

4.2.11.6 Fee: The District may recover the direct cost of duplication, including staff time spent reproducing any document provided under this rule.

4.3 RATES AND CHARGES

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

4.3.1 Potable Water Retail Rates: Retail charges consist of two types of charges – a monthly base rate and a commodity rate charge. The monthly base rate is determined by the size of a Customer's meter and is fixed irrespective of the quantity of water registered through the meter. The commodity charge applies to all water passing through the meter and is assessed at the commodity rate. The amount currently set for the base and commodity rates is contained in Appendix C of these Rules and Regulations.

- 4.3.2 Recycled Water Rates:** Recycled Water charges consist of two charges - a monthly base rate and a commodity rate charge. The monthly base rate is determined by the size of the Customer's meter and is fixed irrespective of the quantity of water registered through the meter. The commodity charge applies to all Recycled Water passing through the meter and is assessed at the Recycled Water commodity rate. The amounts currently set for the base and commodity rates are contained in Appendix C of these Rules and Regulations.
- 4.3.3 Infrastructure Surcharge Rate:** This monthly charge has been established to collect funds that will be utilized solely for the purpose of providing funds to replace needed infrastructure, such as pipelines, service line laterals and groundwater wells. The amount currently set is contained in Appendix C of these Rules and Regulations.
- 4.3.4 Construction Rate:** Water for construction purposes may be obtained by an individual/contractor/agency for a temporary construction project on a metered basis only. Special rates, hook-up charges, advance payments, and conditions apply to water obtained for construction purposes as set forth in Appendix D. A meter for such water for construction purposes can be obtained by the contractor upon written application to the District on the approved permit form.
- 4.3.5 Private Fire Protection:** When requested and/or required Private Fire Protection shall be assessed a monthly charge as set forth in Appendix D. All facilities utilized by the Customer in providing private fire protection to the Premises are the property of the Customer, who shall be responsible for the repair and maintenance of the Private Fire Protection system. Upon prior written request and approval of the District, the Customer may test the system at no cost. Testing a Private Fire Protection system without prior District approval constitutes unauthorized water use, and shall result in a fine as provided in Appendix D Miscellaneous Fees.
- 4.3.6 Miscellaneous Charges:** In order to recover the costs associated with late payments, disconnections and other damages sustained by the District, the specified items listed below are charged to Customers; the dollar amounts associated with each item are determined periodically by the Board and set forth in Appendix D.
- 4.3.6.1 Reconnection Charge:** If a Customer requests resumption or continuance of service after a 48 Hour Notice has been issued for nonpayment, the nonpayment which led to the notice of disconnection shall be deemed to be evidence of non-creditworthiness of the Customer. The Customer may then be required to make a security

deposit in an amount as established by the Board and set forth in Appendix E, and pay a reconnection charge, in accordance with Appendix D, even if no physical disconnect occurred, in addition to any past due charges or meeting any other conditions set forth by the District.

4.3.6.2 Returned Check Charge: When a Customer's check in payment of water service or other charges is returned as non-negotiable, or where an electronically processed payment under the District's Automatic Bill Payment program is rejected due to insufficient funds, the District shall issue a 48-Hour Notice. The District shall indicate on the Notice the reason for issuing the 48-Hour Notice. In addition, the District will charge the Customer's account a Returned Check Charge as specified in Appendix D. The actual disconnection may take place without further notice if the water service charges, together with the returned check charge, are not paid in cash or other certified funds on or before the date specified on the 48-Hour Notice.

4.3.6.3 Meter Test Charge: The District shall endeavor to keep the meters in good condition and registering accurately. Any Customer may request that their meter be examined and tested to see if it is correctly recording water delivered through it. Said request shall be made in writing, submitted to the District, signed by the Customer, and shall be accompanied by a deposit equal to the charge set forth in Appendix D. If such examination and test reveal that quantities of water recorded by the meter fall outside of a range between 98 percent and 102 percent of the actual quantities of water passed through the meter during the test, then the cost of such test shall be paid by the District and the Customer's deposit returned. If the meter is found to be registering at or within the parameters set (2 percent of accuracy), then the actual cost of such test shall be paid by the Customer and the deposit will be forfeited. All other tests and examinations of meters when authorized by the District shall be performed at District expense. Any adjustment to water bills shall be made in accordance with Article 4.4.8.

4.3.6.4 Pulled Meter Charge: If a Customer's service has been disconnected for the Customer's failure to timely pay monies owed to the District and the meter is in the

process of or has been removed from the premises, then the Customer shall pay at the District's offices a Pulled Meter Charge, as specified in Appendix D, along with any other charges before the service and meter can be reconnected

- 4.3.6.5 Unauthorized Water Use:** Any person or entity found taking water from or through any of the District's facilities without District authorization will be assessed a fine payable to the District, as set forth in Appendix D, in addition to all applicable District charges for the quantity of water taken. Written notice of the assessment of such fine shall be given by District personnel or using certified mail.
- 4.3.6.6 Property Damage:** If a Customer, new applicant or developer is found to be responsible for any damage done to District property; such damages shall be reimbursed to the District at cost plus District Administrative Charge. If the responsible party for such damage cannot be determined, charges for such damage may be billed to the current Customer or property owner.
- 4.3.6.7 District Administrative Charge:** For any services not included in the rates and charges specified in Appendix C, the District may assess an Administrative Charge.
- 4.3.6.8 Delinquent (Late) Charge:** If payment for a bill rendered is not made on or before the date specified for such payment on the billing period invoice, a Delinquent Charge for nonpayment will be issued indicating the possibility of a disconnection of water service. A Charge as specified in Appendix D will be added to any outstanding charges subsequent to preparation of the Delinquent Notice and prior to the 48-Hour Notice specified in Section 4.4.6.2.
- 4.3.6.9 Unauthorized Meter Turn-On Charge:** Once a meter has been locked-off for any reason, it may only be unlocked by District personnel. Unauthorized meter turn-ons shall be assessed an Unauthorized Meter Turn-On Charge as specified in Appendix D. Any additional costs incurred by the District to prevent unauthorized use shall be added to any outstanding charges payable by the responsible Customer.

4.4 BILLING PROCEDURES

- 4.4.1 Joint Service:** No joint service is allowed. An individual party will be solely liable for payment of bills. In those instances, where more than one party applies for service, each party shall be severally liable for payment of bills.
- 4.4.2 Re-establishment of Credit:** A Customer whose service has been discontinued for nonpayment of bills will be required to pay any unpaid balance due the District for the premises for which service is to be restored. In addition, the Customer will be required to pay a security deposit, in an amount specified in Appendix E, and pay a reconnection charge, before service is restored.
- 4.4.3 Bankruptcy of Customer:** Pursuant to the Bankruptcy Act (P.L. 95-598, as amended from time to time), the District shall not alter, refuse or discontinue service to, or discriminate against, a Customer, or a bankruptcy trustee of a Customer, solely on the basis that a debt owed by the Customer to the District for service rendered before the order for relief was not paid when due. It shall be the responsibility of the Customer to supply the District with a copy of any applicable order for relief. The District shall discontinue service if either the Customer, or the bankruptcy trustee, within 20 days after the date of the order for relief, furnishes adequate assurance of payment in the form of an advance payment for service after such date. As used herein, "adequate assurance of payment" shall mean an advance payment in an amount equal to the highest of the last 6 billings rendered to the Customer, or for the Customer's property if Customer has not occupied the property for that period of time, prior to the order for relief. As used herein, "order for relief" shall have the same meaning as given to it in the Bankruptcy Act. The commencement of a voluntary case under the Bankruptcy Act shall constitute an order for relief, and therefore a Customer's unpaid charges accrued before the filing of its petition for relief under the Bankruptcy Act shall be subject to any relief under that act. Service may be discontinued in accordance with the rules of the District upon non-payment for service rendered after the order of relief.
- 4.4.4 Rendering and Payment of Bills:** Bills for service will be rendered to commercial accounts on a monthly basis and to residential accounts on a bi-monthly basis, unless otherwise provided in the rate schedules. Except for closing bills, as set forth below, bills for service are due and payable upon presentation and become delinquent 20 days from the date of the bill. In the event that the bill is not paid within that time, the Customer will be assessed a Delinquent Charge as specified in Appendix D. However, it is the Customer's responsibility to assure that payments are received at the District's office in a timely manner. Partial payments will not be accepted unless prior approval has been received from the District's office. Collection

of closing bills may be made at the time of presentation; provided, however, that closing bills shall be due and payable within seven (7) days from the date of invoice.

4.4.5 Separate Billings for Each Meter: Each meter on a Customer's premises will be considered independently, read separately and billed separately. Meter readings will not be combined.

4.4.6 Delinquent Bills: The following rules apply to Customers whose bills remain unpaid after 20 days from the date of the bill.

4.4.6.1 Small Balance Accounts. For any Customer billing cycle, if less than the minimum bill remains unpaid, it shall be added to the Customer's next billing cycle.

4.4.6.2 Delinquent Notice of Non-Payment. If payment for a billing period is not made on or before the 20th day after the date of the bill, a Delinquent Notice of Non-Payment and Disconnection of Service will be mailed to the Customer fifteen (15) days prior to actual disconnection. The Notice will include a Delinquent Charge. Upon receipt of Delinquent Notice of Non-Payment and up to 2 days prior to the date set for disconnection, the Customer may request an amortization payment plan pursuant to Article 4.4.9.

4.4.6.3 Contents of Delinquent Notice of Non-Payment. The Delinquent Notice shall specify the following information in a clear and legible format:

- a. Customer's name and address;
- b. Amount in arrears;
- c. Date and time by which payment must be made;
- d. Procedures for requesting amortization of the unpaid balance; and
- e. Date of disconnection.

4.4.6.4 Turn-Off Deadline. Water bills are due upon receipt. If not paid by the close of business, on the bill due date, the account shall become Delinquent. A delinquent Notice shall be issued in accordance with Section 4.4.6.2.

4.4.6.5 Forty-Eight Hour Notice of Discontinuation of Service: At least forty-eight (48) hours prior to actual termination as set forth in the Delinquent Notice, the District shall make a reasonable, good faith effort to contact an adult of the

residence of the Premises with the unpaid account by telephone or in person (whenever possible) and provide them with the information set forth in Article 4.4.6.3.

4.4.6.6 Waiver of Delinquent Notices to Public Agencies. Public agencies, because of usual sound financial base and variations in warrant payment procedures, will not be sent a delinquent notice when payment is late on a current account.

4.4.6.7 Notification of Returned Check-Disposition. Upon receipt of a returned check taken as remittance of water service or other charges, the District will consider the account not paid. The District will make a reasonable, good-faith effort to notify the in person and leave a 48-Hour Notice of Discontinuation of Service due to a returned check. Water service will be disconnected if the amount of the returned check and returned check charge are not paid within 48 hours of the date of notice. Payment to redeem a Notification of Returned Check-Disposition shall be by cash or certified funds only.

4.4.6.8 Returned Check Tendered as Payment for Water Service Disconnected for Nonpayment:

- a. If the check tendered and accepted as payment which resulted in restoring service to an account that had been disconnected for nonpayment is returned as non-negotiable, the District may immediately disconnect said water service without further notice. The Customer's account may only be reinstated by receipt of outstanding charges in the form of cash or certified funds. Once the Customer's account has been reinstated, the account will be flagged for a one-year period indicating the fact that a non-negotiable check was issued by the Customer.
- b. If at any time during the one year period described above, the Customer's account is again disconnected for nonpayment, the District may require the Customer to pay cash or certified funds to have said water service restored.

4.4.6.9 Returned Check/Auto Bill Payment Rejection Security Deposit: Any Customer issuing a non-negotiable check or Automatic Bill Payment is rejected due to insufficient funds shall be required to pay the District a Security Deposit as specified in Appendix E.

4.4.6.10 Assessment for Unpaid Charges: Unpaid charges for water or other services provided to any parcel of land within the District shall become an assessment against that parcel once such unpaid charges are twenty-one (21) or more days delinquent. Such assessments against a parcel of land shall constitute a lien against that property, which lien may be recorded against the property in an effort to collect the delinquent account.

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

4.4.7.1 Within five (5) days of receipt of the bill for water service, the Customer has a right to initiate a complaint or request an investigation regarding any bill tendered by the District. Such protest shall be made in writing and delivered to the District at its office.

4.4.7.2 Following receipt of a complaint or a request for an investigation, a hearing date shall be set by the General Manager. After evaluation of the evidence provided by the Customer and the information on file with the District concerning the water charges in question, the General Manager shall render a decision as to the accuracy of the water charges, and shall render a brief written summary of the decision.

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

- b.** If the water charges in question are determined to be correct, the water charges are due and payable at the time the decision of the General Manager is rendered.
- c.** At the time the decision is rendered, the Customer will be advised of the right to further appeal before the Board.
- d.** If the decision of the General Manager is not to the satisfaction of the Customer, the Customer may request a hearing before the District Board of Directors at the next Regular Board Meeting occurring at least seven (7) days after the date of the Customer's request.
- e.** Water service may not be terminated until the investigation is completed and the Customer has been notified of the District's decision.

4.4.7.3

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

- a.** If the Board finds the water charges in question are incorrect, the Customer's bill will be revised to reflect the Board's findings and payment of the invoice is due within ten (10) days from the date of said invoice. Any overcharges will be reflected as a credit on the next regular bill to the Customer, or refunded directly to the Customer, in the sole discretion of the Board. If the revised charges remain unpaid after the prescribed period of time, water service will be terminated on the working day following the period allowed for payment. Service will be restored only after outstanding water charges and any and all applicable reconnection charges are paid in full.

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

4.4.8 Adjustment of Bills for Meter Error: The Customer may request an adjustment of the bill on the basis of meter error. Such a request must be made in writing and the rules set forth in Article 4.3.6.3, Meter Test Charge, will apply. The District will, within one week, proceed to test the Customer's meter; the meter will be tested in an "as found" condition, in order to determine the average meter error. If the average meter error is found to exceed 2 percent, that is if quantities of water recorded by the meter are outside of a range between 98 percent and 102 percent of the actual quantities of water passed through the meter during the test, the following billing adjustments will be made.

4.4.8.1 Fast Meters: The District will refund to the Customer the amount of the overcharge based on corrected meter readings of the period the meter was in use and determined to be incorrect, but not to exceed a period of six (6) months.

4.4.8.2 Slow Meters: The District may bill the Customer, at its option, for the amount of the undercharge based upon corrected meter readings for the period the meter was in service and determined to be incorrect, but not to exceed a period of four (4) months.

4.4.8.3 Non-Registering Meters: The District may bill the Customer according to an estimate of water consumed while the meter was not registering, but not exceeding a period of four (4) months. This estimate will be based on the Customer's prior use during the same season of the previous year if conditions were unchanged during the year, or on a reasonable comparison of consumption of similar Customers during the same period.

4.4.9 Amortization of Unpaid Balance.

4.4.9.1 Financial Hardship: Any Customer who is unable to pay for water service within the normal payment period and is willing to enter into an amortization agreement, or who otherwise requests extension of the payment period of a bill the Customer asserts to be beyond the Customer's financial means to pay in full during the normal payment period, may request, in writing, amortization of the unpaid balance over a period not to exceed twelve (12) months.

