

KINNELOA IRRIGATION DISTRICT
REGULAR MEETING – BOARD OF DIRECTORS
1999 KINCLAIR DRIVE, PASADENA, CA 91107
TUESDAY – APRIL 21, 2009
7:30 P.M.

AGENDA

- 1. CALL TO ORDER**
 - A. Declaration of a Quorum
 - B. Review of Agenda
- 2. PUBLIC COMMENT** – Comments from the public regarding items on the Agenda or other items within the jurisdiction of the District.
- 3. REVIEW OF 2008 YEAR DRAFT AUDIT**
- 4. REVIEW OF NEW FIRE HYDRANT PLACEMENTS**
- 5. REVIEW OF REVISED RULES AND REGULATIONS**
- 6. DISCUSS 2009 GOALS AND OBJECTIVES**
- 7. GENERAL MANAGER’S REPORT**
- 8. REVIEW MINUTES** – March 17, 2009
- 9. REVIEW OF FINANCIAL REPORTS** – March 31, 2009
- 10. ITEMS FOR NEXT AGENDA**
- 11. CALENDAR** – May 19, 2009 (Adjourned to May 26)
June 16, 2009
July 21, 2009
- 12. ADJOURNMENT**

Each item on the Agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Material related to an item on this agenda submitted after distribution of the Agenda Packet is available for public review at the District Office or online at the District’s website <http://www.kinneloairrigationdistrict.info>.

KINNELOA IRRIGATION DISTRICT

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007**

AND INDEPENDENT AUDITORS' REPORT

KINNELOA IRRIGATION DISTRICT
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DECEMBER 31, 2008 AND 2007

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KINNELOA IRRIGATION DISTRICT
BOARD OF DIRECTORS AND DISTRICT MANAGEMENT PERSONNEL
DECEMBER 31, 2008 AND 2007

BOARD OF DIRECTORS

<u>NAME</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Richard L. Barkhurst	Chairman	2009
Steven G. Sorell	Treasurer	2011
Frank J. Griffith	Director	2009
Gerrie G. Kilburn	Director	2011
Maurice A. Pickard	Secretary	2011

MANAGEMENT PERSONNEL

Melvin L. Matthews	General Manager
Shirley Burt	Administrative Assistant

KINNELOA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008 AND 2007

Our discussion and analysis of the financial performance of Kinneloa Irrigation District (the "District") provides an overview of the District's financial activities for the fiscal year ended December 31, 2008. Please read it in conjunction with the District's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

- The District's operating revenues, consisting primarily of water sales decreased by 14% to \$1,051,822 as compared to 2007 operating revenues of \$1,222,191. The decrease is primarily due to the unavailability of surplus water to sell to the City of Pasadena because of the continuing drought conditions as well as the response of our customers to our message of the need for conservation. The Board did not increase the rates in 2008 to compensate for the expected decrease in water sales.
- Total operating expenses including depreciation increased by 13% to \$1,117,920 as compared to 2007 operating expenses of \$981,807. The increase is primarily due to larger expenditures for maintenance and repair and the increase in the number of leaks that required repair as compared to 2007.

DESCRIPTION OF BASIC FINANCIAL STATEMENTS

The District operates as a utility enterprise and its annual report consists of a series of financial statements presented on the full accrual basis of accounting. The Balance Sheets and the Statements of Revenues, Expenses and Changes in Net Assets (on pages 8 and 9) provide information about the District as a whole and present a longer-term view of the District's finances.

DESCRIPTION OF OPERATIONS

The District provides water to 602 retail customers in a service area that includes a portion of the unincorporated Los Angeles County that is east of Altadena and an adjacent portion of the City of Pasadena. The District also sells excess groundwater when available to the City of Pasadena on a wholesale basis.

The District obtains its water from two wells and five water tunnels. These sources are sufficient to meet customer demand except in periods of extreme drought or other emergency. The District has five interconnections with the City of Pasadena municipal water system which allow either agency to supply water to the other agency under emergency conditions.

More information about the Kinneloa Irrigation District can be found on our Internet site at <http://www.kinneloairrigationdistrict.info>.

KINNELOA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008 AND 2007

CONDENSED FINANCIAL INFORMATION

The following condensed financial information provides an overview of the District's financial activities for the year ended December 31, 2008 and 2007.

NET ASSETS

	<u>2008</u>	<u>2007</u>
Capital assets, net	\$3,736,903	\$3,748,525
Other assets, net	<u>1,102,958</u>	<u>1,131,268</u>
Total assets	4,839,861	4,879,793
Other liabilities	<u>120,046</u>	<u>61,490</u>
Total liabilities	<u>120,046</u>	<u>61,490</u>
Invested in capital assets, net of debt	3,736,903	3,748,525
Unrestricted	<u>982,912</u>	<u>1,069,778</u>
Total net assets	<u><u>\$4,719,815</u></u>	<u><u>\$4,818,303</u></u>

Capital and other assets – The change in capital and other assets is net of an increase in capital assets primarily due to capital improvement projects and replacement vehicles in the amount of \$204,599 less current year's depreciation of \$234,426.

Net assets – Unrestricted net assets decreased from the prior year due to the current year's excess of expenses over revenues. Unrestricted net assets consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt". The District is required to apply the Government Accounting Standards Board (GASB) Statement No. 34. GASB 34 requires, among other things, that the difference between assets and liabilities be reported as net assets, not equity.

KINNELOA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008 AND 2007

CHANGES IN NET ASSETS

	<u>2008</u>	<u>2007</u>
Total operating revenues	\$ 1,051,822	1,222,191
Total non-operating revenues	<u>27,610</u>	<u>258,900</u>
Total revenues	1,079,432	1,481,091
Total operating expenses	<u>1,177,920</u>	<u>981,807</u>
Total expenses	<u>1,177,920</u>	<u>981,807</u>
Change in net assets	(98,488)	499,284
Net assets, beginning of year	<u>4,818,303</u>	<u>4,319,019</u>
Net assets, end of year	<u>\$ 4,719,815</u>	<u>4,818,303</u>

Revenues – Retail water sales decreased 9% in 2008 as compared to 2007 to 741 acre-feet or 241 million gallons. Total operating revenue decreased 14% over 2008 to \$1,051,822. The District did not have any surplus water in 2008 to sell to the City of Pasadena. This explains why the total operating revenue decreased more than the retail water sales. For 2008, the District also received \$27,610 in non-operating revenue from interest on its investments. The amount of the District's temporary investments at year end was \$483,380 and \$507,781 in 2008 and 2007, respectively. The decrease is attributed to the decrease in net assets of the District.

Expenses – The District's operating and maintenance expenses increased by \$120,284 in 2008 as compared to 2007. The increase is due primarily to the greater number of leak repairs that were required. The District's general and administrative expenses increased by \$42,864, primarily due to increases in administrative salaries, retirement contributions to the California Public Employees Retirement System, outside services and general office expenses.

BUDGET ANALYSIS AND VARIANCES

Revenue from water sales for 2008 was \$1,051,822 which is higher than the budgeted amount of \$1,000,000. The budgeted revenue was based on the actual amount from the previous year, adjusted for rate changes and/or expected new service connections for the year. Revenue from wholesale water sales was not budgeted for 2008 since this source of revenue is discretionary and not predictable.

**KINNELOA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008 AND 2007**

BUDGET ANALYSIS AND VARIANCES (continued)

Overall, for 2008, the net revenue surplus before depreciation was \$135,941, as compared to the budgeted amount of \$236,465. Capital and planned maintenance projects in the amount of \$167,077 were completed as compared to the budgeted amount of \$371,000. The lower expenditure was because of the deferral of the construction of a major pipeline project to 2009. The cash reserve at year end was \$733,380 as compared with the minimum target level of \$550,000 established by the Board. Part of this reserve will be used for the pipeline project early in 2009.

Each year the District budgets amounts for capital projects and planned maintenance projects based on its expected operations and available reserves. In 2008, the projects included: (1) Purchase of two replacement trucks, (2) facility electrical upgrades, (3) purchase of an emergency generator and (4) engineering and preparation of plans and specifications for the Kinneloa Mesa replacement pipeline that will be constructed in 2009.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – At December 31, 2008 and 2007, the District had investments in land, buildings, wells and distribution systems, machinery and equipment, and construction in progress as follows.

	<u>2008</u>	<u>2007</u>
Land	\$ 96,700	96,700
Water rights	52,060	52,060
Buildings, wells and distribution system	4,988,954	4,738,850
Machinery and equipment	450,892	443,246
Construction in progress	<u>128,392</u>	<u>101,679</u>
Totals	<u>\$ 5,716,998</u>	<u>5,432,535</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Inflation as measured by the consumer price index for all urban consumers in the Los Angeles area was 3.5% for the 12 months ended December 2008.
- The general economic picture in 2009 is expected to reflect a significant recession and the economic impact will include job loss among our customers, possible foreclosures and a reduction in consumer spending. Although water service is considered a necessity, these conditions along with our conservation message could significantly affect water sales

KINNELOA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008 AND 2007

- The Board of Directors voted to increase rates by 7% effective January 1, 2009 and use reserves if necessary to complete budgeted capital and planned maintenance projects for 2009.
- Weather will continue to play a significant role in determining water sales for 2009. If conservation measures are successful, we might have surplus water to sell to the City of Pasadena. This would offset any decline in retail sales.

These factors when combined are anticipated to have a neutral effect on the District's operations in 2009. The District has the flexibility to adjust expenditures for capital improvements and planned maintenance if necessary to meet the overall budget objectives for 2009.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our purveyors, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report, or need additional financial information, contact the District's finance office at 1999 Kinclair Drive, Pasadena, CA 91107

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Kinneloa Irrigation District
Pasadena, California

We have audited the accompanying balance sheets of Kinneloa Irrigation District (the "District") as of December 31, 2008 and 2007, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Kinneloa Irrigation District as of December 31, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information presented on page 20 for the years ended December 31, 2008 and 2007 is presented for purposes of additional analysis and is not required as part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

February 12, 2009

**KINNELOA IRRIGATION DISTRICT
BALANCE SHEETS
DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Current assets		
Cash	\$ 194,821	192,627
Temporary investments	483,380	507,781
Temporary investments, restricted as to use	250,000	250,000
Receivables		
Water sales, net of allowance for doubtful accounts	130,325	137,318
Other receivables	977	2,299
Prepaid expenses	23,455	21,243
Materials and supplies	<u>20,000</u>	<u>20,000</u>
Total current assets	1,102,958	1,131,268
Capital assets, net of accumulated depreciation	<u>3,736,903</u>	<u>3,748,525</u>
TOTAL ASSETS	<u>\$ 4,839,861</u>	<u>4,879,793</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of lease payable	\$ 15,674	-
Accounts payable and accrued expenses	12,380	43,202
Accrued payroll and payroll taxes	13,796	11,940
Customer deposits	<u>7,198</u>	<u>6,348</u>
Total current liabilities	49,048	61,490
Lease obligation, net of current portion	<u>70,998</u>	<u>-</u>
Total liabilities	120,046	61,490
Net assets		
Invested in capital assets, net of related debt	3,736,903	3,748,525
Restricted for debt service	-	-
Unrestricted	<u>982,912</u>	<u>1,069,778</u>
Total net assets	<u>4,719,815</u>	<u>4,818,303</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,839,861</u>	<u>4,879,793</u>

The accompanying notes are an integral part of the financial statements.

**KINNELOA IRRIGATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Operating revenues		
Water sales and service fees	\$ <u>1,051,822</u>	<u>1,222,191</u>
Operating expenses		
Operating and maintenance	657,891	537,607
Administration and general	285,603	242,739
Depreciation	<u>234,426</u>	<u>201,461</u>
Total operating expenses	<u>1,177,920</u>	<u>981,807</u>
Operating (loss) income	<u>(126,098)</u>	<u>240,384</u>
Non-operating revenues (expenses)		
Interest	27,610	27,287
Grant income	<u>-</u>	<u>231,613</u>
Total non-operating revenue	<u>27,610</u>	<u>258,900</u>
Change in net assets	(98,488)	499,284
Net assets, beginning of year	<u>4,818,303</u>	<u>4,319,019</u>
Net assets, end of year	<u>\$ <u>4,719,815</u></u>	<u><u>4,818,303</u></u>

The accompanying notes are an integral part of the financial statements.

**KINNELOA IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

Cash flows from operating activities:	<u>2008</u>	<u>2007</u>
Cash received from customers	\$ 1,060,137	1,263,191
Cash payments to employees for services	(257,416)	(308,316)
Cash payments for services and goods	<u>(717,256)</u>	<u>(546,423)</u>
Net cash provided by operating activities	<u>85,465</u>	<u>408,452</u>
 Cash flows from capital and related financing		
Cash paid for construction and acquisition of capital	(222,804)	(284,463)
Proceeds from lease obligation	86,672	-
Customer deposits	850	(6,025)
Grant income	<u>-</u>	<u>189,195</u>
Cash used by capital and related financing activities	<u>(135,282)</u>	<u>(101,293)</u>
 Cash flows from investing activities:		
Interest received	<u>27,610</u>	<u>27,287</u>
Cash provided by investing activities	<u>27,610</u>	<u>27,287</u>
Net increase in cash and cash equivalents	(22,207)	334,446
Cash and temporary investments, beginning of the year	<u>950,408</u>	<u>615,962</u>
Cash and temporary investments, end of the year	<u><u>\$ 928,201</u></u>	<u><u>950,408</u></u>
 SUMMARY OF BALANCE SHEET CASH and CASH EQUIVALENTS		
Cash	\$ 194,821	192,627
Temporary investments	483,380	507,781
Temporary investments, restricted as to use	<u>250,000</u>	<u>250,000</u>
Total cash	<u><u>\$ 928,201</u></u>	<u><u>950,408</u></u>

The accompanying notes are an integral part of the financial statements.

**KINNELOA IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

Reconciliation of operating income to net cash operating activities:	<u>2008</u>	<u>2007</u>
Operating income	\$ (126,098)	240,384
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	234,426	201,461
Decrease (increase) in receivables	8,315	34,975
(Increase) decrease in prepaid expenses	(2,212)	(4,368)
(Decrease) increase in accounts payable and accrued expenses	<u>(28,966)</u>	<u>(64,000)</u>
Net cash provided by operating activities	<u>\$ 85,465</u>	<u>408,452</u>

The accompanying notes are an integral part of the financial statements.

KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Kinneloa Irrigation District (the "District") is a special district organized in 1953 under the provisions of Division 11 of the Water Code of the State of California. The District delivers water to the residents in a specific area of Los Angeles County, northeast of the City of Pasadena. This District is not a subdivision of a larger governmental organization.

The District is governed by an elected Board of Directors. At December 31, 2008, The Board of Directors were as follows:

<u>Name</u>	<u>Title</u>
Richard L. Barkhurst	Chairman
Steven G. Sorell	Treasurer
Frank J. Griffith	Director
Gerrie G. Kilburn	Director
Maurice A. Pickard	Secretary

The accounting policies of the District conform to generally accepted accounting principles as applicable to governmental enterprise funds. The District applies Governmental Accounting Standards Board ("GASB") pronouncements and Financial Accounting Standards Board ("FASB") pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. The more significant policies reflected in the financial statements are summarized as follows:

a. Fund Accounting

The District's accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, retained earnings, revenues and expenses. The District has one fund, which is presented in the accompanying financial statement as a Proprietary Fund category, Enterprise Fund type.

b. Basis of Accounting

The District uses the accrual method of accounting. Revenues are recorded when earned and expenses are recorded when the related liability is incurred. Unbilled receivables are not reflected in the accompanying financial statements because the amounts are not material.

The District is required to apply the Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments" (GASB 34) for periods beginning after June 15, 2003. GASB 34 requires,

KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

among other things, that the difference between assets and liabilities be reported as net assets, not equity; that a Management's Discussion and Analysis (MD & A) section precede the basic financial statements; that the statements of cash flows use the direct method, and that plant assets be capitalized and depreciated over their useful lives. As the District has historically capitalized its assets and recorded depreciation, the only significant changes made in order to comply with the new requirements were the MD & A section and the reporting of the details of net assets.

In conjunction with the adoption of GASB 34, the District has also adopted the provisions of GASB No 37, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments: Omnibus", and GASB No. 38, "Certain Financial Statement Note Disclosures."

c. Utility Plant

Utility plant is stated at cost. The District capitalizes applicable overhead costs in connection with self-constructed assets. Depreciation of all exhaustible utility plant is charged as an expense in the accompanying statements of income. Depreciation is provided over the estimated useful lives of the asset using the straight-line method. Estimated useful lives are as follows:

	<u>Number of Years</u>
Water system	5 to 50
Autos and trucks	3 to 5
Office equipment	5 to 10
Office and production facilities	10 to 40

d. Restricted Assets and Liabilities

The Board of Directors has designated a portion of the District's temporary investments to be maintained for future capital improvements.

e. Uncollectible Accounts

The District's management estimates that accounts receivable are collectible. Unpaid water accounts receivable become a lien on the property and must be paid upon the sale of the property.

f. Cash and Cash Equivalents

The District defines cash and cash equivalents as demand account balances and cash on hand.

The District invests cash in excess of its operating requirements primarily with the State Treasurer's Local Agency Investment Fund (LAIF).

KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

g. Investments

All investments are stated at fair value as required by GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools". Fair value is based on market price or contract amount.

h. Materials and Supplies

Materials and supplies are stated at cost and consist of expendable supplies held for consumption or future additions to Utility Plant.

i. Concentration of Credit Risk

The District's receivables are from consumers within a specific geographic area.

j. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

k. Budgetary Process

Each year, the District adopts a budget which provides for its general operations. Budgets are prepared on the accrual basis of accounting. The District follows these procedures in establishing the budget for the fiscal year:

- i. Formal budgetary integration is employed as a management control device during the year for the General Activity.
- ii. The Board approves the total budget for the year for the General Activity. The Board is authorized to make any budget adjustments during the year.
- iii. Unused appropriations lapse at the end of the year unless extended into the subsequent year by a vote of the Board of Directors.

l. Income Taxes

The District is exempt from income taxes under provisions of the Internal Revenue Code and related California statutes; accordingly, no provision for income taxes is required.

m. Compensated Absences

It is the District's policy to permit employees to accumulated paid time off for either vacation or illness in accordance with the terms expressed in its employee handbook. Upon termination, retirement or death of an employee, the District pays eligible accrued time in a lump-sum payment

KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

to the employee or beneficiary. Accumulated paid time off is recorded as an expense and a liability at the time the benefit is earned.

NOTE 2. Cash Deposits and Investments

The District is permitted by State law and Board policy to invest in obligations deemed prudent. Such investments include interest bearing savings accounts, collateralized certificates of deposit, direct obligations of the United States Government and various federal agencies, approved money market funds and investment agreements, and various other approved investments. As mandated by state law, the District annually adopts its investment policy that defines allowable investments, restrictions on investment concentrations and maximum maturity periods, and other specific investment-related policies. The District has contracted with an investment advisor and given him authorization to make trades on the District's behalf, following the above guidelines. Currently, a majority of the District's cash deposits and investments are held at a single financial institution.

The District's cash deposits at December 31, 2008 were entirely covered by Federal depository insurance or by pledged collateral pools of either U.S. Government securities or mortgages. California Government Code requires California banks and savings and loan associations to secure a local agency's deposits by pledging 110% of government securities as collateral. California law also allows financial institutions to secure local agency deposits by pledging first trust deed mortgage notes having a value of 150% of a local agency's total deposits. Such collateral, however, is not held specifically in the name of the District.

Investments of governmental agencies, in accordance with GASB No. 3, are classified in three categories to give an indication of the level of custodial risk assumed by the entity. Category 1 consists of investments that are insured or collateralized with securities held by the District or its agent in the District's name. Category 2 includes investments collateralized with securities held by the pledging institution's trust department or by its agent in the District's name. Category 3 consists of investments collateralized with securities held by the pledging institution, or by its trust department or agent, but not in the District's name.

	2008			Total
	Category			
	1	2	3	
Pooled cash	\$ 733,380	-	-	733,380
Interest bearing Demand accounts	194,821	-	-	194,821
US Treasury securities	-	-	-	-
Federal agency securities	-	-	-	-
Total cash and investments	\$ <u>928,201</u>	<u>-</u>	<u>-</u>	<u>928,201</u>

KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 2. Cash Deposits and Investments, continued

	2007			
	Category			Total
	1	2	3	
Pooled cash	\$ 757,781	-	-	757,781
Interest bearing				
Demand accounts	192,627	-	-	192,627
US Treasury securities				
Federal agency securities	-	-	-	-
	-	-	-	-
Total cash and investments	\$ 950,408	-	-	950,408

NOTE 3. Capital Assets

Capital asset activity for the years ended December 31, 2008 and 2007 was as follows:

	2008			
	Balance January 1	Additions	Transfers & Retirements	Balance December 31
Land	\$ 96,700	-	-	96,700
Water rights	52,060	-	-	52,060
Buildings, wells and distribution system	4,988,954	164,051	30,551	5,183,556
Machinery and equipment	450,892	198,225	(98,660)	550,457
Construction in progress	128,392	57,029	(128,392)	57,029
	5,716,998	419,305	-	5,939,802
Less accumulated	(1,968,473)	(468,852)	(234,426)	(2,202,899)
Total capital assets	\$ 3,748,525	(49,547)	-	3,736,903

KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 3. Capital Assets, continued

2007

	Balance January 1	Additions	Transfers	Balance December 31
Land	\$ 96,700	-	-	96,700
Water rights	52,060	-	-	52,060
Buildings, wells and distribution system	4,738,850	148,425	101,679	4,988,954
Machinery and equipment	443,246	7,646	-	450,892
Construction in progress	101,679	128,392	(101,679)	128,392
	5,432,535	284,463	-	5,716,998
Less accumulated	(1,767,012)	(201,461)	-	(1,968,473)
Total capital assets	\$ 3,665,523	485,924	-	3,748,525

Note 4 – Grant Proceeds

The District was approved by the State of California Governor's Office of Emergency Services to receive grant funds to repair part of the water system damaged by heavy rainfall. Unused funds must be returned to the grantor. Amounts are recognized as income upon performance of the repairs.

Note 6 - Pension Plan

Plan Description

The District contributes to the State of California Public Employees Retirement System ("PERS"), an agent multi-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by statute and city ordinance. Copies of PERS' annual financial report may be obtained from their offices located at 400 P Street, Sacramento, CA 95814.

All full time employees are eligible to participate as members of PERS. Benefits vest after five years of service. District employees are eligible to retire upon attaining age 60. Annual retirement benefits are

KINNELOA IRRIGATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2008 AND 2007

determined based upon the age at retirement, the length of membership service and the amount of earnings based upon the highest twelve consecutive months average.

Funding Policy

For the years ended December 31, 2008 and 2007, participants were required to contribute 7 % of their annual covered salary. For an exempt employee, the District contributed the amount as an employee benefit. The District is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the District are established and may be amended by PERS.

Annual Pension Cost

Annual pension cost was 5.072% for the year ended December 31, 2008. The District made contributions of \$11,510 and \$8,294 for the years ended December 31, 2008 and 2007, respectively. The District does not have a Net Pension Obligation.

Actuarial Assumptions and Methods

The actuarial valuation is computed using the entry age normal actuarial cost method. The actuarial assumptions include: (a) an investment rate of return of 7.75% compounded annually (b) projected annual salary increases that vary by duration of service, and (c) payroll cost-of-living adjustments of 3.25% . The rates used in (a) and (b) are compounded annually at 3.25%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. Initial unfunded liabilities are amortized over a specific period that depends upon the plan's date of entry into PERS. Subsequent plan amendments are amortized as a level percentage of projected payroll over a closed 20-year period. The District does not have an unfunded liability.

The following presents a short history of the funded status of the entire PERS plan, covered payroll and related actuarial information:

<u>Dollars in 1,000; Zeros Omitted</u>						
<u>Valuation Date</u>	<u>Accrued Liabilities</u>	<u>Actuarial Assets</u>	<u>PERS Unfunded Liabilities (UL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UL as a % of Payroll</u>
6/30/2007	498,935	479,521	19,414	96.1%	171,053	11.3%
6/30/2006	478,122	454,603	23,519	95.1%	170,458	13.8%
6/30/2005	484,351	459,997	24,354	95.0%	174,127	14.0%
6/30/2004	437,494	428,025	9,469	97.8%	159,135	6.0%

KINNELOA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 7. Insurance Pools

The District is a member of the Joint Powers Insurance Authority (“JPIA”), which pools together members of the Association of California Water Agencies for the purpose of paying group property, general liability and workers' compensation claims. Premiums are remitted directly to the JPIA by its members. The property portion is entirely self-funded, and the general liability self-funded portion is capped at \$500,000. Excess liability insurance in the amount of \$29,500,000 has been purchased by the Authority, bringing the total liability coverage to \$30,000,000.

To date, the District and its counsel are not aware of any material claims incurred through the period ended December 31, 2008 regarding these insurance plans.

NOTE 8. Net Assets

GASB 34 requires that the difference between assets and liabilities be reported as net assets, not equity. Net assets are classified as either restricted, unrestricted or invested in capital assets, net of debt.

Net assets that are invested in capital assets, net of debt consist of capital assets, net of accumulated depreciation and amortization, and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition or construction of those assets.

Restricted net assets are those net assets that have external constraints placed on them by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions of enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of debt.” Unlike the restricted net assets, the Board has discretion in determining the use and establishing minimum/maximum balance requirements for the unrestricted cash and investment portion of net assets. The Board may at any time change or eliminate amounts established for these purposes.

NOTE 9 - Contingencies

The District is the subject of certain claims and assessment arising in the normal course of its operations. Management of the District does not believe that the resolution of these matters will have a material adverse affect on the District's financial condition.

SUPPLEMENTARY INFORMATION

KINNELOA IRRIGATION DISTRICT
SCHEDULE OF OPERATING EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Operating & Maintenance		
Power	\$ 87,993	106,790
Labor	161,779	165,696
Engineering	24,239	2,938
Maintenance and repairs	163,853	33,090
Signal service	713	806
Water analysis	19,765	16,750
Outside contractors	109,301	120,564
Truck maintenance	5,305	6,701
Insurance	60,371	63,484
Safety equipment	1,595	1,535
Other	<u>22,977</u>	<u>19,253</u>
	<u>\$ 657,891</u>	<u>537,607</u>

Administrative and General		
Administrative salaries	\$ 97,493	87,092
Office labor	45,465	45,044
Payroll taxes	23,651	23,464
CalPERS retirement	17,202	13,239
Outside services	21,973	16,979
Legal fees	5,458	5,200
Professional dues	6,739	5,951
Board meetings	5,900	6,200
Office expense	33,621	19,007
Telephone	9,574	9,380
Accounting fees	6,200	4,800
Permits and operational fees	7,989	584
Information systems	<u>4,338</u>	<u>5,799</u>
	<u>\$ 285,603</u>	<u>242,739</u>



Memo

Date: 4/15/09

To: Board of Directors

From: Mel Matthews

Subject: New Fire Hydrant on Clarmeya Lane

This memo is a response to the general discussion at the meeting on March 17, 2009 concerning our process for new fire hydrant placement and your request for more specific information on the proposed installation in the public utility easement in front of 2915 Clarmeya Lane.

First of all, I obtained the Los Angeles County Assessor's map of the area. Then I obtained a copy of the deed granted to the current owner in May of 1999 as well as the additional easements documents referenced in the deed. All these documents substantiate the existence of a 30 ft. road and public utility easement. The documents were reviewed by our attorney Bill Kruse and me and Bill provided the attached response supporting our right to install the hydrant in the easement.

Finally, in order confirm the location of the easement, I requested a survey by CESM since it was possible that the centerline of the road was not the centerline of the easement. The survey shows that the proposed location is within the easement.

Three possible alternatives for the continuation of the project are as follows:

1. **Place the hydrant at the location mutually agreed to by the District and the homeowner.** This location is still the preferred location after re-considering other possible locations and after reflection on the issues raised verbally by the homeowner to Director Kilburn and me and as described at our last meeting by Director Kilburn. However, no written correspondence has been received by the District objecting to the installation. **Estimated cost: Already included in the contract.**
2. **Do not install the hydrant.** Install a cover flange on the existing tee to facilitate installation in the future. The distance from the location of the upgraded fire hydrant at Clarmeya and Kinneloa Mesa Road to the west end of Clarmeya Lane is approximately 500 ft. **Estimated cost: Minor project savings now, but increased cost to install the hydrant in the future.**

3. **Move the new hydrant to the west end of Clarmeya.** In your consideration of this option, please know that the Fire Department prefers to have a fire hydrant mid block, not at the end of a dead end street such as Clarmeya. However, moving the hydrant at this location would offer better fire protection to the west end of Clarmeya than no hydrant at all. The cooperation of the homeowner at 2871 Clarmeya for its placement and the necessary fence modification would be required. This option would increase the project cost because we would have to remove approximately 100 ft. of the newly installed 4 inch main and replace it with an 8 inch main. **Estimated cost: \$20,000.**

Based upon my own analysis and the support of our attorney, my recommendation is to approve the first alternative and install the fire hydrant at 2915 Clarmeya as previously planned. Furthermore, there is no precedence or justification to compensate the owner for its placement in the existing easement as was demanded in the verbal conversations with the owner.



04/13/2009 14:59

*Lagerlof
Senecal
Gosney & Kruse*
LLP

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www.lagerlof.com

Established 1908

April 13, 2009

Mr. Mel Matthews
General Manager
Kinneloa Irrigation District
P.O. Box 5578
Pasadena, CA 91117

Re: Easement Analysis

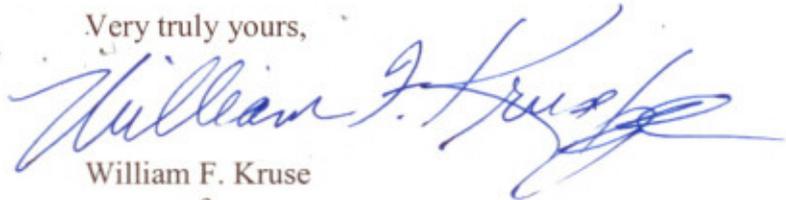
Dear Mel:

We have had an opportunity to research the case law concerning the placement of a fire hydrant within a public utilities easement. Enclosed is a memorandum prepared by one of my associates concerning this issue. The memo concludes that, while there is no specific case law on point, the District would have solid grounds to assert that it is acting within the scope of the easement in placing a fire hydrant within its boundaries. Please note that the memorandum uses the term "public utility" in describing KID in a generic sense. The intent is not to imply that the irrigation district is otherwise regulated as a public utility.

I am available to discuss this analysis with the board if you want me to attend the meeting on April 21st.

Please contact me with any questions.

Very truly yours,



William F. Kruse
of

Lagerlof, Senecal, Gosney & Kruse, LLP

WFK/pjc
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Enclosure

LAGERLOF, SENEAL, GOSNEY & KRUSE, LLP

M E M O R A N D U M

TO: Bill Kruse
FROM: Roland Trinh
DATE: April 1, 2009
RE: Kinneloa - construction of fire hydrant on public utilities easement

Kinneloa Irrigation District intends to construct a fire hydrant on one of its easements. The home owner who owns the residence directly behind where the District intends to build the hydrant is opposing its construction, and claims that the District does not have the right to do so under the easement granted to it. This memo will assess the District's ability to construct a fire hydrant under its express grant of easement.

Melvin Matthews from the District has conducted research on the operative deeds and has asked that we not review the lineage of the easement. He did provide us with copies of what he concluded are the operative deeds. Thus, the deeds provided to us are presumed to be accurate and correct. Upon reviewing the deeds, there are three express grants of easement which are operative for the purposes of our assessment:

1. "Easements for road and public utility purposes...";
2. "... for road or highways and for the use of public utilities..."; and
3. "... for the construction and maintenance thereon of public utilities..."

The words of critical import within each of the grants of easement are those which permit the use of the easement for "public utilities." Unfortunately, despite my extensive search, I could not find direct case law explicitly holding that an easement for "public utilities" allows for the construction of a fire hydrant. Any argument to support our position will therefore have to be derived from analysis of relevant authority. However, the law on easements does provide the basis for a sound argument that the District can construct a fire hydrant on its easement granted for "public utilities."

I. The District is providing a public utility.

The grant of easement, in any of its various forms, permits for the use of the easement for public utilities. Consequently, the natural question that arises is what constitutes a public utility?

A utility is an agency generally engaged in the business of supplying light, water, gas, power, heat, transportation, or means of communication.¹ The District, as a business or service engaged in regularly supplying the *public* with a utility, is therefore a “public utility.”² As result, the District’s use of the easement falls within its express parameters: using the easement to provide water is consistent with the purposes for which the easement was created.

II. Construction of a fire hydrant is reasonably consistent with the purposes of the easement and does not unreasonably increase the burden upon the servient tenement.

As a general rule, the language of the grant determines the scope of the easement. Thus, a clear and specific grant for a particular use is decisive.³ However, where the grant is not specifically defined in the express grant, the easement holder typically has the right to use the easement as reasonably necessary and consistent with the purposes for which the easement was granted.⁴ The courts have held that where easements are not specifically defined in the grant, they permit a use consistent with “normal future development within the scope of the basic purpose [of the easement], but not an abnormal development, one which actually increases the burden upon the servient tenement.”⁵

In our situation, the express words of the grant permit the use of the easement for public utilities. This is a very broad and general grant of easement, as opposed to, for example, an easement permitting the conveyance of water by ditch, which would not authorize conveyance of water by pipeline.⁶ As previously discussed, the District’s use of the easement to provide water falls within its express grant, and in order for the District to carry out its function as a public utility to convey water, proper use of the easement necessarily requires the construction of fixtures and appurtenances that make such conveyance of water possible. Such construction would therefore be not only consistent with the purpose of the easement, but a necessary consequence in order to exercise the express grant thereof.

As a public utility provider of water, the District is the only entity which can provide for the construction of a fire hydrant in its service area, one which needs to be connected to its water system. Furthermore, the construction of fire hydrants are required of water purveyors by County and local regulations. It logically follows then, that the construction of fire hydrants is a necessary and mandatory function of the District as a

¹ Glenbrook Development Co. v. City of Brea, 253 Cal. App. 2d 267, 272 (1967).

² Id.

³ Wilson v. Abrams, 1 C.A. 3d, 1030 (1969).

⁴ Atchison, T. & S. F. Ry. Co v. Abar, 275 Cal. App. 2d 456, 464 (1969).

⁵ Id. Also, Wall v. Rudolph, 198 C.A.2d 684, 692 (1961). Thus, an easement for wire transmission of power and communication permitted for the installation of cable television equipment on existing telephone poles even though the cable television industry did not exist at the time the easement was granted, as it was part of the natural evolution of communications technology. Salvaty v. Falcon Cable Television, 165 C.A. 3d 798 (1985).

⁶ City of National City v. California, 204 C.A.2d 540, 548 (1962).

public utility. Because the easement was created for the purposes of providing public utilities, and the District, as a provider of public utilities, must construct fire hydrants as a necessary part of its services, the construction of them, as with other fixtures and appurtenances, is reasonably necessary and consistent with the intended purposes of easement.

Finally, the construction of a fire hydrant does not unduly burden the servient tenement.⁷ The hydrant does not incur excessive wear or tear nor does it increase the use of the easement in a manner not foreseen when granted. The hydrant does not pose a safety hazard to the servient tenement – indeed, the hydrant serves as a *safety measure*. The hydrant is not an “abnormal development,” but rather one that is a “normal future development” resulting from the proliferation of a water system intended and required to supply a modernized, growing public.

III. Conclusion

If the disgruntled homeowner continues his opposition to the construction of the fire hydrant and the District's Board decides to proceed with its construction at the designated site, we would be able to present a solid case that the District is acting within the permissible scope of the easement should a legal conflict arise. The District is a public utility and constructing the hydrant is a reasonable and consistent use of the intended purpose of the easement which does not unduly burden the servient tenement.

⁷ As a reminder, unless I am under a mistaken impression, the land owner complaining about the construction of the hydrant is NOT the holder of the servient tenement. The land owner owns the property behind the location of the proposed hydrant, and therefore is seemingly complaining about its construction on a nuisance basis.



Memo

Date: 4/15/09

To: Board of Directors

From: Mel Matthews

Subject: Revision 7 of the Rules and Regulations

I have attached the proposed Revision 7 of the Rules and Regulation in both a clean format and a redlined version for your consideration and approval. In addition to minor formatting and editorial changes, the following major additions and revisions are included:

1. Article 5, CONFLICT OF INTEREST CODE AND DISCLOSURE on page 13 was revised upon the direction of the Board to include a statement that Directors may consult individually with the District's attorney or personal attorney with respect to questions concerning completion of the required disclosure statements.
2. Article 8, 8.12, PRIVACY POLICY on page 29 was added to comply with current laws.
3. Article 11, 11.09, IDENTITY THEFT PREVENTION PROGRAM, on page 40 was added to comply with the applicable rules of the Federal Trade Commission.
4. APPENDIX B on page 51 was revised to reflect the current water rates.
5. APPENDIX G, RESPONSIBILITIES AND AUTHORITY OF BOARD AND GENERAL MANAGER, Section X, General on page 80 was revised as directed by the Board to include the statement: "The Board of Directors shall govern collectively and the General Manager shall manage individually with appropriate consultation with, or approval from the Board. The General Manger shall perform all those functions which the Board shall deem necessary whether or not mentioned in this

document. The General Manager may delegate responsibilities to others as he sees fit.”

