

CHAPTER 6 WATER SERVICE

6.1 RULES AND REGULATIONS

These rules and regulations have been adopted by the Board under the authority of the Water Code of the State of California, are part of the law governing the District, and may be amended as required for the operation of the District. All records of the District are open to the public in accordance with the Public Records Act during the hours when the District offices are open. Information concerning the affairs of the District will be furnished in accordance with statutory procedures and requirements. Reproduction of any documents shall be at a copy fee set by the Board from time to time and described in Appendix A.1.

Failure or refusal of any landowner or water user to comply with the rules and regulations of the District, including this manual, or any interference by any such landowner, water user, his servants or employees, with the rights, duties, or obligations of the District, or its employees, or any tampering with meters, valves, or other District works and installations shall entitle the District to discontinue the service of water to such owner or user until the landowner or water user shall furnish satisfactory proof to the Board of his intention to comply with the District's rules, regulations, policies, and procedures.

6.2 OWNERSHIP OF WATER

All water and water rights belonging to the State within the District have been dedicated and set apart for the uses and purposes of the District. No purchaser of water from the District acquires any proprietary right therein or any right to resell such water, or to use it on premises or for a purpose other than stated in the written request to the District for service. The District asserts the rights to recapture, reuse, and resell all water that passes from the premises of the person to whom the water was sold, or from the premises stated in the request to the District for services. All water introduced into the District by District works or other outside sources is District water, and is subject to diversion, re-diversion, and use by the District. All such water intercepted and used or impounded will be charged to the person using or impounding it at the rates established by the District.

6.3 ANNEXATION OF LANDS TO THE DISTRICT

Property must be annexed to the District prior to receiving water service. Annexations shall occur in accordance with the District's Annexation of Lands to the District or Reorganization including Annexation Application and Procedures Guide as described in Appendix B.3. No water service will be supplied to parcels that are not annexed to the District unless previously approved by the Board.

The applicant will be informed of the requirements for receiving service, including any negotiated and/or mitigating issues and the costs associated with the annexation process.

Thereafter, if the applicant wants to proceed with annexing their property, they must deposit funds equal in amount to the total of the District's processing fee and any other fees as described in the Recordable Annexation Agreement. Calculation of the District's annexation fee and when it becomes payable to the District will be as described in Appendix B.3 and the Recordable Annexation Agreement.

6.4 EASEMENT ABANDONMENT

Abandonment by the District of its interest in public utility, irrigation, and other easements dedicated to the District for installation, maintenance, repair, etc., of facilities, shall require approval of the Board. Staff shall prepare a detailed analysis and recommendation for consideration by the Board. Commitments to abandon easements or assurances that easements will be abandoned may be provided by staff only after approval of same by the Board.

6.5 APPORTIONMENT OF WATER

In the event of water shortage conditions, the District will endeavor to equitably apportion the water to the land and/or customers entitled thereto in accordance with the water shortage contingency analysis discussion found in the most recent publication of the District's Urban Water Management Plan or in accordance with emergency measures adopted by the Board. The decision of the Board as to the need for and method of apportioning the water shall be conclusive. No water user shall permit the waste of water which is under his control. The District reserves the right to refuse delivery of water when it appears to the satisfaction of the Board that the proposed use or method of use will require such excessive quantities of water that will constitute waste.

6.6 WATER SERVICE

The District provides domestic and irrigation water from Paradise Lake and Magalia Reservoir through the District treatment plant, and occasionally from District drought management wells, through the District's piped distribution system. The District operates the system with permits from the State of California, Department of Water Resources. Irrigation and residential irrigation water service accounts are defined as those using water on two or more acres for any legal agricultural endeavor.

The agents of the District shall have access at all times to the property being supplied with water from the District's system for the purpose of examining the lands, the flow of water thereon, the District works and water facilities and any private pipelines or facilities for the delivery of water. No fence or structure shall be built, or trees or other obstruction maintained prohibiting reasonable District access on any right-of-way or easement or other property belonging to the District without the permission of the Board in writing and signed by the President of the Board. No meter shall be fenced in or made inaccessible without District approval.