- 4.4.9.2 Certification by Physician:** Where a licensed physician certifies that the termination of service will be life-threatening to the Customer, and the Customer certifies that he or she is unable to pay for the service within the normal payment period and is willing to enter into an amortization agreement, the Customer may request, in writing, a 12-month amortization payment plan. Additional time may be granted by the General Manager.
- 4.4.9.3 Amortization Payment Plan:** Upon confirmation of the doctor's certification and approval of the request, an amortization plan will be entered into between the District and the Customer. The plan will amortize the unpaid balance over 12 months, with payments added to the Customer's regular bill. Additional time may be granted by the General Manager.
- 4.4.9.4 Compliance with Plan:** The Customer must comply with the amortization plan and remain current as charges accrue in each subsequent billing period. The Customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan. Failure to comply with the terms of an amortization plan will result in forty-eight (48) hour Notice of Discontinuation.
- 4.4.9.5 Transfer (Old/New) Service:** Any and all outstanding balances left unpaid over thirty (30) days after the date on which a Customer's account is closed, and the Customer makes application for a new service connection elsewhere in the District will either be collected in full at the time the Customer makes application for a new account or will be transferred to the new account.

4.5 TURN ON AND TURN OFF PROCEDURES AND CHARGES

- 4.5.1 Turn-off at the Customer's Request:** A Customer may request that service be discontinued either temporarily or permanently. Such a request must be made by giving at least one working day's advance notice to the District. If such a notice is not given, the Customer will be billed for service until one working day after the District has received appropriate notice that the Customer has vacated premises or otherwise has discontinued service.
- 4.5.2 Turn-off by the District:** The District may disconnect a Customer's service for various reasons which are listed below. Such involuntary disconnections

are effected by turning off and locking off the water service at the meter stop, thereby stopping the water service; the District will make a reasonable attempt to notify the Customer of disconnection by phone and will place a 48 Hour Disconnection Notice on the premises. Reasons for involuntary disconnection include, but are not limited to, the following:

- 4.5.2.1 Non-Payment of Bills:** A service may be disconnected for non-payment of bills. Before a service is disconnected, the Customer will be notified by a Delinquent Notice of Non-payment as set forth in Article 4.4.6.2. A service may be disconnected for non-payment of bills of a Customer whether or not the payment delinquency is associated with water service at that service connection or at any other water service connection of that same Customer.
- 4.5.2.2 Non-Compliance with Rules:** The District may discontinue service to any Customer for violation of the District's Rules and Regulations after it has given the Customer at least five (5) days' written notice of such intention. Where safety of water supply is endangered, service may be discontinued immediately without notice.
- 4.5.2.3 Waste of Water:** In order to protect itself against serious and negligent waste or misuse of water, the District may disconnect service if such wasteful practices are not remedied within five (5) days after notice to such effect has been given to the Customer.
- 4.5.2.4 Unsafe or Hazardous Conditions:** The District may disconnect a service without notice if unsafe or hazardous conditions are found to exist on the Customer's Premises. The District will immediately notify the Customer of the reasons and the necessary corrections required before reconnection. Such unsafe or hazardous conditions may exist due to defective appliances or equipment that may be detrimental to either the Customer, the District, or to the District's other Customers.
- 4.5.2.5 Fraudulent Use of Service:** When the District has discovered that a Customer has obtained service by fraudulent means, or has diverted the water service for unauthorized use the service to that Customer may be discontinued without notice. The District will not restore service to such Customer until that Customer has complied with all applicable rules and regulations of the District and the District has been

reimbursed for the full amount of the service rendered and the actual cost to the District incurred by reason of the fraudulent use.

4.5.2.6 Improper Cross-Connection Protection: The District may disconnect a service if it finds improper cross-connection protection is being provided at connections requiring specific protection as set forth in Appendix F.

4.5.2.7 Removal of a Service Connection: The District may act to remove a service connection if:

- a. The service connection has remained inactive for a period of more than one year;
- b. The service connection has been purposely damaged or tampered with;
- c. The service connection poses a health and safety risk;
- d. The service connection is being used contrary to its original purpose;
- e. The service connection poses an immediate cross-connection risk;

4.5.3 Restoration of Service: In order to resume or continue service that has been disconnected, the Customer must pay a reconnection charge as set forth under Article 4.5.2.1. The District will endeavor to make reconnections as soon as practicable, to suit the Customer's convenience; however, the District shall make the reconnection before the end of the next regular working day following the Customer's request and payment of any applicable reconnection charges pursuant to 4.3.6.1.

4.5.4 Refund of Advance Payment: Upon discontinuance of a service, the District will refund the balance of the Customer's advance payment, for that service, in excess of any unpaid bills or charges. Also, the District will monitor the payment history of each Customer for which a security deposit is being held by the District. If the Customer's account is free of any late payment penalties, termination notices or returned checks for a period of (18) consecutive months since the security deposit was given, the District shall refund the deposit to the Customer, in full, by applying the deposit to

the Customer's account. Refunds made for discontinuance of service will be made within a reasonable period of time.

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

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

- 4.6.1 Charges for a Smaller Meter:** If the desired meter size is the next smaller size meter than the current size, the Owner will not be charged for a new regular connection for the desired meter size as set forth in Section 10.05.
- 4.6.2 Charges for a Larger Meter:** If the desired meter size is larger than the current size, the property owner shall pay the full current charges for a new regular service connection for the desired meter size as set forth in Section 10.05 less any credit on the removed meter.
- 4.6.3 Charges for Change in Meter Location:** If the property owner desires a change in location of the meter, such change may be effected with the mutual agreement of the District and the property owner, and the property owner shall pay for the actual costs incurred by the District.
- 4.6.4 Change in Land Use:** The property owner shall notify the District of any change in the character or use of the property or buildings for which the service connection was originally obtained. If a residential property is to be reclassified or used as commercial or industrial, or a commercial property is to be reclassified or used as industrial, the owner shall pay any additional charges that may be applicable by reason of the reclassification.
- 4.6.5 Inclusion of Additional Land Area:** The /property owner shall notify the District of any additional land area or adjacent lots not served at the time of original commencement of service that are to be served from the existing service connection.

4.7 WATER CONSERVATION

The purpose of this rule is to ensure that water resources available to the District are put to a reasonable beneficial use and that the benefits of the District's water supply and service extend to the largest number of persons. Every 5 years the District updates its Urban Water Management Plan, which details the long-range plans for the

use and management of the District's water supply. The current Urban Water Management Plan is on file in the District's office.

4.7.1 Water Use Efficiency Requirements: In an effort to avoid serious and negligent waste of water, the District has instituted the following permanent water use efficiency requirements. Violations of this section may be considered an unauthorized use of water and subject to penalties established in Appendix D.

4.7.1.1 Limit on Watering Duration: Watering or irrigating of lawn, landscape or other vegetated area with potable water using a landscape irrigation system or a watering device that is not continuously attended is limited to no more than fifteen (15) minutes watering per day per station. This subsection does not apply to landscape irrigation systems that exclusively use very low-flow drip type irrigation systems when no emitter produces more than two (2) gallons of water per hour and weather based controllers or stream rotor sprinklers that meet a 70% efficiency standard.

4.7.1.2 No Excessive Water Flow of Runoff: Watering or irrigating of any lawn, landscape, or other vegetated area in a manner that causes or allows excessive water flow or runoff onto an adjoining sidewalk, driveway, street, alley, gutter or ditch is prohibited.

4.7.1.3 No Washing Down Hard or Paved Surfaces: Washing down hard or paved surfaces, including but not limited to sidewalks, walkways, driveways, parking areas, tennis courts, patios or alleys, is prohibited except when necessary to alleviate safety or sanitary hazards, and then only by use of a hand-held bucket or similar container, a hand-held hose equipped with a positive self-closing water shut-off device, a low-volume, high-pressure cleaning machine equipped to recycle any water used, or a low-volume high-pressure water broom.

4.7.1.4 Obligation to Fix Leaks, Breaks or Malfunctions: Excessive use, loss or escape of water through breaks, leaks or other malfunctions in the Customer's plumbing or distribution system for any period of time after such escape of water should have reasonably been discovered and corrected and in no event more than seven (7) days after receiving written notice from the District is prohibited.

- 4.7.1.5 Limits on Washing Vehicles:** Using water to wash or clean a vehicle, including but not limited to any automobile, truck, van, bus, motorcycle, boat or trailer, whether motorized or not is prohibited, except by use of a hand-held bucket or similar container or a hand-held hose equipped with a positive self-closing water shut-off nozzle or device. This subsection does not apply to any commercial car washing facility.
- 4.7.1.6 Recirculating Water Required for Water Fountains and Decorative Water Features:** Operating a water fountain or other decorative water feature that does not use recirculated water is prohibited.
- 4.7.1.7 No Installation of Non-recirculating Water Systems in Commercial Car Wash and Laundry Systems:** Installation of non-recirculating water systems is prohibited in new commercial conveyor car wash and new commercial laundry systems.
- 4.7.1.8 Negligent Waste of Water:** At the discretion of the General Manager, the District reserves the right to determine negligent waste or misuse of water supplies. Such waste of water supplies is prohibited, constitutes an unauthorized use of water and is subject to imposition of penalties pursuant to these Rules and Regulations.
- 4.7.1.9 Dual Meters:** To facilitate potential water conservation measures and provide for expansion of recycled water use, all new commercial/industrial sites developed after January 1, 2017 shall be required to install separate meters for potable water use and landscape irrigation. This requirement shall also apply to any commercial/industrial sites undergoing a change of use or inclusion of additional land area, as defined in Section 4.06. For purposes of this requirement, change of use shall include, but not be limited to, tenant improvements or other expansion constituting a substantial change in the character, size, or use of the property, as determined by the General Manager or designee on a case-by-case basis.

4.8 PRIVATE FIRE PROTECTION SERVICE

- 4.8.1 Private Fire Protection Service:** Private Fire Protection Systems shall be installed and paid for in total by the property owner or developer. The

specifications for such service shall be established by the Los Angeles County Fire Department (LACFD) and shall provide for the installation of an approved aboveground double detector check valve, including bypass meter, in accordance with the District's Standard Specifications. Installation of a detector check valve will not preclude the addition of a backflow prevention device where deemed necessary by the District.

4.8.2 Unauthorized Use: The use, or attempted use, of water through any hydrant, sprinkler head, hose rack, or any other device for any purpose other than directly in connection with fire protection purposes, without the prior written consent of the District in each case, shall be cause for immediate disconnection of the service. The District will make no further deliveries of water through such service nor will the District continue to maintain such service until a suitable meter of the type and size approved by the District is installed through which may be registered all water flowing to said service. The cost and expense of the installation of such meters shall be borne by the Customer and shall be paid in advance to the District based upon the estimate by the District of the cost of such installation. If the actual installation cost is more than that estimated by the District, the Customer shall forthwith, upon demand, pay such excess; and, in the event the cost is less than that estimated by the District, the District will refund any unused funds to the Customer.

4.9 FIRE HYDRANT DAMAGE

When any person, company, or agency is determined to be the responsible party that has caused damage to a fire hydrant, the District may charge that party with all costs necessary to repair the damages and the cost of water loss computed from District records on the basis of the duration of flow and the flow rate. In situations where water loss is not reflected in the District records, water loss shall be based upon the type of land zoning in which the fire hydrant is located:

Fire Hydrant

Commercial	4,000 gallons per minute
Residential	2,500 gallons per minute

If the length of time the broken fire hydrant was flowing cannot be reasonably determined by witnesses or District records, the minimum time used for calculating lost water shall be thirty (30) minutes.

4.10 UNLAWFUL ACTS

In order to protect public water supplies, certain acts are, by state law, misdemeanors and in some instances penalties are punishable by imprisonment in the county jail for not more

than one year or in the state prison. Among the more significant statutes involving criminal acts with respect to water systems are:

- 4.10.1 Section 498 Penal Code:** This section includes stealing water, as well as diverting other utilities illegally and taking water after service has been disconnected and the meter sealed (including unauthorized connections to fire hydrants - see Section 5.3).
- 4.10.2 Section 488 Penal Code:** Permitting willful or neglectful seepage or overflow of water on adjacent lands, public or private roads or highways.
- 4.10.3 Sections 116975 to 117015 Health and Safety Code:** Any act that leads to the pollution of any conduit or reservoir.

- END OF ARTICLE 4 -

ARTICLE 5

RULES APPLICABLE TO TEMPORARY CONNECTIONS

5.1 ESTABLISHMENT OF TEMPORARY SERVICE-CONSTRUCTION WATER

The District will, if no undue hardship to its existing Customers would result therefrom, furnish temporary water service for construction purposes when the applicant has requested service on this basis or the District reasonably expects the service to be temporary and the applicant therefore has paid all required charges. The District reserves the right to discontinue temporary service if in the District's sole discretion it believes the user to be wasting water, and/or has limited water resources and must conserve water.

5.1.1 Deposits/Establishment of Credit: The applicant must deposit a sum of money equal to the cost of the meter and the estimated bill as established by the Board and set forth in Appendix E.

5.2 RATES, CHARGES AND CONDITIONS OF SERVICE

The rates, charges and conditions for temporary service (construction water) will be as described in Appendix E.

5.3 CONNECTIONS TO FIRE HYDRANTS

Fire hydrants connected to District mains are for use by the District and by organized fire protection agencies. Other parties desiring to use water from fire hydrants for any purpose must obtain approval from the District prior to use, and shall operate the hydrant according to the instructions issued by the District. Unauthorized use will be subject to District charges as described in Appendix D.

5.4 WATER FOR CONSTRUCTION NEEDS

Water used for temporary construction needs, such as grading or dust control, etc., is classified by the District to be surplus water. Supply of such water can be terminated without notice in the event of water shortage, water rationing, general emergency, or anytime deemed necessary by the District. Recipients of water for construction needs shall be considered Temporary Water Customers.

All requests for construction water shall be made on the approved application form available in the District office and accompanied by the appropriate deposit amount as stated in Appendix E.

- END OF ARTICLE 5 -

ARTICLE 6

RULES APPLICABLE TO INDIVIDUAL APPLICANTS FOR WATER SERVICE

6.1 APPLICANT

An Applicant for service must be either the owner in fee or the tenant of the Premises that will be served by the metered connection. Tenants shall be required to file an affidavit with the District, signed by the owner in fee of the premises, assuming responsibility for any unpaid water charges resulting from the actuation of this service by a tenant. Only the District approved affidavit will be accepted.

6.1.1 Use of an Active Service by Tenant/Owner: A person who takes possession of premises and uses water without applying for water service is liable for all water delivered from the date of the last recorded meter reading; if the meter is found inoperative, the quantity consumed will be estimated. If proper application for service is not made within 48 hours after notification to do so, or if accumulated bills are not paid upon presentation, water service shall be discontinued as provided in the notice.

