



# Santa Ana River Water Company

P.O. Box 61  
Jurupa Valley, CA 91752  
(951) 685 -6503  
customerservice@sarwc.com

These Rules and Regulations reflect the rules, regulations, policies and procedures of Santa Ana River Water Company (the “Company”) as of the date of their adoption on September 13, 2022. If any previously adopted rule, regulation, policy or procedure of the Company conflicts with the provisions of these Rules and Regulations, the provisions of these Rules and Regulations will prevail over any such conflicting rule, regulation, policy or procedure.

Pursuant to the requirements of Senate Bill 998, effective January 1, 2020, the Company has adopted a separate Policy on Discontinuation of Residential Water Service for Non-Payment (the “Service Termination Policy”), which is attached to these Rules as Appendix 1 and is incorporated into these Rules by this reference. To the extent of any inconsistency between the Service Termination Policy and these Rules, the Service Termination Policy shall control.

## **1.01: DESCRIPTION OF SERVICE**

- A. Quantities:** The Company will use its best efforts to supply water dependably and safely in adequate quantities and pressures to meet the reasonable needs and requirements of its customers (as used in these Rules and Regulations, the term “customer” shall include Company shareholders and their tenants or users of water at a shareholder’s property). Notwithstanding the foregoing, the Company does not guarantee any specific quantities, pressures or flows of water.
- B. Responsibility for Loss or Damage:** Customers shall accept such conditions of pressure and service as are provided by the Company system, and hold the Company harmless for any loss or damage to customers resulting from the Company's failure to meet the service goals stated within this section, or due to any interruptions in service.

## **1.02: CONDITIONS OF SERVICE AND RIGHTS OF THE COMPANY AND CUSTOMERS**

### **A. Notices:**

- 1. Notice to Customers:** Notice to a customer will normally be in writing and will be delivered or mailed to the customer's last known address. In emergencies or similar circumstances, the Company may give verbal notice in person, or by leaving a written notice on the door.

- 2. Notice from Customers:** A customer may give the Company notice in person, by telephone confirmed in writing, by e-mail, or by first class mail or overnight delivery to the Company at its office, located at 10530 54<sup>th</sup> Street, Jurupa Valley, California 91752.
- B. Interruptions and Shortages in Service:** The Company expressly reserves the right to interrupt service when necessary to repair, maintain or install water lines, meters and other facilities, and to restrict, allocate or apportion Company water supplies as necessary.
- 1. Emergency Interruptions:** The Company will make all reasonable efforts to prevent service interruptions and, when an interruption occurs, will make an effort to re-establish service as soon as possible, consistent with the safety of the Company's customers and the general public.

Where an emergency interruption of service affects service to any fire hydrant or other public fire protection device, the Company will promptly endeavor to notify the appropriate public officials responsible for fire protection, of the interruption and of subsequent restoration of normal service.
  - 2. Scheduled Interruptions:** Whenever the Company finds it necessary to schedule a service interruption, it will, where feasible, notify all affected customers of the approximate time and anticipated duration of the interruption. Planned interruptions will be scheduled to minimize inconvenience to customers whenever possible.

Where the scheduled interruption will affect service to any fire hydrants or other fire protection devices, the Company will also notify the appropriate public officials responsible for fire protection of the interruption and when service is restored.
  - 3. Apportionment of Supply During Times of Shortage:** During times of water shortage, the Company will apportion its available water supply among its customers as directed by the appropriate authorities and will adopt any necessary water use restrictions required by applicable law or regulations. If no direction is given by such authorities, the Company will apportion the supply as fairly as possible under the circumstances, and with due regard to public health and safety.
- C. Ownership of Facilities on Customer's Premises:** The service lateral, meter, and meter box furnished at the customer's expense, whether located wholly or partially upon a customer's premises, are the property of the Company. No rent or other charge will be paid by the Company where the Company-owned service facilities are located on a customer's premises.
- D. Company Access to Customer's Premises:** The Company shall have access to a customer's property during reasonable hours for the installation, maintenance, operation or removal of the Company's service lateral, meter, meter box or other equipment located on the property, and to read any meter located on that property. The customer's system may be inspected at all reasonable times by authorized Company representatives.