No material of any sort will be placed or allowed to collect on any land belonging to the District. No trespassing is permitted on District land so posted or fenced. Violators of the rule shall be subject to prosecution.

No person or persons shall install or place any pipeline, valve, meter or other structure or device in any works of the District except in pursuance of plans adopted or orders made by the Manager and approved by the Board; nor shall any person divert or take water from the works of the District or under its control or make any opening therein, or change, molest, disturb or interfere with any works of the District without permission of the Manager and approval by the Board.

6.6.1 Applying For Service –

Any person desiring a new service connection shall apply for service at the District office as far as possible in advance, in order to afford the District time to make the connection.

Requests for new water service (property normally not previously serviced), shall be made by the property owner or his designated agent. To open an account for new water service, a signature is required on the Meter Order form. A transfer of existing water service requires a copy of the property owner's recorded deed. Applications for service are taken at the business office of the District. The District's requirements for the type of service desired must be met before a request will be approved. Service charges begin when a meter is installed.

All requests for water service shall be subject to staff review. Requests for service from a water main not contiguous to the subject property, or from a water main with insufficient capacity to serve additional demands, will be subject to additional review and may be subject to special conditions of approval.

Special conditions of approval include, but are not necessarily limited to, providing proof of recorded easement(s), execution of a Future Pipeline Agreement, or construction of a pipeline extension project. Additional District costs for legal review, document preparation, etc. (over and above the costs associated with a meter order that does not have special conditions of approval), will be billed to the applicant and payment shall be received before service will be provided.

If any part of the property to be served does not physically touch an existing District main with sufficient capacity to provide additional service ("non-contiguous), or if these premises are outside the District's boundaries, or if unusual conditions exist, the applicant will be advised of terms and conditions which must be met before a request for service may be accepted, including the possibility of Board approval. In determining whether the portion of an applicant's premises lying directly along a main constitutes principal frontage, the District's decision shall be final. It is the intent of the language contained herein, to minimize the number of multiple service lines which, in the judgment of the District, detracts from the present and future orderly development of the District.

Continuance of service is dependent on compliance with the District's regulations governing service.

6.6.2 Service Connections –

All new pipelines and service facilities to supply water to new developments shall be installed at the full cost and expense of the owners of such developments and shall be installed in accordance with the District's Improvement Standards For Water Systems Planning and Design Manual (Appendix B.7), and the Pipeline Installation Procedures and Specifications Manual (Appendix B.8).

A. Existing Service Connection

Service may be granted where a complete service connection for the premises exists provided the District's requirements are met as stated in these regulations, including copies of legal property documentation substantiating ownership or change in ownership. During normal business hours, if a minimum forty-eight (48) hour advance notice is furnished to the District, the service will be continued or turned on at the meter on the date requested by the customer. After hours service requests will be subject to additional charges.

B. Service Connection Does Not Exist

When an application is received for service to premises where a service connection does not exist, service may be granted provided the applicant meets the District's general requirements as stated herein and as described in Appendix B.7, Improvement Standards for Water Systems Planning and Design Manual, and Appendix B.8, Pipeline Installation Procedures and Specifications Manual.

6.6.3 Pipeline Installations –

Pipeline installations shall be in accordance with Pipeline Installation Procedures and Specifications as described in Appendix B.8.

The State's Attorney General has opined that, in certain circumstances, construction of facilities for provision of public utility service, with the understanding and agreement that said facilities will be turned over to the District for ownership, operation, and maintenance at the conclusion of construction, may be subject to the prevailing wage laws of the State of California. It is the developer's responsibility to determine if the Attorney General's opinion affects the wages paid by him to workers employed on water facilities constructed for their project. However, should it be determined that the prevailing wage laws of the State (Labor Code 1770, et seq.) apply to the work performed for the project, then the developer will be required and shall agree to defend and hold the District harmless from

any liability, claims, damages, or costs in any way associated with said determination by the State. Further, the developer shall take all necessary and appropriate action, including payment of back wages, and any associated penalties which may be required, due to enforcement of the prevailing wage law in connection with construction of the water system.

The District will not represent or advise the developer in connection with this matter except to advise them of their potential liability. The developer should not rely upon any opinion or information of the District in making their determination in connection with the payment or nonpayment of wages.

