

**AMENDED AND RESTATED
RULES AND REGULATIONS GOVERNING
THE USE AND DISTRIBUTION
OF WATER IN THE
SAN LUIS WATER DISTRICT
AND RATES AND TOLLS
AND CHARGES
FOR THE USE THEREOF**

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ARTICLE I

These rules and regulations are adopted pursuant to Section 35423 of the Water Code of the State of California to effect orderly, efficient and equitable distribution and use of water. All rules and regulations heretofore adopted are hereby repealed and superseded by these rules and regulations.

It is not the intent in formulating rules and regulations governing the distribution and use of water to arbitrarily impose unreasonable restrictions on water users. One purpose of the rules and regulations is to permit the water to be handled in an orderly way so that water users can be served with some regularity and receive equal treatment in that regard. No rules and regulations can be enforced without the cooperation of the water users. We therefore request your cooperation in this, to the end that water users may receive equal treatment in the matter of water service. The benefits the landowners and water users derive from the District will be measured by the extent to which they cooperate to make it a success. It is the express intent of the District to apply these rules and regulations uniformly throughout the District.

Rule No. 1 - Control of Works

The maintenance and operation of irrigation and domestic water supply, conveyance, distribution, treatment and works of the District or any Improvement District within the District shall be under the exclusive management and control of the General Manager appointed by the Board of Directors. No other person except District employees designated by him for the purpose shall have any right to interfere with said canals and works in any manner, except in the case of an order from the Board of Directors.

Rule No. 2 - Installation of Gates

No gate, takeout, siphon or other structures or device shall be installed or placed in any canal, ditch or conduit belonging to the District except in the pursuance of plans adopting or orders made by the Board of Directors, nor shall any person divert or take water from any canal, ditch or conduit belonging to the District or under its control, or make any opening therein, or change, molest, disturb or interfere with any gate, takeout or other structure or device in any such canal, ditch or conduit without permission of the System Operator in charge thereof or the General Manager.

Rule No. 3 - Use of Facilities

Water users shall not permit their livestock to feed or trespass upon the rights-of-way of the District owned canals or ditches, except with specific permission of the General Manager. In cases where it is necessary to cross the rights-of-ways, permission to use the rights-of-way for that purpose must be obtained from the General Manager in advance. Any damage done to canal or ditch banks by water users in using them for a roadway, whether moving livestock, farming equipment for other vehicles, shall be the responsibility of those making such use of the property. If it is found necessary for the District to repair such damage, those responsible therefore shall pay all costs of such repairs.

Rule No. 4 - Private Ditches and Pipelines

All private ditches and pipelines shall be maintained and kept clean by the users thereof at no cost to the District and shall be of sufficient size to carry the irrigation head ordered. In case any ditch or pipeline is found not to be in accordance with this rule, the water shall not be turned into it until this rule is complied with.

Where private ditches or pipelines must be constructed or enlarged to carry water from existing District canals to land to be served, the landowner or user requesting water must provide the right-of-way and construct or enlarge at no cost to the District a service ditch or pipeline from said land to a District canal designated by the General Manager.

Landowners shall construct and maintain adequate drainage facilities so that adjacent or lower lying lands will not be damaged and no irrigator shall be delivered, in the opinion of the General Manager, a greater amount of water than can economically and beneficially be used without waste and with due regard to the needs of other irrigators.

No landowner shall construct or permit the use of any private facility which provides District water for domestic uses, including without limitation drinking or cooking, without the express prior written consent of the District and compliance with all applicable laws. If the District learns that a landowner has constructed or permitted the use of a private facility which provides District water for domestic uses, the District may immediately terminate any or all water service to such landowner.

The District shall have control of all diversion gates and weirs in private ditches and pipelines to such an extent as may be necessary to enforce the delivery or non-delivery of water in accordance with these rules and regulations, but the District shall not thereby assume or incur any liability for the maintenance or repair of such gates and weirs. Only District employees or persons delegated by them shall have authority to open such diversion gates and they shall have full authority to close such gates as soon as the proper amount of water for each irrigation has been discharged. The District is empowered to place its own locks on such gates, if, in the opinion of the General Manager, it is advisable to do so. If such gates are equipped with locks, the General Manager shall be provided with a key to such locks and, if he is not, then the District may take such action as necessary with regard to the lock in order to make or prevent the delivery.

Rule No. 5 - Distribution of Water and Connections

In accordance with the water supply contract with the United States, irrigation water can only be delivered to lands subject to a recordable contract or lands that are otherwise eligible to receive irrigation water in accordance with the District's Water Repayment Contract. Irrigation water will not be allocated to ineligible land. Agricultural connection to the District's infrastructure will be considered upon request by a landowner and subject to Board approval. Connection to the District's raw untreated irrigation infrastructure for domestic/M&I use is prohibited, except for the condition allowed under Article II, 2.A.1.

Rule No. 6 - Water Allocations

Under the terms and provisions of the Water Repayment Contract No. 14-06-200-7773A-IR1-P between the District and the United States, effective January 1, 2021, the District has an entitlement for an annual supply of 125,080 acre-feet of Central Valley Project water. This supply is dependent upon the delivery of such water by the Bureau of Reclamation to the District and is subject to shortages imposed by the Bureau of Reclamation.

The Bureau of Reclamation will notify the District each year concerning the total amount of the District's contractual firm supply is available. The Bureau of Reclamation may specify a quantity for agricultural use and a quantity for M&I use.

The Board of Directors shall determine on an annual basis the quantity of water to be set aside from the Bureau of Reclamation allocation for distribution system losses. The water set aside shall be maintained in a separate account under the District's name. Improvement Districts shall purchase water from this account for losses incurred by their distribution systems. In the event system losses exceed the quantity of water set aside, the set aside water shall be apportioned among Improvement Districts on a pro-rata basis based on distribution system losses. Each Improvement District will be responsible for purchasing other water to make up any difference between actual losses and their portion of the water set aside by the Board of Directors.

The District will allocate the remaining Bureau of Reclamation allocation to eligible parcels on a pro-rata acreage basis. The allocation may be divided into specific quantities of agricultural and M&I water and eligible parcels may be designated to receive either agricultural or M&I allocation. A parcel is eligible if it is subject to the District's Standby Charge, if the Water Deposit Billing has been paid, and if the landowner has filed a Water Application with the District. The Board of Directors shall annually approve the Water Application form and the District will mail such form with the Water Deposit Billing. The Board of Directors shall also annually fix the charge per acre for the Water Deposit Billing. If necessary, the Board of Directors shall specify the quantities of agricultural and M&I water and establish the criteria for designating eligible parcels as either agricultural or M&I.

Once allocated, water shall remain with the landowner (as shown on the last equalized assessment roll or a subsequent purchaser whom the District reasonably believes to be the current owner of the land) at the time the allocation is made, or the recipient of a transfer from such landowner made pursuant to Rule 7, signed by such landowner and received by the District. In the event that a lease is terminated or ownership changes hands during a water year but after the allocation has been made, the new tenant or the person claiming to be the new owner shall have no claim to water previously allocated to such property for that water year unless a transfer has been completed pursuant to Rule 7, signed by the landowner at the time of the allocation and received by the District.

When through lack of water, lack of canal capacity or for any other reason it is not possible for the District to deliver all or any portion of the full supply of water allocated pursuant to the procedures set forth in this Rule No. 6, such supply as can be delivered will be equitably prorated until such time as a delivery of a full supply can be made.

Rule No. 7 – Water Transfers and Relinquishment of Entitlement

All proposed water transfers and implementation of all water transfers must be approved and managed by the District. The District must be a contracting party to all water transfers unless the District determines that it does not need to be a party to the water transfer, or the water transfer is subject to an exception to this requirement. Other than water transfers to which the District, itself is a party, no water may be transferred into, within or out of this District except as set forth in this Rule. For the purposes of interpreting this Rule, all water is either Agricultural Allocated, Individually Acquired or Supplemental Water and all water transfers are either Annual or Multi-year Transfers. The transfer of Allocated M&I water within or outside the District is prohibited. The transfer of Agricultural Allocated Water for M&I use outside the District is prohibited.

A. Definitions:

The following definitions shall apply to this Rule:

- 1. Annual Transfer:** An Annual Transfer is for the period of one water year or less.
- 2. Multi-year Transfer:** A Multi-year Transfer is for a period of more than one water year but not more than five years.
- 3. Agricultural Allocated Water:** Agricultural Water allocated by the District as a result of the District's water supply contract with the Bureau of Reclamation.
- 4. Individually Acquired Water:** Water directly attributable to a specific water user acquired from some source outside of the District. Water transferred to the District for a particular water user or water which is pumped into the Delta-

Mendota Canal or the San Luis Canal for the credit of an individual water user are non-exclusive examples of Individually Acquired Water.