- E. Service Calls (Civil Code Section 1722):** Where access to the customer's premises for maintenance or other service is required and the customer must be present for such service call, the Company will offer to schedule the service call during a 4-hour period. If the Company fails to make the service call as promised, the customer may bring an action in Small Claims Court for damages actually incurred, in an amount not to exceed the limit set forth in Civil Code Section 1722(c)(2), as it may be amended from time to time. Where unforeseen or unavoidable circumstances prevent the Company from making the service call, it is a defense to such action if the Company made a diligent effort to notify the customer of the delay and then makes the service call within a newly agreed 2-hour period.
- F. Company Not Responsible for Damage or Loss to Customer:** The Company will not be responsible for any loss or damage resulting from the installation, maintenance, operation or use by the customer of any appliances or other equipment; nor for any damage to persons or property resulting from the maintenance or repair of Company facilities or of the Company's water distribution and water supply systems, where the Company has not been negligent or engaged in willful misconduct in connection with such maintenance or repair; nor for any damage to persons or property caused by escape or leakage due to conditions on the customer's property, by failure or defects of pipes, or by high or low pressure.
- G. Customer's Responsibility for Company Property:** The customer will be charged for damage to the Company's meters, equipment, facilities and other property resulting from the use or operation of appliances or other equipment on customer's premises, or otherwise due to customer's negligence or willful conduct, including, but not limited to, cutting or otherwise tampering with any lock or other mechanism placed on a meter by the Company to prevent use of water through that meter. Customers should promptly notify the Company in the event of a leak or other problem with the water system. All damage which, after investigation by the Company, is determined to be the responsibility of the customer will also be billed to the property owner, who, as the Company's shareholder, remains ultimately liable for such damage.

### **1.03: RATES AND CHARGES**

- A. General Provisions:** Rates and charges for water use and other miscellaneous charges are set by the Board from time to time. The Company's bi-monthly "ready to serve" or meter charge is imposed upon a property even at such times when that property is not currently receiving water service from the Company to cover the overall maintenance and upkeep of the Company's water delivery system and overhead expenses associated with the Company's operations. Current rates and charges are available in the Company offices. Although water bills will upon request be mailed to tenants or persons other than the property owner/shareholder, under the Company Bylaws, the property owner/shareholder is ultimately responsible for payment of all fees, charges and assessments. The Bylaws also provide that the Company is granted a lien against the property for unpaid fees, charges and assessments.

**B. Miscellaneous Charges:** In order to recover the cost associated with late payments, disconnections and other problems encountered by the Company, the following items will be charged to customers as shown:

- 1. Late Charge:** If the bill is not paid within forty-five (45) days after the Billing Date an Overdue Notice (as defined in the Service Termination Policy) is mailed, the customer shall pay a late charge in the amount of \$40.00, in addition to any other charges that may be due, any advance payments required, or any other conditions established by the Company.
- 2. Termination or Reconnection Charge:** Where water service has been terminated, whether for non-payment or for other violation of Company rules or policies, the customer will be charged \$50.00 to cover the expense of visiting the premises to either terminate or reconnect service if the termination or reconnection occurs during the Company's normal business hours (i.e., from 8:00 a.m. to 4:00 p.m., Monday through Friday) an additional \$50.00 if the termination or reconnection occurs outside of the Company's normal business hours. The foregoing termination or reconnection charge must be paid before service will be restored. Any reconnection charge shall be limited as specified in the Service Termination Policy.
- 3. Returned Check Charge:** When a customer's check is returned as non-negotiable for any reason, the Company will issue a Notice of Termination of water service (see Rule 1.04.G.5. below) warning the customer that service will be turned off on the date set forth in the Notice and that the customer will be charged \$25.00 for the returned check.
- 4. Meter Test Charge:** The Company makes every effort to keep its meters in good condition and registering accurately. Any customer may request that their meter be examined and tested to see if it is working correctly, provided they agree to deposit \$50.00 to cover a portion of the cost to the Company for testing the meter. Requests to have a meter tested must be in writing and accompanied by the deposit. For customer convenience, request forms are available at the Company office.

Upon receipt of a meter test request and deposit, Company personnel will arrange to have the meter examined and tested. If the meter is found to register either more than, or less than, two percent of the amount of water that actually passes through it, the meter will be properly adjusted or another meter installed, the deposit will be returned to the customer and the water bill for the current period will be adjusted proportionately as set forth in Section 1.04(l), below.

If the meter is found to register within two percent of accurate, the customer's deposit will be forfeited and the actual cost of making the test will be at the customer's expense.

- 5. Pulled Meter Charge:** If a customer's service has been disconnected and the meter has been "pulled" or removed from the premises, then the customer, or any succeeding property owner who desires to reestablish service to that property, must

pay a pulled meter charge of \$300.00 to cover administrative and personnel expenses incurred by the Company in pulling and reinstalling the meter, before the service and meter will be reconnected. The fact that a meter has been “pulled” from a location will not result in the Company not imposing its “ready to serve” or meter charge on that property. Any pulled meter charge that is imposed as a condition to restore water service to a residential account that had previously been terminated for non-payment shall be limited as specified in the Service Termination Policy.

