



Santa Margarita Water District

**Rules and Regulations
For
Water, Recycled Water and Wastewater Service**

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Amended Section 6 Billing Procedures, Regulations Rates and Charges
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1. INTRODUCTION

Santa Margarita Water District (“District”) has adopted these *Rules and Regulations for Water, Recycled Water and Wastewater Service* (“Rules and Regulations”) in order to provide its customers established criteria by which water, recycled water and wastewater service will be provided within the District’s service area.

The District was established on December 23, 1964, under the provisions of the California Water District Law (Section 34000, et seq. of the California Water Code). The District provides water, recycled water and wastewater service through its various improvement districts as shown on Exhibit “A.” The individual Improvement Districts (“ID’s”) have been established in accordance with the needs of specific portions of the District, based on such factors as land use, topography, ownership lines, and other characteristics affecting water supply and wastewater treatment services. These ID’s provide a basis for the delineation and adoption of Plans of Works, the authorization and sale of bonds for the construction or acquisition of water, recycled water and wastewater facilities, and the determination and levying of Ad Valorem and Standby assessments. Operations and maintenance within the ID’s are combined. Consequently, rates for water, recycled water and wastewater services are reviewed by the Board of Directors annually (except for power zone charges, which are based on the cost of pumping water to elevation) and are subject to subsequent amendments as necessary.¹

The District does not determine and does not take a position on any land use decisions or plans of development by the various owners of property within the District. The District, subject to such land use decisions by others and all provisions of law including, but not limited to, the California Environmental Quality Act, will exercise all reasonable efforts to have facilities and capacity in facilities available to provide service to the extent and on the conditions herein described.

In order to assist customers, developers and engineers in the design and construction of water, recycled water and wastewater facilities, the following documents should be reviewed in conjunction:

1. *Rules and Regulations for Water, Recycled Water and Wastewater Service*
2. *Technical Requirements for Recycled Water Service*²
3. *Design Criteria and Standard Drawings for Water and Wastewater Facilities*

¹ Rate adjustments are subject to the notice and hearing requirements of Proposition 218. Adjustments for wholesale water rate and Consumer Price Index increases may be made pursuant to Government Code Section 53756, as may be amended, to include the adoption of a schedule of fees or charges following a single notice and hearing for a period not to exceed five years from the date of adoption.

² Formally known as Rules and Regulations for Non-Domestic Water Service.

The ***Rules and Regulations*** exclude the rate and fee schedules.³

All water, recycled water and wastewater service will be provided by the District in accordance with these ***Rules and Regulations***, as well as the ***Technical Requirements for Recycled Water Service*** and the ***Design Criteria and Standard Drawings for Water and Wastewater Facilities***. All fees and charges associated with water, recycled water and wastewater service are established from time-to-time as provided in these documents and are subject to all penalties and charges for violations thereof pursuant to Section 35424, as may be amended, of Water Code of the State of California.

³ Refer to Resolution No. 2015-03-01 for Water Rates, Resolution No. 09-07-05 for Other Fees, and Resolution No. 2015-06-01 for Meter Fees. Rate and fee schedules are subject to subsequent amendments as necessary.

2. DEFINITIONS

Whenever the following terms occur, or pronouns used in its place, the intent and meaning shall be interpreted as follows:

APPLICANT shall mean a party or parties requesting water, recycled water and/or wastewater service be supplied by the District.

ASSESSMENT DISTRICT shall mean a financing mechanism whereby tax-exempt bonds are sold and the proceeds are used for the construction of improvements. The costs of the improvements are spread proportionately to the property benefited with repayment made over a fixed period of time.

BACKFLOW DEVICE (BACKFLOW PREVENTER) shall mean a device installed on a water service to protect the potable water system from possible contamination or pollution. The device is owned, operated and maintained by the Customer.

BACKWATER DEVICE shall mean a device that permits flow in pipes or conduits normally under open channel flow conditions, such as sewers, to occur in one direction only by mechanically blocking the flow or by providing a pressure relief opening such that flow may not occur in the uphill direction.

BASE CHARGE shall mean a monthly charge which recovers a portion of the fixed costs of the District. A base charge is assessed for water, recycled water and wastewater services. The base charge for water, recycled water and wastewater services recovers “fixed costs” associated with providing for the availability of water or recycled water service through capital facilities (pump station, reservoirs, transmission lines, wells, etc.). The base charge for wastewater services recovers fixed costs associated with providing service such as sewage lift stations, odor control stations, interceptor lines, etc. Fixed costs occur whether or not any water is used or wastewater flows into the wastewater system.

BOARD shall mean the Board of Directors of the Santa Margarita Water District.

BUILDING SEWER (HOUSE SEWER) shall mean a sewer, wholly within private property, which connects any building to a sewer house lateral. A building or house sewer is owned, operated and maintained by the Customer.

CAL-OSHA shall mean the State of California, Occupational Safety and Health Administration.

COMMODITY CHARGE for water shall represent the “unit costs” of pumping, treating, and delivering the commodity per 100 cubic feet of water, sometimes indicated as CCF. The sanitation commodity charge represents the “unit costs” of collecting, treating, and disposing of wastewater per 100 cubic feet of water with a maximum utilization cap to reflect outside usage.

CONNECTION FEE shall mean a charge imposed on each water connection by the District to pay for the cost of facilities to serve new Customers. Connection fees are established from time to time by the District.

CROSS CONNECTION shall mean any unprotected connection between any part of a water system used or intended to supply water for drinking purposes and any source or system containing water or a substance that is not or cannot be approved as safe, wholesome, and potable for human consumption.

CUSTOMER shall mean any person, firm, corporation, association, or agency that uses or desires to obtain water, recycled water or wastewater service from the District.

DESIGN CRITERIA AND STANDARD DRAWINGS FOR WATER AND SEWER FACILITIES shall mean the District's published Design Criteria and Standard Drawings to be utilized for design and construction of facilities in conjunction with the District's "Standard Specifications." This is a separate document maintained by the Engineering Department.

DISTRICT shall mean the Santa Margarita Water District, its authorized employees and agents.

DISTRICT FACILITY (OFF-SITE FACILITY) shall mean any water, recycled water or wastewater facility owned, operated and maintained by the District.

DISTRICT PLANS OF WORKS FACILITIES shall mean those District facilities constructed, reimbursed, or acquired with funds provided by the District or one or more of its improvement districts, or capacity acquired by the District in facilities jointly owned and/or operated with other agencies, the cost of which has been or is borne in this manner. The District Plans of Works Facilities include water importation, supply and transmission system facilities (pipelines, pump stations, reservoirs, and pressure reducing stations) and wastewater collection, treatment and disposal system facilities (trunk and interceptor sewers, force mains, sewage pumping stations, treatment and effluent disposal facilities).

DOMESTIC WATER (POTABLE WATER) shall mean that water that 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 and the California Safe Drinking Water Act (any amendments thereto), and/or other applicable standards.

DOMESTIC SEWAGE shall mean the water-borne wastes derived from a residence which is of such volume and character as to permit satisfactory disposal through the District's facilities, except any such liquid or solid substances as are hereinafter precluded from being discharged into any District facilities. Please refer to Section 5.8.2.e for additional information on discharge of wastes that are prohibited.

DUAL WATER SYSTEM shall mean a multiple water distribution system, located entirely on the Customer's side of the water meter(s), which provides water for various uses from one or more sources, each of which are generally separated by backflow prevention devices.

ENGINEER shall mean the Chief Engineer of the Santa Margarita Water District or his/her authorized agent.

FACILITIES (OFF-SITE) shall mean water, recycled water, wastewater and non-domestic water facilities up to and including the water meters, and wastewater facilities within a public street, right-of-way, District property or easement. All off-site water, recycled water, wastewater and non-domestic water facilities will be owned, operated and maintained by the District. Please refer to Section 5.5.1 for exception on sewer laterals.

FACILITIES (ON-SITE) shall mean wastewater facilities located wholly within the Owner's property, and water, recycled water, wastewater and non-domestic water facilities downstream (on the Customer's side) of the water meters. All on-site water, recycled water, wastewater, and non-domestic water facilities will be owned, operated, and maintained by the Owner, unless otherwise specified.

GENERAL MANAGER shall mean an individual designated by the Santa Margarita Water District as the Chief Executive Officer and agent for the District.

HOUSE SEWER (See BUILDING SEWER)

IMPROVEMENT DISTRICT shall mean any of the operating units of the District established by Resolution of the Board of Directors under Section 36410, et seq. of the Water Code of the State of California or any similar proceedings.

INDIVIDUAL SEWAGE DISPOSAL SYSTEM shall mean a single system of sewage treatment tanks and disposal facilities serving only a single lot or parcel.

INDUSTRIAL SEWAGE (INDUSTRIAL WASTE DISCHARGE) shall mean any and all liquid or solid waste substances (not including domestic sewage) from any producing, manufacturing, or processing operation of whatever nature.

INDUSTRIAL WASTE DISCHARGE PERMIT shall mean a permit issued by the District to dischargers of industrial waste, pursuant to its Industrial Waste Control Ordinance, which regulates the conditions of discharge including the quality and volume of the waste and fees to be paid to the District for wastewater discharge into the District's wastewater system.

IRRIGATION WATER shall mean water used for irrigation of golf course, park, greenbelt and other landscaped areas.

LAKEFILL WATER shall mean water used for replenishing ornamental and/or recreational lakes.

MWD shall mean Metropolitan Water District of Southern California.

MWDOC shall mean Municipal Water District of Orange County.