6.2 Application for Service

Each applicant applying for service is required to fill out a District Water Service Application, setting forth the following contents and limited to the purpose stated below. In addition, the applicant agrees to supplement the applicant's application in a timely manner if notified by the District of any missing information.

6.2.1 Contents:

1. Date and place of application.
2. Location of premises to be served.
3. Date applicant will be ready for service.
4. Agreement to abide by District Rules and Regulations.
5. Whether the service will be for residential or commercial purposes.
6. Address to which bills are to be mailed or delivered.
7. Home and office telephone numbers.
8. Social Security Number.
9. Valid Driver's License Number (California preferred)
10. Whether applicant is owner, tenant or agent for the premises.
11. If owner - a signed Verification of Property Ownership on a form provided by the District.
12. If tenant - owner's name, address and telephone number.

13. Agreement to assume any outstanding water charges for property where service is requested.
14. Such other information as the District may reasonably require.

6.2.2

Rental Property: Applications for water service to rental property shall be required to have such service provided on account of the property owner or, alternatively, upon co-application by the property owner and the tenant. Applicants who are not property owners may not be provided service until the property owner has applied for service in his/her name, or as co-applicant with the tenant. The District will hold the property owner ultimately responsible for payment, which includes enforcement of any lien rights the District may have. A signed Owner/Tenant Service Affidavit, on a form to be provided by the District, along with proof of identification or verification of valid signature, must be provided to the District prior to activation of the water service.

6.2.2.1

Acceptance of Evidence of Property Ownership:

Notwithstanding any other provision of this Rule 10.02, in lieu of the application set forth under Paragraph A, above, the District, in its sole discretion, may condition providing water service to any applicant upon receipt and approval of any of the following documents to evidence ownership of real property for which water service is requested:

1. A copy of escrow instructions that evidence that the applicant is the present owner of the subject property;
2. A copy of the deed to the subject property that evidences that the applicant owns that property; or
3. A copy of the most recent property tax bill for the subject property.

6.2.3

ESTABLISHMENT OF CREDIT: The District may require applicants for service to provide it with information sufficient to enable the District to determine the creditworthiness of the applicant. Upon determining the applicant's creditworthiness, the District may require the applicant to deposit with the District such sums of money as determined by the Board from time to time as specified in Appendix E, as a condition for obtaining service. A security deposit required for a new water service connection applicant shall be determined by the Board as specified in Appendix E, according to the Customer's classification and meter size.

6.2.4.

DEPOSIT REFUNDS: Deposits will be refunded back to the Customer upon termination of their water service, provided that all water charges have been paid. No interest rate will be paid on deposits.

During the life of a Customer's account, the District may require any Customer, regardless of whether he or she was previously found to be creditworthy, to post a security deposit as specified in Appendix E if that Customer is determined to subsequently lack creditworthiness.

6.2.4.1 Security Deposit Upon Disconnect for Non-Payment: The Customer shall be required to deposit with the District such sums as specified in Appendix E.

6.2.4.2 Waiver of Deposit: Public Agencies will not be subject to the deposit requirements stated above.

6.3 NEW CUSTOMER APPLICATION ADMINISTRATIVE CHARGE

Applicants will be required to submit an application charge with their application for service, to partially defray the administrative expense incurred in processing the application. The amount of the application charge is set forth in Appendix D.

6.4 REFUSAL TO SERVE

The District may refuse to serve an applicant for service under the following conditions:

6.4.1 Conditions for Refusal:

6.4.1.1 If the applicant fails to comply with any of the rules and regulations contained herein.

6.4.1.2 If the intended use of the service is of such a nature that it will be detrimental or injurious to existing Customers.

6.4.1.3 If, in the judgment of the District, the applicant's installation for utilizing the service is unsafe or hazardous, or of such nature that satisfactory service cannot be rendered, or exceeds the normal capacity of the meter service.

6.4.1.4 Where service has been discontinued for fraudulent use, the District will not serve an applicant until it has determined that all conditions of fraudulent use or practice have been corrected.

6.4.1.5 Notification to Applicant: When an applicant is refused service under the provisions of this rule, the District will notify the applicant promptly of the reason for the refusal to

serve and of the right of applicant to appeal that decision to the Board.

6.5: WATER SERVICE CONNECTIONS

For those premises that do not have an existing service connection, the applicant will be charged an amount estimated to be the actual costs to the District of the installation and material for a service connection. In instances where such additional charges are due, credit may be allowed for any such previous payments made by the Applicant, property owner, or their predecessors. In order to ensure the ability of the District to collect these increased charges where applicable, the size of any meter service and/or the area it serves, or the property's zoning classification or actual use, shall be determined by the Manager. Subject to an appeal to the Board, such determination by the Manager will be final.

- 6.5.1 Size:** The District reserves the right to determine the size of the service connection, the service pipe and water meter and the type of any backflow preventer or other appurtenances required for the installation.
- 6.5.2 Location:** So long as practicable, service will be installed at locations designated by the applicant, but only at curb and/or property lines of the property to be served abutting upon a public street, highway, alley, lane, or road (other than a freeway) in which is installed a water main of the District.
- 6.5.3 Looped Metered Connections:** Service provided to a location that has its own distribution system that is looped and connected to District facilities by two (2) or more meters shall be provided with an approved type backflow prevention device immediately downstream of each metered connection as specified in Appendix F.
- 6.5.4 Changes in Service Connection/Meter Size:** Payment of all applicable additional charges will be required upon the happening of any of the following:
 - 6.5.4.1** The alteration or increase in size of a service connection.
 - 6.5.4.2** The service of any area, adjacent property, or property of different ownership not served at the time of the original commencement of service.
 - 6.5.4.3** The increase of use by reason of land zoning reclassification or actual land use.

6.5.5 Limitations on Use of Service Connections:

6.5.5.1 Number of Units and Land Area: The District reserves the right to designate the type of meter, limit the number of buildings, separate houses, living or business quarters, and the area of land under one ownership to be supplied by one service connection.

6.5.5.2 After Subdivision: When property provided with a service connection is subdivided, the service connection shall be considered as belonging to the lot or parcel of land which it directly enters.

6.5.5.3 Supplying to Other Property. Except by special permission of the District, no service connection shall be used to supply adjoining property belonging to a different owner, or adjoining property acquired by the original applicant or owner subsequent to installation of the original service connection, or to supply property of the same owner on opposite sides of a public street or alley.

6.5.5.4 Supplying Outside District. No service connection will be used to supply water received from the District to property outside the District.

6.5.5.5 Master Meters. Except in the case of a motel, hotel or apartment building, no master meters will be authorized for a multi-user development. All tenants or owners receiving water service shall have separate meters.

6.6 PROVISION OF SERVICE: The District shall not be obligated to provide water service to any applicant for water service until after any and all fees, charges and past due assessments owing to the District and associated with the parcel seeking water service shall have been paid in full.

- END OF ARTICLE 6-

ARTICLE 7

RULES APPLICABLE TO NEW DEVELOPMENT AND REDEVELOPMENT

7.1 GENERAL POLICY

Any construction of water distribution mains or other related water system facilities required in connection with any development or redevelopment project within the District's jurisdiction, shall, unless otherwise agreed to by the Developer (as defined in Rule 7.2.1, below) and the District's General Manager in the exercise of his or her reasonable discretion, be performed by the Developer at the Developer's sole cost and expense (including the procurement of all necessary materials); provided, however, that the District shall approve the Developer's contractor that will perform that work and shall approve the plans for any improvements to the District's water distribution system that are part of that work, which approval shall not be unreasonably withheld. The District shall also inspect, approve and have jurisdiction over such work at all times during construction and upon its completion. Any such contractor shall be duly licensed by the State of California Contractors' State License Board in all categories necessary for the work to be performed and shall have all necessary insurance and bonding. In the event the Developer does not provide a contractor to meet the foregoing criteria or that otherwise meets with the District's approval, the Developer may select a contractor from a list of contractors, to be provided by the District, who have previously satisfactorily completed work on projects within the District's jurisdiction.

7.2 DEFINITIONS

For purposes of this Article 7, the following terms shall have the following meanings:

7.2.1 Developer: Shall mean the person or entity that undertakes a New Development Project or undertakes any other development or redevelopment project within the District's jurisdiction which requires any work to be performed on the District's water distribution system.

7.2.2 Equivalent Dwelling Unit (EDU): Shall mean units of measure that standardize the level of demand created by various uses within the District's jurisdiction in excess of the demand for water historically used at a given property based on the District's water consumption records or calculations of such historical use. One EDU is equivalent to one-half (1/2) of an acre-foot of water used annually, which is approximately the amount of water provided to an average single family detached residential household. For example, a small business designed to use three times as much water as an

average single family detached residential household (1.5 acre-feet of water per year) would have a demand of three EDUs in terms of water usage.

7.2.3 New Development Project (Project): Shall mean a development or redevelopment project on real property within the District's jurisdiction that either: (a) previously did not receive water service from the District, or (b) constitutes a change in the type of use of that property (e.g., from an automobile repair shop to a restaurant) that previously received water service from the District, which change in the type of use, by the District's determination in its reasonable discretion, will result in additional demand for water beyond the demand for water historically used at the Property based on the District's water consumption records or calculations of such historical use.

7.2.4 Property: Shall mean the real property on which the Project is occurring.

7.2.5 Water Service Availability Letter: Shall mean the letter provided by the District to the Developer in accordance with Rule 7.3.5, below, and in the form of Appendix N.

7.3 APPLICATION PROCEDURE

7.3.1 Submission of Plans and Fire Requirements: The Developer shall furnish the District with two (2) copies each (except as noted) of the following:

- a. Street Plan
- b. Grading Plan
- c. Tract/Parcel Map Plot Plan
- d. Sewer Plan
- e. Storm Drainage Plan

7.3.2 Fire Department Requirements: The Developer shall provide the District with one copy of the plot plan, stamped by the Fire Department, showing fire hydrant locations and fire flow requirements.

7.3.3 Service Locations and Sizes: The developer shall determine and indicate on one copy of the tract map the sizing of all service connections, subject to District approval per Article 7.

7.3.4 Size of Development: The developer shall provide the District with documentation of the gross (blue border) acreage of the property being developed.

- 7.3.5 Request for Water Service Availability Letter:** Upon written request by the Developer to the District, and upon approval by the General Manager of the proposed water system improvements required to serve the Project, including any oversizing or off-site facilities required by the District, and, further, upon confirmation that the District is able to provide suitable water service to the Project, the District will provide the Developer with a Water Service Availability Letter.
- 7.3.6 Water Service to New Development Project:** If the District determines that a New Development Project will result in increased demand for water to be provided by the District in relation to the prior use of the Property, such that the District would therefore be required to procure additional Allowed Pumping Allocation under the Central Basin Judgment¹ the Developer shall either (a) permanently assign to the District additional Allowed Pumping Allocation in the Central Basin to offset the additional demand resulting from the New Development Project; or (b) pay to the District a fee in the amount of \$2,000 per Equivalent Dwelling Unit² based on the estimated additional water consumption of the Project (which consumption shall be determined by the District with input from the Developer) in excess of the amount of water historically consumed at the Property. In calculating the EDUs, when such consumption incrementally exceeds either one-half (.50) of an acre-foot or a whole (1.0) acre-foot, then the EDU shall be rounded up to the next highest EDU; provided that in all events the minimum shall be one (1) EDU. By way of example, if the Project is estimated to use 1.3 acre-feet of water more than what was historically used at the Property, then the estimated usage for the Project would be rounded up to three (3) EDUs.
- 7.3.7 Reconciliation of Actual Usage:** After at least six (6) months, but not to exceed twelve (12) months of actual water usage by any Project (provided that such period may be extended for up to an additional six (6) months in the discretion of the District's General Manager), either: (i) the Developer, or any successor in interest to the Developer as to any portion of the

1 Under the Central Basin Judgment, each water producer in the area overlying the Central Basin groundwater basin is granted a certain amount of groundwater rights (called "Allowed Pumping Allocation") which the groundwater producer can extract from the basin each year. If the producer's extractions exceed its Allowed Pumping Allocation, it must obtain additional groundwater rights for such excess production.

2 The value of water rights has been determined based on the capitalized cost of the difference between (i) the cost for treated water purchased from the Metropolitan Water District of Southern California, and (ii) the cost of replenishment assessments imposed by the Water Replenishment District of Southern California, plus power costs and costs of maintenance, repairs and replacement of wells and pumps. The capitalized cost was determined based on the interest rate that could be earned if funds were invested rather than used to purchase water rights. If the difference in the cost for purchasing water and pumping water is \$230 per acre-foot and the interest rate that can be earned on invested funds is 5.75%, then the value of water rights would be \$4,000 per acre-foot.

Project, or (ii) the District, may notify the other in writing regarding the actual water usage at the Project, or pertinent portion thereof. If the Project's annualized actual water usage exceeds the amount of additional water usage estimated pursuant to Rule 7.3.6, above, the Developer, or the Developer's successor in interest, shall pay to the District within thirty (30) days of receipt of written notice the amount by which such actual usage exceeds the estimated amount, as calculated in accordance with Rule 7.3.6; provided, however, that in the event the Project consists of subdivided lots or individual units, any individual successor in interest to the Developer shall only be responsible for a proportionate amount of such increased usage, as determined by the District in its reasonable discretion after taking into account the total square footage of the Project, total square footage of such individual unit or lot and/or the total number of units or lots that constitute the Project. If the estimated additional water usage estimated pursuant to Rule 7.3.6, above, exceeds the annualized actual amount of such water usage, the District shall within thirty (30) days of that determination pay to the Developer, or the Developer's successor in interest, as the case may be, the amount by which such actual usage exceeds the estimated additional amount of water usage, as calculated in accordance with Rule 7.3.6; provided, however, that in the event the Project consists of subdivided lots or individual units, the District shall only be responsible to pay to any individual successor in interest to the Developer who notified the District regarding the actual water usage a proportionate amount of such reduced actual usage, as determined by the District in its reasonable discretion after taking into account the total square footage of the Project, total square footage of such individual unit or lot and/or the total number of units or lots that constitute the Project.

7.4 PROJECT IMPROVEMENTS; EASEMENTS

Where necessary in connection with any Project, the Developer shall construct, subject to plans approved by the District as provided in Section 7.1, above, such off-site facilities as are required to ensure the facilities are installed and/or constructed in accordance with the District's standard specifications. The Developer shall obtain and subsequently convey to the District, at no cost to the District, such easements as the District determines to be necessary for installation of such off-site facilities, or for any District facilities to be installed on the Property. The District shall determine the location of such easements, which shall be granted pursuant to the form of Easement Deed attached hereto as Appendix O. The District may, in the reasonable discretion of the General Manager, require that the Developer provide a policy of Title Insurance issued by Chicago Title Insurance Company in such amount as the General Manager determines to be appropriate under the circumstances, insuring the District's right, title and interest in the easement granted.

7.5 DISTRICT ACCEPTANCE OF FACILITIES

All mains, services, or other appurtenances connected to the District's distribution system, with the exception of backflow prevention devices and private fire hydrants, shall become the property of the District upon acceptance of the facility for operation, maintenance and repair by the District.