- 6. Unauthorized Water Use:** Any person found taking water from or through any of the Company's facilities without having signed up for service or without other Company authorization (including if said customer or shareholder takes such water as a result of cutting or otherwise tampering with any lock or other mechanism placed by the Company on a meter to prevent use of water through that meter) will be assessed a fine up to \$500.00, as determined by the Company's Board of Directors, payable to the Company, in addition to any charges for the quantity of water taken and for the damage done to any Company property, equipment or facilities. In addition, the Company reserves the right to seek criminal prosecution under California Penal Code Sections 624 and 625 for such unauthorized water use. Written notice of the assessment of such fine shall be given by personal service or by registered or certified mail.
- 7. Charge for Turn Off at Main:** If water service to a property is turned on more than once without Company authorization, the service may be shut off at the main, and the customer shall be required to pay, in addition to any other applicable charges, a charge equal to the actual expense to the Company of reconnection prior to the re-establishment of service.
- 8. Charge for Turn Off/Turn On at Customer's Convenience:** There shall be no charge for the turning on or off of service at a property pursuant to a customer's request if the Company is requested to do so during its normal business hours (i.e., 8:00 a.m. to 4:00 p.m., Monday through Friday). However, a charge of \$50.00 shall apply to each request to either turn a service on or off if the Company is requested to do so during times other than its normal business hours.
- 9. Additional Dwelling Unit Charge:** An individual dwelling unit charge in the amount of \$55.00 per individual dwelling unit per billing cycle, as that amount may be revised by the Company's Board of Directors from time to time, will be charged for all livable dwelling units situated on a single property to which the Company provides water service. For purposes of this section, an “individual dwelling unit” shall mean any individual unit, including, but not limited to, an apartment or mobile home, in which persons reside on a temporary or permanent basis.

#### 1.04: BILLING PROCEDURES

- A. **Joint Service:** No joint service is allowed. The property owner is solely liable for payment of bills, unless authorization is provided to mail the bills to a tenant or other occupant of the property owner's property. In that case each party is separately and independently responsible for payment of bills.
- B. **Re-establishment of Credit:** A customer whose service has been discontinued for nonpayment of bills will be required to pay any unpaid balance due for the premises to which service is to be restored and will also be required to pay both the late charge as prescribed in Rule 1.03.B.1. and the reconnection charge as prescribed in Rule 1.03.B.2. before service is restored. In addition, the customer will be required to deposit with the Company an amount estimated to equal to the highest of the last 6 billings to the property.
- C. **Bankruptcy of Customer:** If any customer or shareholder seeks protection under the federal bankruptcy law while any charges to the Company remain outstanding, the customer or shareholder must list the Company as a creditor and must immediately provide the Company with notice of the customer or shareholder's bankruptcy filing. Upon conclusion of the bankruptcy proceeding, the customer or shareholder must provide the Company with a copy of any applicable order for relief within seven (7) days of entry of that order. While any bankruptcy proceeding is pending, the customer or shareholder who is the debtor in that proceeding must keep his, her or its account with the Company current, and the Company is entitled to discontinue service if neither the customer or shareholder, nor the bankruptcy trustee, within 20 days after the date of the bankruptcy petition, furnishes a deposit for service after such date. The deposit shall be the highest of the last 6 billings rendered to the property prior to the filing of the petition. Service may be discontinued in accordance with the rules of the Company upon non-payment for service after the customer or shareholder's bankruptcy petition is filed.
- D. **Refund of Deposit:** When water service is discontinued, the Company will refund the balance of any deposit held for that service in excess of any unpaid bills. Refunds will be made within a reasonable period of time.
- E. **Rendering and Payment of Bills:** Bills for service are rendered on a bi-monthly basis. Bills for service are due and payable upon presentation (i.e., the date of the bill) ((the "Billing Date"). If the bill is not paid by the forty-fifth (45<sup>th</sup>) day after the Billing Date, a late charge as set forth in Section 1.03(B)(1), above, will be assessed and added to the customer's account. Payment must be made at the office of the Company, and it is the customer's responsibility to assure that payments are received at the Company's office in a timely manner. Partial payments are not permitted. Closing bills shall be due and payable at the time of presentation of the closing bill.
- F. **Separate Billings for Each Meter:** Each meter on a customer's premises will be read and billed separately for each billing cycle.

**G. Delinquent Bills:** The following rules apply to customers whose bills remain unpaid by the due date.

- 1. Small Balance Accounts:** If less than a minimum bill remains unpaid, it may be carried over to the next billing period as the Company deems appropriate.
- 2. Overdue Notice:** If payment for a billing period is not made on or before the forty-fifth (45<sup>th</sup>) day after the Billing Date, an Overdue Notice will be mailed to the customer at least seven (7) business days prior to actual disconnection, which may occur at least sixty (60) days after the customer's bill is delinquent. The Overdue Notice will include a late charge.
- 3. Turn-Off Deadline:** Water service charges and late charges must be paid by 4:00 p.m. on the day specified in the Overdue Notice.
- 4. Contents of Overdue Notice:** The Overdue Notice will include the following information:
  - a. Customer's name and address;
  - b. Amount past due;
  - c. Date by which payment or arrangement for payment must be made (termination date) in order to avoid termination;
  - d. Description of the process to apply for an extension of time to pay the amount owing;
  - e. Description of the procedure to petition for review and appeal of the bill giving rise to the delinquency;
  - f. Description of the procedure by which the consumer can request a deferred, amortized, reduced or alternative payment schedule;
  - g. Telephone number of a Company representative who can provide additional information; and
  - h. Telephone number of the Public Utilities Commission to which inquiries by the customer may be directed.

