

NORTH YUBA WATER DISTRICT

IRRIGATION POLICY

SECTION I - GENERAL

Revised 2/21/08

- A. SCOPE OF RULES AND REGULATIONS - Notwithstanding the provisions of any and all pertinent laws and/or ordinances then in effect, the use of District irrigation water shall be subject to all rules and regulations as established herein.

- B. PRIORITY OF POLICY - This Policy is intended to supplement any and all existing policies, and when in conflict with such existing policies, rules, regulations, resolutions, or other prior Board actions, the rules and regulations established herein shall prevail. The Board may hereafter from time to time establish such other policies, rules, and regulations as it deems essential in order to carry out its responsibilities and functions in accordance with the California Water Code. When in conflict with this policy, any and all such subsequent actions of the Board shall prevail.

- C. CONTROL OF SYSTEM - Subject to the policies, rules, regulations, rates, and charges established by the Board, the maintenance and operation of the irrigation system shall be under the exclusive management and control of the District Manager, and no other persons, except his assistants or designated employees, shall have any right to interfere in any manner with any canals, conduits, measuring devices or other appurtenances of the irrigation system, except in the case of an order from the Board.

- D. COMPLAINTS - All complaints as to service, lack of water, or other unsatisfactory conditions, should be made either by contacting the District by telephone (692-1463 or 675-2567) or in writing, addressed to the Manager, North Yuba Water District, P. O. Box 299, Brownsville, CA 95919. The Manager may require that other than emergency complaints shall be made in writing.

- E. ACCESS TO LAND - The authorized ditchtenders and other agents of the District shall have free access to the canal system and to all conduits for the purpose of inspection, examination, measurements, surveys, or other necessary purposes of the District, with the right to install, maintain, control and regulate all meters or other measuring devices, gates, turnouts, or other structures

necessary or proper for the measurement and distribution of water.

- F. DAMAGE TO WORKS - Any person who shall cause or permit any damage to any works of the District, or who shall dump any rubbish therein or thereupon, or erect fences on District rights-of-way, shall pay to the District upon demand all expenses incurred in the replacement of such property, or in the removal of such rubbish or fences.

- G. ENFORCEMENT OF POLICY - Failure or refusal of any landowner or water user to comply with this policy or any interference by any such landowner, water user or his tenants, employees or anyone acting on his behalf, with the rights, duties or obligations of the District, or its employees, shall entitle the District to discontinue the service of water to the lands of such owner or user until the landowner or water user shall furnish satisfactory proof to the Board of his intention to comply with this policy or cease such interference, and shall remove any default existing at the time service of water is discontinued.

- H. CHANGES - The District reserves the right to supplement, amend, eliminate, waive, or otherwise change all or any portion of this policy, provided that such changes shall be effected only upon resolution or motion duly passed by the Board of Directors. The District further reserves the right to deviate from this policy under unanticipated, unusual, or unique circumstances. Such digressions shall be considered to be tentative and provisional upon demonstrated satisfactory results, and shall not be construed as having set a precedent whereby similar circumstances must be afforded the same consideration. If at any time the District, at its sole discretion, determines that any interim deviations from this policy become undesirable for any reason whatsoever, the intent and specific provisions of this policy may then be asserted accordingly.

SECTION II - WATER USE

- A. BENEFICIAL USE All irrigation water shall be put to beneficial use. Beneficial use is defined as the production of a crop or livestock for sale or barter, or vegetable garden of adequate size for family consumption.

- B. OWNERSHIP - The District enjoys certain statutory rights to secure and make available for the beneficial use of the members of the

District all surface and/or underground water sources which are not privately owned or sequestered by riparian or prior appropriative rights. Notwithstanding the foregoing, all waters within the District shall be considered as the property of the District and are subject to the exclusive diversion and use by the District.

The District expressly asserts the right to recapture, reuse, and resell any and all water which passes from the premises described in the application as the place of use, and emphatically asserts its right to all water within the District.

C. AUTHORIZATION FOR USE

1. POSSESSION - Upon approval of a proper application and payment of all charges in accordance with provisions herein, the possession and control of certain quantities of water may be temporarily transferred to the applicant, provided however that the quantity and use of such water shall be in accordance with any and all provisions contained herein or enacted hereafter. Such possession and control shall remain with the applicant only so long as said water remains on the premises described in the application as the place of use. As said water seeps, flows, or is otherwise diverted, removed or escapes from said premises, or if such water should in any manner reach a watercourse of the public domain, the possession of such water shall immediately revert to the District.

Use of District water, whether authorized or not, shall not establish any proprietary right therein by reason of such use, nor shall such use establish any right to resell such water or to use it on premises or for a purpose other than for which it was applied and as stated in the application.

The purchase and/or use of District water shall not establish any priority for subsequent delivery of the same quantity of water, except to the extent that water shall be ratably apportioned, on the basis of priority of use, to all qualified consumers.

2. SERVICE RESTRICTED TO DISTRICT LANDS - Notwithstanding Section 31023 of the California Water Code, irrigation water shall normally be served only to lands which have been properly annexed into the District and any and all Improvement

Districts formed for the purposes of delivery of the affected water.

Whenever the District has surplus waters available, and individual consumers request delivery of such water to lands which are not annexed into the District, the District may at its sole discretion deliver such water accordingly. The charges for such deliveries may vary, but under no circumstances shall the unit rates for such water be less than one and one-half times the highest unit rate charged to District members for similar such use, regardless of volume. Such deliveries shall be terminated immediately when the District, at its sole discretion, determines that surplus waters are no longer available.

Surplus waters which are not sold to individual consumers may be otherwise disposed of in accordance with Section 31023 of the California Water Code.

3. SERVICE RESTRICTED TO DESIGNATED PLACE OF USE

- a. Delivery of water and the use thereof shall be restricted to the premises described in the application as the place of use.
- b. The place of use shall be limited to a single tract of land.
- c. For purposes of this section, a single tract of land shall be defined as an individual parcel, or a group of parcels under the control of one individual, joint ownership, or single business enterprise. A single business enterprise shall be defined as any sole proprietorship, partnership, corporation or other bonafide business enterprise. A business enterprise shall be recognized only when such is considered to be a taxable entity, nonprofit corporation, or public entity; an informal arrangement or agreement shall be insufficient to establish the validity of any business enterprise. A parcel of land or any portion thereof shall be considered to be under the control of the applicant whenever the applicant is the sole owner, joint owner, renter, or lessee of the subject land.

- d. The applicant shall under no circumstances cause District water to be made available in any manner for use to any premises other than those shown on the application as the place of use, nor shall the applicant cause District water to be made available to any other user(s).
4. RESALE OF WATER - The resale of District irrigation water is expressly prohibited. This restriction shall apply whether or not such water is obtained from the District in an authorized or unauthorized manner, and regardless of whether such water is containerized, transported by water truck, purified, or otherwise processed prior to such unauthorized distribution. The District expressly asserts its exclusive legal right to recapture, reuse and resell all water which is not wholly consumed by applicants, and further asserts its right to all water within the District notwithstanding the provisions of Section II.A.