6.6.4 Continuity of Service –

After water service has been installed, the appropriate charge will continue for all installed meter accounts until written notice from the property owner is given to the District to permanently discontinue service. In those cases where the meter had been removed and a ready to serve status remains in effect, the customer shall retain applicable rights and privileges of those customers with an installed meter.

The property owner may request their meter to be removed. Such discontinuance of service is permanent. Reestablishment of service shall be on the same basis and conditions as any other request for new service with the exception that the owner shall retain the capacity provided to that parcel and capacity fees will only apply if the new service requires more capacity than the removed meter.

A service charge for temporarily sealing and reactivation to normal service shall be fixed from time to time by the Board and be available on request at the District business office.

6.6.5 Service Interruptions –

The District may shut off the water at any time for the purpose of making repairs and improvements to its pipelines and works or for other purposes and the District shall not be responsible nor liable in any manner for any inconvenience, loss, or damage caused by any service interruption. Whenever possible, proper notice will be provided to the customers impacted by the service interruption.

Water users requiring continuous water supply for any reason are advised to provide an auxiliary supply or storage facility sufficient to supply their needs during any such interruption period.

6.6.6 Limits of District Liability –

The District will not be liable for any damage of any kind or nature resulting directly or indirectly from any private distribution or service pipeline, or the water flowing therein, or by reason of lack of capacity therein or for negligent, wasteful or other use or handling of

water by the consumers there from. The District sells water as a commodity only and not as a guaranteed service and will not be liable for defective quality of water, shortage of water either temporarily or permanently, or failure to deliver such water.

Pumping by consumers of District water is done at the consumer's risk and the District assumes no liability for damages to pumping equipment or other damages as a result of water quality or shortage or excess of water or other causes.

The District assumes no liability for damages to persons or property occasioned through defective pipelines, meters, pressure relief valves, or any other part of the system.

6.7 PRIVATE DISTRIBUTION PIPELINES

The District no longer approves private distribution pipelines (pipelines on the District's side of the meter, but not owned by the District). It is to such pipelines earlier approved and installed that the comments of this section apply.

In the event of leakage from such privately owned pipelines, the District will effect repairs or replacement of the pipeline at District cost. In the event of a refusal by property owner(s) to allow District repair or replacement of the same, the District may at its option in the Manager's discretion, in order to avoid waste of water or property damage, discontinue service of water through such privately owned pipelines until the condition is remedied.

6.7.1 Meters Relocated from Private Distribution Pipelines –

It is the goal of the District that private pipelines be eliminated from the District's distribution system. In order to achieve this goal, the District will relocate meters onto a nearby District main at no cost to the customer if the customer absorbs the cost of connecting their service line from the meter to their existing plumbing.

6.7.2 Acceptance of Private Distribution Lines –

Upon request of property owners of a private distribution pipeline, the Board may, at its sole discretion and after proper inspection by the District, agree to accept conveyance of title to the pipeline and right-of-way and thereafter operate and maintain it as a District pipeline.

6.8 CUSTOMER SERVICE LINES

6.8.1 Condition of Customer Service Pipelines Beyond District Meters –

Before water is turned on for a customer service pipeline, the pipeline shall be in suitable condition to receive water. Failure to comply with this policy shall be sufficient cause for refusal to turn water into such pipelines. Nothing herein shall be construed as an assumption of liability on the part of the District, its Directors, officers or employees for

any maintenance, or use of any customer pipeline or by reason of permitting the flow of water or turning water therein.

6.8.2 Customer Service Line Improvements -

It is the policy of the District to encourage the replacement of long customer service lines when an opportunity to connect to a new main in a closer location presents itself. All costs associated with the extension of, or connection to District facilities, together with the installation of private service lines from said facilities, shall be the responsibility of the owner(s) of the parcel(s) to be served.

Property owners that are willing to replace their service line, where the cost is in excess of \$1,000, will have the option to finance their costs through the District at fixed rate set at the prime rate of the District's Bank, plus 2% for a maximum term of 10 years. Property Owner will be required to acknowledge that any delinquencies will result in the total amount due being transferred to the Property Tax rolls.