NON-DOMESTIC SEWAGE shall mean water-borne wastes which are discharged from commercial, industrial, irrigation and construction water users.

NON-DOMESTIC WATER shall mean water serviced from the District's off-site non-domestic water facilities, including, but not limited to, a combination of treated wastewater and intercepted surface and subsurface stream flow, supplemented by other waters, including water.

NON-POTABLE WATER shall mean that water which has not been treated for human consumption in conformance with the Drinking Water Standards for Domestic (Potable) Water.

NON-RECLAIMABLE SEWAGE shall mean any and all liquid or solid waste substances that cannot be treated and disposed of through the water reclamation facilities of the District by reason of the design thereof, applicable waste discharge or other requirements, actual or possible increased operation and maintenance costs, or which would have a detrimental effect on the treatment processes of the reclamation plant and the resultant reclaimed water.

OWNER shall mean any holder of legal title, contract purchaser, or lessee of property for which service is requested from the District.

PAYMENT DEPOSIT shall mean funds required to be deposited by the Customer with the District for the purpose of guaranteeing payment of periodic charges rendered for water, recycled water and wastewater service. Payment Deposits are non-interest bearing.

PAYMENT PLAN shall mean an agreement between the Customer and the District. The agreement offers the Customer the ability to make partial payments towards past due amounts over several months (up to six months; or twelve months with Supervisors' approval). Late fees and delinquent notices are suspended for the duration of the plan period. The Customer of record must sign the agreement accepting SMWD terms and agree to pay subsequent bills on time and include the monthly portion of the payment plan installment. Services that are included in a District Payment Plan will not be discontinued as long as the Customer continues to comply with the Payment Plan agreement and keeps charges subsequent to Payment Plan date in a current status. Once the Customer does not meet the Payment Plan stipulations the Payment Plan is in default and all monies are due immediately. The District will provide a 48-hour notice prior to discontinuation of service, but such notice shall not entitle the Customer to further investigation or extension of payment by the District. Customers who default on a Payment Plan will not be eligible to participate in the program for twelve months. Customers are eligible for a Payment Plan once every twelve months.

PLAN REVIEW AND INSPECTION FEES shall mean fees which cover the District's cost of reviewing plans and inspecting the installation of water, recycled water and wastewater facilities which are proposed to be dedicated to the District. The fees must be paid by the Applicant before the District will sign the water, recycled water and wastewater improvement plans. The amounts of the required fees will be determined by the District based on the then governing schedule of rates and charges by the Board.

POWER SURCHARGE shall mean the cost of electricity associated with water and recycled water deliveries on a volumetric basis, per specific elevation zone.

PRETREATMENT shall mean treatment of wastewater that the District may require prior to permitting any discharge into the District wastewater system to ensure compliance with the Rules, Regulations and Ordinances of the District, as well as any and all applicable Federal, State or local statutes, ordinances, regulations, contracts, or all of the foregoing, individually or collectively, or if determined by the District to be necessary to protect the District facilities from any possible damage.

PRIVATE FACILITIES (ON-SITE FACILITIES) shall mean those facilities which are owned, maintained and operated by the Owner and are not the responsibility of the District.

RECLAIMABLE SEWAGE shall mean wastewater that can be treated and reclaimed by the District through its water reclamation facilities so as to be usable for some beneficial purpose.

RECYCLED WATER shall mean water which, as a result of treatment of waste, is suitable for a direct beneficial use or a controlled use that would not otherwise occur and is therefore considered a valuable resource.

REGULATORY AGENCIES shall mean those public agencies legally constituted to protect the public health and water quality, such as the State Water Resources Control Board Division of Drinking Water and Environmental Management, San Diego Regional Water Quality Control Board, and the Orange County Health Department.

SERVICE shall mean the furnishing by the District of water, recycled water and wastewater to a Customer through a metered connection to the on-site facilities; and the reception, transfer, treatment and disposal of sewage from a Customer's property through a connection to the off-site facilities, or the disposal of sewage from an approved individual sewage disposal system.

SERVICE AGREEMENT (NON-RESIDENTIAL) shall mean an approved written application agreement in which information as detailed in Section 6.3.1 is obtained prior to commencement of services.

SERVICE AGREEMENT (RESIDENTIAL) shall mean an approved application agreement, typically received verbally, via the telephone, or internet in which information as detailed in Section 6.3.1 is obtained prior to commencement of services.

SEWAGE (WASTEWATER) shall mean any combination of liquid and solid waste and water, whether treated or untreated, which is discharged into or permitted to enter a District sewer.

SEWER shall mean a pipe or conduit used to convey liquid waste.

SEWER LATERAL (HOUSE LATERAL OR HOUSE CONNECTION SEWER) shall mean a sewer, within a public street, right of way, District easement or property, which connects any parcel, lot or part of a lot with a sewer main. Sewer house laterals are District facilities.

SEWER MAIN shall mean a sewer which connects to a District trunk sewer.

SOCWA shall mean the South Orange County Wastewater Authority, a joint-powers agency of which the District is a member.

STANDARD SPECIFICATIONS shall mean the “Standard Specifications for Public Works Construction” (Green Book), latest edition, which are the District’s reference specifications to be used in conjunction with the “Standard Special Provisions and Standard Drawings.”

STATE shall mean the State of California.

TERMS such as “acceptable,” “accepted,” “adequate,” “approved,” “directed,” “necessary” or “equal,” “proper,” “required” and “specified” shall mean acceptable, accepted, adequate, approved, directed, necessary, or equal, proper, required, or specified by or in the opinion of the District.

TRUNK SEWER shall mean a District Plan of Works sewer.

WASTEWATER COLLECTION SYSTEM shall mean wastewater pipelines or appurtenances which are financed, constructed and dedicated to the District or as a result of local initiative and financing in tracts and subdivisions, as well as commercial or industrial developments.

WASTEWATER CONSTITUENTS AND CHARACTERISTICS shall mean the individual chemical, physical, bacteriological, and radiological parameters, including volume and flow rate and such other parameters that serve to define, classify, or measure the quality and quantity of wastewater.

WASTEWATER FACILITIES shall mean any District facilities used in the reception, collection, transfer, pumping, treatment and disposal of sewage.

WASTEWATER TREATMENT (WATER RECLAMATION) FACILITIES shall mean those District facilities which remove or reduce undesirable wastewater constituents and characteristics through various physical, biological and/or chemical processes and applications in order to meet discharge requirements established by Federal and State regulatory agencies having jurisdiction. The treated effluent can in some cases be used for beneficial purposes depending upon the quality of the effluent and the intended use.

WATER shall mean domestic water, in the general usage of these *Rules and Regulations* and unless otherwise described.

WATER DISTRIBUTION SYSTEM FACILITIES shall mean water pipelines or appurtenances which distribute water from the District’s water transmission system. All water distribution system facilities are financed, constructed, and dedicated to the District or as the result of local initiative and financing in tracts and sub-divisions, as well as commercial or industrial developments. Water distribution systems shall include all fire hydrants and meters.

WATER FACILITIES shall mean any District facilities used in the importation, transmission or distribution of water.

WATER METER CHARGE shall mean a charge imposed by the District to recover all costs associated with the purchase and warehousing of the meter.

WATER RECLAMATION shall mean the planned renovation of wastewater to produce an effluent (recycled water) that is approved for specific beneficial uses by the appropriate regulatory agency.

WATER SERVICE shall mean the District's facilities between its distribution system and the water service connection.

WATER SERVICE CONNECTION shall mean the point of connection of the Customer's water line with the District's water service, which shall normally be the downstream end of the water meter tailpiece.

WATER SURCHARGE shall mean the increased cost per 100 cubic feet of water based on increases in wholesale water charges imposed by MWD through the District's wholesale water supplier, MWDOC.

WATER TRANSMISSION SYSTEM FACILITIES shall mean District Plans of Works water pipelines, pump stations, reservoirs and other appurtenances which provide for the supply of water from the water importation system to the water distribution system.

3. AREA SERVED

These *Rules and Regulations* set forth herein pertain to water, recycled water and wastewater service to lands lying within the boundaries of the District and the District's existing improvement districts as shown in Exhibit "A", unless otherwise stated. If District Plan of Works for water, recycled water and/or wastewater facilities do not exist within or in the immediate vicinity of the area proposed to be served, the Applicant shall be responsible for providing or making the necessary arrangements, including financing, to have the District construct the required facilities.

If all or any part of the area proposed to be served by the District is located within the District but not within any of the District's existing improvement districts, the Applicant shall officially request, by letter to the General Manager, annexation to the District's nearest existing water, recycled water and wastewater improvement district or establishment of a new improvement district. A minimum of 365 days from the date of the Applicant's request should be allowed for action by the Board. A complete legal description and map of the property to be served shall be provided with the request for annexation or establishment of a new improvement district. In addition, the Applicant shall deposit funds for the necessary engineering studies and investigations by the District.

If all or any part of the area proposed to be served by the District is located outside of the District, the Applicant shall officially request, by letter to the General Manager, annexation to the District as well as the District's nearest existing water, recycled water and wastewater improvement district or establishment of a new improvement district. A minimum of 365 days from the date of the applicant's request should be allowed for action by the Board. A complete legal description and map of the property to be served shall be provided with the request for annexation to the District. In addition, the Applicant shall deposit funds necessary for the District to consider and analyze the request for annexation. The Applicant shall comply with all conditions imposed by the District regarding the proposed annexation. Unless otherwise approved, water, recycled water and wastewater capacity required for service to the property shall be provided to the District by the Applicant. The Applicant shall also be responsible for satisfying the requirements of all regulatory agencies, including, but not limited to, Orange County Local Area Formation Commission (LAFCO). The property proposed to be served must be within the service area or shall be annexed to MWD as well as MWDOC, and the Applicant shall be responsible for all annexation fees and charges imposed by these agencies.

