

**MIL POTRERO MUTUAL WATER COMPANY  
RULES, REGULATIONS AND RATES**

(Revised effective 4/11/2020)

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## Section A:

### DEFINITIONS

1. Board shall refer to the Board of Directors of Mil Potrero Mutual Water Company.
2. Service Connection means the pipeline and appurtenant facilities such as the meter stop, meter and meter boxes used to extend water service from a main to premises, the laying thereof and the tapping of the main. Where services are divided at the curb or property line to serve several customers, each such branch service shall be deemed a separate service.
3. Cost shall mean the cost of labor, materials, transportation, supervision, engineering, legal and all other necessary expenses.
4. Company shall refer to Mil Potrero Mutual Water Company.
5. Consumer shall mean any person or persons making use of water or service supplied by the Company.
6. Main means a waterline in a street, highway, alley or easement used for the general distribution of water, including public and private fire protection.
7. Curb Stop is any valve installed between the water main and the water meter to control water flow.
8. Manager means the General Manager appointed by the Board of Directors.
9. Non-Business Hours means time or times the Company's Business Office is closed, including weekends and holidays.
10. Person shall refer to any individual, company, association, co-partnership or public or private corporation.
11. Premises means a lot or parcel of real property under one ownership, except where there are well defined boundaries or partitions such as fences, hedges, or other restrictions preventing the common use of the property by the several tenants, in which case each portion shall be deemed separate premises. Apartment house and commercial buildings may be classified as single premises or separate premises.
12. Private Fire Protection Service means water service and facilities for building sprinkler systems, hydrants, hose reels and other facilities installed on private or property for individual fire protection, and the water available thereof.

13. Public Fire Protection Service means the service and facilities of the entire water supply, storage and distribution system of the Company, including the fire hydrants affixed thereto and the water available for fire protection. Cost of operations and maintenance of hydrants shall be borne by the Company. House service connections and appurtenances thereto may be part of the public fire protection source at no cost to the Company or agency.
14. Shareholder means the person or persons owning in fee, or the person or persons in whose name the legal title to the property appears, by deed duly recorded in the County Recorder's Office, or the person in possession of the property or building under claim of, or exercising acts of ownership over same for himself, or as executor, administrator, guardian or trustee of the owner.
15. Regular Water Service means water service and facilities rendered for normal domestic and commercial purposes on a permanent basis, and the water available thereafter.
16. Temporary Water Service means water service and facilities rendered for limited durations, and the water available thereafter.
17. Curb means the edge of the pavement of any vehicular way designated as such on a subdivision map.
18. Tenant means any person or persons residing in or on the premises and receiving beneficial use of water supplied by the Company.

\*\*end Definitions\*\*

## Section B:

### GENERAL PROVISIONS

1. All consumers will be subject to the Rules, Regulations and Rates of the Company.
2. The Company's fiscal year is from July 1 to June 30. Applicable charges are due and payable when billed.
3. When an account remains unpaid 30 days after billing date notification and disconnection of service procedures as prescribed in Billing section, subsection 4 Bills will commence.
4. No consumer shall knowingly permit the waste of water. Where water is wastefully or negligently used on a consumer's premises, the Company may discontinue service at its discretion. Consumer may be billed a cubic foot - use basis. (See Rate Schedule - APPENDIX A.)
5. Every service connection installed by the Company has a curb stop on the inlet side of the meter which is not to be used by anyone other than Company employees. If said curb stop is damaged by unauthorized use, replacement shall be at owner's expense. (see APPENDIX A)
6. All services shall be maintained according to the Rules, Regulations and Rates of Company, on file at the Company office.
7. All water assessments shall be billed to the Shareholder of record as identified by the Company files.
8. It shall be the Shareholder's responsibility to inform the Company in writing immediately upon change of ownership, or corrected mailing address.
9. Water System. Company will furnish such facilities as are necessary for obtaining and distributing water for use on lots within the Pine Mountain Club development including easements, rights to land and water rights.
10. Conditions of Service. All Shareholders, upon application for water service connection, shall accept such conditions of pressure and service as provided in the distribution system at the location of the requested service connection and shall hold Company harmless of any damages arising out of low or high pressure conditions or interruptions of service. Company reserves the right to interrupt service for purposes of making repairs, connecting new services or any other reason necessary to proper operation and maintenance of the system. The Company shall not be liable for any malfunction or interruption of water service

that may cause a customer's fire sprinkler system to fail for any reason.

11. Company Property. No one except an employee or representative of the Company shall at any time or in any manner operate any or all components of Company's water system. (Exception being Kern County Fire Department, while performing fire protection services.)
12. Penalty for Violation. Company may discontinue water service to any Shareholder or consumer for the failure of any Shareholder or consumer to comply with any of the rules and regulations specified herein. Company shall not reinstate water service until the Shareholder or consumer has complied with any and all rules and/or regulations which have been violated. This rule shall not prohibit Company from taking proper legal action for any violation or act punishable by law.
13. Ruling Final. All rulings of the Manager shall be final unless appealed in writing to the Board within ten (10) days. When appealed, the Board's ruling shall be final.
14. Assessments and Bills. Assessments for the operation, maintenance and improvement of the Company are assessments upon the shares of the Company and as such are liens upon the shares. Bills submitted by the Company to a Shareholder for water use, penalties or other charges shall be deemed to be indebtedness against the property and, at the option of the Company, legal action may be taken.
15. Service Area. The Company is authorized and obligated to provide water service within the area defined in the Articles of Incorporation and Bylaws.

**\*\*end General Provisions\*\***



## Section C:

### GENERAL USE REGULATIONS

1. **Water Waste.** No consumer shall knowingly permit leaks or waste of water. Where water is wastefully or negligently used on a Shareholder's premises affecting the general service, Company reserves the right to shut off the water supply to premises to prevent loss of water and shall be held harmless for damage to appliances and premises due to such action.
2. **Responsibility for Installations on Shareholder's Premises.** All facilities installed by the Company on private property for the purpose of rendering water service remain the property of the Company and may be maintained, repaired or replaced by the Company without consent of, or interference by, the owner or occupant of the property. Shareholder shall use reasonable care in the protection of the facilities. No payment or gratuity shall be made by Company for placing or maintaining facilities on private property.
3. **Damage to Water System Facilities.** Shareholder shall be liable for any damage to service facilities when such damage is from causes originating on the premises by an act of the owner or his tenants, agents, employees, contractors, licensees or permittees, including the breaking or destruction of locks by the owner or others on or near a meter, and any damage to a meter which may result from any act of Shareholder or his agent, including hot water or steam from a boiler or heater on premises. Company shall be reimbursed by Shareholder for any such damages promptly upon presentation of a bill.
4. **Control Valve on Property.** Shareholder shall provide a valve on his side of the service installation, outside the meter box, to control the flow of water to the piping on the premises. Shareholder/Consumer shall not use the service curb stop to turn water on and off for his convenience. Failure to comply with this regulation shall result in discontinuance of water service.
5. **Cross Connection.** Shareholder shall comply with State and Federal laws governing the separation of dual water systems or installations of backflow prevention devices to protect the public water supply from the danger of cross connection. Backflow prevention devices must be installed at no cost to Company as near the meter as possible and shall be open to tests and inspection by Company. Plans for installations of backflow prevention devices must be approved by Company prior to installation. See Appendix B, *A Regulation for The Control of Back Flow and Cross-Connections*.
6. **Special Cases.** In special circumstances (i.e. when Shareholder/Consumer is engaged in the handling of especially dangerous corrosives, liquids, industrial or process waters) Company may require the owner to eliminate certain plumbing or

pipng connections as an additional precaution and as a protection to backflow prevention devices.

7. Relief Valves. As a protection to Shareholder's plumbing system, a suitable pressure relief valve shall be installed and maintained by him, at his expense. When check valves or other protective devices are used, the relief valve shall be installed as provided by applicable Plumbing Codes.
8. Backflow Devices. A check valve shall be installed on the customer's side of the meter on each individual service. (Said check valve is not to be considered backflow prevention.) Wherever additional backflow protection is necessary on a water supply line entering Shareholder's premises any and all water supply lines from the Company's mains entering such premises, building or structures shall be protected by an approved backflow prevention device, regardless of the use of the additional water supply line.
9. Inspection. Backflow prevention devices shall be fully maintained by Shareholder/consumer. Company may periodically inspect and/or test devices for function and, if found defective, Shareholder/consumer shall immediately repair or replace the defective unit at Shareholder/consumer's expense. Any damage due to the above failures shall be borne by Shareholder with no cost to Company.
10. Discontinued Service. Service of water to any premises may be immediately discontinued by Company if any defect is identified in backflow prevention devices, or if it is found that an unprotected cross connection exists. Service will not be restored until such defects are corrected by Shareholder.
11. Interruption in Service. Company shall not be liable for damage which may result from an interruption in service.
12. Ingress and Egress. Representatives from the Company shall have the right of ingress and egress to Shareholder/consumer's premises at reasonable hours for any purpose reasonably connected with the furnishing of water service.
13. General Manager. The General Manager shall be fully responsible for control of the operation and maintenance of the supply and distribution system subject only to approval by the Board of Directors of the Company. He shall have charge of all employees and shall perform such other duties as the Board shall direct from time to time and shall report to the Board in accordance with the rules and regulations adopted by the Board.

