

EXHIBIT A

SAN LUIS OBISPO COUNTY WATERWORKS DISTRICT NO. 6

RULES AND REGULATIONS
GOVERNING WATER SERVICE

Section 1 - Statement of Policy

The District will furnish water service in accordance with the regulations contained herein and in accordance with other applicable County ordinances and State and Federal regulations to any property within the service limits of the District and to such areas outside the District limits as the Board of Supervisors may designate.

In all cases, water shall be supplied only through water meters installed as set forth herein and, in each case, the customer shall be charged directly for all water passing through the meter.

Applications for service which a service connection has already been installed may be made as set forth herein. Such application will signify the customers' willingness and intention to comply with these regulations and to all modifications thereof, and to new regulations or rates duly adopted, and to make payment for water service rendered.

If application is made for service where no service connection has been installed but a distribution main is adjacent to the property, the applicant, in addition to making application and deposit for service, shall comply with the regulations governing the installation of services. If an unmetered service is converted, at the request of the customer or District, to a metered service under the above conditions, the District will be responsible for all costs of such conversion. Where an extension of the distribution mains is necessary or a substantial investment is required to furnish service, the customer will be informed by the District as to whether or not the service can be extended under these regulations.

The District may require that areas become annexed to the District, as provided for in the State Code, prior to approving requests for extension of water service to that area. The District reserves the right to disapprove any and all requests for new service outside the District.

Section 2 - Definitions

As used herein, the following terms shall have the following meanings:

Board of Supervisors: The Board of Supervisors of the County of San Luis Obispo.

County Engineer: County Engineer of San Luis Obispo County or his authorized representative.

Cross-connection: A cross-connection is any connection between a potable water system and that of any other water supply that is not approved by the proper public health authority as safe and potable for human consumption whereby water from the unapproved source may be forced or drawn into the potable supply system.

Distribution Mains: Distribution mains are water lines in streets, alleys and rights-of-way used for general distribution of water from which service is available to the customer.

District: Refers to San Luis Obispo County Waterworks District No. 6, its governing board, and its duly authorized representatives.

Master Plan: Maps and plans of current and proposed water storage, treatment and distribution system for the District as on file with, or determined by, the County Engineer.

Private fire protection service: Private fire protection service is for sprinkler systems, hydrants, hose reels and other facilities used specifically for fire protection on private property.

Public fire protection service: Public fire protection service relates to fire hydrants connected to the distribution system and made available to public fire protection agencies.

Regular service: Water service rendered for normal domestic, commercial, industrial and irrigation purposes on a permanent basis and for which the general rates and regulations are applicable.

Service: A service is the pipeline and appurtenant facilities including, but not limited to, the curb stop, meter and meter box used to extend water services from the distribution main to the curb or property line. Where services are divided at the curb or property line to serve several customers, each such branch shall be termed a separate service.

Temporary service: A temporary service is one especially installed for construction work, single season irrigation and other short-term uses.

Transmission Main: Transmission mains are water lines in streets, alleys and rights-of-way used to distribute water to distribution mains. Normally no service shall be connected to these lines.

Section 3 - Application for Service

Each applicant for water service shall be required to sign an application form provided by the District or make application by letter showing the date of application, location of premises to be served, mailing address, date applicant desires service, and such other information as may be required to establish the proper water service. The non-owner applicant shall also be required to pay a deposit to guarantee final payment of the water bills, which said deposit, less any unpaid charges against said service, shall be returned to the customer upon termination of service. Application for service may be made at the District or authorized pay station, Courthouse Annex, County Engineering Department, Room 101, 1025 Palm Street, San Luis Obispo, CA.

Water service is to be made only to the house or premises of applicant for the purposes contained in the application. Any other use or unauthorized diversion of water shall be considered fraudulent and is grounds for termination of service.

Section 4 - Payment for Previous Service

An application for service will not be honored unless payment in full has been made for water service previously rendered to a property or applicant by the District or by any other District or County Service Area governed by the Board of Supervisors.

Section 5 - Installation of Service

A. Water service will be installed in size and at the location desired by the applicant where such requests are reasonable and compatible with the function of the distribution system as determined in the sole discretion of the County Engineer. Service installations will be made only to property abutting on public streets containing distribution mains or to such property where distribution mains may be constructed in alleys or rights-of-way of the District. Service installed by the District in new subdivisions prior to the construction of streets or in advance of street improvements, must be accepted by the applicant in the installed location.