7.6 PROVISION OF SERVICE

The District shall not be obligated to provide water service to any applicant for water service until after any and all fees, charges and past due assessments owing to the District and associated with the parcel seeking water service shall have been paid in full.

7.7 MINIMUM FIRE FLOW REQUIREMENTS

Preliminary Determination: In order to ensure that all areas of the District to which water is supplied meet the minimum fire flow requirements established by Los Angeles County, the Developer shall inform the District of the fire flow requirements for the Project imposed by the Los Angeles County Fire Department, or any successor agency, and shall request that the District conduct a fire flow test to determine whether the Property to be developed will receive sufficient fire flow. The District will also review the impact of the Project's water demands on the District's distribution system and shall determine the Project's impact on the fire flow and pressure to the surrounding area. If sufficient fire flow or pressure is not available to the Project or the surrounding area as a result of the Project, or if the Project is determined by the District to adversely impact the District's distribution system in any other area, the Developer will bear all expenses necessary in designing and constructing any improvements necessary to provide the required fire flow or pressure to the Project, surrounding area and/or such other area(s); provided, however, that such costs will be borne equitably by those who undertake construction or development in the area within thirty-six (36) months of the Project's completion.

7.8 WATER SYSTEM DESIGN AND PLAN CHECK DEPOSIT:

The Developer of any Project shall place with the District, prior to the District designing (if applicable) or reviewing any water plans for the project a deposit (subject to the provisions of subparagraph 7.8.1, below) in an amount to be determined by the General Manager based upon his or her estimate of the time expected to be needed to accomplish such design work and/or to review such plans, including the time of District staff and any legal review, if necessary, in accordance with the following minimum schedule:

- 7.8.1** All applicants submitting documents for Plan Check must pay a \$700 deposit. After a preliminary review by the General Manager and District Engineer, the applicant will be provided a letter from the District outlining

the District's requirements.

7.8.1.1 The deposit shall be applied to any costs incurred by the District (including salary of any District personnel, or the cost of services provided by an outside engineer or other professional consultant engaged by the District in connection with such work) in designing any water system improvements necessitated by the project or in reviewing the plans for such improvements. In the event plan check costs exceed the deposit, the Developer will be required to submit additional amounts to be established by the District in its reasonable discretion to cover any overruns. If the plan check costs are less than the amount on deposit, the District shall refund the remaining monies within fourteen (14) days after the District's final approval of the plans.

7.8.1.2 **Construction Costs:** If, for any reason, the District undertakes the actual construction work, the costs to be fully paid by the Developer shall include the total direct costs of labor, equipment, materials and related services for mains, valves, fire hydrants, temporary and final service connections, meters, and other appurtenances and any other related work required under the District's Standard Specifications, less the difference in cost due to any District-required oversizing. Those costs shall be set forth in a written estimate provided by the District or its authorized engineer and shall be paid directly to the District.

7.8.1.3 **Inspection Costs:** The Developer of any Project shall be responsible for all costs incurred by the District in connection with the inspection of the work related to that Project if such inspection is performed by District personnel or by an outside consultant engaged by the District. Such inspection costs shall be billed at the hourly rate and benefit burden of the District employee who performs that inspection, or at the actual cost incurred by the District if the inspection is performed by an outside consultant engaged by the District, plus the cost, as established from time to time by the District, of any District equipment used in connection with the inspection. The District's General Manager shall prepare a written estimate of the expected inspection costs, which shall be paid by the Developer at the same time the Plan Check Deposit is paid. That deposit shall be applied to

any costs incurred by the District (including salary of any District personnel, or the cost of an outside inspection service) in connection with the inspection of that work. In the event the inspection costs exceed the deposit, the Developer will be required to submit additional amounts necessary to cover any overruns. If the inspection costs incurred are less than the amount on deposit, the District shall refund the remaining monies within fourteen (14) days after completion of the work.

7.8.1.4 District Administrative Charge: This charge covers the District's administrative burden and is computed as set forth in Appendix D.

7.9 APPEAL

A Developer may appeal to the District's Board of Directors any action taken by the General Manager under this Article 7. Any such appeal shall be made in writing within thirty (30) days of receipt of notice of such action, and will be heard at a regularly scheduled Board Meeting occurring within thirty (30) days after receipt of the Developer's written appeal.

- END OF ARTICLE 7 -

ARTICLE 8

SALE OF DISTRICT LANDS

- 8.1** **Surplus Property:** Upon the determination by the Board that real property belonging to the District is no longer necessary for District purposes, other than for the purpose of exchange, such property shall be designated surplus property. The District may dispose of surplus land as set forth hereafter.
- 8.2** **Offer to Sell or Lease:** Prior to disposing of surplus land, the District shall send a written offer to sell or lease such land as follows:
- 8.2.1** A written offer to sell or lease for development of low- and moderate-income housing shall be sent to any local public entity responsible for the development of such housing and within whose jurisdiction the surplus land is located. Upon written request therefor, housing sponsors as defined in Health and Safety Code Section 50074 shall also be sent written offers to sell or lease the surplus land. Priority shall be given to offers for development of the land for lower income disabled and elderly persons, and other lower income households.
- 8.2.2** A written offer to sell or lease for park and recreational or open-space purposes shall be sent:
- a.** To the park or recreation department of the city where the land is located;
- b.** To the Los Angeles County Parks and Recreation Department;
- c.** To the regional park authority having jurisdiction where the land is located;
- d.** To the State Resources Agency or any agency succeeding to its powers.
- 8.2.3** A written offer to sell or lease for enterprise zone purposes shall be sent to the nonprofit neighborhood enterprise association in the area where the land is located.
- 8.2.4** A written offer to sell or lease shall be made to the public school district where the land is located.

8.2.5 Fair Market Value: The District shall dispose of any surplus District land for its fair market value. Where necessary, an appraisal by a qualified appraiser shall be utilized to determine fair market value.

8.2.6 Good Faith Negotiations: After any entity specified in Sections 8.2.1 through 8.2.4above, has notified the District in writing, within 60 days of receipt of the District's notification of intention to sell the land, of its interest in acquiring or leasing the land, the District and such entity shall enter into good faith negotiations for sale or lease. If the price or terms cannot be agreed upon after a negotiation period of at least 60 days, the District may dispose of the land to any interested party, in the Board's discretion.

8.2.7 Exempt Surplus Land: The requirements set forth in this Section 8.2 shall not apply to District surplus lands which are exempt. Exempt surplus land is land which is:

1. Less than 5,000 square feet in area;
2. Less than minimum legal residential building lot size;
3. Has no access of record and is less than 10,000 square feet in area.

Provided, however, that such surplus land is not contiguous to land owned by a state or local agency used for park, recreational, open-space or low- and moderate-income housing and is not located within an enterprise zone. Provided further, that unless such exempt surplus land is sold to an owner of property contiguous to the surplus land, it is not considered exempt for purposes of this Article.

8.2.8 Appraisal: Where a sale of District land is consummated, the District and the buyer shall share appraisal costs equally. Where the District is willing to sell but the buyer subsequently elects not to complete the purchase, the buyer shall pay the full cost of appraisal, which cost shall be retained from the buyer's deposit. Where the buyer is willing but the District elects not to go forward with the sale, the District shall pay the full cost of appraisal.

8.2.9 Deposit: All offers to be considered by the Board shall be accompanied by a deposit in the amount of 10% of the proposed purchase price.

- 8.2.10** **Broker's Fees:** Brokerage fees shall be paid as agreed upon by the parties.
- 8.2.11** **Escrow:** The District and the buyer shall share escrow fees equally. The District will provide the buyer with a policy of Title Insurance at District expense.
- 8.2.12** **Down Payment:** The minimum down payment shall be 25% of the purchase price, unless modified by the Board.

- END OF ARTICLE 8 -

ARTICLE 9

DISTRICT EASEMENTS

Upon written application to the District and upon approval by the Board, the Board shall execute the necessary Quitclaim Deed or Affidavit required to confine or eliminate easements owned by the District. The person requesting such action shall pay a processing fee as established by the Board and must record the executed document within 30 days of receipt thereof.

- 9.1 ACCEPTANCE OF GRANT DEEDS AND EASEMENTS:** The Manager is authorized and directed by the Board to accept and consent to the recording of grant deeds and grants of easements to the District.

- END OF ARTICLE 9 -

ARTICLE 10

ANNEXATION TO THE DISTRICT

The following conditions pertain to annexation of land, upon approval by the Board of the proposed annexation and compliance with statutory provisions prior thereto:

- 10.1 CHARGES FOR ANNEXATION:** The owners of land hereafter annexed to the District shall pay all back assessments levied by the District since its inception, in addition to any other charges imposed by law.
- 10.2 CONDITIONS OF ANNEXATION:** In addition to payment of charges specified in Section 11.1, the owner of land sought to be annexed to the District shall comply with District standards as to all lines, works and facilities constructed, including the size of line, quality of materials and workmanship. Said owner shall otherwise be subject to the terms and conditions set forth in the District Rules and Regulations relating to developers and contractors, and to individual applicants for water service.
- 10.3 EASEMENTS:** The owner of land sought to be annexed shall provide the District with any necessary easements required for District facilities, in order to provide water service to the annexed property. Such easements shall be provided at no cost to the District. The owner shall provide a policy of Title Insurance, insuring the District's right, title and interest in the easement granted. The minimum amount of such policy shall be \$25,000, except where deemed insufficient by the Manager, in which case the amount required shall be determined by the Manager.

- END OF ARTICLE 10 -

ARTICLE 11

REPORTING REQUIRED BY STATE AND LOCAL AUTHORITIES

11.1 STATEMENT OF INVESTMENT POLICY

Pursuant to Government Code Section 53646, the Board shall adopt a statement of investment policy annually. The investment policy established guidelines for the prudent investment of District funds. A copy of the current District policy is attached hereto as Appendix G.

11.2 FINANCIAL REPORTS

A report of all financial transactions of the District shall be filed with the State Controller for each calendar year within ninety (90) days of the end of that calendar year. The report shall be in the form mandated by the State Controller.

11.3 DISTRICT ROSTER

11.3.1 Filing Statement: The District shall file with the Secretary of State and the Los Angeles County Clerk a statement containing the following:

- a. The full, legal name of the District.
- b. The District's official mailing address.
- c. The name and residence or business address of each Board member.
- d. The name of the President of the Board and the name and address of the District secretary.

11.3.2 Amendments to Statement: Within ten (10) days after any change in the information provided in the statement filed pursuant to Section 12.3.1 above, the District shall file an amended statement containing updated information with the Secretary of State and the Los Angeles County Clerk.

11.4 CAMPAIGN STATEMENTS

The District is governed by the Political Reform Act, as set forth in Government Code Sections 81000, et. seq. District officers and Board members are therefore subject to the filing requirements of said Act with respect to annual, assuming

office and leaving office Statements of Economic Interest (Form 700) and with respect to campaign finance statements.

- END OF ARTICLE 11 -

ARTICLE 12

RULES, POLICIES AND PROCEDURES RE EMPLOYER-EMPLOYEE RELATIONS

Pursuant to Government Code Sections 3500 et seq., also known as the Meyers-Milias-Brown Act, the Board has adopted Resolution 50-R which provides a reasonable method of resolving disputes regarding wages, hours, and other terms and conditions of employment between the District and employee organizations. A copy of Resolution 50-R is attached hereto as Appendix I.

- END OF ARTICLE 12 -

ARTICLE 13

RESPONSIBILITIES AND AUTHORITY OF THE BOARD AND GENERAL MANAGER

The Board has employed a General Manager to carry out the Board policies, direct District operations, and provide day-to-day supervision of District employees and control of District expenditures. It is the judgment of the Board and the General Manager that clear delineation of their respective responsibilities and authority is essential to effective District management. Said authority and responsibilities are set out in Appendix J.

- END OF ARTICLE 13 -

ARTICLE 14

ORGANIZATION AND OPERATION OF THE BOARD OF DIRECTORS

- 14.1** **NUMBER OF DIRECTORS:** The number of Directors shall be five (5) members elected at large from within the District's service area.
- 14.2** **REGULAR MEETINGS OF THE BOARD:** The Regular Scheduled Meetings of the Board shall be held on the first and third Wednesdays of each month at 6:00 p.m., in the District's Board room located in the 4348 Church Street in Pico Rivera (District offices).
- 14.3** **OFFICERS OF THE BOARD:** The officers of the Board shall be President, Vice President, Treasurer and Board Secretary, to be elected by the Board annually at the second regular meeting of the Board in the month of December. The term of office of officers of the Board shall commence immediately following the election of such officers.
- 14.4** **DIRECTORS' FEES:** Each member of the Board shall be compensated for attendance at regular and special meetings of the Board, or for each day's service rendered as a member of the Board by request of the Board, in accordance with the Board of Directors' Compensation and Expense Reimbursement Policy.
- 14.5** **DIRECTORS' EXPENSES:** Each member of the Board is encouraged to participate in those outside activities and organizations which in the judgment of the Board further the interests of the District. Expenses incurred by Board members in connection with such activities are reimbursable, as specified in the Board of Directors' Compensation and Expense Reimbursement Policy.
- 14.6** **BOARD OF DIRECTORS' AND STANDING COMMITTEE MEETINGS:** All Board of Directors' meetings, whether regular or special, and all Standing Committee meetings shall be noticed and held in accordance with the Ralph M. Brown Act, California Government Code Sections 54950 et seq., including with respect to the posting of agendas, holding of emergency meetings, conduct of closed sessions and adjournment.
- 14.7** **CONDUCT OF BOARD MEETINGS**
- 14.7.1** All District meetings shall be chaired by the District's President. In his or her absence, the Vice President of the Board shall chair meetings. In the absence of both the President and the Vice President, the Board member selected by a majority of the Board

members present shall chair the meeting. Meetings of the Board shall be governed in accordance with Robert's Rules of Order, as they may from time to time be revised, and shall follow the District's Decorum During Board of Directors' Meetings Rules of Conduct – Appendix L.

- 14.7.2** All meetings of the Board shall be open and public, and all persons shall be permitted to attend any meeting, except Closed Sessions of the Board held in accordance with law.
- 14.7.3** The public shall be afforded an opportunity to address the Board as provided in the Ralph M. Brown Act, California Government Code Sections 54950 et seq. Public comments shall not exceed two minutes. Comments on any item under the District's jurisdiction may also be submitted in writing to the Secretary prior to the meeting for reproduction and distribution to the Board, but such written comments will not be included in the minutes of any Board meeting without a consensus of a majority of the Board of Directors.
- 14.7.4** **AGENDA:** Each Board member and the General Manager shall have the right to place items on the agenda, providing that the items are received at least 48 hours before the Agenda is to be delivered.
- 14.7.5** **QUORUM:** A quorum consists of three Board members. A quorum must be present for the Board to take action on any matter.
- 14.7.6** **ACTION BY BOARD** A minimum of three Board members must affirmatively vote on a matter brought before the Board in order for such action to be approved.