D. PURPOSE OF USE

1. INTENDED USE - The current delivery of irrigation water was facilitated by the formation of an Improvement District which was organized and developed for the express purpose of supplying irrigation service for farm crops, orchards, pastures, gardens and similar agricultural applications.
2. WATER QUALITY - District irrigation water is intended for use solely for irrigation purposes, and even then is subject to certain risks hereinafter described, and any other uses whatsoever are hereby expressly unauthorized. Although not inclusive, such water is not authorized to be used for such purposes as domestic, industrial, or commercial use, human consumption, stockwatering or consumption by animals, or the raising of fish or other aquatic animals or vegetation.

The water furnished by the District for irrigation purposes flows through many miles of natural streamcourses and open ditches, and is highly susceptible to pollution and/or potential contamination, whether from natural, inadvertent, or deliberate causes. The District cannot practicably or reasonably prevent such contamination, or control, monitor, or otherwise assure the quality of irrigation water in any manner whatsoever.

The open canals and ditches of the District are susceptible to significant levels of seepage, leakage, sedimentation, and vegetative growth, and require extensive maintenance. Because of the extreme length of the system (approximately 27 miles) and severity of winter weather which causes unstable and unsuitable working conditions along the canals, much of the maintenance work must be performed during the irrigation season. Such work results in extreme turbidity, sedimentation, and vegetative debris in downstream areas. Such conditions are normal to District operations, and irrigation water should be expected to be subject to such quality deficiencies.

Moreover, certain watersheds and lands adjacent to District facilities are subject to the high intensity or uncontrolled use of herbicides, and the District cannot reasonably assure that waters delivered are not contaminated thereby. Application for and/or the use of District water shall be considered as an acknowledgement that such hazard exists, and an acceptance of the risks which may result therefrom.

3. FIRE PROTECTION - Deliveries of District irrigation water are on a seasonal basis only and such deliveries are continually subject to fluctuations, interruptions, shortages and outages. District irrigation water is therefore not a reliable source of water for fire protection purposes and is not intended for such use. However, in the event of a fire emergency, any water then available in District facilities may immediately be used for such an emergency, and there shall be no charge for fire suppression and emergencies.

E. RELIABILITY OF DELIVERY

1. LIMITATIONS ON DELIVERIES TO DISTRICT - Delivery of irrigation water is partially dependent upon supplementation of District water supplies with water entitlements derived from contractual arrangements with other agencies. Conveyance facilities for such water are not controlled by the District, and are subject to certain fluctuations, interruptions, and outages. Because of such circumstances, the District cannot be assured, nor can it assure, that delivery of such water will be uninterrupted.

2. LIMITATIONS ON DISTRICT FACILITIES - District facilities consist largely of many miles of open canals and conduits through rugged and sometimes unstable terrain. Such facilities are vulnerable to periodic and sometimes substantial physical failures. The District cannot therefore reasonably assure that deliveries will be made therefrom without periodic interruptions in flow. Moreover, after water is restored or adjustments in flows are made, the extreme length of the system can cause delays of up to approximately 36 hours before normal or desired levels are restored. Therefore, periodic fluctuations are somewhat inevitable and must be expected.
3. LIMITATIONS ON SOURCES OF WATER - The District has no storage reservoirs and must therefore rely on direct diversions from surface sources in order to provide irrigation water. Such sources are entirely dependent upon natural stream flows which in turn are dependent on such factors as rainfall, ground saturation, and extremes of weather. Because of this situation, the District cannot reasonably assure the volume of irrigation water which will be available at any time.
4. LIMITATIONS ON DELIVERIES TO CONSUMERS - Because of the foregoing considerations, deliveries of irrigation water are subject to interruptions and fluctuations in flows, shortages, and perhaps even extended outages. Applicants and users of District water should be aware of these limitations and are hereby advised not to depend on District deliveries for uses under which the foregoing conditions cannot be tolerated.

District employees are hereby forbidden from committing the District to any agreement which has the effect of assuring an uninterrupted and constant supply of water, and under no circumstances shall any such unauthorized agreement be binding upon the District in any manner whatsoever.

The District shall endeavor to deliver for the duration of the irrigation season the full flow of water as approved by the District in the application, subject to certain subsequent reductions as established herein or hereafter. When, through shortages of water, lack of water, lack of conduit capacity, system failures, or any other cause it is not possible to deliver throughout the irrigations system or

any portion thereof the intended flows of water, such supplies of water as can reasonably and economically be delivered shall be equitably prorated until such time as intended deliveries can be restored. Proration of available supplies shall be accomplished with consideration for the priority of use, type of use, and acreages benefited in accordance with such uses.

F. PRIORITY OF USE

1. GENERAL - The long-range plans for development of the District include provisions for all domestic, agricultural, industrial, and commercial needs of prospective consumers. However, the fulfillment of such needs is contingent upon the existence of certain storage reservoirs, which have not yet been constructed. Interim development, which is wholly dependent upon current supplies of water which are extremely limited, has resulted in the construction and operation of the existing irrigation system.

The development plans for the existing irrigation system demonstrate that the construction of such system was predicated on the development of rural units from two to fifteen acres in size, intensely irrigated family gardens and orchards, small residential-farm type developments, and minimal livestock enterprises.

Current deliveries now require the use of virtually all water available from District supplies; the maximum potential of the irrigation system has been reached, and in some years, exceeded. This maximum potential has been established at a level of net deliveries totaling approximately 150 miners inches, which is currently being delivered to approximately 100 individual places of use. There is clearly an insufficient supply of water available, and continued delivery to larger consumers cannot be assured until such time that additional supplies of water become available.

It shall therefore be the policy of the District to ensure on a priority basis that distribution of water from the existing system shall continue to be made to the consumers for whom the benefits of the existing supplies were originally intended. It shall be a further priority of the District to pursue the acquisition of additional sources of water so that the ultimate needs of all consumers of the District can

eventually be met.

2. BENEFICIAL USE - Irrigation water is intended primarily for purposes such as the irrigation of farm crops, orchards, pastures, gardens, and similar such agricultural applications. During periods of water shortages, such uses shall have priority over any and all other uses. Certain small ponds may serve beneficially as balancing reservoirs to allow the delivery of a smaller continuous flow of water than would otherwise be necessary, and when used as such, actually function as a means of conserving water supplies. However, most ponds generally are susceptible to extreme losses of water by evaporation and seepage, and when used for purposes other than as balancing reservoirs may constitute an unnecessary, unreasonable, and non-essential use of water.
3. NON-ESSENTIAL USE - All unauthorized uses of District water, particularly as described in Section II.C.2, but not limited thereto, shall be considered as non-essential uses. While such uses as irrigation of lawns and ornamental plants or shrubbery or uses for aesthetic purposes may be considered as a beneficial use of water, for purposes of this Section, such uses shall be considered a non-essential. During periods of water shortages, non-essential use of water shall be curtailed in order to assure availability of water for essential uses as described in the preceding paragraph.
4. During periods of water shortages, the District may at its sole discretion curtail the delivery of water to any ponds, and particularly to those ponds which are used primarily for aesthetic and/or recreational purposes.