**\*\*end General Use Regulations\*\***

Section D

WATER RATES 2019/2020 FISCAL YEAR

1. Water Availability Charge: Each recorded lot within the Service Area shall pay an annual water availability charge of \$275.00 (\$75.00 water availability charge, \$200.00 Capital Improvement Fund contribution), payable each year in advance.
  
2. Meter Service Rate: In addition to the above, shareholders connected to the water system will be subject to the rates charged and collected by the Company for water supplied through meters within the Service Area of the Company, which are payable yearly in advance, or on such payment schedule as determined by the Board of Directors at its sole discretion, and are hereby fixed as follows (this includes the annual \$75.00 Water Availability Charge and \$200.00 Maintenance & Improvement Fund contribution):

a. Meter Service Charge:	3/4 inch service connection	\$ 450.00
	1 inch service connection	\$ 535.00
	1 ½ inch service connection	\$
	2 inch service connection	\$ 1135.00
	4 inch service connection	\$

- c. Water Use Rates: Block 1 - the first 1000 cubic feet of metered water will be billed at the rate of \$1.50 per 100 cubic feet.  
  
Block 2 - 1001-2000 cubic feet of metered water will be billed at the rate of \$2.00 per 100 cubic feet.  
  
Block 3 - 2001-3000 cubic feet of metered water will be billed at the rate of \$2.75 per 100 cubic feet.  
  
Block 4 - 3001-4000 cubic feet of metered water will be billed at the rate of \$3.30 per 100 cubic feet.  
  
Block 5 -4001-5000 cubic feet of metered water will be billed at the rate of \$6.00 per 100 cubic feet.  
  
Block 6 - all metered water above 5001 cubic feet will be billed at the rate of \$7.25 per 100 cubic feet.

3. Temporary Service Rate: The rate to be charged and collected by the Company for water supplied through temporary connections for construction or other approved purposes are hereby fixed as follows:

a. Daily Charge:	3/4 inch connection	\$ 5.00 per day
	1 inch connection	\$ 7.00 per day
	2 inch connection	\$ 10.00 per day

- b. All water metered through temporary connections will be billed at a rate of \$5.50 per 100 cubic feet.
4. Temporary Service Deposit: For each temporary service a deposit shall be made to the Company to guarantee payment of installation and removal of a temporary meter, the temporary daily service rate and water use. Damaged or lost equipment will result in the forfeiture of the Temporary Service Deposit plus costs to repair or replace the equipment. The deposit shall be as referenced in APPENDIX A of these Rules, Regulations and Rates. Charges for installation and removal of temporary meters will be cost plus 15% or \$50.00 whichever is greater. After the need for temporary water has ceased, applicant shall be billed for water actually used and associated costs.
5. Temporary Supply from Fire Hydrant: Temporary use of water from a fire hydrant may be permitted by the Company subject to a charge for installation and removal of a meter and the necessary equipment to provide such service and payment for the water used with all charges and rates per above Temporary Service Deposit and APPENDIX A of these Rules, Regulations and Rates.
6. Temporary Meter Reading: Temporary meters will be read once each month and the applicant billed for all water used during the preceding month. All temporary meters will be read on or near the end of each month.
7. Individual Fire Protection System. Where an individual fire protection system is provided on Shareholder's premises, a separate service shall be provided to the

property consisting basically of a detector check and approved backflow prevention devices. The fire protection service from Company's main shall be installed by the Company at cost plus 15%. Any device Shareholder/consumer requests the company install shall also be charged to the owner/consumer at cost plus 15%.

8. Shareholders Requesting Locked Meter. A written request to have an annual assessment reduced from the Company's Meter Service Rate to the Water Availability Charge must be received at the business office not later than nine (9) days prior to the Board of Directors July meeting in order to be agendized. The Board of Directors will consider the application of this change not later than at their July meeting. Should water service be desired at any time during the fiscal year, the entire balance of the annual Meter Service Rate must be paid in full prior to the meter being removed from locked status. No Proration will be allowed.

**\*\*end Water Rates\*\***

## Section E:

### APPLICATION FOR WATER SERVICE

1.       Application. Shareholder or his authorized agent may make application for water service at the Company office. An application shall be signed by the Shareholder or by his agent when agent is designated in writing by Shareholder, at which time payment in full shall be made for the service connection fee and the pro-rata annual Meter Service Charge.
2.       Contractor's Convenience. When a contractor desires service to a building under construction and Shareholder is not available to sign application to pay required fees, the contractor may make application for service by paying the necessary fees and may sign the application for water service if designated as an authorized agent in writing by Shareholder. The Company's business office will provide forms for use by Shareholder in designating a contractor to act as an authorized agent, upon request. (See Shareholder Designation of Authorized Agent, form, FORM SAMPLES.) Written authorization from Shareholder must be submitted to the company when application for water service is being made.
3.       Shareholder Acknowledgment. Such application will signify Shareholder's willingness and intention to comply with all Rules and Regulations relating to water service and to make payment for water service required.
4.       Payment for Previous Service. An application will not be honored unless all accounts in the name of Applicant(s) with Company have been paid in full by the Applicant.
5.       Service Connection Fee - Regular. The charge for a regular service connection shall be paid in advance by Applicant and shall be per APPENDIX A. If conditions require additional cost, Company reserves the right to bill Shareholder at cost plus 15%. Only duly authorized employees or agents of Company shall install service connections. All yearly service charges to the end of the Fiscal Year shall be prepaid upon application, on a pro-rata basis.
6.       Installation of Service. Regular water services shall be installed at the location determined by the Company. Service installations shall be made only to property abutting distribution mains as installed in public streets, alleys or easements, or to the extensions thereof as herein provided.
7.       Changes in Shareholder's or Consumer's Equipment. Shareholders or consumers making any material change in the size, character or extent of the equipment or operations utilizing water service, or whose change in operations result in a substantial change in the use of water, shall immediately provide Company written notice of the nature of the change and, if necessary, amend their

application.

8. **Size and Location.** Company reserves the right to determine the size of service connections and their location with respect to the boundaries of the premises to be served. Connection to service will be performed by Shareholder or Shareholder's Contractor only at location and fitting provided by Company for the parcel being connected to water system.
9. **Curb Cock.** Every service connection installed by Company shall be equipped with a suitable valve on the inlet side of the meter. Such valve is intended for the exclusive use of Company in controlling water flow through the service connection. If the valve is damaged by Shareholder/Consumer use to an extent requiring replacement, such replacement will be at Shareholder expense. Replacement shall be at cost plus 15%.
10. **Domestic and Commercial Service Connection.** It shall be unlawful to maintain a connection except in conformity with the following rules:
  - a. **Separate Building.** Each house or building under separate ownership shall be provided with a separate service connection. Two or more houses, under one ownership, and on the same lot or parcel of land, must be supplied through a separate service connection. Each connection shall be subject to the rates set forth herein.
  - b. **Single Connection.** Not more than one service connection for commercial supply shall be installed for one building, except upon approval by the Company.
  - c. **Different Owners.** A service connection shall not be used to supply adjoining property of a different Shareholder/consumer or to supply property of the same Shareholder/consumer across a street or alley.
  - d. **Divided Property.** When property provided with a service connection is divided, each service connection shall be considered as belonging to the individual premises (i.e. three unit building requiring three meters) which it directly serves.
11. **Service Connections.** The service connections extending from the water main to and including the meter, meter box and valve shall be maintained by Company. All pipes and fixtures and appurtenances extending or lying beyond the meter shall be installed and maintained by Shareholder of the property.
12. **Inspection of Customer Water Lines.**

- a. All meter connections on the Shareholder side of meter shall be the sole responsibility of Shareholder.
- b. A pressure regulator shall be installed in such manner that it is fully protected from freezing and easily available for adjustment, repair or replacement. A check valve no less than 3/4" in size shall be installed on the customer side of the meter to minimize flow back into the Company's distribution system from private property.
- c. The Company assumes no responsibility for water loss from any cause on Shareholder's side of the meter.
- d. Installation of Shareholder's water line shall, in all cases, conform to County Code (i.e. minimum distance to leach bed or septic tank shall be 5'0"; if the house entrance is to be made in proximity of sewer line, water line shall be a minimum of 1' over and above sewer line).