- END OF ARTICLE 14 -

ARTICLE 15

INDEMNIFICATION OF OFFICERS AND DIRECTORS

- 15.1 INDEMNIFICATION** The District shall indemnify, to the extent allowed by law, all officers and directors of the District for liability incurred in the course and scope of their duties as officers and employees of the District.
- 15.2 DEFENSE OF OFFICERS AND DIRECTORS** Upon written request by the affected officer or director, and upon determination by the Board that the acts complained of are not the result of fraud or willful misconduct, the District shall provide for the legal defense of such officer or director.
- 15.3 JUDGMENT AGAINST AN OFFICER OR DIRECTOR** Where (1) written request has been made ten (10) days prior to trial for the District to provide a defense; (2) the District has provided a defense; (3) the officer or director cooperated in such defense; and (4) the actions of the officer or director are not the result of fraud or willful misconduct, the District shall indemnify such officer or director from any judgment taken against them.

- END OF ARTICLE 15-

ARTICLE 16

CALIFORNIA ENVIRONMENTAL QUALITY ACT GUIDELINES

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

- END OF ARTICLE 16 -

APPENDICES

APPENDIX A:	PICO WATER DISTRICT CONFLICT OF INTEREST AND DISCLOSURE CODE
APPENDIX B:	CALIFORNIA ENVIRONMENTAL QUALITY ACT: ENVIRONMENTAL REVIEW GUIDELINES FOR PICO WATER DISTRICT
APPENDIX C:	RATES AND CHARGES FOR WATER SERVICE
APPENDIX D:	MISCELLANEOUS CHARGES
APPENDIX E:	CUSTOMER DEPOSITS
APPENDIX F:	CROSS-CONNECTION CONTROL PROGRAM
APPENDIX G:	STATEMENT OF INVESTMENT POLICY
APPENDIX H:	BID PROCUREMENT POLICY
APPENDIX I:	RESOLUTION NO. 50-R - RESOLUTION OF PICO WATER DISTRICT TO ESTABLISH EMPLOYER-EMPLOYEE RELATIONS, PROCEDURES, RULES AND POLICIES
APPENDIX J:	RESPONSIBILITIES AND AUTHORITY OF THE BOARD AND GENERAL MANAGER
APPENDIX K:	POLICY AND PROCEDURES IMPLEMENTING THE CALIFORNIA PUBLIC RECORDS ACT
APPENDIX L:	RULES OF DECORUM DURING BOARD MEETINGS
APPENDIX M:	RECORD RETENTION POLICY
APPENDIX N:	WATER SERVICE AVAILABILITY LETTER
APPENDIX O:	EASEMENT DEED

APPENDIX A

PICO WATER DISTRICT

CONFLICT OF INTEREST AND DISCLOSURE CODE

APPENDIX B

CALIFORNIA ENVIRONMENTAL QUALITY ACT

ENVIRONMENTAL REVIEW GUIDELINES

FOR

PICO WATER DISTRICT

CALIFORNIA ENVIRONMENTAL QUALITY ACT

ENVIRONMENTAL REVIEW GUIDELINES

Note:

The District's Environmental Review Guidelines, established in accordance with the California Environmental Quality Act ("CEQA"), are on file in the District office and are available for inspection and photocopying in accordance with District regulations implementing the Public Records Act (see Appendix K of the Pico Water District Rules and Regulations).

APPENDIX C

PICO WATER DISTRICT

RATES AND CHARGES FOR WATER SERVICE

As approved November 2014

APPENDIX D

PICO WATER DISTRICT

MISCELLANEOUS CHARGES

As approved December 2016

APPENDIX E

PICO WATER DISTRICT

CUSTOMER DEPOSITS

DRAFT APPENDIX E

CUSTOMER DEPOSITS

Customer's Deposit Required per Article 10.03 as follows:

Where it is determined that the applicant for residential service to a property where a single meter measures the service to one Customer unit (e.g., a single family residence or a tenant in a single apartment requesting service from a meter serving only that apartment), whether a property owner or a tenant, is required to make a deposit, the amount of the deposit shall be three times the estimated average monthly bill.

The Deposit Required from Owners of Master-Metered and Commercial Properties per Article 10.03.1 shall be calculated as follows:

For: (i) any master-metered property (which for purposes of this rule shall refer to a situation where a single meter measures the service to more than one customer unit, including, but not limited to, an apartment complex where the landlord is applicant, a condominium project where the homeowners' association is applicant or a shopping center where the landlord is applicant), or (ii) any commercial property, the amount of the deposit shall be three times the estimated average monthly bill, and shall not exceed an amount which is three times the average of the three highest bills for the property. .

Deposit for Construction Meters Article 9:01:

Refundable Deposit \$1,000.00

In addition to the foregoing deposit, temporary water service from a fire hydrant or other special connection for construction projects and the like shall be billed at the District's usual rates and charges, as set forth in Appendix D hereof.

Deposits made to the District shall be returned to the customer whenever service is discontinued at the customer's request, except that the deposit may be first applied against any amounts owing to the District at the time of cessation of service. Deposits may be applied against any delinquent bills at the discretion of the District.

The request for termination of service and the return of any deposit shall be made in person or in writing signed by the Customer and, if in writing, the address to which the deposit or the remaining balance of the deposit is to be sent shall be given.

Any deposit or balance of deposit remaining unclaimed for three years after water services have been terminated shall become the property of and be paid into the general fund of the District, pursuant to the terms of the California Government Code.

APPENDIX F

PICO WATER DISTRICT

CROSS-CONNECTION CONTROL PROGRAM

PICO WATER DISTRICT CROSS-CONNECTION CONTROL PROGRAM

1.0 Responsibility and Scope of Program

The Pico Water District ("District") adopts this Program to protect the public water supply from contamination. This Cross-Connection Control Program shall include, but not be limited to, the following elements:

- (a) These operating rules;
- (b) The conducting of surveys to identify Water User premises where cross-connections are likely to occur;
- (c) The provision of backflow protection by the Water User at the User's connection or within the User's premises or both;
- (d) The provision of at least one person trained in cross-connection control to carry out the cross-connection Program;
- (e) The establishment of a procedure or system for testing backflow preventers; and
- (f) The maintenance of records of locations, tests, and repairs of backflow preventers.

2.0 Definitions

In addition to the definitions in Section 4010.1 of the Health and Safety Code, the following terms are defined for the purpose of this Chapter:

- (a) "Approved Water Supply" is a water supply whose potability is regulated by a State or local health agency.
- (b) "Auxiliary Water Supply" is any water supply other than that received from a public water system.
- (c) "Air-gap Separation (AG)" is a physical break between the supply line and a receiving vessel.
- (d) "AWWA Standard" is an official standard developed and approved by the

American Water Works Association (AWWA).

- (e) "Cross-Connection" is an 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, removable sections, swivel or changeover devices, or other devices through which backflow could occur, shall be considered to be cross-connections.
- (f) "District" is the Pico Water District.
- (g) "Double Check Valve Assembly (DC)" is 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.
- (h) "Health Agency" means the California Department of Health Services.
- (i) "Reclaimed Water" is a wastewater which as a result of treatment is suitable for uses other than potable use.
- (j) "Reduced Pressure Principle Backflow Prevention Device (RP)" is a backflow preventer incorporating not less than two check valves, an automatically operated 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.
- (k) "User Connection" is the point of connection of a User's piping to the District's facilities.
- (l) "Water User" or "User" is any person obtaining water from a public water supply.

3.0 Evaluation of Hazard

The District shall evaluate the degree of potential health hazard to the public water supply which may be created as a result of conditions existing on a User's premises. The District, however, shall not be responsible for abatement of cross-connections which may exist within a User's premises. As a minimum, the evaluation should consider: the existence of cross-connections, the nature of materials handled on the property, the probability of a backflow occurring, the degree of piping system complexity and the potential for piping system modification. Special consideration shall be given to the

premises of the following types of Water Users:

- (a) Premises where substances harmful to health are handled under pressure in a manner which could permit their entry into the public water system. This includes chemical or biological process waters and water from public water supplies which have deteriorated in sanitary quality.
- (b) Premises having an auxiliary water supply, unless the auxiliary supply is accepted as an additional source by the District and is approved by the Health Agency.
- (c) Premises that have internal cross-connections that are not abated to the satisfaction of the District or the Health Agency.
- (d) Premises where cross-connections are likely to occur and entry is restricted so that cross-connection inspections cannot be made with sufficient frequency or at sufficiently short notice to assure that cross-connections do not exist.
- (e) Premises having a repeated history of cross-connections being established or re-established.

Where the Water User is engaged in the handling of especially dangerous or corrosive liquids or industrial or process waters, the District may require the Water User to eliminate certain plumbing or piping connections as an additional precaution and as a protection to the backflow prevention devices.

4.0 User Supervisor

The District may, at its discretion, require an industrial Water User to designate a User supervisor when the Water User's premises has a multi-piping system that conveys various types of fluids, some of which may be hazardous and where changes in the piping system are frequently made. The User supervisor shall be responsible for the avoidance of cross-connections during the installation, operation and maintenance of the Water User's pipelines and equipment.

5.0 Approval of Backflow Preventers

Backflow preventers required by this Program shall have passed laboratory and field evaluation tests performed by a recognized testing organization which has demonstrated its competency to perform such tests to the District, or to the Health Agency.

6.0 Construction of Backflow Preventers

- (a) Air-gap Separation. An Air-gap separation (AG) shall be at least double the diameter of the supply pipe, measured vertically from the flood rim of the receiving vessel to the supply pipe; however, in no case shall this separation be less than one inch.
- (b) Double Check Valve Assembly. A required double check valve assembly (DC) shall, as a minimum, conform to the AWWA Standard C506-78 (R83) adopted on January 28, 1978 for Double Check Valve Type Backflow Preventive Devices which is herein incorporated by reference.
- (c) Reduced Pressure Principle Backflow Prevention Device. A required reduced pressure principle backflow prevention device (RP) shall, as a minimum, conform to the AWWA Standard C506-78 (R83) adopted on January 28, 1978 for Reduced Pressure Principle Type Backflow Prevention Devices which is herein incorporated by reference.

7.0 Location of Backflow Preventers

- (a) Air-gap Separation. An air-gap separation shall be located as close as practical to the User's connection and all piping between the User's connection and the receiving tank shall be entirely visible unless otherwise approved in writing by the District.
- (b) Double Check Valve Assembly. A double check valve assembly shall be located as close as practical to the User's connection and shall be installed above grade, if possible, and in a manner where it is readily accessible for testing and maintenance.
- (c) Reduced Pressure Principle Backflow Prevention Device. A reduced pressure principle backflow prevention device shall be located as close as practical to the User's connection and 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.

Plans for backflow preventer installation must be approved by the District prior to installation. All costs of installation shall be borne by the Water User.

8.0 Type of Protection Required

CURRENTLY UNDER REVISION

9.0 Testing and Maintenance of Backflow Preventers.

(a) The District shall assure that adequate maintenance and periodic testing are provided by the Water User to ensure their proper operation. All testing shall be performed at the Water User's expense.

(b) Backflow preventers shall be tested by persons who have demonstrated their competency in testing of these devices to the District or Health Agency.

(c) Backflow preventers shall be tested at least annually or more frequently if determined to be necessary by the Health Agency or District. When devices are found to be defective, they shall be repaired or replaced in accordance with the provisions of this Program and at the expense of the Water User.

(d) Backflow preventers shall be tested immediately after they are installed, relocated or repaired and not placed in service unless they are functioning as required.

(e) The District shall notify the Water User when testing of backflow preventers is needed. The notice shall contain the date when the test must be completed.

(f) Reports of testing and maintenance shall be maintained by the District for a minimum of three years.

APPENDIX G
PICO WATER DISTRICT
STATEMENT OF
INVESTMENT POLICY
RESOLUTION 181-R

APPENDIX H

PICO WATER DISTRICT BID PROCUREMENT POLICY

PICO WATER DISTRICT

BIDDING PROCEDURES

A County Water District such as this District, is not required by law to use or follow a formal competitive bidding process in letting contracts either for the construction of any works or for the acquisition of materials or equipment for use by the District or for incorporation into any work, job or construction project for the District. However, the Board believes that there are situations when it is clearly in the best interests of the District to require that a work, job or construction project, or the acquisition of material or equipment, should be let by a contract arrived at through the use of competitive bidding procedures.

The Board believes that in certain other cases it is clearly in the best interests of the District that the Manager be authorized to proceed on behalf of the District by any means he deems to be appropriate in the circumstances, including the use of informal bids or quotations, or by a purchase in the open market without advertising. Finally, it is also recognized by the Board that in between those two situations there are many times when a particular work, job or construction project, or the acquisition of certain materials or equipment, is such that the District's interests may or may not be best served by requiring competitive bids, the determination depending upon an evaluation of the special circumstances involved in each such case.

In view of the benefits to be obtained by utilizing one procedure rather than another in contracting for work to be performed for the District or in acquiring materials or equipment for the District, the Board has adopted this statement of policy concerning the letting of contracts for such work or the acquisition of materials or equipment, which policy will best ensure that formal competitive bids are secured where it is in the best interests of the District to do so, and that informal bids or quotations, or a purchase on the open market without advertising, will be utilized when that approach will best serve the interests of the District. To that end the Board has adopted this policy setting forth the criteria and guidelines by which the District will select the procedure which is best for the District in a given case, and to provide how the District shall proceed in those cases where formal competitive bids are to be required.

- A. Work or Acquisitions Costing More Than \$25,000:** Generally, contracts for work or acquisition of materials or equipment having a value in excess of Twenty-Five Thousand Dollars (\$25,000) shall be let to the lowest responsible bidder, unless the Board determines that it is in the best interests of the District to do otherwise. The Board shall determine whether the contract shall be let or acquisition made as a single unit or whether it shall be divided into severable parts. Contract documents shall be prepared utilizing the District's standard forms, with such modification as may be appropriate under the circumstances. The District shall observe the procedures for advertising, receiving and opening bids as set forth in the Public Contracts Code and applicable to those circumstances where competitive bidding is required by a local agency. In all events, bids shall be publicly opened at a regular meeting of the Board.

- B. Work or Acquisitions Costing More Than \$5,000, But Not More Than \$25,000:** All contracts for work or acquisition of materials or equipment having a value when completed in excess of Five Thousand Dollars (\$5,000), but not more than Twenty-Five Thousand Dollars (\$25,000), shall be reviewed by the Engineering Committee and shall be let through competitive bidding if deemed in the best interests of the District. Otherwise, the Engineering Committee may request that proposals be submitted by designated vendors or contractors for consideration, or may award the contract to the Contractor or vendor it deems preferable under the circumstances.
- C. Work or Acquisitions Costing Less Than \$5,000:** All contracts for work or acquisitions of materials or equipment estimated to have a value when completed of less than Five Thousand Dollars (\$5,000) may be authorized by the General Manager without compliance with formal bid procedures, soliciting proposals or prior Board approval. The General Manager may give local contractors and vendors a preference.