6. APPENDIX H, RECORD RETENTION POLICY on page 81 was added to comply with current laws and regulations and to be consistent with current practices of similar water agencies.
7. APPENDIX I, MAIN EXTENSION REIMBURSEMENT AGREEMENT on page 85 was revised to reflect our current policy for the District to construct all facilities under a competitive bidding process rather than to allow a developer to construct the facilities. The Developer is required to reimburse the District for the complete cost for design and construction of the required facilities.

The recommended action is to discuss and approve the revision subject to any minor corrections or additions that are identified during the discussion and to direct the General Manager to make those corrections and publish the revision.

KINNELOA IRRIGATION DISTRICT

RULES AND REGULATIONS

Adopted
April 20, 1999

Revision 1
August 17, 1999

Revision 2
January 20, 2000

Revision 3
March 21, 2000

Revision 4
October 2, 2000

Revision 5
April 20, 2004

Revision 6
December 20, 2005

Revision 7
April 21, 2009

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Kinneloa Irrigation District RULES AND REGULATIONS

The District was formed under the provisions of the **Irrigation District Act, Division 11 of the Water Code of the State of California**. The District's functions include the acquisition, control, conservation, storage and distribution of water for the beneficial use of inhabitants and water users within the District. The Water Code authorizes the District to establish rules and regulations governing its operations. The District has determined that it is in its best interest to adopt the following policies, rules and regulations regarding the operation of the District and the provision of water service.

ARTICLE 1: DISTRICT OBJECTIVES

The District strives to make available the highest quality water at the lowest possible cost. The District intends to serve all property within District boundaries, provided, however, that the Board may consent to other entities providing service within its boundaries on a case-by-case basis. In furthering these objectives the District is governed generally by the following guidelines:

1.01: OPERATIONS

To operate the water supply, treatment, storage and distribution facilities so as to provide the most economical and dependable service possible.

1.02: PLANNING

To meet existing and future demands for water service through sound planning and design after careful study, taking steps necessary to manage water as a sustainable resource.

1.03: COSTS

To establish such rates, charges, fees and assessments necessary to meet the costs of providing service and to equitably allocate such costs.

ARTICLE 2: SCOPE OF POLICIES, RULES AND REGULATIONS

The Board of Directors adopts these policies, rules and regulations with respect to the operation of the District and the provision of water service. The Board has the right to amend, change and supplement these rules at any time.

2.01: SEVERABILITY

If any policy, rule or regulation contained herein shall be found to be unenforceable, such decision shall not affect the remaining portions of these policies, rules and regulations.

2.02: APPLICABILITY

These policies, rules and regulations apply to the Board, all District personnel and any persons obtaining utility service from the District.

ARTICLE 3: DEFINITIONS

Unless the context specifically indicates otherwise, the following terms shall, for the purposes of these policies, rules and regulations have the following meanings:

- A. Applicant: Any person or entity applying to the District for water service.
- B. Board: Board of Directors of the Kinneloa Irrigation District.
- C. CEQA: The California Environmental Quality Act.
- D. Commercial Service: Provision of water for use in connection with commercial premises devoted primarily to operations for profit.
- E. Consumer: Any person, association, corporation or governmental agency supplied or entitled to be supplied with water service for compensation by the District.
- F. Cross-Connection: Any connection between District facilities and any water supply that is not approved by a State or local health agency or other source containing a substance that is not approved as safe, wholesome and potable.
- G. Delinquent Notice: The Delinquent Notice of Non-Payment and Disconnection of Service, sent to the Consumer when payment is not made on or before the 30th day after the due date of the bill, in accordance with the provisions of the rules included herein.
- H. Developer: Any person or entity developing and/or subdividing land within the District for the purpose of constructing new commercial or residential units.
- I. Disconnection: The termination of water service to the Consumer, affected by turning off and locking the meter at the service connection.
- J. Distribution Mains: The water lines in streets, highways, alleys, and easements used for general distribution of water and public and private fire protection.
- K. District: The Kinneloa Irrigation District, Pasadena, California.
- L. Engineer: A qualified registered engineer, appointed to act for the District.
- M. Facilities or Water Works System: The wells, tunnels, pipelines, meters, pumps, storage facilities, buildings, structure connections, fittings, valves and other fixtures and appurtenances comprising the production, storage, transmission and distribution system owned by the District for the purpose of delivering water to Consumers within the District.
- N. Industrial Service: Provision of water to industrial premises where the water is used primarily in manufacturing or processing activities.
- O. Manager: The General Manager of the Kinneloa Irrigation District, or the person authorized by the Manager, or the Board, to act for the General Manager.

- P. Meter: The appurtenance owned by the District at the service connection by which the District measures the quantity of water delivered through District facilities to the Consumer.
- Q. Owner: The person in whose name legal title to the property appears.
- R. Person: An individual, company, association, co-partnership, or public or private corporation.
- S. Premises: The integral property or area, including improvements thereon, to which water service is, or is to be, provided.
- T. Private Fire Protection: Provision of standby quantities and pressures of water as available for fire protection purposes through sprinkler systems, fire hydrants and other facilities located on private property, rather than through public fire hydrants operated by public authorities for general fire protection.
- U. Residential Service: Provision of water for household purposes and other similar and customary purposes pertaining to structures with a primary purpose of providing domestic service, single family dwellings, including apartments, town houses and condominiums.
- V. Service Laterals: The connection between the District's water mains and the water meter and service connection, including the entire pipe, fittings and valves necessary to make the connection.
- W. Service Connection: The point of connection of the Consumer's piping with the meter and service lateral owned by the District.
- X. Surplus Property: Real or personal property owned by the District that is determined by the Board to be unnecessary for District purposes.
- Y. Temporary Service: Provision of water on a temporary basis for construction purposes.

ARTICLE 4: ORGANIZATION AND OPERATION OF THE BOARD OF DIRECTORS

4.01: NUMBER OF DIRECTORS

The number of Directors shall be five (5) members elected by division from residents of the District.

4.02: OFFICERS OF THE BOARD

The officers of the Board shall be chairman and secretary, and treasurer to be elected by the Board annually at the first regular meeting of the Board following the **first Friday in December**. The term of office of officers of the Board shall commence immediately following their election. No Board Officer shall serve more than five consecutive full terms in the same office.

4.03: BOARD OFFICER ELECTION PROCEDURE

Officers will be nominated and elected individually, not as a "slate." The procedure is as follows:

- I. The Chairman calls for nominations for the office of Chairman.

- II. A candidate is nominated.
- III. The nomination is seconded. If a second is not received the nomination dies.
- IV. The Chairman then asks if there are other nominations.
- V. All other nominations (if any) are received and seconded.
- VI. The Chairman then calls for a vote and announces the results.
- VII. The same procedure is followed for the office of Treasurer and Secretary.

(Motion Adopted January 15, 2002)

4.04: DIRECTORS' COMPENSATION AND EXPENSE REIMBURSEMENT

- A. Introduction: This policy sets forth the Kinneloa Irrigation District's policies and procedures governing the compensation of Board members for attendance at events related to the Board members' performance of official duties for the benefit of the District, and governing the payment and/or reimbursement of actual and necessary expenses incurred by Board members in the performance of those official duties.
- B. Compensable Events: For purposes of this policy, Board members shall receive compensation in accordance with Section C, below, for, and payment and/or reimbursement of actual and necessary expenses in accordance with Section D, below, for the following Compensable Events, and for travel time as set forth herein:
 - 1. Regular and special meetings of the District's Board of Directors;
 - 2. Meetings of standing and ad hoc committees established by the District's Board of Directors;
 - 3. Any conferences or organized educational activities, including, but not limited to, conferences sponsored by any water-related association of which the Districts is a member, water educational workshops, water classes, water seminars, water symposiums, water facility tours and other special water-related functions, approved by the District's Board of Directors; and
 - 4. Any other event that may be approved by the District's Board of Directors as a Compensable Event.

For purposes of this policy, reasonable and necessary travel time shall include one day prior to and after a Compensable Event, as defined above, unless the Compensable Event takes place within 50 miles of the District's principal offices, in which case no compensation under Section C, below, shall be paid for any travel days. The maximum number of days in any calendar month for which compensation is authorized to be paid to a member of the Board is six days.

- C. Compensation for Compensable Events: Board members shall be compensated at the rate of \$100 per day for attendance at Compensable Events, as defined in Section B, above; provided, however, that pursuant to Water Code Section 20202, such compensation shall be provided in addition

to any reimbursement for meals, lodging and travel expenses incurred in attending any such Compensable Event; provided, however, that no reimbursement shall be made to any Board member unless an expense report has been submitted by that Board member, as provided in greater detail in Section D, subsection 6, below. Any registration fees paid by the District for a Board member's attendance at any conference or other Compensable Event shall be in addition to the compensation paid under this Section C.

D. Expense Reimbursement:

1. General Principles: Board members are encouraged to exercise prudence in all expenditures. Payment and/or reimbursement will be made only for actual and necessary expenses that qualify as reimbursable expenses under the provisions of this Section D. Expenditures that are improper or otherwise not properly accounted for as set forth in subdivision 6, below, or not consistent with the prohibition against gifts of public funds set forth in the California Constitution, will not be reimbursed or accepted by the District. Where such improper expenses have been paid by the District, they will be promptly refunded to the District or deducted from moneys otherwise due a Director. Whenever possible, Board members shall use government or group rates for lodging and travel.
2. Meal and Incidental Expenses: All meal and incidental expenses to be reimbursed under this policy are limited to the actual expenses incurred by a Board member in his or her capacity as a director of the District, and shall be substantiated in accordance with subdivision 6, below. If a Board member receives an advance from the District to cover such expenses, any amounts received in excess of the actual expense incurred shall be returned to the District within a reasonable time, not to exceed sixty (60) days, after the expenses are incurred. Board members shall be reimbursed for meal and incidental expenses in accordance with the follow rates:
 - a) Breakfast: not to exceed \$15 per day;
 - b) Lunch: not to exceed \$25 per day;
 - c) Dinner: not to exceed \$40 per day; and
 - d) Incidental Expenses: not to exceed \$10 per day
3. Travel Expenses: Board members will be reimbursed for expenses actually incurred in traveling to and from Compensable Events, subject to the provisions set forth below. Board members must use the most economical mode and class of transportation reasonably consistent with scheduling needs and space requirements and the most direct and time-efficient route. In the event a more expensive class of transportation is used, the reimbursable amount will be limited to the cost of the most economical class of transportation available. Travel expenses will include round-trip airfare where necessary, actual reasonable expenses for ground transportation to and from airports and hotels, and car rental. Board members also shall be reimbursed for use of private-owned vehicles in the conduct

of District business at the maximum allowable per mile rate established from time to time by the IRS.

4. Conference Lodging: For lodging in connection with a conference or organized educational activity, the lodging costs shall not exceed the maximum group rate published by the conference or activity, provided the lodging is available to the Board member at the time of booking. If the group rate is not available, the Board member shall use comparable lodging that is consistent with the rates established by the District, not to exceed \$200 per night, or use applicable government or group rates offered by the provider of lodging; provided, however that any lodging expense that exceeds the amounts set forth herein shall be approved by the Board in a public meeting before the expense is incurred.
 5. Family/Guest Expenses: Expenses incurred by a family member or guest of a Board member in connection with the Board member's service will not be reimbursed. If a Board member desires to obtain accommodations for a spouse or other guest and such additional accommodations result in an increased cost for the Board member's accommodation, the Board member shall bear that additional cost unless otherwise approved by the Board.
 6. Expense Report Forms: Reimbursement for actual and necessary expenses incurred under this section 4 shall be made through expense report forms to be completed and submitted to the District by Board members, together with an explanation of the District-related purpose for the expenditure and receipts documenting each expense. Expense reports shall be submitted by Board members within a reasonable time, not to exceed thirty (30) days after incurring the expense.
- E. Report on Events Attended: Each Board member who attends a Compensable Event, other than a Board meeting or Board committee meeting, at the expense of the District shall give at the next regular Board meeting a brief report (oral or written, at the Board member's discretion) of the event attended. If multiple Directors attend the same event a joint report may be made.
- F. Reporting of Expenditures: To implement the reporting requirements of Government Code Section 53065.5, the District will prepare a list of the amount and purpose of each expense reimbursement made to each Board member for the preceding fiscal year, which will be available to the public.

4.05: MEETINGS OF THE BOARD

Regular meetings of the Board shall be held on the third Tuesday of each month, at 7:30 p.m., at the District offices, or at such other time and place as the Board may determine. When a regular meeting falls on a holiday, as may be designated from time to time by the Board, such meeting shall be held on the next business day, or other day as determined by the Board.

4.06: SPECIAL MEETINGS

Special meetings of the Board shall be held at a time and place as may be designated by the presiding officer or by a majority of the members of the Board upon written notice of such meeting mailed and received by, or personally delivered to, each Board member and to each local newspaper of general circulation, radio or television station requesting notice in writing at least 24 hours prior to such special meeting. The call and notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at such meeting by the Board. Such written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the Secretary a written waiver of notice. Such waiver may be given by telegram. Such written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes.

4.07: EMERGENCY MEETINGS

In the case of emergency involving matters upon which prompt action is necessary due to the disruption or threatened disruption of water service of the Water Works System, a special meeting may be held without complying with the 24-hour notice requirement. A majority of the Board may determine that an emergency exists. All other special meeting requirements must nonetheless be met. Additionally, the minutes of such emergency special meeting shall list those persons notified or who were attempted to be notified. A copy of the roll call vote on any actions taken at such meeting shall be publicly posted for at least 10 days as soon after the meeting as possible. A closed session cannot be conducted at an emergency meeting.

4.08: ADJOURNED MEETINGS

The Board may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Meetings having less than a quorum of the Board may so adjourn from time to time. If all members are absent from any regular or adjourned regular meeting, the Secretary may declare the meeting adjourned to a stated time and place and shall cause a written notice of the adjournment to be given in the same manner as provided for special meetings, unless such notice is waived. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held, within 24 hours after the time of adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the hour at which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings.

4.09: NOTICE OF MEETINGS

- A. Notice of the regular meetings of the Board shall be required to be posted seventy-two [72] before the meeting. Said notice shall be posted at designated locations throughout the district. Notice of special meetings of the Board shall be given as provided in Section 4.06 hereof. Notice of all adjourned meetings, regular or special, shall be given as provided in Section 4.08 hereof.
- B. Notice of meetings shall also be mailed at the time the agenda for the meeting is posted, to any customer of the District who has filed a written request for such notice. Requests for notice are valid for one year unless

renewal is requested. The Board may establish a reasonable fee for such special notices.

4.10: AGENDA

The Secretary shall cause an agenda of each regular meeting of the Board to be posted at designated locations at least 72 hours before the meeting, in accordance with applicable law. Upon determination by a two-thirds vote of the Board members that there is a need to take immediate action and that the need for action came to the attention of the District after the agenda was posted, the Board may consider matters for action which arose after notice of the meeting was given.

4.11: CONDUCT OF BOARD MEETINGS

- A. All District meetings shall be chaired by the District's Chairman. In his or her absence, the Secretary of the Board or the Board Treasurer shall chair meetings. In the absence of both the Chairman and the Secretary, the Board member selected by a majority of the Board members present shall chair the meeting.
- B. All meetings of the Board shall be open and public, and all persons shall be permitted to attend any meeting, except Closed Sessions of the Board held in accordance with the law.
- C. The public shall be afforded an opportunity to address the Board once on each item placed on the Agenda for Board consideration and possible action, at the time the Board considers such action. Otherwise, oral public comment and participation will be limited to items marked "Public Comment" on the Agenda. Where appropriate under the circumstances, the Board may limit public comment to three minutes. All other comments should be submitted in writing to the Secretary prior to the meeting for reproduction and distribution to the Board.
- D. The District tapes each meeting of the Board; the tapes are retained by the District for ninety days [90] following the Board meeting, and then destroyed. Tapes of Board meetings are available for copying upon payment to the District of the cost of copying, as established by the District from time to time, and are also available for listening at the District offices. Members of the public may record meetings of the Board with an audio or video tape recorder, provided such taping does not disrupt the conduct of the Board meeting.

4.12: QUORUM

The quorum consists of three Board members. A quorum must be present for the Board to take action on any matter.

4.13: ACTION BY BOARD

A minimum of three Board members must vote for a matter before the Board in order for the Board to take action on that matter.

4.14: CLOSED SESSIONS

The Board may meet in a closed session not open to the public to discuss matters of a confidential nature, including, but not limited to, discussions regarding matters posing a threat to the security of public buildings, consideration of hiring, firing, and discipline of personnel. Meetings with designated representatives of the District prior to and during negotiations with employee organizations, to discuss

negotiations regarding the purchase, sale, exchange or lease of real property and to meet with District counsel regarding pending or threatened litigation pursuant to Government Code Section 54956.9 and for any other purpose as may from time to time be permitted by law. Prior to and after holding a closed session, the Board shall state the general reason for the closed session, and may consider only those matters covered in the statement. No minutes or tape recording shall be made of any closed session. Following the closed session, there must be an oral or written report on any action taken, including the vote of every Board member present. Board members are prohibited from discussing or otherwise divulging matters discussed in closed session, unless otherwise required to do so by law.

ARTICLE 5: CONFLICT OF INTEREST CODE AND DISCLOSURE

The District has adopted a Conflict of Interest Code in accordance with state law and incorporates the code attached as **Appendix A** herein. Directors may consult individually with the District's attorney or personal attorney with respect to questions concerning completion of the required disclosure statements.

ARTICLE 6: INDEMNIFICATION OF OFFICERS, DIRECTORS AND EMPLOYEES

6.01: INDEMNIFICATION

The District shall indemnify, to the extent allowed by law, all officers, directors and employees of the District for liability incurred in the course and scope of their duties as officers, directors and employees of the District.

6.02: DEFENSE OF OFFICERS AND DIRECTORS

Upon written request by the affected officer, director or employee, and upon determination by the Board that the acts complained of are (i) within the course and scope of the employment of the affected person, and (ii) not the result of fraud or willful misconduct, the District shall provide for the legal defense of such officer, director or employee.

6.03: JUDGMENT AGAINST AN OFFICER OR DIRECTOR

Where (1) written request has been made ten (10) days prior to trial for the District to provide a defense; (2) the District has provided a defense; (3) the officer, director or employee cooperated in such defense; and (4) the actions of the officer, director or employee are not the result of fraud or willful misconduct, the District shall indemnify such officer, director or employee from any judgment taken against them.

ARTICLE 7: RULES APPLICABLE TO INDIVIDUAL APPLICANTS FOR WATER SERVICE

7.01: USE OF AN ACTIVE SERVICE BY NEW TENANT/OWNER

A person who takes possession of premises and uses water without applying for water service is liable for all water delivered from the date of the last recorded meter reading; if the meter is found inoperative, the quantity consumed will be estimated. If proper application for service is not made within 48 hours after notification that failure to do so will result in termination of water service, or if accumulated bills are not paid upon presentation, water service shall be discontinued as provided in the notice. The District may refuse to provide water service to any parcel if outstanding charges for service already rendered such parcel have not been paid within a reasonable time [Water Code § 22282.1].

7.02: APPLICATION FOR SERVICE

Each applicant for service is required to sign, on a form prescribed by the District, an application setting forth the following contents and limited to the purpose stated below. The current form of application is attached in **Appendix C**.

A. Contents:

1. Date and place of application.
2. Location of premises to be served.
3. Agreement to abide by District Rules and Regulations.
4. Purpose for which service is to be used.
5. Address to which bills are to be mailed or delivered.
6. Home and office telephone numbers.
7. Whether applicant is owner, tenant or agent for the premises.
8. If tenant - owner's name, address and telephone number.
9. Agreement to assume any outstanding water charges for property where service is requested.
10. Such other information as the District may reasonably require.

B. Application Fee: Applicants will be required to submit an application fee with their application for service, to partially defray the administrative expense incurred in processing the application. The current application fee is set forth in **Appendix C**.

C. Residential Rental Property: Applications for water service to residential rental property require service to be provided on account of the property owner or, alternatively, upon co-application by both the property owner and the tenant. Applicants who are not property owners will not be provided service until the property owner has made an application. The District will hold the property owner ultimately responsible for payment.

D. Property Damage Waiver Agreement: Applicants will be required to execute a Customer Waiver Agreement, by which the customer acknowledges receipt of certain information regarding the chemical analysis of District water, and waives any claim for damages to their pipes and plumbing fixtures as a result of their use of District water. A copy of the agreement is included in **Appendix C**.

7.03: ESTABLISHMENT OF CREDIT

The District may require Applicants for service to provide it with information sufficient to enable the District to determine the credit worthiness of the Applicant. Upon determining the Applicant's credit worthiness, the District may require the Applicant to deposit with the District such sums of money as determined by the Board from time to time, as specified in **Appendix D**. Deposits will be refunded to applicants at the termination of water service, provided all water charges have been paid. No interest will be paid on deposits. Applications for service to any property will be granted only if all assessments, fees, charges, delinquent water bills, and penalties due and charged to or against said property, for service rendered to that property, have been fully paid.

A. Deposit Upon Disconnection for Non-Payment: The Consumer shall be required to deposit with the District such sums as specified in **Appendix D** in the event the Consumer's service is disconnected for non-payment, as provided in Article 8.04.B

- B. Waiver of Deposit: Public Agencies will not be subject to the deposit requirements stated above.
- C. Return of Deposit: Where the Consumer has maintained their payment history in good standing for three years, the deposit will be refunded to the Consumer or credited against their bill, as the Consumer may direct.

7.04: REFUSAL TO SERVE

The District may refuse to serve an applicant for service under the following conditions:

A. Conditions for Refusal:

1. If the applicant fails to comply with any of the rules and regulations contained herein.
2. If the intended use of the service is of such a nature that it will be detrimental or injurious to existing Consumers.
3. If, in the judgment of the District, the applicant's installation for utilizing the service is unsafe or hazardous, or of such nature that satisfactory service cannot be rendered, or exceeds the normal capacity of the meter service.
4. Where service has been discontinued for fraudulent use, the District will not serve an applicant until it has determined that all conditions of fraudulent use or practice have been corrected.
5. Where charges for past water service to the parcel have not been paid [Water Code § 22282.1].
6. Water Service will not be provided to new construction unless the District is able to verify that the minimum horizontal separation between District water mains and private sewage disposal systems is 25 feet or more.

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

7.05: WATER SERVICE CONNECTIONS

All water service within the District shall have a metered connection.

For those premises that do not have an existing service connection, the applicant will be charged an amount estimated to be the actual costs to the District of the installation and material for a service connection.

- A. Size: The District will furnish and install a service connection of such size as the applicant requests, including the service pipe and water meter, so long as reasonable. The District reserves the right to determine the type of any backflow prevention or other appurtenances required for the installation.
- B. Location: So long as practicable, service will be installed at locations designated by the applicant, but only at curb and/or property lines of the property to be served abutting upon a public street, highway, alley, lane, or road in which is installed a water main of the District.
- C. Looped Metered Connections: Service provided to a location that has its own distribution system that is looped and connected to District facilities by

two (2) or more meters shall be provided with an approved type backflow prevention device immediately downstream of each metered connection as specified in **Appendix E**.

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

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

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

E. Limitations on Use of Service Connections:

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

ARTICLE 8: RULES APPLICABLE TO EXISTING CONSUMERS

8.01: DESCRIPTION OF SERVICE

- A. Quantities: The District will endeavor to supply water dependably and safely in adequate quantities and pressures to meet the reasonable needs and requirements of Consumers.
- B. Quality: The District will endeavor to supply water for domestic use or human consumption that is potable, not harmful to human health, free from objectionable taste, odor or color, and within health standards.
- C. Responsibility for Loss or Damage: Consumers shall accept such conditions of pressure and service as are provided by the District system, and hold the District harmless for any loss or damage to Consumers resulting from the District's failure to meet the service goals stated within this section, or due to any interruptions in service.

8.02: CONDITIONS OF SERVICE

- A. Notices:
 - 1. Notice to a Consumer will normally be in writing and will be delivered or mailed to the consumer's last known address. In emergencies or when circumstances warrant, the District, where feasible, will endeavor to promptly notify the consumer affected and may make such notification orally, either in person or by telephone, or by leaving a written notice on the door.
 - 2. A Consumer may make notification in person, by telephone or by letter to the District at its commercial office.
- B. Change in Consumer's Equipment, Operations or Land Use: A Consumer making any material change in the size, character, or extent of the equipment, operations, or nature of land use shall immediately give the District written notice of the nature and extent of the change, and if necessary amend their application for water service. Any and all modifications to the service must be approved by the District. Water Service will not be provided to new construction unless the District is able to verify that the minimum horizontal separation between District water mains and private sewage disposal systems is 25 feet or more.
- C. Continuity of Service: The District expressly reserves the right to restrict, curtail, allocate or apportion District water supplies as necessary, in the sole discretion of the District.
 - 1. Emergency Interruptions:

The District will make all reasonable efforts to prevent interruptions to service and, when such interruptions occur, will endeavor to re-establish service with minimal delay consistent with the safety of the District's customers and the general public.

Where an emergency interruption of service affects the service to any public fire protection device, the District will promptly

endeavor to notify the Fire Chief or other public official responsible for fire protection, of such interruption and of subsequent restoration of normal service.

2. Scheduled Interruptions:

Whenever the District finds it necessary to schedule an interruption to its service, it will, where feasible, notify all Consumers to be affected by the interruption, stating the approximate time and anticipated duration of the interruption. Scheduled interruptions will be made at such hours as will be least inconvenient to the Consumers consistent with reasonable utility operations.

Where public fire protection is provided by the mains affected by the interruptions, the District will promptly endeavor to notify the Fire Chief or other officials responsible for fire protection, of the interruption. In addition, the Fire Chief or other official responsible for fire protection will be notified upon restoration of service.

3. Apportionment of Supply During Water Shortages:

During times of impending or actual water shortage, the District will apportion its available water supply among its Consumers as directed by the appropriate state and local authorities. In the absence of direction from such authorities, it will apportion the supply in the manner that appears most equitable under the circumstances, with due regard to public health and safety.

D. Ownership of Facilities on Consumer's Premises:

The service lateral, meter, and meter box or other facilities furnished at the Consumer's expense, whether located wholly or partially upon a Consumer's premises, are the property of the District. No rent or other charge will be paid by the District where the District-owned service facilities are located on a Consumer's premises.

E. District Access to Consumer's Premise:

The District shall at all reasonable hours have access to meters, service connections and other equipment or facilities owned by it which may be located on Consumer's premises for purposes of installation, maintenance, operation or removal of the equipment at the time service is to be terminated. The property owner or consumer shall maintain the meter box area free and clear of any obstruction preventing clear access to District facilities. The Consumer's system shall be open for inspection at all reasonable times to authorized representatives of the District. Any inspection work or recommendations made by the District or its agents in connection with plumbing or appliances, cross-connections or any use of water on the Consumer's premises, either as a result of a complaint or otherwise, may result in a charge to the Consumer.

F. Service Calls:

Where the District requires access to the Consumer's premises for maintenance, service, or otherwise, and the Consumer's presence is required for such service call, the District shall give the Consumer a 4-hour period during which the service call shall be made. If the District fails to make the service call as promised, a second appointment shall be made and the

Consumer will be given a 2-hour period during which District personnel shall arrive for the service call.

- G. District's Responsibilities for Damage or Loss to Consumer:
The District will not be responsible for any loss or damage caused by any negligence or wrongful act of a Consumer or of a Consumer's authorized representatives in installing, maintaining, operating or using any or all appliances, facilities or equipment which is supplied.
- H. Consumer's Responsibility for District Property:
The Consumer will be charged for damage to District's meters and other property resulting from the use or operation of appliances and facilities on Consumer's premises, including but not limited to damage caused by steam, hot water or chemicals, or the breaking or destruction of locks on or near a meter. All such damage shall be repaired by the District at the consumer's expense. Costs for repairs may be added to the water bills.
- I. Control Valve on the Consumer Property:
The Consumer shall provide a valve on their side of the service installation, as close to the meter location as practicable to control the flow of water to the piping on their premises. The Consumer shall not use the service curb stop to turn water on and off for their convenience.
- J. Resale of Water:
Except by special agreement with the District, no Consumer shall resell water received from the District, nor shall such water be delivered to a property other than that specified in the application for service.

8.03: RATES AND CHARGES

- A. General Provisions: Rates and charges for water service and other miscellaneous charges are set by the Board from time to time. Current rates and charges are set forth in the attached appendices as more particularly described below.
- B. Service Charge: The monthly service charge is a "readiness to serve" charge and is fixed regardless of the quantity of water consumed. Current rates are set forth in **Appendix B**.
- C. Quantity Rates: The quantity rate is applied to the Consumer's water consumption. Current applicable rates are set forth in **Appendix B**.
- D. Out of the District Service: Customers located outside of the District may be charged rates for water service that are different than those charged to customers within the District, based upon the reasonable cost to the District of providing service to property outside its service area, as determined by the Board from time to time.
- E. Tank Truck Service Rates: Any person desiring service for tank trucks may, upon application and payment of a deposit equal to the cost of the meter plus a non-reimbursable charge for meter installation and removal may obtain water from such places as the District shall from time to time designate, and shall pay monthly in accordance with the rates set forth in Sections 8.03 B, C and D. In the event said construction meter is damaged, lost or stolen, or not returned, the deposit shall be forfeited.

Any person desiring un-metered tank truck service, upon application and approval by the District, shall pay a deposit based on total loads requested, as set forth in **Appendix D**. In no event shall tank truck service interfere with the supply of water to regular customers of the District. All such water shall be used and consumed within the District. If not, then the said deposit shall be forfeited to the District and all charges become immediately due and payable and all further service to such person immediately discontinued, except that water may be used or consumed outside the District if approved by the General Manager.

F. Miscellaneous Charges: In order to recover the cost associated with late payments, disconnection's and other damages sustained by the District, the specified items listed below are charged to Consumers; the dollar amounts associated with each item are determined by the Board and set forth in **Appendix C**.

1. Reconnection or Late Charge:

If a Consumer requests resumption or continuance of service after such service has been disconnected or if a notice to disconnect has expired, then the Consumer shall pay a reconnection fee of \$50.00 in addition to any past due user charges, advance payments, or meeting any other conditions set forth by the District.

2. Returned Check Charge:

When a Consumer's check in payment of water service and other charges is returned as non-negotiable for any reason, the District shall notify the Consumer of the returned check on a 24-hour Notice of Termination of water service as set forth in Section 8.04.G (5) below. The Notice of Termination will become effective if the water service charges together with a Returned Check Charge, as set forth in **Appendix C**, are not paid in cash or other certified funds before or on the date specified in the 24-hour Notice of Termination.

3. Meter Test Charge:

The District shall endeavor to keep the meters in good condition and registering accurately. Any Consumer may request that his meter be examined and tested to see if it is correctly recording water delivered through it. Said request shall be made in writing and shall be accompanied by a deposit, as set forth in **Appendix D**.

Upon receipt of such demand and deposit, it shall be the duty of the General Manager to cause the meter to be examined and tested, and if upon such examination and test the meter shall be found to register over three percent more water than actually passes through it, the meter shall be properly adjusted or another meter substituted therefore, and the deposit shall be returned to the person making the demand and the water bill shall be adjusted proportionately.

If the meter is found to register not more than three percent more water or less water than actually passes through it, said deposit shall be retained by the District to partially defray the expense of making the test. All other tests and examinations of meters shall be at the District's expense.

The District has the right to impose a limit on the frequency with which a consumer may demand that a meter be tested. This will be determined to be not more than once per calendar year.

4. Pulled Meter Charge:
If a Consumer's service has been disconnected and the meter has been "pulled" or removed from the premises, then the Consumer shall pay at the District office a pulled meter charge equal to the actual expense to the District of pulling the meter, and any other applicable charges, before the service and meter can be reconnected.
5. Unauthorized Water Use:
Any person or entity found taking water from or through any of the District's facilities without District authorization will be assessed a fine payable to the District, as set forth in **Appendix C**, in addition to applicable District charges for the quantity of water taken. Written notice of the assessment of such fine shall be given by personal service or by registered or certified mail.
6. Charge for Turn Off at Main:
If the water to a property is turned on more than once without District authorization, the service may be shut off at the main, and the Consumer shall be required to pay, in addition to any other applicable charges, a charge equal to the actual expense to the District of reconnection prior to the re-establishment of service, as set forth in **Appendix C**.
7. Property Damage:
If a Consumer, new applicant or developer is found to be responsible for any damage done to District property; such damages shall be reimbursed to the District at cost plus administrative overhead. If responsibility for damage is not known, charges will be made to the current Consumer or property owner.

8.04: BILLING PROCEDURES

- A. Joint Service: No joint service is allowed. An individual party will be solely liable for payment of bills. In those instances where more than one party applies for service, each party shall be severally liable for payment of bills.
- B. Re-establishment of Credit: A Consumer whose service has been discontinued for nonpayment of bills will be required to pay any unpaid balance due the District for the premises for which service is to be restored and may be required to pay a reconnection charge as prescribed in Article 8.03H(1) under "Reconnection or Late Charge" before service is restored. In addition, the Consumer will be required to deposit with the District such sums of money as determined by the Board from time to time, as specified in **Appendix D**.
- C. Bankruptcy of Consumer: Pursuant to the Bankruptcy Act (P.L. 95-598, as amended from time to time), the District shall not alter, refuse or discontinue service to, or discriminate against, a Consumer, or a trustee of a

Consumer, solely on the basis that a debt owed by the Consumer to the District for service rendered before the order for relief was not paid when due. It shall be the responsibility of the Consumer to supply the District with a copy of any applicable order for relief. The District shall not discontinue service if the Consumer, nor the trustee, within 20 days after the date of the order for relief, furnishes adequate assurance of payment in the form of an advance payment for service after such date. As used herein, "adequate assurance of payment" shall mean an advance payment in an amount equal to the highest two month's the last 6 billings rendered to the Consumer or for the Consumer's property if Consumer has not occupied the property for that period of time, prior to the order for relief. As used herein, "order for relief" shall have the same meaning as given to it in the Bankruptcy Act. The commencement of a voluntary case under the Bankruptcy Act shall constitute an order for relief. Service may be discontinued in accordance with the rules of the District upon non-payment for service rendered after the order of relief.

- D. Refund of Deposit: Upon discontinuance of a service, the District will refund the balance of the Consumer's deposit, for that service, in excess of any unpaid bills. No interest will be paid on deposits. Refunds will be made within a reasonable period of time.
- E. Rendering and Payment of Bills: Bills for service will be rendered on a monthly basis, at the option of the district. Bills for service are due and payable upon presentation and become delinquent 30 days from the due date of the invoice. In the event that the bill is not paid within that time, the Consumer will be assessed a late charge as specified in **Appendix C**. Payment may be made at the office of the District or to any representative of the District authorized to make collections. However, it is the Consumer's responsibility to assure that payments are received at the District's office in a timely manner. Partial payments are not authorized unless prior approval has been received from the District's office.
1. Opening Bills for less than the normal billing period shall be prorated both as to minimum charges and water consumption.
 2. Closing bills for less than the normal billing period shall be prorated both as to minimum charges and water consumption. Closing bills may be estimated by the District for the final period as an expediency to permit the customer to pay the closing bill at the time service is terminated.
- F. Separate Billings for Each Meter: Each meter on a Consumer's premises will be considered separately and the readings of two or more meters will not be combined except where the District's operating convenience or necessity may require the use of more than one meter or a battery of meters. In the latter case, the meter readings will be combined for billing purposes.
- G. Delinquent Bills: The following rules apply to Consumers whose bills remain not paid after 30 days from the bill date.
1. Small Balance Accounts: In any billing, if less than a minimum bill remains unpaid, it may be carried over to, and added to, the next billing period.