5. **Supplemental Water:** Water acquired by the District and made available to water users within the District.

B. Collection of Charges on Transferred Water:

Water transferred into the District will not be added to a water user's account until all costs associated with that water owed to the District, exclusive of the Water Delivery Charges, are paid in full. Neither Allocated, Individually Acquired, nor Supplemental Water may be transferred either within or out of the District so long as any charges attributable to the water are delinquent. Charges on water transferred within or outside the District will be established annually as part of the District's budgeting process and may be modified during the course of the water year by Board action.

C. Consent Required For and Prohibited Transfers:

Any water transfer requires the approval of at least the General Manager as provided for hereunder. All other water transfers require the approval of the Board of Directors. Consecutive Annual Transfers or Multi-Year Transfers may be prohibited at any time.

1. **Supplemental Water:** Transfer of Supplemental Water is allowed within and outside the District as an Annual Transfer as long as the water user has complied with the following requirements: (i) completed all necessary environmental permitting and regulatory approvals for transfer; and (ii) obtained the written consent of the General Manager ensuring that the transfer does not conflict with the District's management of its Supplemental Water.
2. **Annual Transfers:** All annual transfers of Allocated Water or Individually Acquired Water, into, within or out of the District require the General Manager's consent, subject to Board reversal. An annual transfer of Allocated Agricultural Water outside the District is allowed if it is transferred for use on land owned by the same landowner making the transfer to another federal CVP district and shall only be used for agricultural purposes. An annual transfer of Allocated M&I water within or outside the District is prohibited.
3. **Multi-year Transfers:** The only Multi-year Transfer allowed is for Allocated Water transferred to the District.

D. Relinquishment Of Water Allocation To The District:

A water allocation may be permanently relinquished (i) to the District, or to one or more parcels owned by the District, for the purpose of relieving the transferring parcel of the obligation of the District's standby charge or (ii) to the District for the purpose of conveying the sole management and control over such allocation to the District on terms and conditions approved by the Board at the time of such relinquishment.

1. A relinquishment that the Board determines at the time it accepts the conveyance is for the purpose of relieving the obligation of the District's standby charge shall relieve the land of the transferor of any obligation to pay standby charges to the

District, but not of any obligation to pay fees or charges imposed by an Improvement District, including but not limited to Improvement District standby charges, if any. The Board of Directors of the District will consider accepting the relinquishment of such a water allocation if and only if adequate provisions are made by the conveying owner for the payment or other satisfaction of all charges associated with the water, (other than standby charges payable to the District,) including but not limited to Improvement District charges, if any.

2. The Board of the District may, in its sole discretion, consider accepting a relinquishment of a water allocation for the purpose of conveying management and control over the water allocation upon application from a landowner. Any such water allocation managed by the District shall be administered by the District separate and apart from any other water allocations pursuant to the District's applicable policy and in accordance with the applicable agreement between the District and the transferring landowner, which agreement shall include such terms and conditions as the Board in its sole discretion determines to be appropriate at the time of the conveyance. The District is not prohibited from selling water derived from the conveyed allocation to purchasers inside or outside of the District at rates determined by the Board in its sole discretion.

Rule No. 8 - Description of Charges and Billing Procedures

Charges will be classified as either, Water Allocation Charges, Water Delivery Charges, or Standby And Assessment Charges.

- A. A Water Allocation Deposit Billing will be sent to landowners specifying eligible parcels subject to the District's Standby Charge, the deposit price per acre for each parcel, and the date by which payment must be made. Failure to make payment by the specified date will result in the loss of a water allocation for that year but will not affect future years' allocations.

The Water Allocation Billing(s) will be sent to landowners who have submitted a valid Water Application, paid their Water Allocation Deposit, and met all other legal requirements the District's Board has imposed for this purpose, in a timely manner. The Water Allocation Billing shall identify the parcels subject to the District's Standby Charge, the quantity of water allocated to each parcel, the per acre-foot water rate applicable to each parcel, and a subtotal of the cost per parcel less any offsetting applicable credit including the Water Allocation Deposit previously paid. The resulting balance due must be paid by the due date indicated on the Allocation Billing; otherwise, water service to the delinquent parcel(s) will be suspended until full payment of the outstanding balance, including a 5% penalty on the outstanding amount, is received. Additionally any unpaid balance will accrue interest at a rate of 1.5% per month.

The Board of Directors shall, at least annually, establish the amount of the Water Allocation Deposit and the Water Allocation Charge. In determining these amounts, the Board shall consider the schedule of rates established by the Bureau of Reclamation for both the Delta-Mendota Canal and the San Luis Canal.

- B. Water Delivery Charges are charges which become due when the water is transferred to another district or is otherwise delivered. They will be billed on a monthly basis to a water user, beginning as soon as possible after the end of the month in which the delivery is made. If they are not paid they become delinquent on the 10th of the month following

billing. Interest on the unpaid balance will accrue at a rate of 1.5% per month beginning the tenth of the month following billing. Water service will be suspended for any water user that has delinquent Water Delivery Charges.

The Board of Directors shall annually establish Water Delivery Charges.

Water users that have filed bankruptcy with the District will be required to pay Water Delivery Charges prior to the delivery of water.

All unpaid Water Delivery Charges are a lien on the land upon which the water was used. Amounts which are unpaid prior to the completion of the next assessment roll, together with the penalty and/or interest, as applicable, will be added to and become a part of the annual assessment levied against the land. Water service to said land and the applicable water user shall be discontinued until the same inclusive of penalties and interest shall be paid in full.

- C. Standby charges and assessments are due and payable on April 1st of each year and will be billed in a timely manner by the District before that date, and may be paid in two equal installments, the first of which shall be delinquent if not paid on or before September 1, and the second installment shall be delinquent if not paid on or before January 1, of each year. Upon delinquency, a penalty of 5 percent of such charges shall be added thereto. Water service on lands upon which standby charges or assessments are delinquent as of January 2, of each year, shall be discontinued until the same inclusive of all penalties shall be paid in full.
- D. All unpaid Water Allocation Charges are a lien on the land to which the water was allocated. Amounts which are unpaid prior to the completion of the next assessment roll, together with penalty and/or interest, as applicable, will be added to and become a part of the annual assessment levied against the land. Water service to said land shall be discontinued until the same inclusive of penalties and interest shall be paid in full.
- E. Water users or lands with unresolved delinquent charges shall not be eligible for any service or program administered by the District including but not limited to water transfers, water deliveries, water rescheduling, loans and grants, until all delinquencies, inclusive of penalties, are paid in full

Rule No. 9 - Water Orders

The District office must be notified of any change in water delivery by 10:00 a.m. of any working day preceding such change. However, the District reserves the right to reject or modify a water order if, in the opinion of the General Manager, such water order would create an undue hardship on District operations.

Rule No. 10 - Rescheduling Water

The Bureau will determine on an annual basis if rescheduling will be allowed. If so, the Bureau will determine general conditions for rescheduling such as eligible water, the rescheduling period, cost, and losses.

The District will schedule water prior to March 1 so as to maximize the amount of eligible water. The District will schedule water during the rescheduling period so as to maximize usage of rescheduled water.

The District will not reschedule water from a previous year. Water from the current year will be rescheduled upon receipt of a written request from a water user. The District will annually establish the form of the written request and determine the date by which such requests must be received. If allowed by the Bureau, water that is not rescheduled will be returned for credit.

Rescheduled water from another district will be allowed to be transferred in during the rescheduling period. Transfers in of other types of water will not be allowed during the rescheduling period unless all rescheduled water and transfers in of rescheduled water have been scheduled as delivered.

If the amount of eligible water delivered to the District during the rescheduling period equals or exceeds the amount of rescheduled water plus transfers in, all rescheduled water will be protected and water users will have the entire water year to use their rescheduled water.

If the amount of eligible water delivered to the District during the rescheduling period is less than the amount of rescheduled water plus transfers in, then a portion of the rescheduled water will be lost. The following is an example of the process that will be used to determine how this loss will be allocated among water users:

- A. The District will calculate the following for each water user during the rescheduling period:

Usage + transfers of rescheduled water to another water user or district - rescheduled water - transfers of rescheduled water from another water user or district
- B. A water user will not lose any water if the result of this calculation positive.
- C. The sum of all positive balances plus water losses within the District during the rescheduling period will be used first to protect general district water supplies.
- D. Any remaining quantity will be allocated on a pro-rata basis among all water users with a negative balance.
- E. Any water user that has a remaining negative balance will lose a like quantity of water.

Water users losing water will still be responsible for payment of all rescheduling or transfer costs associated with the lost water.