In addition to the foregoing procurement requirements, to increase the efficiency of the administration of construction projects undertaken by the District, the General Manager, in the exercise of his or her discretion, is authorized to add to the contract price for any construction project approved by the Board of Directors a contingency cost amount the General Manager determines to be appropriate for the specific work to be performed; provided that such amount shall not exceed fifteen percent (15%) of the contract price approved by the Board. Upon completion of any project involving such a contingency cost amount, the General Manager shall report to the Board regarding whether the contingency cost amount was utilized for the project and, if so, the extent to which the contingency cost amount was utilized. [this paragraph added March 21, 2007].

APPENDIX I

RESOLUTION OF PICO WATER DISTRICT TO ESTABLISH EMPLOYER-EMPLOYEE RELATIONS, PROCEDURES, RULES AND POLICIES

**RESOLUTION 50-R OF
PICO WATER DISTRICT
TO ESTABLISH EMPLOYER - EMPLOYEE RELATIONS,
PROCEDURES, RULES AND POLICIES**

The Board of Directors of the Pico Water District ("District"), hereby takes the action and adopts the following Resolution:

PURPOSE OF RESOLUTION

1. (a) The purpose of this Resolution is to implement Title 1, Division 4, Chapter 10, of the Government Code of the State of California (Sections 3500, et seq.), also known as the "Meyers-Milias-Brown Act," to promote full communication between the District and its employees by providing a reasonable method of resolving disputes regarding wages, hours, and other terms and conditions of employment between the District and employee organizations.

(b) Nothing in this Resolution shall be construed to restrict any District rights with respect to matters of general managerial policy, including but not limited to, the exclusive right to determine the mission of its constituent departments, commissions and boards; set standards of service; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action; relieve its employees from duty because of lack of work or other legitimate reasons; maintain the efficiency of District operations; determine the methods, means and personnel by which District operations are to be conducted; determine the content of job classifications; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work.

DEFINITION OF TERMS

2. The following terms are defined:

(a) "Appropriate unit" means a unit of employees established under Paragraph 11 and 12 of this Resolution.

(b) "Board" means the Board of Directors of District.

(c) "Confidential employee" means any employee who is required to develop or present management positions with respect to employer-employee relations

or whose duties normally require access to confidential information contributing significantly to the development of management positions.

(d) "Days" means calendar days.

(e) "District" means the Pico Water District.

(f) "Employee" means any person regularly employed on a full-time basis in a permanent position by the District, except those persons elected by popular vote.

(g) "Employee organization" means any organization which includes employees of the District and which has as one of its primary purposes representing those employees in their employment relations with District.

(h) "Employee Relations Officer" means the District's principal representative in all matters of employer-employee relations designated under Paragraphs 13 and 14, or his duly authorized representative.

(i) "Employer-employee relations" means the relationship between the District and its employees and their employee organization, or, when used in general sense, the relationship between the District management and employees or employee organizations.

(j) "Impasse" means (1) a deadlocks in the discussions between a recognized employee organization and the District over any matters concerning which they are required to meet and confer in good faith, or over the scope of such subject matter; or (2) any unresolved complaint by a recognized employee organization, advanced in good faith, concerning a decision of the Employee Relations Officer made under Paragraphs 7 through 14 of this Resolution.

(k) "Management" means:

(1) The following District employees:

or;

(2) Any employee having significant responsibilities for formulating or administering District policies or programs; or

(3) Any employee having authority to affect decisions of the District with respect to hiring, transferring, suspending, laying off, recalling, promoting, discharging, assigning, rewarding, or disciplining other employees, or having the responsibility to direct them, or to adjust their grievances.

(l) "Mediation" means effort by an impartial third party to assist in reconciling a dispute regarding wages, hours and other terms and conditions of employment between representatives of District and a recognized employee organization through interpretation, suggestion and advice.

(m) "Meet and confer in good faith" means that District or its representative, and representatives of a recognized employee organization, shall have the mutual obligation personally to meet and confer promptly upon request by either party and continue for a reasonable period of time in order to exchange freely information, opinion, and proposals, and to endeavor to reach agreement on matters within the scope of representation, including wages, hours, and other terms and conditions of employment. The term "meet and confer in good faith" does not require either party to agree to a proposal or make a concession.

(n) "Professional employee" means employees engaged in work requiring specialized knowledge and skills attained through completion of a recognized course of instruction; including, but not limited to, attorneys, physicians, registered nurses, engineers, architects, teachers and various types of physical, chemical and biological scientists.

(o) "Recognized employee organization" means an employee organization that represents employees of District, and has attained that status pursuant to the procedures for recognition specified by this Resolution.

(p) "Resolution" means, unless the context indicates otherwise, this Resolution of the District.

(q) "Scope of representation" means all matters relating to employment conditions and employer-employee relations, including, but not limited to, wages, hours and other terms and conditions of employment.

EMPLOYEE RIGHTS

3. Employees of the District shall have the right to refuse to join or participate in the activities of employee organizations and shall have the right to represent themselves individually in their employment relations with the District. No employee shall be interfered with, intimidated, restrained, coerced or discriminated against because of his exercise of these rights.

MEET AND CONFER IN GOOD FAITH

4. The District, through its representatives, shall meet and confer in good faith with representatives of formally recognized employee organizations regarding matters within the scope of representation.

5. The District shall not be required to meet and confer in good faith on any subject preempted by Federal or State law or by the Water Code of California, nor shall it be required to meet and confer in good faith on Employee Rights, as defined in Paragraph 3. Proposed amendments to this Resolution, and all rights confirmed to the District under Paragraph 1 or otherwise reserved by the District, are excluded from the scope of meeting and conferring in good faith.

ADVANCE NOTICE

6. Reasonable written notice shall be given to each recognized employee organization affected by any rule, Resolution (except this Resolution), or regulation directly relating to matters within the scope of representation proposed to be adopted as amended by the Board and each shall be given the opportunity to meet with such body prior to adoption.

PETITION FOR RECOGNITION

7. (a) An employee organization that seeks formal recognition for purposes of meeting and conferring in good faith as the recognized employee organization of an appropriate unit shall file a petition with the Employee Relations Officer containing the following information and documentation:

- (1) Name and address of the employee organization.
- (2) Names and titles of its officers.
- (3) Names of employee organization representatives who are authorized to act on behalf of the employer organization.
- (4) A statement that the employee organization has as one of its primary purposes representing employees in their employment relations with the District.
- (5) A statement whether the employee organization is a chapter or local of or affiliated directly or indirectly in any manner with a regional, state, national or international organization and, if so, the name and address of each such regional, state, national or international organization.
- (6) Certified copies of the employee organization's constitution and bylaws.
- (7) A designation of those persons, not exceeding two in number, and their addresses, to whom notice sent by regular United States mail will be deemed sufficient notice to the employee organization for any purpose.
- (8) A statement that the employee organization recognizes that the provisions of Section 923 of the Labor Code are not applicable to the District employees.
- (9) A statement that the employee organization has no restriction on membership based on race, color, creed, sex, national origin, religion, medical condition, or age.

(10) The job classifications or titles of employees in the unit claimed to be appropriate and the approximate number of employees in the appropriate unit.

(11) A statement that the employees organization has in its possession written proof, dated within six months of the date upon which the petition is filed, to establish that employees in the unit claimed to be appropriate have designated the employee organization to represent them in their employment relations with District. Such written proof shall be submitted for confirmation to the Employee Relations Officer.

(12) A request that the Employee Relations Officer recognize the employee organization as the majority representative of the employees in the unit claimed to be appropriate for the purpose of meeting and conferring in good faith on all matters within the scope of representation.

(b) All changes in the information filed with the District by a recognized Employee Organization of items (1) through (12) of Paragraph 7(a) shall be submitted in writing to the Employee Relations Officer within 14 days of such change.

8. The petition, including all accompanying documents, shall be verified, under oath, by the Executive Officer and Secretary of the petitioning organization, that the statements are true.

9. No employee may be represented by more than one recognized employee organization for purposes of this Resolution. An employee shall not be prohibited from appearing in his own behalf in his employment relations with the District.

FORMAL RECOGNITION AS THE RECOGNIZED EMPLOYEE ORGANIZATION

10. (a) (1) An employee organization that seeks formal recognition as the recognized employee organization of an appropriate unit shall file a petition for recognition with the Employee Relations Officer containing all of the information set forth in Paragraph 7(a), accompanied by written proof that at least 30% of the employees in the unit claimed to be appropriate have designated the employee organization to represent them in their employment relations with the District. Upon receipt of the petition for recognition, the Employee Relations Officer shall determine:

(i) Whether there has been compliance with the requirements of the petition for recognition under Paragraph 7(a); and

(ii) Whether the proposed unit is an appropriate unit.

If an affirmative determination is made by the Employee Relations Officer on the preceding two matters, he shall give written notice of such request for formal recognition to the employees in the unit and shall take no action on the request for 30 days thereafter. If either of the preceding matters are not affirmatively determined, the Employee Relations Officer shall inform the employee organization of the negative determination.

(2) Within 30 days of the date written notice was given to affected employees that a valid recognition petition for an appropriate unit has been filed, any other employee organization may file a competing request to be formally acknowledged as the exclusively recognized employee organization of the employees in the same or in an overlapping unit (one which corresponds with respect to some but not all of the classifications or positions set forth in the recognition petition being challenged), by filing a petition evidencing proof of employee support in the unit claimed to be appropriate of at least 30% and otherwise in the same form and manner as set forth in Paragraph 7. If the challenging petition seeks establishment of an overlapping unit, the Employee Relations Officer shall hold a hearing on such overlapping petitions for the purpose of ascertaining the more appropriate unit, at which time the petitioning employee organizations shall be heard. Thereafter, the Employee Relations Officer shall determine the appropriate unit or units in accordance with the criterion in Paragraphs 11 and 12.

(3) If the written proof submitted by the employee organization for the unit found to be appropriate establishes that it represents more than 50% of the employees in such unit, the Employee Relations Officer may, in his discretion, grant formal recognition to such employee organization without a secret ballot election.

(4) When an employee organization for the unit found to be appropriate submits written proof, dated within six months of the date upon which its petition for recognition was filed, that it represents at least 30% of the employees in such unit, and it does not qualify for or has not been granted recognition under Paragraph 10 (a) (3) above, the Employee Relations Officer shall arrange for a secret ballot election to be conducted by District or another agreed-upon neutral third party. All challenging organizations who have submitted written proof that they represent at least 10% of the employees in the unit found to be appropriate, and have submitted a petition for recognition as required by Paragraph 7, shall be included on the ballot. The choice of "No Organization" shall also be included on the ballot. Employees entitled to vote in the election shall be those persons regularly employed on a full-time basis in permanent positions within the unit who were so employed during the pay period immediately prior to the date which is 15 days before the election, including those who did not work during such period because of illness, vacation or authorized leaves of absence, and who are so employed by the District in the same unit on the date of the election. An employee organization shall be granted formal recognition following an election or run-off election if that employee organization has received the vote of a numerical majority of all valid votes cast in the election. In an election involving three or more choices, where none of

the choices receives a majority of the valid votes cast, a run-off election shall be conducted between the two choices receiving the largest number of valid votes cast. The rules governing an initial election shall also apply to a run-off election.

(5) There shall be no more than one valid election in a 12-month period within the same unit.

(b) Decertification of Established Unit

(1) A petition for decertification alleging that an employee organization granted formal recognition is no longer the recognized employee organization in an appropriate unit may be filed with the Employee Relations Officer. Petitions for decertification may be filed by an employee, a group of employees or their representative, or any employee organization. The petition, including all accompanying documents, shall be verified, under oath, by the person signing it, that its contents are true. It may be accompanied by a petition for recognition by a challenging organization. The petition for decertification shall contain the following information:

(i) the name, address and telephone number of the petitioner and a designated representative authorized to receive notices or requests for further information.

(ii) the name of the formally recognized employee organization.

(iii) an allegation that the formally recognized employee organization no longer represents a majority of the employees in the appropriate unit; and

(iv) written proof that at least 30% of the employees in the unit do not desire to be represented by the formally recognized employee organization. Such written proof shall be dated within six months of the date upon which the petition is filed and shall be submitted for confirmation to the Employee Relations Officer or to a mutually agreed upon disinterested third party.

(2) Following verification of the petition, accompanying documents and proof, the Employee Relations Officer shall arrange for a secret ballot election to determine if the formally recognized employee organization shall retain its recognition rights. The formally recognized employee organization shall be decertified if a majority of those casting valid ballots vote for decertification.

(3) If the written proof submitted by the formally recognized employee organization establishes that more than 50% of the employees in the unit do not desire to be represented by the formally recognized employee organization, the Employee Relations Officer may, in his discretion, grant decertification to such employee organization without a secret ballot election.

(4) There shall be no more than one valid decertification election in the same unit in any 12-month period.

(5) If a recognized employee organization voluntarily disbands or withdraws from continuing to represent employees in the District, it shall, through its authorized representative, notify the Employee Relations Officer in writing of such action, and the District shall thereafter be relieved of any meet and confer obligations with that employee organization under paragraphs 4 and 5, above.

(c) Modification of Established Unit. A petition for modification of an established unit may be filed by an employee organization with the Employee Relations Officer. The petition for modification shall contain all of the information set forth in Paragraph 7(a) along with a statement of all relevant facts in support of the proposed modified unit. The petition for modification shall be accompanied by written proof, dated within six months of the date upon which the petition for modification was filed that at least 50% of the employees within the proposed modified unit have designated the employee organization to represent them in their employment relations with the District. The Employee Relations Officer shall hold a hearing on the petition for modification, at which time all affected employee organizations shall be heard. Thereafter, the Employee Relations Officer determines that the proposed modified unit is the appropriate unit, using the criterion set forth in Paragraphs 11 and 12, then the procedures set forth in Paragraph 10 (a) shall be implemented for determining formal recognition rights in such unit.

(d) Duration of Formal Recognition. When an employee organization has been formally recognized, such recognition shall remain in effect from the date thereof and thereafter until such time as the Employee Relations Officer shall determine, on the basis of a secret ballot election conducted under these rules, that the formally recognized employee organization no longer represents a majority of the employees in the appropriate unit or until such time as the unit may be modified, or until the employee organization gives written notice that it has voluntarily disbanded or withdraws from representation, as provided in Paragraph 10 (b) (5).

(e) Cost of Election Proceedings. The cost of an election proceeding shall be borne equally by the employee organizations whose names appear on the ballot.

APPROPRIATE UNIT

11. The Employee Relations Officer, after reviewing the petition filed by an employee organization seeking formal recognition as majority representative, shall determine whether the proposed unit is an appropriate unit. The principal criterion in making this determination is whether there is a community of interest among the employees. The following factors, among others, are to be considered in making such determination:

(a) Which unit will assure employees the fullest freedom in the exercise of rights set forth under this Resolution.

(b) The history of employee relations: (i) in the unit; (ii) among other employees of District; and (iii) in similar public employment.

(c) The effect of the unit on the efficient operation of District and sound employer-employee relations.

(d) The extent to which employees have common skills, working conditions, job duties or similar educational requirements.

(e) The effect on the existing classification structure of dividing a single classification among two or more units; provided, however, no unit shall be established solely on the basis of the extent to which employees in the proposed unit have organized.