\*\*end Application for Regular Water Service\*\*



Section F:

NOTICES

1. Notices to Shareholder or Consumer. Notice from the Company to a Shareholder/Consumer will normally be given in writing and either delivered or mailed to him at his last known address. Where conditions warrant, and in emergencies, Company may resort to notification by telephone or messenger.
2. Notices from Shareholder/Consumer. Notice from the Shareholder / Consumer to the Company may be given by him or his authorized representative in writing:
  - (1) at the Company operating office or
  - (2) to the Manager.

**\*\*end Notices\*\***

Section G:  
METERS

1. Meter Installation. Meters shall normally be installed inside the road right-of-way approximately 12" behind the curb lines or as near the curb as practical and shall be owned by the Company. All meters may be sealed by the Company and no seal shall be altered or broken except by Company authorized employees or agents.
2. Change in Location of Meters. Meters moved for the convenience of the Shareholder shall be relocated at Shareholder's expense, as approved by the Company.
3. Meter Tests - Deposit. All meters shall be tested prior to installation and no meter shall be installed which registers more than 2% fast. If a Shareholder or consumer desires to have the meter serving his premises tested, a deposit shall be made of \$50.00 for meters up to 1" in size and \$100.00 for meters larger than 1". Shareholder or consumer shall be invited to be present when meter is tested. Should the meter register more than 2% fast, the deposit shall be refunded. Should the meter register less than 2% fast, the deposit shall be retained by Company.
4. Adjustment for Meter Errors - Fast Meters. If a meter tested at the request of a Shareholder or consumer is found to be more than 2% fast, the excess charge shall be refunded to the Shareholder or consumer for the time service was rendered the person requesting the test, or for a period of six months, whichever shall be the lesser.
5. Adjustment for Meter Errors - Slow Meters. If a meter tested at the request of a Shareholder or consumer is found to be more than 10% slow in the case of domestic service, or more than 5% slow for other than domestic services, Company may bill the Shareholder or consumer for the amount of the undercharge, based upon corrected meter reading, for a period not exceeding six months during which the meter was in use.
6. Non-registering Meters. If a meter is found to be not registering, the charge for service will be at the minimum monthly rate or based on estimated consumption, whichever is greater. Such estimates shall be made from previous consumption for a comparable period or such other method as is determined by the Company, said decision to be final.
7. Locked Meters. All meters locked by the Company shall not be altered or unlocked except by employees of or agents authorized by Company. (See Section G, subsection 1 above.)

\*\*end Meters\*\*

Section H:

TEMPORARY SERVICE

1. Definition. Temporary Service is water service and facilities provided for construction work and other uses of limited duration, and the water available therefore.
2. Duration of Service. Temporary service connections shall be disconnected and terminated within six months after installation, unless an extension of time is granted in writing by the Company.
3. Deposit - Temporary Service. For each temporary service, a deposit shall be made to the Company to guarantee payment for installation and removal of a temporary meter. Charges for installation and removal of meter shall be cost plus 15%.
4. Installation and Operation. All facilities for temporary service to the consumer's connection shall be made by Company and shall be operated in accordance with Company's instruction. Charges shall be made on the basis of cost plus 15%.
5. Responsibility for Meters and Installations. Consumer shall use all possible care to prevent damage to the meter or any other loaned facilities of Company provided to furnish temporary service from installation until removal. Forty-eight (48) hours notice shall be given in writing to the Company that the contractor or other person is no longer in need of the meter or meters and the installation. If the meter or other facilities are damaged, the cost of making repairs shall be paid by the Consumer.
6. Unauthorized Use of Hydrants. Tampering with any fire hydrant for the unauthorized use of water thereof or for any other purpose is a misdemeanor, punishable as provided by the law. (California Penal Code Sxn. 625.)
7. Payment. Applicant shall pay the estimated cost of service in advance.
8. Service Charge. The daily service charge for temporary service is as follows:

3/4" Meter	See APPENDIX A
1" Meter	A
1-1/2" Meter	A
2" Meter	A
2-1/2" Meter	A
3" Meter	A

\*\*end Temporary Service\*\*

## Section I:

### BILLING

1. **Billing Period.** The billing period shall be such period as the Board may adopt.
2. **Meter Reading.** Meters are read on a quarterly basis and will be read as nearly as possible on the same day of each billing period.
3. **Special Conditions.** All services shall be furnished only on a continuous basis with a service period of twelve consecutive months. The Fiscal Year shall be from July 1<sup>st</sup> to June 30<sup>th</sup>. New applications only shall have yearly service charges pro-rated from the date of application to the next July 1<sup>st</sup>. All yearly service charges shall be paid in advance to the next July 1<sup>st</sup>. Service charges are not refundable in case of sale or lease, such consideration shall be taken care of by owner of escrow of lease, and the Company shall be notified as to the correct billing address.
4. **Water Charges.** Water charges shall be due and payable at the office of the Company on the date of mailing the bill to the Shareholder or an agent designated in writing by Shareholder to Company. An account will become delinquent thirty (30) days after billing and a Reminder Notice will be mailed to the Shareholder providing a ten (10) day notice of termination of service. Said Reminder Notice will not become effective until five (5) days after being mailed. Forty-three (43) days after mailing the bill one copy of a Courtesy Reminder Notice of Termination will be mailed to Shareholder and one copy hand delivered to Shareholder's service address. Water service to delinquent accounts will be discontinued sixty (60) days after mailing the original bill and notice of termination will be hand delivered to Shareholder's service address ten (10) days before discontinuation of water service. Company's Lien may be filed with the Kern County Recorder's office for assessments delinquent with a balance equal to or greater than \$1200.00. Upon all assessments, fees, penalties and charges being received Company's Release of Lien will be filed with the Kern County Recorder's office. See APPENDIX C, *MPMWC POLICY ON DISCONTINUATION OF RESIDENTIAL WATER SERVICE FOR NON-PAYMENT*.
5. **Payment of Bills.** Bills for quarterly assessments and metered water service shall be rendered at the end of each meter reading period. Bills shall be payable upon presentation. Balances of at least \$17.00, thirty (30) days delinquent are subject to a \$9.50 per month late charge. A \$7.50 fee shall be rendered for delivering a Courtesy Reminder Notice of Termination. A fee for discontinuing and reinstating service for delinquent balances over \$17.00 shall be imposed and collected prior to renewing service following a shut-off. See APPENDIX A.
6. **Billing of Meters.** Separate bills shall be rendered for each meter installation.

7. **Shareholder's Guarantee.** The water availability charge begins when the distribution system is installed and is adjusted in accordance with the schedule set forth under Water Rates when a service connection is installed and the meter is set. Before water is turned on by the Company for any purpose whatever, Shareholder must sign a form guaranteeing payment of future water bills for service. The person signing the application form or meter-set form shall be held liable for charges until the Company is notified in writing the property has transferred to a new owner.
8. **Water Use Without Application Being Made.** Any person taking possession of premises and using water from an active service connection without having made application to the Company for water service and a stock transfer shall be held liable for the water delivered from the date of the last recorded meter reading or assessment period and if the meter is found inoperative, the quantity consumed be estimated. If proper application for water service is not made upon notification to do so by Company, and if accumulated bills for service are not paid immediately, service may be discontinued by the Company without further notice.
9. **Damage Through Leaking Pipes and Fixtures.** When turning on the water supply as requested and the house or property is vacant, Company shall endeavor to ascertain if water is running on the inside of the building. If such is found to be the case, the water shall be left shut off at the curb cock on the inlet side of the meter. Company's jurisdiction and responsibility ends at the property line and Company shall in no case be liable for damages occasioned by water running from open or faulty fixtures, or from broken or damaged pipes beyond the inlet side of the meter inside the property line.
10. **Damage to Meters.** Company reserves the right to set and maintain a meter on any service connection. Shareholder shall be held liable, however, for any damage to the meter due to his negligence or carelessness and, in particular, from damage caused by hot water or steam from the premises.
11. **Assessments and Bills.** Assessments for the operation, maintenance and improvement of the Company are assessments upon the shares of the Company and as such are liens upon the shares.
12. **Shareholder - Tenant Agreement.** Where Shareholder rents his premises to a tenant, Shareholder shall be responsible for payment of all charges specified in these Rules and Regulations.
13. **Title Change.** When Company has been notified in writing that a property has changed title, a service order shall be issued to read the meter.
14. **Processing Fees -**

1. Returned Checks (Drafts, etcetera). Any Check (or Draft or any other method of payment) returned to the Company as not payable for any reason shall result in the Shareholder or Consumer being assessed a penalty of Twenty Dollars (\$25.00)
2. Deed Requisition Fee/Title Change fee: Charge to customer (\$25.00) for MPMWC to obtain a recorded deed in order to process ownership change.
3. Stock Transfer Fee: Charge to customer (\$25.00) for issuance of stock certificate with current ownership information.
15. Fees and Charges – Payment: Any and all Fees, Charges, Costs, etcetera assessed or billed by the Company to any Shareholder or Consumer must be paid in full prior to any action (i.e. Notices, Discontinuation of Service, legal proceedings, etcetera) being discontinued by the Company.
16. Billing Reductions for High Water Use Due to Leaks: Shareholders are entitled to two reductions in water use bills due to leaks in five years. Billing reductions are calculated using the shareholder's average usage for the same quarter in the most recent three consecutive years, if available. The average use reduction is calculated using the tiered rates and the usage which exceeds the average is calculated at the lowest tiered rate. The two amounts are combined to equal the reduction, but reductions are limited to the combined amount or 50% of the total water usage portion of the bill, whichever is less.