Following are definitions for the terms used in Rule No. 10:

Eligible water - water that is eligible for rescheduling as defined by the Bureau

Remaining water - unused water at the end of a water year

Reschedule - the process of transferring eligible water from one water year into the next

Rescheduled water - eligible water desired to be rescheduled minus losses as determined by the Bureau

Rescheduling period - the period during which rescheduled water may be used as defined by the Bureau

Schedule - the process of identifying for the Bureau the types and quantities of water delivered during a given period.

Rule No. 11 – Supplemental Water

The District may, at the discretion of the Board and depending upon availability and price, acquire water in addition to the normal allocation from the Bureau. If the District does secure such an additional supply it will be equitably distributed based on the principals set forth in this Rule No. 11. Such water is referred to hereinafter, (and elsewhere in these Rules,) as “Supplemental Water”

- A. **Application for Supplemental Water** – In order to avoid situation in which the District acquires water in addition to the normal allocation from the Bureau, which the water users in the District did not utilize (and for which the District is required to pay), the District will provide such water pursuant to the following requirements:
1. Content of Form – At least annually, the Board shall adopt a form Application for Supplemental Water. This form is not to be confused with the Water Application form described in Rule No. 6, which is mailed with the Water Deposit Billing and which is for use in the annual allocation of the District’s water supplied by the Bureau of Reclamation. The Application for Supplemental Water shall set forth the quantity of Supplemental Water desired by the applicant, the maximum price per acre-foot the applicant is willing to pay and the parcel/s of land the applicant pledges as payment surety. At a minimum, the pledge shall include all lands to which the Supplemental Water will be applied or other lands and/or deposit adequate to provide payment surety.
 2. Eligibility – Any landowner or tenant can apply for a supply of Supplemental Water. In order for an application to be considered for any particular allocation, the applicant must be otherwise eligible to receive water from the District, including but not limited to having no delinquent accounts with the District. An Application for Supplemental Water will not be placed on file unless it is fully completed, signed by the applicant, and accompanied by the required deposit. All completed forms on file with the District shall be considered public records as shall any revisions and/or modifications thereof.
 3. Deposit – At the time each year that the Board adopts the form Application for Supplemental Water, the Board will determine the initial amount of a deposit per acre-foot that must accompany each application. The amount of the deposit may be changed by the Board during the course of the year depending upon the price of the water available to the District. If the General Manager, in his sole discretion, determines that an applicant cannot pledge adequate land to provide payment surety, the General Manager may require a larger deposit, up to and including the full amount of the purchase price.
 4. Withdrawal – At any time during the course of the year any applicant may, upon written request, withdraw an application. Withdrawal of an application is without prejudice as to filing a new application for Supplemental Water during that same year.
 5. Revision – At any time during the course of the year any applicant may, upon written request, revise a previously submitted application. A revision that

increases the requested quantity will require an additional deposit. The deposit associated with any decreased quantity may be returned to the applicant at the end of the water year subject to the provisions of A.6 below. Revisions will become effective upon receipt by the District of a fully completed Application for Supplemental Water and, if necessary, payment of an additional deposit. No revision of an Application for Supplemental Water shall affect any previous allocations of Supplemental Water made prior to the effective date of the revision.

6. Refund of Deposit – In the event an applicant requests withdrawal of an application pursuant to A.4 above, or a decreased request pursuant to A.5 above, the deposit associated with that request will be refunded at the end of the water year, or can be applied to a subsequent Supplemental Water request provided one or more of the following conditions has been satisfied:
 - a. Supplemental Water has not been acquired by the District for the water year in which the application was filed.
 - b. Unfilled requests for Supplemental Water exceed the total amount of the Withdrawal or Revision requested by the applicant.
 - c. One or more eligible water users submit a written application to replace the position and obligations of the user requesting Withdrawal or Revision of the original Supplemental Water application.

Unless one or more of the preceding conditions have been satisfied, the application cannot be Withdrawn or Revised nor will any portion of the deposit be refunded. In such cases, the applicant will be charged the full cost of Supplemental Water.

- B. **Allocation of Supplemental Water** – At least once each year, the Board will determine the quantity of Supplemental Water available and the price of this water. The District will allocate the Supplemental Water based on the information contained on the Applications for Supplemental Water. In the event Supplemental Water acquired by the District is less than the total requested, the available Supplemental Water shall be proportionately allocated based on the amount of land owned and/or leased by each applicant. Different allocations of Supplemental Water may take place during the year and each such allocation may have a different price.
- C. **Payment for Supplemental Water** – Supplemental Water will not be allocated to an applicant's account until the District has been paid the difference between the total cost of the Supplemental Water supply allocated to them and the deposit associated with the quantity of water allocated for that particular allocation. If not paid by the due date, (1) the Supplemental Water allocation will be lost, (2) the application will be considered invalid, (3) the applicant's account will be considered delinquent pursuant to Section 8 of these Rules and Regulations, and (4) in the event the District is unable to re-market the water allocated to the applicant for at least the same price applicant agreed to pay, then the applicant will be responsible for the difference between the price he/she agreed to pay and the cost of the re-marketed water. The Supplemental Water which is made available due to the applicant's failure to pay the invoice in a timely manner, shall be offered on a pro-rata basis to the other applicants who shared in the original allocation of that water for the same price as it was originally offered. All unpaid Supplemental Water allocation

charges are a lien on the land pledged as payment surety and shall be treated as unpaid Water Allocation Charges pursuant to Section 8. D. of these Rules and Regulations.

- D. **Surplus Supplemental Water** – If Supplemental Water is available and the demand from all applicants willing to pay the price of the available Supplemental Water has been met, then the Supplemental Water will be sold on a first-come-first-serve basis at a price established by the Board.
- E. **Establishment of an Incidental Supplemental Pool** – Annually the General Manager shall establish an Incidental Pool of Supplemental Water not to exceed 50 acre ft at any one time. Such water shall be used to service small unanticipated demands such as those that might occur for construction water, stock water, accidental excess usage or other such unanticipated events. All allocations from the Incidental Pool shall be at the discretion of the General Manager. Such allocations shall not exceed 5 acre ft each and shall be charged at the highest Supplemental Water rate the District has charged during the previous twelve months. The Incidental Pool shall not be used to cover routine demands that should have been anticipated prior to Water Supply Allocation or the Supplemental Water Application.

Rule No. 12 – Over-Usage of Water

All water delivered by the District is measured by meters, which are available to the user of that water to read. All water users are sent monthly statements of how much water they are entitled to use, which has not yet been consumed. It is the responsibility of the water user to use no more than the water to which he is entitled. In the event that a water user uses more water than the water to which he is legally entitled, the water user is guilty of “over-usage” and shall be subject to the terms of this rule:

A. Over-Usage Penalty

- 1. Application With or Without Criminal Penalties - In the event that the over-usage constitutes a crime under state or federal law, the District reserves the right to report the commission of that crime to the appropriate law enforcement authorities and to bring charges against the over user. It is the intent of the District’s Board of Directors that the penalty provisions of set forth in this Rule shall apply regardless of whether the over-user is charged with or convicted of a crime as a consequence of the over-usage.
- 2. Initial Determination of Over Usage - As soon as the District is aware that over-usage has occurred, the District shall inform the water user, and concurrently the District will stop delivering all water until the over-usage is corrected. The water user shall have 30 days from the date of District notification of over-usage to correct the over-usage by increasing the water in the account in question to a level which is equal to or greater than the total amount of water used, (including the over-usage water), in order to avoid the imposition of a penalty. If the over-usage water has not been replaced within 30 days, then the water user is subject to the penalty set forth in this Rule.
- 3. Penalty - An over-usage penalty in the form of a rate per acre-foot of over-usage shall be applied to all over-usage water. The maximum over-usage penalty which may be accumulated in any given year will be the highest Supplemental Water cost paid by the District in the preceding 12 months, plus \$200 per acre foot to cover administrative, legal and overhead costs.

4. Accounting - To the extent there is an over-usage penalty which has not been paid it shall be added to any unpaid water bills for the purpose of levying a lien against the real property in question. Furthermore, until such delinquencies are cured, the District shall suspend all services to the water user.

B. Replacement and Recapture of Over-Used Water - Regardless of whether a penalty is imposed or collected, the over-user is responsible for the replacement of the water which was over-used.