2. Late Notice: If payment for a billing period is not made on or before the 30th day after the billing period invoice date, a Late Notice will be mailed to the water service Consumer at least thirty (30) days prior to actual disconnection. Upon receipt of a Late Notice and up to 2-days prior to the date set for disconnection, the Consumer may request an amortization payment plan pursuant to Article 8.04J.
3. Turn-Off Deadline: Water service charges and late charges must be paid on or prior to 1:00 p.m. on the day specified in the Late Notice.
4. Contents of Late Notice: The Late Notice shall specify the following information in a clear and legible format:
 - a. Customer's name and address;
 - b. Amount in arrears;
 - c. Date by which payment must be made;
 - d. Procedures for requesting amortization of the unpaid balance;
 - e. Procedures for obtaining information on financial assistance; and
 - f. Telephone number of the District representative who can provide additional information.
5. Twenty-four Hour Notice of Termination: At least twenty-four (24) hours prior to actual termination as set forth in the Late Notice, the District shall make a reasonable, good faith effort to contact an adult of the residence by telephone or in person, and provide them with the information set forth in a, b, c, f of paragraph 4 above. At least one attempted personal contact coupled with use of a "door hanger" shall be deemed to be a reasonable, good faith effort at contacting an adult of the residence.
6. Waiver of Late Notices to Public Agencies: Public agencies, because of usual sound financial base and variations in warrant payment procedures, will not be sent delinquent notices for delinquent payment of current accounts.
7. Notification of Returned Check-Disposition: Upon receipt of a returned check taken as remittance of water service or other charges, the District will consider the account not paid.
8. Returned Check for Discontinued Service: In the event the Consumer tenders a returned check as payment to restore water service previously disconnected for non-payment, and as a result the District restores service, the District may again promptly disconnect service without providing further notice. No 24-hour Notice of Termination will be made in the case of a returned check tendered for payment of water charges that were subject to discontinuance.
9. Pre-Payment Upon Receipt of Returned Check: Any consumer issuing a non-negotiable check as payment for water charges shall

be required to deposit with the District such sums as the District may establish for re-establishment of credit, as provided in Articles 7.03A and 8.04B, and as set forth in **Appendix D**.

10. Delinquency Charge for Non-Payment: Any water service which is delinquent in payment will be charged a one time delinquency charge in the amount of \$15.00, the unpaid balance, including the amount of any delinquency charge, shall bear simple interest at the rate of 10% per annum, as set forth in Resolution 99-1-19.

H. Disputed Bills: The procedure to be used to contest the accuracy of water charges upon receipt of a bill for water service is as follows:

If a customer questions that amount of a billing he or she may deposit said amount with the District stating in writing the exception taken to the charge, and the service will not be interrupted pending the investigation and determination of the correct amount to be paid.

If a customer questions the accuracy of the meter registration and desires a test, the request will be granted upon receipt of a deposit of \$250.00 to cover the cost thereof. Upon receipt of such deposit the General Manager will have the customer's meter tested by a qualified agency for performance. If the meter is found to test 3% or more "fast", the deposit and any overpayment for water will be refunded. Otherwise, the deposit will be retained to cover the expense involved in testing the meter. A final determination may be made by the Board.

I. Adjustment of Bills for Meter Error: The Consumer may request an adjustment of the bill on the basis of meter error. Such a request must be made in writing and the rules set forth in Article 8.03H(3), -Meter Test Charge, will apply. The District will, within 10 days, proceed to test the Consumer's meter; the meter will be tested in an "as found" condition, in order to determine the average meter error. If the average meter error is found to exceed 3 percent, that is if quantities of water recorded by the meter are outside of a range between 97 percent and 103 percent of the actual quantities of water passed through the meter during the test, the following billing adjustments will be made.

1. Fast Meters:

The District will refund to the Consumer the amount of the overcharge based on corrected meter readings of the period the meter was in use and determined to be incorrect, but not to exceed a period of six months.

2. Slow Meters:

The District may bill the Consumer, at its option, for the amount of the undercharge based upon corrected meter readings for the period the meter was in service and determined to be incorrect, but not to exceed a period of six months.

3. Non-Registering Meters:

The District may bill the Consumer according to an estimate of water consumed while the meter was not registering, but not

exceeding a period of six months. This estimate will be based on the Consumer's prior use during the same season of the previous year if conditions were unchanged during the year, or on a reasonable comparison of consumption of other similar Consumers during the same period.

4. General:
If the meter error is caused by some event, the date of which can be determined, then the billing adjustment will be made for the period of time since the date of such event; such a period may exceed the six-month limitation for fast meters and the six-month limitation for slow or non-registering meters, as stated in 1 through 3 above.

J. Amortization of Unpaid Balance: Any Consumer who is unable to pay for water service within the normal payment period may request amortization of the unpaid balance over a period not to exceed twelve months. The District will consider all circumstances surrounding the request, and make a determination as to whether amortization is warranted.

1. Certification by Physician: Where a licensed physician certifies that the termination of service will be life-threatening to the Consumer, and the Consumer certifies that he or she is unable to pay for the service within the normal payment period and is willing to enter into an amortization agreement, the Consumer may request, in writing, a 12-month amortization payment plan. In such instance the District is obligated to enter into an amortization plan
2. Amortization Payment Plan: Upon confirmation of the doctor's certification and/or approval of the request, an amortization plan will be entered into between the District and the Consumer. The plan will amortize the unpaid balance over 12 months, with payments added to the Consumer's regular bill. The Consumer will be charged an administrative fee representing the cost to the District of initiating and administering the plan, and the plan shall include a charge for interest of ten percent (10%) per annum or the maximum legal rate, whichever is lower, on the unpaid balance. The current form of Amortization Agreement is included in **Appendix C.**
3. Compliance with Plan: The Consumer must comply with the amortization plan and remain current as charges accrue in each subsequent billing period. The Consumer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan. Failure to comply with the terms of an amortization plan will result in twenty-four-- (24) hour Notice of Discontinuation.

8.05: TURN ON AND TURN OFF PROCEDURES AND CHARGES

- A. Turn-off at the Consumer's Request: A Consumer may request that service be discontinued either temporarily or permanently. Such a request must be made by giving at least one working day's advance notice to the District. If such a notice is not given, the Consumer will be billed for service until one working day after the District has received appropriate notice that the Consumer has vacated premises or otherwise has discontinued service.

- B. Turn-off by the District: The District may disconnect a Consumer's service for various reasons which are listed below. Such involuntary disconnections are effected by turning off and locking the meter, thereby stopping the water service; the District will make a reasonable attempt to notify the Consumer of disconnection in person, or will place a disconnection notice on the premises served by the disconnected meter at least 24 hours prior to termination. Reasons for involuntary disconnection include, but are not limited to, the following:
1. A service may be disconnected for non-payment of periodic bills. Before a service is disconnected, the Consumer will be notified by a Late Notice as set forth in Article 8.04G. A service may be disconnected for non-payment of bills of a Consumer whether or not the payment delinquency is associated with water service at that service connection or at any other water service connection of that same Consumer.
 2. The District may discontinue service to any Consumer for violation of the District's rules and regulations after it has given the Consumer at least five days' written notice of such intention. Where safety of water supply is endangered, service may be discontinued immediately without notice.
 3. In order to protect itself and its Consumers against willful or negligent waste or misuse of water, the District may disconnect service if such wasteful practices are not remedied within five (5) days after written notice to such effect has been given to the Consumer. Such written notice shall be given by personal service or by registered or certified mail. Upon failure of the Consumer to correct those wasteful practices set forth in the five-day notice, the Consumer's water service shall be terminated. Service will be restored only after the wasteful practice has been remedied, and the Consumer has paid the reconnection charge as set forth in **Appendix C**.
 4. The District may disconnect a service without notice if unsafe or hazardous conditions are found to exist on the Consumer's premises. The District will immediately notify the Consumer of the reasons and the necessary corrections required before reconnection. Such unsafe or hazardous conditions may exist due to defective appliances or equipment that may be detrimental to either the Consumer, the District or to the District's other Consumers.
 5. When the District has discovered that a Consumer has obtained service by fraudulent means, or has diverted the water service for unauthorized use, the service to that Consumer may be discontinued without notice. The District will not restore service to such Consumer until that Consumer has complied with all applicable rules and reasonable requirements of the District and the District has been reimbursed for the full amount of the service rendered and the actual cost to the District incurred by reason of the fraudulent use.

- C. Restoration of Service: In order to resume or continue service that has been disconnected, the Consumer must pay a reconnection charge as set forth under Article 8.03H(1). The District will endeavor to make reconnections as soon as practicable, to suit the Consumer's convenience; however, the District shall make the reconnection before the end of the next regular working day following the Consumer's request and payment of any applicable reconnection charges pursuant to 8.03H(1).

8.06: CHANGES IN METER SIZE, LAND USE OR INCLUSION OF ADDITIONAL LAND AREA

The owner of a property who desires a change in meter size or location of such meter, or changes substantially the type of land use (such as residential to commercial), or wishes to include adjacent land areas not served at the time of the original commencement of service, shall make a request in writing and, if approved by the District, shall pay various costs and charges as set forth below.

- A. Charges for a Smaller Meter: If the desired meter size is the next smaller size meter than the current size, the Owner will not be charged for a new regular connection for the desired meter size as set forth in Article 7.05.
- B. Charges for a Larger Meter: If the desired meter size is larger than the current size, the Owner shall pay the full current charges for a new regular service connection for the desired meter size as set forth in Article 7.05, less any credit on the removed meter.
- C. Charges for Change in Meter Location: If the Consumer desires a change in location of the meter, such change may be effected with the mutual agreement of the District and the property owner, and the owner/Consumer shall pay for the actual costs incurred by the District.
- D. Change in Land Use: The Consumer/property owner shall notify the District of any change in the character or use of the property or buildings from that for which the service connection was originally obtained. If a residential property is to be reclassified or used as commercial or industrial, or a commercial property is to be reclassified or used as industrial, the owner shall pay any additional charges that may be applicable by reason of the reclassification. In all cases the Manager's determination of the property's zoning classification or use will be final, subject to an appeal to the Board.
- E. Inclusion of Additional Land Area: The Consumer/property owner shall notify the District of any additional land area or adjacent lots not served at the time of original commencement of service that are to be served from the existing service connection.

8.07: WATER CONSERVATION

The purpose of this rule is to ensure that water resources available to the District are put to a reasonable beneficial use and that the benefits of the District's water supply and service extend to the largest number of persons.

- A. Wastage: In order to protect itself against serious and negligent waste of water, the District may disconnect service as set forth in Article 8.05B(3).
- B. Use of Water Saving Devices and Practices: Each Consumer of the District is urged to install devices to reduce the quantity of water to flush toilets and to reduce the flow rate of showers. Each Consumer is further urged to adopt

such other water usage and re-usage practices and procedures as are feasible and reasonable.

- C. Rules and Regulations: The District may adopt such rules and regulations imposing restrictions on the use and consumption of water as it may deem appropriate. Violation of District regulations governing water conservation may result in termination of service, as provided in Article 8.05B(2).

8.08: CROSS CONNECTIONS

The District has adopted a Cross-Connection Control Program, and incorporates such program herein. The District Cross-Connection Control Program is attached hereto as **Appendix E**.

8.09: UNLAWFUL ACTS

In order to protect public water supplies, certain acts are, by state law, misdemeanors and in some instances penalties are punishable by imprisonment in the county jail for not more than one year or in the state prison. Among the more significant statutes involving criminal acts with respect to water systems are:

- A. Section 498 Penal Code: This section includes stealing water, as well as diverting other utilities illegally and taking water after service has been disconnected and the meter sealed (including unauthorized connections to fire hydrants - see 9.03).
- B. Section 488 Penal Code: Permitting willful or neglectful seepage or overflow of water on adjacent lands, public or private roads or highways.
- C. Sections 4450 to 4457 Health and Safety Code: Any act that leads to the pollution of any conduit or reservoir.

8.10: FIRE HYDRANT DAMAGE

When any person, company, or agency is determined to be the responsible party that has caused damage of a fire hydrant or blowout valve, the District may charge that party with all costs necessary to repair the damages and the cost of water loss computed on the basis of the duration of flow and the flow rate.

8.11: PRIVATE FIRE PROTECTION SERVICE

All facilities utilized by the Consumer in providing private fire protection to the premises are the property of the Consumer, who shall be responsible for the costs of installation, repair and maintenance of the private fire protection system.

- A. Use and Testing: Upon prior written request and approval of the District, the Consumer may test the system at no cost. Testing a private fire protection system without prior District approval constitutes unauthorized water use, and shall result in a fine as provided in Article 8.03H(5). There shall be no water used through the private fire protection system, except to extinguish fires and for testing.
- B. No Connection to Other System: There shall be no connection between the private fire protection system and any other water distribution system on the premises.
- C. Rates: Any consumption will be charged at double the regular service rates, which consist of the quantity rate specified in Article 8.03C, unless used for

testing with prior District approval, or to fight a fire which has been reported to the fire department. For testing, consumption will be billed at regular service rates. No charge will be made for water used to fight a fire.

- D. Water for Fire Storage Tanks: Occasionally, water may be obtained from a private fire protection system to fill a storage tank which is part of the fire protection system, but only with prior written authorization from the District and only where an approved means of measuring the flow quantities is available. Water so used will be billed at regular service rates.

8.12: PRIVACY POLICY

In the normal course of business the District collects: Information requested on applications and other forms (including name, address and phone numbers); data about transactions, account status and water consumption; information gathered from our website such as through online forms; information from outside sources such as public records; and information collected from consumer credit reporting agencies. Kinneloa Irrigation District will maintain physical, electronic and procedural safeguards that meet state and federal regulations and will share the information only as allowed by law for normal business administration and related business services. Access to customer information will be limited to people who need the information to perform their job responsibilities and to non-affiliates such as banks or service providers that help us to process transactions, print and mail statements and notices. Furthermore, the Kinneloa Irrigation District will adhere to the following privacy pledge to its customers:

- A. Information: Collect only the information needed to deliver water service and protect the health and safety of our customers.
- B. Privacy: Protect against unauthorized access to the customer's account information.
- C. Third Parties: Refuse to disclose or sell your information to outside persons or companies for marketing or other purposes without your written permission unless required by law, such as to: Respond to a subpoena; prevent fraud; comply with legal requirements; or respond to a government inquiry.

ARTICLE 9: RULES APPLICABLE TO TEMPORARY CONSUMERS

9.01: ESTABLISHMENT OF TEMPORARY SERVICE

The District will, if no undue hardship to its existing consumers would result there from, furnish temporary service for construction purposes when the applicant has requested service on this basis or the District reasonably expects the service to be temporary and the applicant has paid an advance deposit and established credit. The District contemplates temporary service will be provided for a term of six (6) months or less, and requires the applicant to comply with the following:

- A. Advances: The applicant must advance to the District the estimated net cost of installing and removing the facilities necessary to furnish the service.
- B. Deposits/Establishment of Credit: The applicant must deposit a sum of money equal to the cost of the meter and the estimated bill as established by the Board and set forth in **Appendix D**. If the duration of service is to

exceed one month, then the applicant must establish credit in the same manner as is prescribed for permanent service, under Article 7.03.

9.02: RATES, CHARGES AND CONDITIONS OF SERVICE

The rates, charges and conditions for temporary service will be the same as those prescribed for permanent service, plus a quantity surcharge set forth in **Appendix B**. The monthly service charge will be prorated and charged on a daily basis.

9.03: CONNECTIONS TO FIRE HYDRANTS

Fire hydrants connected to District mains are for use by the District and by organized fire protection agencies. Other parties desiring to use water from fire hydrants for any purpose must obtain written permission from the Manager and from the appropriate fire protection agency prior to use, and shall operate the hydrant according to the instructions issued by the Manager. Unauthorized use will be subject to penalty as prescribed in **Article 8.03H(5)** and will be prosecuted according to law. Notwithstanding all other penalties, charges for unauthorized use of water through fire hydrants will be subject to the appropriate penalty specified in **Appendix C** along with any applicable charges.

9.04: WATER FOR CONSTRUCTION NEEDS

All requests for construction water shall be made on an approved application form available in the District office and accompanied by the appropriate deposit amounts as stated in that form. Any costs involved in supplying such connections will be prepaid by the applicant. Water Service will not be provided to new construction unless the District is able to verify that the minimum horizontal separation between District water mains and private sewage disposal systems is 25 feet or more.

9.05: RESPONSIBILITY FOR METERS AND INSTALLATION

The Consumer shall protect District facilities involved in furnishing temporary service from the time they are installed until they are removed, or until 48 hours after the District has received written notice that the service is no longer required. The Consumer shall be responsible for the cost to repair any damage to District facilities.

9.06: TANK TRUCKS - BACK FLOW DEVICES

Service to tank trucks will be provided only where an approved backflow prevention device is used, in accordance with the District's Cross-Connection Control Program.

ARTICLE 10: RULES APPLICABLE TO DEVELOPERS AND SUBDIVIDERS

Construction of all distribution mains and other necessary facilities required in subdivisions, or to service a remote parcel of land, shall be performed by the District and paid for by the developer or sub divider as set forth in this Article. In some cases the District may require larger size mains to be installed than is actually required to serve a particular subdivision or remote parcel. Prior to construction of the new facilities, the developer shall enter into an agreement with the District on a form provided by the District.

10.01: APPLICATION PROCEDURE

A. Submission of Plans and Fire Requirements:

The sub divider or developer shall furnish the District with the following:

1. Street Plans
2. Grading Plans

3. Tract Map (For commercial and industrial developments, the developer shall determine, and indicate on one copy of the tract map, the sizing of all service connections, subject to District approval. For residential developments, the District shall determine the sizing of each service connection.)
 4. Plot Plan
 5. Sewer Plan
 6. Storm Drainage Plan
 7. Fire Department Requirements (one copy of plot plan stamped by the Fire Department, showing fire hydrant location and fire flow requirements).
- B. Master Plan: In cases where the total area to be developed covers more than one tract, a master plan of the entire area shall be furnished by the developer.
- C. Request for Statement of Water Availability: Upon written request by the developer to the District, and upon approval by the Manager of the proposed water system improvements required to serve the development, including any overseeing or off-site facilities required by the District, the District will provide the developer with a letter regarding water availability to the development. Such letter shall expressly condition water service upon the terms set forth in the letter and upon the completion in accordance with the plans and specifications and acceptance by the District of all system improvements required by the District in connection with the development.
- D. Plan Check Fees: The District shall charge and collect a fee for checking plans for parcel maps and subdivisions, as set forth on **Appendix C**.
- E. Compliance with Government Code Section 65589.7: The district will give priority to new developments which include housing units affordable to lower income households should it become necessary for applications for new service connections to be restricted in the future due to unforeseen and unanticipated water supply interruptions in accordance with Resolution No. 2006-11-21 adopted by the Board of Directors on November 21, 2006.

10.02: CIRCULATING WATER SYSTEM

In order to preserve water quality and to conserve water, the District will approve the design of and subsequently accept only project water systems for subdivisions, apartment complexes, etc. which provide not only for full circulation for each water main within the system but also each water main within the system must be connected to active mains of each end of said system main to provide two separate sources of supply.

- A. Project Street Patterns: Designers and planners should develop street patterns for projects under their jurisdiction which permit installation of fully circulating water systems.
- B. Off-Site Improvements: Where necessary, the District shall construct, off-site facilities as required to provide a fully circulating water system. The developer shall pay for the facilities and obtain and subsequently convey to the District such easements as may be necessary for installation of such off-site facilities.

- C. Easements Required: Where street patterns cannot reasonably be designed to accommodate circulating systems, or for other reasons deemed valid by the District, easements shall be granted to the District for circulating mains to enable District to have access to such facilities for repair or replacement. Where necessary, the developer shall provide access easements between public right-of-ways and the circulating water main easements. Any easements provided there under shall be in accordance with District policy regarding easements, as set forth in Article 11.05.

10.03: SELECTION OF CONTRACTOR FOR INSTALLATION

The District must approve any contractor who will perform work on District facilities, or on facilities intended to become a part of the District's water works system. The District shall advise the Developer, in advance of construction of water system improvements, of its selection of a contractor for the construction of on-site and off-site facilities. All work will be performed in accordance with applicable law governing construction of public works, and in accordance with the District's Bid Procurement Policy, attached hereto as **Appendix I**. The Developer will not be allowed to perform work on the on-site or off-site facilities without written authorization by the District.

10.04: APPROVAL OF MATERIALS

The District must approve all materials necessary for the water system improvements.

10.05: DEVELOPERS AGREEMENT

Where new facilities are to be provided, the following terms and conditions will apply:

- A. Form of Agreement: Prior to construction of the new facilities, the developer shall enter into an agreement with the District on a form provided by the District. The developer shall be responsible for the cost of all facilities, including connection fees, material handling charges, meter setting fees, administrative overhead charges, and any other applicable charges.
- B. Overhead Charges: To defray the District's costs of inspection and overhead, the applicant shall pay an administrative overhead charge based upon the project cost or the cost of materials.
- C. Specifications: The facilities shall be constructed in accordance with the District's current specifications for construction.
- D. Maintenance and Repair of Facilities: The applicant shall protect and maintain the water facilities at all times up to and including completion of the development to be served by the water facilities. In the event the water facilities are damaged or destroyed (for example by construction workers or vandals) the applicant shall repair or replace said facilities without cost to District.
- E. Environmental and Health Requirements: The applicant shall be responsible for all costs associated with complying with applicable environmental and health laws and regulations. Water Service will not be provided to new construction unless the District is able to verify that the minimum horizontal separation between District water mains and private sewage disposal systems is 25 feet or more.

10.06: MAIN EXTENSIONS

Sound engineering and economic practices require that water system facilities be designed and constructed in order to provide hydraulic integration. Accordingly, the District may require developers to construct facilities off-site which could not necessarily be required to provide service to the individual development.

The District recognizes that such off-site facilities whether they are oversized or extended may be of benefit to subsequent developments. In some instances, facilities required will be available for connection by subsequent developers. In other instances, no connections will be permitted.

- A. Reimbursement Agreement: If any water system plans approved by the District include the construction of off-site facilities the District and the developer will enter into a reimbursement agreement.
- B. Subsequent Connections Available: If the facilities constructed are available for subsequent connection, the District agrees to collect a fee from owners of property fronting on such facilities in an amount per diameter inch of main as provided in **Appendix I**, times the number of front feet of the property adjacent to and to be served by the connection. This amount to be collected will depend upon whether District policy allows connection to the main from both sides of the street or only from one side of the street. This amount will be paid to the developer when received by the District. This reimbursement right will extend for a period of five years from the District's acceptance of the line.
- C. No Subsequent Connections: If the facilities are not available for subsequent connection, the District will reimburse the developer, at the time of acceptance of the line, an amount per diameter inch of main, times the lineal feet of main constructed.
- D. District Review: The District will review and consider revision of this policy for determination of future reimbursements at least every two years.
- E. Application for Service to Subdivided Lands or Lands to be Subdivided: When a request is made for service to subdivided lands or lands to be subdivided which 1] requires the enlargement, extension, or replacement of existing lines. Or, 2] requires the construction of additional transmission lines or other facilities to provide adequate service, the cost of such installation shall be at the expense of the sub divider or owner. A deposit to cover the estimated cost of such a project, plus the overhead charge, must be made before the installation can be made. If the estimated charge does not cover the total expense, the additional cost must be paid by the sub divider or owner. If the actual cost the installation is less than estimated a refund will be made to the sub divider or owner. The size of the mains, meters, or other facilities shall be determined by the Engineer serving the KID. In the event such enlargements, replacements, or construction of facilities make service available to another property owner or sub divider, service shall be furnished to the non-participating property owner until payment by that owner of the proportionate share of the total cost. If paid within five years after installation, the amount thereof shall be refunded to the original sub divider or owner. If paid after five years, these monies shall be added to the general fund of the KID.

10.07: SCHEDULING OF WATER SYSTEM INSTALLATION

The developer is required to coordinate all installation of the various utilities so that the storm drain and sewer are constructed prior to the water main installation. All remaining utilities must be scheduled after the District has completed and accepted the water system.

10.08 WORK PERFORMED BY DISTRICT PERSONNEL

In some instances, work on District facilities, or inspection of said work, required of a developer may be performed by District personnel, at the discretion of the General Manager. In such cases, the developer shall reimburse the District for the estimated value of District personnel and equipment utilized to perform the work on behalf of the developer. Current reimbursement rates for District personnel and equipment are set forth in **Appendix C**.

10.09: EASEMENTS

When required, a developer or applicant for water service shall provide the District with any easements required for District facilities necessary to accomplish or complete water service for an applicant, consistent with District policy regarding easements, as set forth in **Article 11.05**.

10.10: DISTRICT ACCEPTANCE OF FACILITIES

All mains, services, or other appurtenances connected to the District's distribution system, with the exception of fire hydrants and backflow prevention devices, shall become the property of the District upon acceptance of the facility for operation, maintenance and repair by the District.

10.11: PROVISION OF SERVICE

The District shall not be obligated to provide water service to any applicant for water service until after any and all fees, charges and past due assessments owing to the District and associated with the parcel seeking water service shall have been paid in full.

[Water Code § 22282.1]

10.12: MINIMUM FIRE FLOW REQUIREMENTS

- A. Preliminary Determination: In order to ensure that all areas of the District to which water is supplied meet the minimum fire flow requirements established by Los Angeles County, the District will determine whether the area to be developed has sufficient fire flow capacities. The preliminary design and cost estimate of improvements necessary in that area to bring the area in compliance with minimum fire flows of 1250 Gallons per Minute [GPM] shall be prepared by the District's engineer.
- B. Construction of Facilities: The actual work necessary to create facilities adequate to bring the area within minimum fire protection standards will begin at such time as the now undeveloped portion of the area is developed to within one half of the density for which it is zoned.
- C. Cost of Improvements: The cost of improvements necessary in each area to bring the area into compliance with minimum fire protection standards established by the County, and construction standards established by the District, will be borne equitably by those who undertake construction or development in the area, or who will be directly benefited by the improvements.

10.13: PUBLIC FIRE PROTECTION

- A. Use of Fire Hydrants: Fire Hydrants are for use by the District or by organized fire protection agencies having jurisdiction over the applicable area. Other parties desiring to use fire hydrants for any purpose must first obtain written permission from the District prior to use and shall operate the hydrant in accordance with instructions issued by the District.
- B. Moving of Fire Hydrants: When a fire hydrant has been installed in the location specified by the proper authority, the District has fulfilled its obligation. If a property owner or other party desires a change in the size, type or location, they shall bear all costs of such change. Any change in the location of a fire hydrant must be approved by the District and all other proper authority.
- C. Fees for Fire Hydrant Tests: Prior to the time the District conducts a fire hydrant flow test requested by the developer, the developer shall pay the fee for such test, as set forth in **Appendix C**. This fee need not be charged to public agencies if the fire flow test is made for the sole benefit of the public agency.

10.14: DISTRICT'S CAPACITY CHARGE

The District's Capacity Charge is \$3000 per residential dwelling unit as established by Resolution 90-8-21-6 on August 21, 1990.

ARTICLE 11: GENERAL RULES APPLICABLE TO MEMBERS OF THE PUBLIC

11.01: ACCESS TO DISTRICT RECORDS

The District shall make available a copy of any District record not exempt from disclosure to any person requesting such record, in accordance with the California Public Records Act, as outlined below.

- A. Form of Request: The request for a copy of District records must be in writing and must describe, with reasonable particularity, a record readily identifiable by District personnel.
- B. District Determination of Compliance: The District, within 10 days of actual receipt of a proper request, shall determine whether to comply with the request and will notify the person making the request of such determination and the reasons for the determination.
- C. Extension of Time for Determination: In unusual circumstances, as specified below, the time for determination of District compliance may be extended for a period not to exceed 10 working days, by written notice from the District to the person making the request, setting forth the reasons for the extension and the date on which a determination will be mailed. Unusual circumstances are:
 - 1. The need to search District facilities or other locations that are separate from the main District office.
 - 2. The need to search for, collect and examine a voluminous amount of separate and distinct records demanded in a single request.
 - 3. The need to consult with another agency having a substantial interest in the determination of the request.

- D. No Compilation or Extraction: The District will provide, unless impracticable to do so, an exact copy of the record requested. The District is not obligated to create a compilation or extract of its records in response to a request.
- E. Fee: The District has established a schedule of fees to cover the costs of duplication, which schedule of fees may be adjusted from time to time as determined by the Board. The current schedule of fees is set forth in **Appendix C**.
- F. Personnel Records: Personnel records are available for inspection and copying by present and former employees upon written request and at reasonable times during ordinary District business hours. Personnel records are not available for inspection by anyone other than the employee without the written request of the employee, or pursuant to court order. Employees may request inspection of their personnel records once a year. Employees are entitled to a copy of any document they have signed, and may inspect and make notes regarding other documents in their personnel file. Letters of recommendation and investigative reports regarding criminal activity may be redacted, as the District may deem appropriate. The District may monitor an employee's file review to ensure compliance with these procedures.
- G. Record Retention Policy: The District has established guidelines for the retention of District records, including recommended retention periods for specified categories of documents. That policy is set forth in **Appendix H**.

11.02: REQUEST FOR PUBLIC HEARING

Where a decision or determination has been made by the Board or by District personnel, which decision impacts a consumer, developer or other person, that person may request a review of the District decision or determination, and, if necessary, a hearing before the Board.

- A. Request for Review: Where a decision or determination has been made by District personnel other than the General Manager, the person disputing such decision or determination may request, in writing, a review of that determination by the General Manager. The General Manager shall respond, or set forth reasons why additional investigation is needed, within 20 days of receipt of the request.
- B. Board Review: Where a decision or determination has been made by the Board or the District General Manager, including a response to a request for review, the person disputing such decision or determination may request, in writing, a hearing before the Board. Upon receipt of such request at least 7 days prior thereto, the matter will be placed on the agenda for hearing at the next Board meeting, unless impracticable, in which case the matter shall be placed on the agenda for hearing at the next successive Board meeting.
- C. Hearing Procedure: At the Board meeting the matter shall be called as it appears on the agenda. At that time the interested party shall be given an opportunity to be heard as to why the General Manager's determination shall not be upheld. The burden of demonstrating to the Board why the General Manager's determination should be overruled shall lie with the interested

party. The Board shall consider only the evidence available to the General Manager at the time he made his determination.

- D. Decision Final: All decisions by the Board shall be final and binding.

11.03: SALE OF DISTRICT LANDS

- A. Surplus Real Property: Upon the determination by the Board that real property belonging to the District is no longer necessary for District purposes, other than for the purpose of exchange, such property shall be designated surplus property. The District may dispose of surplus land as set forth hereafter.
- B. Offer to Sell or Lease: Prior to disposing of surplus land, the District shall send a written offer to sell or lease such land as follows:
1. A written offer to sell or lease for development of low and moderate income housing shall be sent to any local public entity responsible for the development of such housing and within whose jurisdiction the surplus land is located. Upon written request,, housing sponsors as defined in Health and Safety Code Section 50074 shall also be sent written offers to sell or lease the surplus land. Priority shall be given to offers for development of the land for lower income disabled and elderly persons, and other lower income households.
 2. A written offer to sell or lease for park and recreational or open space purposes shall be sent:
 - a. To the park or recreation department of the city where the land is located;
 - b. To the Los Angeles County Parks and Recreation Department;
 - c. To the regional park authority having jurisdiction where the land is located;
 - d. To the State Resources Agency or any agency succeeding to its powers.
 3. A written offer to sell or lease for enterprise zone purposes shall be sent to the nonprofit neighborhood enterprise association in the area where the land is located.
 4. A written offer to sell or lease shall be made to the public school district where the land is located.
- C. Fair Market Value: The District shall dispose of any surplus District land for its fair market value. Where necessary, an appraisal by a qualified appraiser shall be utilized to determine fair market value.
- D. Good Faith Negotiations: After any entity specified in paragraph B above has notified the District in writing, within 60 days of receipt of the District's notification of intention to sell the land, of its interest in acquiring or leasing the land, the District and such entity shall enter into good faith negotiations for sale or lease. If the price or terms cannot be agreed upon after a

negotiation period of at least 60 days, the District may dispose of the land to any interested party, in the Board's discretion.

- E. Exempt Surplus Land: The requirements set forth in this Article 12.01 shall not apply to District surplus lands which are exempt. Exempt surplus land is land which is:
1. Less than 5,000 square feet in area;
 2. Less than minimum legal residential building lot size;
 3. Has no access of record and is less than 10,000 square feet in area.

Provided, however, that such surplus land is not contiguous to land owned by a state or local agency used for park, recreational, open space or low- and moderate income housing and is not located within an enterprise zone. Provided further, that unless such exempt surplus land is sold to an owner of property contiguous to the surplus land, it is not considered exempt for purposes of this Article.

- F. Appraisal: Where a sale of District land is consummated, the District and the buyer shall share appraisal costs equally. Where the District is willing to sell but the buyer elects not to buy, the buyer shall pay the full cost of appraisal, which cost shall be retained from the buyer's deposit. Where the buyer is willing but the District elects not to go forward with the sale, the District shall pay the full cost of appraisal.
- G. Deposit: All offers to be considered by the Board shall be accompanied by a deposit in the amount of 10% of the proposed purchase price.
- H. Broker's Fees: Brokerage fees shall be paid as agreed upon by the parties.
- I. Escrow: The District and the buyer shall share escrow fees equally. The District will provide the buyer with a policy of Title Insurance at District expense.
- J. Down Payment: The minimum down payment shall be 25% of the purchase price, unless modified by the Board.
- K. Balance of Purchase Price: The remaining principal balance after the down payment may, upon approval by the Board, be on a Note Secured by Deed of Trust, executed by the buyer in favor of the District, and shall bear interest at current market rates.

11.04: SALE OF DISTRICT PERSONAL PROPERTY

- A. Surplus Property: The Manager shall periodically review District personal property requirements. If certain personal property is no longer necessary for District purposes, the Manager shall advise the Board of the property, its condition and approximate value. Upon the determination by the Board that personal property belonging to the District is no longer necessary for District purposes, such property shall be designated surplus property. If there is sufficient residual value to warrant sale of such property to the public, then the District may dispose of surplus personal property as set forth hereafter. If there is insufficient value to warrant such sale to the public, then the property may be disposed of in the Manager's discretion.

- B. Notice Inviting Bids: Prior to disposing of surplus personal property, the District shall advertise such property for one day in a newspaper of general circulation and post a notice on District premises inviting sealed bids. The Board may set minimum bids for individual items. The Board may also consider other options such as public auctions or trade-in for disposing of surplus personal property.
- C. Presentation of Bids: All bids shall be presented under sealed cover on forms provided by the District.
- D. Opening of Bids: At the time and place set forth in the Notice Inviting Bids, the bids shall be opened in public.
- E. Overbid By District Employees: A District employee who has submitted a bid on an item of surplus personal property may be awarded the item by bidding One Dollar (\$1.00) more than the highest sealed bid.
- F. Acceptance or Rejection of Bids: The Board may reject any and all bids should it deem it to be for the public good, or may award the surplus personal property to the highest bidder at the price specified in the bid. All property will be sold "as is" and with no warranties. Payment shall be in cash or by certified check. Any required transfer fees shall be paid by the buyer and the property will be transferred only into the name of the successful bidder.

11.05: DISTRICT EASEMENTS

- A. Easements Granted to the District: Where District policy requires that an easement be provided as a condition of service or for annexation to the District, the District must approve the easement as to location and form prior to accepting same from the owner, applicant or developer. Easements must prohibit construction of any structures and the planting of trees and shrubs on the easement, so as to avoid any interference with the District's installation and maintenance of its facilities, and must provide that any future relocation of District facilities be done at the expense of the grantor of the easement. The owner, developer or applicant shall pay all costs associated with the creation, acceptance and recordation of the easement, with no cost to the District. The owner, developer or applicant shall provide a policy of Title Insurance, insuring the District's right, title and interest in the easement granted. The minimum amount of such policy shall be \$25,000, except where deemed insufficient by the Manager, in which case the amount required shall be determined by the Manager.
- B. Confining or Eliminating District Easements: Upon written application to the District and upon approval by the Board, the Board shall execute the necessary Quitclaim Deed or Affidavit required confining or eliminating easements owned by the District. The person requesting such action shall pay such fees and costs as may be incurred by the District or as may be established by the Board and must record the executed document within thirty (30) days of receipt thereof.

11.06: ACCEPTANCE OF GRANT DEEDS AND EASEMENTS

The Manager is authorized and directed by the Board to accept and consent to the recording of grant deeds and grants of easements to the District.

11.07: RELOCATION ASSISTANCE LAW

The District has adopted rules and regulations implementing payments and administering relocation assistance as mandated by state law, and incorporates those rules and regulations herein. The District Rules and Regulations Implementing the Relocation Assistance Law are attached hereto as **Appendix F**.

11.08: COLLECTION BY SUIT OR BY CLAIM OF LIEN

- A. Suit and Attorney's Fees: All unpaid rates and charges and penalties herein provided may be collected by suit. Defendant shall pay reasonable attorney's fees and all costs of suit in the event suit is instituted by the District to collect any rates or charges.
- B. Claim of Lien: Unpaid charges for water or other services may, at the discretion of the District, be secured by filing in the Office of the County Recorder of any county, a certificate specifying the amount of such charges, and the name and address of the person liable therefore (Water Code §22284, 25806).

11.09: IDENTITY THEFT PREVENTION PROGRAM

Because the District provides retail water service to its customers and is a creditor under the applicable rules of the Federal Trade Commission, the Board of Directors passed Resolution Number 2008-10-21 on October 21, 2008 to establish the following identity theft prevention program.