4. DOMESTIC WATER

4.1 DOMESTIC WATER SERVICE CONDITIONS

Domestic water service will be provided by the District only pursuant to a verbal or written service agreement obtained by the Customer, unless otherwise determined by the Board. Service will be provided only in accordance with these ***Rules and Regulations***, applicable Federal, State and local statutes, orders, contracts and regulations, and the terms of the Service Agreement and/or permit issued by the District. This contract shall at all times be subject to change by the Santa Margarita Water District, which may direct such change in the exercise of its jurisdiction. By accepting service, the Customer is subject to all rules and regulations of the District and is responsible for all water, recycled water and wastewater charges incurred until the District receives notification to discontinue service and issues the Customer a confirmation number. Twenty-four-hour advance notice is required. Requests made less than twenty-four hours in advance could be assessed a “Same Day Turn-on Fee.”

Water service may be terminated by the District as provided in Sections 6 and 7, and thereupon all such water service shall cease. The grounds for such termination will be a violation of any provision of these ***Rules and Regulations*** or the terms and conditions of the Customer’s Service Agreement, or any applicable provision of any Federal, State or local statute, order, contract or regulation.

The District shall not be liable for any damage resulting from defective plumbing, broken or faulty water services on the Customer’s side of the meter. The District’s responsibility ends at the meter. All applicants for water service shall be required to accept such conditions of pressure and service as are provided by the distribution system at the location of the proposed service connection and to hold the District harmless from all damage arising from low pressure or high pressure conditions or from interruptions of service. Please refer to Section 6.4.3 for additional information on Pressure Conditions.

4.2 LIMITATIONS ON DOMESTIC WATER SERVICES

The following regulations shall apply to all water service connections within the District:

- a) Each residence or building under separate ownership must be provided with a separate water service and water meter. Two or more buildings, under one ownership and on the same lot or parcel of land, may be supplied by a single water service.
- b) The District reserves the right to limit the number of buildings or the area of land under one ownership to be supplied by one water service and water meter.
- c) Not more than one water meter for domestic or commercial water supply shall be installed for one building, except under special conditions as approved by the District.

- d) No water service and/or water meter shall be used to supply adjoining property of a different owner, or to supply property of the same owner across a street or alley except in the case of irrigation meters as approved by the District.
- e) When property provided with water service and meter is sub-divided, such water service and meter shall be considered as serving the lot or parcel of land, which it directly or first enters. Additional water services and meters shall be provided by the Applicant or Customer for each subdivided lot or parcel in accordance with these ***Rules and Regulations***.
- f) All water used on any premises where a meter is installed must pass through the meter. Customers shall be held responsible and charged for all water passing through their meters.
- g) Tampering with District meters is unlawful and in violation of these ***Rules and Regulations***. Any violation thereof is a misdemeanor and violators may be prosecuted. Please refer to Section 6.4.5 for additional Fraud or Abuse in violation of these ***Rules and Regulations***.
- h) Every water service installation shall be equipped with a meter shut-off valve on the inlet side of the meter. The shut-off valve is intended exclusively for the use of the District in controlling the water supply through the water service line. If the meter, shut-off valve or any control device is damaged by the Customer, the repair or replacement will be at the Customer's expense.
- i) No landscaping or other objects shall be placed in such a manner as to restrict or prevent the District from gaining access to its meters.

4.3 ILLEGAL CONNECTIONS

No person shall make a connection to the water facilities of the District without an executed Service Agreement or as provided in the Service Agreement issued by the District. Please refer to Section 6.4.4 for Unauthorized Use of Services without Application.

4.4 METER TESTING

If a meter fails to register during any billing period or is known to register inaccurately, the Customer will be charged with an average of the same period or periods in prior years when the meter was in use and registering accurately. Any Customer may request that the meter serving their residence be examined and tested by the District for the purpose of ascertaining whether or not it is registering correctly. Such request shall be in writing and shall be accompanied by a deposit equal to the charge for testing the meter plus District removal and reinstallation costs as established from time to time. Upon receipt of the request and deposit, the District will have the meter examined and tested. If, upon such test, the meter is found to register over two percent (2%) more water than actually passes through it, the meter will be adjusted or another meter substituted, the deposit will be returned and the water bill for the current billing period adjusted proportionately. If the meter is found to register not more than two percent (2%) over, the deposit shall be retained by the District as the expense of making the test, and no billing adjustment will be granted.

Meter test situations do not negate, alter or extend penalty dates or other bill payment deadlines. All charges must be paid on or before the date specified on the bill. Please refer to Section 6.5.3 for Meter Test-Deposit.

4.5 FIRE HYDRANTS

Fire hydrants connected to the District's water system are provided for the sole purpose of being used to furnish water to fight fires and shall be opened and used only by persons authorized by the District. In the event that the District authorizes the use of fire hydrants for purposes other than fighting fires, such authorization shall be granted only through the procedures and provisions contained in Section 4.8 of these ***Rules and Regulations***. Rates to be charged for temporary water service from a hydrant shall be in accordance with the current rate and fee schedule as adopted by the District Board. Taking water from hydrants without District authorization is in violation of these ***Rules and Regulations***. Any violation thereof is a misdemeanor and violators may be prosecuted and held financially responsible for charges for estimated water usage and/or damage to the fire hydrant.

4.6 CROSS-CONNECTIONS

Cross-connections of any type which permit a backflow from a source other than the District's water supply into the District's water facilities are prohibited. A connection constituting a potential backflow hazard is permissible only to the extent approved by the District and shall be protected by an approved backflow prevention device. Such a connection shall at all times be subject to inspection and regulation by the District for the purpose of avoiding the possibility of backflow. In no instance shall any such cross-connection be permitted which is not in strict compliance with the cross-connections regulations of the State of California Department of Public Health and shall be subject to their approval. For rules related to cross-connection, please refer to the ***Design Criteria and Standard Drawings for Water and Wastewater Facilities***.

4.7 WATER CONSERVATION

It is the desire of the District to effect conservation of water resources whenever possible, such measures being consistent with legal responsibilities for utilization of the water resources of the State of California and the District.

The District, by ordinance, has adopted a comprehensive water conservation program (the current ordinance is available from the District and is posted on the District website).

No irrigation of new or existing parks, median strips, landscaped public areas or landscaped areas, lawns, or gardens surrounding single family homes, condominiums, townhouses, apartments, or industrial parks shall occur in such a way as to wastewater. The rate and extent of application of water shall be controlled by the Customer so as to eliminate run-off from the irrigated areas.

4.8 TEMPORARY DOMESTIC WATER SERVICE CONNECTIONS

All temporary water services shall be supplied through a meter and in accordance with the terms and conditions of an application for service from the District, as well as the following provisions:

- a) Temporary water service connections are primarily intended for the convenience and use of Customers, developers, builders or contractors during construction work. However, they may be installed for other uses subject to the approval of the District.
- b) The Customer or other person applying for or using a meter or meters shall be held responsible for loss or damage to the meter from the time it is installed until it is removed, or until 48 hours after notice in writing has been given to the District that the Customer or other user is finished using the meter.
- c) Flows through a 2-1/2 inch or larger temporary water service meter shall be limited to a maximum of 250 gallons per minute, unless otherwise authorized in writing by the District at the time application for service is made. Any deliberate attempt by the Customer or user to increase the flow is just cause for the District to discontinue service.
- d) The District reserves the right to interrupt service without notice if such usage is causing the pressure in the District's water system to drop below an acceptable level.
- e) Each temporary water service Customer shall make every attempt to maintain a constant flow through the meter. To achieve these requirements, the Customer may be required to provide and install a storage facility (construction tank, small interim reservoir, etc.), approved by the District, in conjunction with the meter.
- f) When using fire hydrants for temporary water service connections, no more than one outlet per hydrant shall be used for this purpose.
- g) Floating meters must be brought to the District warehouse every 12 months to be inspected and/or exchanged.
- h) Deposits for a temporary, 2 1/2-inch fire hydrant meter are required plus a non-refundable meter installation charge.⁴ Please refer to Section 6.6 for deposit information.
- i) Requests to relocate hydrant meters will be reviewed by staff and when approved a relocation fee will be assessed.

4.9 LAKEFILL AND AGRICULTURAL WATER SERVICE CONNECTIONS

All lakefill and agricultural water services shall be supplied through a meter and in accordance with the terms and conditions of an application for service from the District, as well as the following provisions:

- a) The District reserves the right to regulate lakefill and agricultural water users without notice during peak water demand periods and/or if pressures in the District's water system drop below the minimum acceptable level. When water demands and/or pressures have returned to an acceptable

⁴ Refer to Resolution No. 2015-06-01 for the Meter Fee Schedule. Fees are subject to subsequent amendments.

level for a reasonable period of time, all regulated lakefill and agricultural water services will be returned to their requested flows.

- b) All requests for lakefill or agricultural water must be made 24 hours in advance of the intended use. Only authorized District personnel may set and adjust flows through all lakefill or agricultural water service connections.
- c) Water for lakefill or agricultural use shall be delivered at a constant rate.
- d) Changes in flow rates will be limited to once every 24 hours and all changes in flows will be made by the District between the hours of 8:00 a.m. and 4:00 p.m.
- e) All applications for agricultural water service from the water system must be renewed by January 1 of each year, subject to approval by the District.