1. Sale of Supplemental Water - To the extent that Supplemental Water supplies are available to replace the over-used water, the District may, at the District's option, declare that the over-user has involuntarily purchased so much of the Supplemental Water as is available, at the price for Supplemental Water previously established by the Board of Directors of the District, up to the full amount of the over-usage. This involuntary sale of Supplemental Water to over-users is final and will not be reversed at a later date, even if a water user with over-usage finds another water supply at a less expensive price.
2. Voluntary Replacement To the extent that Supplemental Water is not available to replace the over-used water, the over-user may acquire water at any time prior to the end of the Water Year and transfer it to the account upon which the over-usage appears and pay all outstanding Penalties and thereby end his status as an over-user.
3. Recapture - If over-usage still exists at the end of a water year, then the District may subtract the over-usage from the next water year's allocation in a manner consistent with this Rule. If any recapture occurs, the Water Allocation Deposit and the Water Allocation Billing charges on the recaptured water must be paid at the same time and in the same manner as if the recaptured water was being used in the year of recapture. Over-used water will be recaptured by debiting accounts in the following priority:
 - a. To the extent that this recapture can be accomplished by debiting the account of the water user who caused the over-usage, then the District will do so.
 - b. If the water user who caused the over-usage will not receive an allocation in an amount which is sufficient to allow for the full recapture of the over-used water, then any un-recaptured portion of the over-used water will be recaptured by debiting the account of the land which was the subject of the over-usage.
 - c. If the over-usage exceeds the total subsequent year's allocation as to all such accounts, then each subsequent year's water allocations shall be debited using the above-mentioned priority until the entire amount of over-usage is recaptured.

C. Termination of Deliveries - The district is under no obligation to deliver water if the water user is out of water or is otherwise not entitled to the delivery of any water from the District. In order to minimize or avoid over-usage, the District's policy is to terminate

deliveries in such a case until a new water supply is acquired and all penalties and delinquencies are cured. However, there may be circumstances under which the District is unable to terminate water deliveries due to the physical facilities by which the water user takes deliveries of water. In such circumstances, particularly if water deliveries cannot be curtailed to the water user in question without curtailing deliveries to another water user who is not out of water, the District will not terminate water deliveries to the water user who is out of water. In all situations in which the water user is out of water and where the physical facilities allow it, the District will terminate deliveries.

- D. **Grievance Procedure** - The grievance procedure developed by the General Manager in compliance with the provisions of Article II of the District Rules, Section III, E, shall be applicable to all staff determinations made pursuant to this Rule 12. The District's initial notice to the water user of the over-usage shall include notification of the availability of this procedure. If a grievance is filed by a water user who has been notified that he is in an over-usage situation within three business days of his initial notification from the District of claimed over-usage, then all collection procedures will be held in abeyance until his grievance process has been completed. However, in the event that the grievance process eventually confirms any over-usage, the penalty shall be calculated retroactive to the date of initial posting of the bill, as if the grievance had not been filed. If the water user is out of water, then even the filing of a timely grievance will not serve to delay the District's suspension of further water deliveries.
- E. **Exception or Suspension of Enforcement** - The Board of Directors of the District, on its own motion, may make an exception to this rule or suspend the enforcement of this rule for a given class or category of water users if the Board determines that the enforcement of this rule as against that class or category of water user would not be in the best interests of the District as a whole. In such an event, all water users who are in the category or class so benefited shall be informed of the terms of the exception or suspension of enforcement and shall be treated equally.

Rule No. 13 - Access to Land and Ditches

The authorized System Operators and other agents of the District shall have access at all times to all lands irrigated from the canal system and to all canals, laterals and ditches, for the purpose of inspection, examination, measurements, surveys or other necessary purposes of the District, with the right of installation, maintenance, control and regulation of all meters or other measuring devices, gates, turnout, or other structures necessary or proper for the measurement and distribution of water.

Said District assumes no liability for damages to persons or property occasioned through defective ditches, pipelines, laterals, meters or measuring devices.

Rule No. 14 - Compliance with Rules

Refusal to comply with each and all of these rules and regulations or any violation of any of the foregoing rules and regulations or any interference with the proper discharge of the duties of any person employed by the District shall be considered sufficient cause for shutting off the water, and water will not again be furnished until the opinion of the Board of Directors full compliance had been made with all requirements herein set forth.

Rule No. 15 - Non-Liability of District

The District will not be liable for any damage of any kind of nature resulting directly or indirectly from any private ditch or pipeline or the water flowing therein or for negligent, wasteful or other use or handling of water by the users thereof. The district's responsibility shall absolutely cease when the water

leaves the canal or a pipeline of the District. The District is not liable for shortages of water either temporary or permanent or for failure to deliver such water nor for interruptions in the delivery of water. The water user, and not the District, is responsible for installing protective devices to protect his private pump or other facilities from damage due to high water pressure and low water pressure which may occur from time to time in the District's water system.

Each property owner shall be responsible to the District for all damage to District property caused by his own negligent or careless acts or the negligent or careless acts of any agent, tenant, employee of the property owner. The cost of all such damage to the District shall be billed to the landowner.

Rule No. 16 - Extra Work Performed by the District

From time to time the District may agree, subject to the availability of District employees and equipment, to perform additional work on or for the benefit of property within the District. The District may require a deposit for any such work. Any such work performed by the District or by one of its employees on behalf of the District, shall be billed to the landowner or water user and shall accrue interest at the rate of 1.5% per month if unpaid 30 days after billing. The District is under no obligation to agree to perform any such work for anyone, but if the District should undertake such work then the District shall perform it in a workmanlike manner and shall complete the job to which it has committed.

All unpaid charges for such work are a lien on the land upon which the work was performed. Amounts which are unpaid prior to the completion of the next assessment role, together with the penalty and/or interest, as applicable, will be added to and become a part of the annual assessment levied against the land. Water service to said land and, if applicable, to the water user requesting such work, shall be discontinued until the same inclusive of penalties and interest shall be paid in full.

Rule No. 17 - Changes in Rules and Regulations

The Board of Directors reserves the right to change these rules and regulations by majority action of the Board at any regular or special meeting, by adopting an appropriate resolution and spreading such resolution on the minutes of the District, a public record. Publication and dissemination of such changes by the printing of revised rules and regulations will be limited to economically feasible intervals as determined by the Board.

There shall be maintained at the office of the District, however, a loose-leaf master copy of these rules and regulations including all changes made by the Board of Directors, which copy will be open to inspection at any time during office hours of the District.

Rule No. 18 - Prohibiting Discharges

No District landowner or water user shall take any action (i) that would degrade the quality of water in the District's distribution system or in any creek, stream or watercourse within the District's boundaries, (ii) that would adversely affect any District owned, operated or controlled facilities, or (iii) that would result in the violation of any applicable legal requirement. Without limiting the foregoing, the no District landowner or water user shall allow or cause any tail water, runoff, spill water, backwash, other irrigation water silt, algae, chemicals or any other materials to (i) leave that landowner's or water user's property (ii) to enter into any District owned, operated or controlled facilities, or (iii) to enter into any creek, stream or other watercourse within the District's boundaries.

At the expense of the offending landowner or water user, the District will immediately remove upon discovery any facility that results, or could result, in a violation of this Rule No. 18. In addition, District water service to any landowner or water user violating this Rule No. 18 will immediately be discontinued without notice to the offending landowner or water user, and such water service will not be reinitiated until the offending landowner or water user has appeared before the District's board of directors and

provided evidence satisfactory to the board of directors that continued violations of this Rule No. 18 will not occur. Any landowner or water user violating this Rule No. 18 will also be responsible for any increased costs incurred by the District as a result of that violation, including without limitation any increased monitoring or compliance costs incurred with connection with any discharge monitoring program undertaken by the District.

This Rule No. 18 will be strictly enforced, and waivers will not be allowed.

Rule No. 19 - Handling of Disputes

When a landowner or water user cannot resolve differences or controversies with the District's System Operator, System Supervisor or the Watermaster, they are to discuss the problem with the General Manager prior to asking the Board of Directors for a final determination. The Board of Directors reserves the authority to act as the final level of appeal on differences and controversies between landowners or water users and District employees.

Rule No. 20 - Equitable Relief

The Board of Directors will strictly enforce these Rules and Regulations in order to ensure consistency and equitable treatment of all District landowners and water users. However, the Board recognizes that unique circumstances may arise from time to time that dictate relief from the strict enforcement hereof. The Board therefore reserves the right to consider such circumstances and grant equitable relief when the Board finds it to be appropriate. Such relief shall only be granted by a unanimous vote of the Board in extraordinary circumstances upon a demonstration of substantial justification for that relief by the party seeking it. Generally, such relief will only be considered if the relevant circumstances are outside of the control of the party requesting relief. Similarly, relief will not be considered or granted if the circumstances giving rise to the request for relief are the result of the actions or negligence of the requesting party.

Rule No. 21 - Encroachments

No trees, vines, shrubs, corrals, fences, buildings, bridges, or any other type of encroachment (either surface or subsurface) shall be planted or placed in, on, over or across any District canal, ditch, conduit or the right-of-way therefore except pursuant to specific written authority of the District's General Manager. Any such encroachment of an unusual or extraordinary nature shall be approved by the Board of Directors. Any unauthorized encroachment may be removed by the District at the expense of the encroacher.