G. WASTE OF WATER

1. USES CONSTITUTING WASTE - Any and all of the following shall be considered to be a waste of water:
 - a. Use of water on roads, vacant lands, or on lands previously or presently irrigated in such manner that further irrigation is unnecessary.
 - b. Use of water on lands which have been improperly prepared for the beneficial use of water.
 - c. Use of water in such manner that causes quantities so

used to be excessive to purposes of proper and efficient irrigation.

- d. Allowing water to escape in any manner from the premises designated in the application as the place of use.
- e. During periods of water shortages, the use of water for non-essential purposes or to supply water to certain ponds, as more particularly discussed in Sections II.E, 3 and 4 respectively.

2. RESPONSIBILITIES OF THE APPLICANT - It shall be the responsibility of the applicant to assure that all water furnished by the District is used for beneficial purposes, and in a reasonable and efficient manner. To this end, it shall be the responsibility of the applicant to construct or install a reasonable and efficient irrigation system which will eliminate the excessive beneficial use or waste of water. All such systems shall be installed, maintained, and kept clean by the users thereof at no cost to the District. The District may, from time to time, examine such systems, and in the event that such systems are found to be in disrepair to the extent that waste of water is imminent, delivery of water may be suspended until such conditions are corrected.

3. CONTROL OF WASTE

- a. Any applicant or water user who in the opinion of the Manager is wasting water or causing the waste thereof either willfully, carelessly, negligently, or on account of a defective or inadequate private system, shall be warned one time, and if the deficiencies continue water deliveries will be discontinued permanently.
- b. The District expressly reserves the right to refuse or discontinue delivery of water to any lands when it appears to the satisfaction of the Board of Directors that the proposed use, method of use, or means of conveying such water requires such excessive quantities of water as will constitute non-beneficial use or waste.

H. UNAUTHORIZED USE

1. NATURAL STREAMCOURSES - The District has established rights

to divert District waters into certain natural streamcourses, and utilize such streamcourses as conduits for the conveyance of such water. Such streamcourses shall be considered to be District facilities for the purposes of conveying such water.

The waters of the District may at times be intermingled with natural waters originating within such streamcourses. The natural waters of such streamcourses are subject to uses by others than the District. However, such uses may be exercised only under an assertion of riparian and/or appropriative water rights, which may be enjoyed only upon submission of proper petition to, and under permit or license from, the California Department of Water Resources.

Any and all such licensed diversions are limited exclusively to the quantities of water originating in such streamcourses; the water diverted into such streamcourses by the District or from District sources is the sole and exclusive property of the District. Any unauthorized diversions from such streamcourses will be reported to the California Department of Water Resources, and to the extent that such unauthorized diversions include waters of the District, such unauthorized use shall be considered as a criminal offense (see Penal Code, Section 592), and when discovered, shall result in the filing of a complaint with the Sheriff's Department, and subsequent prosecution to the full extent of the law.

2. DISTRICT FACILITIES - No person shall in any manner divert or take water from any canal, ditch, conduit or streamcourse belonging to the District or being used by the District under any statutory, permissive, or prescriptive right. Any such unauthorized use of District water shall be considered as a criminal offense (see Penal Code, Section 592), and when discovered, shall result in the filing of a complaint with the Sheriff's Department, and subsequent prosecution to the full extent of the law.

3. PENALTY FOR UNAUTHORIZED TAKING OF WATER

- a. DISTRICT POLICY - It shall be the responsibility of the applicant to exercise reasonable control over the premises shown in the application as being the place of

use of District waters. Whenever the unauthorized diversion or taking of District waters results in the delivery or use of such waters to, upon, or across such premises and regardless of whether or not such unauthorized diversion or taking of water was caused by, permitted by, or known to the applicant, the District may at its sole discretion refuse or curtail the delivery of water to such premises for the remainder of the irrigation season. All such violations shall be reported to the Sheriff's Department for investigation, and if the perpetrator(s) of such violations are identified, they shall be prosecuted to the full extent of the law.

b. CRIMINAL PROSECUTION - PENAL CODE SECTION 592

"Every person who shall, without authority of the owner or managing agent, and with intent to defraud, take water from any canal, ditch, flume or reservoir used for the purpose of holding or conveying water for manufacturing, agriculture, mining, irrigating or generation of power, or domestic uses or who shall without like authority raise, lower or otherwise disturb any gate or other apparatus thereof, used for the control of measurement of water; or who shall empty or place or cause to be emptied or placed into any such canal, ditch, flume or reservoir, any rubbish, filth or obstruction to the free flow of the water IS GUILTY OF A MISDEMEANOR."

SECTION III - MORATORIUM ON EXPANSION AND DELIVERIES

A. GENERAL - District irrigation facilities currently consist of a diversion dam, main canals, lateral canals, and various conduits and appurtenances thereto. This phase of the irrigation system is fully developed in accordance with previous development plans and the availability of financing therefor. Moreover, available supplies of water have been and are expected to continue to be fully utilized within the confines of the existing irrigation system. The District is not obligated to enlarge and/or extend its existing facilities to the detriment of those consumers to whom delivery is currently made available, except to the extent that such development is accomplished by way of the formation of a special Improvement District, and to the extent of the availability of water therefor. Until such time as the District

is able to acquire additional practical and feasible sources of water and enlarge existing facilities to accommodate flows thereof, there shall be a moratorium on future expansion and water deliveries to the following extent: This moratorium to be in effect on a year-to-year basis and reviewed annually prior to the beginning of the irrigation season.

- B. DISTRICT FACILITIES - The District shall not convey water in any open channel which has been previously abandoned or which is not currently in use. The District shall not extend or construct additional main canals and/or laterals, nor shall it cause or in any manner facilitate the construction or extension thereof.
- C. PRIVATE FACILITIES - The District shall not approve or otherwise permit the development of any private mutual undertaking, community system, or other such system which would in any manner have the same or similar effect as the construction or extension of main canals and/or laterals.
- D. NEW SERVICES
 - 1. SUBDIVISIONS OR NEWLY CREATED PARCELS - For purposes of determining availability of water in the event of subdivision, the availability of water shall pass with the parcel(s) on which the actual use of water occurred. Delivery shall not be made to those newly created parcels on which water has not heretofore been delivered.

With the serious shortage of water currently faced by the District, there simply isn't enough water available to assure current deliveries, let alone accommodate subdivision developments. Existing use of water for beneficial purposes must be preserved insofar as possible. It is not in the best interest of the District to increase deliveries and jeopardize the ability to supply water to existing parcels by accommodating requests for deliveries to new created parcels. This would primarily benefit the developer in that availability of irrigation water may increase the value or salability of the land, but it would develop new potential uses which could not otherwise be served as a result of the moratorium. Of course, if sufficient supplies of water become available, the District would be glad to serve water accordingly.