- A. Program Goals. The District's Identity Theft Prevention Program (the "Program") shall endeavor to achieve the following goals:
 - 1. To identify relevant patterns, practices and specific activities (referred to in this Program as "Red Flags") that signal possible identity theft relating to information maintained in the District's customers' accounts, both those currently existing and those accounts to be established in the future;
 - 2. To detect Red Flags after the Program has been implemented;
 - 3. To respond promptly and appropriately to detected Red Flags to prevent or mitigate identity theft relating to District customer account information; and
 - 4. To ensure the Program is updated periodically to reflect any necessary changes.
- A. The Program.
 - 1. The District shall assess the security of its current customer account system, with an emphasis on assessing the methods by which it opens and maintains customer accounts and customers' personal information, and on assessing the manner in which it provides access to customer accounts. That assessment shall include an analysis of any prior incidents of identity theft which the District has experienced.
 - 2. The District shall maintain identifying information for each customer so it can authenticate customers, monitor transactions,

and verify the validity of customer requests, such as a change of address or service-related requests, including requests to terminate service.

3. The District shall establish a reporting system which allows District staff to discover potential Red Flags as they arise and to thereafter report them to the proper authorities, including law enforcement. This reporting system should specifically focus on the following Red Flags: alerts, notifications, or other warnings received from consumer reporting agencies or service providers; presentation of suspicious documents by a purported customer; presentation of suspicious personal identifying information by a purported customer, such as a specific address change; the unusual use of, or other suspicious activity related to, a customer's account; and notice from customers, victims of identity theft, law enforcement authorities, or other persons regarding possible identity theft in connection with the District's customer accounts.
4. The District shall adopt procedures which provide for appropriate responses to any detected Red Flags which are commensurate with the degree of risk posed. In determining an appropriate response, the District shall consider aggravating factors that may heighten the risk of identity theft, such as a data security incident that results in unauthorized access to a customer's account records, or notice that a customer has provided information related to a customer's account to someone fraudulently claiming to represent the District. Appropriate responses include the following: i) monitoring customer accounts for evidence of identity theft, ii) contacting the customer, iii) changing from time to time any passwords, security codes, or other security devices that permit access to customer accounts, iv) reopening a customer account with a new account number, v) not opening a new customer account, vi) closing an existing customer account, vii) notifying law enforcement, and viii) determining that no response is warranted under the particular circumstances. Any Red Flags should be brought to the General Manager's attention to determine the appropriate response(s) to be implemented promptly after detection.
5. The District's General Manager, or his or her designee, shall implement and administer the Program. The General Manager shall provide periodic reports to the Board of Directors on the effectiveness of the Program and shall ensure that all necessary District employees are properly trained to implement the Program.
6. The General Manager shall annually review the Program with appropriate District staff to determine if any revisions are needed. That review may include changes in identity theft methods and changes in methods to detect, prevent, and mitigate identity theft. The General Manager is hereby authorized and directed to make any necessary changes in the Program that are found to be necessary; provided that such changes must be reported to the Board of Directors at the first regular Board of Directors' meeting after the change is made.

ARTICLE 12: ANNEXATION TO THE DISTRICT

The following conditions pertain to annexation of land, upon approval by the Board of the proposed annexation and compliance with statutory provisions prior thereto:

12.01: CHARGES FOR ANNEXATION

The owners of land hereafter annexed to the District shall pay all costs incurred by the District in conjunction with the annexation, including attorney's fees, in addition to any other charges imposed by law, and shall also pay any assessments levied by the District since its inception, which would have been levied against the property to be annexed had it been within the District boundaries at the time of the assessment.

12.02: CONDITIONS OF ANNEXATION

In addition to payment of charges specified in Article 12.01, the owner of land sought to be annexed to the District shall comply with District standards as to all lines, works and facilities constructed, including the size of line, quality of materials and workmanship. Said owner shall otherwise be subject to the terms and conditions set forth in the District rules and regulations relating to developers and sub dividers, and to individual applicants for water service.

12.03: EASEMENTS

The owner of land sought to be annexed shall provide the District with any necessary easements required for District facilities, in order to provide water service to the annexed property. Such easements shall be provided in accordance with District policy, as set forth in Article 11.05.

ARTICLE 13: REPORTING REQUIRED BY STATE AND LOCAL AUTHORITIES

13.01: FINANCIAL REPORTS

A report of all financial transactions of the District shall be filed with the State Controller for each calendar year within ninety (90) days of the end of that calendar year. The report shall be in the form mandated by the State Controller.

13.02: DISTRICT ROSTER

- A. Filing Statement: The District shall file with the Secretary of State and the Los Angeles County Clerk a statement containing the following:
 - 1. The full, legal name of the District.
 - 2. The District's official mailing address.
 - 3. The name and residence or business address of each Board member.
 - 4. The name of the President of the Board and the name and address of the District secretary.

- B. Amendments to Statement: Within ten (10) days after any change in the information provided in the statement filed pursuant to section A above, the District shall file an amended statement containing updated information with the Secretary of State and the County Clerk.

13.03: CAMPAIGN FILING STATEMENTS

The District is governed by the **Political Reform Act, as set forth in Government Code Sections 81000, et. seq.** District officers and Board members are therefore subject to the filing requirements of said Act.

13.04: CANDIDATE BALLOT STATEMENTS

Candidates for election to the Board shall be authorized to file ballot statements that do not exceed 400 words. The cost of such statements shall be paid by the candidate.

13.05: QUARTERLY EXPENSE REPORTING

In accordance with **Government Code Section 53065.5**, the District shall prepare, at least annually, a report reflecting all reimbursements paid by the District to directors or employees of at least one hundred dollars (\$100.00) for each individual charge for services or product received. "Individual charge" includes, but is not limited to, one meal, lodging for one day, transportation, or a registration fee.

ARTICLE 14: RESPONSIBILITIES AND AUTHORITY OF THE BOARD AND GENERAL MANAGER.

The Board has employed a General Manager to carry out the Board policies, direct District operations, and provide day-to-day supervision of District employees and control of District expenditures. It is the judgment of the Board that clear delineation of his respective responsibilities and authority is essential to effective District management. Said authority and responsibilities are set out in **Appendix G** attached hereto.

ARTICLE 15: CALIFORNIA ENVIRONMENTAL QUALITY ACT GUIDELINES

The District has adopted CEQA Environmental Review Guidelines in accordance with state law and incorporates such guidelines herein. The District CEQA Environmental Review Guidelines are on file in the District office.

ARTICLE 16: BID PROCUREMENT AND PURCHASING POLICY

An irrigation district such as the Kinneloa Irrigation District is not always required by law to use or follow a formal competitive bidding process in letting contracts either for the construction of any works or for the acquisition of materials or equipment for use by the District or for incorporation into any work, job or construction project for the District. However, the Board believes that there are situations when it is clearly in the best interests of the District to require that a work, job or construction project, or the acquisition of material or equipment should be let by a contract arrived at through the use of competitive bidding procedures.

The Board believes that in certain other cases it is clearly in the best interests of the District that the Manager be authorized to proceed on behalf of the District by any means the Manager deems to be appropriate in the circumstances, including the use of informal bids or quotations, or by a purchase in the open market without advertising. Finally, it is also recognized by the Board that in between those two situations there are many times when a particular work, job or construction project, or the acquisition of certain materials or equipment, is such that the District's interests may or may not be best served by requiring competitive bids, the determination depending upon an evaluation of the special circumstances involved in each such case.

The Board also recognizes that sound fiscal policy includes the establishment of formal procedures by which routine acquisitions of parts, materials and supplies should be governed. This District has established a bid procurement and purchasing policy to further these goals. That policy is set forth at **Appendix J**.

ARTICLE 17: TRESPASSING ON DISTRICT PROPERTY

From time to time, District employees may encounter trespassers or unauthorized individuals at District facility sites. If such trespassers are encountered, employees should advise the trespasser that they are not permitted on District property and request that they immediately leave such property. If they decline vacating District property, the employee should immediately contact the appropriate law enforcement agency that services the area of the facility, as well as the employee's immediate supervisor. Employees shall, under no circumstances, ever attempt to physically remove trespassers from District property. In addition, employees shall not verbally address trespassers in a manner that may provoke a physical confrontation between the employee and the trespasser.

APPENDIX A

CONFLICT OF INTEREST AND DISCLOSURE CODE

Conflict of Interest Code of the

KINNELOA IRRIGATION DISTRICT

Incorporation of FPPC Regulation 18730 (2 California Code of Regulations, Section 18730) by Reference

The Political Reform Act (Government Code Section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regulations 18730), which contains the terms of a standard conflict of interest code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated into the conflict of interest code of this agency by reference. This regulation and the attached Appendices (or Exhibits) designating officials and employees and establishing economic disclosure categories shall constitute the conflict of interest code of this agency.

Place of Filing of Statements of Economic Interests

All officials and employees required to submit a statement of economic interests shall file their statements with the agency head; or his or her designee. The agency shall make and retain a copy of all statements filed by its Board Members, Governing Board Members, Alternate Board Members, as appropriate, and its agency head (Agency/Department Head, Executive Officer or Chief Executive Officer, Superintendent, or Director), and forward the originals of such statement to the Executive Office of the Board of Supervisors of Los Angeles County.

The agency shall retain the originals of statements for all other Designated Positions named in the agency's conflict of interest code. All retained statements, original or copied, shall be available for public inspection and reproduction (Gov. Code Section 81008).

(6/02) (Rev.)

KINNELOA IRRIGATION DISTRICT

EXHIBIT "A"

CATEGORY 1

Persons in this category shall disclose, in accordance with this code, all interests in real property within the jurisdiction of the District, except personal residences. Real property shall be deemed to be within the jurisdiction of the District if the property or any part of it is located within or not more than two miles outside the boundaries of the District or within two miles of any land owned or used by the District.

CATEGORY 2

Persons in this category shall disclose, in accordance with this code, all income from, investments, and business positions in businesses that produce products or provide services of a type utilized by the District, including but not limited to the areas of building materials; construction; motor vehicles; specialty vehicles; vehicle replacement parts; petroleum products; water quality testing; water transmission; water treatment; water distribution; geological tests and reports; maintenance; repair; safety; engineering; provision of water or power; brokering; accounting; auditing; banking; money management; law; insurance; printing; publication; office equipment or office supplies.

CATEGORY 3

Persons in this category shall disclose, in accordance with this code, all investments and business positions. The term "investment" means any financial interest in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, option, debt instruments and any partnership or other ownership interest, if the business entity or any parent, subsidiary or otherwise related business entity has an interest in real property in the jurisdiction, or does business or plans to do business in the jurisdiction, or has done business within the jurisdiction at any time during the two years prior to the time any statement or other action is required under this title. No asset shall be deemed an investment unless its fair market value equals or exceeds two thousand dollars (\$2,000). The term "investment" does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, interest in a diversified mutual fund registered with the Securities and Exchange Commission under the Investment Company Act of 1940 or a common trust fund which is created pursuant to Section 1564 of the Financial Code, or any bond or other debt instrument issued by any government or government agency. Investments of an individual include a pro rata share of investments of any business entity, mutual fund or trust in which the individual or spouse owns directly, indirectly or beneficially, a 10 percent interest or greater. (Government Code Section 82034).

KINNELOA IRRIGATION DISTRICT

EXHIBIT "A" (Continued)

Persons in this category shall also disclose all income received from any source located or doing business within the jurisdiction or expecting to do business within the jurisdiction, or that has done business within the jurisdiction during the two years prior to the time the statement is required. Income received from a public agency need not be disclosed.

CATEGORY 4

Individuals who perform under contract the duties of any designated position shall be required to file Statements of Economic Interests disclosing reportable interests in the categories assigned to that designated position.

In addition, individuals who, under contract, participate in decisions which affect financial interests by providing information, advice, recommendation or counsel to the District, or which could affect financial interests shall be required to file Statements of Economic Interests, unless they fall within the "Political Reform Act" exceptions to the definition of consultant. The level of disclosure shall be as determined by the General Manager of the District.

KINNELOA IRRIGATION DISTRICT

EXHIBIT "B"

<u>Designated Positions</u>	<u>Disclosure Categories</u>
General Manager	1, 3
Consultant	4

Public Officials Who Manage Public Investments

It has been determined that the positions listed below manage public investments, and must therefore make disclosure pursuant to Government Code Section 87200, et seq.

Members of Board of Directors

Revision Effective: September 11, 2008

APPENDIX B

RATES AND CHARGES FOR WATER SERVICE

RATES AND CHARGES FOR WATER SERVICE

Effective January 1, 2009

Service Charge: The monthly service charge is a "readiness to serve" charge, and does not provide for any minimum water consumption allowance.

Quantity charges are applicable to all water consumption in addition to the monthly service charge. The charge is \$41.00 per month or \$1.348 per day.

Quantity rate for regular customers: The rate charged by the District for water is \$2.55 per 100 cubic feet (CCF).

Quantity rate for temporary service: The rate charged by the District for water consumption is \$5.10 per 100 cubic feet (CCF) with a minimum charge of \$100.00. A meter deposit of \$850 is required to establish service.

APPENDIX C

MISCELLANEOUS CHARGES AND DISTRICT FORMS

MISCELLANEOUS CHARGES

Application Fee [Per Article 7.02.B]	\$ 15.00
Reconnection Charge [Per Article 8.03.H(1)]	\$ 50.00
Returned Check Charge [Per Article 8.03.H(2)]	\$ 20.00
Meter Test Charge [Per Article 8.03.H(3)]	\$ 250.00
Pulled Meter Charge [Per article 8.03.H(4)]	Actual cost to District
Unauthorized Water Use [Per Article 8.03.H(5)]	\$1,000.00
Turn off at Main [Per Article 8.03.H(6)]	Actual cost to District
Delinquency Charge for Non-payment [Per Article 8.04.g[11] and 10% per month	After 45 days-\$15.00
Plan Check Fees [Per Article 10.1.D]	
Parcel Maps	\$ 50.00
Subdivisions of 1 to 9	\$ 100.00
Parcels or dwelling units	
10 - 19 units	\$ 150.00
20 or more units	\$ 200.00
Fire Hydrant Test [Per Article 10.12.C] (\$650.00 deposit required before test)	Actual cost to District
Copies of District Records [Per Article 11.01] (per page)	\$.20

Note: The General Manager shall determine the appropriate amount to be charged for a particular service provided that is not specified above.

DISTRICT FORMS



1999 KINCLAIR DRIVE, PASADENA, CALIFORNIA 91107-1017
 MAILING ADDRESS: P.O. BOX 5578, PASADENA, CA 91117-0578
 TELEPHONE (626) 797-6295 • FAX (626) 794-5552
 WEBSITE: kinneloa Irrigation District.info

APPLICATION FOR WATER SERVICE

The undersigned owner hereby requests water service at:

 (Address of Property to Receive Water Service)

and agrees to pay therefore in accordance with the rates, rules, and regulations of the KINNELOA IRRIGATION DISTRICT, as said rates, rules, and regulations may be in effect from time to time.

The undersigned acknowledges that by accepting this application, the District does not guarantee to supply water in any specific quantities or at any specific pressures.

The undersigned also acknowledges that any charges for water and other services, or either, if unpaid shall constitute a lien on the land upon which the water was used and/or services rendered, even though the indebtedness was incurred by other than the owner.

The District may refuse service to any land if outstanding charges for services already rendered such land have not been paid within forty five (45) days.

Dated: _____

Signed: _____

(Owner of Property)

Home Phone: _____

Bus Phone: _____

Billing Address: _____

(If Different than Service Address)

Emergency Contact if Owner not Available:

Name: _____

Address: _____

Phone: _____

Note: Please complete and sign one copy and return to Kinneloa Irrigation District



1999 KINCLAIR DRIVE, PASADENA, CALIFORNIA 91107-1017
 MAILING ADDRESS: P.O. BOX 5578, PASADENA, CA 91117-0578
 TELEPHONE (626) 797-6295 • FAX (626) 794-5552
 WEBSITE: kinneloairrigationdistrict.info

AMORTIZATION AGREEMENT

Account #:

Name:

Phone #:

Service Address:

Mailing Address:

Amount Amortized:

The amortized amount was due for payment on _____. By signing this agreement I agree to make all payments in the amount indicated by the date on the payment schedule below. I agree to pay all subsequent charges by their due date or this agreement becomes null and void and water service will be subject to termination for non-payment. Further, this agreement is not subject to modification or incorporation into another agreement. This agreement must be paid in full before any additional agreement will be considered.

PAYMENT SCHEDULE IS NOT TO EXCEED 12 MONTHS

	<u>Date Due</u>	<u>Amount Due</u>	<u>Date Paid</u>	<u>Check #</u>
Payment #1				
Payment #2				
Payment #4				
Payment #7				
Payment #8				
Payment #9				
Payment #10				
Payment #11				
Payment #12				

Signature of Applicant

Date

Signature of Kinneloa Irrigation District

Date

APPENDIX D

CUSTOMER DEPOSITS

CUSTOMER DEPOSITS

INITIAL DEPOSIT (Per Article 7.03):

An initial deposit equal to three months estimated water service, based on water usage over the past year, as determined by the District, may be required to establish service. The deposit may be waived at the discretion of the general manager.

DEPOSIT TO RE-ESTABLISH CREDIT UPON DISCONNECTION FOR NON-PAYMENT

(Per Articles 7.03A & 8.04B):

A deposit equal to three months estimated water service, based on water usage over the past year, as determined by the District, may be required before service is reconnected.

TANK TRUCK SERVICE DEPOSIT (Per Article 8.03H):

Metered Service: Cost of meter plus actual cost of installing and removing meter, of which only the cost of the meter is refundable.

Un-metered Service: Availability of un-metered service and the required deposit is at the discretion of the general manager.

METER TEST DEPOSIT (Per Article 8.03I(3)): \$250.00

TEMPORARY SERVICE DEPOSIT (Per Article 9.01B):

Services up to 2 1/2": \$850.00 to \$1000.00 based on size of service

Services larger than 2 1/2" are determined by General Manager based on size of service.

FIRE FLOW TEST(Per Article 10.13C): \$650.00

DEVELOPER DEPOSIT (Per Article 10): Total estimated cost of project plus overhead charge

APPENDIX E

CROSS-CONNECTION

CONTROL PROGRAM

KINNELOA IRRIGATION DISTRICT CROSS-CONNECTION CONTROL PROGRAM

1.0 Responsibility and Scope of Program.

The District adopts this Program to protect the public water supply from contamination. This Cross-Connection Control Program shall include, but not be limited to, the following elements:

- (a) These operating rules;
- (b) The conducting of surveys to identify Water User premises where cross-connections are likely to occur;
- (c) The provision of backflow protection by the Water User at the User's connection or within the User's premises or both;
- (d) The provision of at least one person trained in cross-connection control to carry out the cross-connection Program;
- (e) The establishment of a procedure or system for testing backflow preventers; and
- (f) The maintenance of records of locations, tests, and repairs of backflow preventers.

2.0 Definitions.

In addition to the definitions in Section 4010.1 of the Health and Safety Code, the following terms are defined for the purpose of this Chapter:

- (a) "Approved Water Supply" is a water supply whose potability is regulated by a State or local health agency.
- (b) "Auxiliary Water Supply" is any water supply other than that received from a public water system.
- (c) "Air-gap Separation (AG)" is a physical break between the supply line and a receiving vessel.
- (d) "AWWA Standard" is an official standard developed and approved by the American Water Works Association (AWWA).
- (e) "Cross-Connection" is an unprotected actual or potential connection between a potable water system used to supply water for drinking purposes and any source or system containing unapproved water or a substance that is not or cannot be approved as safe,

wholesome, and potable. By-pass arrangements, jumper connections, removable sections, swivel or changeover devices, or other devices through which backflow could occur, shall be considered to be cross-connections.

(f) "District" is the Kinneloa Irrigation District.

(g) "Double Check Valve Assembly (DC)" is an assembly of at least two independently acting check valves including tightly closing shut-off valves on each side of the check valve assembly and test cocks available for testing the water tightness of each check valve.

(h) "Health Agency" means the California Department of Health Services.

(i) "Reclaimed Water" is a wastewater which as a result of treatment is suitable for uses other than potable use.

(j) "Reduced Pressure Principle Backflow Prevention Device (RP)" is a backflow preventer incorporating not less than two check valves, an automatically operated differential relief valve located between the two check valves, a tightly closing shut-off valve on each side of the check valve assembly, and equipped with necessary test cocks for testing.

(k) "User Connection" is the point of connection of a User's piping to the District's facilities.

(l) "Water User" or "User" is any person obtaining water from a public water supply.

3.0 Evaluation of Hazard.

The District shall evaluate the degree of potential health hazard to the public water supply which may be created as a result of conditions existing on a User's premises. The District, however, shall not be responsible for abatement of cross-connections which may exist within a User's premises. As a minimum, the evaluation should consider: the existence of cross-connections, the nature of materials handled on the property, the probability of a backflow occurring, the degree of piping system complexity and the potential for piping system modification. Special consideration shall be given to the premises of the following types of Water Users:

(a) Premises where substances harmful to health are handled under pressure in a manner which could permit their entry into the public water system. This includes chemical or biological process waters and water from public water supplies which have deteriorated in sanitary quality.

(b) Premises having an auxiliary water supply, unless the auxiliary supply is accepted as an additional source by the District and is approved by the Health Agency.

(c) Premises that have internal cross-connections that are not abated to the satisfaction of the District or the Health Agency.

(d) Premises where cross-connections are likely to occur and entry is restricted so that cross-connection inspections cannot be made with sufficient frequency or at sufficiently short notice to assure that cross-connections do not exist.

(e) Premises having a repeated history of cross-connections being established or re-established.

Where the Water User is engaged in the handling of especially dangerous or corrosive liquids or industrial or process waters, the District may require the Water User to eliminate certain plumbing or piping connections as an additional precaution and as a protection to the backflow prevention devices.

4.0 User Supervisor.

The District may, at its discretion, require an industrial Water User to designate a User supervisor when the Water User's premises has a multi-piping system that conveys various types of fluids, some of which may be hazardous and where changes in the piping system are frequently made. The User supervisor shall be responsible for the avoidance of cross-connections during the installation, operation and maintenance of the Water User's pipelines and equipment.

5.0 Approval of Backflow Preventers.

Backflow preventers required by this Program shall have passed laboratory and field evaluation tests performed by a recognized testing organization which has demonstrated its competency to perform such tests to the District, or to the Health Agency.

6.0 Construction of Backflow Preventers.

(a) Air-gap Separation. An Air-gap separation (AG) shall be at least double the diameter of the supply pipe, measured vertically from the flood rim of the receiving vessel to the supply pipe; however, in no case shall this separation be less than one inch.

(b) Double Check Valve Assembly. A required double check valve assembly (DC) shall, as a minimum, conform to the AWWA Standard C506-78 (R83) adopted on January 28, 1978 for Double Check Valve Type Backflow Preventive Devices which is herein incorporated by reference.

(c) Reduced Pressure Principle Backflow Prevention Device. A required reduced pressure principle backflow prevention device (RP) shall, as a minimum, conform to the AWWA Standard C506-78 (R83) adopted on January 28, 1978 for Reduced Pressure Principle Type Backflow Prevention Devices which is herein incorporated by reference.

7.0 Location of Backflow Preventers.

(a) Air-gap Separation. An air-gap separation shall be located as close as practical to the User's connection and all piping between the User's connection and the receiving tank shall be entirely visible unless otherwise approved in writing by the District.

(b) Double Check Valve Assembly. A double check valve assembly shall be located as close as practical to the User's connection and shall be installed above grade, if possible, and in a manner where it is readily accessible for testing and maintenance.

(c) Reduced Pressure Principle Backflow Prevention Device. A reduced pressure principle backflow prevention device shall be located as close as practical to the User's connection and shall be installed a minimum of twelve inches (12"") above grade and not more than thirty-six inches (36"") above grade measured from the bottom of the device and with a minimum of twelve inches (12"") side clearance.

Plans for backflow preventer installation must be approved by the District prior to installation. All costs of installation shall be borne by the Water User.

8.0 Type of Protection Required.

The type of protection that shall be provided to prevent backflow into the public water supply shall be commensurate with the degree of hazard that exists on the consumer's premises. The type of protective device that may be required (listed in an increasing level of protection) includes: Double Check Valve Assembly-(DC), Reduced Pressure Principle Backflow Prevention Device-(RP), and an Air-gap Separation-(AG). The Water User may choose a higher level of protection than required by the District. The minimum types of backflow protection required to protect the public water supply, at the Water User's connection to the premises, with various degrees of hazard are given in Table 1. Situations which are not covered in Table 1 shall be evaluated on a case-by-case basis and the appropriate backflow protection shall be determined by the District.

TABLE 1

TYPE OF BACKFLOW PROTECTION REQUIRED

<i>Degree of Hazard</i>	<i>Minimum Type of Backflow Prevention</i>
-------------------------	--

- (A) Sewage and Hazardous Substances
- (1) Premises where the public water system is used to supplement the reclaimed water supply. AG
- (2) Premises where there are wastewater pumping and/or treatment plants and there is no interconnection with the potable water system. This does not include a single-family residence that has a sewage lift pump. A RP be provided in lieu of an AG if approved by the health agency and District. AG
- (3) Premises where reclaimed water is used and there is no interconnection with the potable water system. A RP may be provided in lieu of an AG if approved by the health agency and District. AG
- (4) Premises where hazardous substances are handled in any manner in which the substances may enter the potable water system. This does not include a single-family residence that has a sewage lift pump. A RP may be provided in lieu of an AG if approved by the health agency and District. AG
- (5) Premises where there are irrigation systems into which fertilizers, herbicides, or pesticides are, or can be, injected. RP
- (B) Auxiliary Water Supplies AG
- (1) Premises where there is an unapproved auxiliary water supply which is interconnected with the public water system. An RP or DC may be provided in lieu of an AG if approved by the health agency and District.
- (2) Premises where there is an unapproved auxiliary water supply and there are no interconnections with the public water system. A DC maybe provided in lieu of an RP if approved by the Health Agency and District. RP
- (C) Fire Protection Systems RP
- (1) Premises where the fire system is directly supplied from the public water system and there is an unapproved auxiliary water supply on or to the premises (not interconnected).

- | | |
|---|----|
| (2) Premises where the fire system is supplied from the public water system and interconnected with an unapproved auxiliary water supply. An RP may be provided in lieu of an AG if approved by the Health Agency and District. | RP |
| (3) Premises where the fire system is supplied from the public water system and where either elevated storage tanks or fire pumps which take suction from private reservoirs or tanks are used. | DC |
| (4) Premises where there are marine facilities. | RP |
| (5) Premises where entry is restricted so that inspections for cross-connections cannot be made with sufficient frequency or at sufficiently short notice to assure that do not exist | RP |
| (6) Premises where there is a repeated history of cross-connections being established or re-established | RP |

9.0 Testing and Maintenance of Backflow Preventers.

(a) The District shall assure that adequate maintenance and periodic testing are provided by the Water User to ensure their proper operation. All testing shall be performed at the Water User's expense.

(b) Backflow preventers shall be tested by persons who have demonstrated their competency in testing of these devices to the District or Health Agency.

(c) Backflow preventers shall be tested at least annually or more frequently if determined to be necessary by the Health Agency or District. When devices are found to be defective, they shall be repaired or replaced in accordance with the provisions of this Program and at the expense of the Water User.

(d) Backflow preventers shall be tested immediately after they are installed, relocated or repaired and not placed in service unless they are functioning as required.

(e) The District shall notify the Water User when testing of backflow preventers is needed. The notice shall contain the date when the test must be completed.

(f) Reports of testing and maintenance shall be maintained by the District for a minimum of three years.

APPENDIX F

KINNELOA IRRIGAION DISTRICT

RELOCATION ASSISTANCE LAW

RELOCATION ASSISTANCE LAW

(Government Code Chapter 16 §§7260, et seq.)

1. PURPOSE AND SCOPE

1.1 Purpose. These rules and regulations are adopted pursuant to Government Code §7267.8 to implement payments and to administer relocation assistance according to the provisions of the Relocation Assistance Law, Government Code, Chapter 16, §§7260, et seq. These rules and regulations are to assure the fair and equitable treatment of persons displaced by the real property acquisitions and programs of this District.

1.2 Scope. These rules and regulations apply to all acquisitions of real property, or interests therein, undertaken by this District whether by negotiated purchase, eminent domain, or otherwise. It is recognized that the Relocation Assistance Law has applicability to all real property acquisitions undertaken by this District regardless of whether relocation of any residence, business or farming operation is required. Unless otherwise provided, all code references are to the Government Code.

2. DEFINITIONS

2.1 Section 7260 Definitions Incorporated. The following terms are defined in Government Code §7260:

- (a) "Public Entity"
- (b) "Person"
- (c) "Displaced Person"
- (d) "Business"
- (e) "Farm Operation"
- (f) "Affected Property"
- (g) "Public Use"
- (h) "Mortgage"

Whenever any of the preceding terms are used within these rules and regulations, they shall have the meaning set forth in Section 7260.

2.2 "Board" shall mean the Board of Directors of KINNELOA IRRIGATION DISTRICT

2.3 "District" shall mean the KINNELOA IRRIGATION DISTRICT.

2.4 "Manager" shall mean the Manager of the KINNELOA IRRIGATION DISTRICT or the Designee of said Manager.

2.5 "Relocation Costs" shall mean the costs of relocation advisory assistance, compensation for displaced persons, additional payments to displaced dwelling owners, additional payments to displaced individual or family renters reimbursable expenses of the owner necessarily incurred for recording fees, transfer taxes, and similar expenses incidental to conveying real property and such other costs as may be foreseeably attributable to relocation activities required pursuant to the Relocation Assistance Law.

3. ACQUISITION PROCEDURE

3.1 In order to promote the policies enumerated in Government Code Section 7267, the District shall, to the greatest extent practicable, be guided by the provisions of Sections 7267.1 to 7267.7, inclusive, and these regulations, when engaged in the acquisition of real property.

Where possession of real property is sought pursuant to an order for immediate possession, strict adherence to these standards is not required. The District shall, nevertheless, attempt to comply with the intent and purpose of the Act and these regulations to the extent possible under the circumstances. Within the guidelines of Section 7267.3, the District shall provide maximum prior notice to owners who must relocate a dwelling due to an order for immediate possession. Even though an action in eminent domain may be initiated, District shall attempt to negotiate a purchase based upon the amount established as security in the immediate possession proceeding.

3.2 When the Manager has determined that acquisition of real property for public use by the District may be in the best interests of the District, the Manager shall present a recommendation to the Board. Prior to submitting a recommendation, the Manager shall determine if the proposed acquisition will leave the owner with an uneconomic remnant and shall determine if the acquisition of a larger or smaller parcel will correct any such uneconomic remnant and still serve the District's interests.

3.3 When the Board determines that acquisition of real property for public purposes may be to the best interests of the District, it shall direct the Manager to hire a qualified independent appraiser for the purpose of determining the fair market value of the parcel proposed to be acquired. The Board shall also direct the Manager to investigate the present use of the parcel proposed to be acquired and make an estimate of the relocation costs, if any, which the District may be obligated to pay in accordance with the Relocation Assistance Law.

3.4 The appraiser shall not give consideration to or include in the appraisal of the property proposed to be acquired any allowances for relocation costs. The appraisal shall be based exclusively on the fair market value of the real property proposed to be acquired. Manager shall instruct appraiser that the owner, or his representative, must be afforded opportunity to accompany the appraiser during inspection of the property.

3.5 The Manager shall present the appraisal and the estimate or relocation costs to the Board for consideration in determining whether the proposed acquisition is to the best interests of the District. If the Board determines that the acquisition should take place, the Board shall establish an

amount which it believes to be just compensation, exclusive of relocation costs, to be paid for the real property. In no event shall the amount thus established as just compensation be less than the amount of the approved appraisal. If the Board believes the appraisal is excessive, it may disapprove the appraisal and order a new appraisal by a different independent appraiser.

3.6 Following establishment of the amount the Board believes to be just compensation, and prior to the institution of any action in eminent domain, the Manager shall transmit a written statement of, and summary of the basis for, the amount so established to the owner of the property proposed to be acquired. The District shall offer to purchase the property for an amount not less than the sum established as just compensation.

3.7 Notwithstanding the foregoing, the District may make an offer to acquire the real property for less than an amount which it believes to be just compensation if (a) the real property is offered for sale by the owner at a specified price less than the amount the public entity believes to be just compensation therefor, (b) the public entity offers a price which is equal to the specified price for which the property is being offered by the landowner, and (c) no federal funds are involved in the acquisition, construction, or project development. As used herein, "offered for sale" means either:

(1) Directly offered by the landowner to the public entity for a specified price in advance of negotiations by the public entity; or

(2) Offered for sale to the general public at an advertised or published, specified price set no more than six months prior to and still available at the time the public entity initiates contact with the landowner regarding the public entity's possible acquisition of the property.

3.8 District shall make every reasonable effort to expeditiously acquire the real property through negotiation prior to the institution of any action in eminent domain.

4. RELOCATION ADVISORY ASSISTANCE

4.1 Program Establishment. The Manager shall institute a relocation advisory assistance program where:

(a) Acquisition of real property by the district will result in the creation of displaced persons; and

(b) It appears that such displaced persons need relocation assistance.

4.2 Scope of Relocation Advisory Assistance Programs. Each relocation assistance advisory program shall include such measures, facilities, or services as may be necessary or appropriate to perform all of the tasks detailed in Section 7261(c).

4.3 Contracting for Relocation Services. Where it appears that a relocation advisory assistance program will be burdensome upon the District staff, the Manager may contact private or other public entities for the purpose of establishing a contract to provide relocation advisory assistance in accordance with Section 7261.5. Proposals for such relocation advisory assistance contracts shall be submitted to the Board of Directors for approval.

5. RELOCATION PAYMENTS

5.1 Subchapter 6 of Title 2, California Administrative Code, Relocation Assistance Program (§§1873 et seq.) is hereby incorporated as though fully set forth herein, except that where said subchapter refers to the "State of California" and to "the department" they shall be read to mean "the District".

6. EXEMPTIONS FROM RELOCATION ASSISTANCE PAYMENTS

6.1 The requirement to provide relocation assistance and benefits imposed by the Relocation Assistance Law shall not apply to a purchase of property which is offered for sale by the owner, property being sold at execution or foreclosure sale, or property being sold pursuant to court order or under court supervision if the real property is (a) either occupied by the owner or is unoccupied, and (b) if the offer for sale is not induced by District disposition, planned condemnation, or redevelopment of surrounding lands, and (c) if the sales price is fair market value or less, as determined by a qualified appraiser, and (d) if no federal funds are involved in the acquisition, construction, or project development.

APPENDIX G

**RESPONSIBILITIES AND AUTHORITY OF BOARD
AND GENERAL MANAGER**

RESPONSIBILITIES AND AUTHORITY OF THE BOARD AND GENERAL MANAGER

I OPERATIONS:

A. FIELD OPERATIONS

1. The General Manager shall have full charge and control of the District water system and its facilities including their construction, operation, and maintenance.
2. The General Manager shall have full charge and control of the field employees, suppliers, and consultants, except as qualified elsewhere in this Appendix.
3. The General Manager shall be responsible for carrying out the Board's directions regarding field operations and shall do this in accordance with all District policies and procedures.
4. The General Manager shall be responsible for the programs relating to the safety of District employees, equipment, and facilities, and for its customers' health and safety as far as District activities are concerned.
5. The General Manager shall provide the Board with current information on general operational matters as well as on any extraordinary occurrences with respect to operations.

B. OFFICE AND CUSTOMER SERVICE

1. The General Manager shall have full charge and control of all supporting functions including accounting, purchasing, billing, and customer service.
2. The General Manager shall have full charge and control of office employees, supplies, and consultants, except as qualified elsewhere in this Appendix.
3. The General Manager shall be responsible for carrying out the Board's directions regarding office operations and customer service, and shall do this in accordance with all District policies and procedures.

II PERSONNEL

1. The General Manager shall recruit, hire and terminate all employees. The General Manager will consult with the Personnel Committee in his discretion.
2. The General Manager shall prepare job descriptions for all employees. The Personnel Committee shall review and comment, and then the Board shall review, comment, and adopt the final job descriptions. A written set of job descriptions covering all employees shall be jointly maintained by the General Manager and Personnel.
3. The General Manager shall oversee all operations of the District.

4. The General Manager shall determine the need for discipline and administer the discipline for those employees. The General Manager shall inform the Personnel Committee and the Board about disciplinary actions.
5. The Board shall set the total compensation for all employees.
6. The Board shall set ranges using salary ranges and policies established by the Board.
7. The General Manager shall make decisions on promotions and demotions of employees.
8. The Board shall set the total number of employees for the District.
9. The General Manager shall hear employee grievances. Decisions of the General Manager may be appealed to the Board.
10. The Board shall set the employee benefits programs for the District.
11. The General Manager shall implement the rules and policies governing employees as stated in the Employee Handbook. The Board shall establish these rules and policies.
12. The General Manager shall keep the Board informed about extraordinary personnel activities.
13. The General Manager shall oversee the performance and employee evaluation process and maintain a record of every evaluation.