Rule No. 22 - Unauthorized Installation

No delivery gate, pipe, siphon, meter, or any other structure or device shall be installed or placed in any canal, ditch or conduit owned by the District without express written permission and must be in strict compliance with plans and specifications approved by the General Manager or his designated representative. Any such structure or device installed on a District canal, ditch or conduit without approval may be removed by the District at the expense of the owner or other party installing it.

Rule No. 23 - Personal Liability

Any person entering upon District property or District right-of-way does so at his own risk and assumes all risks associated therewith, and by such action accepts the responsibility for any damage to District or private property resulting therefrom.

Rule No. 24 – Allocation Eligibility for Energy Generation and/or Energy Storage Project Parcel

A parcel that can receive an agricultural water allocation according to Rule No. 6 with 3 acres or more proposed for or containing energy generation and/or energy storage shall be defined as an "Energy Project Parcel" for the purpose of commercial distribution. Solar projects sized to offset a landowner's power

usage shall not be considered an Energy Project Parcel and if necessary is not restricted to the 3-acre limitation and shall not be considered an Energy Project Parcel. Each Energy Project Parcel shall comply with the following requirements:

- A. The landowner of a parcel identified as an Energy Project Parcel shall execute a water management agreement consistent with Rule 7 D(2) hereby referred to as the “Water Management Agreement”.
 - a. The issuance of a conditional use permit (“CUP”) by the county or any other permit by a permitting agency does not relieve the landowner from this obligation.
 - b. The Water Management Agreement shall be effective prior to any permitting, design or construction activity.
 - c. All District assessments, fees and charges are the responsibility of the Energy Project Parcel. The Energy Parcel will be allocated up to one (1) acre-foot per 100 acres but no more than ten (10) acre-feet (“Energy Project Parcel Allocation”). The Energy Project Parcel Allocation is non-transferable and shall be used for dust control, pest control, panel cleaning and other operation and maintenance functions.
 - d. Structures or enclosures that facilitate staffing accommodations such as offices, bathrooms, repair shops that require a water supply or fire protection using the District’s water supply are prohibited.
 - e. If the District identifies a parcel that has become an Energy Project Parcel, the District will provide the landowner 60 calendar days to execute a Water Management Agreement. After the sixtieth day all District services shall be discontinued to any and all parcels with the ownership as the Energy Project Parcel, and such parcels shall not be relieved of any District assessments, stand-by charges, penalties, interest or charges.
- B. An Energy Project Parcel that operates and maintains an active agricultural operation dependent on the District’s water supply may be relieved of the Water Management Agreement at the sole discretion of the District subject to the following conditions:
 - a. The landowner must hold title to the Energy Project Parcel and other irrigable parcel(s) parcels that has a history of ordering water deliveries from Agricultural Allocated Water, Supplemental Water and/or Individually Acquired Water (“Agricultural Operations”). Periodic fallowing will not trigger the implementation of a Water Management Agreement, however the fallowed land must be disced or tilled every three years.
 - b. The landowner is responsible to provide the solar operator of the Energy Project Parcel with access to Agricultural Allocated Water, Supplemental Water and/or Individually Acquired Water to satisfy the water needs of the solar operation.
 - c. Livestock operation is not an eligible Agricultural Operation and does not bring relief from a Relinquishment Agreement.

ARTICLE II

RULES AND REGULATIONS OF SAN LUIS WATER DISTRICT CONCERNING BILLING AND COLLECTION FOR DOMESTIC WATER SERVICE AND DOMESTIC SEWER SERVICE

1. General Rules for Operation of Domestic Water and/or Domestic Sewer Systems

- A. **Notice of Content of Rules:** The customer for domestic water service and/or domestic sewer services will be provided either with a copy of these rules and regulations or given

notice of their existence and an opportunity to obtain a copy and, in either event, will sign an acknowledgment of such notice before domestic services are actually commenced.

B. Collateral but Binding Documents:

1. If, at any time, providing services to the domestic water and/or domestic sewer customer should in any way jeopardize the District's position with the Bureau of Reclamation or put the District at risk for being in violation of either a contractual agreement with the Bureau or a Bureau regulation or written policy, then the District may terminate domestic services to the customer if, in the opinion of a majority of the District's Board, such termination is necessary to correct the District's position with the Bureau.
2. If, at any time, providing services to a customer will result in the existence of a "public water system" for purposes of the federal Safe Drinking Water Act without the express prior consent of the District, the District may decline to provide or terminate such service if, in the opinion of a majority of the District's Board, the creation of such a "public water system is not in the best interests of the District. Unless expressly designated as potable domestic water, all water delivered by the district is non-potable and not to be used for domestic purposes. The use of District water for domestic uses without the prior knowledge and consent of the District is prohibited. Any violation by a customer of such prohibition may result in termination of water service, and will result in the District billing that customer for the District's costs (including without limitation actual and consequential damages) resulting from such violation.
3. If, at any time, providing services to the customer should in any way jeopardize the District's sewer discharge permit as to the sewer treatment plant servicing the customer's property or put the District at risk for being in violation of either the discharge permit or any regulations or written policy of the permitting agency such as the Regional Water Quality Control Board, the State Water Quality Control Board, Merced County Department of Health or the California Department of Public Health, then the District may terminate domestic services to the customer if, in the opinion of a majority of the District's Board, such termination is necessary to correct the District's position with the respective regulatory agency.
4. The Board shall adopt by motion and shall, from time to time, amend by motion a list of substances which shall not be disposed of through the District's domestic sewer systems. The list may vary depending on which treatment plant accepts the sewage from the affected property. A single violation of this policy by a customer may result in termination of all domestic sewer services to that customer and repeated violations shall result in termination of all domestic sewer or both domestic water and domestic sewer services to that customer. Any violation by a customer will result in the District billing that customer for the District's consequential damages. A charge that a customer has violated this Rule shall provide the customer with a right to pursue the grievance procedure described below but should such procedure either not be initiated or not pursued in a timely manner or exhausted, the District may add the bill for the District's consequential damages to the bill for sewer services and may impose any such

unpaid bill as a lien against the real property which was the location of the violation.

- C. **Extra-Jurisdictional Services:** The District will not provide domestic water or domestic sewer services outside of its jurisdictional boundaries as a general rule and shall never be compelled to do so. The District shall never provide Project Water, as defined in the District's contract with the Bureau of Reclamation, outside of the Contractor's Service Area, as defined by the District's contract with the Bureau of Reclamation, without the prior consent of the Bureau of Reclamation.
- D. **Establishing Enterprise Accounts:** The domestic water enterprise and the domestic sewer enterprise shall each be treated as an enterprise account which is separate and apart from the agricultural water enterprise of the District, in accordance with the principals set forth in the Revenue Bond Act, (Government Code 54300, et seq.). Charges for domestic water and for sewer services, as well as penalties and interest rates for late payment and other events of default and re-connection charges, shall be determined from time to time, (but shall be considered at least annually,) by the Board of the District adopting by resolution a Schedule of Rates which sets the rates for services based on the cost to the District, including administrative overhead and establishes penalties, interest and re-connection charges. The cost of administration may be funded out of a general fund from which each of the enterprises purchase administrative services or it may be operated from one or the other enterprise accounts with the other enterprise accounts purchasing administrative services from that enterprise, or it may be shown as a cost item in each enterprise, depending upon the budget adopted each year by the Board.
- E. **Authority of General Manager:** The water system and sewer system of the District are under the exclusive management and control of the Board of Directors of the District through its authorized agents and no other persons shall have any right to interfere with said system and works in any manner. The General Manager is the authorized agent for the Board for all matters. He may delegate his authority in this regard, from time to time, to authorized assistants and the Board may, from time to time, designate other authorized agents as well as the General Manager, should the need arise. The General Manager, or his authorized assistants shall have the right to go upon the property of landowners to check conditions and capacity of private ditches, pipelines, meters, septic systems and other water and/or sewer facilities or to maintain and/or replace existing District property and/or to read District meters.

2. **General Conditions for Delivery of Domestic Water**

A. **General Conditions:**

- 1. The provisions of this Article II, Chapter II, shall be inapplicable to the sale of raw, untreated water by the District to any other public agency which is also a water purveyor. Any of the provisions of Article II, Chapter III, hereof may also be superseded by specific provisions of a written agreement between the District and another public agency which is also a water purveyor which is approved and signed by the Boards of each of the public agencies involved. All water system improvements constructed within the District shall be in accordance with California Code of Regulations, specifically Title 17 and Title 22. The exceptions

provided by this Rule shall be applicable to and include the Santa Nella County Water District.