- F. SERVICE TO NON-CONTIGUOUS PARCELS - Delivery shall not be made to any parcels which are not contiguous to District facilities except that delivery shall continue to be made to parcels which are physically separated from such facilities, and which have previously been served therefrom.
- G. DELIVERY RESTRICTIONS - Effective immediately, all orders for irrigation water shall be restricted to the following:
1. NEW SERVICES - Delivery to new services shall be restricted to a maximum of 1/2 miners inch.
 2. All irrigation water must be put to "beneficial use". Beneficial use means the production of a crop or livestock for sale or barter. Watering of lawns, shrubs, native vegetation, or for ponds is not considered beneficial use.
 3. TEMPORARY INCREASES - Certain types of service installations which have not utilized water on a continuous flow basis, or which have not been charged for the full flows required for delivery during peak demand, shall be corrected under specific requirements of this policy. Such provisions require compliance with longstanding policy within a grace period herein established. In the interim, charges will be made in accordance with the volume required at peak flows, until such time that such systems are corrected. This will result in a temporary increase in the volume from which charges are determined, but the volume shall be reduced to the base volume (see Section III.G.2) upon compliance with provisions. Such increases shall be temporary in nature, and shall neither establish the right for continued delivery of such increased volume, nor cause any facility fees to be paid thereupon.
- H. REDUCTIONS IN DELIVERIES - The District shall endeavor to make deliveries in the full amount ordered by each consumer, subject to approval of each application in accordance with the foregoing restrictions. However, it should be anticipated that midseason cutbacks may be required in order to meet the needs of all consumers in an equitable manner. Such cutback shall be accomplished as follows:

1. MANDATORY CUTBACKS - The full amount of the approved volume ordered will be delivered until such time as waters from and out of Dry Creek are no longer sufficient to meet the needs of the irrigation system. At such time, all deliveries in excess of 3 miners inches may be cut back as required.

 2. VOLUNTARY CUTBACKS - The effect of the aforementioned mandatory cutback would be that irrigation water is in reality not delivered at a sustained flow for the duration of the irrigation season. Rather, the rate of flow would be decreased after approximately 1-1/2 to 2-1/2 months of delivery. For logistics in irrigating many crops, there is no purpose in having more water available early in the season, and less water available thereafter. It should perhaps be preferable to maintain a constant, although reduced flow throughout the season. At the option of the consumer, a voluntary 25% reduction of the approved base volume may be made at the time of application. This would, of course, reduce charges accordingly. In order to eliminate the possibility of penalizing those who are attempting to alleviate District delivery problems, the maximum allowable base volume determined in accordance with Item G.2 above shall not be reduced in any manner when voluntary cutbacks are requested.

 3. CALCULATING REDUCTIONS - When calculating reductions in accordance with this section, results in other than exact 1/2 miners inch increments shall be rounded up to the next highest such increment.
- I. RATIONING - In the event that cutbacks in accordance with the foregoing are insufficient to assure continued delivery of water to all consumers (which is likely in some years), mandatory rationing shall be imposed in accordance with the following:
1. MINIMUM BASIC VOLUME - All consumers will be allocated a maximum of one miners inch in order to assure that minimum basic needs are met.

 2. NON-ESSENTIAL USE - All non-essential uses as described in Sections II.E.3 & 4, shall be curtailed. The District shall evaluate each service in excess of one miners inch to determine the extent of use of deliveries for non-essential

purposes.

3. ALLOCATION OF DELIVERIES - The volume of water remaining after satisfying the provisions for delivery of the minimum basic volume shall be ratably allocated to all consumers requiring more than one miners inch. Calculations for allocation of such water shall be based on the priority of use (see Section II.E) and acreage benefited.

SECTION IV - DELIVERY OF WATER

- A. APPLICATION FOR SERVICE - All requests for water service shall be made in writing on forms prepared by the District for such purpose. Delivery of water shall be made only upon approval by the District of a proper application, subject to all provisions herein, and submitted in accordance with this Section.

1. DEADLINE FOR APPLICATION

- a. GENERAL - Upon receipt of all applications submitted by the deadline, the District immediately totals the accumulative volume requested by all applicants and compares the demand with the anticipated supply of water available. When the demand exceeds available supplies (which is certain to occur in some years), the District must adjust the requested volume in order to ratably distribute supplies.

Moreover, immediately upon determination of approved volumes, field personnel begin setting all measuring devices, and set diversion facilities accordingly. Late applications not only may cause a special trip to set the specific measuring device(s), but may cause adjustments to be made to major diversion points throughout the system. In order to assure deliveries in an orderly and economical manner, a deadline for applications is absolutely essential.

- b. DEADLINE - Applications for service must be received by the District by no later than 4:30 p.m. on the first business day in April each year. An application shall be considered to have been received only upon its actual delivery to the District office, and upon receipt of payment in full of all charges then due. If an

application is sent by mail and received by the District after the deadline, the postmark shall be of no consequence; the application shall be considered late. This deadline is absolute, and the District staff shall have no authority whatsoever to deviate from these provisions. The deadline within which applications must be submitted may be extended only by resolution or order of the Board of Directors.

c. DELIVERY OF APPLICATION

- (1) IN PERSON - All new applications and any and all applications requesting either a delivery in excess of the base volume (see Section III.G.2), a delivery of more than three (3) miners inches, or delivery to more than one (1) measuring device, shall be made in person to the District office.
- (2) BY MAIL - All applications other than as shown in (1) above may be sent to the District office by mail. However, because of the importance of having the application received by the District by the deadline, and having all charges then due paid in full upon delivery of the application, it is recommended that all applications be delivered to the District office in person or by regular mail.

d. PENALTY FOR LATE APPLICATION

- (1) REFUSAL OF SERVICE - Failure to make application and full payment by the deadline and in accordance with this Section may, at the sole discretion of the District, result in being refused the delivery of water for the current irrigation season. Upon failure of any landowner to make application for water or pay charges, the water to which such landowner would be entitled may be allotted by the District to other eligible landowners offering to make the required payments therefor.
- (2) PENALTY FEE - IF a late application is approved by the District, an additional service charge as shown in Item 1.a of Appendix A hereto, shall immediately become due and payable at the time of making

application, and delivery shall not be made until such charge along with all other applicable charges are paid in full.

2. INFORMATION REQUIRED ON APPLICATION - The application shall require the information shown hereinafter and/or any other information which the Manager may from time to time deem necessary in order to facilitate the administration and/or operation of the system. Refusal by the applicant to provide or update such information when requested shall, at the sole discretion of the District, result in the refusal or suspension of delivery until such time as this Section is complied with. Such required information includes, but is not limited to, the following:

- a. The inclusive parcel numbers of the intended place(s) of delivery, and the gross acreage and legal owner(s) of record of each such parcel.
- b. The names of all renters, lessors, or other authorized users of the premises who will utilize District water.
- c. The intended use(s) of District water, and the acreages or other measure of each such use.
- d. The intended methods of irrigation.
- e. The total volume (in Miners inches) of water.
- f. The number and types of service connections and volume (in Miners inches) to each connection.

B. SCHEDULE OF DELIVERY

1. SEASON OF USE - The irrigation season commences on April 15 and terminates on October 15 of each year. Irrigation water should normally be expected to be delivered throughout the duration of this season, subject to certain fluctuations, interruptions, shortages, outages, and reductions in deliveries as more particularly discussed in Section II.D hereof. However, the canals and ditches of the irrigation system are vulnerable to extreme damage from flows in excess of capacity during rainstorms. During such inclement weather, side spills must be removed (or not installed to

begin with), and the canals must be dewatered insofar as practicable. The irrigation season may consequently be shortened when in the opinion of the Manager such action is necessary in order to protect the system from imminent or potential damage.