In addition to the foregoing contents, for any property where: (i) there is a landlord-tenant relationship between residential occupants and the owner of the dwelling, (ii) the owner is the customer of record for that dwelling and (iii) the Company furnishes water through an individual meter, the notice shall include a provision that informs the occupants they have the right to become customers of the Company, to whom water service will then be billed, without being required to pay any amount which may be due on the delinquent account; provided, however, that any such occupant must agree to the Company's terms and conditions of service and must meet the Company's other requirements to establish service.

In addition to the foregoing, for any property where the Company provides water service through a master-meter and the owner of that property is the customer of record for that property, the Company shall use all good faith efforts to post the termination notice on the door of each residential unit. For such master-metered units, the notice shall also inform the occupants of their right to become customers

of the Company, to whom water service will then be billed, without being required to pay any amount which may be due on the delinquent account. The notice shall also specify what the occupants must do in order to prevent the termination of service or to reestablish service, the estimated monthly cost of service, the title, address and telephone number of a Company representative who can assist the occupants in continuing service and the address and telephone number of a qualified legal services project. However, the Company is not required to make service available to the occupants unless each occupant agrees to the terms and conditions of service and meets and Company's requirements to establish service, or if one or more occupants is willing and able to assume responsibility for subsequent charges to the account.

- 5. Notification of Returned Check-Disposition:** Upon receipt of a returned check tendered in payment of water service or other charges, the account will be considered unpaid. The Company will make a reasonable, good-faith effort to notify the customer in person and leave a Termination Notice at the premises advising the customer that service will be turned off after the expiration of forty-eight (48) hours because of the returned check. Water service will be disconnected unless both the amount of the returned check and the returned check charge are paid **in cash, money order, cashier's check, certified funds or, if feasible, electronic funds transfer**, before the date set forth in the notice for turning off the service.
  - 6. Returned Check Tendered to Restore Service:** If the customer tenders a returned check as payment to restore water service disconnected for non-payment, and as a result the Company restores service, the Company may again promptly disconnect service without providing further notice. No 24-hour or 48-hour Termination Notice will be given in the case of a returned check tendered for payment of water service that was previously subject to disconnection.
  - 7. Returned Checks - Cash Payment Required:** Any customer issuing a non-negotiable check for payment to restore service turned off for non-payment, will be required to pay, for one year, cash, certified funds or, if feasible, electronic funds transfer to have service restored if such service is turned off again within this time period for non-payment.
  - 8. Customer Deposit Upon Receipt of Returned Check:** Any consumer issuing a non-negotiable or returned check as payment for water charges shall be required to deposit with the Company an amount equal to the highest of the last 6 billings to the property.
- H. Disputed Bills:** See "Article IV – Appeals" of the Service Termination Policy for the appeals process applicable to residential accounts. The following provisions apply to any commercial or industrial account. If the customer disputes the charges in their bill or feels that the bill is not correct, the customer can file a complaint or request an investigation. The following procedure must be used:



1. Within five (5) days after receiving their bill for water service, the customer may initiate a complaint or request an investigation regarding any bill tendered by the Company. Such protest shall be made in writing and delivered to the Company at its office.
2. After the complaint or request for an investigation is received, an office appointment will be arranged between the customer and a representative of the Company, to review the complaint or request, and get any other information or documents the customer may have that will assist the Company in deciding on the complaint or request. After considering the evidence provided by the customer and the information on file with the Company, the Company representative shall issue a brief summary of their decision as to the accuracy of the bill.
  - a. If water charges are found to be incorrect, a corrected invoice will be provided and is payable within ten (10) days after receipt. If the revised charges remain unpaid after the ten (10) days, water service will be terminated on the next working day. Water service will be restored only after all outstanding water charges and all applicable reconnection charges are paid in full.
  - b. If the water charges are found to be correct, the water charges are due and payable within three (3) days after the customer is notified in writing of the decision of the Company representative. If the charges are not then timely paid, termination will be scheduled at close of business two working days after the date of the notice to the customer regarding the decision.
  - c. When the decision of the appointed representative is given, the customer will also be advised of their right to further appeal before the Board. However, all charges determined to be due must be paid as prescribed above, whether or not the customer intends to appeal.
  - d. If the customer disputes the decision rendered by the Company's representative, they may request a hearing before the Board of Directors.
  - e. Water service may not be terminated until the investigation is completed and the customer has been notified of the Company's decision.
3. A hearing before the Board must be requested in writing and delivered to the Company. That hearing must take place at the next regularly scheduled Board meeting that will take place at least five (5) days after the Company receives the customer's notice to appeal. The customer shall appear at that hearing and present to the Board evidence and reasons as to why the water charges in question are not accurate. The Board shall evaluate the evidence presented by the customer, as well as information on file with the Company concerning the water charges in question, and render a decision as to the accuracy of said charges; provided that any Board member who is rendering services in managing the Company shall not participate in any vote or deliberations of the Board on the disputed matter. The Board's decision is final and binding.