2. All installation costs for any domestic water delivery services and/or domestic sewer services allowed by the District shall be paid by the owner of the land to which services are to be provided. All plans for providing a new domestic water and/or domestic sewer service to a customer shall be approved by the District Engineer and any cost of supervision of the installation of necessary facilities shall be paid by the customer.
3. There shall be no cross connections between domestic water systems owned or operated and maintained by the District and any privately owned wells or pipelines, a copy of which is provided to the District. It shall be the responsibility of the landowner to comply with all of the provisions of Title 17 of the California Code of Regulations and the Safe Drinking Water Act. No landowner shall construct or permit the use of any private facility which provides District water for domestic uses, including without limitation drinking or cooking, without the express prior written consent of the District and compliance with all applicable laws. If the District learns that a landowner has constructed or permitted the use of a private facility which provides District water for domestic uses, the District may immediately terminate any or all water service to such landowner. All properties provided domestic water service by the District shall have back flow devices installed and in good working order, as is required by the California Code of Regulations and any applicable health and/or building code requirements. Whether the back flow prevention devices are owned by the customer or owned by the District, the District shall have the power to have such devices tested and, if necessary, repaired, at the customer's expense.
4. All domestic water provided to a customer, whether as raw water or as treated water, shall be metered as the water leaves the District's water delivery system and enters the privately owned water delivery system. All properties provided domestic water by the District shall have water meters installed and in good working order as a condition precedent to receiving District domestic water. Whether the water meters are owned by the customer or owned by the District or owned by the Bureau, the District shall have the power to have such devices tested and, if necessary, repaired, at the customers' expense.

B. Raw Untreated Water:

1. New connections to the Raw Untreated Irrigation system for domestic/M&I use is prohibited.
2. Existing customers connected to the Raw Untreated Irrigation System for domestic/M&I use shall participate in the Rural Residence Bottled Water Program as required by the State Water Resources Control Board provision 12(e) of Permit No. 03-11-19P-012.

3. Procedures for Billing and Collection for Domestic Water and/or Domestic Sewer Services

- A. All District customers for domestic water and/or domestic sewer services shall be billed on a monthly basis on a unified or single statement billing system. All payments for

services provided shall be credited first to sewer and any other sums owed and lastly to domestic water. If payment in full is not made for services in a timely manner as set forth in these policies, then pursuant to the procedures set forth below, domestic water services will be terminated, and, if payment in full has not been made in an amount adequate to pay for domestic sewer services, those services shall also be terminated.

B. The District will mail or cause to be hand delivered a bill for domestic services to the customer once every month. The bill is due upon dispatch from the District.

1. If the customer has not paid the bill within nineteen (19) days after the bill was mailed or hand-delivered to the customer, then the District shall give the customer a written notice, which gives the customer notice that his services will be terminated if his bill is not brought current. This notice shall be dispatched to the customer in such a manner that the customer is given at least, ten (10) days actual notice prior to the termination of utility services for non-payment. If this notice is given by mail, the ten-day time period shall not begin until at least five days after this notice is deposited in the mail. The notice, however dispatched, shall contain at a minimum, the following information:

- a. The name and address of the customer.
- b. The amount of the delinquency.
- c. The date by which payment or arrangement for payment must be made in order to avoid termination.
- d. The procedure by which a customer may initiate a complaint or request an investigation concerning their account, assuming that information is not on the bill (see the consequences of a customer requesting an investigation or making a complaint set forth below).
- e. The procedure by which a customer may request amortization of the unpaid charges, including the telephone number of a representative of the District who can provide additional information or institute arrangements for payment.

2. If the customer has still not paid his bill in full two days before the end of this initial notice time period, the District shall give the customer a second notice which is dispatched to the customer in such a manner that the customer is given at least forty-eight (48) hours notice prior to any termination of service. This second notice shall, at a minimum, contain each of the following:

- a. The name and address of the customer.
- b. The amount of the delinquency.
- c. The date by which payment or arrangement for payment must be made in order to avoid termination.
- d. The telephone number of a representative of the District who can provide additional information or institute arrangements for payment.

3. Notwithstanding the nineteen (19) days and the ten (10) days actual notice requirements of subsection (a) above and notwithstanding the forth-eight (48) hours notice provisions of subsection (b) above, the District shall be deemed to have complied with these provisions if the District's General Manager promulgates a billing and collection schedule which is substantial compliance with the foregoing provisions and the District in fact complies with the billing and collection schedule so promulgated by the District's General Manager.
- C. If rental property is provided domestic water service or domestic sewer service or both such domestic services it shall be provided such service in the name of the property owner only, and not in the name of the tenant who is not the owner. The District Manager may provide a system whereby, as a service to the owner, a copy of the bill is sent to both the owner and the tenant, but this shall not relieve the owner of the duty to pay the bill nor any way compromise the District's ability to treat the owner only as the customer.
- D. The General Manager shall develop a procedure for a customer to request the amortization of delinquent charges for domestic water and/or domestic water and sewer services.
1. This procedure shall not allow for the amortization for a period longer than six months without specific authorization by the Board.
 1. This procedure must require a customer to need a credit test before the District extends credit to the customer in the form of an amortization agreement. The only exception to the credit test requirement is that the District shall offer an amortization agreement to a customer who is behind in their bill and provides both of the following:
 - a. The certification of a licensed physician that to terminate the customer's utility would be life threatening to the customer; and
 - b. The customer is financially unable to pay for the services within the normal time period and is willing to enter into an amortization agreement.
 3. This procedure shall allow for termination of services with no more than a forty-eight-hour notice should a customer, during the term of the amortization agreement fail to both keep the current bill paid in full in a timely manner and make the payments on the back bill required by the amortization agreement.
- E. The General Manager shall develop a procedure for a customer to pursue grievances with regard to disputed domestic water and/or sewer charges. The grievance procedure shall be separate and apart from and shall not satisfy requirements with regard to tort claims. The General Manager shall designate or ask the Board to designate a District employee to act as Review Manager for the purposes of this grievance process. This procedure shall, at a minimum, meet the requirements and parameters set forth herein.
1. Any customer who wishes to dispute a bill for domestic water or sewer services may file a grievance to seek review of that bill. The grievance procedure shall be

designed to give the customer an opportunity for his grievance to be reviewed by the Review Manager, (who shall be an employee of the District other than the person who prepared the billing) and, if in the opinion of the Review Manager it is appropriate, then the Review Manager shall, after his review of the complaint, investigate the customer's complaint. In addition to reviewing the complaint, the Review Manager shall determine whether it is appropriate to offer the customer who filed the grievance an opportunity to enter into an amortization agreement with the District.

2. If such a grievance is filed in a timely manner, the customer may also request as a part of the review process, that District's procedure for termination of domestic water and/or sewer services due to the nonpayment of a bill, be suspended while the District considers the customer's grievance if the customer asserts that the bill is beyond his financial means to pay in full during the pendency of the grievance. Such a request may, in the appropriate case, be granted by the District's General Manager or the Review Manager. Filing of such a request will be considered to be timely if it is made, in writing at the District's office, either.
 - a. Within five days of the customer receiving the bill he wishes to dispute, or
 - b. Within thirteen (13) days of the dispatch by the District of a 10-day notice on a bill which the customer wishes to dispute.
3. The grievance procedure shall provide a process by which any customer, whose complaint or request for an investigation has not been favorably decided by the Review Manager, has a right to appeal that adverse determination. This procedure may either provide for a direct appeal to the Board of Directors of the District or for an interim appeal to the General Manager, but the procedure shall ultimately allow for a review by the full Board of Directors.
4. If a request for suspension of the utility termination process was granted while the Review Manager considered the grievance, in the event of an adverse determination by the Review Manager, the utility termination procedure shall proceed, whether or not the customer requests a further review of his grievance by the District or by the District's Board of Directors.

4. Water Conservation Ordinance

- A. **Application:** This Chapter 4 is applicable to all M&I customers of the District who receive their water directly from the District as a retail service. It does not apply to those customers within the District who obtain their water from another water purveyor, such as Santa Nella County Water District.
- B. **Purpose:** To ensure that the District's M&I water supply is put to beneficial use, that waste and unreasonable use of water is prevented and to establish an incremental water conservation plan for implementation in the case of severe drought or other water shortage.