2. CONTINUOUS FLOW BASIS

a. DISTRICT POLICY - It has been a longstanding District policy that irrigation water is served only on a continuous flow basis. Delivery on a continuous flow basis means that water is delivered by the District at a uniform rate continually for twenty-four hours each day, and that such water must be used continuously by the consumer throughout the period of delivery, both day and night. This policy is, and shall remain, in full force and effect.

b. SUBSTANDARD INSTALLATIONS

(1) GENERAL - Many consumers have, contrary to the aforementioned policy, installed systems whereby water is drafted from District facilities only when desired by the consumer. While this may be viewed by some consumers as being beneficial to the District in that presumedly less water is being used than is actually paid for, in reality no such benefits accrue, and in fact, severe problems result.

In order to assure the volume of water required to meet the needs of consumers, the District must conserve all water possible, and adjust the flows of the system to meet apparent demand. After system flows have been set, when consumers who have not been utilizing water on a continuous flow basis decide to draft their entitlement, the ensuing increase in demand causes a reduction in water available for other consumers, which in turn results in sometimes widespread shortages and outages. In order to alleviate such problem, the District then diverts additional water into the system, but because of the extreme distance such water must travel, increases in flows at problem

areas may not occur until up to almost two days later. If in the meantime, the consumers who caused the original problem shut off their water, any excess quantity overflows at certain points along the canal, and is wasted. The overall effect of this situation is that the District must continually try to keep the system in balance, other consumers are deprived of water, much water is wasted, and District operating expenses (which must be borne by all consumers) are excessive.

(2) DELIVERIES FROM PIPELINES - Perhaps the most severe problems resulting from the noncontinuous use of water occur because of service connections into pipelines. Under ideal circumstances, the flows from pipelines to all consumers therefrom could be set at the beginning of the season, and never be changed. However, many users along such pipelines do not use water on a continuous flow basis. Other services, and flows into such pipelines, must then be adjusted accordingly. When consumers who had their water turned off then turn their water on, flows to other services along the entire pipeline are diminished because of changes in pressure therein.

c. REMEDIAL ACTION - In order to eliminate the aforementioned problems the District must, notwithstanding provisions of Section IV.C.2.d of this policy, assert its longstanding policies that "All water deliveries must be measured through an approved miners inch box. Deficient boxes must be upgraded or replaced" (Information Sheet - Agricultural Water), and "Water must be used continuously by the water user throughout the period of delivery, both day and night" (Chapter 19D, Rule 1, Rules Governing the Use and Distribution of Irrigation Water).

Furthermore, it shall be the responsibility of the applicant, at no cost to the District, to provide sufficient storage and/or an appropriate irrigation system to assure that all water delivered by the District is utilized on a continuous flow basis (see Section IV.C.1.).

Specific corrections shall be accomplished in accordance with the following:

- (1) PUMPS - All existing pumps which are installed into and draft water directly from District facilities shall be removed. All such systems shall be replaced at the applicant's expense with service connections and/or measuring devices and private facilities conforming to Section IV.C hereof. The use of pumps directly in the District's ditch is forbidden. If pumps are to be used by the customer, they must be used downstream of the District's measuring devices.
- (2) PIPELINE CONNECTIONS - Connections from pipelines shall be unchanged provided that all use of water therefrom is on a continuous flow basis. Private facilities which will not facilitate use on a continuous flow basis shall be replaced at the applicant's expense with systems which will conform to the intent of Section IV.C.1.b hereof. If at any time thereafter, use from any connection is not on a continuous flow basis, or problems develop in providing deliveries from such pipelines, the District may at its sole discretion require at the applicant's expense the installation of facilities conforming to the intent of Section IV.C.2.c hereof.
- (3) CONVENTIONAL DEVICES - Service from existing miners inch boxes shall be unchanged provided that all use of water therefrom is on a continuous flow basis. Private facilities which will not facilitate use on a continuous flow basis shall be replaced at the applicant's expense with systems which will conform to the intent of Section IV.C.1.b hereof.
- (4) OTHER CONNECTIONS - All drip systems, siphons, or other such connections, which may result in an unregulated flow of water, shall be removed.
- (5) In the interim and when required in order to conform

to the foregoing, the District shall install miners inch boxes in accordance with Sections IV.C.2.b & IV.3 hereof. The deposit for such installation shall be paid by the applicant upon making application, and delivery shall not be made until such deposit along with all other applicable charges are paid in full.

d. ENFORCEMENT

(1) PIPELINE CONNECTIONS - Failure to utilize water from pipelines on a continuous flow basis shall result in suspension of service until such time that facilities required in Section IV.C.2.c are installed at the applicant's expense.

(2) NONCONTINUOUS USE - Failure to utilize water from an approved service connection on a continuous flow basis shall result in an immediate reduction in delivery of 25% of the approved volume being delivered thereto. If such noncontinuous use persists thereafter, additional reductions of 25% shall be made accordingly, but in no case shall such further reductions be made unless ten days have elapsed since the last such reduction. If continuous flow is then established by the applicant, the volume of the reduced flow shall not be increased to former levels. The effect of this provision is that a permanent (for the duration of the irrigation season) reduction will be imposed, and if noncontinuous use persists for a minimum of thirty days, delivery shall have been effectively terminated altogether.

C. SERVICE CONNECTIONS - All deliveries of District water shall be made only by way of approved service connections and/or measuring devices which shall conform to and be installed, adjusted, maintained, replaced, and used in accordance with the following:

1. GENERAL

a. DISTRICT FACILITIES - All service connections and/or measuring devices shall be considered to be District facilities, and are subject to the exclusive control of

the District, even though the installation, maintenance, and replacement of such devices is the financial responsibility of the applicant. In the event that such devices are replaced or otherwise removed, they shall be considered to be the property of the landowner of the property to which water was served.

Service connections and/or measuring devices shall be considered to be facilities which are intended solely for purposes of delivering unpressurized water for the use of the applicant on a continuous flow basis (see Section IV.B.2), controlling the flow of District water thereto, and measurement of deliveries of such water for purposes of calculating charges therefor; no other purposes whatsoever are either expressed or implied.

All District conveyance facilities, including pipelines, are subject to certain future alterations which may affect the elevation of which water is available therefrom. Service connections and/or measuring devices shall be installed in such manner as to accommodate deliveries from District conveyance facilities at the water levels then existing therein, or at such other water levels that may be reasonably and imminently anticipated by the District. In the event that such conveyance facilities are subsequently altered by the District, and such alteration results in a water level which would render said devices useless on account of the elevation of the inlet structure thereof, the District shall reinstall such devices at no cost to the applicant.

- b. PRIVATE FACILITIES - All irrigation facilities located beyond the service connection and/or measuring device shall be considered to be the private facilities of the applicant, and the applicant shall be responsible for all costs and liabilities associated therewith.

It shall be the responsibility of the applicant to design, construct and maintain such private facilities in such manner as to assure that the District water is used for beneficial purposes in a reasonable and efficient manner, and without waste (also see Section II.F herein).

It shall also be the responsibility of the applicant to assure that such private facilities include features which will ensure that District water is, without exception, utilized on a continuous flow basis.