12. In the establishment of appropriate units (1) professional employees shall not be denied the right to be represented separately from non-professional employees; and (2) management and confidential employees who are included in the same unit with non-management or non-confidential employees may not represent such employees on matters within the scope of representation. A separate unit may be established for management and confidential employees.

DESIGNATION OF DISTRICT EMPLOYEE RELATIONS OFFICER

13. The Board hereby designates the General Manager of the District as the Employee Relations Officer. He shall be the District's principal representative in all matters of employer-employee relations, with authority to meet and confer in good faith on matters within the scope of representation, including wages, hours and other terms and conditions of employment.

14. The Employee Relations Officer is authorized to delegate the duties and responsibilities specified in Paragraph 13.

RESOLUTION OF IMPASSES

15. (a) Impasse procedures may be invoked only after the possibility of settlement by meeting and conferring under Paragraphs 4 and 5 have been exhausted. Any party may initiate the impasse procedure by filing with the other party or parties affected a written request for an impasse meeting, together with a statement of its position on all disputed issues. If the party or parties requesting the impasse meeting shall then be scheduled by the Employee Relations Officer forthwith after the date of

filing of the written request for such meeting, with written notice to all parties affected. The purpose of such impasse meeting is to permit a review of the position of all parties in an effort to reach agreement on the disputed issues.

(b) If the disputed issues are not resolved under Paragraph 15 (a), and if the parties agree, the dispute may then be submitted to mediation. All Mediation proceedings shall be private. The mediator shall make no public recommendation, nor take any public position at any time concerning the issues. The mediator shall be selected by the mutual consent of the parties. If the parties do not agree, then each party shall appoint a person as a mediator, and the two persons so selected shall appoint an additional mediator.

(c) If the parties fail to agree to submit to mediation, or fail to resolve the impasse through mediation within 15 days after the mediator commenced meeting with the parties, the Board may take such action regarding the impasse issues as it in its discretion deems appropriate in the public interest. Any action by the Board on the impasse issues shall be final and binding.

16. (a) If there is one mediator, all fees and expenses shall be payable one-half by the District and one-half by the recognized employee organization.

(b) If there are three mediators, the District shall pay for the fees and expenses of its appointee, and the recognized employee organization shall pay for the fees and expenses of its appointee. The fees and expenses of the third mediator selected by the appointed mediators shall be payable equally by the District and the recognized employee organization.

MEMORANDUM OF UNDERSTANDING

17. If the agreement is reached by the representatives of District and a recognized employee organization, they shall jointly prepare a written memorandum of such understanding, which shall not be binding on the parties until it is presented to and approved by formal action of the Board.

RULES AND REGULATIONS

18. The Board may adopt such rules and regulations necessary or convenient to implement the provisions of this Resolution.

CONSTRUCTION

19. Nothing in this Resolution shall be construed to deny any person or employee the rights granted by Federal and State laws and the Water Code of California.

20. The rights, powers and authority of the Board in all matters, including the right to maintain any legal action, shall not be modified or restricted by this Resolution.

21. Nothing contained in this Resolution shall abrogate any written agreement between any employee organization and District in effect on the effective date of this Resolution. All such agreements shall continue in effect for the duration of the term specified therein unless modified or rescinded by mutual agreement of the parties.

22. The provisions of this Resolution are not intended to conflict with the provisions of the Meyers-Milias-Brown act.

23. As used in this Resolution, the masculine, feminine or neuter gender, and the singular or plural number, shall each include the others whenever the context so indicates.

SEVERABILITY

24. If any provision of this Resolution, or the application of any provision to any person or circumstance, shall be held invalid, the remainder of this Resolution, or the application of any provision to persons or circumstances other than those as to which it is held invalid, shall not be affected.

ADOPTION

25. This Resolution is adopted and effective this 4th day of November, 1991.

AYES: Michael Mendoza, William Camarillo,
Manuel Jurado, Jr., and Lydia Mae Mercado

NEYES: NONE

ABSTAINED: NONE

APPENDIX J

RESPONSIBILITIES AND AUTHORITY OF THE BOARD AND GENERAL MANAGER

RESPONSIBILITIES AND AUTHORITY OF THE BOARD AND GENERAL MANAGER

I. OPERATIONS:

1. The General Manager shall have full charge and control of the District water system and its facilities including their construction, operation, and maintenance.
2. The General Manager shall have full charge and control of all supporting functions including accounting, purchasing, billing, and customer service.
3. The General Manager shall have full charge and control of employees, suppliers, and consultants, except as qualified elsewhere in this Appendix.
4. The General Manager shall be responsible for carrying out the Board's directions and shall do this in accordance with all District policies and procedures.
5. The General Manager shall be responsible for the programs relating to the safety of District employees, equipment, and facilities, and for its customer's health and safety as far as District activities are concerned.
6. The General Manager shall provide the Board with current information on general operational matters as well as on any extraordinary occurrences with respect to operations.

II. PERSONNEL:

1. The General Manager shall recruit, hire, and terminate all employees. The General Manager may consult with the Personnel Committee on candidates for the two manager positions, as in the discretion of the General Manager such consultation may be helpful or needed.
2. The General Manager shall prepare job descriptions for all employees. The Personnel Committee shall review and comment, and then the Board shall review, comment, and adopt the final job descriptions. A written set of job descriptions covering all employees shall be maintained by the General Manager.

3. The General Manager shall provide day-to-day supervision of all employees.

4. The General Manager shall determine the need for discipline and administer the discipline for all employees. The General Manager shall inform the Personnel Committee or the Board about disciplinary actions.
5. The Board shall set the total compensation for all employees based upon advice from the General Manager, Personnel Committee, and the Finance Committee.
6. The Board shall set ranges using salary ranges and policies established by the Board. The General Manager shall set the compensation for individual employees as provided above.
7. The General Manager shall make decisions on promotions and demotions of employees.
8. The Board shall set the total number of employees for the District.
9. The General Manager shall set and may change the number of employees within each job category but shall conform to the total employee and total compensation limits established by the Board.
10. The General Manager shall prepare the organization chart and propose changes to it, subject to approval by the Personnel Committee and the Board.
11. The General Manager shall hear employee grievances. Decisions of the General Manager may be appealed to the Board.
12. The General Manager shall consult with the Personnel Committee and the Finance Committee regarding the content and extent of employee benefit programs.
13. The General Manager shall implement the rules and policies governing employees as stated in the Employee Manual. The Board shall establish these rules and policies.
14. The General Manager shall evaluate the performance of all employees and maintain a record of every evaluation.
15. The General Manager shall keep the Board informed about extraordinary personnel activities.

III. BOARD MEETINGS:

1. The General Manager shall prepare the Board meeting agenda. The General Manager or a Board member may request that an item be added to the agenda, subject to the approval of the President, as provided in the District Rules and Regulations.
2. The General Manager shall prepare the Board packet, which shall include such detail regarding agenda items as the General Manager deems sufficient, or as requested by the Board.
3. The General Manager shall provide a budget summary status report to the Board once monthly, or as requested by the Board.
4. The General Manager shall reply to questions raised by the public at Board meetings as directed by the President.
5. The General Manager shall determine which additional persons (employees and consultants) should attend a Board meeting.
6. The President of the Board in consultation with the Attorney shall be responsible for assuring that the requirements of the Brown Act are observed at Board meetings.

IV. FINANCE:

1. The General Manager shall prepare the draft District budget which shall be presented to the Board for its consideration.
2. The General Manager shall establish the sequence of events leading to the adoption of a final budget and, with the cooperation of the President, shall see that these events are followed in a timely fashion.
3. The General Manager shall be responsible for operating the District in accordance with the budget.
4. The General Manager may make changes in the budget in accordance with District policy, within or between categories of the budget, or may add or delete items that do not materially affect the overall integrity of the budget. The Board shall approve any major changes made by the General Manager in accordance with District policy.
5. Under the supervision of the Board and the General Manager, the Financial Consultant shall assure that accurate and auditable financial records are kept.
6. The General Manager shall comply with limits established by Board

policy on expenditure of funds.

V. CONSULTANTS:

1. Both the General Manager and the Board of Directors shall decide whether a consultant is necessary to assist the District.
2. The General Manager shall prepare the list of qualified consulting sources (with the advice of the Attorney, Financial Consultant, or other consultants to the District, as appropriate), prepare requests for proposals, review the proposals, and recommend a consultant subject to Board approval. The General Manager may recommend to retain a consultant on a sole source basis without the formal competitive bid process.
3. The General Manager shall refer contractual matters to the Attorney for preparation and review.
4. The General Manager shall provide direction to consultants.
5. The General Manager shall review and recommend payment for bills sent by a consultant.
6. The General Manager shall establish procedures for receipt and approval of progress reports from consultants. Progress reports shall be provided by the General Manager to the Board.
7. The Financial Consultant and the Attorney shall report to the Board of Directors and take direction from the Board. They also may take direction from the General Manager. In special cases, the Board may decide that a consultant should report directly to the Board.

VI. COMMITTEES:

1. The President of the Board shall establish the Committees and their membership.
2. The Chair of each committee shall decide whether the General Manager is a member of the Committee.
3. The committee Chair shall schedule committee meetings.
4. The Chair shall establish the persons who should be in attendance at committee meetings (staff, consultants, etc.).
5. The Chair shall give reports (usually oral) on committee activities to the Board of Directors at Board meetings.
6. An opportunity for committee reports shall be included on the Board's agenda upon request by the Committee Chair.

VII. OUTSIDE ACTIVITIES:

1. The Board shall decide which outside functions should be attended and the Board shall determine who will attend which outside functions and serve as the District's spokesperson.
2. The General Manager shall determine which employees should attend meetings, conferences, and seminars.
3. The Board shall decide on expenditures and oversee the expenditures incurred in connection with outside functions.
4. The Board, through its Public Relations Committee, generally shall serve as the District's spokesperson and handle its public affairs.

VIII. PROPERTY:

1. The General Manager shall be responsible to safeguard, conserve, and maintain all District property.
2. The General Manager shall maintain an inventory of District property.
3. The General Manager shall be responsible for meeting the requirements of the laws with respect to District property. The General Manager shall obtain the approval of the Board in connection with the sale, transfer or other disposition of any District property with a total fair market value of at least \$1,500. With respect to the sale, transfer or other disposition of any District property with a total fair market value of less than \$1,500, the General Manager shall provide the Board with a written report summarizing the terms of such sale, transfer or other disposition, including the type and nature of the subject property, the name of the buyer or transferee and the consideration paid to or received by the District in exchange for that property.
4. The General Manager shall receive all property on behalf of the District, except real property, which the Board receives. The Board shall dispose of District real property in accordance with applicable law and District Rules and Regulations.
5. The General Manager shall inform the Board, in writing, about significant occurrences affecting District property and the status of District property. For purposes of this Appendix J, the term "significant" shall mean any occurrence affecting District property that results in damage to the property, as the General Manager shall determine, in excess of \$2,000.

IX. EMERGENCIES:

1. The General Manager shall determine that an emergency exists.
2. The General Manager shall have unlimited authority to take necessary actions to deal with an emergency.
3. At the earliest possible time, the General Manager shall inform the Board of the actions he has taken.

X. GENERAL:

1. The General Manager shall also perform all those functions which the Board shall deem necessary and direct, whether or not mentioned in this document. The General Manager may delegate responsibilities to others as the General Manager sees fit.

APPENDIX K

POLICY AND PROCEDURES IMPLEMENTING THE CALIFORNIA PUBLIC RECORDS ACT

PICO WATER DISTRICT

Policy and Procedures Implementing the California Public Records Act

Pico Water District ("District"), pursuant to the California Public Records Act ("Act") (Government Code §§6250 et seq.) and in keeping with the public's right of access to all public records in the District's custody, and subject to certain exemptions as provided by law or necessary to protect the individual privacy rights, adopts the following procedures.

Section I. Requesting Public Records.

A. All requests for public records of the District must be in writing, and shall state whether the request is for examination of the records or for copies. The request must clearly identify the document, record or information requested and the person making the request and shall be dated and signed. The District may provide forms to be utilized by those persons requesting examination or copies of District records.

B. Requests to examine public records of the District, will be processed promptly, provided that a member of the District's staff is available to supervise the examination and retrieval of records without interfering with the ordinary business operations of the District. Within three business days of receipt of a written request for examination of records, either (1) all non-exempt documents requested will be produced for examination by the requesting party, or (2) a written response will be provided stating that the request is denied and giving the reasons for the denial of the request.

Section II. Examination of Public Records. The District will provide an area at its offices for examination of the public records of the District. Examinations may take place only during regular District business hours, must take place on District premises, and will be subject to observation by District personnel. These procedures are for the sole purpose of protecting original records against tampering or theft. Any examination of original District records will be subject to the following rules:

A. No document or record, or any part thereof, shall be removed from the file, notebook, folder, or other compilation in which it is contained.

B. No document or record shall be written on, marked on, or erased, nor shall any writing or information therein otherwise be removed, nor shall any person destroy, mutilate, deface, alter or falsify any document or record. Violations of this rule will be prosecuted pursuant to Government Code §6201.

C. The party examining records shall comply with all instructions of District personnel, provided, however, that such restriction or termination of an examination may be appealed to the reviewing official. District personnel may

terminate or restrict the examination as may be necessary to preserve District records.

Section III. Copying Public Records.

A. Within ten days of receipt of a request for copies of identifiable public records, the District will determine whether it will comply with the request, and shall thereafter notify the requesting party of its determination and the reasons therefor. In unusual circumstances, as hereinafter provided, the response time may be extended up to an additional ten calendar days.

B. Upon denial of a request in whole or in part, the reviewing official will provide a written response to the request by personal delivery or by mail stating the reasons for the denial.

C. Where a portion of the record requested contains information which is exempt from disclosure under the Act, the reviewing official will make a determination as to whether the non-exempt portion of the record is reasonably segregable from the exempt portion of the record.

D. Upon approval of the request in whole or in part, the requesting party will be notified by writing identifying the documents and records to be produced and stating that the requesting party may obtain the copies to be produced upon payment of the copying costs, as specified in the written response. The District shall determine the cost of reproducing the record or document.

E. Payment of the cost of copying requested records may be by cash, check or money order, and must be made before the copies will be provided to the requesting party. Upon request and payment of mailing expenses in addition to the copying charges, the copied records will be mailed as directed by the requesting party.

F. No charge will be made for staff time expended in the search, retrieval and copying of requested records and documents.

Section IV. Extensions of Time to Respond. The District will make every effort to comply with or provide a written response to requests to examine or copy records or documents within the applicable period specified above unless one or more of the following unusual circumstances exists:

A. The reviewing official determines that a question exists as to whether the requested documents or records are exempt under the Act, and requires additional time to seek advice of District legal counsel.

B. The requested documents or records are not located at the main District offices.

C. The request requires District personnel to search for, collect and appropriately examine a voluminous amount of separate and distinct records.

D. The requested documents or records contain information which is exempt from disclosure under the Act, and District personnel requires additional time to delete the exempt information and provide the segregable portion of the record.

E. There is a need for consultation with another agency having a substantial subject matter interest in the documents requested. Such consultation will be conducted with all practicable speed.