- C. **Water Waste Prohibited:** The following uses of water are prohibited at all times:
- i. Run Off - Use of water in a manner or to an extent that results in water running to waste down a sidewalk, gutter, storm drain, ditch or across adjacent property
 - ii. Plumbing Leaks - the escape of water through leaks, breaks or other malfunction in the water users plumbing, distribution or irrigation systems
 - iii. Use of Open Hose - Use of a hose for any wash down not equipped with an automatic shut off nozzle.
 - iv. Untended Hose - Irrigation of trees and shrubs with an untended hose
 - v. Fire Hydrant - the use of any fire hydrant for purposes other than fire suppression without the express approval of the District
- D. **Alternate Watering Days:** - Addresses ending in an even number may water landscaping only on Tuesdays, Thursdays and Saturdays. Addresses ending in an odd number may water landscaping only on Wednesdays, Fridays and Sundays.
- E. **Penalties for Violation:** Penalties for violation of any water conservation rule as provided in this Article 4 are as follows:
- i. First violation- warning
 - ii. Second violation- \$25 fine
 - iii. Third violation- \$50 fine
 - iv. Fourth and all subsequent violations- \$100 each
- All fines are payable with the next water bill.
- F. **Water Shortage Stages:** In addition to the water conservation measures outlined in B and C of this Water Conservation Ordinance the following Rules and Regulations will apply:
1. **Stage I Conservation Measures:** Implemented when the District's CVP water supply allocation is 50% or below, and/or upon declaration of a Stage I shortage by the Board of Directors.
 - i. Washing exterior surfaces - the washing of sidewalks, fences, walls, driveways, buildings, tennis courts etc. is prohibited except where public health or safety would otherwise be compromised.
 - ii. Washing vehicles the washing of cars, trucks, trailers, boats, machinery etc is prohibited except with a bucket and hose with automatic shut off nozzle or at commercial wash facilities.
 - iii. Water use shall be reduced by 25%
 2. **Stage II Conservation Measures:** Implemented when the District's CVP water supply allocation is 25% or below, and/or upon declaration of a Stage II shortage by the Board of Directors.
 - i. Washing vehicles - the washing of cars, trucks, trailers, boats, machinery etc. is prohibited except at commercial wash facilities.
 - ii. Residential lawn watering is prohibited.
 - iii. Refilling swimming pools is prohibited except by water sources approved by the General Manager.
 - iv. Irrigation of trees and shrubs is prohibited except by handheld hose equipped with an automatic shut off valve.
 - v. Irrigation of golf course fairways is prohibited.
 - vi. Water use shall be reduced by 40%.

3. **Other Water Conservation Measures:** In the case of severe water supply shortage or in circumstances not anticipated by this Chapter 4, the District may implement additional measures as necessary to satisfy the purposes of this Chapter.

G. **Exceptions, Waivers and Appeals:**

1. There shall be no exceptions to Section C of this Chapter 4.
2. The General Manager may grant a waiver from the alternate day watering provisions of Section D above for large landscapes such as parks and golf courses, where it can be demonstrated such alternate day watering limitation is not practical.
3. Establishing a new lawn- Except under Stage II Conservation below, the District may issue a temporary waiver of the alternate day watering schedule during the establishment of new lawns or groundcover.
4. The General Manager may issue a waiver under Stage 1 and II Conservation Measures, for M&I customers who have secured supplemental water supplies approved by the District.
5. Any District M&I customer may appeal the provisions of this Chapter to the General Manager.

5. **Cross-Connection Control Ordinance**

A. **Application:** This Chapter 5 is applicable to all M&I customers of the District required for cross connection surveys.

B. **Purpose:**

1. The purpose of this chapter is:
 - i. to protect the public water supply against actual or potential contamination through cross-connections by isolating sources of contamination that may occur within a water user's premises because of some undiscovered or unauthorized cross-connection on the premises.
 - ii. to eliminate existing connections between drinking water systems and other sources of water that are not approved as safe and potable for human consumption.
 - iii. to eliminate cross-connections between drinking water systems and sources of contamination.
 - iv. to prevent the making of cross-connections in the future.
2. These regulations are adopted pursuant to the state of California Administrative Code, Title 17 - Public Health entitled "Regulations Relating to Cross-Connections."
3. It is unlawful for any person, firm, or corporation at any time to make or maintain or cause to be made or maintained, temporarily or permanently, for any period of time whatsoever, any cross-connection between plumbing pipes or water fixtures being served with water by the District and any other source of water supply or to maintain any sanitary fixture or other appurtenances or fixtures which, by reason of their construction, may cause or allow backflow of water or other substances into the water supply system of the District and/or the service of water pipes or fixtures of any consumer of the District.

C. **Definitions:**

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

2. "Approved backflow prevention assembly" means an assembly which has passed laboratory and field evaluation tests performed by a recognized testing organization which has demonstrated their competency to perform such tests to the California Department of Health Services.
3. "Approved water supply" means any water supply whose potability is regulated by a state or local health agency.
4. "Auxiliary supply" means any water supply on or available to the premises other than the approved water supply.
5. "AWWA standard" means an official standard developed and approved by the American Water Works Association (AWWA).
6. "Backflow" means a flow condition, caused by a differential in pressure that causes the flow of water or other liquids, gases, mixtures or substances into the distributing pipes of a potable supply of water from any source or sources other than an approved water supply source. Back siphonage is one cause of backflow. Back pressure is the other cause.
7. "District" means the San Luis Water District
8. "Contamination" means a degradation of the quality of the potable water by any foreign substance which creates a hazard to the public health, or which may impair the usefulness or quality of the water,
9. "Cross-connection" means any unprotected actual or potential connection between a potable water system used to supply water for drinking purposes and any source or system containing unapproved water or a substance that is not or cannot be approved as safe, wholesome, and potable. Bypass arrangements, jumper connections, removable sections, swivel or changeover assemblies, or other assemblies through which backflow could occur, shall be considered to be cross-connections.
10. "Double check valve assembly" means an assembly of two internally loaded, independently acting check valves, including resilient seated shut-off valves on each end of the assembly and test cocks for testing the watertightness of each check valve.
11. "Health agency" means the California Department of Public Health, or the local health agency with respect to a small water system.
12. "Local health agency" means the county or District health authority.
13. "Person" means an individual, corporation, company, association, partnership, municipality, public utility, or other public body or institution.
14. "Premises" means any and all areas on a water user's property which are served or have the potential to be served by the public water system.
15. "Public water system" means a system for the provision of piped water to the public for human consumption that has five or more service connections or regularly serves an average of twenty-five individuals daily at least sixty days out of the year.
16. "Reduced pressure principal backflow prevention assembly" means an assembly incorporating two internally loaded, independently operating check valves and an automatically operating differential relief valve located between the two checks, including resilient seated shut-off valves on each end of the assembly, and equipped with necessary test cocks for testing the assembly.
17. "Service connection" refers to the point of connection of a user's piping to the water supplier's facilities.
18. "Water supplier" means the person who owns or operates the approved water supply system.
19. "Water user" means any person obtaining water from an approved water supply system.

D. Cross-Connection Protection Requirements

1. General Provisions:

- i. Unprotected cross-connections with the public water supply are prohibited.
 - ii. If the water user is receiving a potable water supply, the District will require the water user to install an approved backflow prevention assembly by and at the water user's expense for continued services or before a new service will be granted.
 - iii. All water supply lines from the District's mains entering the premises, buildings, or structures shall be protected by an approved backflow prevention assembly. The type of assembly to be installed will be in accordance with the requirements of this chapter.
2. Each residential or commercial service connection from the District water system for supplying water to premises shall be protected against backflow of water from the premises into the public water system.
3. The type of protection that shall be provided to prevent backflow into the approved water supply shall be commensurate with the degree of hazard that exists on the consumer's premises. The type of protective assembly that may be required (listing in an increasing level of protection) includes: double-check valve assembly (DC), reduced pressure principle backflow prevention assembly (RP), and an air-gap separation (AG). The water user may choose a higher level of protection than required by the District. The minimum types of backflow protection required to protect the approved water supply, at the user's water connection to premises with varying degrees of hazard shall be as shown in Table 1 of Section 7604, Title 17, of the current edition of the California Administrative Code. Situations which are not covered in Table 1 shall be evaluated on a case by case basis and the appropriate backflow protection shall be determined by the District

E. Backflow Prevention Assemblies

1. Approved Backflow Prevention Assemblies.

- i. Only backflow prevention assemblies which have been approved by the District shall be acceptable for installation by a water user connected to the District's potable water system.
 - ii. The District will provide, upon request, a list of approved backflow prevention assemblies.
2. Backflow Prevention Assembly Installation.
- i. Backflow prevention assemblies shall be installed in the manner prescribed in Section 7603, Title 22 of the current edition of the California Administrative Code. The location of the assemblies should be as close as practical to the user's connection. The District shall have the final authority in determining the required location of a backflow prevention assembly.
 - ii. Immediately after installation, a certified backflow tester shall test the assembly prior to operation to ensure the device is installed and functioning as intended. . The tester shall be in possession of a valid certificate from the California-Nevada Section of the American Water Works Association.
3. Backflow Prevention Assembly Testing and Maintenance.
- i. The owners of any premises on which, or on account of which, backflow prevention assemblies are installed, shall have the assemblies