Because of anticipated alterations of the elevation at which water is made available from District conveyance facilities, (see Paragraph 3 of Section IV.C.1.a hereof), the applicant shall design and construct private facilities in such manner that such changes in elevation can be readily accommodated. The District shall not be responsible in any manner whatsoever for any changes in any private facilities which may be made necessary by alteration of the elevation at which water is made available from District conveyance facilities.

2. APPROVED DEVICES

- a. UNACCEPTABLE CONNECTIONS - Notwithstanding the stated provisions of Sections IV.B.2.c & 2.d, which are intended to eliminate all existing such connections, and provisions of item d below, service connections such as direct installations to conveyance facilities of drip systems, siphons, pumps, or similar such connections which may result in an unregulated or noncontinuous flow, shall be expressly prohibited.
- b. DELIVERIES FROM CANALS - Notwithstanding provisions of the following Item d, service connections for deliveries from canals, ditches, or other such open District facilities shall hereafter be made only by installation of an approved miners inch box which shall be equipped with a means of locking in order to discourage or eliminate unauthorized adjustments and/or tampering.
- c. DELIVERIES FROM PIPELINES - Deliveries from District pipelines shall essentially be considered to be equal in intent to deliveries from any other District facilities, that is, such deliveries shall be expected to be unpressurized water which shall be utilized by the applicant on a continuous flow basis.

Notwithstanding provisions of the following Item d, service connections for deliveries from pipelines shall

consist of a sump box or similar such device intended to eliminate the need of maintaining a static head, or in fact any head whatsoever on such pipelines in order to assure a continuous flow therefrom, a valve to control and regulate flow, and an approved miners inch box. Both the valve and miners inch box shall be equipped with a means of locking in order to discourage and/or eliminate unauthorized adjustments and/or tampering.

Upon agreement between the District and applicant, a service saddle tap may be substituted for the aforementioned sump box or similar device. Such substitution should initially and perhaps ultimately be less expensive to the applicant. Such substitution shall be made only when predicated on the anticipated continued ability to deliver a continuous flow from such pipeline without difficulty. However, if deliveries from such pipeline should later become problematic, the District may then exercise the option to install the sump box or similar such device forthwith. The difference in cost between the original and final such installations shall be payable by the applicant as a deferred cost of the service connection.

- d. OTHER DELIVERIES - The District may periodically at its sole discretion approve other types of service connections which will accommodate certain specific, unusual, and/or temporary situations. If and when such connections are approved, such approval shall not be construed as having set any precedence whatsoever for requiring approval of any similar such connections. Furthermore, any such connections shall be considered as being temporary in nature, and if at any time the District at its sole discretion determines that such connections have become undesirable for any reason whatsoever, such connections shall be replaced with devices then recommended by the District as a conventional installation, and such replacement shall be at the expense of the applicant.

3. INSTALLATION

- a. INSTALLATION BY DISTRICT - Because of certain insurance and liability limitations, and the need for the District

to assure the integrity of its system, service installations and/or measuring devices shall be installed only by the District. There shall be no exceptions whatsoever to this provision.

- b. QUANTITY - Any number of service connections and/or measuring devices may be requested by the applicant. However, the applicant shall then be responsible for all charges associated with each such device.
- c. LOCATION - All service connections and/or measuring devices shall be installed only adjacent to District facilities, and within the right-of-way thereof. In the event that such right-of-way is insufficient to accommodate such devices, it shall be the sole responsibility of the applicant to acquire the right to place such device or any portion thereof on the property adjacent to such right-of-way, and the applicant shall be responsible for payments of all charges associated with the acquisition of such right. This section shall apply whether the need for such additional right was known prior to installation, or whether such need was not discovered until after installation.

Service connections and/or measuring devices shall generally be installed at a location along District facilities which is approved by the District on the basis of a field inspection by the applicant and District personnel. At the option of the applicant, the location of the requested connection can be staked or otherwise conspicuously marked by the applicant, and if the District approves such location, installation can be made accordingly. However, if this option is exercised, the District shall not be responsible for installation being made at the wrong location on account of the stakes or other markings having been moved by others, or for any other reason whatsoever.

- d. RESPONSIBILITY FOR PAYMENT - The applicant shall be responsible for payment of all costs and charges associated with the installation of service connections and/or measuring devices.

4. MAINTENANCE AND REPLACEMENT

- a. CLEANING - District personnel shall at the beginning of each season and periodically thereafter, assure that all measuring devices are cleaned sufficiently to ensure an unobstructed and accurately measured flow of water therefrom. Charges for such service are included in initial service charges and charges for delivery of water; there shall be no additional or separate charges for such service.
- b. REPAIRS - Whenever any service connection and/or measuring device requires repairs of any manner whatsoever, District personnel may immediately make such repairs and the applicant shall be responsible for all charges attributable thereto.
- c. REPLACEMENT - Whenever any service connection and/or measuring device becomes worn, damaged, or otherwise unserviceable, such device shall be replaced at the expense of the applicant. The determination of serviceability and need for replacement shall be at the sole discretion of the District, and may be predicated upon, but not limited to, considerations such as the uneconomical and/or unreliable adjustment or control thereof, elimination of a potential hazard to facilities or adjacent lands, eliminating a waste or potential waste of water, or discouraging and/or eliminating unauthorized adjustments and/or tampering which makes replacement with a locking-type device advisable.

5. ADJUSTMENTS

- a. DISTRICT POLICY - Adjustments or alterations in District service connections, measuring devices, canals, or other facilities shall be made only by District personnel, except in the event that a failure of District facilities or other emergency situation is discovered by a user, such user shall take reasonable action to prevent further damage, and shall then notify the District.
- b. UNAUTHORIZED ADJUSTMENTS AND/OR TAMPERING - No person shall in any manner adjust, change, molest, disturb or otherwise interfere with any District service connection, measuring device, gate, weir, conduit or

other facility, nor shall any person construct any dam or otherwise impede or obstruct the flows thereof, unless such person shall have express written permission or emergency authorization from the District.

Whenever such unauthorized adjustments or tampering are known to have been caused by the applicant or other bonafide users of water on the affected premises, the District may, at its sole discretion, refuse or curtail the delivery of water to such premises for the remainder of the irrigation season. Moreover, all such violations shall be reported to the Sheriff's Department for investigation, and if the perpetrator(s) of such violations are identified, they shall be prosecuted to the full extent of the law.

- c. CRIMINAL PROSECUTION - PENAL CODE SECTION 592 - "Every person who shall, without authority of the owner or managing agent, and with intent to defraud, take water from any canal, ditch, flume or reservoir used for the purpose of holding or conveying water for manufacturing, agriculture, mining, irrigating or generation of power, or domestic uses; or who shall without like authority raise, lower or otherwise disturb any gate or other apparatus thereof, used for the control of measurement of water; or who shall empty or place or cause to be emptied or placed into any such canal, ditch, flume or reservoir, any rubbish, filth or obstruction to the free flow of the water is guilty of a misdemeanor."

- d. REPLACEMENT OF MEASURING DEVICES - It shall be the responsibility of the applicant to exercise reasonable control over the premises shown in the application as the place of use. The applicant shall exercise reasonable diligence in preventing unauthorized adjustments of, or tampering with, District facilities.