Reductions requested for two consecutive quarters will be considered two separate reductions even if one leak was verified to cause high usage in both quarters.

**\*\*end Billing\*\***

Section J:

COLLECTION

1. Assessments and Bills. Assessments for the operation, maintenance and improvement of the Company are assessments upon the shares of the Company and as such are liens upon the shares. Bills submitted to a Shareholder for the use of water, penalties or other charges shall be deemed to be indebtedness against the property and at the option of the Company, legal action may be taken.
2. Suit. All unpaid rates, charges and penalties herein provided may be collected by suit.
3. Costs. Defendant shall pay all costs of suit and a reasonable amount for attorney fees as fixed by the court in any judgment rendered in favor of the Company.
4. Delinquent Account Service Charge. Accounts not paid on or before the date in which they become delinquent will be subject to a service charge as adopted by the Board.
5. Notices Regarding Water Stock Appurtenant to Land and Water Rights. Notices which terminate water rights to delinquent properties (Form A) until such accounts are paid in full may be filed with the Kern County Recorder's Office, with the following processing fees charged to the delinquent account:

Lien Filing Fee	\$98.00
Form A Filing Fee:	\$98.00
Mailing Costs:	\$ 2.00
Notary Fee	\$ 0.00
Form B Filing Fee:	\$98.00
Form B Mailing Costs:	\$ 2.00
Form B Notary Fee:	\$ 0.00
Administrative Fee:	\$50.00
Total Processing Fee Per Document:	\$150.00

Notices restoring water rights to properties (Form B) will be filed when accounts have been paid in full.

\*\*end Collection\*\*

Section K:

OTHER PROVISIONS

1. Pools and Tanks. When an abnormally large quantity of water is desired for filling a swimming pool or similar purposes, arrangements shall be made with Company prior to taking such water. Permission to take water in unusual quantities shall be given only if it can be safely delivered through Company facilities and if other consumers are not inconvenienced thereby.
2. Responsibility for Equipment. Shareholder shall, at his own risk and expense, furnish, install and keep in good and safe condition all equipment which may be required for receiving, controlling, applying and utilizing water, and Company shall not be responsible for any loss or damage caused by the improper installation of such equipment, or the negligence or wrongful act of Shareholder or Shareholder's tenants, agents, employees, contractors, licensees or permittees in installing, maintaining, operating or interfering with such equipment.
3. Damage Caused by Open Faucets and Valves. Company shall not be responsible for damage to property caused by faucets, valves and other equipment which are open when water is turned on at the meter, either originally or when turned on after a temporary shut-down.
4. Water Pressure and Supply. Company assumes no responsibility for loss or damage due to lack of water or pressure (either high or low) and merely agrees to furnish such quantities and pressure as are available in its general distribution system. Water service is subject to shut-downs and variations required by the operation of the system.

\*\*end Other Provisions\*\*



## Section L:

### WATER CONSERVATION

#### 1. Normal Water Supply Condition.

A. Use of water for washing vehicles, boats, construction cleanup, dust control or similar uses shall be attended and have hand-controlled watering devices, typically including spring loaded shutoff nozzles.

B. Use of water to clean buildings, decks or privately owned paved surfaces may only be by the use of low water consuming appurtenances such as pressure washers, water brooms or similar devices.

C. Use of water to clean community streets, parking lots and similar community uses may be accomplished solely by Pine Mountain Club Property Owners' Association or its contractor and shall be coordinated in advance with Mil Potrero Mutual Water Company.

D. Use of water resulting in runoff lasting more than five (5) minutes is prohibited.

E. Restaurants may serve drinking water only in response to a specific request by a customer.

#### 2. Moderately Restricted Water Supply Condition.

A. Use of water for washing vehicles, boats, buildings, construction cleanup, dust control or similar uses shall be attended and have hand-controlled watering devices, typically including spring loaded shutoff nozzles.

B. Use of water to clean buildings, decks or privately owned paved surfaces may only be by the use of low water consuming appurtenances such as pressure washers, water brooms or similar devices.

C. Use of water to clean community streets, parking lots and similar community uses may be accomplished solely by Pine Mountain Club Property Owners' Association or its contractor and shall be coordinated in advance with Mil Potrero Mutual Water Company.

D. Use of water resulting in runoff lasting more than five (5) minutes is prohibited.

E. Restaurants may serve drinking water only in response to a specific request by a customer.

F. Outdoor irrigation:

i. Outdoor irrigation is prohibited between the hours of 10:00 a.m. and 6:00 p.m. from the first Sunday in May until the first Sunday in November.

ii. All shareholders are directed to use no more water than necessary to maintain landscaping.

G. Allowing a leak of .25 GPM or greater to continue more than two weeks after knowledge of the leak is prohibited.

3. Severely Restricted Water Supply Condition.

A. Use of water for washing vehicles, boats, buildings, construction cleanup, dust control or similar uses is prohibited. However, use of a bucket for vehicle and boat washing is permitted subject to non-wasteful applications.

B. Use of water to clean buildings, decks or privately owned paved surfaces is prohibited.

C. Use of water to clean community streets, parking lots and similar community uses is prohibited except to protect the public health and safety as determined by Mil Potrero Mutual Water Company. When approved by the water company, such uses may be accomplished solely by Pine Mountain Club Property Owners Association or its contractor and shall be coordinated in advance with Mil Potrero Mutual Water Company.

D. Use of water which results in runoff is prohibited.

E. Restaurants may serve drinking water only in response to a specific request by a customer.

F. Outdoor Irrigation:

i. Outdoor irrigation is prohibited between the hours of 10:00 a.m. and 6:00 p.m. from the first Sunday in May until the first Sunday in November.

ii. Irrigation of private and public landscaping, turf areas and gardens is permitted at **even-numbered addresses only on Wednesdays and Sundays and odd-numbered addresses on Tuesdays and Saturdays.**

iii. All shareholders are directed to use no more water than necessary to maintain landscaping.

G. Allowing a leak of .25 gpm or greater to continue more than two weeks after knowledge of the leak is prohibited. **A leak of .50 gpm or greater may result in immediate shut off by MPMWC until leak is repaired.**

H. Emptying and refilling swimming pools and spas is prohibited except to prevent structural damage and/or to provide for the public health and safety as determined by Mil Potrero Mutual Water Company.

4. Critical Water Supply Condition.

The Board of Directors may impose any water rationing requirement deemed appropriate to protect public health and safety.

5. Procedures and Penalties.

A. An infraction of MPMWC's conservation measures will initiate a twelve month period during which noncompliant situations may result in the following progression of events and penalties.