- tested by a certified backflow tester. The tester shall be in possession of a valid certificate from the California-Nevada Section of the American Water Works Association.
- ii. Backflow prevention assemblies must be tested at least annually and immediately after installation, relocation or repair. The District may require a more frequent testing schedule if it is determined to be necessary. No assembly shall be placed back in service unless it is functioning as required. A report in a form acceptable to the District shall be filed with the District each time an assembly is tested, relocated, or repaired. These assemblies shall be serviced, overhauled, or replaced whenever they are found to be defective and all costs of testing, repair, and maintenance shall be borne by the water user.
 - iii. Upon request, the District will supply affected water users with a list of persons acceptable to the District to test backflow prevention assemblies. The District will notify affected customers by mail when annual testing of an assembly is needed.
 - iv. The District may, at its option, test a water user's backflow prevention assembly to fulfill the requirements of this chapter, and at any time the water user will be charged for the test and any maintenance found necessary to keep the assembly in working order.
4. Backflow Prevention Assembly Removal. Approval must be obtained from the District before a backflow prevention assembly is removed, relocated, or replaced.
- i. Removal. The use of an assembly may be discontinued and the assembly removed from service upon presentation of sufficient evidence to the District to verify that a hazard no longer exists or is not likely to be created in the future;
 - ii. Relocation. An assembly may be relocated following confirmation by the District that the relocation will continue to provide the required protection and satisfy installation requirements. A retest will be required following the relocation of the assembly;
 - iii. Repair. An assembly may be removed for repair, provided the water use is either discontinued until repair is completed and the assembly is returned to service, or the service connection is equipped with other backflow protection approved by the District. A retest will be required following the repair of the assembly; and displacement. An assembly may be removed and replaced provided the water use is discontinued until the replacement assembly is installed. All replacement assemblies must be approved by the District and must be commensurate with the degree of hazard involved.

F. Administrative procedures

1. Water System Survey.

- i. The District shall review all requests for new services. Plans and specifications must be submitted to the District, and the required assembly must be installed before service will be granted.
- ii. The District may require an on-premise inspection to evaluate cross-connection hazards. The District will transmit a written notice requesting an inspection appointment to each affected water user. Any water user who cannot or will not allow an on-premises inspection of their piping system shall be required to install the backflow prevention assembly the District considers necessary.

- iii. The District may, at its discretion, require a reinspection for cross-connection hazards of any premises to which it serves water. The District will transmit a written notice requesting an inspection appointment to each affected water user. Any water user who cannot or will not allow an on-premises inspection of their piping system shall be required to install the backflow prevention assembly the District considers necessary.
- 2. Customer Notification - Assembly Installation.
 - i. The District will notify the water user of the survey findings, listing the corrective actions to be taken if any are required. A period of sixty days will be given to complete all corrective actions required, including installation of backflow prevention assemblies.
 - ii. A second notice will be sent to each water user who does not take the required corrective actions prescribed in the first notice within the sixty-day period allowed. The second notice will give the water user a two-week period to take the required corrective action. If no action is taken within the two-week period, the District may terminate water service to the affected water user until the required corrective actions are taken.
- 3. Customer Notification - Testing and Maintenance.
 - i. The District will notify each affected water user when it is time for the back- flow prevention assembly installed on their service connection to be tested. This written notice shall give the water user thirty days to have the assembly tested and supply the water user with the necessary form to be completed and resubmitted to the District.
 - ii. A second notice shall be sent to each water user which does not have their backflow prevention assembly tested as prescribed in the first notice within the thirty-day period allowed. The second notice will give the water user a two week period to have their backflow prevention assembly tested. If no action is taken within the two week period, the District may terminate water service to the affected water user until the subject assembly is tested.
 - iii. At its discretion, the District may provide annual testing and certification of backflow assemblies. All costs for repairs will be the responsibility of the property owner.

G. Water Service Termination

- 1. General. When the District encounters water uses that represent a clear and immediate hazard to the potable water supply that cannot be immediately abated, the District shall institute the procedure for discontinuing the District water service.
- 2. Basis for Termination. Conditions or water uses that create a basis for water service termination shall include but are not limited to, the following items:
 - i. Refusal to install a required back- flow prevention assembly;
 - ii. Refusal to test a backflow prevention assembly;
 - iii. Refusal to repair a faulty backflow prevention assembly;
 - iv. Refusal to replace a faulty backflow prevention assembly;
 - v. Direct or indirect connection between the public water system and an auxiliary line, raw water and/or tertiary transmission system;
 - vi. Unprotected direct or indirect connection between the public water system and a system or equipment containing contaminants;

- vii. Unprotected direct or indirect connection between the public water system and an auxiliary water system;
 - viii. A situation which presents an immediate health hazard to the public water system.
 - 3. Water Service Termination Procedures.
 - 4. For conditions i, ii, iii, or iv, the District will terminate service to a customer's premises after two written notices have been sent specifying the corrective action needed and the time period in which it must be done. If no action is taken within the allowed time period, water service may be terminated.
 - 5. For conditions v, vi, vii, or viii, the District will take the following steps: a. Make reasonable effort to advise water user of intent to terminate, water service; b. Terminate water supply and lock service valve. The water service will remain inactive until correction of violations has been approved by the District.
- H. **Severability:** If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this chapter, or any part thereof, is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this chapter or any part thereof. The District declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid.

SAN LUIS WATER DISTRICT
Rules and Regulations
Index

1. Current Copy of the Rules and Regulations.	Revised January 29, 2008
2. Resolution 95 Original Rules and Regulations.	Adopted February 14, 1961
3. Resolution 92-632 Changing Delinquency Policy	Adopted November 17, 1992
4. Resolution 96-706 Adding Article II, M & I Rules	Adopted January 23, 1996
5. Resolution 96-714 Changing Article I, Misc Changes	Adopted March 19, 1996
6. Resolution 96-726 Amending Rule 8(b)	Adopted September 24, 1996
7. Resolution 97-732 Amending Rule 10	Adopted February 18, 1997
8. Resolution 97-743 Amending Rule 7	Adopted June 17, 1997
9. Resolution 97-748 Amending Rule 7	Adopted September 23, 1997
10. Resolution 98-767 Amending Rule 8(a)	Adopted July 21, 1998
11. Resolution 99-793 Amending Rule 8 (b & d) add Rule 12	Adopted December 21, 1999
12. Resolution 00-794 Amending Rule 8 and add new Rule 11	Adopted January 24, 2000
13. Resolution 01-817 Amending Rule 11	Adopted January 16, 2001
14. Resolution 02-838 Amending Rules & Regulations governing the use and distribution of water	Adopted February 26, 2002
15. Resolution 02-839 Amending Rule 18	Adopted March 19, 2002
16. Amendment of Rule 18 Prohibition of Discharges	Adopted August 23, 2005
17. Resolution 06-910 Amending Rules 8 and 11	Adopted August 8, 2006
Resolution 07-928 Amending Rule 7, and Rule 11	Adopted November 7, 2007
18. Resolution 07-931 Amending Rule 7, Permanent Transfers of Water to District.	Adopted December 11, 2007
19. Resolution 08-932 Amending Rule 11	Adopted January 29, 2008
20. Resolution 08-942 Adding Article II, Chapter 4, Water Conservation Ordinance	Adopted June 24, 2008
21. Resolution 08-944 Amending Rule 11	Adopted August 26, 2008
22. Resolution 09-949 Amending Rule 7	Adopted February 24, 2009
23. Resolution 09-968 Amending Rule 11	Adopted October 27, 2009
24. Resolution 14-1042 Amending Rule 11 & Rule 12	Adopted February 28, 2014
25. Resolution 16-1091 Adding Article II, Chapter 5, Cross-Connection Control Ordinance	Adopted September 27, 2016
26. Resolution 20-1211 Amending Rule 7	Adopted May 26, 2020
27. Resolution 21-1228 Temporary Rule 7 Amendment No Outside District Transfers - Ends Feb. 28, 2022	Temp. Amend. March 1, 2021
28. Resolution 21-1246 Amending Rules 5, 6 & 7 and Amending Article II 2-B Raw Untreated Water.	Adopted August 31, 2021
29. Resolution 22-1260 Temporary Rule 7 Amendment No Outside District Transfers – Ends Feb. 28, 2023	Temp. Amend. March 1, 2022
30. Resolution 23-1302 Add Rule 24 – Allocation Eligibility for Energy Generation and/or Energy Storage Project Parcel	Adopted July 25, 2023