6.9 RELOCATION OF DISTRICT SYSTEM

The cost of relocating meters, hydrants, pipelines, or any other portion of District's system shall be borne by the requesting party or the party benefiting from the relocation. Relocation fees shall be labor plus fifty (50%) percent, material, and equipment charges. As described in Appendix A.1.

6.10 FINANCIAL RESPONSIBILITY FOR COST OF EXTENDING MAINS

It is the District's policy to allow reasonable extensions of District water mains to serve the growing community, but not to unfairly burden existing customers with the costs of extending service to new customers. The developer of a project or the owner of a lot that wishes to connect the project or lot to the District's system ("Developer") may request an extension of a District main and appurtenant facilities to serve the project or lot. The Developer will initially bear the entire cost of extending the main and will also bear the costs of installing the private service lines to its project or lot(s). The District, in its sole discretion, may elect to use its own forces to install the extension, in which case the Developer will be required to deposit with the District the entire estimated cost of the extension; otherwise, the Developer will be responsible for constructing the extension to the District's specifications. The District will not be responsible for any of the costs associated with the Developer's extension of the main.

6.10.1 Other Benefitted Lots –

If other lots not under the Developer's control front on the extended District main, they will be eligible to receive service from the extended main. The owner of an eligible lot that (1) has previously executed a Future Pipeline Agreement with the District, (2) requests new, upsized, or expanded service from the extended main, or (3) is subdivided before the

end of the term of the Reimbursement Agreement (see below), will be responsible for a Pro Rata Contribution for the cost of extending the main. (See Section 6.10.4, below.) In the case of a subdivided lot, each new lot created by the subdivision will be liable for a Pro Rata Contribution. The owner of a benefitted lot will also be liable to the District for the cost of installing the private service line from the main to the benefitted lot and for any other applicable fees and charges (e.g., meter installation or relocation fees, capacity fees, etc.).

The owner of a lot that already receives treated water service from the District and is not subject to a Future Pipeline Agreement will not be liable for any Pro Rata Contribution unless it requests expanded or upsized service or the lot is subdivided before the end of the term of the Reimbursement Agreement. If the extension of the main necessitates relocation of any existing metered water service, the District will perform the relocation and the Developer will bear all the costs of relocation, unless the affected lot was already subject to a Future Pipeline Agreement. No lot will ever be required to pay more than one Pro Rata Contribution.

6.10.2 Reimbursement Agreements –

The Developer will initially bear the entire cost of extending the water main. Prior to the District's acceptance of the extended main, the Developer may request a Reimbursement Agreement with the District, under which the District will attempt to collect the Pro Rata Contributions from benefitted lot owners and disburse them to the Developer. The District will not be liable, financially or otherwise, if its collection efforts are unsuccessful. Reimbursement Agreements will have a maximum term of ten years, at the conclusion of which the District will cease collection efforts and make a final disbursement to the Developer.

6.10.3 Reimbursable Costs –

Reimbursable costs are limited to those construction costs that are directly and solely related to the extension of the main. The calculation of such costs is subject to District approval. Costs incurred by the Developer for right-of-way acquisition, retention of engineers or other consultants for planning or design purposes, or for construction of improvements that do not benefit properties other than the Developer's will not be reimbursable. If there is a future extension of the main built off of the Developer's extension, lots benefitted by the future extension will not be liable for any Pro Rata Contribution for the Developer's extension.

6.10.4 Pro Rata Contribution Calculation –

Responsibility for reimbursable costs will be calculated as follows: 50% of the total reimbursable costs will be apportioned to each benefitted lot based on the maximum number of potential lots into which each benefitted lot (including the Developer's) could be divided (as allowed by post-project zoning). The other 50% of the total reimbursable costs will be allocated to each lot based on each lot's proportionate frontage on the

extended main. A particular lot's Pro Rata Contribution will equal the sum of its contribution based on potentially benefitted lots plus its contribution based on proportionate frontage.

The Pro Rata Contribution apportioned to any single lot (except for the Developer's) may not exceed 50% of the total reimbursable costs. If a lot is subject to a Future Pipeline Agreement and its Pro Rata Contribution will exceed \$1,000.00, then the lot owner may finance its Pro Rata Contribution through the District at a fixed rate set to the prime rate of the District's bank plus 2%, for a maximum term of ten years. Such financing is not available to the Developer, which will be responsible for obtaining its own financing.