4.10 ON-SITE DOMESTIC WATER FACILITIES OPERATION AND MAINTENANCE

4.10.1 Responsibility for Operations and Maintenance

The operation, maintenance and surveillance of all on-site water system facilities (downstream of the meter) are the responsibility of the Customer.

4.10.2 Monitoring and Inspection

The General Manager or his/her authorized representative has the right to enter upon the Customer's premises at any reasonable time for the purpose of inspecting the Customer's water system to insure compliance with these *Rules and Regulations*, particularly the provision that all cross-connections shall be properly protected.

4.11 ON-SITE DOMESTIC WATER FACILITIES OPERATION AND MAINTENANCE

All of the District's water system facilities, including but not limited to water pipelines, reservoirs, pumping stations, pressure reducing stations, fire hydrants, valves, meters, services, connections, supply inter-ties, water treatment facilities, and other appurtenances and property up to and including the District's meter, shall be owned, operated, maintained and controlled by the District. No person except authorized employees or representatives of the District shall have any right to enter upon, inspect, operate, adjust, change, alter, move, or relocate any portion of the District's facilities or property. In the event of such unauthorized occurrence, the District will enforce and collect all applicable charges and penalties. In addition, such unauthorized occurrence in violation of these *Rules and Regulations* or any and all applicable Federal, State and local statutes, ordinances, regulations, and other requirements, will be subject to prosecution.

5. WASTEWATER

5.1 WASTEWATER SERVICE CONDITIONS

Wastewater service will be provided by the District only pursuant to a Service Agreement obtained by the Customer, unless otherwise determined by the Board. Service will be provided only in accordance with these ***Rules and Regulations***, applicable Federal, State and local statutes, orders, contracts and regulations, and the terms of the Service Agreement and/or permit issued by the District.

Wastewater service may be terminated by the District as provided in this section and thereupon all wastewater service shall cease. Thereafter, there shall be no discharge of any type by the Customer into the District's wastewater facilities. The grounds for such termination shall be a violation of any portion of these ***Rules and Regulations*** or the terms and conditions of the Customer's Service Agreement, or any applicable provision of any Federal, State or local statute, order, contract or regulation.

5.2 LIMITATIONS ON WASTEWATER SERVICE CONNECTIONS

The following regulations shall apply to all wastewater connections within the District:

- a) A separate and independent building sewer and sewer lateral shall be provided to each individual lot, parcel or building under individual ownership. However, the District reserves the right to allow more than one house or building to be connected to one building sewer by special permit and also to limit the number of buildings or the area of land under one ownership to be served by one building sewer.
- b) When property served by a District sewer lateral is subdivided, such sewer lateral shall be considered as serving the lot or parcel of land that it directly or first enters. Additional sewers and/or sewer laterals and building sewers shall be provided by the Applicant or Customer for each subdivided lot or parcel in accordance with these ***Rules and Regulations***.
- c) The installation of residential self-regenerating water softeners that can discharge saltwater or brine into the District's wastewater system is strictly prohibited. Customers who have a self-regenerating water softener system must provide the District documentation that installation was completed prior to the date of the execution of this document. If such documentation cannot be presented, at the Customer's own expense, the self-regenerating water softeners must be removed upon request by the District. Violators of this rule will be subject to severe penalties, as provided for in Section 7 of these ***Rules and Regulations*** or under applicable law. Water softeners that are recharged at central plants may be used. Services renting water softeners and exchanging them periodically are readily available. Commercial installations of regenerative water softeners will be specifically permitted by the District only after approval of on-site holding facilities that allow brine to be collected, pumped and transported outside the District's service area.

- d) Approved grease traps per applicable plumbing codes shall be installed and maintained on the Customer's premises for any food service operation or establishment unless specifically waived in writing by the Engineer.

5.3 ILLEGAL WASTEWATER CONNECTIONS

No person shall make a connection to the District's wastewater facilities without an executed Service Agreement or as provided in the Service Agreement issued by the District. No roof downspouts, exterior foundation drains, area drains, or other sources of surface runoff or ground water shall be connected to a building sewer or building drain that in turn is connected directly or indirectly to a District sewer facility unless specifically authorized by the District. Please refer to Section 6.4.4 for Unauthorized Use of Services without Application.

5.4 WASTEWATER BACKFLOW PREVENTION

Residences and other buildings served by the District's wastewater facilities shall be protected from the backflow of wastewater from the sewer laterals as provided herein. The Customer's on-site sewer facilities serving fixtures whose flood-level rims are below the rim elevation of the uphill manhole and above the crown level of the District's sewer main, shall drain by gravity into the District's sewer lateral and shall be protected from backflow of sewage by the installation of an approved backwater device. Each such backwater device needs to be installed only in that branch or section of the on-site wastewater system that receives the sewage from fixtures whose flood-level rim is located below the elevation of the curb or street property line.

Backwater (backflow) devices and appurtenances, as required in these provisions, shall be provided and maintained by the Customer at his/her expense. Such devices shall be located on the Customer's premises and not on the District's facilities. Backwater devices required by this section shall be located where they will be readily and easily accessible for inspection and repair at all times and, unless visible at all times, shall be located in a water-tight vault fitted with an adequately sized removable cover.

5.5 ON-SITE WASTEWATER FACILITIES OPERATION AND MAINTENANCE

The operation, maintenance and surveillance of all on-site wastewater system facilities are the responsibility of the Customer, except for those portions of individual sewage disposal systems, which the District must operate and maintain as required by the State.

5.5.1 Responsibility for Operation and Maintenance

The ownership, operation, maintenance and surveillance of all on-site wastewater facilities, including the building sewer, are the responsibility of the Customer.

Building sewers and sewer laterals shall be cleared and cleaned to the sewer main by the Customer at his/her expense. Sewer laterals, within the public right of way will be repaired or reconstructed by the District at the cost of the District, unless the situation necessitating such repair or reconstruction is the result of abnormal use or damage to such facilities, or the result of root intrusion from owner's property, in which

case such repair or reconstruction will be done at the expense of the person responsible for such abnormal use or damage.

5.5.2 Monitoring and Inspection

The General Manager or his/her authorized representative has the right to enter upon the Customer's premises at any reasonable time for the purpose of inspecting the Customer's wastewater system to insure compliance with these ***Rules and Regulations***, including the provision that self-regenerating water softeners shall not be connected to the District's wastewater facilities.

5.6 OFF-SITE WASTEWATER FACILITIES OPERATION AND MAINTENANCE

All of the District's wastewater system facilities including, but not limited to, sewers (trunks, mains and laterals), force mains, sewage pumping stations, manholes, connections, wastewater treatment facilities, and other appurtenances shall be owned, operated, maintained and controlled by the District. Please refer to Section 5.5.1 Responsibility for Operation and Maintenance of wastewater facilities. No person except authorized employees or representatives of the District shall have any right to enter upon, inspect, operate, adjust, change, alter, move, or relocate any portion of the District's facilities or property. In the event of such unauthorized occurrence, the District will enforce and collect all applicable charges and penalties. In addition, such unauthorized occurrence in violation of these ***Rules and Regulations*** or any and all applicable Federal, State and local statutes, ordinances, regulations, and other requirements will be subject to prosecution.

5.7 INDIVIDUAL SEWAGE DISPOSAL SYSTEMS

Unless specifically permitted by the Board, individual sewage disposal systems, including, but not limited to, septic tank systems, are prohibited.

5.8 USE OF DISTRICT WASTEWATER FACILITIES

5.8.1 General

These provisions shall apply to all discharges into any District wastewater facility. All discharges into the District's wastewater facilities shall conform to the requirements, conditions, and standards set forth in a pretreatment ordinance adopted by the District Board. The current pretreatment ordinance is available from the District and is posted on the District website.

Pursuant to the authority created by California Government Code Section 54739 and by other applicable provisions of law, these requirements are made herein for the regulation of wastewater use and wastewater discharges into the District's wastewater system in order to comply with Federal and State policies and requirements, to protect the District's facilities, and to permit the District to meet applicable standards of treated effluent quality. These ***Rules and Regulations*** and the District's ***Design Criteria and Standard Drawings for Water and Wastewater Facilities*** establish quantity and quality limitations on all wastewater discharges, which may adversely affect the District's wastewater facilities, treatment processes, or effluent quality. The District's pretreatment ordinance also prescribes waste pretreatment requirements, the

issuance of permits including those for wastewater discharge connections, and the establishment of penalties for violation of the pretreatment ordinance.

Since the District has established a policy regarding wastewater reclamation and reuse in order to provide an alternate source of water supply, the renovation of wastewater through secondary and tertiary wastewater treatment processes may necessitate more stringent quality requirements on wastewater discharges than those required by other regulatory agencies.