F. Upon determination by the reviewing official that additional time is required to respond to a request, the Office Manager will notify the requesting party in writing of the reasons for the extension and the date on which the District's determination will be available. In no event shall such notice specify an extension to respond to the request for more than ten (10) working days beyond the time limits provided above.

Section V. Review for Exemption.

A. The Board of Directors of the District designates the General Manager and Office Manager as reviewing officials. The reviewing officials shall have exclusive authority for reviewing and approving public records requests.

B. A reviewing official must review and approve each request for inspection or copying before any public record of the District is released to the requesting party. All requests for public records shall be in writing and should be submitted to a reviewing official as soon as possible after receipt by District personnel.

C. The requesting party will be informed as to the applicable time limits for the District's response, as provided under this policy.

D. The reviewing official will determine whether or not the requested documents or records are exempt from disclosure under the Act, and shall examine records where it is possible that some or all of the requested documents contain information that is exempt. Where there is both exempt and non-exempt information in a particular document, the official will determine whether the exempt portions are reasonably segregable from the non-exempt portions and, where possible, direct District personnel to delete those portions of the document which are exempt. Where there is a question as to whether a particular exemption applies, the reviewing official may consult with District counsel prior to disclosure.

E. Where the facts of a particular case dictate that the public interest served by not making the record public clearly outweighs the public interest served by disclosure of the record, the request may be denied. The reviewing official may consult with District counsel prior to making such a determination.

F. In response to examination requests, the reviewing official may direct District staff to make such records immediately available upon a determination

that the records are subject to disclosure. The official will designate the location for the examination and shall direct an employee of the District to observe the examination as provided above.

G. Where a request to examine records is denied and in all cases of requests for copies, the reviewing official shall be identified in and shall sign the written response.

H. The District will retain in its records all written requests for inspection or copying of public records in accordance with the District's records retention guidelines.

Section VI. Exempt and Non-exempt Records.

A. Exempt Records. The following District records are exempt from disclosure:

1. Preliminary drafts, notes, interagency and intra-agency memoranda which are not retained by the District as permanent records, where circumstances justify nondisclosure (Government Code §6254(a)).
2. Records pertaining to pending litigation to which the District is a party, or to claims filed against the District, which were created in connection with the litigation and were intended to be confidential, until the pending litigation or claim has been finally adjudicated or otherwise settled. (Government Code §6254(b)).
3. Personnel records of District staff and employees (Government Code §6254(c)).
4. Medical, dental and other insurance records of District employees and Directors (Government Code §6254(c)).
5. Geological and geophysical data and similar information relating to water systems development which are obtained in confidence from any person (Government Code §6254(e)).
6. Test questions, scoring keys and other examination data used for employment tests administered by the District (Government Code §6254(g)).
7. The contents of real estate appraisals or engineering or feasibility estimates and evaluations prepared relative to the acquisition of property or to construction or supply contracts, until the property or agreement has been obtained (Government Code §6254(h)).

8. Closed session minutes and legal memoranda and other materials distributed in a closed session of the Board of Directors held pursuant to Government Code §54956.9 (Government Code §6254.25).

B. Non-Exempt Records. The following District records are subject to disclosure under the Act:

1. Minutes of Board meetings and agenda materials provided to Directors.
2. Auditors' reports, budgets and financial reports of the District.
 3. Replenishment assessment, general fund, clean water fund, expense and disbursement records.
4. All District ordinances, resolutions, regulations, policies and procedures.
5. All Political Reform Act filings by District officers and directors.
6. All correspondence or memoranda maintained in the ordinary course of District business and not subject to statutory exemption.

PICO WATER DISTRICT
Public Records Request Form

Requesting Party (NAME): _____
(PLEASE PRINT)

Mailing Address: _____

Phone Number: _____

1. The Requesting Party requests (CHECK ONE):
- _____ That the Pico Water District provide the documents, records and information described below for the Requesting Party to examine at the District's offices during District business hours.
- _____ That the Pico Water District provide the Requesting Party with photocopies of the documents, records and information described below.

2. Description of the documents, records and information requested. (Description must be specific enough to identify the public records sought).

3. If the request is for copies of public records, the Requesting Party (CHECK ONE):

- _____ Will return to pick up the copies and will pay for copying costs at the time of pickup. (Requesting Party should leave a phone number at which they may be contacted when the copies are ready.)
- _____ Requests that the copies be mailed to the address specified above. (All copying and postage costs must be paid before the copies will be mailed. The District will notify the Requesting Party of the amount of copying costs and postage by telephone or mail at the Requesting Party's choice.)

Dated: _____

Signature of Requesting Party

FOR OFFICE USE ONLY

Reviewing Official _____ Received On _____ Approved By _____

Number of Copies _____ Copying Cost _____ Date Paid _____

APPENDIX L

RULES OF DECORUM DURING

BOARD MEETINGS

APPENDIX M

RECORD RETENTION POLICY

APPENDIX M

The following list of records with suggested retention periods is comprised primarily of records commonly found in the general business community, and is not intended as an exhaustive listing of all District records. The periods begin at the end of the fiscal year during which the record was created, not from the date of the record. The retention period for items supporting tax returns begins on the filing date of the return or its due date, whichever is later.

"P" = permanently; "AT" = after termination; "AD" = after disposal of the underlying asset.

Accident reports (settled)	7	Customer ledger	7
Bank deposit slips	3	General journal	10
Bank reconciliations	3	General ledger	P
Bank statements	7	Journal entries-year-end	P
Bills of lading	5	Payroll journal	10
Board meeting packets	30 days	Plant ledger	P
Bonds (records of issuance)	P	Purchase journal	10
Budgets	3	Licenses	1 AT
Check register	10	Litigation files (resolved):	5
Checks (paid and canceled)	7 AD	Judgments, Orders, Settlement	P
Contracts:		Agreements	
Employee	7 AT	Maintenance records:	
Vendor	7	Building	7
For acquisition, operation, P		Machinery	7
maintenance of land, water		Meter History	7
systems; water entitlement;		Meter Complaint Inquiries	7
water rights		Minute books,	P
Correspondence:		Resolutions, Ordinances	
Accounting	7	Mortgages	7 AT
Credit and collection	7	Notes (canceled)	7
General	3	Options	7 AT
Personnel	7 AT	Pension records	P
Cost accounting records	5	Petty cash records	3
Deposit slip copies	3	Plant acquisition records	7 AD
Depreciation schedules	7 AD	Real estate development records:	
District Formation records	P	Design, Engineering, Construction	10
Equipment leases (after expiration)	7	As-builts w/ District approval	P
Equipment repair records	3	Property records:	
Financial reports:		Appraisals	P
Audited	P	Damage reports	7
Annual	P	Deeds, Easements, Licenses	P
Interim	3	Depreciation	7 AD
Fixed asset records	7 AD	Plans and specifications	P
Garnishments	3 AT	Purchases	P
Insurance policies	P	Reconveyances	P
Inventory records	7 AD	Sales	P
Invoices (not including water bills)	7	Taxes	10
Labor records:		Purchase order copies	3
Applications (employees)	7 AT	Purchase invoices	7
Contracts	7 AT	Receiving reports	3
Daily time reports	5	Remittance statements	3
Disability claims	7 AT	Surety bonds	3 AT
Earnings records	7	Tax records	10
Employee service records	7 AT	Tax returns (copies):	20
Pay checks	7	Travel records (employees)	3
Personnel files	7 AT	Water bills	7
Salary and wage changes	7 AT	Water distribution system design,	P
Salary receipts	7 AT	installation and repair records	
Time cards, tickets and	5	Well records	P
clock records			
Unemployment claims	7 AT		
Withholding certificates	7 AT		
Worker's compensation reports	10		
Leases	7 AT		
Ledgers and journals:			
Accounts payable ledger	7		
Accounts receivable ledger	7		
Cash journal	10		

APPENDIX N

WATER SERVICE AVAILABILITY LETTER

REVISED DECEMBER 2016

**PICO WATER DISTRICT
LETTERHEAD**

[DATE]

Name

Company

Address

City, State, Zip

Re: Water Service Availability – [Name of Project – Number of Units/Lots]

Dear Mr. /Mrs. _____:

The referenced development (“Development”) located in _____, California, lies within the service area of Pico Water District (District). The District is prepared to provide water service to the Development subject to the following conditions and reservations:

1. The Developer shall submit to the District all plans, designs and fire department requirements for the Development in order that the District may design the necessary distribution system and other facilities required for the Development in accordance with the District Rules and Regulations.
2. The Developer shall grant the District any and all easements required for water service, together with a policy of title insurance guaranteeing the District title to such easements.
3. Pursuant to the requirements of the District’s Rules and Regulations, the Developer shall pay all required fees and charges, including any required deposit amounts in order to process plans and designs and to complete construction of required on-site and off-site improvements required for water service to the Development.
4. The Developer shall comply with the District’s Rules and Regulations in force and effect at the time water service is requested, and as those Rules and Regulations may be amended from time to time including, but not limited to, the payment of any and all District charges, fees, and expenses necessary to provide service to the subject Development.

5. The Developer acknowledges that water service to the Development shall be subject to availability of water, and to the further conditions set forth in Paragraph 7, below. In relying upon this representation to provide water service, the Developer is aware that the District's sole source of water at this time is groundwater produced from the Central Basin aquifer and that the quantity of water the District may pump from that aquifer is subject to and limited by the Central Basin Judgment, which allocates the pumping rights in that basin among the basin's various water producers. While there is currently no prohibition against establishing additional connections within the District, the District has the authority to reduce and restrict service connections.

6. Developer acknowledges and agrees that this letter is exclusive to the Development identified above (and the number of units or lots indicated above) and may not be transferred or assigned to any other person, firm or entity, or for any other purpose without the District's written consent.

7. The provision of water service to the Development is contingent upon the Developer meeting all requirements of any other governmental entity having jurisdiction over the Development.

8. This letter and any representations or assurances made herein shall expire and be null and void twelve (12) months from the date hereof if water service has not been installed. The Developer and the Development shall not be entitled to any individual water service connections not installed prior to expiration of this letter.

9. At any time prior to connection and upon a finding by the Board of Directors of District that it is unable to serve the Development for reasons beyond District's control, the District may revoke this letter.

10. By issuing this letter, the District does not guarantee any specific quantities or quality of water, pressures or flows with respect to water service provided by the District.

11. The Developer, for itself and on behalf of its successors, agrees to defend at Developer's expense, any action brought against the District, its agents, officers or employees, because of the issuance of this letter or any approvals or authorizations obtained in connection with the Development, or in the alternative, to relinquish any such approvals or authorizations. The Developer shall reimburse the District for any costs, fees or expenses the District may incur as a result of any such legal action. Further, Developer agrees that in conducting the defense of such action, the District shall be entitled to engage its own attorneys, the entire expense of which shall be paid by the Developer.

Very truly yours,

PICO WATER DISTRICT

_____, General Manager

Accepted this ____ day of _____, 20____

[Name of Developer

By: _____
(name)
(title)

APPENDIX O

EASEMENT DEED

Recording requested by and)
 when recorded mail to:)
)
 PICO WATER DISTRICT)
 Attn: General Manager)
 4843 South Church Street)
 Pico Rivera, CA 90660)
) SPACE ABOVE FOR RECORDER'S USE ONLY

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES
 PURSUANT TO GOVERNMENT CODE ' 6103
 PUBLIC AGENCY - NO TAX STATEMENT

EASEMENT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned, _____, a _____ (Grantor), hereby grants to PICO WATER DISTRICT, a county water district formed under Division 12 of the California Water Code (Grantee), a perpetual, non-exclusive right of way and easement to construct, install, use, maintain, operate, repair, replace, alter, change in size, and remove, from time to time, certain water distribution facilities over, through, under and along the certain land (described herein as the "Easement") located in the City of Pico Rivera, County of Los Angeles, State of California described in Exhibit AA@ (legal description) and as shown on Exhibit AB@ (water easement sketch), together with the right of ingress and egress from said above-described land for any or all said purposes, and the right to assign the rights and easements herein granted, either in whole or in part, subject to the terms of this grant.

Grantor and Grantee understand and agree:

1. Grantor reserves the right to use and enjoy the Easement, provided the Grantor shall not construct or maintain the whole or any part of any structure on said strip of land or in any manner impair, endanger or interfere with the present or prospective exercise of any of the rights herein granted to Grantee.
2. Grantor acknowledges that Grantee shall have the right to use the land of Grantor adjoining the Easement, as shall be necessary or convenient on a temporary basis to Grantee's access to and use of the Easement, and the right to use all necessary and convenient means of ingress to and egress from the Easement for the uses and purposes and the exercising of the rights granted herein.
3. Grantor will keep and maintain the Easement free and clear of structures or other improvements other than surface paving and landscaping. Grantor will not use or grant, license or authorize others to use the Easement so as to limit or impair the rights of Grantee, and any

rights, licenses or authorizations granted or given to others to use the Easement shall be subordinate to the rights of Grantee.

4. Grantee shall assume financial liability for the operation, maintenance, repair and removal of its water transmission facilities and to restore the surface of the Easement to the condition which existed immediately prior to the initial installation of the facilities.

5. Grantee shall have the option of abandoning some or all of said facilities in place, provided Grantee quitclaims said easement to Grantor herein, and further provided, Grantee's Board of Directors determines it to be of no further use to Grantee and should be abandoned. Grantee will provide water service to the lands of the Grantor in accordance with its rates, rules and regulations, from time to time existing.

6. Said Easement shall continue in full force and effect so long as said property is used for water transmission facilities and until that portion of the Easement contained in the above described property has been lawfully vacated or abandoned by the duly constituted authorities at which time said property shall immediately and automatically revert to the Grantor, or its successors or assigns, without the necessity of further documentation.

7. The reservations and agreements hereinabove provided for shall run with the land of said property and every part thereof and shall further bind and inure to the benefit of the parties hereto and their successors and assigns.

8. In the event any action or proceeding is commenced to interpret or enforce the terms of this deed, the prevailing party in such action or proceeding shall be entitled to recover from the other party its reasonable costs and attorneys' fees incurred in such action or proceeding.

DATED: _____

"Grantor"

By: _____

Its: _____

DATED: _____

PICO WATER DISTRICT, a
county water district

By: _____

General Manager-Secretary

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, 20____, before me, _____, Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public in and for
said County and State

(Seal)

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, 20____, before me, _____, Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public in and for
said County and State

(Seal)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the foregoing Easement Deed from _____, a California corporation, to the PICO WATER DISTRICT, a county water district duly formed under the provisions of Division 12 of the California Water Code (Sections 30000 et seq.), is hereby accepted by the undersigned on behalf of the PICO WATER DISTRICT, pursuant to the authority conferred by a resolution of the Board of Directors of the District. The District hereby consents to the recordation of this Easement Deed by its duly authorized officer.

Dated this ____ day of _____, 20____

By: _____

_____,
General Manager/Secretary

EXHIBIT A

[LEGAL DESCRIPTION]

EXHIBIT B

[EASEMENT SKETCH]