III BOARD MEETING

1. The Secretary shall have the Board meeting agenda prepared at least 72 hours prior to each meeting. The General Manager or a Board member may request that an item be added to the agenda.
2. The General Manager shall prepare the Board packet, which shall include such detail regarding agenda items as the General Manager deems sufficient, or as requested by the Board.
3. The General Manager shall provide a budget summary status report to the Board once monthly, or as requested by the Board.
4. The General Manager or delegated representative shall reply to questions raised by the public at Board meetings if directed by the Chairman.
5. The General Manager and/or Board members may determine which additional persons [employees and consultants] should attend a Board meeting.
6. The Chairman or Secretary in consultation with the District's Attorney shall be responsible for assuring that the requirements of the Brown Act are observed at Board meetings.

IV FINANCE

1. The General Manager, with the Finance Committee shall prepare the draft budget, which shall then be presented to the Board for its consideration.
2. The General Manager shall establish the sequence of events leading to the adoption of a final budget and, with the cooperation of the Chairman, shall see that these events are followed in a timely fashion.
3. The General Manager shall be responsible for operating the District in accordance with the budget.
4. The General Manager, in conjunction with the Finance Committee may make changes in the budget in accordance with District policy, within or between categories of the budget, or may add or delete items that do not materially affect the overall integrity of the budget. The Board shall approve changes made in accordance with District policy.
5. Under the supervision of the General Manager, the Auditor shall assure that accurate and auditable financial records are kept.
6. The General Manager shall comply with limits established by the Board policy on expenditure of funds.
7. The General Manager shall prepare a yearly summary, for the Board of Directors, of all significant operations in the District for the past year. This would include, but not limited to:
 - A. Budget compliance.
 - B. Major maintenance operations.
 - C. Water production, quality, and sales.
 - D. Legal issues associated with the District.

The yearly summary shall be done on a calendar-year basis, and presented to the board at the first or second board meeting of the year.

V. CONSULTANTS

1. The Board shall select an Attorney, Engineer and Auditor to advise the Board.
2. The General Manager shall decide whether any other consultant is necessary to assist the District.
3. Where it is determined that a consultant is necessary to advise the District. The General Manager shall prepare the list of qualified consulting sources with the advice of the Attorney, Auditor, or other consultants to the District, as appropriate, prepare request for proposals, review the proposals, and recommend a consultant subject to Board approval. Board members may also be involved in the process by which a recommendation is brought to the Board. The General Manager may recommend retaining a consultant on a sole source basis without the formal competitive bid process.
4. The General Manager shall refer contractual matters to the Attorney for preparation and review.

5. The General Manager or his designee shall provide direction to consultants.
6. The General Manager shall review and recommend payment for bills sent by a consultant.
7. The General Manager shall establish procedures for receipt and approval of progress reports from consultants. progress reports shall be provided by the General Manager to the Board.
8. The Auditor and the Attorney shall report to the Board of Directors and take direction from the Board. They also may take direction from the General Manager. In special cases, the Board may decide that a consultant should report directly to the Board.

VI COMMITTEES

1. Committees and their membership may be established by the Chairman, or by a majority vote of the Board.
2. The committee Chair may schedule committee meetings.
3. The Chair shall establish the persons who should be in attendance at committee meetings [staff, consultants, etc.].
4. The Chair shall give reports [usually oral] on committee activities to the Board of Directors at Board meetings.
5. An opportunity for committee reports shall be included on the Board's agenda either upon request by the Committee Chair or as a standing agenda item, as appropriate under the circumstances.

VII OUTSIDE ACTIVITIES

1. The Board shall decide which outside functions should be attended and shall determine who will attend which outside function and serve as the Director's spokesperson.
2. The General Manager shall determine which employees should attend meetings, conferences, and seminars, and shall report to the Board on such activities.
3. The Board shall decide on expenditures and oversee the expenditures incurred in connection with outside functions.

VIII PROPERTY

1. The General Manager shall be responsible to safeguard, conserve, and maintain all District property and to obtain appropriate levels of insurance.
2. The General Manager shall maintain an inventory of District property.
3. The General Manager shall be responsible for meeting the requirements of the law with respect to District property.

4. The General Manager shall receive all property on behalf of the District, except real property, which the Board receives. The Board shall dispose of District property in accordance with applicable law and District Rules and Regulations.
5. The General Manager shall inform the Board about significant occurrences affecting District property and the status of District property.

IX EMERGENCIES

1. The General Manager shall determine that an emergency exists.
2. The General Manager shall have unlimited authority to take necessary actions to deal with an emergency.
3. At the earliest possible time, the General Manager shall inform the Board of the actions to deal with an emergency.

X GENERAL

1. The Board of Directors shall govern collectively and the General Manager shall manage individually with appropriate consultation with, or approval from the Board. The General Manager shall perform all those functions which the Board shall deem necessary whether or not mentioned in this document. The General Manager may delegate responsibilities to others as he sees fit.

APPENDIX H

RECORD RETENTION POLICY

Record Retention Policy

1. Retention of Original Records

The following records shall be maintained in perpetuity in the District's files:

- (A) The Certificate of Incorporation of the District;
- (B) Certifications of annexation proceedings and other property related documents;
- (C) Resolutions and Ordinances;
- (D) Minutes of the meetings of the Board of Directors;
- (E) Certificates of Assessed Valuation prepared by the County of Los Angeles;
- (F) Documents received from the Tax Assessor detailing District taxes collected;
- (G) Documents regarding bond issues;
- (H) Election documents;
- (I) Records of securities and bank deposits;
- (J) Documents relating to claims against the District;
- (K) Documents concerning eminent domain proceedings by the District;
- (L) Land and property title records;
- (M) Records determined by the Board to be of significant and lasting historical, administrative, legal, fiscal or research value; and
- (N) Records required by law to be filed and preserved.

2. Retention of Duplicate Original Records

The following original records may be destroyed if a physical or electronic copy is maintained in perpetuity:

- (A) Financial records summarizing the financial status of the District other than reports prepared pursuant to Article (commencing with Section 53891) of Part 1 of Division 2 of the Government Code;
- (B) Oaths of Office and related materials depicting the authenticity of the appointment of director or officer;
- (C) Paid invoices and other financial records;
- (D) Reports of the District and correspondence not covered in another section of this policy;
- (E) Records received pursuant to State statute not expressly required by law to be filed and preserved.

3. Retention of Records for Time Certain

The following records or copies may be destroyed after the passage of time:

- (A) Unaccepted bids or proposals for construction may be destroyed after two years;
- (B) Work orders or other in-house records of time spent on work assignments may be destroyed after two years;
- (C) Records created for a specific event or action may be destroyed after five years following the end of the District's fiscal year in which the event or action was completed;
- (D) Cancelled checks or other proof of payment of bond interest and redemption may be destroyed after ten years;

- (E) Tape recordings of the Board meetings intended for the preparation of minutes may be erased after thirty days; and
- (F) Any record, paper or document more than two years old that is prepared or received in a manner other than pursuant to State statute.

4. Retention of Other Records

The following records may be destroyed at any time without maintenance of a physical or electronic copy:

- (A) Duplicates for which the original or electronic copy is on file;
- (B) Rough drafts, working papers, data and other information accumulated in the preparation of other documents and final drafts; and
- (C) Notes, telephone messages and other internal documents.

APPENDIX I

**MAIN EXTENSION REIMBURSEMENT
AGREEMENT**

MAIN EXTENSION REIMBURSEMENT AGREEMENT

1. IDENTIFICATION

This Main Extension Reimbursement Agreement ("Agreement") is made and entered into effective as of the ___ day of _____, 200_, between KINNELOA IRRIGATION DISTRICT, a IRRIGATION District formed pursuant to Division 11 of the California Water Code ("District"), and _____ ("Developer").

2. RECITALS

- 2.1 This Agreement is made pursuant to the requirements of and in accordance with the District's policy regarding main extensions, as set forth in the District Rules and Regulations and incorporated herein by reference ("Policy").
- 2.2 Developer is in the process of designing and constructing certain improvements to be located on real property situated within the District's boundaries. The legal description of the real property is set forth in Exhibit "A" attached to this Agreement.
- 2.3 In order to complete the planned development of the real property, Developer will require water service from the District, which will, in turn, require that the District's existing facilities be extended beyond current limits.
- 2.4 District is willing to grant Developer's request for water service to the real property on certain terms and conditions of this Agreement and in accordance with the Policy.

3. AGREEMENTS

- 3.1 Agreements of Developer: Developer agrees to reimburse the District for the design and construction at Developer's expense of the main extension and facilities specified in Exhibit "B" in accordance with plans and specifications approved by the District.
 - 3.1.1 Until such time as District completes said main extension and facilities, Developer shall maintain and insure said facilities for their full replacement cost value and further shall indemnify and save District harmless from any and all claims relating to the design and/or construction of said main extension and facilities and shall take all

steps necessary to comply with the California Environmental Quality Act.

- 3.1.2 Developer shall be responsible for securing all easements and rights-of-way necessary to complete construction of the main extension and facilities specified in Exhibit "B".
- 3.1.3 All mains and facilities shall remain the property of the District upon completion.
- 3.1.4 All mains and facilities shall be constructed by the District or using a contractor under a competitive bidding process.
- 3.1.5 Developer shall reimburse the District for the cost of construction of all facilities.
- 3.1.6 Developer understands that there may be a requirement to pay an amount to District representing a share of the cost for the prior construction of facilities needed to serve the development.
- 3.2 Agreements of District:
 - 3.2.1 Upon receiving the required deposit, the district will design and construct the main extension and facilities specified in Exhibit "B" by a competitive bidding process in accordance with the District's Rules and Regulations. The current fee schedule is set forth in Exhibit "C".
 - 3.2.2 In the event any such main extension and facilities specified in Exhibit "B" are not available and used for subsequent connection by other persons within five (5) years of completion of the mains and facilities, District shall not reimburse Developer for any of the costs associated with the mains and facilities specified in Exhibit "B."
 - 3.2.3 In the event any of the mains and facilities are used by another Developer within five (5) years, the District will charge the subsequent Developer a prorated share of the improvements already constructed and reimburse that amount to the original Developer subject to the right of District to off-set against any sums payable to Developer the amount of any indebtedness then due or owing by Developer to District.
 - 3.2.4 Developer's rights to receive reimbursement under Paragraphs 3.2.3 above shall commence after the date District completes the mains and facilities specified in Exhibit "B" as shown thereon, and shall terminate five (5) years after said date.

3.2.5 District shall make reasonable effort to notify Developer of any subsequent connections giving rise to a right to reimbursement pursuant to this Article 3.2. District shall give written notice of such connections by mail addressed to the last known address provided to District by Developer. Until such time as that address changes, the address of Developer specified below Developers signature on this Agreement shall be the address to which District shall send mailed notice.

4. SUCCESSORS AND ASSIGNS

The obligations of Developer, if Developer is more than one person, party or entity shall be joint and several. This Agreement shall bind and inure to the benefit of the heirs, representatives, executors, administrators, successors and/or assigns of the parties hereto.

KINNELOA IRRIGAION DISTRICT

By:
Its:

"DEVELOPER "

By:
Its:

[Address]

Exhibit A

Legal Description

Exhibit B

Main Extension and Off-Site Facilities

Water System Accepted By District:

Signature

Date

Exhibit C
Main Extension Reimbursement Rates

1. Reimbursement Where Subsequent Connection Available:

\$1.00 per diameter inch per frontage foot of main, where District policy provides for subsequent connection from both sides of street.

\$2.00 per diameter inch per frontage foot of main, where District policy provides for subsequent connection from only one side of street.

2. Charge for Connection to Existing Main:

\$1.00 per diameter inch per frontage foot of main, where District policy provides for subsequent connection from both sides of street.

\$2.00 per diameter inch per frontage foot of main, where District policy provides for subsequent connection from only one side of street.

3. Reimbursement Where District Policy Precludes Subsequent Connection:

\$2.00 per diameter inch per lineal foot of main.

APPENDIX J

**BID PROCUREMENT AND PURCHASING
POLICY**

BID PROCUREMENT AND PURCHASING POLICY

Work Costing More Than \$25,000

- a. Except as otherwise provided in this statement of policy or by law, all Contracts for any improvement, job, construction project or unit of work [Herein referred to as work], and all acquisition of material or equipment, estimated to cost or have a value when completed in excess of Twenty-five Thousand Dollars [\$25,000] shall be let to the lowest responsible bidder in the manner hereinafter provided.
- b. The Board shall first determine whether the contract shall be let or the acquisition made, as a single unit for the whole of the work or acquisition, or whether it shall be divided into severable convenient parts.
- c. The contract documents shall be prepared utilizing the District standards forms, with such modification as may be appropriate for the particular work or unit of work, for the acquisition of material or equipment. In case of work to be performed for the District, the documents to be prepared shall ordinarily include the Notice Inviting Bids, Instructions to bidders, the Proposal for submission by the bidder, the Information Required of Bidder, setting forth the equipment and material source and other required information, Contractors Licensing Statement, List of Subcontractors, Bid Security Form, Agreement, Faithful Performance Bond, Payment Bond, Non-Collision Affidavit, Notice to Proceed, General Provisions, Special Provisions, and Plans and Specifications.
- d. Unless otherwise required by the provision of the Public Contract Code, the District may advertise in the F.W. Dodge Green Sheet, The Construction Market Data, and similar publications, inviting sealed proposals for furnishing labor for or material or supplies for use or incorporation in, the proposed work or unit of work, or for providing material or equipment. In the event that the construction of works is to be paid for with the proceeds of the sale of bonds or a limited assessment, the District shall give said notice by publication once a week for three [3] successive weeks in a newspaper of general circulation published in the District.
- e. All bids shall be presented under sealed cover on forms furnished by the District, and, in the case of a bid to perform work for the District, it shall be accompanied by one of the following forms of bidder's security: [1] cash, [2] a cashier's check made payable to the District, [3] a certified check made

payable to the District, or [4] bidder's bond executed by an acceptable surety insurer made payable to the District.

- f. At the time and place appointed and set forth in the Notice Inviting Bids, the bids shall be opened in public.
- g. The Board may reject any and all proposals or bids should it deem it to be for the public good, or may award the contract for the work or unit of work, or material or equipment, to the lowest responsible bidder at the prices named or specified in the bid or proposal.
- h. In the case of work to be performed for the District, the District shall require the successful bidder or bidders to file with the Board good and sufficient bonds, to be approved by the Board, conditioned upon the faithful performance of the contract and upon payment of all claims for labor and material in connection therewith.
- i. In the case of work to be performed for the District, the District shall require the successful bidder or bidders to carry public liability and property damage insurance, worker's compensation insurance, and other insurance, in the amounts and under the terms stipulated in the Contract documents.
- j. "Lowest Responsible Bidder" shall mean a person who submits the lowest monetary bid, taking into account the contract bid reduction provided for in paragraph g, and which responds to the terms upon which bids were requested, and who has the capacity, integrity and ability to perform the particular requirements of the contract. Factors which may be considered in determining the "lowest responsible bidder" included, but are not limited to, all of the following:
 - 1] The contractor's prior record of performance other public works projects, if any, including timely completion of performance, quality of work and completion of projects within project budget or bid amount submitted.
 - 2] The contractor's involvement in any ongoing litigation or contract disputes with the awarding authority, which could impair satisfactory performance on the contract to be awarded.
 - 3] The contractor's history of noncompliance with occupational safety and health requirements, labor statutes and regulations, and other local, state, and federal laws.

Work or Acquisitions Costing More Than \$5000, but Not More Than \$25,000

All contracts for any work or unit of work, and all acquisitions of material or equipment, estimated to cost or to have a value when completed in excess of Five Thousand Dollars [\$5000], but not more than Twenty-five Thousand Dollars [\$25,000], shall be reviewed by a committee of the Board, and shall be submitted for formal competitive bids in accordance with this statement of policy only if the committee shall so recommend and the Board shall concur by a majority vote.

Work or Acquisitions Costing Less than \$5000

All contracts for any work or unit of work, and all acquisitions of material or equipment, estimated to cost or to have a value when completed that is less than Five Thousand Dollars [\$5000], may be authorized by the District's General Manager without compliance with any formal competitive bidding procedures or prior Board approval, and in any such case he may authorize the work or unit of work or acquire the material or equipment, by informal bidding or quotations or by purchase on the open market without advertising.

KINNELOA IRRIGATION DISTRICT

RULES AND REGULATIONS

Adopted
April 20, 1999

Revision 1
August 17, 1999

Revision 2
January 20, 2000

Revision 3
March 21, 2000

Revision 4
October 2, 2000

Revision 5
April 20, 2004

Revision 6
December 20, 2005

Revision 7
April 21, 2009

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Kinneloa Irrigation District RULES AND REGULATIONS

The District was formed under the provisions of the **Irrigation District Act, Division 11 of the Water Code of the State of California**. The District's functions include the acquisition, control, conservation, storage and distribution of water for the beneficial use of inhabitants and water users within the District. The Water Code authorizes the District to establish rules and regulations governing its operations. The District has determined that it is in its best interest to adopt the following policies, rules and regulations regarding the operation of the District and the provision of water service.

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ARTICLE 1: DISTRICT OBJECTIVES

The District strives to make available the highest quality water at the lowest possible cost. The District intends to serve all property within District boundaries, provided, however, that the Board may consent to other entities providing service within its boundaries on a case-by-case basis. In furthering these objectives the District is governed generally by the following guidelines:

- 1.01: OPERATIONS**
To operate the water supply, treatment, storage and distribution facilities so as to provide the most economical and dependable service possible.
- 1.02: PLANNING**
To meet existing and future demands for water service through sound planning and design after careful study, taking steps necessary to manage water as a sustainable resource.
- 1.03: COSTS**
To establish such rates, charges, fees and assessments necessary to meet the costs of providing service and to equitably allocate such costs.

ARTICLE 2: SCOPE OF POLICIES, RULES AND REGULATIONS

The Board of Directors adopts these policies, rules and regulations with respect to the operation of the District and the provision of water service. The Board has the right to amend, change and supplement these rules at any time.

- 2.01: SEVERABILITY**
If any policy, rule or regulation contained herein shall be found to be unenforceable, such decision shall not affect the remaining portions of these policies, rules and regulations.
- 2.02: APPLICABILITY**
These policies, rules and regulations apply to the Board, all District personnel and any persons obtaining utility service from the District.

ARTICLE 3: DEFINITIONS

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Unless the context specifically indicates otherwise, the following terms shall, for the purposes of these policies, rules and regulations have the following meanings:

- A. Applicant: Any person or entity applying to the District for water service.
- B. Board: Board of Directors of the Kinneloa Irrigation District.
- C. CEQA: The California Environmental Quality Act.
- D. Commercial Service: Provision of water for use in connection with commercial premises devoted primarily to operations for profit.
- E. Consumer: Any person, association, corporation or governmental agency supplied or entitled to be supplied with water service for compensation by the District.
- F. Cross-Connection: Any connection between District facilities and any water supply that is not approved by a State or local health agency or other source containing a substance that is not approved as safe, wholesome and potable.
- G. Delinquent Notice: The Delinquent Notice of Non-Payment and Disconnection of Service, sent to the Consumer when payment is not made on or before the 30th day after the due date of the bill, in accordance with the provisions of the rules included herein.
- H. Developer: Any person or entity developing and/or subdividing land within the District for the purpose of constructing new commercial or residential units.
- I. Disconnection: The termination of water service to the Consumer, affected by turning off and locking the meter at the service connection.
- J. Distribution Mains: The water lines in streets, highways, alleys, and easements used for general distribution of water and public and private fire protection.
- K. District: The Kinneloa Irrigation District, Pasadena, California.
- L. Engineer: A qualified registered engineer, appointed to act for the District.
- M. Facilities or Water Works System: The wells, tunnels, pipelines, meters, pumps, storage facilities, buildings, structure connections, fittings, valves and other fixtures and appurtenances comprising the production, storage, transmission and distribution system owned by the District for the purpose of delivering water to Consumers within the District.
- N. Industrial Service: Provision of water to industrial premises where the water is used primarily in manufacturing or processing activities.
- O. Manager: The General Manager of the Kinneloa Irrigation District, or the person authorized by the Manager, or the Board, to act for the General Manager.

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- P. Meter: The appurtenance owned by the District at the service connection by which the District measures the quantity of water delivered through District facilities to the Consumer.
- Q. Owner: The person in whose name legal title to the property appears.
- R. Person: An individual, company, association, co-partnership, or public or private corporation.
- S. Premises: The integral property or area, including improvements thereon, to which water service is, or is to be, provided.
- T. Private Fire Protection: Provision of standby quantities and pressures of water as available for fire protection purposes through sprinkler systems, fire hydrants and other facilities located on private property, rather than through public fire hydrants operated by public authorities for general fire protection.
- U. Residential Service: Provision of water for household purposes and other similar and customary purposes pertaining to structures with a primary purpose of providing domestic service, single family dwellings, including apartments, town houses and condominiums.
- V. Service Laterals: The connection between the District's water mains and the water meter and service connection, including the entire pipe, fittings and valves necessary to make the connection.
- W. Service Connection: The point of connection of the Consumer's piping with the meter and service lateral owned by the District.
- X. Surplus Property: Real or personal property owned by the District that is determined by the Board to be unnecessary for District purposes.
- Y. Temporary Service: Provision of water on a temporary basis for construction purposes.

ARTICLE 4: ORGANIZATION AND OPERATION OF THE BOARD OF DIRECTORS

4.01: NUMBER OF DIRECTORS

The number of Directors shall be five (5) members elected by division from residents of the District.

4.02: OFFICERS OF THE BOARD

The officers of the Board shall be chairman and secretary, and treasurer to be elected by the Board annually at the first regular meeting of the Board following the **first Friday in December**. The term of office of officers of the Board shall commence immediately following their election. No Board Officer shall serve more than five consecutive full terms in the same office.

4.03: BOARD OFFICER ELECTION PROCEDURE

Officers will be nominated and elected individually, not as a "slate." The procedure is as follows:

- I. The Chairman calls for nominations for the office of Chairman.

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- II. A candidate is nominated.
- III. The nomination is seconded. If a second is not received the nomination dies.
- IV. The Chairman then asks if there are other nominations.
- V. All other nominations (if any) are received and seconded.
- VI. The Chairman then calls for a vote and announces the results.
- VII. The same procedure is followed for the office of Treasurer and Secretary.

(Motion Adopted January 15, 2002)

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4.04: DIRECTORS' COMPENSATION AND EXPENSE REIMBURSEMENT

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- A. Introduction: This policy sets forth the Kinneloa Irrigation District's policies and procedures governing the compensation of Board members for attendance at events related to the Board members' performance of official duties for the benefit of the District, and governing the payment and/or reimbursement of actual and necessary expenses incurred by Board members in the performance of those official duties.
- B. Compensable Events: For purposes of this policy, Board members shall receive compensation in accordance with Section C, below, for, and payment and/or reimbursement of actual and necessary expenses in accordance with Section D, below, for the following Compensable Events, and for travel time as set forth herein:
 - 1. Regular and special meetings of the District's Board of Directors;
 - 2. Meetings of standing and ad hoc committees established by the District's Board of Directors;
 - 3. Any conferences or organized educational activities, including, but not limited to, conferences sponsored by any water-related association of which the Districts is a member, water educational workshops, water classes, water seminars, water symposiums, water facility tours and other special water-related functions, approved by the District's Board of Directors; and
 - 4. Any other event that may be approved by the District's Board of Directors as a Compensable Event.

For purposes of this policy, reasonable and necessary travel time shall include one day prior to and after a Compensable Event, as defined above, unless the Compensable Event takes place within 50 miles of the District's principal offices, in which case no compensation under Section C, below, shall be paid for any travel days. The maximum number of days in any calendar month for which compensation is authorized to be paid to a member of the Board is six days.

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- C. Compensation for Compensable Events: Board members shall be compensated at the rate of \$100 per day for attendance at Compensable Events, as defined in Section B, above; provided, however, that pursuant to Water Code Section 20202, such compensation shall be provided in addition

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to any reimbursement for meals, lodging and travel expenses incurred in attending any such Compensable Event; provided, however, that no reimbursement shall be made to any Board member unless an expense report has been submitted by that Board member, as provided in greater detail in Section D, subsection 6, below. Any registration fees paid by the District for a Board member's attendance at any conference of other Compensable Event shall be in addition to the compensation paid under this Section C.

D. Expense Reimbursement:

1. General Principles: Board members are encouraged to exercise prudence in all expenditures. Payment and/or reimbursement will be made only for actual and necessary expenses that qualify as reimbursable expenses under the provisions of this Section D. Expenditures that are improper or otherwise not properly accounted for as set forth in subdivision 6, below, or not consistent with the prohibition against gifts of public funds set forth in the California Constitution, will not be reimbursed or accepted by the District. Where such improper expenses have been paid by the District, they will be promptly refunded to the District or deducted from moneys otherwise due a Director. Whenever possible, Board members shall use government or group rates for lodging and travel.
2. Meal and Incidental Expenses: All meal and incidental expenses to be reimbursed under this policy are limited to the actual expenses incurred by a Board member in his or her capacity as a director of the District, and shall be substantiated in accordance with subdivision 6, below. If a Board member receives an advance from the District to cover such expenses, any amounts received in excess of the actual expense incurred shall be returned to the District within a reasonable time, not to exceed sixty (60) days, after the expenses are incurred. Board members shall be reimbursed for meal and incidental expenses in accordance with the follow rates:
 - a) Breakfast: not to exceed \$15 per day;
 - b) Lunch: not to exceed \$25 per day;
 - c) Dinner: not to exceed \$40 per day; and
 - d) Incidental Expenses: not to exceed \$10 per day
3. Travel Expenses: Board members will be reimbursed for expenses actually incurred in traveling to and from Compensable Events, subject to the provisions set forth below. Board members must use the most economical mode and class of transportation reasonably consistent with scheduling needs and space requirements and the most direct and time-efficient route. In the event a more expensive class of transportation is used, the reimbursable amount will be limited to the cost of the most economical class of transportation available. Travel expenses will include round-trip airfare where necessary, actual reasonable expenses for ground transportation to and from airports and hotels, and car rental. Board members also shall be reimbursed for use of private-owned vehicles in the conduct

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of District business at the maximum allowable per mile rate established from time to time by the IRS.

4. Conference Lodging: For lodging in connection with a conference or organized educational activity, the lodging costs shall not exceed the maximum group rate published by the conference or activity, provided the lodging is available to the Board member at the time of booking. If the group rate is not available, the Board member shall use comparable lodging that is consistent with the rates established by the District, not to exceed \$200 per night, or use applicable government or group rates offered by the provider of lodging; provided, however that any lodging expense that exceeds the amounts set forth herein shall be approved by the Board in a public meeting before the expense is incurred.
 5. Family/Guest Expenses: Expenses incurred by a family member or guest of a Board member in connection with the Board member's service will not be reimbursed. If a Board member desires to obtain accommodations for a spouse or other guest and such additional accommodations result in an increased cost for the Board member's accommodation, the Board member shall bear that additional cost unless otherwise approved by the Board.
 6. Expense Report Forms: Reimbursement for actual and necessary expenses incurred under this section 4 shall be made through expense report forms to be completed and submitted to the District by Board members, together with an explanation of the District-related purpose for the expenditure and receipts documenting each expense. Expense reports shall be submitted by Board members within a reasonable time, not to exceed thirty (30) days after incurring the expense.
- E. Report on Events Attended: Each Board member who attends a Compensable Event, other than a Board meeting or Board committee meeting, at the expense of the District shall give at the next regular Board meeting a brief report (oral or written, at the Board member's discretion) of the event attended. If multiple Directors attend the same event a joint report may be made.
- F. Reporting of Expenditures: To implement the reporting requirements of Government Code Section 53065.5, the District will prepare a list of the amount and purpose of each expense reimbursement made to each Board member for the preceding fiscal year, which will be available to the public.

4.05: MEETINGS OF THE BOARD

Regular meetings of the Board shall be held on the third Tuesday of each month, at 7:30 p.m., at the District offices, or at such other time and place as the Board may determine. When a regular meeting falls on a holiday, as may be designated from time to time by the Board, such meeting shall be held on the next business day, or other day as determined by the Board.

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4.06: SPECIAL MEETINGS

Special meetings of the Board shall be held at a time and place as may be designated by the presiding officer or by a majority of the members of the Board upon written notice of such meeting mailed and received by, or personally delivered to, each Board member and to each local newspaper of general circulation, radio or television station requesting notice in writing at least 24 hours prior to such special meeting. The call and notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at such meeting by the Board. Such written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the Secretary a written waiver of notice. Such waiver may be given by telegram. Such written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes.

4.07: EMERGENCY MEETINGS

In the case of emergency involving matters upon which prompt action is necessary due to the disruption or threatened disruption of water service of the Water Works System, a special meeting may be held without complying with the 24-hour notice requirement. A majority of the Board may determine that an emergency exists. All other special meeting requirements must nonetheless be met. Additionally, the minutes of such emergency special meeting shall list those persons notified or who were attempted to be notified. A copy of the roll call vote on any actions taken at such meeting shall be publicly posted for at least 10 days as soon after the meeting as possible. A closed session cannot be conducted at an emergency meeting.

4.08: ADJOURNED MEETINGS

The Board may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Meetings having less than a quorum of the Board may so adjourn from time to time. If all members are absent from any regular or adjourned regular meeting, the Secretary may declare the meeting adjourned to a stated time and place and shall cause a written notice of the adjournment to be given in the same manner as provided for special meetings, unless such notice is waived. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held, within 24 hours after the time of adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the hour at which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings.

4.09: NOTICE OF MEETINGS

- A. Notice of the regular meetings of the Board shall be required to be posted seventy-two [72] before the meeting. Said notice shall be posted at designated locations throughout the district. Notice of special meetings of the Board shall be given as provided in Section 4.06 hereof. Notice of all adjourned meetings, regular or special, shall be given as provided in Section 4.08 hereof.
- B. Notice of meetings shall also be mailed at the time the agenda for the meeting is posted, to any customer of the District who has filed a written request for such notice. Requests for notice are valid for one year unless

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renewal is requested. The Board may establish a reasonable fee for such special notices.

4.10: AGENDA

The Secretary shall cause an agenda of each regular meeting of the Board to be posted at designated locations at least 72 hours before the meeting, in accordance with applicable law. Upon determination by a two-thirds vote of the Board members that there is a need to take immediate action and that the need for action came to the attention of the District after the agenda was posted, the Board may consider matters for action which arose after notice of the meeting was given.

4.11: CONDUCT OF BOARD MEETINGS

- A. All District meetings shall be chaired by the District's Chairman. In his or her absence, the Secretary of the Board or the Board Treasurer shall chair meetings. In the absence of both the Chairman and the Secretary, the Board member selected by a majority of the Board members present shall chair the meeting.
- B. All meetings of the Board shall be open and public, and all persons shall be permitted to attend any meeting, except Closed Sessions of the Board held in accordance with the law.
- C. The public shall be afforded an opportunity to address the Board once on each item placed on the Agenda for Board consideration and possible action, at the time the Board considers such action. Otherwise, oral public comment and participation will be limited to items marked "Public Comment" on the Agenda. Where appropriate under the circumstances, the Board may limit public comment to three minutes. All other comments should be submitted in writing to the Secretary prior to the meeting for reproduction and distribution to the Board.
- D. The District tapes each meeting of the Board; the tapes are retained by the District for ninety days [90] following the Board meeting, and then destroyed. Tapes of Board meetings are available for copying upon payment to the District of the cost of copying, as established by the District from time to time, and are also available for listening at the District offices. Members of the public may record meetings of the Board with an audio or video tape recorder, provided such taping does not disrupt the conduct of the Board meeting.

4.12: QUORUM

The quorum consists of three Board members. A quorum must be present for the Board to take action on any matter.

4.13: ACTION BY BOARD

A minimum of three Board members must vote for a matter before the Board in order for the Board to take action on that matter.

4.14: CLOSED SESSIONS

The Board may meet in a closed session not open to the public to discuss matters of a confidential nature, including, but not limited to, discussions regarding matters posing a threat to the security of public buildings, consideration of hiring, firing, and discipline of personnel. Meetings with designated representatives of the District prior to and during negotiations with employee organizations, to discuss

negotiations regarding the purchase, sale, exchange or lease of real property and to meet with District counsel regarding pending or threatened litigation pursuant to Government Code Section 54956.9 and for any other purpose as may from time to time be permitted by law. Prior to and after holding a closed session, the Board shall state the general reason for the closed session, and may consider only those matters covered in the statement. No minutes or tape recording shall be made of any closed session. Following the closed session, there must be an oral or written report on any action taken, including the vote of every Board member present. Board members are prohibited from discussing or otherwise divulging matters discussed in closed session, unless otherwise required to do so by law.

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ARTICLE 5: CONFLICT OF INTEREST CODE AND DISCLOSURE

The District has adopted a Conflict of Interest Code in accordance with state law and incorporates the code attached as Appendix A herein. Directors may consult individually with the District's attorney or personal attorney with respect to questions concerning completion of the required disclosure statements.

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ARTICLE 6: INDEMNIFICATION OF OFFICERS, DIRECTORS AND EMPLOYEES

6.01: INDEMNIFICATION

The District shall indemnify, to the extent allowed by law, all officers, directors and employees of the District for liability incurred in the course and scope of their duties as officers, directors and employees of the District.

6.02: DEFENSE OF OFFICERS AND DIRECTORS

Upon written request by the affected officer, director or employee, and upon determination by the Board that the acts complained of are (i) within the course and scope of the employment of the affected person, and (ii) not the result of fraud or willful misconduct, the District shall provide for the legal defense of such officer, director or employee.

6.03: JUDGMENT AGAINST AN OFFICER OR DIRECTOR

Where (1) written request has been made ten (10) days prior to trial for the District to provide a defense; (2) the District has provided a defense; (3) the officer, director or employee cooperated in such defense; and (4) the actions of the officer, director or employee are not the result of fraud or willful misconduct, the District shall indemnify such officer, director or employee from any judgment taken against them.

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ARTICLE 7: RULES APPLICABLE TO INDIVIDUAL APPLICANTS FOR WATER SERVICE

7.01: USE OF AN ACTIVE SERVICE BY NEW TENANT/OWNER

A person who takes possession of premises and uses water without applying for water service is liable for all water delivered from the date of the last recorded meter reading; if the meter is found inoperative, the quantity consumed will be estimated. If proper application for service is not made within 48 hours after notification that failure to do so will result in termination of water service, or if accumulated bills are not paid upon presentation, water service shall be discontinued as provided in the notice. The District may refuse to provide water service to any parcel if outstanding charges for service already rendered such parcel have not been paid within a reasonable time [Water Code § 22282.1].

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7.02: APPLICATION FOR SERVICE

Each applicant for service is required to sign, on a form prescribed by the District, an application setting forth the following contents and limited to the purpose stated below. The current form of application is attached in **Appendix C**.

A. Contents:

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1. Date and place of application.
2. Location of premises to be served.
3. Agreement to abide by District Rules and Regulations.
4. Purpose for which service is to be used.
5. Address to which bills are to be mailed or delivered.
6. Home and office telephone numbers.
7. Whether applicant is owner, tenant or agent for the premises.
8. If tenant - owner's name, address and telephone number.
9. Agreement to assume any outstanding water charges for property where service is requested.
10. Such other information as the District may reasonably require.

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B. Application Fee: Applicants will be required to submit an application fee with their application for service, to partially defray the administrative expense incurred in processing the application. The current application fee is set forth in **Appendix C**.

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C. Residential Rental Property: Applications for water service to residential rental property require service to be provided on account of the property owner or, alternatively, upon co-application by both the property owner and the tenant. Applicants who are not property owners will not be provided service until the property owner has made an application. The District will hold the property owner ultimately responsible for payment.

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D. Property Damage Waiver Agreement: Applicants will be required to execute a Customer Waiver Agreement, by which the customer acknowledges receipt of certain information regarding the chemical analysis of District water, and waives any claim for damages to their pipes and plumbing fixtures as a result of their use of District water. A copy of the agreement is included in **Appendix C**.

7.03: ESTABLISHMENT OF CREDIT

The District may require Applicants for service to provide it with information sufficient to enable the District to determine the credit worthiness of the Applicant. Upon determining the Applicant's credit worthiness, the District may require the Applicant to deposit with the District such sums of money as determined by the Board from time to time, as specified in **Appendix D**. Deposits will be refunded to applicants at the termination of water service, provided all water charges have been paid. No interest will be paid on deposits. Applications for service to any property will be granted only if all assessments, fees, charges, delinquent water bills, and penalties due and charged to or against said property, for service rendered to that property, have been fully paid.