6.10.4.1 Potentially Benefitted Lots –

The District will determine the total number of potential lots within each existing lot that would be benefitted by the extension, based on the zoning rules applicable after the project is complete. (For instance, a 2-acre lot in an area where zoning requires a minimum lot size of 1 acre would be considered to contain 2 potential lots; a 3.5-acre lot in an area where zoning requires a minimum lot size of 1 acre would be considered to contain 3 potential lots.) 50% of the reimbursable costs will be apportioned to each benefitted lot based on the number of potential lots within each existing lot, divided by the total number of potential lots benefitted by the extension.

6.10.4.2 Proportionate Frontage –

The District will determine the sum of the lengths of the Front Lot Lines (as defined in Section 16.10.3.B.31 of the Paradise Code of Ordinances) of all lots that will be benefitted by the extension of the main. 50% of the reimbursable costs will be apportioned among the benefitted lots based on the length of the Front Lot Line of each lot, divided by the sum of all Front Lot Lines of all benefitted lots.

6.11 FIRE HYDRANTS

A. Usage and Operations –

By written agreement between the District and the Town of Paradise's Fire Department (Town), the Town accepts and acknowledges ownership of all District water system fire hydrants and is responsible for the installation, repair, and maintenance of fire hydrants. The Town requires the developers to meet fire flow requirements for all new developments with the cost of the materials and installation to be borne by the developer and/or the Town. The District may operate hydrants for flushing, flow testing, draining, filling, or other District purposes. At any time total water storage in Magalia and Paradise reservoirs falls below 8,000 acre feet, water will not be used for annual hydrant flow testing without the prior written approval of the Board.

B. Construction Water –

Application for a meter to provide construction water from fire hydrants or other outlets may be made at the District's business office. Except on a case-by-case basis for Public Works projects, which will benefit the community, no construction water may be taken or used outside District boundaries. All construction water delivered from fire hydrants shall be protected by a backflow device and measured and delivered through a meter. If a meter is temporarily unobtainable by the District, the Manager may, until such meter is available, arrange unmetered delivery and estimate the amount of water delivered for billing purposes. Hydrant meter deposits, service charges, and water rates shall be as fixed from time to time by the Board and be available upon request at the District business office.

6.12 METERS

6.12.1 General –

All water delivered to customers must be measured and delivered through a meter, which shall be read on a monthly basis. As it is not always practicable to read meters at equal intervals, the period between reading dates may vary by a few days.

Where water is served, at least one meter shall be established for;

- A. Each separately deeded parcel, or
- B. Contiguous parcels in identical ownership.

A parcel shall be that which is identified by a County Assessor's parcel number. An exception to this policy may be granted by the Manager for landscape irrigation service to street medians or parkways, which are contained within a public or private street right-of-way and are not defined as a separate deeded parcel. The applicant for water service to a parcel not identified with an assessor's parcel number shall submit a description of that parcel and water service to that parcel shall be subject to all other applicable provisions herein.

Notwithstanding the previous paragraph, one or more meters may serve a mobile home park or multiple-unit residential complex wherein the park or complex is comprised of a collection of separately deeded and contiguous parcels including parcels owned in common by an Association of the separate owners. The association shall be the District's customer and shall be responsible to receive and pay all water bills.

6.12.2 Ownership and Size –

The District shall retain ownership of all meters and connecting service pipe to the meter and reserves the right to regulate the size, character, and location of each meter for service.

Water meters have operating ranges and characteristics which need to be compatible with water service demands to provide appropriate service.

6.12.3 Replacement –

The District may at the request of a property owner, and if in the opinion of the Manager such a change is reasonable, replace an existing meter with a larger or smaller meter. In the event that a meter is incorrectly sized for the flow demand at the point of service, the District may, at its option, replace the meter with a meter of the correct size.

An increase in meter size shall result in the requirement for the customer to pay the then current difference in capacity fees between the existing meter size and the new meter size. The customer is also responsible for the labor, materials, and equipment charges to undertake and complete the work.