B. Ownership of Connection: The service connection and all equipment appurtenant thereto, including the meter, shall be the sole property of the District and no part of the cost thereof will be refunded to the applicant.

C. Pressure and Supply: The District assumes no responsibility for loss or damage because of lack of water pressure and merely agrees to furnish such quantities and pressures as are available in its general distribution system. All connections, pumps, tanks, chlorinators or other appurtenances installed at any point in the line between the meter and the customer's water outlets shall be the sole responsibility of the property owner, both as to the original installation and as to the maintenance

and upkeep. Such installation must be approved by the District. Approval shall be based on standard waterworks practice as promulgated by the American Waterworks Association and/or County Standards.

Section 6 - Charges for New Service

Charges for new service are payable in advance and are set forth by resolution of the Board of Supervisors.

Any meter larger than one and one-half inches (1 1/2") in size shall be:

- A. A compound meter only.
- B. Attached only to equal or larger sized service leads.
- C. Installed only upon pre-payment by the applicant of the meter, materials, labor, and overhead involved in the installation thereof.

Section 7 - Water Main Extensions to New Customers Other Than Subdivision

(1) Water mains shall be extended to serve new customers under the terms and conditions set forth in this Section. No main extension shall be permitted except on an approved dedicated street, alley or recorded easement.

(2) Every applicant for water service who requires a water main extension to serve his property shall enter into a written agreement with the District, whereby said applicant agrees to complete all improvements, including those required in the master plan, at applicant's expense and to the satisfaction of County Engineer and in accordance with County Standards within the time period specified in said agreement. Said agreement shall be executed by both applicant and District before any work is performed by applicant pursuant thereto.

The County Engineer is authorized to execute the agreement on behalf of the District when approved as to form by County Counsel. Said agreement shall also require applicant to post with County Engineer, prior to any work being performed by applicant, a cash deposit, a certified deposit or check payable to the District, or a bond issued by a surety company authorized to do business in the State of California, in the amount equal to twenty-five percent (25%) of the estimated cost of such extension, including but not limited to cost of engineering and administration, to guarantee faithful performance of said agreement by applicant, and to guarantee payment to the District for any and all cost and expenses of pipeline extension, work of improvement, engineering, inspection and related incidental expenses done or incurred by District in connection with such water main extension.

In lieu of the above, the applicant may post alternative forms of security if approval of such alternatives are acceptable to the County Counsel.

(3) Said agreement shall also provide that District shall have the option to declare said cash deposit, certified deposit or check, or bond forfeited in the event applicant fails to complete said water main extension as provided in said agreement and to use said cash deposit, certified check or bond to complete said extension; and to declare said cash deposit, certified check or bond forfeited in the event applicant fails to pay any of the costs for which said cash deposit, certified deposit or check, or bond is a guarantee as provided in subsection (2) of this Section 7, and to use the proceeds to pay any such costs.

(4) The estimated cost of such extension shall be based on the size of the facilities as shown on the master plan of the area or, in areas that are not covered by a master plan, as determined by the County Engineering staff. The written agreement for the main extension shall include the terms and the methods whereby the extension is to be made. A set of plans approved by the County Engineer must be on file prior to the start of construction.

(5) Terms for refund to the original applicant for services later hooking on to such water main extensions shall be as described in subsections (6) and (7) of this Section 7, unless reimbursement is waived in the agreement.

(6) Within 30 days of completion of the water main extension, the County Engineer shall pro-rate the entire costs thereof against all lots of property that may ultimately be benefited by direct connection to said water main extension in proportion to the foot-frontage of said lots, or in such manner as may, in the opinion of the County Engineer, provide an equitable distribution of the costs. In no case shall any applicant pay an amount less than the pro-rated cost of the extension for the length of his frontage as determined above. The main extension charges as described in this section shall be in addition to the specified service connection charges.

(7) The original applicant or applicants shall, up to ten (10) years from the date of signing the form agreement, be entitled to a refund for each connection later made to the main extension, based on the pro-rated cost as determined above for each lot or parcel. The District may make extensions to the facilities constructed under this regulation without obligation to applicant, and refunds will not be made for services connected to said additional extension.