- a. If the Board finds the customer was undercharged, the appropriate additional charges may be billed and payment is then due ten (10) days after receipt of the supplemental bill. If the supplemental bill is not paid in ten (10) days, water service will be terminated on the next working day after expiration of that ten (10) day period.
  - b. If the Board finds the customer was overcharged, the amount of such overcharges shall, at the Company's option, be reflected as a credit on the next regular bill or be refunded directly to the customer.
  - c. If service had previously been disconnected for non-payment and the Board finds the customer was undercharged, service will be restored only after all outstanding water charges and any and all applicable reconnection charges are paid in full.
  - d. If the Board finds the water charges in question are correct, the decision of the appointed representative will stand.
- I. Adjustment of Bills for Meter Error:** The customer may request a billing adjustment because of meter error. Such a request must be made in writing and Rule 1.03.B.4. will apply. The meter will be tested in an "as found" condition, in order to determine the average meter error. If the average meter error is found to exceed two percent (2%) [if the quantity of water recorded by the meter measures below ninety-eight percent (98%) or above one hundred and two percent (102%) of the **actual** quantity of water passing through the meter], the following billing adjustments will be made:
- 1. **Fast Meters:** The Company will refund the estimated amount of the overcharge for the period the meter was determined to be incorrect, not to exceed six months.
  - 2. **Slow Meters:** The Company, at its option, may bill the customer for the amount of the undercharge for the period the meter was in service and determined to be incorrect, not to exceed six months.
  - 3. **Non-Registering Meters:** The Company may bill the customer according to an estimate of water consumed while the meter was not registering, not to exceed six months. This estimate will be based on the customer's prior use during the same period the prior year, or on a reasonable comparison with similar customers during the same period.

**J. Amortization of Unpaid Balance** - See “Article III – Alternative Payment Arrangements” of the Service Termination Policy for the process for alternative payment arrangements applicable to residential accounts. The following provisions apply to any commercial or industrial account.

- 1. Requirements for Amortization:** On certification of a licensed physician that to terminate service would be life threatening to the customer and where that customer is financially unable to pay for service within the normal payment period and is willing to enter into an amortization agreement with the Company with respect to all charges that the customer is unable to pay prior to delinquency, the Company will arrange for a payment plan described in subdivision 2, below relative to all delinquent amounts.
- 2. Amortization Payment Plan:** Under the circumstances set forth in subdivision 1, above, a repayment agreement will be entered into between the Company and the customer, amortizing the unpaid delinquent amounts over a period not to exceed 12 months, with payments added to the customer's regular bill. The customer will be charged an administrative fee of \$5.00 each billing cycle to cover the cost of administering the plan, and interest at ten percent (10%) per annum on the unpaid balance.
- 3. Compliance with Plan:** The customer must make payments on time as they come due under the plan, in addition to paying current water charges. The customer may not request another amortization plan until all past due charges have been paid. Failure to make timely payments under the plan will result in 24-hour Termination Notice, and the subsequent disconnection of service if the amounts then due under the payment plan are not paid in full.

**1.05: TURN ON AND TURN OFF PROCEDURES AND CHARGES**

- A. Turn-off at the Customer's Request:** Subject to the charges set forth in Rule 1.03.B.8, above, a customer may request that service be discontinued either temporarily or permanently. Such a request may be made telephonically, in which case the customer must provide his or her account number to the Company representative with whom he or she is speaking, or may be made in person at the Company's office in writing, in which case the customer making the request must present picture identification and their most recent water bill as proof that the customer is the person to whom service is delivered, or other proof of ownership of the subject property. Requests to discontinue service must be made at least one working day in advance of the day on which the discontinuance is desired; provided, however, that the Company may waive such prior notice and the other requirements of this rule in case of an emergency. The customer requesting the discontinuance must give notice of the impending discontinuance of water service to any tenants, in the case of a single-family residence and to each rental unit, in the case of a multi-unit structure. The Company reserves the right to delay termination of service at the customer's request (during which time the customer shall remain liable for all charges resulting from the continued service) if there are tenants residing at the subject property who would be adversely impacted by the requested termination of service and no such prior notice was provided to those tenants. In such a situation, the Company may contact

the applicable governmental agency regarding the requested termination of service. The customer or a designated representative of the customer must be present at the subject property at the time the Company discontinues water service to that property.