5.8.2 Wastewater Discharge Regulations

- a) The pH of wastes discharged shall at all times be within the range of 6.0 and 9.0. Wastewater discharges shall at no time contain any corrosive property capable of causing damage or hazard to structures, equipment or personnel of the District.
- b) Heat in discharged wastewater shall not cause the temperature of wastewater entering the headworks of any wastewater treatment plant to exceed 40 degrees Centigrade (85 degrees Fahrenheit).
- c) Radioactivity in the effluent shall not exceed the limits specified in Title 17, Chapter 5, Subchapter 5, Group 3, Article 5, Section 30287, of the California Administrative Code.
- d) The discharge of wastes to sewer manholes without the written permission of the District is prohibited.
- e) Discharge of the following wastes into the public wastewater system is prohibited:
 - i) Any solids or viscous substances of such size or in such size or in such quantity that may cause obstruction to the flow in the wastewater or to be detrimental to proper wastewater treatment plant operation.
 - ii) These objectionable substances may include, but are not necessarily limited to, asphalt, dead animals, offal, ashes, sand, mud, straw, industrial process shavings, metal, glass, rags, feathers, tar, plastics, wood, whole blood, bones, hair, coffee grounds, egg shells, seafood shells, flashing, entrails, paper dishes, paper cups, milk containers, or other similar paper products either whole or grounds.
 - iii) Any wastes with excessively high Biochemical Oxygen Demand (BOD), Chemical Oxygen Demand (COD), or decomposed organic contents.
 - iv) Any strongly odorous waste or waste which can create odors in receiving waters or at sewage collection or treatment facilities.
 - v) Any excessive amounts of organic phosphorous-type compounds.

- vi) Any waste containing substances that may precipitate, solidify or become viscous at temperatures between 50- and 100-degrees Fahrenheit.
- vii) Any waste producing excessive discoloration of wastewater or treatment plant effluent.
- viii) Any water added for purposes of diluting wastes which would otherwise exceed applicable maximum concentration limitations.
- ix) Any waste which may create a fire or explosion hazard in the wastewater collection or treatment system.
- x) Any waste prohibited by Federal standards from being discharged to the wastewater system.
- xi) Any other wastes, which may be specifically prohibited by SOCWA or the District.
- xii) Any brine waste from a regenerative water softener unit. Installation of such units in the District will not be allowed unless the Applicant demonstrates that the brine discharges into facilities other than the District sewers.

5.8.3 Septic Tank and Cesspool Wastes

Discharges of septic tank or cesspool wastes into the public wastewater or directly into the treatment plant facilities are prohibited.

5.8.4 Wastewater Temperature

No person shall discharge wastewater with a temperature higher than 140 degrees Fahrenheit (60 degrees Centigrade) into the District's wastewater facilities.

5.8.5 Point of Discharge

No person except authorized District personnel shall discharge any water or wastewater directly into a manhole or other opening in a wastewater facility including wet wells and sewer lines other than through an approved building sewer, without express permission from the District. Such permission will only be granted upon receipt by the District of a written application and payment of the applicable charges and fees by the Customer.

5.8.6 Monitoring

Management of a pollution control program requires a constant flow of information on the quantity and quality of discharges into the wastewater system. The monitoring of discharges serves three specific areas. These areas include compliance with these *Rules and Regulations*, completion of necessary discharge reports as required, and determination of user charges and fees. There are several modes of a monitoring program. Self-monitoring develops a data base and provides the necessary information for calculation of user charges. Self-monitoring is performed by the Customer. Scheduled monitoring is a systematic

sampling and inspection survey of all industrial contributors to the wastewater system in accordance with a predetermined schedule. Unscheduled Surveillance is a random spot check of users to ascertain permit compliance. Demand monitoring is conducted when some disruption of the system develops. The District will perform scheduled, unscheduled and demand monitoring to ensure compliance with the provisions of these *Rules and Regulations* and the *Design Criteria and Standard Drawings for Water and Wastewater Facilities*, and will review self-monitoring reports submitted by the Customer.

5.8.7 Monitoring Facilities

The District may require the Customer to construct at his/her own expense monitoring facilities to allow inspection, sampling and flow measurement of the wastewater or internal drainage systems. For additional guidelines see *Design Criteria and Standard Drawings for Water and Wastewater Facilities*.

6. BILLING PROCEDURES, REGULATIONS RATES AND CHARGES

6.1 ESTABLISHMENT OF RATES, CHARGES AND FEES

The District reserves the right to set water, recycled water and/or wastewater rates, as approved by the Board after compliance with Proposition 218 (Articles XIII C & D of the California Constitution and Government Code § 53750 et seq.) which was approved by California voters in 1996, amending the California Constitution to require voter approval for all new or increased water, recycled water and wastewater rates. Rates are adopted through a separate Board resolution and are excluded from these *Rules and Regulations*.

6.2 CHANGES IN SERVICE CHARGES

The District also may, in compliance with Section 53756 of the Government Code, adopt a schedule of fees or charges authorizing automatic adjustments to pass along increases in wholesale water and power charges and increased operating costs. Other charges and fees may be changed, with approval by the Board, and implementation after appropriate public notice.

6.3 BILLING PROCEDURES

6.3.1 General

All accounts are billed at monthly intervals. The District requires all residential customers to complete a Service Agreement – Residential application either verbally, via the telephone, the District website, or in person. Commercial and irrigation services require a Service Agreement – Non-Residential application to be completed and available on the District website. The Customer will be required to provide the following information per account:

- a) Name of applicant
- b) Date service is required
- c) Location of service
- d) Purpose for which service is to be used (i.e. residential or commercial)
- e) Customer's mailing address, email address, and telephone contact
- f) Commercial accounts will provide adequate personal/corporate identification
- g) Whether applicant is owner, tenant of, or agent for premises
- h) Such other information as the District may reasonably require

If after review of the above it is determined the Customer has been a previous Customer of the District and their credit history dictates, a deposit may be due and payable before service will be initiated. The above information may be supplied by the applicant either in writing, District website application, telephone or District emails. If it's deemed necessary, the Applicant's signature with proper identification may be required. The Customer of record will be responsible for all charges incurred by such service, regardless of circumstances until the District is given 24-hour notice to terminate service. Such application signifies

the Customer's willingness and intention to comply with all applicable District rules and regulations. All Customers must agree to abide by the District **Rules and Regulations**, which may be subject to change.

In compliance with the Fair and Accurate Credit Transaction Act of 2003, Section 114, as implemented by the Red Flag Rules, 16 C.F.R. & 681.2, the District adopted an identity theft prevention program resolution.⁵ The purpose of the program is to detect, prevent and mitigate identity theft in connection with all Customer accounts.

Customers who contact the District after hours to turn on service without an active application will be assessed an after-hours fee and will be required to complete an application as stated above and meet all requirements.

6.3.2 Initiation Fee

The District will charge an initiation fee for any service or services established at an individual service address.

- a) The initiation fee is assessed each time an account is opened, including a turn on of water service or a change of name which requires opening a new account.
- b) Twenty-four-hour notification is required for all service requests. The request shall be processed and scheduled based on geographical location. If a Customer desires to have his/her request scheduled at a specific time an additional charge will be assessed. If the request is made less than twenty-four hours prior a service fee may be assessed.

6.3.3 Billing Period

Billing Period is based on monthly meter reads, normally between 27 and 35 days apart. All invoices are due and payable upon mailing and shall become delinquent if not paid by the due date printed on the bill.

- a) If due to reasons beyond the District's control, the District is unable to read the Customer's meter on the scheduled reading date, the District may bill the Customer for estimated consumption during the bill period and make any necessary corrections once the actual read is obtained. Estimated consumption will be calculated based on the Customer's prior usage history and seasonal changes.
- b) Inability to pay is not considered a valid reason for non-payment.
- c) All bills are considered delivered after mailing via US Postal Service or internet email and the District is not responsible for non-receipt or non-delivery. Customers who are enrolled in online bill presentment are notified via email when their bill is ready to view. It is the Customer's

⁵ Refer to Resolution No. 2015-02-01 for Identity Theft Prevention Program.

responsibility to view their emails and provide an accurate email address. The District is not responsible for notifying the Customer of undeliverable/bounced emails.

- d) Any payment envelope received by the District without a payment enclosed or with an unsigned check, shall be considered as non-payment.
- e) District accepts payments in the form of cash, cashier's check, money order, personal check, business check, electronic check transactions, and credit card payments made via District's website or automated telephone information and voice response system.
- f) All returned checks shall be considered as non-payment. All online payments made through the District's online bill presentment program that are returned due to invalid bank account information shall be considered non-payment. Please refer to Section 6.5.4 for more detailed information regarding returned items.
- g) The District will first apply payments to the oldest debt due.
- h) No two-party checks are accepted.
- i) No post-dated checks are accepted.

6.3.4 Late Payment Charges

A charge equal to ten percent (10%) of current charges shall be levied against any account, which shall be included on a subsequent statement, if payment is not received by the District at the main office by 5:00 pm on the 25th day from the billing date. Accounts remaining unpaid 60 days from the delinquency date shall be subject to discontinuance of service. Please refer to Section 6.3.6 for Discontinuance of Service.

6.3.5 Delinquency Process

All invoice payments are due upon receipt. To be considered for disconnect delinquency processing, an account must have a minimum balance due of \$50.00. An account can be shutoff for delinquency on or after a minimum 60 days from the delinquency date. If payment is not received by the time the following bill is issued, the subsequent invoice will carry the Second Notice. The Second Notice will include the name and address of the customer; amount of the delinquency; the date by which payment or payment arrangements must be made to avoid discontinuation of service; the procedure for customers to initiate a complaint or file an appeal regarding a bill; the procedure for the customer to request a payment arrangement; the procedure for the customer to obtain information on financial assistance, if applicable; and the telephone number where the customer may request a payment arrangement or receive additional information from the District.