(8) In the event the cash deposit, certified deposit, or check, or bond referred to hereinabove in this Section 7, is not required, or is in excess of that required, by District to complete said water main extension to pay any of the costs guar-

anted thereby, the excess, if any, shall be returned to applicant by the District, and any County officer or employee having possession of said cash deposit, certified deposit or check, or bond is hereby authorized to return any such excess to such applicant upon written certification by County Engineer that such excess is due and owing to said applicant.

Section 8 - Main Extension to Subdivisions

Where water main extensions are required for subdivisions, it will be the responsibility of the owner or subdivider to pay the cost for complete installation of all water facilities required within the subdivision and for extension of water transmission mains to the area to be served. Such transmission mains shall be subject to all County ordinances or other applicable statutes and to any and all modifications and supplements to said ordinances and statutes. Upon official acceptance by the County Engineer, the District shall assume full ownership, maintenance, and control of such mains. Acceptance by the County will not be made until as built plans and total costs of the improvements are provided to the County Engineer in a manner acceptable to him.

Section 9 - Front Foot Charge

To help defray the cost of upgrading the water facilities to accommodate new services, every person connecting to the water supply system shall pay in addition to any other charge herein specified, a charge of \$3.50 per front foot for the privilege of connecting to said water system. Said front foot charge shall be based upon footage of the lot facing said water main, and said charge shall be paid before any connection to said system be made.

Section 10 - Multiple Units

(1) Number of Services to Separate Premises:

Separate living units under single ownership control or management will be supplied through individual service connections except that in the case of separate apartment units within the same building, the District may choose to provide a single service.

(2) Service to Multiple Units:

Separate houses, buildings, living or business quarters on the same land parcel or on adjoining land parcels, under a single ownership, control or management, will be supplied through individual service connections.

Section 11 - Meter Installation

(1) Installation and Removal:

All meters and accessories shall be located only in and upon streets, alleys and rights-of-way that have been formally dedicated and accepted for public use, and said meters and accessories shall be owned by the District.

(2) Change in Location or Condition of Meters or Service Lines:

Cost of meters or service lines moved for the convenience of the customer or which movement is made necessary by any act, negligence or carelessness of the customer or by anyone acting on the customer's behalf, shall be charged against such service and collected from the customer.

(3) Changes in Size of Meter:

The cost of changes in size of meter on existing service will be paid for by the customer.

(4) The District shall maintain and repair standard service connections and meters, provided that, in the event the failure of such service results from some improper act or omission on the part of the owner of the premises or the customer of the water supplied, the cost of such maintenance or repairs, thereof, shall be paid for by such customer.

It shall be the duty of each customer to keep the space about the water meter or shut-off box, or fire hydrant, or valves free from any obstruction that may in any way interfere with access to the same by employees of the District, and in the event that any customer fails after twenty-four (24) hours' notice to remove any obstruction thereto, the District may remove the same and charge the customer for the cost of removal of such obstruction.

Section 12 - Bills and Payment

(1) Rendering of Bills:

(a) Meter Readings:

Meters will be read at regular intervals for the preparation of regular bills, and as required for the preparation of closing bills and special bills.

(b) Billing Period:

The regular billing period will be bi-monthly or at the option of the District.

(2) Payment of Bills:

- (a) Periodic bills are due and payable on presentation. Payment may be made at the District Office or to an authorized collecting agent.
- (b) Closing bills, if service is to be discontinued, are due and payable on presentation. They shall be based upon actual usage if greater than the minimum charge. In no case shall the bill be less than the minimum monthly charge.
- (c) Water bills shall be payable on date of presentation and shall become delinquent 25 days after presentation.
- (d) When bills are delinquent, the District may demand that the full amount of both delinquent and current bills are paid.

(3) Change of Billing Address or Name of Occupant:

It shall be the responsibility of the customer to notify the District immediately upon change of billing address.

(4) Non-payment of Bills:

- (a) A customer's water services may be discontinued if a bill becomes delinquent.
- (b) A customer's water service may be discontinued if water service furnished at a previous location is not paid.
- (c) If a customer receives water service at more than one location, and the bill for service at any one location is not paid, water service at all locations may be turned off.
- (d) If water service has to be turned off for failure to pay for service, the customer, before water service is restored, shall in addition to being required to pay all amounts then due, pay in advance a reconnection charge during hours 8:00 A.M. to 3:00 P.M. of twenty (\$20.00) dollars. The reconnection charge will be increased 50% for all other than normal working hours. In addition to the above charges a Twenty Dollar (\$20.00) deposit shall be required to begin service. This deposit shall be refunded less any payments then due, upon request for discontinuance of service. In the event customer discontinues use of water service without notification of the District, refund shall

be applied to any outstanding charges. The balance, if any, shall be deposited in an appropriate revenue account.