If one working day's notice is not given, the customer will be billed for service until one working day after the Company has received appropriate notice that the customer has vacated the premises or otherwise has discontinued service.

**B. Turn-off by the Company:** The Company may disconnect a customer's service for various reasons which are listed below. Such involuntary disconnections are effected by turning off and locking the meter, thereby stopping the water service. The fact that water service to a property has been stopped will not result in the Company not imposing its "ready to serve" or meter charge on that property. The Company will make a reasonable attempt to notify the customer of disconnection in person, or will place a Termination Notice on the premises served by the disconnected meter at least 24 hours prior to termination. Reasons for involuntary disconnection include, but are not limited to, the following:

- 1. For Non-Payment of Bills:** A service may be disconnected for non-payment of periodic bills. Before a service is disconnected, the customer will be notified by an Overdue Notice as provided in Rule 1.04.G, above.
- 2. For Non-Compliance with Rules:** The Company may terminate service to any customer for violation of Company rules after the customer has been notified of the problem or violation, and has not complied with such rules within at least three (3) days after the date of such notice. Where the safety of water supply is endangered, including with respect to violations of the Company's cross-connection control requirements, service may be discontinued immediately without notice.
- 3. For Waste of Water:** Subject to any contrary requirements set forth in an action of the Board of Directors to implement state-mandated water use restrictions, in order to protect itself and its customers against willful or negligent waste or misuse of water, the Company may disconnect service if the waste or misuse has not been corrected within five (5) days after written notice to the customer. Written notice shall be given by personal service or by registered or certified mail. Upon failure of the customer to correct those wasteful practices set forth in the five-day notice, the customer's water service shall be terminated. Service will be restored only after the wasteful practice has been remedied, and the customer has paid the Company the usual reconnection charge.
- 4. For Unsafe or Hazardous Conditions:** The Company may disconnect a service without notice if unsafe or hazardous conditions are found to exist on the customer's premises including with respect to violations of the Company's cross-connection control requirements. The Company will immediately notify the customer of the reasons and the necessary corrections required before reconnection. An unsafe or hazardous condition may exist due to defective appliances or equipment that may be detrimental to either the customer, the Company, or to the Company's other customers.

- 5. For Fraudulent Use of Service:** When the Company has discovered that a customer has obtained service by fraudulent means, or has diverted the water service for unauthorized use, service to that customer may be discontinued without notice. The Company will not restore service until the customer has complied with all applicable rules and reasonable requirements of the Company and the Company has been reimbursed for the full amount of the service rendered, the actual cost to the Company incurred by reason of the fraudulent use, including any damage done to Company, property, equipment or facilities, and any fine imposed by the Company under Rule 1.03.B.6, above.
- C. Restoration of Service:** In order to resume or continue service that has been disconnected, the customer must pay a reconnection charge under Rule 1.03.B.2. The Company will make an effort to reconnect service as soon as practicable, to suit the customer's convenience. In all events, service will be reconnected before the end of the next regular working day following the customer's request and payment of any charges then due. The customer requesting the restoration of service must give notice of the impending restoration to any tenants in the case of a single family residence and to each rental unit in the case of a multi-unit structure. The customer or a designated representative of the customer must be present at the subject property at the time the Company restores water service to that property.
- D. Restoration of Service: Customer Shut-Off Valves.** The Company has found that in some circumstances, customers do not have proper shut-off valves installed at their property. This has resulted in multiple calls to the Company to turn-off and then restore water service at the meter valve, which results in additional wear and tear on, and damage to, the meter valve. In the event the Company, at the customer's request, has restored water service three times at a property lacking installation of proper shut-off valves situated on the customer's side of the Company's meter, the Company will not subsequently restore such service until a suitable shut-off valve has been properly installed at the customer's expense, as the Company shall determine in its sole discretion.

## **Rule 2: RULES APPLICABLE TO INDIVIDUAL APPLICANTS FOR WATER SERVICE**

- 2.01: USE OF AN ACTIVE SERVICE BY NEW TENANT/OWNER:** A person who takes possession of premises and uses water without applying for water service is liable for all water delivered from the date of the last recorded meter reading. If the meter is found inoperative, the quantity consumed will be estimated. If proper application for service is not made within 48 hours after notification to do so, or if accumulated bills are not paid upon presentation, water service shall be discontinued without further notice.
- 2.02: APPLICATION FOR SERVICE:** Each applicant for service is required to provide copies of the documents set forth below and sign, on a form prescribed by the Company (see Appendix A), an application setting forth the following contents and limited to the purpose stated below.