Whenever unauthorized adjustments and/or tampering occurs, the District, at its sole discretion, may consider such service connections or measuring devices as may be affected thereby to be unserviceable under the meaning of Section IV.C.4.c hereof, and replace such devices with locking-type devices accordingly, and at the expense of the applicant.

SECTION V - LIABILITY

- A. LIABILITY OF APPLICANT - Upon removal from District facilities, the possession of water is passed to the applicant or user thereof, and such applicant or user, or the heirs or assigns thereof, shall be liable for any damages resulting from the use or presence of such water thereafter. Such liability shall specifically be extended to include any damages which may occur to or upon adjacent properties onto which the applicant or user has either willfully, carelessly, negligently, inadvertently, or unknowingly allowed or permitted such water to seep or flow.
- B. PRIVATE FACILITIES - The District will not be liable for any damage of any kind or nature resulting directly or indirectly from any private conduit, 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 therefrom.
- C. DEFECTIVE MATERIALS - The District must utilize certain conduits, meters, measuring devices, and other materials, supplies, and products which are manufactured by others, and the District has no control over the quality or integrity of such products. The District assumes no liability whatsoever for damages to persons or properties occasioned through defects or failures of such manufactured products. Any remedy for such losses shall be sought solely and directly from the manufacturers of such products.
- D. INADEQUATE SUPPLIES - Supplies of water are limited and the District has enacted herein certain provisions to assure deliveries of water to as many consumers of the District as practicable. Such provisions require a moratorium on deliveries to certain lands, cutbacks in deliveries, and rationing. The District shall assume no liability for damages or losses of any kind which may be occasioned by the unavailability or limited distribution of water, even though efforts to accomplish aforementioned objectives may inadvertently and periodically result in surplus waters which are not distributed.
- E. SEASON OF USE - The District has enacted certain provisions

herein which may cause the normal irrigation season to be shortened somewhat, when advisable, in order to assure that District facilities are protected from potential damage which might result from unfavorable weather conditions. The District shall assume no liability for damages or losses which may be occasioned by the shortening of such normal season of use.

- F. UNAUTHORIZED USE - All water furnished by the District is intended for use only for irrigation purposes, and every consumer who utilizes District water for any other purpose does so at his own risk and by so doing assumes all liability for, and agrees to hold the District, and its officers and employees, harmless from liability and damages which might occur as a result of defective water quality, shortages, fluctuations or interruptions of flow, outages, or for any other reason whatsoever.
- G. FIRE PROTECTION - Use of District water for fire protection purposes is not an intended use of such water and the reliance on such shall be at the risk of the consumer. The District shall assume no liability for damages or losses arising from such use whether such damages and/or losses are directly or indirectly related to the lack of availability, insufficient quantity, or defective quality of water, or for any other reasons whatsoever.
- H. POLLUTANTS AND CONTAMINANTS - The open channels of District facilities are subject to potential pollution and/or contamination and other quality deficiencies which could adversely affect crops (see Section II.C.2). The use of District water for irrigation purposes shall be at the risk of the consumer, and in so using, the consumer agrees to hold the District and its officers and employees free and harmless from any and all liability, damages, and losses which may occur on account of defective water quality.
- I. VARIATIONS IN FLOW - District facilities are subject to extreme variations in flow, and the District assumes no liability for damages or losses which might occur as a result of fluctuations or interruptions in flow, shortages and/or outages, or any other factors affecting the quantity of water available or the lack thereof.

- J. ENFORCEMENT OF POLICY - This policy contains certain provisions of enforcement which require the refusal to deliver water initially, and the curtailment, reduction, suspension, and/or termination of deliveries thereafter. In making application, the consumer agrees to abide by all terms of this policy and accepts the risks inherent in refusal to comply accordingly. The District assumes no liability for losses and/or damages which might result from curtailment of deliveries effected as a result of violations of provisions hereof.
- K. NONPAYMENT OF CHARGES - Section 31024 of the California Water Code provides that, "A District may establish rules and regulations for the sale, distribution, and use of water and may provide therein that water shall not be furnished to persons against whom there are delinquent water rates." (emphasis added). Pursuant to this authority, the District has adopted the policy of terminating service for nonpayment of charges. In the event that any service is suspended or terminated in accordance with this policy, neither the Board, the District, nor its officers, agents or employees, shall be liable for any damage or loss that may occur as a result thereof.

SECTION VI - CHARGES AND PAYMENT

A. GENERAL

1. ESTABLISHING RATES AND CHARGES - The rates and charges for water, which shall include service charges, penalties, and interest on delinquent and unpaid accounts, shall normally be established by March 10 of each year. Such rates and charges may, however, be established or altered at any time when such changes are based on budgetary constraints and are within the scope of intent of Section 31007 of the California Water Code.

Rates and charges shall generally be established and/or changed only by resolution or motion of the Board of Directors. However, the Manager may from time to time

establish and collect charges for certain minor, unusual, and temporary uses or services, until such time that the Board has enacted specific rates and charges therefor.

2. RESPONSIBILITY FOR PAYMENT

- a. APPLICANT - Service connections and appurtenances ~~thereto~~ become the real property of the landowner, service therefrom is considered to be for the benefit of the parcel and not any occupants thereof, and the right to continued delivery passes with the parcel rather than with any person(s). It shall therefore be the position of the District that the person(s) to whom the sale, distribution, and use of water is made available shall be the owner(s) of the parcel thus served.

The landowner shall be expected to exercise reasonable and prudent control over his properties, and to be aware of any use of water thereupon. For this reason, the application is not restricted to the landowner, but may be made by any tenant, water user, occupant or other person. Notwithstanding provisions of Item b below, the applicant shall be responsible for all charges due at the time of application, and all charges later due as a condition of continued delivery for the benefit of such applicant.

- b. LANDOWNER - The owner(s) of any parcel shall be ultimately responsible for payment of any and all charges made by the District for water availability, distribution, use, or services attributable to such parcel or units thereon, regardless of whether the owner(s) personally benefit from such use or service.

The landowner shall be responsible for all charges not paid when the same become due regardless of whether or not the land is being rented, leased, farmed or otherwise used by other than the landowner, and regardless of the person or persons requesting and making application for water. Nothing herein contained, however, shall deprive the District of any other mechanisms it may have to enforce payment of charges.

3. PAYMENT OF CHARGES

- a. GENERAL - Charges must be paid in full upon submission of application, as a condition of acceptance and/or approval of such application. However, some charges cannot practicably be made until the service has been rendered and the costs attributable thereto calculated.
- b. REQUIREMENTS FOR PAYMENT - Charges shall be due and payable on the date that billing is issued by the District and shall become delinquent fifteen (15) days thereafter.
- c. INTEREST - Interest on all unpaid accounts shall be charged at the rate of one and one-half percent (1 1/2%) per month on the unpaid balance, commencing on the date on which any charges become delinquent.

4. SUSPENSION OF SERVICE - If water charges should become delinquent, the District may at its discretion, suspend the service of water until the charges are paid. This includes the right to suspend the service of water regardless of the type of crop being irrigated or the use to which the water is being put, and regardless of whether the user thereof is a landowner, tenant or other user.