In addition to the penalties listed below Company reserves the right to shut off the water supply to premises to prevent loss of water and shall be held harmless for damage to appliances and premises due to such action.

i. First Occurrence: Shareholder or occupant notified of noncompliant situation by personal contact if possible. Courtesy Notice handed to shareholder/occupant by service person if possible, hung on door if not. Letter mailed to shareholder at known address or phone call explaining noncompliance, present Water Supply Conditions, conservation measures in effect and penalties for noncompliance.-

ii. Second Occurrence: Shareholder or occupant again notified of noncompliant situation by personal contact if possible. Water Waste door hanger handed to shareholder/occupant by service person if possible, hung on door if not. Letter mailed to shareholder at last known address or phone call explaining noncompliance, referencing first letter and assessment of twenty-five dollar (\$25.00) penalty.

iii. Third Occurrence: Shareholder or occupant notified of noncompliant situation by personal contact if possible. Water Waste door hanger handed to shareholder/occupant by service person if possible, hung on door if not. Letter mailed to shareholder at last known address or phone call explaining noncompliance, noncompliance history, first and second letters and assessment of one hundred dollar (\$100.00) penalty for noncompliance.

iv. Fourth Occurrence: Shareholder or occupant notified of noncompliant situation by personal contact if possible. Waste Water door hanger handed to shareholder/occupant by service person if possible, hung on door if not. Letter mailed to shareholder at last known address or phone call explaining noncompliance, noncompliance history, first through third letters, and assessment of an additional Two hundred dollar (\$200.00) penalty for noncompliance.

v. Fifth Occurrence: Shareholder or occupant notified by personal contact if possible. Water Waste door hanger handed to shareholder/occupant by service person if possible, hung on door if not. Letter mailed to shareholder at last known address or phone call explaining noncompliance, noncompliance history, first through fourth letters, assessment of an additional penalty of five hundred dollars (\$500.00) and the imposition of a Water Waste rate as enumerated in Rules, Regulations and Rates for a minimum of five working days on all water consumed through shareholder's water meter. At the end of the five working-day period MPMWC's designated representative will attempt to meet with the shareholder to determine if compliance with water use restrictions is likely. If compliance appears likely the Water Waste rate will be discontinued at the time of the decision of MPMWC's designated representative.

6. These water conservation procedures and penalties shall not be deemed to supersede the Water Waste provisions contained within the General Use Regulations of these Rules, Regulations and Rates.

\*\*end Water Conservation\*\*

Section M:

MISCELLANEOUS

1. Shareholder Mailing Labels or List.

Shareholders requesting mailing labels, for a purpose reasonably related to such holder's interest as a shareholder or a holder of a voting trust certificate, (California Corporations Code, Section 1600), must make request of Company in written form, at least two weeks in advance. Cost shall be as follows:

Shareholder Mailing Labels: \$65.00

Shareholder Mailing List: \$35.00

**\*\*end Miscellaneous\*\***

Mil Potrero Mutual Water Company Rules, Regulations & Rates

## APPENDIX A

### Fees

REFERENCE	DESCRIPTION	AMOUNT
Section I-5	Service Disconnect/Reconnect Fee - business hours	\$40.00
Section I-5	Service Disconnect/Reconnect Fee - other than business hour	\$65.00
Section I-5	Late Fee	\$9.50
Section I-5	48-Hour Notice Door hanger Fee	\$7.50
Section I-14	Returned Check Fee	\$20.00
Section I-14	Stock Transfer Fee (By-Law)	\$25.00
Section I-14	Title Change Fee	\$25.00
Section B-4	Water Waste Fee	
	1 <sup>st</sup> Occurrence	none
	2 <sup>nd</sup> Occurrence	\$25.00
	3 <sup>rd</sup> Occurrence	\$50.00
	4 <sup>th</sup> Occurrence	\$100.00
	5 <sup>th</sup> Occurrence	TBD by BOD
	Water Waste Rate	\$6.15 CCF*
Section D-5	Temporary Supply from a Fire Hydrant Deposit	\$1000.00
Section G-3	Meter Test Deposit - 1 inch or smaller meter	\$50.00
Section G-3	Meter Test Deposit - Larger than 1 inch meter	\$100.00
	Turn Service off/on at meter Fee - customer convenience-business hours	no charge
	Turn Service off /on at meter Fee - customer convenience-other than business hours	\$40.00/hour
Section B-5	Facilities Tampering Fee	
	1 <sup>st</sup> (within a calendar year)	\$50.00 plus cost of repair, as warranted
	2 <sup>nd</sup> “	\$100 plus cost of repair, as warranted
	3 <sup>rd</sup> “	Removal of facilities, as warranted

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WATER USE RATES (Quarterly)

Section D-2-c	0-1000 cf	1.50 ccf
	1001-2000 cf	2.00 ccf
	2001-3000 cf	2.50 ccf
	3001-3800 cf	3.00 ccf
	3801-4400 cf	4.50 ccf
	4401 + cf	5.50 ccf

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**SERVICE CONNECTION FEES**

Section E-5	1 inch Service	\$3000.00
Section E-5	2 inch Service	\$4600.00

Adverse conditions may cause additional fees of cost plus 15% as described in E-5

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**TEMPORARY SERVICE (FROM EXISTING SERVICE OF FIRE HYDRANT)-PER DIEM RATES**

Section D-3; H-8	3 inch Service	\$10.00 per day
Section D-3; H-8	Temporary Service Water Use Rate	\$5.15/CCF*

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\* CCF = hundred cubic feet

# APPENDIX B

## A REGULATION FOR THE CONTROL OF BACKFLOW AND CROSS-CONNECTIONS

Amendment to Mil Potrero Mutual Water Company  
Rules, Regulations and Rates,  
Section C: General Regulation, 5. Cross Connections

### Section 1. CROSS-CONNECTION CONTROL — GENERAL POLICY

1.1 Purpose. The purpose of this Regulation Amendment is to comply with *California Title 17 Code of Regulations, Section 87584* and more importantly:

1.1.1 To protect the public potable water supply of Pine Mountain Club, CA from the possibility of contamination or pollution by isolating within the consumer's internal distribution system(s) or the consumer's private water system(s) such contaminants or pollutants which could backflow into the public water systems; and,

1.1.2 To promote the elimination or control of existing cross-connections, actual or potential, between the consumer's in-plant potable water system(s) and non-potable water system(s), plumbing fixtures and industrial piping systems; and,

1.1.3 To provide for the maintenance of a continuing Program of Cross-Connection Control which will systematically and effectively prevent the contamination or pollution of all potable water systems.

1.2 Responsibility. The Water Company shall be responsible for the protection of the public potable water distribution system from contamination or pollution due to the backflow of contaminants or pollutants through the water service connection. If, in the judgment of said Water Company an approved backflow prevention assembly is required (at the consumer's water service connection; or, within the consumer's private water system) for the safety of the water system, the Water Company or his designated agent shall give notice in writing to said consumer to install such an approved backflow prevention assembly(s) at a specific location(s) on his premises. The consumer shall immediately install such an approved backflow prevention assembly(s) at the consumer's own expense; and, failure, refusal or inability on the part of the consumer to install, have tested and maintained said assembly(s), shall constitute grounds for discontinuing water service to the premises until such requirements have been satisfactorily met.



## Section 2. REQUIREMENTS

### 2.1 Water System

2.1.1 The water system shall be considered as made up of two parts: The Water Supplier's System and the Consumer's System.

2.1.2 Water Supplier's System shall consist of the source facilities and the distribution system; and shall include all those facilities of the water system under the complete control of the utility, up to the point where the consumer's system begins.

2.1.3 The source shall include all components of the facilities utilized in the production, treatment, storage, and delivery of water to the distribution system.

2.1.4 The distribution system shall include the network of conduits used for the delivery of water from the source to the consumer's system.

2.1.5 The consumer's system shall include those parts of the facilities beyond the termination of the water supplier distribution system which are utilized in conveying potable water to points of use.

### 2.2 Policy

2.2.1 No water service connection to any premise shall be installed or maintained by the Water Supplier unless the water supply is protected as required by State and Federal laws and regulations and complaint with California Code of Regulations, Title 17, Sections 7584 through 7650. Service of water to any premises shall be discontinued by the Water Supplier if a backflow prevention assembly required by Title 17, Sections 7584 through 7650 is not installed, tested and maintained, or if it is found that a backflow prevention assembly has been removed, bypassed, or if an unprotected cross-connection exists on the premises. Service will not be restored until such conditions or defects are corrected.

2.2.2 The consumer's system should be open for inspection at all reasonable times to authorized representatives of the Water Company to determine whether unprotected cross-connections or other structural or sanitary hazards, including violations of these regulations, exist. When such a condition becomes known, the Water Company shall deny or immediately discontinue service to the premises by providing for a physical break in the service line until the consumer has corrected the condition(s) in conformance with the State and County statutes relating to plumbing and water supplies and the regulations adopted pursuant thereto.

2.2.3 An approved backflow prevention assembly shall also be installed on each service line to a consumer's water system at or near the property line or immediately inside the building being served; but, in all cases, before the first branch line leading off the service line wherever the following conditions exist:

- a. In the case of premises having an auxiliary water supply which is not or may not be of safe bacteriological or chemical quality and which is not acceptable as an additional source by the Water

Company, the public water system shall be protected against backflow from the premises by installing an approved backflow prevention assembly in the service line commensurate with the degree of hazard.

b. In the case of premises on which any industrial fluids or any other objectionable substance is handled in such a fashion as to create an actual or potential hazard to the public water system, the public system shall be protected against backflow from the premises by installing an approved backflow prevention assembly in the service line commensurate with the degree of hazard. This shall include the handling of process waters and waters originating from the water supplier's system which have been subject to deterioration in quality.

c. In the case of premises having (1) internal cross-connections that can not be permanently corrected or protected against, or (2) intricate plumbing and piping arrangements or where entry to all portions of the premises is not readily accessible for inspection purposes, making it impracticable or impossible to ascertain whether or not dangerous cross-connections exist, the public water system shall be protected against backflow from the premises by installing an approved backflow prevention assembly in the service line.