- (e) District personnel shall not be required to call at the house before turning off water, nor shall District personnel receive payments unless previously authorized. Reconnection payments, along with penalties and any other charges, shall be made at the District payment office or other authorized collection station.

(5) Unsafe Apparatus:

The District may refuse to furnish water and may discontinue service to any premises where unsafe apparatus is installed or where any apparatus is installed to circumvent the provisions of these regulations. Discontinuance will occur immediately upon discovery of any such installation.

(6) Non-compliance:

The District may, unless otherwise provided, discontinue water services to a customer for non-compliance with any of these regulations if the customer fails to comply with them within five (5) days after receiving written notice of the District's intention to discontinue service. If such non-compliance affects matters of health and safety, and conditions warrant, the District may discontinue water service immediately.

(7) Customer's Request for Service Discontinuance:

A customer may have his water service discontinued by notifying the District at least five (5) days in advance of the desired date of discontinuance. Customer will be required to pay all water charges to the time of such discontinuance.

(8) Restoration-Reconnection Charges:

The District will charge Twenty-five Dollars (\$20.00) for restoring water service which has been discontinued because of non-compliance with these rules, other than non-payment for service. Non-payment charges are contained in (1) above. In the event a written request for temporary discontinuance of service is received by the District, no deposit or reconnection charges will be levied except as provided in (4) above.

Section 13 - Meter Error

(1) Meter Test:

(a) Customer request for meter test:

1. A customer, giving not less than one week's notice, may request the District to test the meter serving his premises.
2. The District shall require the customer to deposit an amount to cover the reasonable cost of test, as follows:

<u>Size of Meter</u>	<u>Amount of Deposit</u>
One (1) inch or smaller -----	Twenty-five (\$25) Dollars
Larger than one (1) inch -----	Forty (\$40) Dollars

3. This deposit will be returned if the meter is found to register more than two (2%) percent fast. The customer will be notified, not less than five (5) days in advance, of the time and place of the test.
4. A customer shall have the right to require the District to conduct the test in his presence, or in the presence of his representative.
5. A written report giving the results of the test will be given to the customer within ten (10) days after completion of the test.

(2) Adjustment of Bills for Meter Error:

When, upon test, a meter is found to be registering more than two percent (2%) fast, under conditions of normal operations, the District will refund to the customer the full amount of the test deposit and the over-charge, based on corrected meter readings for the period, not exceeding six (6) months, that the meter was in use.

(3) Non-registering Meters:

If a meter fails to register during any period while in use or is known to register inaccurately, the customer shall be charged with the average consumption as shown by said meter during the prior four (4) month period.

Section 14 - Private Fire Protection Service

(1) Purpose:

A private fire protection service connection in three-inch (3") to ten-inch (10") size will be furnished only if adequate provision is made to prevent the use of water from such services for purposes other than fire extinguishing.

(2) Application and Agreement:

The applicant will be required to sign an application that will be furnished upon request.

(3) Installation Charges:

The applicant will be required to make payment in advance of the estimated cost of installing the service connection and meter.

(4) Violation of Agreement:

If water is used from a fire service in violation of its agreement or of these regulations, the District may at its sole option discontinue and remove the service.

Section 15 - Temporary Service

Temporary service will be furnished in conformity with the general regulations applicable and as additionally specified in this section.

(1) Temporary service connections shall be disconnected and terminated within six (6) months after installation unless an extension of time is granted in writing by the District.

(2) The applicant shall pay, in advance, the cost of installing and removing the facilities required to furnish said service, with District.

(3) Temporary Service on a Fire Hydrant:

If the temporary service is supplied through a fire hydrant, a permit for the use of the hydrant shall be obtained from the District. It is specifically prohibited to operate the valve of any fire hydrant other than by the use of a spanner wrench designed for this purpose.

(4) A fire hydrant meter may be required at the option of the District plus a deposit equal to the cost of a replacement meter. Said deposit to be returned upon cessation of service.