**A. Contents:**

1. Applicant name.
2. Date of application.
3. Applicant's home, office and mobile telephone numbers and, if available, e-mail address.
4. Address to which bills are to be mailed or delivered.
5. Address of the premises to be served.
6. Date applicant will be ready for service.
7. Agreement to abide by Company Rules and Regulations.
8. Purpose for which service is to be used (i.e., residential, commercial, etc.).
9. Whether applicant is owner, tenant or agent for the premises.
10. If owner - a copy of the recorded grant deed showing title as held by the owner or other proof of ownership acceptable to the Company in its sole discretion.
11. If tenant - owner's name, address and telephone number.
12. Agreement by the property owner/shareholder to assume any outstanding water charges for property where service is requested.
13. Such other information as the Company may reasonably require.

**B. Residential Rental Property:** Applications for water service to residential rental property require service to be provided on account of the property owner or, alternatively, upon co-application by both the property owner and the tenant. Except as provided in the Service Termination Policy, applicants who are not property owners will not be provided service until the property owner has made application therefor. The Company will hold the property owner ultimately responsible for payment.

**C. Purpose:** The application is merely a written request for service and does not bind the applicant to take service for a period of time longer than that upon which the minimum charge is based; neither does it bind the Company to serve, except under reasonable conditions and upon the approval of the General Manager.

**2.03 DEPOSITS:** The customer shall be required to deposit with the Company such sums as specified in Rule 1.04.B. in the event the customer's service is disconnected for non-payment, or in other cases where the customer is found not to be creditworthy.

**2.04: REFUSAL TO SERVE:** The Company may refuse to serve an applicant for service under the following conditions:

**A. Conditions for Refusal:**

1. Failure to properly transfer Company shares in accordance with the Bylaws of the Company.
2. If the applicant fails to comply with any of the rules and regulations contained herein, including applicant's failure to properly complete the application required under Rule 2.02, above, or failure to provide a copy of a deed or suitable document evidencing applicant's ownership of the property for which service is requested.
3. If the intended use of the service is of such a nature that it will be detrimental or injurious to existing customers.

4. If, in the judgment of the Company, the applicant's installation for utilizing the service is unsafe or hazardous including with respect to violations of the Company's cross-connection control requirements, or is of such nature that satisfactory service cannot be rendered, or exceeds the normal capacity of the meter service.
5. Where service has been discontinued for fraudulent use, the Company will not serve an applicant until it has determined that all conditions of fraudulent use or practice have been corrected.

**B. Notification to Applicant:** When an applicant is refused service under the provisions of this rule, the Company will notify the applicant promptly of the reason for the refusal to serve and of the right of applicant to appeal that decision to the Board.

**2.05: WATER SERVICE CONNECTIONS:** For those premises that do not have an existing service connection, the applicant will be charged for the actual material and labor costs incurred by the Company in installing the service connection.

**A. Size:** Subject to any requirements imposed by an applicable government agency, the Company reserves the right to determine the size of the service connection, the service pipe and water meter and the type of any backflow prevention device or other appurtenance required for the installation.

**B. Location:** So long as practicable and subject to any requirements imposed by an applicable government agency, service will be installed at locations designated by the applicant, but only at curb and/or property lines of the property to be served abutting upon a public street, highway, alley, lane, or road in which a water main of the Company is installed.

**C. Looped Metered Connections:** Service provided to a location that has its own distribution system that is looped and connected to Company facilities by two (2) or more meters shall be provided with an approved type backflow prevention device immediately downstream of each metered connection.

**D. Changes in Service Connection/Meter Size:** Payment of all applicable additional charges will be required upon the happening of any of the following:

1. The alteration or increase in size of a service connection.
2. The service of any area, adjacent property, or property of different ownership not served at the time of the original commencement of service.
3. The increase of use by reason of land zoning reclassification or actual land use.

In instances where such additional charges are due, credit may be allowed for any such previous payments made by either the applicant, owner, or their predecessors. The size of any meter service and/or the area it serves, or the property's zoning classification or actual use, shall be determined by the General Manager. Subject to any decision of the Board made on an appeal, such determination by the General Manager will be final.

**E. Limitations on Use of Service Connections:**

- 1. Number of Units and Land Area.** Subject to any requirements imposed by an applicable government agency, the Company reserves the right to designate the type of meter, limit the number of buildings, separate houses, living or business quarters, and the area of land under one ownership to be supplied by one service connection.
- 2. After Subdivision.** When property provided with a service connection is subdivided, the service connection shall be considered as belonging to the lot or parcel of land which it directly enters.
- 3. Supplying to Other Property.** No service connection shall be used to supply adjoining property belonging to a different owner, or adjoining property acquired by the original applicant or owner subsequent to installation of the original service connection, or to supply property of the same owner on opposite sides of a public street or alley.
- 4. Supplying Outside Company.** No service connection will be used to supply water to property outside the Company service area.
- 5. Master Meters.** Except in the case of a motel, hotel or apartment building, no master meters will be authorized for a multi-user development. All tenants or owners receiving water service shall have separate meters.