2.2.4 The type of protective assembly required under subsections 2.2.3a, b, and c shall depend upon the degree of hazard which exists as follows:

a. In the case of any premise where there is an auxiliary water supply as stated in subsection 2.2.3.a of this section and it is not subject to any of the following rules, the public water system shall be protected by an approved air gap or an approved reduced pressure principle backflow prevention assembly.

b. In the case of any premise where there is water or substance that would be objection-able but not hazardous to health, if introduced into the public water system, the public water system shall be protected by an approved double check valve backflow prevention assembly.

c. In the case of any premise where there is any material dangerous to health, which is handled in such a fashion as to create an actual or potential hazard to the public water system, the public water system shall be protected by an approved air gap or an approved reduced pressure principle backflow prevention assembly. Examples of premises where these conditions will exist include sewage treatment plants, sewage pumping stations, chemical manufacturing plants, hospitals, and mortuaries and plating plants.

d. In the case of any premise where there are unprotected cross-connections, either actual or potential, the public water system shall be protected by an approved air gap or an approved reduced pressure principle backflow prevention assembly at the service connection.

e. In the case of any premise where, because of security requirements or other prohibitions or restrictions, it is impossible or impractical to make a complete in-plant cross-connection survey, the public water system shall be protected against backflow from the premises by either an approved air gap or an approved reduced pressure principle backflow prevention assembly on each service to the premise.

2.2.5 Any backflow prevention assembly required herein shall be a make, model and size approved by the Water Company. The term "Approved Backflow Prevention Assembly" shall mean an assembly that has been

manufactured in full conformance with the standards established by the American Water Works Association entitled: AWWA/ANSI C510-2007 Standard for Double Check Valve Backflow Prevention Assemblies; AWWA/ANSI C511-2007 Standard for Reduced Pressure Principle Backflow Prevention Assemblies; and, have met completely the laboratory and field performance standard of the Foundation for Cross-Connection Control and Hydraulic Research of the University of Southern California (USC FCCCHR) established in: Standards of Backflow Prevention Assemblies Chapter 10 of the most current edition of the Manual of Cross-Connection Control. Said AWWA and USC FCCCHR standards have been adopted by the Water Company. Final approval shall be evidenced by a "Certificate of Compliance" for the said AWWA standards; or the appearance of the specific model and size on the List of Approved Backflow Prevention Assemblies published by the USC FCCCHR along with a "Certificate of Approval" for the said USC FCCCHR Standards; issued by an approved testing laboratory. The following testing laboratory has been qualified by the Water Company to test and approve backflow prevention assemblies:

Foundation for Cross-Connection Control and Hydraulic Research  
University of Southern California  
Los Angeles, California 90089-2531

Testing laboratories other than the laboratory listed above will be added to an approved list as they are qualified by the California State Water Resource Board.

Backflow preventers, which may be subjected to backpressure or backsiphonage, that have been fully tested and have been granted a Certificate of Approval by said qualified laboratory and are listed on the laboratory's current list of approved backflow prevention assemblies may be used without further test or qualification.

2.2.6 It shall be the duty of the consumer at any premise where backflow prevention assemblies are installed to have a field test performed by a certified backflow prevention assembly tester upon installation and at least once per year. In those instances where the Water Company deems the hazard to be great enough he may require field tests at more frequent intervals. These tests shall be at the expense of the water user and shall be performed by the Water Company personnel or by a certified tester approved by the Water Company. It shall be the duty of the Water Company to see that these tests are made in a timely manner. The consumer shall notify the Water Company in advance when the tests are to be undertaken so that an official representative may witness the field tests if so desired. These assemblies shall be repaired, overhauled or replaced at the expense of the consumer whenever said assemblies are found to be defective. Records of such tests, repairs and overhaul shall be kept and made available to the Water Company

2.2.7 All presently installed backflow prevention assemblies which do not meet the requirements of this section but were approved devices for the purposes described herein at the time of installation and which have been properly maintained, shall, except for the field testing and maintenance requirements under subsection 2.2.6, be excluded from the requirements of these rules so long as the Water Company is assured that they will satisfactorily protect the water purveyor's system. Whenever the existing device is moved from the present location or requires more than minimum maintenance or when the Water Company finds that the maintenance constitutes a hazard to health, the unit shall be replaced by an approved backflow prevention assembly meeting the requirements of this section.

2.2.8 The Water Company is authorized to make all necessary and reasonable rules and policies with respect

to the enforcement of this regulation. All such rules and policies shall be consistent with the provisions of this regulation and shall be effective on the date of which this document is approved by Mil Potrero Mutual Water Company Board of Directors and signed.

**Signed document dated January 11, 2020 is on record at the Mil Potrero Mutual Water Company Office, located at 16275 Askin Drive, Pine Mountain Club, CA 93222.**

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**The following attachments listed below can be obtained at the Mil Potrero Mutual Water Company Office, located at 16275 Askin Drive, Pine Mountain Club, CA 93222.**

Attachments:

1. MPMWC Cross-Connection Field Survey Form (Title 17, Section 7584, b)
2. MPMWC SOP Water Use Survey of New and Existing Connections
3. MPMWC Staff Training in Cross-Connection Control (Title 17, Section 7584, d)
4. MPMWC Backflow Testing Standard Operation Procedure (Title 17, Section 7584, e)
5. MPMWC Records of Backflow locations, tests, and repairs (Title 17, Section 7584, f)
6. MPMWC Periodic Test and Maintenance Compliance Letter
7. MPMWC Backflow Tester Form
8. MPMWC 1<sup>st</sup> Notice to Install Service Connection Protection (Title 17, Section 7584, c)
9. MPMWC 2<sup>nd</sup> Notice of Non-Compliance to Install Connection Protection
10. MPMWC Non-Compliance of Periodic Test and Maintenance Letter
11. MPMWC Notice of Discontinuance of Water Supply Letter
12. MPMWC Notice of Shutdown Letter
13. MPMWC Backflow Incident Report Form
14. MPMWC List of Approved Certified Testers

# APPENDIX C

## Amendment to Mil Potrero Mutual Water Company Rules, Regulations and Rates,

### EFFECTIVE APRIL 1, 2020 MIL POTRERO MUTUAL WATER COMPANY POLICY ON DISCONTINUATION OF RESIDENTIAL WATER SERVICE FOR NON-PAYMENT

Notwithstanding any other policy or rule, this Policy on Discontinuation of Residential Water Service for Non-Payment shall apply to the discontinuation of residential water service for non-payment under the provisions set forth herein. In the event of any conflict between this Policy and any other policy or rule of the Mil Potrero Mutual Water Company (the "Company"), this Policy shall prevail.

I. **Application of Policy: Contact Telephone Number**: This policy shall apply only to discontinuation of residential water service only, and all other existing policies and procedures regarding delinquent payments shall continue to apply to residential, commercial and industrial water service accounts. Further assistance concerning the payment of water bills and the potential establishment of the alternatives set forth in this policy to avoid discontinuation of service can be obtained by calling (661) 242-3230.

II. **Discontinuation of Residential Water Service for Non-Payment:**

A. **Rendering and Payment of Bills**: Bills for service will be rendered to each residential and commercial customer on a quarterly basis unless otherwise provided for in the Company's rate schedules. Bills for service are due and payable upon presentation and become overdue for purposes of the service becoming subject to discontinuation if not paid within sixty (60) days from the date of the bill. The Company's other policies, rules and regulations pertaining to delinquent payments for service remain in full force and effect to the extent they do not conflict with this policy.

Payment may be made at the Company administrative office, to any staff member authorized to take payment or by electronic transmission if authorized by the Company. However, it is the customer's responsibility to ensure that the Company receives payment in a timely manner. Partial payments are not authorized unless the MPMWC Administration Office has granted prior approval. Bills will be computed as follows:

1. Meters will be read at regular intervals for the preparation of periodic bills and as required for the preparation of opening bills, closing bills and special bills.
2. Bills for metered service will show the meter reading for the current and previous meter reading period for which the bill is rendered, the number

of units, (cf) and dates of service for the current meter reading.