Section 16 - Rates for Temporary Service

The rates as set forth in the rate schedule shall be applicable for water used from all temporary services. Where it is not practical to install a meter the water consumption may be estimated on a basis agreeable to both the customer and the District. The applicant may pay the estimated cost of water in advance or be billed at the option of the District. The minimum charge for water shall be Five Dollars (\$5.00).

Section 17 - Fire Hydrants

(1) Use of and Damage to Fire Hydrants:

No person, other than those designated and authorized by the proper authority, or by the District, shall open any fire hydrant, attempt to draw water from it or in any manner damage or tamper with it. Any violation of this regulation will be prosecuted according to law.

(2) Moving of Fire Hydrants:

When a fire hydrant has been installed in the location specified by the proper authority, the District has fulfilled its obligation. If a property owner or other party desires a change in the size, type or location of the hydrant, he shall bear all costs of such changes, without refund. Any change in the location of a fire hydrant must be approved by the proper authority.

Section 18 - Responsibility for Equipment

(1) Customer Equipment:

The customer shall, at his own risk and expense, furnish, install and keep in good and safe condition all equipment that may be required for receiving, controlling, applying and utilizing water, and the District shall not be responsible for any loss or damage caused by the improper installation of such water equipment, or the negligence, want of proper care or wrongful act of the customer or of any of his tenants, agents, employees, contractors, licensees or permittees in installing, maintaining, using, operating, or interfering with such equipment. The District shall not be responsible for damage to property caused by spigots, faucets, valves and other equipment that are open when water is turned on at the meter, either when the water is turned on originally, or when turned on after a temporary shut-down or any other service discontinuance.

(2) District Property:

The customer shall be liable for any damage to a meter or other equipment or property owned by the District which is caused by an act of the customer or his tenants, agents, employees, contractors, licensees or permittees, including the

breaking or destruction of locks by the customer or others on or near a meter, and any damage to a meter that may result from hot water or steam from a boiler or heater on the customer's premises. The District shall be reimbursed by the customer for any damage promptly on presentation of a bill.

Section 19 - Control Valves

The customer shall install a suitable valve, as close to the meter location as practicable, the operation of which will control the entire water supply from service.

The operation by the customer of the curb stop in the meter box is not permitted.

Section 20 - Cross-Connection (Back-Flow Devices)

The customer must comply with State and Federal laws governing the separation of dual water systems of installations of back-flow protective devices to protect the public water supply from the danger of cross-connections. Plans for installation of back-flow protective devices must also be approved by the District prior to installation. Back-flow protective devices must be installed as near the service as possible and shall be open to test and inspection by the District or authorized representative.

Section 21 - Interruptions in Service

The District shall not be liable for damage which may result from an interruption in service. Temporary shut-downs may be made by the District to make improvements and repairs. Whenever possible and as time permits, all customers affected will be notified prior to making such shut-downs.

Section 22 - Ingress and Egress

Any duly authorized agent of the District shall be allowed free access to make personal examination of the premises of any applicant or customer of water for the purpose of designating the rate to be applied to said premises and for the inspection of water, pipes and equipment connected with the furnishing of water service or any other reasonable related purpose.

Section 23 - Limit of District Responsibility to Furnish Water

Nothing contained in this part shall be construed as a contract on the part of the District to furnish its water for any definite period or as a public utility in respect to any water furnished outside the District.

Section 24 - District Liability

There shall be no liability on the part of the County of San Luis Obispo or the District or their officers, agents or employees for damage, loss, or inconvenience resulting from sand, gravel, rust, sediment, foreign matter, air, excessive pressure or hydraulic water hammer in the water system.

Section 25 - Waste of Water

It shall be unlawful for any person, firm or corporation to willfully or negligently waste water of the District water system.

Section 26 - Restriction of Water Use

Upon notice published in a newspaper circulated within the District, the County Engineer shall have the right to restrict the use of water in the area served or in any portion thereof for sprinkling, wetting, irrigation, construction or other purposes, to such hours and for such times and in such amounts as may be deemed advisable.

In the event of any violation of any such restriction, the water service to such violator shall, at the option of the County Engineer, be shut off. Such water service shall not be restored until such time as a service charge as provided for in Section 13 (5) has been paid. A special emergency rate may be imposed on violators.