If the meter size is reduced, the former capacity size is retained for the property. In the future, the customer shall be credited the difference of the then current capacity fees in the event there is additional meters, the original size is restored, or a larger meter is installed on the property. The Customer is responsible for the labor, materials, and equipment charges to undertake and complete the reduction in meter size.

If the existing meter is too small for the flow demand, the meter size shall be increased and the customer shall pay the applicable installation fee and the additional service capacity fee. If the customer refuses to pay all the appropriate fees for a larger meter, the District will install a flow restrictor at the meter to limit the flow to the rated capacity of the meter.

6.12.4 Active Meters –

All meters are classified as “active” unless sealed upon request of the landowner or by reason of conversion to the “discontinued service” category. All former “temporarily removed meters” were converted to one of the following categories:

- A. Active meters
- B. Ready to Serve meters
- C. Discontinued Service meters

Meters may only be moved from one location to another for the property being served upon request or as required to protect the meter. The cost of such relocation shall be borne by the requesting party or the party benefiting from the relocation. Meters remain with the property and may not be transferred to any other parcel even if under the same ownership.

“Discontinued Service” meters will not pay a monthly service charge, but the service line to the meter will not be replaced if it is found to leak, or if the District replaces the mainline that previously served the property.

Meter installation and relocation charges shall be fixed from time to time by the Board and be available upon request at the District business office.

6.12.5 Capacity Fee –

A capacity fee has been established and charged to customers to provide funds to build certain facilities needed for growth within the District. The capacity fee calculation takes into consideration both the value of the existing system, as well as anticipated alternative water supplies needed to supply new connections. A capacity fee schedule for new meters and changes in meter size shall be fixed from time to time by the Board and be available upon request at the District business office.

The capacity fee may be financed by the owner of the property through the District at fixed rate set to the prime rate of the District’s Bank plus 2%, for a maximum term of 7 years, with an option by District to call upon any sale, transfer, or assignment.

6.12.6 Construction/Hydrant Meters –

Construction/Hydrant meters will be available, unless restricted due to water supply conditions, as provided in this manual.

6.12.7 Building/Construction Meters –

Building/Construction meters for new construction shall be the same as any other regular active meter except that they shall be eligible for the lowest “service” charge for the first six months or until the building is transferred or occupied.

6.12.8 Estimated Meter Readings –

Bills for service will be based on an estimate if a meter fails to register the volume of water consumed or cannot be read. In estimating consumption, due consideration will be given to fluctuations in usage caused by seasonal changes or known service interruption. Where a meter cannot be read without undue difficulty because of obstruction, the customer will be notified and requested to correct the condition.

6.13 CUSTOMER PRESSURE REGULATING & RELIEF VALVE RESPONSIBILITY

It shall be the responsibility of each water service customer to install pressure regulating and pressure relief valves within the customer’s private water pipe system in accordance with the Health and Safety Code and applicable building codes.

6.14 CROSS-CONNECTION AND BACKFLOW CONTROL

The District, to protect against backflow of used water into the public drinking water system due to system depressurization and other planned or unplanned dewatering of water mains and in accordance with requirements set by the State of California shall maintain a cross-connection control program (California Administrative Code, Title 17, Chapter V, Section 7583-7622, inclusive, as amended), insofar as the regulations are applicable to the protection of the District's water supply. Cross-connection and backflow control applications shall occur in accordance with the District's Standard Drawing PID-15. In accordance therewith, the District will maintain no water connection to any property unless the public water supply is adequately protected from known or potential cross connections or backflow conditions.

Water service by the District may be refused or discontinued to any premises upon which any known or potential hazard to pollute or contaminate the public drinking water system exists through backflow, as determined by the District, and which does not meet District cross-connection and backflow control requirements. Such service shall not be established or restored until District approved backflow prevention assembly(s) has/have been installed as described in District Standard Drawing PID-15. All costs to install such assemblies shall be borne by the customer. Installation of such assemblies may be installed by others (contractor, owner) at Owner's cost, or by the District at a Labor, Equipment, Material and Overhead cost basis. The Owner is responsible for ensuring the Backflow prevention assembly(s) is maintained, inspected, and tested (by a certified and district-approved tester) at least annually and in accordance with California Administrative Code, Title 17. The Owner may choose to have the District maintain and/or test the device, in which case the District will bill the Owner accordingly. The fee set for these services shall be included in District rates and fee schedules as periodically determined by the Board.