3. Billings shall be paid in legal tender of the United States of America. Notwithstanding the foregoing, the reserves the right to refuse any payment of such billings in coin.

B. Overdue Bills: The following rules for discontinuation of service shall apply to consumers whose bills remain unpaid for more than sixty (60) days following the invoice date:

1. Late Notice: If payment for a bill rendered is not made on or before the thirtieth (30th) day following the invoice date, a Late Bill Reminder Notice will be mailed to the customer, providing a (10) day notice to the possible discontinuation of service, date identified in the Late Bill Reminder. Said Late Bill Reminder will not become effective until five (5) days after being mailed. If the customer's address is not the address of the property to which the service is provided, a Door Hanger Courtesy Reminder Notice will be delivered to the address of the property served, addressed to property address ten (10) days prior to the discontinuation of service date. The Door Hanger Courtesy Notice must contain the following:

- a) Customer's address;
- b) Date by which payment or arrangement for payment must be made in order to avoid discontinuation of service;
- c) Description of the process to apply for an extension of time to pay the amount owing (see Section III(D), below);
- d) Description of the procedure to petition for review and appeal of the bill giving rise to the delinquency (see Section IV, below); and
- e) Description of the procedure by which the customer can request a deferred, amortized, reduced or alternative payment schedule (see Section III, below).

The Company may alternatively provide notice to the customer of the impending discontinuation by telephone, in which case the Company shall provide all of the information that is to be contained in a written notice, and shall offer to provide the customer with a copy of this policy. The Company shall keep a record of the conversation in the customer's file, and said conversation shall be considered a Discontinuation Notice with the same force and effect of the written notice described above.

2. Telephone Reminder. The Company may from time to time remind the customer of the delinquency and impending discontinuation by way of an automated telephone message that will supplement, but will not replace, the written notice described above.

3. Unable to contact consumer: If the Company is not able to contact the customer by written notice or by telephone, the Company will undertake

good faith efforts to visit the residence and leave, or make other arrangements to place in a conspicuous location, a Door Hanger Courtesy Reminder Notice, with instructions on how to obtain a copy of this Policy.

4. Shut Off Deadline: The Company must receive payment for water service no later than 4:30 p.m. on the date specified on the Door Hanger Courtesy Reminder Notice . Postmarks are not acceptable.

5. Notification of Returned Check: Upon receipt of a returned check rendered as remittance for service or other charges, the Company will consider the account not paid. The Company will attempt to notify the customer in person by telephone and/or leave a notice of termination of service at the premises. Service will be disconnected if the amount of the returned check and returned check charge are not paid by the due date specified on the notice, which due date shall not be sooner than the date specified in the Shut Off Notice; or if a Shut Off Notice has not been previously provided, no sooner than the forty sixth (46th) day after the invoice for which payment by the returned check had been made. To redeem a returned check and to pay a returned check charge, all amounts owing must be paid by cash or certified funds.

6. Returned Check Tendered as Payment for Water Service Disconnected for Nonpayment:

a) If the check tendered and accepted as payment which resulted in restoring service to an account that had been disconnected for nonpayment is returned as non-negotiable, the Company may disconnect said water service upon at least three (3) calendar days' written notice. The customer's account may only be reinstated by receipt of outstanding charges in the form of cash or certified funds.

b) If at any time during the one year period described above, the customer's service is again disconnected for nonpayment, the Company may require the customer to remit payment in full in order for the service to be restored, in addition to any deposit the Company may require in its reasonable discretion.

C. Conditions Prohibiting Discontinuation of Service: The Company shall not discontinue service if all of the following conditions are met:

1. Health Conditions - The customer or tenant of the customer submits certification of a primary care provider attesting that discontinuation of service would (i) be life threatening, or (ii) pose a serious threat to the health and safety of a person residing at the property;

2. Financial Inability - The customer demonstrates he or she is

financially unable to pay for service within the Company's normal billing cycle. The customer is deemed "financially unable to pay" if any member of the customer's household is: (i) a current recipient of the following benefits: CalWORKS, CalFresh, general assistance, Medi-Cal, SSI/State Supplementary Payment Program or California Special Supplemental Nutrition Program for Women, Infants and Children; or (ii) the customer declares the household's annual income is less than 200% of the federal poverty level (see this link for the federal poverty levels applicable in California: <https://www.healthforcalifornia.com/coveredcalifornia/income-limits>); and

3. Alternative Payment Arrangements - The customer is willing to enter into an amortization agreement, alternative payment schedule or a plan for deferred or reduced payment, consistent with the provisions of Section III, below.

D. Process for Determination of Conditions Prohibiting Discontinuation of Service: The burden of proving compliance with the conditions described in Subdivision (C), above, is on the customer. In order to provide the Company sufficient time to process any request for assistance by a customer, the customer should provide the Company with documentation sufficient to demonstrate the existence of medical issues described in Subdivision (C)(1), financial inability in Subdivision (C)(2), and willingness to enter into any alternative payment arrangement described Subdivision (C)(3) as far in advance of any proposed date for discontinuation of Service as possible. Upon receipt of such documentation, the Company's General Manager, or his or her designee, shall review that documentation and respond to the customer within seven (7) calendar days to either request additional information, including information relating to the feasibility of the available alternative arrangements, or to notify the customer of the alternative payment arrangement, and terms thereof, under Section III, below, to which the Company is willing to agree. If the Company requests additional information the customer shall provide that requested information within five (5) calendar days of receipt of the Company's request. Within five (5) calendar days of Company's receipt of said information, the Company shall either notify the customer in writing that the customer does not meet the conditions under Subdivision (C), above, or notify the customer in writing of the alternative payment arrangement, and terms thereof, under Section III, below. Customers who fail to meet the conditions described in Subdivision (C), above, must pay the delinquent amount, including any penalties and other charges, owing to the Company within the latter to occur of: (i) two (2) business days after the date of notification from the Company of the Company's determination conditions are not satisfied; or (ii) the date of the impending service discontinuation, as specified in the Discontinuation Notice.

E. Special Rules for Low Income Customers: The following shall apply to Customers who are deemed financially unable to pay pursuant to Subdivision (C)(2) above:

- I. Reconnection Fees: If service has been discontinued and is to be reconnected, then any reconnection fees during the Company's normal operating hours cannot exceed \$50, and reconnection fees during



nonoperational hours cannot exceed \$150. Those fees cannot exceed the actual cost of reconnection if that cost is less than the statutory caps. Those caps may be adjusted annually for changes in the Consumer Price Index for the Los Angeles-Long Beach-Anaheim metropolitan area beginning January 1, 2021.

2. Interest Waiver: The Company shall not impose any interest charges on delinquent bills.

F. Landlord-Tenant: The below procedures apply to individually metered detached single-family dwellings, multi-unit residential structures and mobile home parks where the property owner or manager is the customer of record and is responsible for payment of the water bill.

1. Required Notice: At least 10 calendar days prior to the possible discontinuation of water service, the Company must make a good faith effort to inform the tenants/occupants at the property by written notice that the water service will be discontinued.

2. Tenants/Occupants Becoming Customers: The Company is not required to make service available to the tenants/occupants unless each tenant/occupant agrees to the terms and conditions for service and meets the Company's requirements and rules pertaining to the *Billing Address Change Agreement* located at the MPMWC Administrative Office or obtained from the MPMWC website: <http://www.mpmwc.com>.

III. Alternative Payment Arrangements: For any customer who satisfies any of the conditions under Section II(C), above, in accordance with the process set forth in Section II(D), above, the Company shall offer the customer one or more of the following alternative payment arrangements, to be selected by the Company in its discretion. The General Manager, or his or her designee, shall, in the exercise of reasonable discretion, select the most appropriate alternative payment arrangement after reviewing the information and documentation provided by the customer. Any customer who is unable to pay for service within the normal payment period and meets any of the conditions under Section II(C), above, may, if the Company so chooses, enter into an agreement with the Company for one of the following alternatives:

A. Amortization:

I. Term: The customer shall pay the unpaid balance, together with interest as specified in Subdivision (2), below, over a period not to exceed twelve (12) months, as determined by the General Manager or his or her designee. The unpaid balance, together with the applicable interest to be applied, shall be divided by the number of months in the amortization period and that amount shall be added each month to the customer's ongoing monthly bills for service.

2. Interest: At the discretion of the General Manager or his or her designee, interest at an annual rate not to exceed eight percent (8%) shall be applied to any amounts to be amortized under this Subsection A.

3. Compliance with Plan: The customer must comply with the amortization plan and remain current as charges accrue in each subsequent billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan. Where the customer fails to comply with the terms of the amortization plan for sixty (60) calendar days or more, or fails to pay the customer's current service charges for sixty (60) calendar days or more, the Company may discontinue water service to the customer's property at least five (5) business days after posting at the customer's residence a final notice of its intent to discontinue service.