The District will make a reasonable, good faith effort to contact the customer of record or an adult person living with the customer by telephone at least seven (7) business days before discontinuation of service. The District will offer to provide a copy of its discontinuation of service policy in writing and provide information about options to avoid discontinuation of service, including how to request an alternative

payment arrangement. If the District is unable to make contact with the customer or an adult person living with the customer by telephone, the District will make a good faith effort to leave a **Final Disconnect Notice** and a copy of this Policy in a conspicuous place at the service address at least forty-eight (48) hours before discontinuation of service. The notice provides information regarding the total balance of the account, minimum amount due and the date payment must be made. Associated fees will apply. If an account is processed for delinquency shut-off, the District will impose and collect an administrative delinquency shut-off processing fee, a (physical) shut-off and reconnection fee and a refundable non-interest-bearing Payment Deposit. Please refer to Section 6.5.6 for Reconnection Fees and Section 6.5.7 for Payment Deposit information.

- a) A Customer's service may be discontinued for non-payment of a bill for service previously rendered to him/her provided such bill is not paid within forty-eight (48) hours after presentation of **Final Disconnect Notice**.
- b) Services may be discontinued for non-payment Monday through Friday, between the hours of 8:00 am and 5:00 pm, excluding legal and District holidays.
- c) If a residential Customer is unable to pay a bill during the normal payment period, the Customer may request an extension or payment plan. Customers are eligible for a Payment Plan once every twelve months. If the Customer submits his or her request within 13 days after mailing of the Second Notice, the request will be reviewed by a manager of the District. The District has discretion to determine whether an extension or payment plan will be granted and to set the terms and conditions of the extension or plan. District decisions regarding extensions and payment plans are final and are not subject to appeal to the District's Board of Directors. If a Customer fails to comply with an extension or payment plan approved under this section, the District may discontinue water service by posting a final notice of intent to disconnect service in a prominent and conspicuous location at the service address at least forty-eight (48) hours before discontinuation of service. The final notice will not entitle the customer to any investigation or review by the District. Customers who default on a Payment Plan will not be eligible to participate in the program for twelve months.
- d) The District will not discontinue residential water service for non-payment if the following three (3) conditions are met:
 - i. The Customer, or a tenant of the Customer, submits to the District the certification of a licensed primary care provider that termination of water service will be life threatening to or pose a serious threat to the health and safety of a resident of the premises;
 - ii. The Customer declares under penalty of perjury that his or her household's annual income is less than 200 percent of the federal poverty level, or provides documentation that a member of the household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children; and

- iii. The Customer is willing to agree to a District-approved extension or payment plan

For Customers who meet the above conditions, the District will offer the customer an extension or a plan to make partial payments on the past due amount over several months (up to six months; or twelve months with supervisors' approval). Late fees and delinquent notices are suspended for the duration of the extension or plan period. The Customer of record must sign the agreement accepting District terms and agree to pay subsequent bills on time and include the monthly portion of the payment plan installment. If a Customer who receives an extension or payment plan under this section fails to comply or fails to pay his or her current charges for water service for sixty (60) days or more, the District may discontinue water service. The District will post a final notice of intent to disconnect service in a prominent and conspicuous location at the service address at least five (5) business days before discontinuation of service. The final notice will not entitle the customer to any investigation or review by the District.

- e) Services that are included in a District-approved extension or payment plan will not be discontinued as long as Customer continues to comply with the approved terms and keeps subsequent charges in a current status.
- f) Customers whose water service has been discontinued for non-payment may contact the District by telephone or in person regarding restoration of service. Restoration shall be subject to payment of all past-due amounts, penalties, fees, and a Payment Deposit, if required by the District.
- g) For questions or assistance regarding water bills, or to request an extension or payment plan in order to avoid discontinuation of service, District Customer Service staff can be reached at (949) 459-6420.

6.3.6 Delinquency Notices for Tenant-Occupied Residential Properties

In addition to notices provided to the Customer, the District will notify the actual residential occupants living at the service address that the account is in arrears and the service will be terminated on the date specified in the notice. The notice will be provided as follows:

- a) If the District furnishes individually metered service to a single-family dwelling, multi-unit residential structure, mobile home park, or farm labor camp and the owner, manager, or operator is the Customer of record, or if the Customer of record's mailing address is not the same as the service address, the District will mail a notice to the service address at least ten (10) days before discontinuation of water service.
- b) If the District furnishes residential water service through a master meter, the District will make a good faith effort, at least ten (10) days prior to termination, to provide notice to the occupants. The District will provide notice by either: (i) mailing the notice to each residential unit; (ii) posting the notice on the door of each residential unit; (iii) if providing notice to each unit is impracticable or infeasible, posting two (2) copies of the notice in each accessible common area and at each point of access to the structure or structures; or (iv) making some other good faith,

reasonable effort to provide written notice to the occupants. The notice will be addressed to “Occupant” and will inform the residential occupants that they have the right to become customers of the District without being required to pay the amount due on the delinquent account.

The above notices will be addressed to “Occupant” and inform the residential occupants that they have the right to become customers of the District without being required to pay the amount due on the delinquent account. The District will make service available to the actual occupants if each occupant agrees to the terms and conditions of service and meets the requirements of the District’s rules and regulations. Notwithstanding, if one or more of the occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the District, or if there is a physical means, legally available to the District, of selectively discontinuing service to those occupants who have not met the requirements of the District’s rules and regulations, the District will make service available to the occupants who have met those requirements. To be eligible to become a customer without paying the amount due on the delinquent account, the occupant must verify that the delinquent account customer of record is or was the landlord, manager, or agent of the dwelling. Verification may include, but is not limited to, a lease or rental agreement, rent receipts, a government document indicating that the occupant is renting the property, or information disclosed pursuant to Section 1962 of the Civil Code, at the discretion of the District.

6.3.7 Discontinuance of Service

All Customers are liable for active accounts until after they notify the District to discontinue service(s). A minimum of 24-hour advance notice is required. If the Customer requires the termination on the same day (Monday thru Friday) the call or online notice is received, the Customer will be notified that there is a service fee. If Customer acknowledges and accepts the charge, termination request will be processed for the same day. All Customers are fully responsible for service(s) until they meet this requirement. All Customers are provided with a confirmation number at time of request for termination of service, which will assist the Customer as well as the District if there are any future questions as to final date of responsibility. Customers are so informed and are requested to retain this number in their records. Under normal circumstances, no Customer who fails to provide the District with a confirmation number shall be released from his/her obligation to the District. The initiation of service at a new location does not reduce liability at current location.

6.3.8 Past Due Accounts

The District may secure delinquent charges by filing liens on real property, as provided by law or by any other method available to the District. In the event that legal action is brought to collect unpaid charges, the District shall be entitled to the payment of all costs including attorney’s fees and accumulated interest. Defendant shall pay all related legal costs for claims rendered in the favor of the District.

6.3.9 Bill Dispute

Any Customer may dispute a bill in writing at any time before the bill becomes delinquent. The disputed bill must be paid in full and include the written statement of dispute prior to investigation. A timely complaint or request for investigation shall be reviewed by a manager of the District, who shall provide a

written determination to the customer. The review will include consideration of whether the customer may receive an extension or payment plan. If the disputed charges are determined to be incorrect by the District, the adjustment amount shall be credited to the Customer's account or refunded. If a Customer is not satisfied with the District's written determination, they have ten (10) days from date of determination to appeal the disputed bill to the Board of Directors. All appeals shall be submitted in writing to the Secretary to the Board of Directors. The matter will be assigned to staff for study, review and recommendation. Upon receiving the notice of appeal, the Secretary to the Board of Directors will set the matter to be heard at an upcoming Board meeting and mail the customer written notice of the time and place of the meeting at least seven (7) days before the meeting. The Board's decision is final. The District will not discontinue residential water service for non-payment while a timely dispute or appeal is pending.

If before completion of the appeal process additional bills become due the Customer is required to send his/her remittance for the entire amount of the subsequent bills. Failure to do so may cause discontinuation of service due to non-payment and all fees associated are due and payable.

6.3.10 Specific Programs for Low-Income Customers.

For residential customers who demonstrate a household income below 200 percent of the federal poverty line, the District will:

- a) Limit reconnection fees during normal operating hours to fifty dollars (\$50), and during non-operational hours to one hundred fifty dollars (\$150). The limits will only apply if the District's reconnection fees actually exceed these amounts. These limits are subject to an annual adjustment for changes in the Bureau of Labor Statistics' Consumer Price Index for All Urban Consumers (CPI-U) beginning January 1, 2021.
- b) Waive interest charges on delinquent bills once every 12 months. The District will apply the waiver to any interest charges that are unpaid at the time of the customer's request.

The District will deem a residential customer to have a household income below 200 percent of the federal poverty line if: (a) any member of the household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or (b) the customer declares under penalty of perjury that the household's annual income is less than 200 percent of the federal poverty level.

6.4 BILLING REGULATIONS

6.4.1 Water Conservation

All Customers shall endeavor to conserve water and not knowingly permit leaks or other wastes of water. Where water is wastefully or negligently used on a Customer's premises, the District has the authority to discontinue service, after giving Customer notice where possible. The District has an adopted Water Conservation Ordinance that is applicable to all Customers and provides specific details for prohibited actions.

6.4.2 Domestic Water Conditions

In no way shall the District be liable for any damage caused by water running from any open or faulty lines, fixtures or water related appliances while the District is in the process of initiating or reconnecting service. The District's responsibility ends at the meter. The District shall not be liable for any damage resulting from defective plumbing or broken or faulty waterlines.