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A. Deposit Upon Disconnection for Non-Payment: The Consumer shall be required to deposit with the District such sums as specified in **Appendix D** in the event the Consumer's service is disconnected for non-payment, as provided in Article 8.04.B

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- B. Waiver of Deposit: Public Agencies will not be subject to the deposit requirements stated above.
- C. Return of Deposit: Where the Consumer has maintained their payment history in good standing for three years, the deposit will be refunded to the Consumer or credited against their bill, as the Consumer may direct.

7.04: REFUSAL TO SERVE

The District may refuse to serve an applicant for service under the following conditions:

- A. Conditions for Refusal:
 1. If the applicant fails to comply with any of the rules and regulations contained herein.
 2. If the intended use of the service is of such a nature that it will be detrimental or injurious to existing Consumers.
 3. If, in the judgment of the District, the applicant's installation for utilizing the service is unsafe or hazardous, or of such nature that satisfactory service cannot be rendered, or exceeds the normal capacity of the meter service.
 4. Where service has been discontinued for fraudulent use, the District will not serve an applicant until it has determined that all conditions of fraudulent use or practice have been corrected.
 5. Where charges for past water service to the parcel have not been paid [Water Code § 22282.1].
 6. Water Service will not be provided to new construction unless the District is able to verify that the minimum horizontal separation between District water mains and private sewage disposal systems is 25 feet or more.
- B. Notification to Applicant: When an applicant is refused service under the provisions of this rule, the District will notify the applicant promptly of the reason for the refusal to serve and of the right of applicant to appeal that decision to the Board.

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7.05: WATER SERVICE CONNECTIONS

All water service within the District shall have a metered connection.

For those premises that do not have an existing service connection, the applicant will be charged an amount estimated to be the actual costs to the District of the installation and material for a service connection.

- A. Size: The District will furnish and install a service connection of such size as the applicant requests, including the service pipe and water meter, so long as reasonable. The District reserves the right to determine the type of any backflow prevention or other appurtenances required for the installation.
- B. Location: So long as practicable, service will be installed at locations designated by the applicant, but only at curb and/or property lines of the property to be served abutting upon a public street, highway, alley, lane, or road in which is installed a water main of the District.
- C. Looped Metered Connections: Service provided to a location that has its own distribution system that is looped and connected to District facilities by

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two (2) or more meters shall be provided with an approved type backflow prevention device immediately downstream of each metered connection as specified in **Appendix E**.

- D. Changes in Service Connection/Meter Size: Payment of all applicable additional charges will be required upon the happening of any of the following:
1. The alteration, increase or decrease in size of a service connection.
 2. The service of any area, adjacent property, or property of different ownership not served at the time of the original commencement of service.
 3. The increase of use by reason of land zoning reclassification or actual land use.

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

- E. Limitations on Use of Service Connections:
1. **Number of Units and Land Area.** The District reserves the right to designate the type of meter, limit the number of buildings, separate houses, living or business quarters, and the area of land under one ownership to be supplied by one service connection.
 2. **After Subdivision.** When property provided with a service connection is subdivided, the service connection shall be considered as belonging to the lot or parcel of land which it directly enters.
 3. **Supplying to Other Property.** Except by special permission of the District, no service connection shall be used to supply adjoining property belonging to a different owner, or adjoining property acquired by the original applicant or owner subsequent to installation of the original service connection, or to supply property of the same owner on opposite sides of a public street or alley.
 4. **Supplying Outside District.** No service connection located in the District will be used to supply water received from the District to property outside the District, unless specifically authorized in writing by the District.
 5. **Master Meters.** Except in the case of a motel, hotel, apartment building or mobile home park, no master meters will be authorized for a multi-user development. All tenants or owners receiving water service shall have separate meters.

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ARTICLE 8: RULES APPLICABLE TO EXISTING CONSUMERS

8.01: DESCRIPTION OF SERVICE

- A. Quantities: The District will endeavor to supply water dependably and safely in adequate quantities and pressures to meet the reasonable needs and requirements of Consumers.
- B. Quality: The District will endeavor to supply water for domestic use or human consumption that is potable, not harmful to human health, free from objectionable taste, odor or color, and within health standards.
- C. Responsibility for Loss or Damage: Consumers shall accept such conditions of pressure and service as are provided by the District system, and hold the District harmless for any loss or damage to Consumers resulting from the District's failure to meet the service goals stated within this section, or due to any interruptions in service.

8.02: CONDITIONS OF SERVICE

- A. Notices:
 - 1. Notice to a Consumer will normally be in writing and will be delivered or mailed to the consumer's last known address. In emergencies or when circumstances warrant, the District, where feasible, will endeavor to promptly notify the consumer affected and may make such notification orally, either in person or by telephone, or by leaving a written notice on the door.
 - 2. A Consumer may make notification in person, by telephone or by letter to the District at its commercial office.
- B. Change in Consumer's Equipment, Operations or Land Use: A Consumer making any material change in the size, character, or extent of the equipment, operations, or nature of land use shall immediately give the District written notice of the nature and extent of the change, and if necessary amend their application for water service. Any and all modifications to the service must be approved by the District. Water Service will not be provided to new construction unless the District is able to verify that the minimum horizontal separation between District water mains and private sewage disposal systems is 25 feet or more.
- C. Continuity of Service: The District expressly reserves the right to restrict, curtail, allocate or apportion District water supplies as necessary, in the sole discretion of the District.

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- 1. Emergency Interruptions:
The District will make all reasonable efforts to prevent interruptions to service and, when such interruptions occur, will endeavor to re-establish service with minimal delay consistent with the safety of the District's customers and the general public.

Where an emergency interruption of service affects the service to any public fire protection device, the District will promptly

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endeavor to notify the Fire Chief or other public official responsible for fire protection, of such interruption and of subsequent restoration of normal service.

2. Scheduled Interruptions:

Whenever the District finds it necessary to schedule an interruption to its service, it will, where feasible, notify all Consumers to be affected by the interruption, stating the approximate time and anticipated duration of the interruption. Scheduled interruptions will be made at such hours as will be least inconvenient to the Consumers consistent with reasonable utility operations.

Where public fire protection is provided by the mains affected by the interruptions, the District will promptly endeavor to notify the Fire Chief or other officials responsible for fire protection, of the interruption. In addition, the Fire Chief or other official responsible for fire protection will be notified upon restoration of service.

3. Apportionment of Supply During Water Shortages:

During times of impending or actual water shortage, the District will apportion its available water supply among its Consumers as directed by the appropriate state and local authorities. In the absence of direction from such authorities, it will apportion the supply in the manner that appears most equitable under the circumstances, with due regard to public health and safety.

D. Ownership of Facilities on Consumer's Premises:

The service lateral, meter, and meter box or other facilities furnished at the Consumer's expense, whether located wholly or partially upon a Consumer's premises, are the property of the District. No rent or other charge will be paid by the District where the District-owned service facilities are located on a Consumer's premises.

E. District Access to Consumer's Premise:

The District shall at all reasonable hours have access to meters, service connections and other equipment or facilities owned by it which may be located on Consumer's premises for purposes of installation, maintenance, operation or removal of the equipment at the time service is to be terminated. The property owner or consumer shall maintain the meter box area free and clear of any obstruction preventing clear access to District facilities. The Consumer's system shall be open for inspection at all reasonable times to authorized representatives of the District. Any inspection work or recommendations made by the District or its agents in connection with plumbing or appliances, cross-connections or any use of water on the Consumer's premises, either as a result of a complaint or otherwise, may result in a charge to the Consumer.

F. Service Calls:

Where the District requires access to the Consumer's premises for maintenance, service, or otherwise, and the Consumer's presence is required for such service call, the District shall give the Consumer a 4-hour period during which the service call shall be made. If the District fails to make the service call as promised, a second appointment shall be made and the

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Consumer will be given a 2-hour period during which District personnel shall arrive for the service call.

- G. District's Responsibilities for Damage or Loss to Consumer:
The District will not be responsible for any loss or damage caused by any negligence or wrongful act of a Consumer or of a Consumer's authorized representatives in installing, maintaining, operating or using any or all appliances, facilities or equipment which is supplied.
- H. Consumer's Responsibility for District Property:
The Consumer will be charged for damage to District's meters and other property resulting from the use or operation of appliances and facilities on Consumer's premises, including but not limited to damage caused by steam, hot water or chemicals, or the breaking or destruction of locks on or near a meter. All such damage shall be repaired by the District at the consumer's expense. Costs for repairs may be added to the water bills.
- I. Control Valve on the Consumer Property:
The Consumer shall provide a valve on their side of the service installation, as close to the meter location as practicable to control the flow of water to the piping on their premises. The Consumer shall not use the service curb stop to turn water on and off for their convenience.
- J. Resale of Water:
Except by special agreement with the District, no Consumer shall resell water received from the District, nor shall such water be delivered to a property other than that specified in the application for service.

8.03: RATES AND CHARGES

- A. General Provisions: Rates and charges for water service and other miscellaneous charges are set by the Board from time to time. Current rates and charges are set forth in the attached appendices as more particularly described below.
- B. Service Charge: The monthly service charge is a "readiness to serve" charge and is fixed regardless of the quantity of water consumed. Current rates are set forth in **Appendix B**.
- C. Quantity Rates: The quantity rate is applied to the Consumer's water consumption. Current applicable rates are set forth in **Appendix B**.
- D. Out of the District Service: Customers located outside of the District may be charged rates for water service that are different than those charged to customers within the District, based upon the reasonable cost to the District of providing service to property outside its service area, as determined by the Board from time to time.
- E. Tank Truck Service Rates: Any person desiring service for tank trucks may, upon application and payment of a deposit equal to the cost of the meter plus a non-reimbursable charge for meter installation and removal may obtain water from such places as the District shall from time to time designate, and shall pay monthly in accordance with the rates set forth in Sections 8.03 B, C and D. In the event said construction meter is damaged, lost or stolen, or not returned, the deposit shall be forfeited.

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Any person desiring un-metered tank truck service, upon application and approval by the District, shall pay a deposit based on total loads requested, as set forth in **Appendix D**. In no event shall tank truck service interfere with the supply of water to regular customers of the District. All such water shall be used and consumed within the District. If not, then the said deposit shall be forfeited to the District and all charges become immediately due and payable and all further service to such person immediately discontinued, except that water may be used or consumed outside the District if approved by the General Manager.

F. **Miscellaneous Charges:** In order to recover the cost associated with late payments, disconnection's and other damages sustained by the District, the specified items listed below are charged to Consumers; the dollar amounts associated with each item are determined by the Board and set forth in **Appendix C**.

1. **Reconnection or Late Charge:**

If a Consumer requests resumption or continuance of service after such service has been disconnected or if a notice to disconnect has expired, then the Consumer shall pay a reconnection fee of \$50.00 in addition to any past due user charges, advance payments, or meeting any other conditions set forth by the District.

2. **Returned Check Charge:**

When a Consumer's check in payment of water service and other charges is returned as non-negotiable for any reason, the District shall notify the Consumer of the returned check on a 24-hour Notice of Termination of water service as set forth in Section 8.04.G (5) below. The Notice of Termination will become effective if the water service charges together with a Returned Check Charge, as set forth in **Appendix C**, are not paid in cash or other certified funds before or on the date specified in the 24-hour Notice of Termination.

3. **Meter Test Charge:**

The District shall endeavor to keep the meters in good condition and registering accurately. Any Consumer may request that his meter be examined and tested to see if it is correctly recording water delivered through it. Said request shall be made in writing and shall be accompanied by a deposit, as set forth in **Appendix D**.

Upon receipt of such demand and deposit, it shall be the duty of the General Manager to cause the meter to be examined and tested, and if upon such examination and test the meter shall be found to register over three percent more water than actually passes through it, the meter shall be properly adjusted or another meter substituted therefore, and the deposit shall be returned to the person making the demand and the water bill shall be adjusted proportionately.

If the meter is found to register not more than three percent more water or less water than actually passes through it, said deposit shall be retained by the District to partially defray the expense of making the test. All other tests and examinations of meters shall be at the District's expense.

The District has the right to impose a limit on the frequency with which a consumer may demand that a meter be tested. This will be determined to be not more than once per calendar year.

4. Pulled Meter Charge:
If a Consumer's service has been disconnected and the meter has been "pulled" or removed from the premises, then the Consumer shall pay at the District office a pulled meter charge equal to the actual expense to the District of pulling the meter, and any other applicable charges, before the service and meter can be reconnected.
5. Unauthorized Water Use:
Any person or entity found taking water from or through any of the District's facilities without District authorization will be assessed a fine payable to the District, as set forth in **Appendix C**, in addition to applicable District charges for the quantity of water taken. Written notice of the assessment of such fine shall be given by personal service or by registered or certified mail.
6. Charge for Turn Off at Main:
If the water to a property is turned on more than once without District authorization, the service may be shut off at the main, and the Consumer shall be required to pay, in addition to any other applicable charges, a charge equal to the actual expense to the District of reconnection prior to the re-establishment of service, as set forth in **Appendix C**.
7. Property Damage:
If a Consumer, new applicant or developer is found to be responsible for any damage done to District property; such damages shall be reimbursed to the District at cost plus administrative overhead. If responsibility for damage is not known, charges will be made to the current Consumer or property owner.

8.04: BILLING PROCEDURES

- A. Joint Service: No joint service is allowed. An individual party will be solely liable for payment of bills. In those instances where more than one party applies for service, each party shall be severally liable for payment of bills.
- B. Re-establishment of Credit: A Consumer whose service has been discontinued for nonpayment of bills will be required to pay any unpaid balance due the District for the premises for which service is to be restored and may be required to pay a reconnection charge as prescribed in Article 8.03H(1) under "Reconnection or Late Charge" before service is restored. In addition, the Consumer will be required to deposit with the District such sums of money as determined by the Board from time to time, as specified in **Appendix D**.
- C. Bankruptcy of Consumer: Pursuant to the Bankruptcy Act (P.L. 95-598, as amended from time to time), the District shall not alter, refuse or discontinue service to, or discriminate against, a Consumer, or a trustee of a

Consumer, solely on the basis that a debt owed by the Consumer to the District for service rendered before the order for relief was not paid when due. It shall be the responsibility of the Consumer to supply the District with a copy of any applicable order for relief. The District shall not discontinue service if the Consumer, nor the trustee, within 20 days after the date of the order for relief, furnishes adequate assurance of payment in the form of an advance payment for service after such date. As used herein, "adequate assurance of payment" shall mean an advance payment in an amount equal to the highest two month's last 6 billings rendered to the Consumer or for the Consumer's property if Consumer has not occupied the property for that period of time, prior to the order for relief. As used herein, "order for relief" shall have the same meaning as given to it in the Bankruptcy Act. The commencement of a voluntary case under the Bankruptcy Act shall constitute an order for relief. Service may be discontinued in accordance with the rules of the District upon non-payment for service rendered after the order of relief.

- D. Refund of Deposit: Upon discontinuance of a service, the District will refund the balance of the Consumer's deposit, for that service, in excess of any unpaid bills. No interest will be paid on deposits. Refunds will be made within a reasonable period of time.
- E. Rendering and Payment of Bills: Bills for service will be rendered on a monthly basis, at the option of the district. Bills for service are due and payable upon presentation and become delinquent 30 days from the due date of the invoice. In the event that the bill is not paid within that time, the Consumer will be assessed a late charge as specified in **Appendix C**. Payment may be made at the office of the District or to any representative of the District authorized to make collections. However, it is the Consumer's responsibility to assure that payments are received at the District's office in a timely manner. Partial payments are not authorized unless prior approval has been received from the District's office.
1. Opening Bills for less than the normal billing period shall be prorated both as to minimum charges and water consumption.
 2. Closing bills for less than the normal billing period shall be prorated both as to minimum charges and water consumption. Closing bills may be estimated by the District for the final period as an expediency to permit the customer to pay the closing bill at the time service is terminated.
- F. Separate Billings for Each Meter: Each meter on a Consumer's premises will be considered separately and the readings of two or more meters will not be combined except where the District's operating convenience or necessity may require the use of more than one meter or a battery of meters. In the latter case, the meter readings will be combined for billing purposes.
- G. Delinquent Bills: The following rules apply to Consumers whose bills remain not paid after 30 days from the bill date.
1. Small Balance Accounts: In any billing, if less than a minimum bill remains unpaid, it may be carried over to, and added to, the next billing period.

2. Late Notice: If payment for a billing period is not made on or before the 30th day after the billing period invoice date, a Late Notice will be mailed to the water service Consumer at least thirty (30) days prior to actual disconnection. Upon receipt of a Late Notice and up to 2-days prior to the date set for disconnection, the Consumer may request an amortization payment plan pursuant to Article 8.04J.
3. Turn-Off Deadline: Water service charges and late charges must be paid on or prior to 1:00 p.m. on the day specified in the Late Notice.
4. Contents of Late Notice: The Late Notice shall specify the following information in a clear and legible format:
 - a. Customer's name and address;
 - b. Amount in arrears;
 - c. Date by which payment must be made;
 - d. Procedures for requesting amortization of the unpaid balance;
 - e. Procedures for obtaining information on financial assistance; and
 - f. Telephone number of the District representative who can provide additional information.
5. Twenty-four Hour Notice of Termination: At least twenty-four (24) hours prior to actual termination as set forth in the Late Notice, the District shall make a reasonable, good faith effort to contact an adult of the residence by telephone or in person, and provide them with the information set forth in a, b, c, f of paragraph 4 above. At least one attempted personal contact coupled with use of a "door hanger" shall be deemed to be a reasonable, good faith effort at contacting an adult of the residence.
6. Waiver of Late Notices to Public Agencies: Public agencies, because of usual sound financial base and variations in warrant payment procedures, will not be sent delinquent notices for delinquent payment of current accounts.
7. Notification of Returned Check-Disposition: Upon receipt of a returned check taken as remittance of water service or other charges, the District will consider the account not paid.
8. Returned Check for Discontinued Service: In the event the Consumer tenders a returned check as payment to restore water service previously disconnected for non-payment, and as a result the District restores service, the District may again promptly disconnect service without providing further notice. No 24-hour Notice of Termination will be made in the case of a returned check tendered for payment of water charges that were subject to discontinuance.
9. Pre-Payment Upon Receipt of Returned Check: Any consumer issuing a non-negotiable check as payment for water charges shall

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be required to deposit with the District such sums as the District may establish for re-establishment of credit, as provided in Articles 7.03A and 8.04B, and as set forth in **Appendix D**.

10. Delinquency Charge for Non-Payment: Any water service which is delinquent in payment will be charged a one time delinquency charge in the amount of \$15.00, the unpaid balance, including the amount of any delinquency charge, shall bear simple interest at the rate of 10% per annum, as set forth in Resolution 99-1-19.
- H. Disputed Bills: The procedure to be used to contest the accuracy of water charges upon receipt of a bill for water service is as follows:

If a customer questions that amount of a billing he or she may deposit said amount with the District stating in writing the exception taken to the charge, and the service will not be interrupted pending the investigation and determination of the correct amount to be paid.

If a customer questions the accuracy of the meter registration and desires a test, the request will be granted upon receipt of a deposit of \$250.00 to cover the cost thereof. Upon receipt of such deposit the General Manager will have the customer's meter tested by a qualified agency for performance. If the meter is found to test 3% or more "fast", the deposit and any overpayment for water will be refunded. Otherwise, the deposit will be retained to cover the expense involved in testing the meter. A final determination may be made by the Board.

- I. Adjustment of Bills for Meter Error: The Consumer may request an adjustment of the bill on the basis of meter error. Such a request must be made in writing and the rules set forth in Article 8.03H(3), -Meter Test Charge, will apply. The District will, within 10 days, proceed to test the Consumer's meter; the meter will be tested in an "as found" condition, in order to determine the average meter error. If the average meter error is found to exceed 3 percent, that is if quantities of water recorded by the meter are outside of a range between 97 percent and 103 percent of the actual quantities of water passed through the meter during the test, the following billing adjustments will be made.

1. Fast Meters:
The District will refund to the Consumer the amount of the overcharge based on corrected meter readings of the period the meter was in use and determined to be incorrect, but not to exceed a period of six months.
2. Slow Meters:
The District may bill the Consumer, at its option, for the amount of the undercharge based upon corrected meter readings for the period the meter was in service and determined to be incorrect, but not to exceed a period of six months.
3. Non-Registering Meters:
The District may bill the Consumer according to an estimate of water consumed while the meter was not registering, but not

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exceeding a period of six months. This estimate will be based on the Consumer's prior use during the same season of the previous year if conditions were unchanged during the year, or on a reasonable comparison of consumption of other similar Consumers during the same period.

4. General:
If the meter error is caused by some event, the date of which can be determined, then the billing adjustment will be made for the period of time since the date of such event; such a period may exceed the ~~six-month~~ limitation for fast meters and the ~~six-month~~ limitation for slow or non-registering meters, as stated in 1 through 3 above.
- J. Amortization of Unpaid Balance: Any Consumer who is unable to pay for water service within the normal payment period may request amortization of the unpaid balance over a period not to exceed twelve months. The District will consider all circumstances surrounding the request, and make a determination as to whether amortization is warranted.
 1. Certification by Physician: Where a licensed physician certifies that the termination of service will be life-threatening to the Consumer, and the Consumer certifies that he or she is unable to pay for the service within the normal payment period and is willing to enter into an amortization agreement, the Consumer may request, in writing, a 12-month amortization payment plan. In such instance the District is obligated to enter into an amortization plan
 2. Amortization Payment Plan: Upon confirmation of the doctor's certification and/or approval of the request, an amortization plan will be entered into between the District and the Consumer. The plan will amortize the unpaid balance over 12 months, with payments added to the Consumer's regular bill. The Consumer will be charged an administrative fee representing the cost to the District of initiating and administering the plan, and the plan shall include a charge for interest of ten percent (10%) per annum or the maximum legal rate, whichever is lower, on the unpaid balance. The current form of Amortization Agreement is included in **Appendix C**.
 3. Compliance with Plan: The Consumer must comply with the amortization plan and remain current as charges accrue in each subsequent billing period. The Consumer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan. Failure to comply with the terms of an amortization plan will result in twenty-four-- (24) hour Notice of Discontinuation.

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8.05: TURN ON AND TURN OFF PROCEDURES AND CHARGES

- A. Turn-off at the Consumer's Request: A Consumer may request that service be discontinued either temporarily or permanently. Such a request must be made by giving at least one working day's advance notice to the District. If such a notice is not given, the Consumer will be billed for service until one working day after the District has received appropriate notice that the Consumer has vacated premises or otherwise has discontinued service.

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- B. Turn-off by the District: The District may disconnect a Consumer's service for various reasons which are listed below. Such involuntary disconnections are effected by turning off and locking the meter, thereby stopping the water service; the District will make a reasonable attempt to notify the Consumer of disconnection in person, or will place a disconnection notice on the premises served by the disconnected meter at least 24 hours prior to termination. Reasons for involuntary disconnection include, but are not limited to, the following:
1. A service may be disconnected for non-payment of periodic bills. Before a service is disconnected, the Consumer will be notified by a Late Notice as set forth in Article 8.04G. A service may be disconnected for non-payment of bills of a Consumer whether or not the payment delinquency is associated with water service at that service connection or at any other water service connection of that same Consumer.
 2. The District may discontinue service to any Consumer for violation of the District's rules and regulations after it has given the Consumer at least five days' written notice of such intention. Where safety of water supply is endangered, service may be discontinued immediately without notice.
 3. In order to protect itself and its Consumers against willful or negligent waste or misuse of water, the District may disconnect service if such wasteful practices are not remedied within five (5) days after written notice to such effect has been given to the Consumer. Such written notice shall be given by personal service or by registered or certified mail. Upon failure of the Consumer to correct those wasteful practices set forth in the five-day notice, the Consumer's water service shall be terminated. Service will be restored only after the wasteful practice has been remedied, and the Consumer has paid the reconnection charge as set forth in **Appendix C**.
 4. The District may disconnect a service without notice if unsafe or hazardous conditions are found to exist on the Consumer's premises. The District will immediately notify the Consumer of the reasons and the necessary corrections required before reconnection. Such unsafe or hazardous conditions may exist due to defective appliances or equipment that may be detrimental to either the Consumer, the District or to the District's other Consumers.
 5. When the District has discovered that a Consumer has obtained service by fraudulent means, or has diverted the water service for unauthorized use, the service to that Consumer may be discontinued without notice. The District will not restore service to such Consumer until that Consumer has complied with all applicable rules and reasonable requirements of the District and the District has been reimbursed for the full amount of the service rendered and the actual cost to the District incurred by reason of the fraudulent use.

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- C. Restoration of Service: In order to resume or continue service that has been disconnected, the Consumer must pay a reconnection charge as set forth under Article 8.03H(1). The District will endeavor to make reconnections as soon as practicable, to suit the Consumer's convenience; however, the District shall make the reconnection before the end of the next regular working day following the Consumer's request and payment of any applicable reconnection charges pursuant to 8.03H(1).

8.06: CHANGES IN METER SIZE, LAND USE OR INCLUSION OF ADDITIONAL LAND AREA

The owner of a property who desires a change in meter size or location of such meter, or changes substantially the type of land use (such as residential to commercial), or wishes to include adjacent land areas not served at the time of the original commencement of service, shall make a request in writing and, if approved by the District, shall pay various costs and charges as set forth below.

- A. Charges for a Smaller Meter: If the desired meter size is the next smaller size meter than the current size, the Owner will not be charged for a new regular connection for the desired meter size as set forth in Article 7.05.
- B. Charges for a Larger Meter: If the desired meter size is larger than the current size, the Owner shall pay the full current charges for a new regular service connection for the desired meter size as set forth in Article 7.05, less any credit on the removed meter.
- C. Charges for Change in Meter Location: If the Consumer desires a change in location of the meter, such change may be effected with the mutual agreement of the District and the property owner, and the owner/Consumer shall pay for the actual costs incurred by the District.
- D. Change in Land Use: The Consumer/property owner shall notify the District of any change in the character or use of the property or buildings from that for which the service connection was originally obtained. If a residential property is to be reclassified or used as commercial or industrial, or a commercial property is to be reclassified or used as industrial, the owner shall pay any additional charges that may be applicable by reason of the reclassification. In all cases the Manager's determination of the property's zoning classification or use will be final, subject to an appeal to the Board.
- E. Inclusion of Additional Land Area: The Consumer/property owner shall notify the District of any additional land area or adjacent lots not served at the time of original commencement of service that are to be served from the existing service connection.

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8.07: WATER CONSERVATION

The purpose of this rule is to ensure that water resources available to the District are put to a reasonable beneficial use and that the benefits of the District's water supply and service extend to the largest number of persons.

- A. Wastage: In order to protect itself against serious and negligent waste of water, the District may disconnect service as set forth in Article 8.05B(3).
- B. Use of Water Saving Devices and Practices: Each Consumer of the District is urged to install devices to reduce the quantity of water to flush toilets and to reduce the flow rate of showers. Each Consumer is further urged to adopt

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such other water usage and re-usage practices and procedures as are feasible and reasonable.

- C. Rules and Regulations: The District may adopt such rules and regulations imposing restrictions on the use and consumption of water as it may deem appropriate. Violation of District regulations governing water conservation may result in termination of service, as provided in Article 8.05B(2).

8.08: CROSS CONNECTIONS

The District has adopted a Cross-Connection Control Program, and incorporates such program herein. The District Cross-Connection Control Program is attached hereto as **Appendix E**.

8.09: UNLAWFUL ACTS

In order to protect public water supplies, certain acts are, by state law, misdemeanors and in some instances penalties are punishable by imprisonment in the county jail for not more than one year or in the state prison. Among the more significant statutes involving criminal acts with respect to water systems are:

- A. Section 498 Penal Code: This section includes stealing water, as well as diverting other utilities illegally and taking water after service has been disconnected and the meter sealed (including unauthorized connections to fire hydrants - see 9.03).
- B. Section 488 Penal Code: Permitting willful or neglectful seepage or overflow of water on adjacent lands, public or private roads or highways.
- C. Sections 4450 to 4457 Health and Safety Code: Any act that leads to the pollution of any conduit or reservoir.

8.10: FIRE HYDRANT DAMAGE

When any person, company, or agency is determined to be the responsible party that has caused damage of a fire hydrant or blowout valve, the District may charge that party with all costs necessary to repair the damages and the cost of water loss computed on the basis of the duration of flow and the flow rate.

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8.11: PRIVATE FIRE PROTECTION SERVICE

All facilities utilized by the Consumer in providing private fire protection to the premises are the property of the Consumer, who shall be responsible for the costs of installation, repair and maintenance of the private fire protection system.

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- A. Use and Testing: Upon prior written request and approval of the District, the Consumer may test the system at no cost. Testing a private fire protection system without prior District approval constitutes unauthorized water use, and shall result in a fine as provided in Article 8.03H(5). There shall be no water used through the private fire protection system, except to extinguish fires and for testing.
- B. No Connection to Other System: There shall be no connection between the private fire protection system and any other water distribution system on the premises.
- C. Rates: Any consumption will be charged at double the regular service rates, which consist of the quantity rate specified in Article 8.03C, unless used for

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testing with prior District approval, or to fight a fire which has been reported to the fire department. For testing, consumption will be billed at regular service rates. No charge will be made for water used to fight a fire.

- D. Water for Fire Storage Tanks: Occasionally, water may be obtained from a private fire protection system to fill a storage tank which is part of the fire protection system, but only with prior written authorization from the District and only where an approved means of measuring the flow quantities is available. Water so used will be billed at regular service rates.

8.12: PRIVACY POLICY

In the normal course of business the District collects: Information requested on applications and other forms (including name, address and phone numbers); data about transactions, account status and water consumption; information gathered from our website such as through online forms; information from outside sources such as public records; and information collected from consumer credit reporting agencies. Kinneloa Irrigation District will maintain physical, electronic and procedural safeguards that meet state and federal regulations and will share the information only as allowed by law for normal business administration and related business services. Access to customer information will be limited to people who need the information to perform their job responsibilities and to non-affiliates such as banks or service providers that help us to process transactions, print and mail statements and notices. Furthermore, the Kinneloa Irrigation District will adhere to the following privacy pledge to its customers:

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A. Information: Collect only the information needed to deliver water service and protect the health and safety of our customers.

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B. Privacy; Protect against unauthorized access to the customer's account information.

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C. Third Parties; Refuse to disclose or sell your information to outside persons or companies for marketing or other purposes without your written permission unless required by law, such as to: Respond to a subpoena; prevent fraud; comply with legal requirements; or respond to a government inquiry.

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ARTICLE 9: RULES APPLICABLE TO TEMPORARY CONSUMERS

9.01: ESTABLISHMENT OF TEMPORARY SERVICE

The District will, if no undue hardship to its existing consumers would result there from, furnish temporary service for construction purposes when the applicant has requested service on this basis or the District reasonably expects the service to be temporary and the applicant has paid an advance deposit and established credit. The District contemplates temporary service will be provided for a term of six (6) months or less, and requires the applicant to comply with the following:

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A. Advances: The applicant must advance to the District the estimated net cost of installing and removing the facilities necessary to furnish the service.

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B. Deposits/Establishment of Credit: The applicant must deposit a sum of money equal to the cost of the meter and the estimated bill as established by the Board and set forth in **Appendix D**. If the duration of service is to

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exceed one month, then the applicant must establish credit in the same manner as is prescribed for permanent service, under Article 7.03.

9.02: RATES, CHARGES AND CONDITIONS OF SERVICE

The rates, charges and conditions for temporary service will be the same as those prescribed for permanent service, plus a quantity surcharge set forth in **Appendix B**. The monthly service charge will be prorated and charged on a daily basis.

9.03: CONNECTIONS TO FIRE HYDRANTS

Fire hydrants connected to District mains are for use by the District and by organized fire protection agencies. Other parties desiring to use water from fire hydrants for any purpose must obtain written permission from the Manager and from the appropriate fire protection agency prior to use, and shall operate the hydrant according to the instructions issued by the Manager. Unauthorized use will be subject to penalty as prescribed in **Article 8.03H(5)** and will be prosecuted according to law. Notwithstanding all other penalties, charges for unauthorized use of water through fire hydrants will be subject to the appropriate penalty specified in **Appendix C** along with any applicable charges.

9.04: WATER FOR CONSTRUCTION NEEDS

All requests for construction water shall be made on an approved application form available in the District office and accompanied by the appropriate deposit amounts as stated in that form. Any costs involved in supplying such connections will be prepaid by the applicant. Water Service will not be provided to new construction unless the District is able to verify that the minimum horizontal separation between District water mains and private sewage disposal systems is 25 feet or more.

9.05: RESPONSIBILITY FOR METERS AND INSTALLATION

The Consumer shall protect District facilities involved in furnishing temporary service from the time they are installed until they are removed, or until 48 hours after the District has received written notice that the service is no longer required. The Consumer shall be responsible for the cost to repair any damage to District facilities.

9.06: TANK TRUCKS - BACK FLOW DEVICES

Service to tank trucks will be provided only where an approved backflow prevention device is used, in accordance with the District's Cross-Connection Control Program.

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ARTICLE 10: RULES APPLICABLE TO DEVELOPERS AND SUBDIVIDERS

Construction of all distribution mains and other necessary facilities required in subdivisions, or to service a remote parcel of land, shall be performed by the District and paid for by the developer or sub divider as set forth in this Article. In some cases the District may require larger size mains to be installed than is actually required to serve a particular subdivision or remote parcel. Prior to construction of the new facilities, the developer shall enter into an agreement with the District on a form provided by the District.

10.01: APPLICATION PROCEDURE

A. Submission of Plans and Fire Requirements:

The sub divider or developer shall furnish the District with the following:

1. Street Plans
2. Grading Plans

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3. Tract Map (For commercial and industrial developments, the developer shall determine, and indicate on one copy of the tract map, the sizing of all service connections, subject to District approval. For residential developments, the District shall determine the sizing of each service connection.)
4. Plot Plan
5. Sewer Plan
6. Storm Drainage Plan
7. Fire Department Requirements (one copy of plot plan stamped by the Fire Department, showing fire hydrant location and fire flow requirements).

B. Master Plan: In cases where the total area to be developed covers more than one tract, a master plan of the entire area shall be furnished by the developer.

C. Request for Statement of Water Availability: Upon written request by the developer to the District, and upon approval by the Manager of the proposed water system improvements required to serve the development, including any overseeing or off-site facilities required by the District, the District will provide the developer with a letter regarding water availability to the development. Such letter shall expressly condition water service upon the terms set forth in the letter and upon the completion in accordance with the plans and specifications and acceptance by the District of all system improvements required by the District in connection with the development.

D. Plan Check Fees: The District shall charge and collect a fee for checking plans for parcel maps and subdivisions, as set forth on **Appendix C**.

~~E. Compliance with Government Code Section 65589.7: The district will give priority to new developments which include housing units affordable to lower income households should it become necessary for applications for new service connections to be restricted in the future due to unforeseen and unanticipated water supply interruptions in accordance with Resolution No. 2006-11-21 adopted by the Board of Directors on November 21, 2006.~~

10.02: CIRCULATING WATER SYSTEM

In order to preserve water quality and to conserve water, the District will approve the design of and subsequently accept only project water systems for subdivisions, apartment complexes, etc. which provide not only for full circulation for each water main within the system but also each water main within the system must be connected to active mains of each end of said system main to provide two separate sources of supply.

A. Project Street Patterns: Designers and planners should develop street patterns for projects under their jurisdiction which permit installation of fully circulating water systems.

B. Off-Site Improvements: Where necessary, the District shall ~~construct, off-site~~ facilities as required to provide a fully circulating water system. The developer shall pay for the facilities and obtain and subsequently convey to the District such easements as may be necessary for installation of such off-site facilities.

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- C. Easements Required: Where street patterns cannot reasonably be designed to accommodate circulating systems, or for other reasons deemed valid by the District, easements shall be granted to the District for circulating mains to enable District to have access to such facilities for repair or replacement. Where necessary, the developer shall provide access easements between public right-of-ways and the circulating water main easements. Any easements provided there under shall be in accordance with District policy regarding easements, as set forth in Article 11.05.

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10.03: SELECTION OF CONTRACTOR FOR INSTALLATION

The District must approve any contractor who will perform work on District facilities, or on facilities intended to become a part of the District's water works system. The District shall advise the Developer, in advance of construction of water system improvements, of its selection of a contractor for the construction of on-site and off-site facilities. All work will be performed in accordance with applicable law governing construction of public works, and in accordance with the District's Bid Procurement Policy, attached hereto as **Appendix I**. The Developer will not be allowed to perform work on the on-site or off-site facilities without written authorization by the District.

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10.04: APPROVAL OF MATERIALS

The District must approve all materials necessary for the water system improvements.