B. Alternative Payment Schedule:

1. Repayment Period: The customer shall pay the unpaid balance, with interest as specified in Subdivision (2) below, over a period not to exceed twelve (12) months. as determined by the General Manager or his or her designee; provided, however, that the General Manager or his or her designee, in their reasonable discretion, may extend the repayment period for longer than twelve (12) months to avoid undue hardship on the customer.

2. Interest: At the discretion of the General Manager or his or her designee, interest at an annual rate not to exceed eight percent (8%) shall be applied to any amounts to be paid under this Subsection B.

3. Schedule: After consulting with the customer and considering the customer's financial limitations, the General Manager or his or her designee shall develop an alternative payment schedule to be agreed upon with the customer. The alternative schedule may provide for periodic lump sum payments that do not coincide with the established payment date, may provide for payments to be made more or less frequently than monthly, provided that in either case, the unpaid balance and interest shall be paid in full within twelve (12) months of establishment of the payment schedule. The agreed upon schedule shall be set forth in writing and be signed by the customer.

4. Compliance with Plan: The customer must comply with the agreed upon payment schedule and remain current as charges accrue in each subsequent billing period. The customer may not request a longer payment schedule for any subsequent unpaid charges while paying delinquent charges pursuant to a previously agreed upon schedule. If the customer fails to comply with the terms of the agreed upon schedule for sixty (60) calendar days or more, or fails to pay the customer's current service charges for sixty (60) calendar days or more, the Company may discontinue service to the customer's property at least five (5) business days after posting at the

consumer's residence a final notice of its intent to discontinue service.

C. Reduction of Unpaid Balance:

1. The Company may agree to a reduction of the unpaid balance owed by the consumer, not to exceed thirty percent (30%) of that balance without approval of and action by the Board of Directors; provided that any such reduction shall be funded from a source that does not result in additional charges being imposed on other customers. The proportion of any reduction shall be determined by the consumer's financial need, the Supplier's financial condition and needs and the availability of funds to offset the reduction of the consumer's unpaid balance.

2. Repayment Period: The customer shall pay the reduced balance by the due date determined by the General Manager or his or her designee, which date (the "Reduced Payment Date") shall be at least fifteen (15) calendar days after the effective date of the reduction of the unpaid balance.

3. Compliance with Reduced Payment Date: The customer must pay the reduced balance on or before the Reduced Payment Date, and must remain current in paying in full any charges that accrue in each subsequent billing period. If the customer fails to pay the reduced payment amount within sixty (60) calendar days after the Reduced Payment Date, or fails to pay the customer's current service charges for sixty (60) calendar days or more, the Company may discontinue Service to the customer's property at least five (5) business days after posting at the customer's residence a final notice of its intent to discontinue service.

D. Temporary Deferral of Payment:

The Company may, in its discretion, agree to deferring payment on an unpaid balance for a period of up to twelve (12) months after the payment is due.

1. Repayment Period: The customer shall pay the unpaid balance by the deferral date (the "Deferred Payment Date") determined by the General Manager or his or her designee. The Deferral Payment Date shall be within twelve (12) months from the date the unpaid balance became delinquent.

2. Compliance with Reduced Payment Date: The customer must pay the reduced balance on or before the Deferred Payment Date, and must remain current in paying in full any charges that accrue in each subsequent billing period. If the customer fails to pay the unpaid payment amount within sixty (60) calendar days after the Deferred Payment Date, or fails to pay the customer's current service charges for sixty (60) calendar days or more, the Company may discontinue Service to the customer's property at least five (5) business days after posting at the consumer's residence a final notice of its intent to discontinue service.

**IV. Appeals:** The procedure to be used to appeal the amount set forth in any bill for service is set forth below. A customer shall be limited to three (2) unsuccessful appeals in any twelve (12) month period and if that limit has been reached, the Company is not required to consider any subsequent appeals.

A. Initial Appeal: Within ten (10) days of receipt of the bill for service, the customer has a right to request a review of any bill or charge. Such request must be made in writing and be delivered to the Company's office. For so long as the customer's appeal and any resulting review is pending, the Company may not discontinue Service to the consumer.

B. Discontinuation Notice Review: In addition to the appeal rights provided under Subsection A, above, any customer who receives a Discontinuation Notice may request an appeal or review of the bill to which the Discontinuation Notice relates at least five (5) business days after the date of the Discontinuation Notice if the customer alleges the bill is in error with respect to the quantity of water consumption set forth on that bill; provided, however, that no such appeal or review rights shall apply to any bill for which an appeal or request for review under Subsection A, above, has been made. Any appeal or request for review under this Subsection B must be in writing and must include documentation supporting the appeal or the reason for the review. The request for an appeal or review must be delivered to the Company's office within that five (5) business day period. For so long as the customer's appeal and any resulting investigation is pending, the Company may not discontinue service to the consumer.

C. General Manager Review: The General Manager shall endeavor to resolve a request for review under Subdivisions (A) and (B) and render a decision as to the accuracy of water charges above and shall issue written findings to the customer within ten (10) days.

1. If water charges are determined to be incorrect, the Company shall provide a corrected invoice and payment of the revised charges will be due within ten (10) calendar days of the invoice date for revised charges. If the revised charges remain unpaid for more than sixty (60) calendar days after the corrected invoice is provided, Service will be disconnected, on the next regular working day after expiration of that sixty (60) calendar day period; provided that the Company shall provide the customer with the Discontinuation Notice in accordance with Section II(B)(I), above. Service will only be restored upon full payment of all outstanding water charges, fees, and any and all applicable reconnection charges.

2. (a) If the water charges in question are determined to be correct, the water charges are due and payable within two (2) business days after the Board's decision is rendered.

(b) For an initial appeal under Subdivision A, above, if the customer does not timely appeal to the Board of Directors in the manner set forth herein, the water charges in question shall be immediately due and payable. In the event the charges are not paid in full within sixty (60) calendar days after the original billing date, then the Company shall issue the Discontinuation Notice in accordance with Section II(B)(1), above, and may proceed in potentially discontinuing service to the customer's property.

(c) For a Discontinuation Notice appeal under Subdivision B, above, if the customer does not timely appeal to the Board of Directors in the manner set forth herein, then service to the subject property may be discontinued on written or telephonic notice to the customer to be given at least twenty-four (24) hours after the latter to occur of: (i) expiration of the original sixty (60) calendar day notice period set forth in the Discontinuation Notice; or (ii) the expiration of the appeal period.

D. Appeal Hearing: If resolution pursuant to the process set forth above is not satisfactory to the customer, the customer may request a hearing before the Board of Directors.

A request for a hearing before the Board of Directors shall be made in writing and delivered to the Company at its office. The customer will be required to personally appear before the Board and present evidence and reasons as to why the water charges on the bill in question are not accurate. The Board shall evaluate the evidence presented by the customer, as well as the information on file with the Company concerning the water charges in question, and render a decision as to the accuracy of said charges.

1. If the Board finds the water charges in question are incorrect, the customer will be invoiced for the revised charges. If the revised charges remain unpaid for more than sixty (60) calendar days after the corrected invoice is provided, service will be disconnected, on the next regular working day after expiration of that sixty (60) calendar day period; provided that the Company shall provide the customer with the Discontinuation Notice in accordance with Section II(B)(11), above. Service will be restored only after outstanding water charges and any and all applicable reconnection charges are paid in full.

2. If the water charges in question are determined to be correct, the water charges are due and payable within two (2) business days after the decision of the Board is rendered. In the event the charges are not paid in full within sixty (60) calendar days after the original billing date, then the Company shall issue a Discontinuation Notice in accordance with Section II(B)(11), above, and may proceed in potentially discontinuing service to the customer's property.

3. Any overcharges will be reflected as a credit on the next regular bill to the customer, or refunded directly to the customer, at the sole discretion of the Board.

4. Service to any consumer shall not be discontinued at any time during which the consumer's appeal to the Company or its Board of Directors is pending.

5. The Board's decision is final.

- V. Restoration of Service: In order to resume or continue service that has been discontinued due to non-payment, the customer must pay a security deposit, if applicable, and a Reconnection Fee established by the Company subject to the limitation set forth in Section II(E)(1) above. The Company will make such reconnection as soon as practicable but in any event no later than the end of the next regular working day following the customer's request and payment of any applicable Reconnection Fee.

Gerald K. Smith, Board President

**Signed document dated April 11, 2020 is on record at the Mil Potrero Mutual Water Company Office, located at 16275 Askin Drive, Pine Mountain Club, CA 93222.**

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