6.4.3 Pressure Conditions

The Customer shall be responsible for the purchase, installation, maintenance and operation of the pressure regulator assembly, if and as required by County of Orange Plumbing Code. As of this date, a pressure regulator assembly is required on any service where the water line pressure to the meter is 80 pounds per square inch (PSI) or greater. Customer requested pressure checks by District staff will be billed based on the approved fee schedule at the time of the occurrence.

6.4.4 Unauthorized Use of Services Without Application

wastewater services without having made an accepted application for service shall be held liable for all water, recycled water and/or wastewater services delivered as verified by meter readings, for any damages to District property, including locks and angle stops and for any associated charges. A non-interest-bearing Payment Deposit equal to twice the single largest outstanding balance at this residence or \$100.00, whichever is greater, may be required at this time.

6.4.5 Fraud or Abuse

Service may be discontinued, cost of repair and penalties imposed, if necessary, to protect the District against fraud or abuse. Fraud is the act of any person to commit, authorize, solicit, aid or attempt any of the following acts:

- a) Divert, or cause to be diverted, water or wastewater service by any means.
- b) Make or cause to be made any connection or reconnection to the District's water system without the authorized consent of the District. As used in this section "water system" means all property owned by the District for the transmission, collection, storage or treatment of water or wastewater.
- c) To tamper with or otherwise cause to interfere with the accurate measurement of water use.
- d) To tamper with any property owned or used by the District to provide water or wastewater service.
- e) Use or receive benefit of water or wastewater service from the District's system with knowledge or reason to believe that the use or receipt of such service is unauthorized.

A violation exists if any of the above-mentioned conditions occurs on premises owned or controlled by the Customer or person using or receiving the direct benefit of District water or wastewater service.

6.4.6 Service to Tenant-Occupied Premises

When an application for service is submitted by a tenant to property that is leased, the tenant has the primary responsibility for all water, recycled water and wastewater charges.

6.4.7 Access to Facilities

District personnel shall have the right to all facilities for any purpose related to water, recycled water and wastewater service. The District will provide employees with appropriate identification to be shown to the Customer upon request. The Customer is responsible to provide safe conditions to District employees during ingress and egress.

6.4.8 Meter Obstruction

If a meter is obstructed by the Customer's landscape or other objects so as to preclude reading, the District shall give the Customer of record 25 days to correct the situation. If the Customer fails to correct the condition to the District's satisfaction within this time frame or if the meter is obstructed during the course of District maintenance, repairs or shut-off, District personnel may remove the obstruction and back charge the Customer for the time, materials and equipment involved. Failure to pay may result in delinquency action.

6.4.9 Billing Errors

If a billing error occurs in which the District is found to be at fault, the account will be adjusted accordingly up to a maximum two-year period, from the date of discovery. If an error occurs in which the District is not at fault, the account will be adjusted accordingly up to a maximum two-year period, from date of discovery. At no time shall the adjustment period, regardless of culpability, be greater than two years. Please refer to Section 4.4 for errors specific to meter malfunctions.

6.5 BILLING CHARGES

6.5.1 Collection Fees

If an account is submitted to a collection agency due to non-payment, the Customer is liable for all costs incurred by the agency in its collection efforts.

6.5.2 Illegal Tampering Fee

If a situation occurs which is covered under Section 6.4.5 Fraud or Abuse, a tampering fee will be assessed, per incident. In addition, all costs involved with the correction of the condition, including time, materials and equipment will also be back charged. Upon approval by the Board, the District may bring a civil action pursuant to Section 1882.1 of the California Civil Code to recover up to three times the actual damages suffered by the District, plus the cost of the suit and reasonable attorney's fees.

6.5.3 Meter Test - Deposit

Any Customer may request to have their meter tested for accuracy but must first pay a deposit equal to the charge for testing the meter plus District removal and reinstallation costs. Please refer to Section 4.4 for further detailed information.

6.5.4 Returned Item Fee

The Customer shall be assessed a returned item fee for all returned payments. The District reserves the right to sue for three times the face value of the returned item or \$100.00, whichever is greater, in addition to court costs, attorney's fees and service costs as authorized under Section 1719, Chapter 522, California Civil Code 1983. All returned payments are viewed as non-payment and are subject to delinquency action if the Customer fails to replace said item with cash or credit card payment equal to the face value of the returned item plus the returned item fee within ten working days. All accounts shall become cash only after the submittal of a second returned item within a floating 12-month period. Additional fees may be assessed for multiple returned items. This account will retain the cash only status for one full year. Acceptable forms of payment for a Customer identified as cash only are cash, cashier's check, and money order.

6.5.5 Final Disconnect Notice Fee

All accounts subject to a Final Disconnect Notice will be assessed a fee per notice.

6.5.6 Administrative Processing Fee for Discontinuation of Service.

The Administrative Processing Fee includes the costs of tracking, screening and processing of delinquent accounts in the shut-off stage as well as updating the account files in the utility billing system. This fee is imposed the evening prior to the day of shut-off.

6.5.7 Reconnection Fee

This fee includes two field visits; the first to shut and lock-off the meter and the second field visit to restore service. This fee is imposed if the Customer has not paid by 8am on the day of the scheduled shut-off.

Damage or removal of any locks will incur a lock fee.

If the District finds the lock has been cut and the water service turned on without approval, the meter will be pulled, and the line plugged. An additional reconnection fee will be assessed.

All payments to restore service must be in the form of cash, money order, traveler's check, certified bank check, credit card via **E.BILL** payment processing or any combination thereof. No third party, personal checks or electronic ACH transactions are accepted.

If a Customer applies for service at a location that has been shut-off for non-payment, he/she must provide appropriate documentation providing proof the Customer is either a new owner or new tenant. Documentation will be at the discretion of the Supervisor/Manager.

6.5.8 Payment Deposit

An account may be required to provide a Payment Deposit under any of the following conditions:

- a) The current customer account (active or inactive) has been processed for delinquency shut off.
- b) Customer applying for service has had poor/delinquent payment history.
- c) Unauthorized Use of Service, as defined in Section 6.4.4.
- d) Fraud or abuse, as defined in Section 6.4.5.
- e) Illegal tampering, as defined in Section 6.5.2.

A residential Payment Deposit shall be a maximum of three times the average monthly billing. Residential accounts can be assessed deposits in \$100.00 increments; however, the District reserves the right to request the full deposit due. All other Customer rate class categories shall be reviewed and assessed a Payment Deposit on an individual basis. No interest shall be paid on any deposit. A deposit will be returned to the customer of record after twelve consecutive months of good payment history, i.e. no delinquent bills or shut off's for non-payment. Deposits cannot be applied toward any subsequent delinquent bill but will be held and applied toward the final bill upon termination of service.

6.5.9 Backflow Device Testing and Repair Fee

The owners of any premises on which, or on account of which backflow devices are installed, shall have the devices tested by a certified tester. The device must be tested at least annually and immediately after installation, relocation or repair.

In lieu of water service termination, the District may hire a contractor to test/repair the device and charge the owner a fee to cover the service. All testing and repair of backflow devices shall be in accordance with the District's *Design Criteria and Standard Drawings for Water and Wastewater Facilities* and its Appendix 8 "An ordinance instituting a cross-connection program to protect the public water system."

6.6 CONSTRUCTION METER DEPOSITS

Deposits for temporary meters are required, plus a non-refundable meter installation charge. This non-interest-bearing deposit is refundable only after the account is finalized and the meter is returned and accepted by the District in good working condition. If damaged or missing, the deposit will be applied towards the repairs or to the purchase of a replacement meter. The balance, if any, will be refunded to the Customer. Only when the account is closed will the deposit be applied to any outstanding balance and the difference will be refunded. It is the Applicant for Service (Customer of Record), and/or their authorized agent, who are fully liable for all consumption registered on the meter after the initial read, regardless of who received benefit. The Applicant for Service may choose either to have the District lock the meter to a permanent

location, or to keep the meter within their possession and control, making the meter available to the District, once a month by the tenth of each month, for reading and billing purposes. In either case the Applicant for Service, and/or their authorized agent, is fully liable for the meter, its proper working condition and all consumption recorded.

6.7 NEW RESIDENTIAL DEVELOPMENT

New tract housing units shall be deemed “active” and subject to billing after the meter is installed at the service address. The developer/builder shall be charged a water base charge in accordance with the appropriate rate and meter size, a water commodity charge based on actual usage and a power surcharge if applicable. There shall be no wastewater charges associated with this type of account until the residence is purchased.

6.8 HOA IRRIGATION

After hour service calls due to HOA irrigation issues will be billed to the HOA based on the approved fee schedule at the time of the occurrence.

6.9 REPORT WRITING FEES

Request for reports, not related to conservation issues will be billed based on the approved fee schedule at the time of the occurrence.

6.10 RESALE OF WATER

A Customer shall not resell water to another person at any charge higher than his/her pro rata share of the total charges as rendered by the utility. This paragraph shall not apply to a flat rate charge as a portion of the rental of the premises or space occupied.

6.11 WATER BUDGET VARIANCE PROCEDURES

6.11.1 General

The District adopted budget-based water allocation rates pursuant to Water Code section 370 et seq. and California Constitution article XIII D, section 6 in March 2015. The new rate structure for Single-Family Residential and Irrigation accounts starts in January 1, 2016. The rate structure is based on an indoor and outdoor allocation of water. The indoor allocation is calculated on the basis of for factors: (1) the number of persons in a residence (by default, this number is assumed to be 4 persons); (2) standard consumption of 55 gallons of water per person per day; (3) the number of dwelling units served by the water meter; and (4) the number of days in the billing cycle. The outdoor allocation is calculated using three factors: (1) the size of the irrigable landscape area per parcel or lot size; (2) actual daily plant water loss to the atmosphere over a given period of time (“evapotranspiration”); and (3) a plant factor that reflects the water needs of specific types of plants and irrigation efficiencies established pursuant to guidelines provided by State law (default is currently 80% of allotted water).