10.05: DEVELOPERS AGREEMENT

Where new facilities are to be provided, the following terms and conditions will apply:

- A. Form of Agreement: Prior to construction of the new facilities, the developer shall enter into an agreement with the District on a form provided by the District. The developer shall be responsible for the cost of all facilities, including connection fees, material handling charges, meter setting fees, administrative overhead charges, and any other applicable charges.
- B. Overhead Charges: To defray the District's costs of inspection and overhead, the applicant shall pay an administrative overhead charge based upon the project cost or the cost of materials.
- C. Specifications: The facilities shall be constructed in accordance with the District's current specifications for construction.
- D. Maintenance and Repair of Facilities: The applicant shall protect and maintain the water facilities at all times up to and including completion of the development to be served by the water facilities. In the event the water facilities are damaged or destroyed (for example by construction workers or vandals) the applicant shall repair or replace said facilities without cost to District.
- E. Environmental and Health Requirements: The applicant shall be responsible for all costs associated with complying with applicable environmental and health laws and regulations. Water Service will not be provided to new construction unless the District is able to verify that the minimum horizontal separation between District water mains and private sewage disposal systems is 25 feet or more.

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10.06: MAIN EXTENSIONS

Sound engineering and economic practices require that water system facilities be designed and constructed in order to provide hydraulic integration. Accordingly, the District may require developers to construct facilities off-site which could not necessarily be required to provide service to the individual development.

The District recognizes that such off-site facilities whether they are oversized or extended may be of benefit to subsequent developments. In some instances, facilities required will be available for connection by subsequent developers. In other instances, no connections will be permitted.

- A. Reimbursement Agreement: If any water system plans approved by the District include the construction of off-site facilities the District and the developer will enter into a reimbursement agreement.
- B. Subsequent Connections Available: If the facilities constructed are available for subsequent connection, the District agrees to collect a fee from owners of property fronting on such facilities in an amount per diameter inch of main as provided in **Appendix J**, times the number of front feet of the property adjacent to and to be served by the connection. This amount to be collected will depend upon whether District policy allows connection to the main from both sides of the street or only from one side of the street. This amount will be paid to the developer when received by the District. This reimbursement right will extend for a period of five years from the District's acceptance of the line.
- C. No Subsequent Connections: If the facilities are not available for subsequent connection, the District will reimburse the developer, at the time of acceptance of the line, an amount per diameter inch of main, times the lineal feet of main constructed.
- D. District Review: The District will review and consider revision of this policy for determination of future reimbursements at least every two years.
- E. Application for Service to Subdivided Lands or Lands to be Subdivided: When a request is made for service to subdivided lands or lands to be subdivided which 1] requires the enlargement, extension, or replacement of existing lines. Or, 2] requires the construction of additional transmission lines or other facilities to provide adequate service, the cost of such installation shall be at the expense of the sub divider or owner. A deposit to cover the estimated cost of such a project, plus the overhead charge, must be made before the installation can be made. If the estimated charge does not cover the total expense, the additional cost must be paid by the sub divider or owner. If the actual cost the installation is less than estimated a refund will be made to the sub divider or owner. The size of the mains, meters, or other facilities shall be determined by the Engineer serving the KID. In the event such enlargements, replacements, or construction of facilities make service available to another property owner or sub divider, service shall be furnished to the non-participating property owner until payment by that owner of the proportionate share of the total cost. If paid within five years after installation, the amount thereof shall be refunded to the original sub divider or owner. If paid after five years, these monies shall be added to the general fund of the KID.

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10.07: SCHEDULING OF WATER SYSTEM INSTALLATION

The developer is required to coordinate all installation of the various utilities so that the storm drain and sewer are constructed prior to the water main installation. All remaining utilities must be scheduled after the District has completed and accepted the water system.

10.08 WORK PERFORMED BY DISTRICT PERSONNEL

In some instances, work on District facilities, or inspection of said work, required of a developer may be performed by District personnel, at the discretion of the General Manager. In such cases, the developer shall reimburse the District for the estimated value of District personnel and equipment utilized to perform the work on behalf of the developer. Current reimbursement rates for District personnel and equipment are set forth in **Appendix C**.

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10.09: EASEMENTS

When required, a developer or applicant for water service shall provide the District with any easements required for District facilities necessary to accomplish or complete water service for an applicant, consistent with District policy regarding easements, as set forth in **Article 11.05**.

10.10: DISTRICT ACCEPTANCE OF FACILITIES

All mains, services, or other appurtenances connected to the District's distribution system, with the exception of fire hydrants and backflow prevention devices, shall become the property of the District upon acceptance of the facility for operation, maintenance and repair by the District.

10.11: PROVISION OF SERVICE

The District shall not be obligated to provide water service to any applicant for water service until after any and all fees, charges and past due assessments owing to the District and associated with the parcel seeking water service shall have been paid in full.

[Water Code § 22282.1]

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10.12: MINIMUM FIRE FLOW REQUIREMENTS

A. Preliminary Determination: In order to ensure that all areas of the District to which water is supplied meet the minimum fire flow requirements established by Los Angeles County, the District will determine whether the area to be developed has sufficient fire flow capacities. The preliminary design and cost estimate of improvements necessary in that area to bring the area in compliance with minimum fire flows of 1250 Gallons per Minute [GPM] shall be prepared by the District's engineer.

B. Construction of Facilities: The actual work necessary to create facilities adequate to bring the area within minimum fire protection standards will begin at such time as the now undeveloped portion of the area is developed to within one half of the density for which it is zoned.

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C. Cost of Improvements: The cost of improvements necessary in each area to bring the area into compliance with minimum fire protection standards established by the County, and construction standards established by the District, will be borne equitably by those who undertake construction or development in the area, or who will be directly benefited by the improvements.

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10.13: PUBLIC FIRE PROTECTION

- A. Use of Fire Hydrants: Fire Hydrants are for use by the District or by organized fire protection agencies having jurisdiction over the applicable area. Other parties desiring to use fire hydrants for any purpose must first obtain written permission from the District prior to use and shall operate the hydrant in accordance with instructions issued by the District.
- B. Moving of Fire Hydrants: When a fire hydrant has been installed in the location specified by the proper authority, the District has fulfilled its obligation. If a property owner or other party desires a change in the size, type or location, they shall bear all costs of such change. Any change in the location of a fire hydrant must be approved by the District and all other proper authority.
- C. Fees for Fire Hydrant Tests: Prior to the time the District conducts a fire hydrant flow test requested by the developer, the developer shall pay the fee for such test, as set forth in **Appendix C**. This fee need not be charged to public agencies if the fire flow test is made for the sole benefit of the public agency.

10.14: DISTRICT'S CAPACITY CHARGE

The District's Capacity Charge is \$3000 per residential dwelling unit as established by Resolution 90-8-21-6 on August 21, 1990.

ARTICLE 11: GENERAL RULES APPLICABLE TO MEMBERS OF THE PUBLIC

11.01: ACCESS TO DISTRICT RECORDS

The District shall make available a copy of any District record not exempt from disclosure to any person requesting such record, in accordance with the California Public Records Act, as outlined below.

- A. Form of Request: The request for a copy of District records must be in writing and must describe, with reasonable particularity, a record readily identifiable by District personnel.
- B. District Determination of Compliance: The District, within 10 days of actual receipt of a proper request, shall determine whether to comply with the request and will notify the person making the request of such determination and the reasons for the determination.
- C. Extension of Time for Determination: In unusual circumstances, as specified below, the time for determination of District compliance may be extended for a period not to exceed 10 working days, by written notice from the District to the person making the request, setting forth the reasons for the extension and the date on which a determination will be mailed. Unusual circumstances are:
 - 1. The need to search District facilities or other locations that are separate from the main District office.
 - 2. The need to search for, collect and examine a voluminous amount of separate and distinct records demanded in a single request.
 - 3. The need to consult with another agency having a substantial interest in the determination of the request.

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- D. No Compilation or Extraction: The District will provide, unless impracticable to do so, an exact copy of the record requested. The District is not obligated to create a compilation or extract of its records in response to a request.
- E. Fee: The District has established a schedule of fees to cover the costs of duplication, which schedule of fees may be adjusted from time to time as determined by the Board. The current schedule of fees is set forth in **Appendix C**.
- F. Personnel Records: Personnel records are available for inspection and copying by present and former employees upon written request and at reasonable times during ordinary District business hours. Personnel records are not available for inspection by anyone other than the employee without the written request of the employee, or pursuant to court order. Employees may request inspection of their personnel records once a year. Employees are entitled to a copy of any document they have signed, and may inspect and make notes regarding other documents in their personnel file. Letters of recommendation and investigative reports regarding criminal activity may be redacted, as the District may deem appropriate. The District may monitor an employee's file review to ensure compliance with these procedures.
- G. Record Retention Policy: The District has established guidelines for the retention of District records, including recommended retention periods for specified categories of documents. That policy is set forth in **Appendix H**.

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11.02: REQUEST FOR PUBLIC HEARING

Where a decision or determination has been made by the Board or by District personnel, which decision impacts a consumer, developer or other person, that person may request a review of the District decision or determination, and, if necessary, a hearing before the Board.

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- A. Request for Review: Where a decision or determination has been made by District personnel other than the **General** Manager, the person disputing such decision or determination may request, in writing, a review of that determination by the General Manager. The **General** Manager shall respond, or set forth reasons why additional investigation is needed, within 20 days of receipt of the request.
- B. Board Review: Where a decision or determination has been made by the Board or the District **General** Manager, including a response to a request for review, the person disputing such decision or determination may request, in writing, a hearing before the Board. Upon receipt of such request at least 7 days prior thereto, the matter will be placed on the agenda for hearing at the next Board meeting, unless impracticable, in which case the matter shall be placed on the agenda for hearing at the next successive Board meeting.
- C. Hearing Procedure: At the Board meeting the matter shall be called as it appears on the agenda. At that time the interested party shall be given an opportunity to be heard as to why the **General** Manager's determination shall not be upheld. The burden of demonstrating to the Board why the **General** Manager's determination should be overruled shall lie with the interested

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party. The Board shall consider only the evidence available to the General Manager at the time he made his determination.

D. Decision Final: All decisions by the Board shall be final and binding.

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11.03: SALE OF DISTRICT LANDS

A. Surplus Real Property: Upon the determination by the Board that real property belonging to the District is no longer necessary for District purposes, other than for the purpose of exchange, such property shall be designated surplus property. The District may dispose of surplus land as set forth hereafter.

B. Offer to Sell or Lease: Prior to disposing of surplus land, the District shall send a written offer to sell or lease such land as follows:

1. A written offer to sell or lease for development of low and moderate income housing shall be sent to any local public entity responsible for the development of such housing and within whose jurisdiction the surplus land is located. Upon written request, housing sponsors as defined in Health and Safety Code Section 50074 shall also be sent written offers to sell or lease the surplus land. Priority shall be given to offers for development of the land for lower income disabled and elderly persons, and other lower income households.

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2. A written offer to sell or lease for park and recreational or open space purposes shall be sent:

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- a. To the park or recreation department of the city where the land is located;
- b. To the Los Angeles County Parks and Recreation Department;
- c. To the regional park authority having jurisdiction where the land is located;
- d. To the State Resources Agency or any agency succeeding to its powers.

3. A written offer to sell or lease for enterprise zone purposes shall be sent to the nonprofit neighborhood enterprise association in the area where the land is located.

4. A written offer to sell or lease shall be made to the public school district where the land is located.

C. Fair Market Value: The District shall dispose of any surplus District land for its fair market value. Where necessary, an appraisal by a qualified appraiser shall be utilized to determine fair market value.

D. Good Faith Negotiations: After any entity specified in paragraph B above has notified the District in writing, within 60 days of receipt of the District's notification of intention to sell the land, of its interest in acquiring or leasing the land, the District and such entity shall enter into good faith negotiations for sale or lease. If the price or terms cannot be agreed upon after a

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negotiation period of at least 60 days, the District may dispose of the land to any interested party, in the Board's discretion.

- E. Exempt Surplus Land: The requirements set forth in this Article 12.01 shall not apply to District surplus lands which are exempt. Exempt surplus land is land which is:
1. Less than 5,000 square feet in area;
 2. Less than minimum legal residential building lot size;
 3. Has no access of record and is less than 10,000 square feet in area.

Provided, however, that such surplus land is not contiguous to land owned by a state or local agency used for park, recreational, ~~open space~~ or low- and moderate income housing and is not located within an enterprise zone. Provided further, that unless such exempt surplus land is sold to an owner of property contiguous to the surplus land, it is not considered exempt for purposes of this Article.

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- F. Appraisal: Where a sale of District land is consummated, the District and the buyer shall share appraisal costs equally. Where the District is willing to sell but the buyer elects not to buy, the buyer shall pay the full cost of appraisal, which cost shall be retained from the buyer's deposit. Where the buyer is willing but the District elects not to go forward with the sale, the District shall pay the full cost of appraisal.
- G. Deposit: All offers to be considered by the Board shall be accompanied by a deposit in the amount of 10% of the proposed purchase price.
- H. Broker's Fees: Brokerage fees shall be paid as agreed upon by the parties.
- I. Escrow: The District and the buyer shall share escrow fees equally. The District will provide the buyer with a policy of Title Insurance at District expense.
- J. Down Payment: The minimum down payment shall be 25% of the purchase price, unless modified by the Board.
- K. Balance of Purchase Price: The remaining principal balance after the down payment may, upon approval by the Board, be on a Note Secured by Deed of Trust, executed by the buyer in favor of the District, and shall bear interest at current market rates.

11.04: SALE OF DISTRICT PERSONAL PROPERTY

- A. Surplus Property: The Manager shall periodically review District personal property requirements. If certain personal property is no longer necessary for District purposes, the Manager shall advise the Board of the property, its condition and approximate value. Upon the determination by the Board that personal property belonging to the District is no longer necessary for District purposes, such property shall be designated surplus property. If there is sufficient residual value to warrant sale of such property to the public, then the District may dispose of surplus personal property as set forth hereafter. If there is insufficient value to warrant such sale to the public, then the property may be disposed of in the Manager's discretion.

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- B. Notice Inviting Bids: Prior to disposing of surplus personal property, the District shall advertise such property for one day in a newspaper of general circulation and post a notice on District premises inviting sealed bids. The Board may set minimum bids for individual items. The Board may also consider other options such as public auctions or trade-in for disposing of surplus personal property.
- C. Presentation of Bids: All bids shall be presented under sealed cover on forms provided by the District.
- D. Opening of Bids: At the time and place set forth in the Notice Inviting Bids, the bids shall be opened in public.
- E. Overbid By District Employees: A District employee who has submitted a bid on an item of surplus personal property may be awarded the item by bidding One Dollar (\$1.00) more than the highest sealed bid.
- F. Acceptance or Rejection of Bids: The Board may reject any and all bids should it deem it to be for the public good, or may award the surplus personal property to the highest bidder at the price specified in the bid. All property will be sold "as is" and with no warranties. Payment shall be in cash or by certified check. Any required transfer fees shall be paid by the buyer and the property will be transferred only into the name of the successful bidder.

11.05: DISTRICT EASEMENTS

- A. Easements Granted to the District: Where District policy requires that an easement be provided as a condition of service or for annexation to the District, the District must approve the easement as to location and form prior to accepting same from the owner, applicant or developer. Easements must prohibit construction of any structures and the planting of trees and shrubs on the easement, so as to avoid any interference with the District's installation and maintenance of its facilities, and must provide that any future relocation of District facilities be done at the expense of the grantor of the easement. The owner, developer or applicant shall pay all costs associated with the creation, acceptance and recordation of the easement, with no cost to the District. The owner, developer or applicant shall provide a policy of Title Insurance, insuring the District's right, title and interest in the easement granted. The minimum amount of such policy shall be \$25,000, except where deemed insufficient by the Manager, in which case the amount required shall be determined by the Manager.
- B. Confining or Eliminating District Easements: Upon written application to the District and upon approval by the Board, the Board shall execute the necessary Quitclaim Deed or Affidavit required ~~confining or eliminating~~ easements owned by the District. The person requesting such action shall pay such fees and costs as may be incurred by the District or as may be established by the Board and must record the executed document within thirty (30) days of receipt thereof.

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11.06: ACCEPTANCE OF GRANT DEEDS AND EASEMENTS

The Manager is authorized and directed by the Board to accept and consent to the recording of grant deeds and grants of easements to the District.

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11.07: RELOCATION ASSISTANCE LAW

The District has adopted rules and regulations implementing payments and administering relocation assistance as mandated by state law, and incorporates those rules and regulations herein. The District Rules and Regulations Implementing the Relocation Assistance Law are attached hereto as **Appendix F**.

11.08: COLLECTION BY SUIT OR BY CLAIM OF LIEN

- A. Suit and Attorney's Fees: All unpaid rates and charges and penalties herein provided may be collected by suit. Defendant shall pay reasonable attorney's fees and all costs of suit in the event suit is instituted by the District to collect any rates or charges.
- B. Claim of Lien: Unpaid charges for water or other services may, at the discretion of the District, be secured by filing in the Office of the County Recorder of any county, a certificate specifying the amount of such charges, and the name and address of the person liable therefore. (Water Code §22284, 25806).

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11.09: IDENTITY THEFT PREVENTION PROGRAM

Because the District provides retail water service to its customers and is a creditor under the applicable rules of the Federal Trade Commission, the Board of Directors passed Resolution Number 2008-10-21 on October 21, 2008 to establish the following identity theft prevention program.

A. Program Goals. The District's Identity Theft Prevention Program (the "Program") shall endeavor to achieve the following goals:

1. To identify relevant patterns, practices and specific activities (referred to in this Program as "Red Flags") that signal possible identity theft relating to information maintained in the District's customers' accounts, both those currently existing and those accounts to be established in the future;
2. To detect Red Flags after the Program has been implemented;
3. To respond promptly and appropriately to detected Red Flags to prevent or mitigate identity theft relating to District customer account information; and
4. To ensure the Program is updated periodically to reflect any necessary changes.

A. The Program.

1. The District shall assess the security of its current customer account system, with an emphasis on assessing the methods by which it opens and maintains customer accounts and customers' personal information, and on assessing the manner in which it provides access to customer accounts. That assessment shall include an analysis of any prior incidents of identity theft which the District has experienced.
2. The District shall maintain identifying information for each customer so it can authenticate customers, monitor transactions,

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and verify the validity of customer requests, such as a change of address or service-related requests, including requests to terminate service.

3. The District shall establish a reporting system which allows District staff to discover potential Red Flags as they arise and to thereafter report them to the proper authorities, including law enforcement. This reporting system should specifically focus on the following Red Flags: alerts, notifications, or other warnings received from consumer reporting agencies or service providers; presentation of suspicious documents by a purported customer; presentation of suspicious personal identifying information by a purported customer, such as a specific address change; the unusual use of, or other suspicious activity related to, a customer's account; and notice from customers, victims of identity theft, law enforcement authorities, or other persons regarding possible identity theft in connection with the District's customer accounts.

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4. The District shall adopt procedures which provide for appropriate responses to any detected Red Flags which are commensurate with the degree of risk posed. In determining an appropriate response, the District shall consider aggravating factors that may heighten the risk of identity theft, such as a data security incident that results in unauthorized access to a customer's account records, or notice that a customer has provided information related to a customer's account to someone fraudulently claiming to represent the District. Appropriate responses include the following: i) monitoring customer accounts for evidence of identity theft, ii) contacting the customer, iii) changing from time to time any passwords, security codes, or other security devices that permit access to customer accounts, iv) reopening a customer account with a new account number, v) not opening a new customer account, vi) closing an existing customer account, vii) notifying law enforcement, and viii) determining that no response is warranted under the particular circumstances. Any Red Flags should be brought to the General Manager's attention to determine the appropriate response(s) to be implemented promptly after detection.

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5. The District's General Manager, or his or her designee, shall implement and administer the Program. The General Manager shall provide periodic reports to the Board of Directors on the effectiveness of the Program and shall ensure that all necessary District employees are properly trained to implement the Program.

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6. The General Manager shall annually review the Program with appropriate District staff to determine if any revisions are needed. That review may include changes in identity theft methods and changes in methods to detect, prevent, and mitigate identity theft. The General Manager is hereby authorized and directed to make any necessary changes in the Program that are found to be necessary; provided that such changes must be reported to the Board of Directors at the first regular Board of Directors' meeting after the change is made.

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ARTICLE 12: ANNEXATION TO THE DISTRICT

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The following conditions pertain to annexation of land, upon approval by the Board of the proposed annexation and compliance with statutory provisions prior thereto:

12.01: CHARGES FOR ANNEXATION

The owners of land hereafter annexed to the District shall pay all costs incurred by the District in conjunction with the annexation, including attorney's fees, in addition to any other charges imposed by law, and shall also pay any assessments levied by the District since its inception, which would have been levied against the property to be annexed had it been within the District boundaries at the time of the assessment.

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12.02: CONDITIONS OF ANNEXATION

In addition to payment of charges specified in Article 12.01, the owner of land sought to be annexed to the District shall comply with District standards as to all lines, works and facilities constructed, including the size of line, quality of materials and workmanship. Said owner shall otherwise be subject to the terms and conditions set forth in the District rules and regulations relating to developers and sub dividers, and to individual applicants for water service.

12.03: EASEMENTS

The owner of land sought to be annexed shall provide the District with any necessary easements required for District facilities, in order to provide water service to the annexed property. Such easements shall be provided in accordance with District policy, as set forth in Article 11.05.

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ARTICLE 13: REPORTING REQUIRED BY STATE AND LOCAL AUTHORITIES

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13.01: FINANCIAL REPORTS

A report of all financial transactions of the District shall be filed with the State Controller for each calendar year within ninety (90) days of the end of that calendar year. The report shall be in the form mandated by the State Controller.

13.02: DISTRICT ROSTER

A. Filing Statement: The District shall file with the Secretary of State and the Los Angeles County Clerk a statement containing the following:

1. The full, legal name of the District.
2. The District's official mailing address.
3. The name and residence or business address of each Board member.
4. The name of the President of the Board and the name and address of the District secretary.

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B. Amendments to Statement: Within ten (10) days after any change in the information provided in the statement filed pursuant to section A above, the District shall file an amended statement containing updated information with the Secretary of State and the County Clerk.

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13.03: CAMPAIGN FILING STATEMENTS

The District is governed by the **Political Reform Act, as set forth in Government Code Sections 81000, et. seq.** District officers and Board members are therefore subject to the filing requirements of said Act.

13.04: CANDIDATE BALLOT STATEMENTS

Candidates for election to the Board shall be authorized to file ballot statements that do not exceed 400 words. The cost of such statements shall be paid by the candidate.

13.05: QUARTERLY EXPENSE REPORTING

In accordance with **Government Code Section 53065.5**, the District shall prepare, at least annually, a report reflecting all reimbursements paid by the District to directors or employees of at least one hundred dollars (\$100.00) for each individual charge for services or product received. "Individual charge" includes, but is not limited to, one meal, lodging for one day, transportation, or a registration fee.

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ARTICLE 14: RESPONSIBILITIES AND AUTHORITY OF THE BOARD AND GENERAL MANAGER.

The Board has employed a General Manager to carry out the Board policies, direct District operations, and provide day-to-day supervision of District employees and control of District expenditures. It is the judgment of the Board that clear delineation of his respective responsibilities and authority is essential to effective District management. Said authority and responsibilities are set out in **Appendix G** attached hereto.

ARTICLE 15: CALIFORNIA ENVIRONMENTAL QUALITY ACT GUIDELINES

The District has adopted CEQA Environmental Review Guidelines in accordance with state law and incorporates such guidelines herein. The District CEQA Environmental Review Guidelines are on file in the District office.

ARTICLE 16: BID PROCUREMENT AND PURCHASING POLICY

An irrigation district such as ~~the Kinneloa Irrigation District~~ is not always required by law to use or follow a formal competitive bidding process in letting contracts either for the construction of any works or for the acquisition of materials or equipment for use by the District or for incorporation into any work, job or construction project for the District. However, the Board believes that there are situations when it is clearly in the best interests of the District to require that a work, job or construction project, or the acquisition of material or equipment should be let by a contract arrived at through the use of competitive bidding procedures.

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The Board believes that in certain other cases it is clearly in the best interests of the District that the Manager be authorized to proceed on behalf of the District by any means the Manager deems to be appropriate in the circumstances, including the use of informal bids or quotations, or by a purchase in the open market without advertising. Finally, it is also recognized by the Board that in between those two situations there are many times when a particular work, job or construction project, or the acquisition of certain materials or equipment, is such that the District's interests may or may not be best served by requiring competitive bids, the determination depending upon an evaluation of the special circumstances involved in each such case.

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The Board also recognizes that sound fiscal policy includes the establishment of formal procedures by which routine acquisitions of parts, materials and supplies should be governed. This District has established a bid procurement and purchasing policy to further these goals. That policy is set forth at **Appendix J.**

ARTICLE 17: TRESPASSING ON DISTRICT PROPERTY

From time to time, District employees may encounter trespassers or unauthorized individuals at District facility sites. If such trespassers are encountered, employees should advise the trespasser that they are not permitted on District property and request that they immediately leave such property. If they decline vacating District property, the employee should immediately contact the appropriate law enforcement agency that services the area of the facility, as well as the employee's immediate supervisor. Employees shall, under no circumstances, ever attempt to physically remove trespassers from District property. In addition, employees shall not verbally address trespassers in a manner that may provoke a physical confrontation between the employee and the trespasser.

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APPENDIX A
CONFLICT OF INTEREST AND DISCLOSURE CODE

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APPENDICES
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APPENDIX A: **KINNELOA IRRIGATION DISTRICT CONFLICT OF INTEREST AND DISCLOSURE CODE** ¶
¶
APPENDIX B: **RATES AND CHARGES FOR WATER SERVICE** ¶
¶
APPENDIX C: **MISCELLANEOUS CHARGES AND DISTRICT FORMS** ¶
¶
APPENDIX D: **CUSTOMER DEPOSITS** ¶
¶
APPENDIX E: **CROSS-CONNECTION CONTROL PROGRAM** ¶
¶
APPENDIX F: **RELOCATION ASSISTANCE LAW** ¶
¶
APPENDIX G: **RESPONSIBILITIES AND AUTHORITY OF BOARD AND GENERAL MANAGER** ¶
¶
APPENDIX H: **RECORD RETENTION POLICY** ¶
¶
APPENDIX I: **BID PROCUREMENT AND PURCHASING POLICY** ¶
¶
APPENDIX J: **MAIN EXTENTION REIMBURSEMENT AGREEMENT** ¶
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Conflict of Interest Code of the

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KINNELOA IRRIGATION DISTRICT

Incorporation of FPPC Regulation 18730 (2 California Code of Regulations. Section 18730) by Reference

The Political Reform Act (Government Code Section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regulations, 18730), which contains the terms of a standard conflict of interest code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated into the conflict of interest code of this agency by reference. This regulation and the attached Appendices (or Exhibits) designating officials and employees and establishing economic disclosure categories shall constitute the conflict of interest code of this agency.

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Place of Filing of Statements of Economic Interests

All officials and employees required to submit a statement of economic interests shall file their statements with the agency head; or his or her designee. The agency shall make and retain a copy of all statements filed by its Board Members, Governing Board Members, Alternate Board Members, as appropriate, and its agency head (Agency/Department Head, Executive Officer or Chief Executive Officer, Superintendent, or Director), and forward the originals of such statement to the Executive Office of the Board of Supervisors of Los Angeles County.

The agency shall retain the originals of statements for all other Designated Positions named in the agency's conflict of interest code. All retained statements, original or copied, shall be available for public inspection and reproduction (Gov. Code Section 81008).

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KINNELOA IRRIGATION DISTRICT

EXHIBIT "A"

CATEGORY 1

Persons in this category shall disclose, in accordance with this code, all interests in real property within the jurisdiction of the District, except personal residences. Real property shall be deemed to be within the jurisdiction of the District if the property or any part of it is located within or not more than two miles outside the boundaries of the District or within two miles of any land owned or used by the District.

CATEGORY 2

Persons in this category shall disclose, in accordance with this code, all income from, investments, and business positions in businesses that produce products or provide services of a type utilized by the District, including but not limited to the areas of building materials; construction; motor vehicles; specialty vehicles; vehicle replacement parts; petroleum products; water quality testing; water transmission; water treatment; water distribution; geological tests and reports; maintenance; repair; safety; engineering; provision of water or power; brokering; accounting; auditing; banking; money management; law; insurance; printing; publication; office equipment or office supplies.

CATEGORY 3

Persons in this category shall disclose, in accordance with this code, all investments and business positions. The term "investment" means any financial interest in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, option, debt instruments and any partnership or other ownership interest, if the business entity or any parent, subsidiary or otherwise related business entity has an interest in real property in the jurisdiction, or does business or plans to do business in the jurisdiction, or has done business within the jurisdiction at any time during the two years prior to the time any statement or other action is required under this title. No asset shall be deemed an investment unless its fair market value equals or exceeds two thousand dollars (\$2,000). The term "investment" does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, interest in a diversified mutual fund registered with the Securities and Exchange Commission under the Investment Company Act of 1940 or a common trust fund which is created pursuant to Section 1564 of the Financial Code, or any bond or other debt instrument issued by any government or government agency. Investments of an individual include a pro rata share of investments of any business entity, mutual fund or trust in which the individual or spouse owns directly, indirectly or beneficially, a 10 percent interest or greater. (Government Code Section 82034).

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KINNELOA IRRIGATION DISTRICT

EXHIBIT "A" (Continued)

Persons in this category shall also disclose all income received from any source located or doing business within the jurisdiction or expecting to do business within the jurisdiction, or that has done business within the jurisdiction during the two years prior to the time the statement is required. Income received from a public agency need not be disclosed.

CATEGORY 4

Individuals who perform under contract the duties of any designated position shall be required to file Statements of Economic Interests disclosing reportable interests in the categories assigned to that designated position.

In addition, individuals who, under contract, participate in decisions which affect financial interests by providing information, advice, recommendation or counsel to the District, or which could affect financial interests shall be required to file Statements of Economic Interests, unless they fall within the "Political Reform Act" exceptions to the definition of consultant. The level of disclosure shall be as determined by the General Manager of the District.

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KINNELOA IRRIGATION DISTRICT

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EXHIBIT "B"

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Designated Positions

Disclosure Categories

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General Manager

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Consultant

4

Public Officials Who Manage Public Investments

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It has been determined that the positions listed below manage public investments, and must therefore make disclosure pursuant to Government Code Section 87200, et seq.

Members of Board of Directors

Revision Effective: September 11, 2008

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APPENDIX B

RATES AND CHARGES FOR WATER SERVICE

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RATES AND CHARGES FOR WATER SERVICE Effective January 1, 2009

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Service Charge: The monthly service charge is a "readiness to serve" charge, and does not provide for any minimum water consumption allowance. Quantity charges are applicable to all water consumption in addition to the monthly service charge. The charge is \$~~41.00~~ per month or \$~~1.348~~ per day.

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Quantity rate for regular customers: The rate charged by the District for water is \$~~2.55~~ per 100 cubic feet (CCF).

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Quantity rate for temporary service: The rate charged by the District for water consumption is \$~~5.10~~ per 100 cubic feet (CCF) with a minimum charge of \$100.00. A meter deposit of \$850 is required to establish service.

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APPENDIX C

**MISCELLANEOUS CHARGES
AND
DISTRICT FORMS**

MISCELLANEOUS CHARGES

Application Fee [Per Article 7.02.B] \$ 15.00

Reconnection Charge [Per Article 8.03.H(1)] \$ 50.00

Returned Check Charge [Per Article 8.03.H(2)] \$ 20.00

Meter Test Charge [Per Article 8.03.H(3)] \$ 250.00

Pulled Meter Charge [Per article 8.03.H(4)] Actual cost to District

Unauthorized Water Use [Per Article 8.03.H(5)] \$1,000.00

Turn off at Main [Per Article 8.03.H(6)] Actual cost to District

Delinquency Charge for Non-payment [Per Article 8.04.g[11] After 45 days-\$15.00
and 10% per month

Plan Check Fees [Per Article 10.1.D]

Parcel Maps \$ 50.00

Subdivisions of 1 to 9 \$ 100.00

Parcels or dwelling units

10 - 19 units \$ 150.00

20 or more units \$ 200.00

Fire Hydrant Test [Per Article 10.12.C] Actual cost to District
(\$650.00 deposit required before test)

Copies of District Records [Per Article 11.01] \$.20
(per page)

Note: The General Manager shall determine the appropriate amount to be charged for a particular service provided that is not specified above.

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DISTRICT FORMS

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APPLICATION FOR WATER SERVICE

The undersigned owner hereby requests water service at:

(Address of Property to Receive Water Service)

and agrees to pay therefore in accordance with the rates, rules, and regulations of the KINNELOA IRRIGATION DISTRICT, as said rates, rules, and regulations may be in effect from time to time.

The undersigned acknowledges that by accepting this application, the District does not guarantee to supply water in any specific quantities or at any specific pressures.

The undersigned also acknowledges that any charges for water and other services, or either, if unpaid shall constitute a lien on the land upon which the water was used and/or services rendered, even though the indebtedness was incurred by other than the owner.

The District may refuse service to any land if outstanding charges for services already rendered such land have not been paid within forty five (45) days.

Dated: _____ Signed: _____
(Owner of Property)

Home Phone: _____
Bus Phone: _____

Billing Address: _____
(If Different than Service Address)

Emergency Contact if Owner not Available:

Name: _____

Address: _____

Phone: _____

Note: Please complete and sign one copy and return to Kinneloa Irrigation District

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AMORTIZATION AGREEMENT

Account #: _____ Name: _____

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Phone #: _____ Service Address: _____

Mailing Address: _____

Amount Amortized:

The amortized amount was due for payment on _____. By signing this agreement I agree to make all payments in the amount indicated by the date on the payment schedule below. I agree to pay all subsequent charges by their due date or this agreement becomes null and void and water service will be subject to termination for non-payment. Further, this agreement is not subject to modification or incorporation into another agreement. This agreement must be paid in full before any additional agreement will be considered.

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PAYMENT SCHEDULE IS NOT TO EXCEED 12 MONTHS

<u>Date Due</u>	<u>Amount Due</u>	<u>Date Paid</u>	<u>Check #</u>
Payment #1			
Payment #2			
Payment #4			
Payment #7			
Payment #8			
Payment #9			
Payment #10			
Payment #11			
Payment #12			

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Payment #1
 Payment #2
 Payment #4
 Payment #7
 Payment #8
 Payment #9
 Payment #10
 Payment #11
 Payment #12

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 Date Signed _____ Signature Kinneolo Irrigation District _____

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Signature of Applicant _____ Date _____

Signature of Kinneolo Irrigation District _____ Date _____

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APPENDIX D

CUSTOMER DEPOSITS

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CUSTOMER DEPOSITS

INITIAL DEPOSIT (Per Article 7.03):

An initial deposit equal to three months estimated water service, based on water usage over the past year, as determined by the District, may be required to establish service. The deposit may be waived at the discretion of the general manager.

DEPOSIT TO RE-ESTABLISH CREDIT UPON DISCONNECTION FOR NON-PAYMENT

(Per Articles 7.03A & 8.04B):

A deposit equal to three months estimated water service, based on water usage over the past year, as determined by the District, may be required before service is reconnected.

TANK TRUCK SERVICE DEPOSIT (Per Article 8.03H):

Metered Service: Cost of meter plus actual cost of installing and removing meter, of which only the cost of the meter is refundable.

Un-metered Service: Availability of un-metered service and the required deposit is at the discretion of the general manager.

METER TEST DEPOSIT (Per Article 8.03I(3)): \$250.00

TEMPORARY SERVICE DEPOSIT (Per Article 9.01B):

Services up to 2 1/2": \$850.00 to \$1000.00 based on size of service

Services larger than 2 1/2" are determined by General Manager based on size of service.

FIRE FLOW TEST(Per Article 10.13C): \$650.00

DEVELOPER DEPOSIT (Per Article 10): Total estimated cost of project plus overhead charge

APPENDIX E
CROSS-CONNECTION
CONTROL PROGRAM

**KINNELOA IRRIGATION DISTRICT
CROSS-CONNECTION CONTROL PROGRAM**

1.0 Responsibility and Scope of Program.

The District adopts this Program to protect the public water supply from contamination. This Cross-Connection Control Program shall include, but not be limited to, the following elements:

- (a) These operating rules;
- (b) The conducting of surveys to identify Water User premises where cross-connections are likely to occur;
- (c) The provision of backflow protection by the Water User at the User's connection or within the User's premises or both;
- (d) The provision of at least one person trained in cross-connection control to carry out the cross-connection Program;
- (e) The establishment of a procedure or system for testing backflow preventers; and
- (f) The maintenance of records of locations, tests, and repairs of backflow preventers.

2.0 Definitions.

In addition to the definitions in Section 4010.1 of the Health and Safety Code, the following terms are defined for the purpose of this Chapter:

- (a) "Approved Water Supply" is a water supply whose potability is regulated by a State or local health agency.
- (b) "Auxiliary Water Supply" is any water supply other than that received from a public water system.
- (c) "Air-gap Separation (AG)" is a physical break between the supply line and a receiving vessel.
- (d) "AWWA Standard" is an official standard developed and approved by the American Water Works Association (AWWA).
- (e) "Cross-Connection" is an unprotected actual or potential connection between a potable water system used to supply water for drinking purposes and any source or system containing unapproved water or a substance that is not or cannot be approved as safe,

wholesome, and potable. By-pass arrangements, jumper connections, removable sections, swivel or changeover devices, or other devices through which backflow could occur, shall be considered to be cross-connections.