The protective assembly required shall be the Wilkins 975 XL2 Reduced Pressure Principle Assembly (RP) regardless of the application of the water service connection other than commercial fire systems requiring a Reduced Pressure Principle Detector Assembly (RPDA):

- A. Double check valve assemblies (DC or DCDA), may be used at the discretion of the District only when allowed according to California Administrative Code, Title 17.
- B. An air gap separation may be required if such hazard is identified by the District Cross Connection Control Specialist, to be present on any parcel(s) where water service is requested or exists.

6.15 INFRASTRUCTURE DAMAGE POLICY

1. Purpose & Findings. The District owns, operates, and maintains infrastructure and facilities, including a water distribution system, to provide drinking water to and for the benefit of its customers. The District's infrastructure was severely damaged by the 2018 Camp Fire. The District continues to recover and reconstruct its system following the Camp Fire. Disruptions in the scheduled flow of work, particularly due to sudden, un-forecasted events, cause significant disruption to the District's operations and ongoing recovery efforts. The need to quickly respond to and repair un-forecasted damage to District's infrastructure has cost and delay impacts and other inefficiencies that impact District customers and increase costs beyond just the actual cost of repair. Since the Camp Fire, the District has observed increasing instances of reckless, negligent, and/or intentional damage to its infrastructure by District customers, contractors, and others. The purpose of this policy is to deter and prevent intentional, reckless or negligent conduct, or repeated occurrences of accidental conduct, that damages the District's infrastructure or facilities that undermine and interfere with District operations and recovery efforts. Damages to District's infrastructure can cause interruptions to District's operations, and may jeopardize the District's ability to provide safe, affordable, clean, and consistent service to its customers and timely system rehabilitation.
2. Definitions.
 - a. "Accidental damage" shall mean damage to a District facility that was not reasonably foreseeable and was not the result of intentional conduct, reckless conduct, or negligent conduct.
 - b. "District facility" shall mean any facility owned, operated, and/or maintained by the District, including but not limited to District's water distribution system or any part or component thereof, irrigation facilities, storage facilities, treatment facilities, buildings, dams, fixtures, improvements, fences, pipes, conduits, pumps, ditches, laterals, mains, backflow devices, meters, connections, fire hydrants, pressure reducing valves, and any other fixture or improvement owned, operated, or maintained by the District.
 - c. "Cost of repair" shall mean the actual labor, equipment, and material costs incurred by the District in repairing a District facility.
 - d. "Negligent conduct" shall mean the failure to exercise reasonable care to avoid damage to a District facility.
 - e. "Intentional conduct" shall mean any act(s) done with the intent or conscious desire to cause damage to a District facility.
 - f. "Occurrence" refers to each and every incident subject to a penalty under this policy, and in the case of a recurring or ongoing incident, each and every separate instance of a recurring incident or ongoing incident subject to a penalty under this policy.