The proposed outdoor budgets will be based on an allotted irrigable landscape area by lot size for Single-Family Residential customers. Until the specific parcel data is available, the allotted irrigable areas for Single-Family Residential customers will be determined by the total lot size or an appropriate allotted irrigable landscape area.

Irrigation customers will have individualized allotted irrigable areas beginning January 1, 2016, based on data retrieved from the County of Orange and Santa Margarita Water District records.

Within the budget-based utility billing systems, there are two general types of requests from customers:

1. Identification of a discrepancy in the database such as incorrect acreage or landscape type; and
2. Request for consideration of special circumstances such as medical condition, number of residents, large animals and special landscape or pool requirements.

The water budget variance process allows customers to request a change in their indoor water budget and/or outdoor water budget allocation greater than the standard amount subject to the Tier 1 (indoor) and/or Tier 2 (outdoor) rates for water service fees due to specific circumstances or conditions.

6.11.2 Discrepancy in the Acreage or Landscape Material

A Customer can request a review and verification of the District database for the number of irrigable landscape acreage and specific types of plants. The District will respond with a review of any information that is provided from the Customer, including landscape plans, site plans, geographic information, and may perform a site visit for measurements to ensure the accuracy of the data.

The District may update its database with the information provided. The District reserves the right to make the final determination on irrigable landscape area, lot size, and landscape material. The District further retains the right to grant any variance on a temporary or limited basis.

6.11.3 Approval Process for Variances in Water Allocation Budgets

It is the sole responsibility of the Customer to contact the District to request a water budget variance and any approved variance may be subject to periodic or annual review at the discretion of the District. The water variances will not be applied retroactively and any change to an allocation will be adjusted on the following customer's bill after approval by the District. The following procedure is required to be completed by the Customer:

1. Customer contacts the District Customer Service Department and requests a variance request form for completion by the Customer.
2. A District Customer Service representative will review the variance request form and the required documentation noted in Section 6.11.4

3. The Customer will be notified by the District if the variance is granted. If the variance is not granted, the District will provide a summary of the defect in the application or the reason for the denial of the variance. A Customer may resubmit a variance request form to correct any defect.
4. An accepted variance shall be applicable to any water services provided to the customer for the next complete billing cycle after the date of the grant of the variance.
5. The Customer Service Department will periodically review accounts with approved variances to determine if it is still applicable based on the amount of water being used. If water use patterns for the parcel have changed, the Customer will be requested to renew the request as applicable.
6. Approval of case-by-case variances will require the Customer Service Manager or the Chief Financial Officer to approve based on the circumstances.

6.11.4 Variance Request Options

The following sections defines the types of variances that the District will consider, and the documentation required for approval of the variance.

a) Number of Household Occupants

The District assumes four (4) residents per household for indoor water use. Additional documented residents will be provided an allocation of an additional 55 gallons per day per person. Customers shall complete the form identifying by name the additional residents above four and may be required to provide substantial documentation including Birth Certificate, Driver's licenses, lease documents and/or school records. The final documentation required will be at the sole determination of the District.

b) Licensed Day Care or Adult Care Facility - Less than 24 Hour Care

The District will provide an additional 20 gallons per day per person up to the maximum allowed per the Business License or County License issued for the facility. The Customer shall complete the form identifying the number of qualifying persons and shall provide a copy of applicable licenses or permits for the business.

c) Licensed Day Care or Adult Care Facility 24 Hour Care

The District will provide an additional 55 gallons per day per person up to the maximum allowed per the Business License or County License issued for the facility. Customer will complete the form identifying the number of qualifying individuals and will provide a copy of applicable licenses or permits for the business.

d) Medical Requirement

The District will provide an additional allocation based on the identified customer requirements on a case-by-case basis. Customer will complete the form identifying the quantity of water required on a monthly basis and a signed letter from a licensed physician providing adequate detail to determine the requirement.

e) Indoor Domestic Animals Weighing more than 100 Pounds

The District will provide an additional one-half gallons per day per animal up to the maximum number of animals allowed per applicable municipal code. Customer will complete the form identifying the number of qualifying animals and will provide a copy of veterinarian records for each identified animal.

f) Outdoor Domestic Animals Livestock Weighing more than 100 Pounds

The District will provide an additional 15 gallons per day per animal up to the maximum number of animals allowed per applicable municipal code. Customer will complete the form identifying the number of qualifying animals and will provide a copy veterinarian records for each identified animal.

g) Variance Request Applications

Any Customer submitting a variance request shall acknowledge and agree that if a variance is granted, the District has the right to enter onto and inspect the interior and exterior of the Customer's property to verify that the conditions or circumstances for which the variance has been requested or was granted are true and correct. The Customer shall further acknowledge and agree that he or she understands that he or she may be liable for back charges if he or she provides false or misleading information to the District. Knowingly providing false or misleading information for purposes of receiving a variance may be subject to civil and criminal penalties. The Customer shall further acknowledge and agree to notify the District within 30 days if any of the conditions or circumstances for which the variance was requested or granted have changed.

7. ENFORCEMENT AND PENALTIES

7.1 GENERAL

Any person, firm, association or agency found to be in violation of any provision of these ***Rules and Regulations*** or the terms and conditions of the Service Agreement, or any and all applicable Federal, State or local statutes, regulations, ordinances or other requirements, will be served by the District with a written notice stating the nature of the violation(s) and providing the offender with a reasonable time limit for satisfactory correction thereof. The District reserves the right to determine and establish the “reasonable” time limit. The Customer shall, within the period of time stated in such notice, permanently cease and/or correct all violations. This provision is in addition to and not by way of derogation of any other remedies or procedures available to the District by law, regulation or pursuant to any of the other provisions of these ***Rules and Regulations***.

Pursuant to Section 35424 of the Water Code of the State of California, any violation of these ***Rules and Regulations*** is a misdemeanor and violators shall, upon conviction thereof, be subject to the penalties prescribed by law.

Failure by the Customer to permanently cease violations within the period of time stated in such notice shall result in revocation of the Service Agreement and termination of water and/or wastewater service by the District. Violations regarding one type of District service may result, at the sole discretion of the Board or General Manager, in the termination of all or any combination of water, recycled water and wastewater service as prescribed in these ***Rules and Regulations***.

7.2 INTERIM REVOCATION

In cases where the serious nature of the violations described in Section 7.1 requires immediate action, the District may, at the sole discretion of the Board or General Manager, immediately revoke the Customer’s Service Agreement on an interim basis and thereupon cease water, recycled water and wastewater service. This is subject to a timely decision and possible permanent revocation of the Service Agreement pursuant to the provisions of Section 7.3 of these ***Rules and Regulations***. In cases of wastewater service termination, there shall be no discharge of any type by the Customer into the District’s wastewater facilities.

7.3 PERMANENT REVOCATION

Permanent revocation of a Customer’s Service Agreement and termination of service(s) by the District will occur only subsequent to a public hearing held in the manner hereinafter provided. The Customer will be given written notice by the District ten (10) days prior to a hearing on the possible permanent revocation of any Service Agreement. The notice will specify the basis of the proposed revocation of the Service Agreement in reasonable detail. Although not required, the notice may describe suggestive corrective action acceptable to the District. Notice may be given either by delivery or by being deposited in the United States mail, postage prepaid and addressed to the Customer at the address as reflected in the records of the District or as reflected in the last equalized assessment roll of the County of Orange as defined in the Revenue and Taxation Code of the State of California. Any such action by the District to permanently revoke the service

agreement shall be effective ten (10) days after the date of the Board's decision, and notice shall thereof be given by the district to the Customer either by delivery or by being deposited in the United states mail, postage prepaid and addressed to the Customer in the manner herein specified.

As an alternative, to such permanent revocation, the District may establish, at its discretion, a surcharge on the continuation of water, recycled water and wastewater service until such time as the Customer has complied with all of the herein above-described requirements.

Such surcharge shall be paid by the Customer at the time and in the manner and amount as specified by the District. Failure to comply with this provision shall automatically result in permanent revocation of the Service Agreement and immediate termination of service by the District.

Any request by a Customer to re-establish service subsequent to the revocation shall be in the manner and in accordance with the terms and conditions prescribed for initially obtaining service from the District. In addition, re-establishment of service may require the Customer to pay a Payment Deposit as prescribed in Section 6.5.7. The Customer shall also be required to pay a special service charge to the District to return his/her water meter to service. However, the District may, at its discretion, also require that an agreement and financial security conditioned upon compliance with the District's ***Rules and Regulations*** be provided in an amount, manner and time period as determined by the District.

The foregoing provisions of these ***Rules and Regulations*** are a requirement of any Service Agreement, and any application for service shall be subject to such provisions. The Board may, at its discretion, modify or waive any of the foregoing provisions.

8. SEVERABILITY

If any section, subsection, clause, or phrase of these *Rules and Regulations* is for any reason held to be invalid or unconstitutional, such decision shall not affect the remaining portions of these *Rules and Regulations*. The Board of the Santa Margarita Water District declares that it would have passed said *Rules and Regulations* by section, subsection, sentence, clause or phrase thereof.

EXHIBIT "A"