In the event any water charges are unpaid at the end of an irrigation season on any particular land, the District may, at its discretion, refuse to serve water to that land in the following or subsequent seasons, until all such unpaid water charges are paid in full. This shall include the right to refuse service of water although the user of the water for which charges remain unpaid was not the owner of the land, and although the ownership of the land may have changed since the water for which the charges remain unpaid was used.

5. COLLECTION BY TAX LIEN - Pursuant to Sections 31701 and 31701.5 of the California Water Code, all delinquent and unpaid charges for water and other services requested in writing by the owner of the property shall be added to, and become a part of, the annual taxes next levied upon the property upon which the water for which the charges are unpaid was used and upon the property subject to the charges for any other District services, and shall constitute a lien on that

property as of the same time and in the same manner as does the tax lien securing such annual taxes.

B. SPECIFIC CHARGES - Charges for water service or other charges shall be made in accordance with the following provisions and at the rates shown in Appendix A hereof. Rates shown in Appendix A shall prevail until such time that such rate should be revised or otherwise changed by resolution or motion of the Board of Directors. Subsequent to such Board action, a new or revised Appendix A shall be prepared accordingly, and such new or revised Appendix shall be included herein and shall become a part hereof on the basis of such Board action. Thereafter, all charges incurred shall be calculated at the rates shown in the new or revised Appendix A.

1. CHARGES DUE UPON RECEIPT OF APPLICATION - Except for Item a below, the following charges are due and payable upon receipt by the District of the APPLICATION FOR DELIVERY OF IRRIGATION WATER. Such charges shall be paid in full by the first business day in April of each year. Any application received and for which such charges are not paid in full by said date, shall be considered as a late application, and shall accordingly be subject to an additional service charge. Water delivery shall not be made until all such charges are paid in full.

a. SERVICE CHARGE FOR LATE APPLICATION - Any and all applications received later than 4:30 p.m. on the first business day in April of each year, or for which all applicable charges are not paid in full by the same deadline, shall be considered as a late application and shall be subject to an additional service charge. Such service charge shall offset certain increased costs to the District made necessary by the processing of such late applications. Such costs include, but are not limited to alterations of the delivery schedule, individual adjustments(s) of measuring devices, additional adjustments of major diversion points, and all administrative expenses attributable to the foregoing. Water delivery shall not be made until such charge is paid in full.

b. FACILITY FEE - All new connections.

All facility fees collected shall be deposited into a restricted reserve account, and funds from such account shall be expended only for such purposes as acquisition of additional sources of water or enlarging conveyance facilities to accommodate flows therefrom, construction of additional storage facilities, developing additional sources of outside revenues to offset costs of purchasing water as a means of expanding present sources of water, or to aid in the financing of any activities herein described, conservation of current supplies of water, reclamation projects, and/or any and all administrative or consultant expenses applicable to efforts to accomplish any of the foregoing.

- c. INSTALLATION DEPOSIT - Any application which requires the installation of a service connection and/or measuring device shall be subject to an installation charge for each such device. Such installation charges are intended to cover the estimated costs of such installations, and any difference between the installation charge and the actual cost of such installation shall either be due and payable to the District or refundable to the applicant, whichever is appropriate.

- d. CHARGES FOR WATER
 - (1) RATE STRUCTURE - Charges for delivery of water shall be based on a rate structure whereby the unit rate increases as the volume of water requested increases. In this manner, consumers and/or landowners placing the greater demands on the system pay accordingly.

 - (2) FLOW BASED ON PEAK DEMAND - Certain connections currently do not utilize water on a continuous flow basis, but rather utilize water only on demand. Such connections shall be corrected under specific provisions of this policy. In the interim, charges for such services shall be based on the full flow drafted from District facilities during peak demand. The District shall estimate such peak flows, and such estimates and charges therefor shall be fully and retroactively adjusted only upon

presentation by the applicant of contrary figures which have been computed by a registered engineer. All charges for such engineering shall be the sole responsibility of the applicant.

Upon correction of such connections to accommodate use on a continuous flow basis, the charges for the remainder of the year shall be recalculated and a refund shall be credited accordingly.

- (3) PARCELS UNDER SAME OWNERSHIP - The volumes requested for each and every parcel under the same or common ownership shall be added together to determine the total flow on which the unit rate shall be determined. This unit rate shall then be applied to each and every such parcel regardless of whether the applicant for service to such parcel is the owner, tenant, or other occupant or user of the water requested.
2. CHARGES DUE THROUGHOUT SEASON - The following charges may be incurred throughout the irrigation season provided that the services for which such charges apply are actually performed. Such charges are due and payable in accordance with Section VI.A.3, or as hereinafter provided.

C. REFUNDS

1. SERVICE CHARGE FOR LATE APPLICATION - The service charge for late application shall not be refundable for any reason whatsoever.
2. INSTALLATION CHARGE - The unused portions of any and all installation charges shall be refundable upon the completion of work for which such charges were made, and the determination of the charges due for such work.
3. CHARGES FOR DELIVERY OF WATER - Charges for delivery of water shall be refundable if the total flow of water delivered and paid for is subsequently changed for reasons such as the following:
 - a. Voluntary cutbacks, rationing, or termination of service.

- b. Refunds as aforesaid shall only be valid for periods following a request by the applicant that the service be temporarily suspended and/or during periods that the District is aware that the water is not being delivered.

The refunds and suspensions of service contemplated in this Section VI.C.6.b. shall not diminish or otherwise affect the continuation of future deliveries of water, except that in the event that deliveries are not fully reinstated, paid for, and put to beneficial use by the beginning of the second irrigation season following the event leading to the suspension in service, the service shall be considered as a "new service" upon subsequent application, and shall thereafter be subject to all restrictions and limitations then affecting the availability of water to such services.

- 4. UNREFUNDABLE CHARGES - Charges shall not be refundable for the following reasons:
 - a. Failure on the part of the applicant to take the full amount of water approved in the application or otherwise determined thereafter, provided that such water was made available by the District.
 - b. Any interruptions of deliveries of less than 15 days for each occurrence for reasons as set forth in Section II.D hereof, or to accommodate construction or emergency maintenance/repair projects (such as recent silt-removal and hydrilla control projects).
 - c. The volume of water which was not delivered because of interruptions and/or shortening of the duration of the irrigation season pursuant to Section IV.B.1 hereof.
 - d. Any volume of water which is not delivered during periods of suspension which are imposed in order to enforce provisions of this policy.
- 8. CALCULATION AND PAYMENT OF REFUNDS - The amount of any refunds shall be calculated within 15 days from the time that any charges become refundable, and such refunds shall be payable at any time thereafter.

9. DEDUCTION OF OTHER CHARGES - Refundable charges shall immediately be applied to any other charges then due and payable or delinquent, and any subsequent charges shall be deducted from the refund credit balance (if any), before issuance of billing for such other charges.
10. REFUND CREDIT - All refunds due shall be carried as a credit balance, unless payment is specifically requested by the applicant at the time of determination of the amount of refund then due, or at any time thereafter.
11. INTEREST - The District shall no pay interest for any deposit accounts. The district shall pay no interest on refunds, credit balances carried forward, or for any other reason whatsoever.

(END)

Revised 2/21/08