- g. “Reckless conduct” shall mean any act(s) done with knowledge that damage to a District facility would occur as a result of the act(s), or with disregard of a substantial risk that damage could occur to a District facility as a result of the act(s).
3. Report Regarding Damage to Infrastructure. When any person or entity causes damage to infrastructure, or the District has reason to believe that any person or entity has caused damage to infrastructure, District Meter Shop Operations Manager shall investigate and prepare a written report. The written report shall contain a description of the incident including, if known, the following: the date & time of the incident, the date & time it was discovered by or reported to the District, the date & time service was restored and/or the facility repaired, the nature and extent of damage to a District facility, the causes of the damage, the names of any person(s) or entities who caused or may have caused the damage, the nature, extent, and cost of any disruption to District service, the nature, extent, and cost of any repairs necessary to correct the damage, any other costs incurred by the District in connection with the incident, and any third party or staff observations regarding the details of the damage. The report may consider any prior instances of accidental or non-accidental damage by the same party in determining whether the current damage was caused by negligent, reckless, or intentional conduct. The report shall make a determination as to the cause of damage and whether accidental or non-accidental. If the Meter Shop Operations Manager concludes that the damage was caused by negligent conduct, reckless conduct, or intentional conduct, a written explanation supporting the finding shall be included in the report. The report shall be completed and provided to the District Manager prior to the imposition of any cost recovery imposed under this policy.
4. Notice. The District will provide notice of infrastructure damage and an invoice of the amount owed to the District to recover its costs. The notice will be delivered in person or by mail. If the notice concludes that the damage was caused by intentional, reckless, or negligent conduct, the report regarding damage to infrastructure will be included with the notice.
5. Cost Recovery for Accidental Damage. A person or entity who is responsible for causing accidental damage to a District facility shall be billed for the cost of repair.
6. Cost Recovery for Intentionally, Recklessly, or Negligently Damaging Infrastructure. In recognition of the added cost of preventable, un-forecasted events affecting District operations and recovery efforts, any person or entity who damages a District facility due to intentional conduct, reckless conduct, or negligent conduct shall be billed as follows:

For the first occurrence, 200% (2 times) the cost of repair to the District facility;
For the second occurrence, 300% (3 times) the cost of repair to the District facility;

For the third occurrence and subsequent occurrences, 500% (5 times) of the cost of repair to the District facility.

7. Payment. A person or entity who receives a notice under this policy shall make payment within 30 days of the date of the notice. The payment due date will be extended for any party that timely seeks reconsideration. Payments not paid when due are considered delinquent and will accrue interest at the same rate applicable to delinquent water bills. The District reserves the right to collect delinquent payments through any and all legally available means, including adding the delinquent amount to the responsible customer's bill or by adding the delinquency to the tax roll.
8. Reconsideration. A person or entity responsible for negligent, reckless or intentional conduct under this policy may seek reconsideration of the enhanced cost award by mailing or delivering a written request for reconsideration to the District office. Such written request for reconsideration must be received by the District within 30 calendar days of the date of mailing or delivery of the notice and must state the factual or legal basis for the reconsideration. The District Manager or their designee may accept reconsideration by considering the damage to be accidental, or may reject a request for reconsideration by written notice mailed or hand delivered to the responsible party. Payment following reconsideration is due 15 calendar days following the District's notice responding to a request for reconsideration. Payment must be timely made for any aggrieved party to seek appeal.
9. Appeal. A person or entity who has timely sought reconsideration and timely paid the cost award may, within 15 days of the date of the District's notice on reconsideration, file a written appeal by requesting a hearing before the District's Board of Directors. The appeal will be agendaized for consideration by the Board of Directors at a future regular or special board meeting, scheduled in the discretion of the District. Notice of consideration of the appeal will be provided in writing or by personal delivery to the appellant. At the appeal, the appellant will be afforded an opportunity to be heard and to present any evidence submitted in support of appellant's request for reconsideration. New evidence not previously provided will not be considered. The District's [designated position] may also present to the Board. The appellant must personally attend the hearing and bears the burden of providing that the damage was accidental and not due to intentional, reckless, or negligent conduct. After appellant's opportunity to be heard, the Board of Directors will decide the matter and the Board's decision shall be final. If the Board grants the appeal by determining that the damage was accidental, the District shall promptly refund the difference in cost award.

10. Enforcement.

- a. The District may enforce this policy through any and all legal means. Without limiting the generality of the foregoing, the District may (i) deny, suspend, or restrict service to the culpable party; (ii) add amounts owed to bills for water service; (iii) add amounts owed to the tax roll; (iv) terminate, suspend, or restrict rights of encroachment on or over District property interests or facilities; (v) seek recovery from parties that are jointly and severally liable; and/or (vi) pursue legal action, including equitable relief.
- b. Joint and Several Liability. If a person or entity who damages a District facility due to intentional, reckless, or negligent conduct does so while in the employment of another person or entity, or while performing work under a contract with another person or entity, then each contracting party and/or employer shall be jointly and severally liable—together with the person who damaged a District facility—for payment of the penalties imposed, and the incident shall count as an “occurrence” for each person or entity responsible for payment of the penalty.