**2.06: PROVISION OF SERVICE:** The Company shall not be obligated to provide water service to any applicant for water service until after any and all fees, charges and assessments, including late fees and accrued interest, owing to the Company and associated with the property seeking water service have been paid in full, and the stock appurtenant to the property has been properly transferred on the books of the Company.



### Rule 3: RULES APPLICABLE TO CONSTRUCTION PROJECTS

#### 3.01: DESIGN AND CONSTRUCTION OF WATER SYSTEM IMPROVEMENTS:

- A. Submittal of Plans:** Any person who desires to undertake a new construction project within the Company's boundaries, including any project to install a water line to the Company's system, shall, at the discretion of the Company's General Manager, enter into a Water Service Agreement with the Company in the form attached to these Rules and Regulations as Appendix C and submit to the Company, for review and approval, plans and specifications prepared and stamped by a registered California professional engineer familiar with the preparation of underground water utilities plans and specifications in public rights of way and streets. Such plans shall include all specifications required by the Company. Incomplete plans and specifications will not be reviewed and will be returned to the submitting party. Concurrent with the submittal of such plans, the submitting party shall pay to the Company a plan check fee as determined by the Company's General Manager to cover the cost of the Company's review of those plans, and all other costs required under the Water Service Agreement. The Company's review of plans, and any plan checking fees paid, under this paragraph shall be separate from any plan review or plan checking fees required by any city or other governmental entity.
- B. Construction of Water System Improvements:** Any person who desires to undertake a new construction project within the Company's boundaries, including any project to install a water line 2-1/2 inches or greater in diameter that is to be added to the Company's system shall engage a properly licensed contractor specializing in underground water utilities in public rights of way and streets to perform all work in accordance with the plans approved under subparagraph A, above. That contractor shall be licensed in California as both an "A" general engineering contractor and as a C-34 pipeline contractor and shall have in place all insurance required under subparagraph C, below. At least seven (7) calendar days prior to the commencement of any work, the person who desires to install the improvements shall submit the name of the contractor and the contractor's work experience on projects of a similar nature to the Company for the Company's approval. The Company shall inform the submitting party of its decision within seven (7) business days after submittal.
- C. Insurance Requirements.** Any contractor engaged to construct the water system improvements under subparagraph B, above, shall maintain the following insurance policies, each of which shall name the Company as an additional insured in connection with the work to completed under subparagraph B, and shall provide that such insurance shall not be cancelled without at least thirty (30) days written notice to the Company. The following original insurance certificates evidencing the applicable coverage shall be submitted to the Company at least seven (7) calendar days prior to starting any work, for the Company's written approval:
1. A commercial general liability insurance policy insuring against general bodily injury and property damage (ISO Commercial General Liability - Occurrence Form CG 0001) with limits of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate;

2. A policy insuring against automobile bodily injury and property damage (ISO Form Number CA 0001 (most recent edition)) with a limit of not less than \$1,000,000 per occurrence, including owned, non-owned and hired autos; and
  3. A workers compensation insurance policy, as required by California law.
- D. Inspection of Construction of Water System Improvements:** The Company shall inspect the water system works only completed under subparagraph B, above, and as specified in the Water Service Agreement, and shall charge the person on whose behalf such work is being completed the fees described in subparagraph E, below. The Company's inspection is separate and apart from any required inspection by the City of Cudahy and the person on whose behalf such work is being completed shall be solely responsible for all costs related to that city inspection.
- E. Inspection Fee:** In addition to the plan check fee set forth in subparagraph A, above, at the time the plans and specifications are submitted to the Company, the submitting party shall also deposit with the Company an amount determined by the Company's General Manager, in his or her reasonable discretion, to be sufficient to cover all staff time and, if applicable, outside engineering costs incurred in inspecting the work to be performed under subparagraph B, above. If the amount deposited exceeds the actual costs incurred by the Company in connection with such inspection, the excess shall be returned to the submitting party within seven (7) calendar days of the date the Company finally determines the amount of its actual costs. If the actual costs incurred by the Company in connection with the inspection exceed the amount deposited by the submitting party, the submitting party shall be responsible for payment of such excess costs within seven (7) days of the date of invoice from the Company setting forth such excess costs. Water service will not commence before any such excess costs are paid in full. The Company's inspection of the water system work, and any inspection fees paid, under this paragraph shall be separate from any inspection, inspection fees or permits required by any city or other governmental entity.