(f) "District" is the Kinneloa Irrigation District.

(g) "Double Check Valve Assembly (DC)" is an assembly of at least two independently acting check valves including tightly closing shut-off valves on each side of the check valve assembly and test cocks available for testing the water tightness of each check valve.

(h) "Health Agency" means the California Department of Health Services.

(i) "Reclaimed Water" is a wastewater which as a result of treatment is suitable for uses other than potable use.

(j) "Reduced Pressure Principle Backflow Prevention Device (RP)" is a backflow preventer incorporating not less than two check valves, an automatically operated differential relief valve located between the two check valves, a tightly closing shut-off valve on each side of the check valve assembly, and equipped with necessary test cocks for testing.

(k) "User Connection" is the point of connection of a User's piping to the District's facilities.

(l) "Water User" or "User" is any person obtaining water from a public water supply.

3.0 Evaluation of Hazard.

The District shall evaluate the degree of potential health hazard to the public water supply which may be created as a result of conditions existing on a User's premises. The District, however, shall not be responsible for abatement of cross-connections which may exist within a User's premises. As a minimum, the evaluation should consider: the existence of cross-connections, the nature of materials handled on the property, the probability of a backflow occurring, the degree of piping g system complexity and the potential for piping system modification. Special consideration shall be given to the premises of the following types of Water Users:

(a) Premises where substances harmful to health are handled under pressure in a manner which could permit their entry into the public water system. This includes chemical or biological process waters and water from public water supplies which have deteriorated in sanitary quality.

(b) Premises having an auxiliary water supply, unless the auxiliary supply is accepted as an additional source by the District and is approved by the Health Agency.

(c) Premises that have internal cross-connections that are not abated to the satisfaction of the District or the Health Agency.

(d) Premises where cross-connections are likely to occur and entry is restricted so that cross-connection inspections cannot be made with sufficient frequency or at sufficiently short notice to assure that cross-connections do not exist.

(e) Premises having a repeated history of cross-connections being established or re-established.

Where the Water User is engaged in the handling of especially dangerous or corrosive liquids or industrial or process waters, the District may require the Water User to eliminate certain plumbing or piping connections as an additional precaution and as a protection to the backflow prevention devices.

4.0 User Supervisor.

The District may, at its discretion, require an industrial Water User to designate a User supervisor when the Water User's premises has a multi-piping system that conveys various types of fluids, some of which may be hazardous and where changes in the piping system are frequently made. The User supervisor shall be responsible for the avoidance of cross-connections during the installation, operation and maintenance of the Water User's pipelines and equipment.

5.0 Approval of Backflow Preventers.

Backflow preventers required by this Program shall have passed laboratory and field evaluation tests performed by a recognized testing organization which has demonstrated its competency to perform such tests to the District, or to the Health Agency.

6.0 Construction of Backflow Preventers.

(a) Air-gap Separation. An Air-gap separation (AG) shall be at least double the diameter of the supply pipe, measured vertically from the flood rim of the receiving vessel to the supply pipe; however, in no case shall this separation be less than one inch.

(b) Double Check Valve Assembly. A required double check valve assembly (DC) shall, as a minimum, conform to the AWWA Standard C506-78 (R83) adopted on January 28, 1978 for Double Check Valve Type Backflow Preventive Devices which is herein incorporated by reference.

(c) Reduced Pressure Principle Backflow Prevention Device. A required reduced pressure principle backflow prevention device (RP) shall, as a minimum, conform to the AWWA Standard C506-78 (R83) adopted on January 28, 1978 for Reduced Pressure Principle Type Backflow Prevention Devices which is herein incorporated by reference.

7.0 Location of Backflow Preventers.

(a) Air-gap Separation. An air-gap separation shall be located as close as practical to the User's connection and all piping between the User's connection and the receiving tank shall be entirely visible unless otherwise approved in writing by the District.

(b) Double Check Valve Assembly. A double check valve assembly shall be located as close as practical to the User's connection and shall be installed above grade, if possible, and in a manner where it is readily accessible for testing and maintenance.

(c) Reduced Pressure Principle Backflow Prevention Device. A reduced pressure principle backflow prevention device shall be located as close as practical to the User's connection and shall be installed a minimum of twelve inches (12") above grade and not more than thirty-six inches (36") above grade measured from the bottom of the device and with a minimum of twelve inches (12") side clearance.

Plans for backflow preventer installation must be approved by the District prior to installation. All costs of installation shall be borne by the Water User.

8.0 Type of Protection Required.

The type of protection that shall be provided to prevent backflow into the public water supply shall be commensurate with the degree of hazard that exists on the consumer's premises. The type of protective device that may be required (listed in an increasing level of protection) includes: Double Check Valve Assembly-(DC), Reduced Pressure Principle Backflow Prevention Device-(RP), and an Air-gap Separation-(AG). The Water User may choose a higher level of protection than required by the District. The minimum types of backflow protection required to protect the public water supply, at the Water User's connection to the premises, with various degrees of hazard are given in Table 1. Situations which are not covered in Table 1 shall be evaluated on a case-by-case basis and the appropriate backflow protection shall be determined by the District.

TABLE 1

TYPE OF BACKFLOW PROTECTION REQUIRED

<i>Degree of Hazard</i>	<i>Minimum Type of Backflow Prevention</i>
-------------------------	--

(A) Sewage and Hazardous Substances

(1) Premises where the public water system is used to supplement the reclaimed water supply.

AG

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(2) Premises where there are wastewater pumping and/or treatment plants and there is no interconnection with the potable water system. This does not include a single-family residence that has a sewage lift pump. A RP be provided in lieu of an AG if approved by the health agency and District.

AG

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(3) Premises where reclaimed water is used and there is no interconnection with the potable water system. A RP may be provided in lieu of an AG if approved by the health agency and District.

AG

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(4) Premises where hazardous substances are handled in any manner in which the substances may enter the potable water system. This does not include a single-family residence that has a sewage lift pump. A RP may be provided in lieu of an AG if approved by the health agency and District.

AG

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(5) Premises where there are irrigation systems into which fertilizers, herbicides, or pesticides are, or can be, injected.

RP

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(B) Auxiliary Water Supplies

(1) Premises where there is an unapproved auxiliary water supply which is interconnected with the public water system. An RP or DC may be provided in lieu of an AG if approved by the health agency and District.

AG

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(2) Premises where there is an unapproved auxiliary water supply and there are no interconnections with the public water system. A DC maybe provided in lieu of an RP if approved by the Health Agency and District.

RP

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(C) Fire Protection Systems

(1) Premises where the fire system is directly supplied from the public water system and there is an unapproved auxiliary water supply on or to the premises (not interconnected).

RP

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(2) Premises where the fire system is supplied from the public water system and interconnected with an unapproved auxiliary water supply. An RP may be provided in lieu of an AG if approved by the Health Agency and District.

RP

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(3) Premises where the fire system is supplied from the public water system and where either elevated storage tanks or fire pumps which take suction from private reservoirs or tanks are used.

DC

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(4) Premises where there are marine facilities.

RP

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(5) Premises where entry is restricted so that inspections for cross-connections cannot be made with sufficient frequency or at sufficiently short notice to assure that do not exist

RP

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(6) Premises where there is a repeated history of cross-connections being established or re-established

RP

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9.0 Testing and Maintenance of Backflow Preventers.

(a) The District shall assure that adequate maintenance and periodic testing are provided by the Water User to ensure their proper operation. All testing shall be performed at the Water User's expense.

(b) Backflow preventers shall be tested by persons who have demonstrated their competency in testing of these devices to the District or Health Agency.

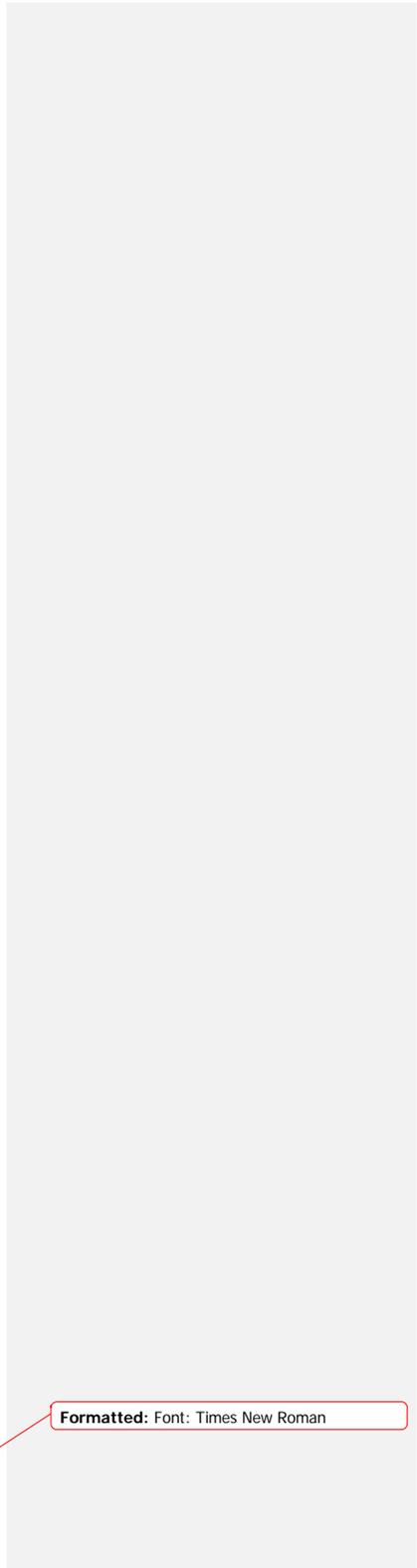
(c) Backflow preventers shall be tested at least annually or more frequently if determined to be necessary by the Health Agency or District. When devices are found to be defective, they shall be repaired or replaced in accordance with the provisions of this Program and at the expense of the Water User.

(d) Backflow preventers shall be tested immediately after they are installed, relocated or repaired and not placed in service unless they are functioning as required.

(e) The District shall notify the Water User when testing of backflow preventers is needed. The notice shall contain the date when the test must be completed.

(f) Reports of testing and maintenance shall be maintained by the District for a minimum of three years.

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APPENDIX F
KINNELOA IRRIGAION DISTRICT
RELOCATION ASSISTANCE LAW

RELOCATION ASSISTANCE LAW

(Government Code Chapter 16 §§7260, et seq.)

1. PURPOSE AND SCOPE

1.1 Purpose. These rules and regulations are adopted pursuant to Government Code §7267.8 to implement payments and to administer relocation assistance according to the provisions of the Relocation Assistance Law, Government Code, Chapter 16, §§7260, et seq. These rules and regulations are to assure the fair and equitable treatment of persons displaced by the real property acquisitions and programs of this District.

1.2 Scope. These rules and regulations apply to all acquisitions of real property, or interests therein, undertaken by this District whether by negotiated purchase, eminent domain, or otherwise. It is recognized that the Relocation Assistance Law has applicability to all real property acquisitions undertaken by this District regardless of whether relocation of any residence, business or farming operation is required. Unless otherwise provided, all code references are to the Government Code.

2. DEFINITIONS

2.1 Section 7260 Definitions Incorporated. The following terms are defined in Government Code §7260:

- (a) "Public Entity"
- (b) "Person"
- (c) "Displaced Person"
- (d) "Business"
- (e) "Farm Operation"
- (f) "Affected Property"
- (g) "Public Use"
- (h) "Mortgage"

Whenever any of the preceding terms are used within these rules and regulations, they shall have the meaning set forth in Section 7260.

2.2 "Board" shall mean the Board of Directors of KINNELOA IRRIGATION DISTRICT

2.3 "District" shall mean the KINNELOA IRRIGATION DISTRICT.

2.4 "Manager" shall mean the Manager of the KINNELOA IRRIGATION DISTRICT or the Designee of said Manager.

2.5 "Relocation Costs" shall mean the costs of relocation advisory assistance, compensation for displaced persons, additional payments to displaced dwelling owners, additional payments to displaced individual or family renters reimbursable expenses of the owner necessarily incurred for recording fees, transfer taxes, and similar expenses incidental to conveying real property and such other costs as may be foreseeably attributable to relocation activities required pursuant to the Relocation Assistance Law.

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3. ACQUISITION PROCEDURE

3.1 In order to promote the policies enumerated in Government Code Section 7267, the District shall, to the greatest extent practicable, be guided by the provisions of Sections 7267.1 to 7267.7, inclusive, and these regulations, when engaged in the acquisition of real property.

Where possession of real property is sought pursuant to an order for immediate possession, strict adherence to these standards is not required. The District shall, nevertheless, attempt to comply with the intent and purpose of the Act and these regulations to the extent possible under the circumstances. Within the guidelines of Section 7267.3, the District shall provide maximum prior notice to owners who must relocate a dwelling due to an order for immediate possession. Even though an action in eminent domain may be initiated, District shall attempt to negotiate a purchase based upon the amount established as security in the immediate possession proceeding.

3.2 When the Manager has determined that acquisition of real property for public use by the District may be in the best interests of the District, the Manager shall present a recommendation to the Board. Prior to submitting a recommendation, the Manager shall determine if the proposed acquisition will leave the owner with an uneconomic remnant and shall determine if the acquisition of a larger or smaller parcel will correct any such uneconomic remnant and still serve the District's interests.

3.3 When the Board determines that acquisition of real property for public purposes may be to the best interests of the District, it shall direct the Manager to hire a qualified independent appraiser for the purpose of determining the fair market value of the parcel proposed to be acquired. The Board shall also direct the Manager to investigate the present use of the parcel proposed to be acquired and make an estimate of the relocation costs, if any, which the District may be obligated to pay in accordance with the Relocation Assistance Law.

3.4 The appraiser shall not give consideration to or include in the appraisal of the property proposed to be acquired any allowances for relocation costs. The appraisal shall be based exclusively on the fair market value of the real property proposed to be acquired. Manager shall instruct appraiser that the owner, or his representative, must be afforded opportunity to accompany the appraiser during inspection of the property.

3.5 The Manager shall present the appraisal and the estimate or relocation costs to the Board for consideration in determining whether the proposed acquisition is to the best interests of the District. If the Board determines that the acquisition should take place, the Board shall establish an

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amount which it believes to be just compensation, exclusive of relocation costs, to be paid for the real property. In no event shall the amount thus established as just compensation be less than the amount of the approved appraisal. If the Board believes the appraisal is excessive, it may disapprove the appraisal and order a new appraisal by a different independent appraiser.

3.6 Following establishment of the amount the Board believes to be just compensation, and prior to the institution of any action in eminent domain, the Manager shall transmit a written statement of, and summary of the basis for, the amount so established to the owner of the property proposed to be acquired. The District shall offer to purchase the property for an amount not less than the sum established as just compensation.

3.7 Notwithstanding the foregoing, the District may make an offer to acquire the real property for less than an amount which it believes to be just compensation if (a) the real property is offered for sale by the owner at a specified price less than the amount the public entity believes to be just compensation therefor, (b) the public entity offers a price which is equal to the specified price for which the property is being offered by the landowner, and (c) no federal funds are involved in the acquisition, construction, or project development. As used herein, "offered for sale" means either:

(1) Directly offered by the landowner to the public entity for a specified price in advance of negotiations by the public entity; or

(2) Offered for sale to the general public at an advertised or published, specified price set no more than six months prior to and still available at the time the public entity initiates contact with the landowner regarding the public entity's possible acquisition of the property.

3.8 District shall make every reasonable effort to expeditiously acquire the real property through negotiation prior to the institution of any action in eminent domain.

4. RELOCATION ADVISORY ASSISTANCE

4.1 Program Establishment. The Manager shall institute a relocation advisory assistance program where:

(a) Acquisition of real property by the district will result in the creation of displaced persons; and

(b) It appears that such displaced persons need relocation assistance.

4.2 Scope of Relocation Advisory Assistance Programs. Each relocation assistance advisory program shall include such measures, facilities, or services as may be necessary or appropriate to perform all of the tasks detailed in Section 7261(c).

4.3 Contracting for Relocation Services. Where it appears that a relocation advisory assistance program will be burdensome upon the District staff, the Manager may contact private or other public entities for the purpose of establishing a contract to provide relocation advisory assistance in accordance with Section 7261.5. Proposals for such relocation advisory assistance contracts shall be submitted to the Board of Directors for approval.

5. RELOCATION PAYMENTS

5.1 Subchapter 6 of Title 2, California Administrative Code, Relocation Assistance Program (§§1873 et seq.) is hereby incorporated as though fully set forth herein, except that where said subchapter refers to the "State of California" and to "the department" they shall be read to mean "the District".

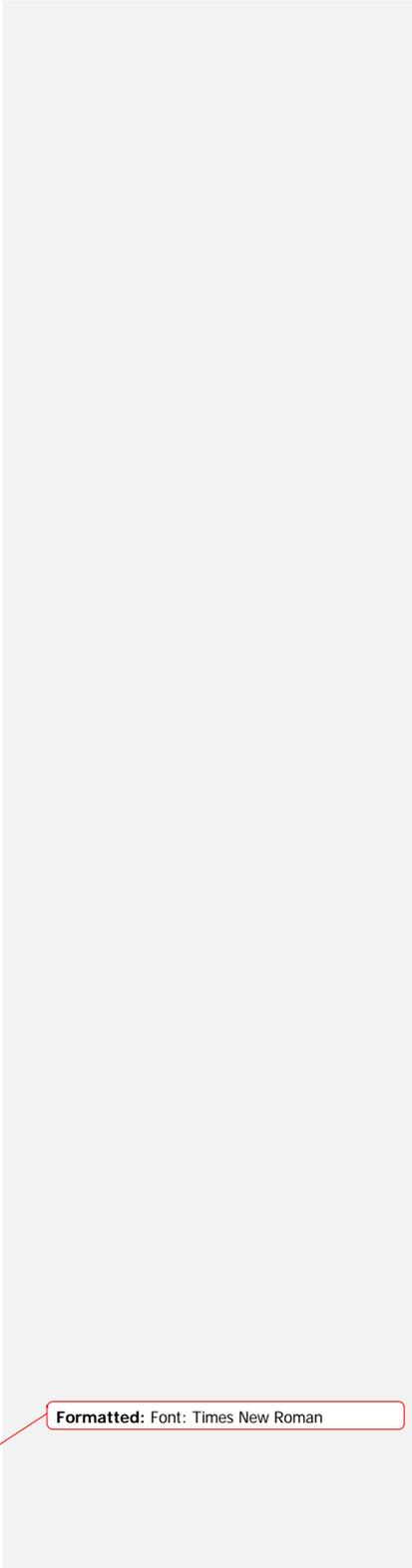
6. EXEMPTIONS FROM RELOCATION ASSISTANCE PAYMENTS

6.1 The requirement to provide relocation assistance and benefits imposed by the Relocation Assistance Law shall not apply to a purchase of property which is offered for sale by the owner, property being sold at execution or foreclosure sale, or property being sold pursuant to court order or under court supervision if the real property is (a) either occupied by the owner or is unoccupied, and (b) if the offer for sale is not induced by District disposition, planned condemnation, or redevelopment of surrounding lands, and (c) if the sales price is fair market value or less, as determined by a qualified appraiser, and (d) if no federal funds are involved in the acquisition, construction, or project development.

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APPENDIX G

**RESPONSIBILITIES AND AUTHORITY OF BOARD
AND GENERAL MANAGER**

**RESPONSIBILITIES AND AUTHORITY OF THE BOARD
AND
GENERAL MANAGER**

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I OPERATIONS:

A. FIELD OPERATIONS

1. The General Manager shall have full charge and control of the District water system and its facilities including their construction, operation, and maintenance.
2. The General Manager shall have full charge and control of the field employees, suppliers, and consultants, except as qualified elsewhere in this Appendix.
3. The General Manager shall be responsible for carrying out the Board's directions regarding field operations and shall do this in accordance with all District policies and procedures.
4. The General Manager shall be responsible for the programs relating to the safety of District employees, equipment, and facilities, and for its customers' health and safety as far as District activities are concerned.
5. The General Manager shall provide the Board with current information on general operational matters as well as on any extraordinary occurrences with respect to operations.

B. OFFICE AND CUSTOMER SERVICE

1. The General Manager shall have full charge and control of all supporting functions including accounting, purchasing, billing, and customer service.
2. The General Manager shall have full charge and control of office employees, supplies, and consultants, except as qualified elsewhere in this Appendix.
3. The General Manager shall be responsible for carrying out the Board's directions regarding office operations and customer service, and shall do this in accordance with all District policies and procedures.

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II PERSONNEL

1. The General Manager shall recruit, hire and terminate all employees. The General Manager will consult with the Personnel Committee in his discretion.
2. The General Manager shall prepare job descriptions for all employees. The Personnel Committee shall review and comment, and then the Board shall review, comment, and adopt the final job descriptions. A written set of job descriptions covering all employees shall be jointly maintained by the General Manager and Personnel.
3. The General Manager shall oversee all operations of the District.

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4. The General Manager shall determine the need for discipline and administer the discipline for those employees. The General Manager shall inform the Personnel Committee, and the Board about disciplinary actions.
5. The Board shall set the total compensation for all employees.
6. The Board shall set ranges using salary ranges and policies established by the Board.
7. The General Manager shall make decisions on promotions and demotions of employees.
8. The Board shall set the total number of employees for the District.
9. The General Manager shall hear employee grievances. Decisions of the General Manager may be appealed to the Board.
10. The Board shall set the employee benefits programs for the District.
11. The General Manager shall implement the rules and policies governing employees as stated in the Employee Handbook. The Board shall establish these rules and policies.
12. The General Manager shall keep the Board informed about extraordinary personnel activities.
13. The General Manager shall oversee the performance and employee evaluation process and maintain a record of every evaluation.

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III BOARD MEETING

1. The Secretary shall have the Board meeting agenda prepared at least 72 hours prior to each meeting. The General Manager or a Board member may request that an item be added to the agenda.
2. The General Manager shall prepare the Board packet, which shall include such detail regarding agenda items as the General Manager deems sufficient, or as requested by the Board.
3. The General Manager shall provide a budget summary status report to the Board once monthly, or as requested by the Board.
4. The General Manager or delegated representative shall reply to questions raised by the public at Board meetings if directed by the Chairman.
5. The General Manager and/or Board members may determine which additional persons [employees and consultants] should attend a Board meeting.
6. The Chairman or Secretary in consultation with the District's Attorney shall be responsible for assuring that the requirements of the Brown Act are observed at Board meetings.

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IV FINANCE

1. The General Manager, with the Finance Committee shall prepare the draft budget, which shall then be presented to the Board for its consideration.
2. The General Manager shall establish the sequence of events leading to the adoption of a final budget and, with the cooperation of the Chairman, shall see that these events are followed in a timely fashion.
3. The General Manager shall be responsible for operating the District in accordance with the budget.
4. The General Manager, in conjunction with the Finance Committee may make changes in the budget in accordance with District policy, within or between categories of the budget, or may add or delete items that do not materially affect the overall integrity of the budget. The Board shall approve changes made in accordance with District policy.
5. Under the supervision of the General Manager, the Auditor shall assure that accurate and auditable financial records are kept.
6. The General Manager shall comply with limits established by the Board policy on expenditure of funds.
7. The General Manager shall prepare a yearly summary, for the Board of Directors, of all significant operations in the District for the past year. This would include, but not limited to:
 - A. Budget compliance.
 - B. Major maintenance operations.
 - C. Water production, quality, and sales.
 - D. Legal issues associated with the District.

The yearly summary shall be done on a calendar-year basis, and presented to the board at the first or second board meeting of the year.

V. CONSULTANTS

1. The Board shall select an Attorney, Engineer and Auditor to advise the Board.
2. The General Manager shall decide whether any other consultant is necessary to assist the District.
3. Where it is determined that a consultant is necessary to advise the District. The General Manager shall prepare the list of qualified consulting sources with the advice of the Attorney, Auditor, or other consultants to the District, as appropriate, prepare request for proposals, review the proposals, and recommend a consultant subject to Board approval. Board members may also be involved in the process by which a recommendation is brought to the Board. The General Manager may recommend retaining a consultant on a sole source basis without the formal competitive bid process.
4. The General Manager shall refer contractual matters to the Attorney for preparation and review.

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5. The General Manager or his designee shall provide direction to consultants.
6. The General Manager shall review and recommend payment for bills sent by a consultant.
7. The General Manager shall establish procedures for receipt and approval of progress reports from consultants. progress reports shall be provided by the General Manager to the Board.
8. The Auditor and the Attorney shall report to the Board of Directors and take direction from the Board. They also may take direction from the General Manager. In special cases, the Board may decide that a consultant should report directly to the Board.

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VI COMMITTEES

1. Committees and their membership may be established by the Chairman, or by a majority vote of the Board.
2. The committee Chair may schedule committee meetings.
3. The Chair shall establish the persons who should be in attendance at committee meetings [staff, consultants, etc.].
4. The Chair shall give reports [usually oral] on committee activities to the Board of Directors at Board meetings.
5. An opportunity for committee reports shall be included on the Board's agenda either upon request by the Committee Chair or as a standing agenda item, as appropriate under the circumstances.

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VII OUTSIDE ACTIVITIES

1. The Board shall decide which outside functions should be attended and shall determine who will attend which outside function and serve as the Director's spokesperson.
2. The General Manager shall determine which employees should attend meetings, conferences, and seminars, and shall report to the Board on such activities.
3. The Board shall decide on expenditures and oversee the expenditures incurred in connection with outside functions.

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VIII PROPERTY

1. The General Manager shall be responsible to safeguard, conserve, and maintain all District property and to obtain appropriate levels of insurance.
2. The General Manager shall maintain an inventory of District property.
3. The General Manager shall be responsible for meeting the requirements of the law with respect to District property.

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4. The General Manager shall receive all property on behalf of the District, except real property, which the Board receives. The Board shall dispose of District property in accordance with applicable law and District Rules and Regulations.
5. The General Manager shall inform the Board about significant occurrences affecting District property and the status of District property.

IX EMERGENCIES

1. The General Manager shall determine that an emergency exists.
2. The General Manager shall have unlimited authority to take necessary actions to deal with an emergency.
3. At the earliest possible time, the General Manager shall inform the Board of the actions to deal with an emergency.

X GENERAL

1. ~~The Board of Directors shall govern collectively and the General Manager shall manage individually with appropriate consultation with, or approval from the Board. The General Manager shall perform all those functions which the Board shall deem necessary whether or not mentioned in this document. The General Manager may delegate responsibilities to others as he sees fit.~~

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APPENDIX H
RECORD RETENTION POLICY

Record Retention Policy

1. Retention of Original Records

The following records shall be maintained in perpetuity in the District's files:

- (A) The Certificate of Incorporation of the District;
- (B) Certifications of annexation proceedings and other property related documents;
- (C) Resolutions and Ordinances;
- (D) Minutes of the meetings of the Board of Directors;
- (E) Certificates of Assessed Valuation prepared by the County of Los Angeles;
- (F) Documents received from the Tax Assessor detailing District taxes collected;
- (G) Documents regarding bond issues;
- (H) Election documents;
- (I) Records of securities and bank deposits;
- (J) Documents relating to claims against the District;
- (K) Documents concerning eminent domain proceedings by the District;
- (L) Land and property title records;
- (M) Records determined by the Board to be of significant and lasting historical, administrative, legal, fiscal or research value; and
- (N) Records required by law to be filed and preserved.

2. Retention of Duplicate Original Records

The following original records may be destroyed if a physical or electronic copy is maintained in perpetuity:

- (A) Financial records summarizing the financial status of the District other than reports prepared pursuant to Article (commencing with Section 53891) of Part 1 of Division 2 of the Government Code;
- (B) Oaths of Office and related materials depicting the authenticity of the appointment of director or officer;
- (C) Paid invoices and other financial records;
- (D) Reports of the District and correspondence not covered in another section of this policy;
- (E) Records received pursuant to State statute not expressly required by law to be filed and preserved.

3. Retention of Records for Time Certain

The following records or copies may be destroyed after the passage of time:

- (A) Unaccepted bids or proposals for construction may be destroyed after two years;
- (B) Work orders or other in-house records of time spent on work assignments may be destroyed after two years;
- (C) Records created for a specific event or action may be destroyed after five years following the end of the District's fiscal year in which the event or action was completed;
- (D) Cancelled checks or other proof of payment of bond interest and redemption may be destroyed after ten years;

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- (E) Tape recordings of the Board meetings intended for the preparation of minutes may be erased after thirty days; and
- (F) Any record, paper or document more than two years old that is prepared or received in a manner other than pursuant to State statute.

4. Retention of Other Records

The following records may be destroyed at any time without maintenance of a physical or electronic copy:

- (A) Duplicates for which the original or electronic copy is on file;
- (B) Rough drafts, working papers, data and other information accumulated in the preparation of other documents and final drafts; and
- (C) Notes, telephone messages and other internal documents.

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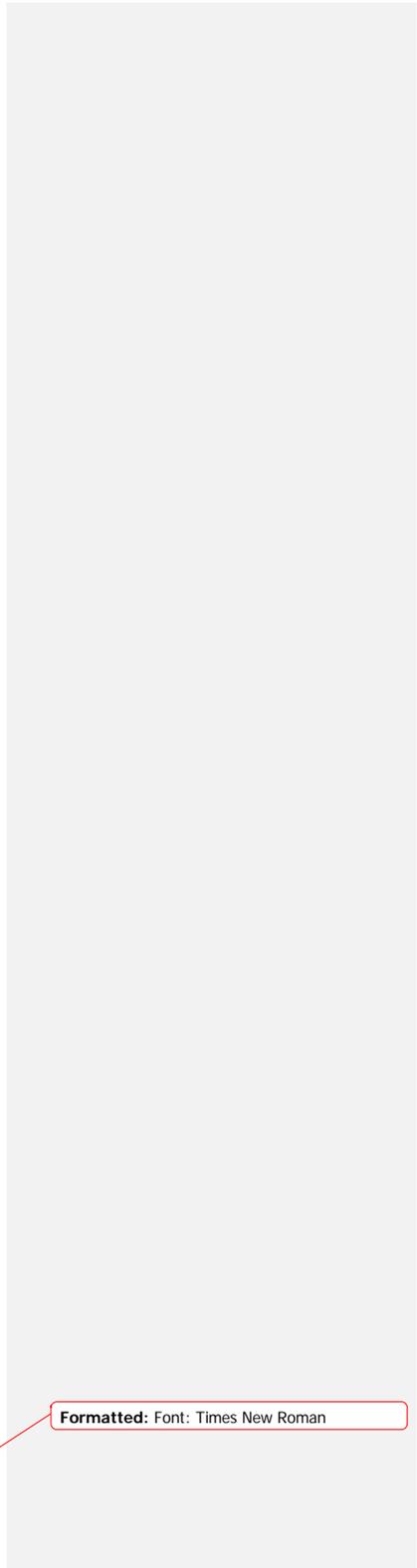
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APPENDIX I
MAIN EXTENSION REIMBURSEMENT
AGREEMENT

MAIN EXTENSION REIMBURSEMENT AGREEMENT

1. IDENTIFICATION

This Main Extension Reimbursement Agreement ("Agreement") is made and entered into effective as of the ___ day of _____, 200_, between KINNELOA IRRIGAION DISTRICT, a IRRIGATION District formed pursuant to Division 11 of the California Water Code ("District"), and _____ ("Developer").

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2. RECITALS

- 2.1 This Agreement is made pursuant to the requirements of and in accordance with the District's policy regarding main extensions, as set forth in the District Rules and Regulations and incorporated herein by reference ("Policy").
- 2.2 Developer is in the process of designing and constructing certain improvements to be located on real property situated within the District's boundaries. The legal description of the real property is set forth in Exhibit "A" attached to this Agreement.
- 2.3 In order to complete the planned development of the real property, Developer will require water service from the District, which will, in turn, require that the District's existing facilities be extended beyond current limits.
- 2.4 District is willing to grant Developer's request for water service to the real property on certain terms and conditions of this Agreement and in accordance with the Policy.

3. AGREEMENTS

- 3.1 Agreements of Developer: Developer agrees to reimburse the District for the design and construction at Developer's expense of the main extension and facilities specified in Exhibit "B" in accordance with plans and specifications approved by the District.
- 3.1.1 Until such time as District completes said main extension and facilities, Developer shall maintain and insure said facilities for their full replacement cost value and further shall indemnify and save District harmless from any and all claims relating to the design and/or construction of said main extension and facilities and shall take all

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steps necessary to comply with the California Environmental Quality Act.

3.1.2 Developer shall be responsible for securing all easements and rights-of-way necessary to complete construction of the main extension and facilities specified in Exhibit "B".

3.1.3 All mains and facilities shall remain the property of the District upon completion.

3.1.4 All mains and facilities shall be constructed by the District or using a contractor under a competitive bidding process.

3.1.5 Developer shall reimburse the District for the cost of construction of all facilities.

3.1.6 Developer understands that there may be a requirement to pay an amount to District representing a share of the cost for the prior construction of facilities needed to serve the development.

3.2 Agreements of District:

3.2.1 Upon receiving the required deposit, the district will design and construct the main extension and facilities specified in Exhibit "B" by a competitive bidding process in accordance with the District's Rules and Regulations. The current fee schedule is set forth in Exhibit "C".

3.2.2 In the event any such main extension and facilities specified in Exhibit "B" are not available and used for subsequent connection by other persons within five (5) years of completion of the mains and facilities, District shall not reimburse Developer for any of the costs associated with the mains and facilities specified in Exhibit "B."

3.2.3 In the event any of the mains and facilities are used by another Developer within five (5) years, the District will charge the subsequent Developer a prorated share of the improvements already constructed and reimburse that amount to the original Developer, subject to the right of District to off-set against any sums payable to Developer the amount of any indebtedness then due or owing by Developer to District.

3.2.4 Developer's rights to receive reimbursement under Paragraphs 3.2.3 above shall commence after the date District completes the mains and facilities specified in Exhibit "B" as shown thereon, and shall terminate five (5) years after said date.

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3.2.5 District shall make reasonable effort to notify Developer of any subsequent connections giving rise to a right to reimbursement pursuant to this Article 3.2. District shall give written notice of such connections by mail addressed to the last known address provided to District by Developer. Until such time as that address changes, the address of Developer specified below Developers signature on this Agreement shall be the address to which District shall send mailed notice.

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4. SUCCESSORS AND ASSIGNS

The obligations of Developer, if Developer is more than one person, party or entity shall be joint and several. This Agreement shall bind and inure to the benefit of the heirs, representatives, executors, administrators, successors and/or assigns of the parties hereto.

KINNELOA IRRIGAION DISTRICT

By:
Its:

"DEVELOPER"

By:
Its:

[Address]

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Exhibit A
Legal Description

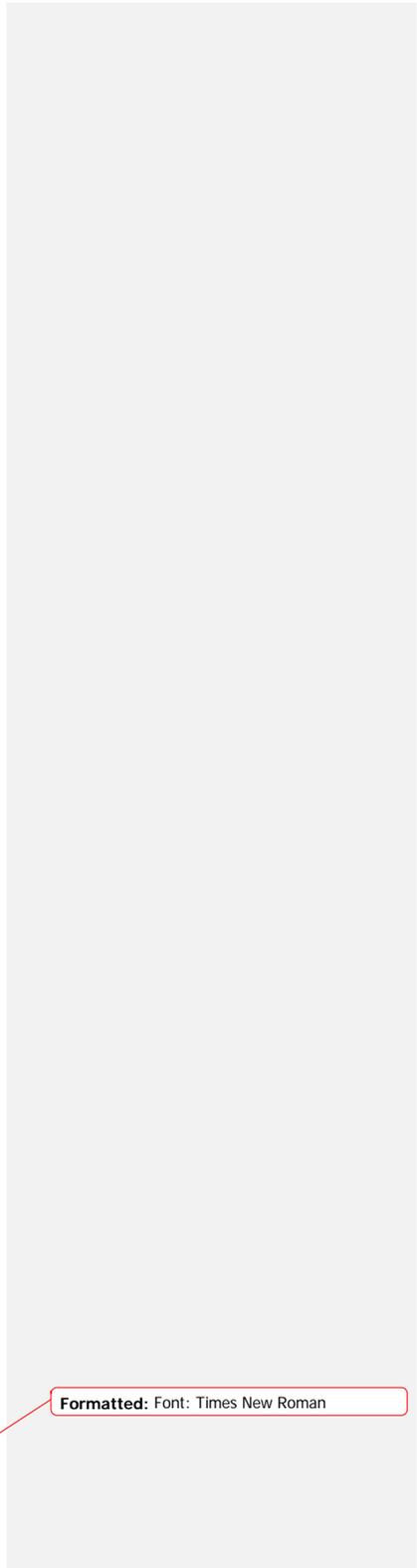
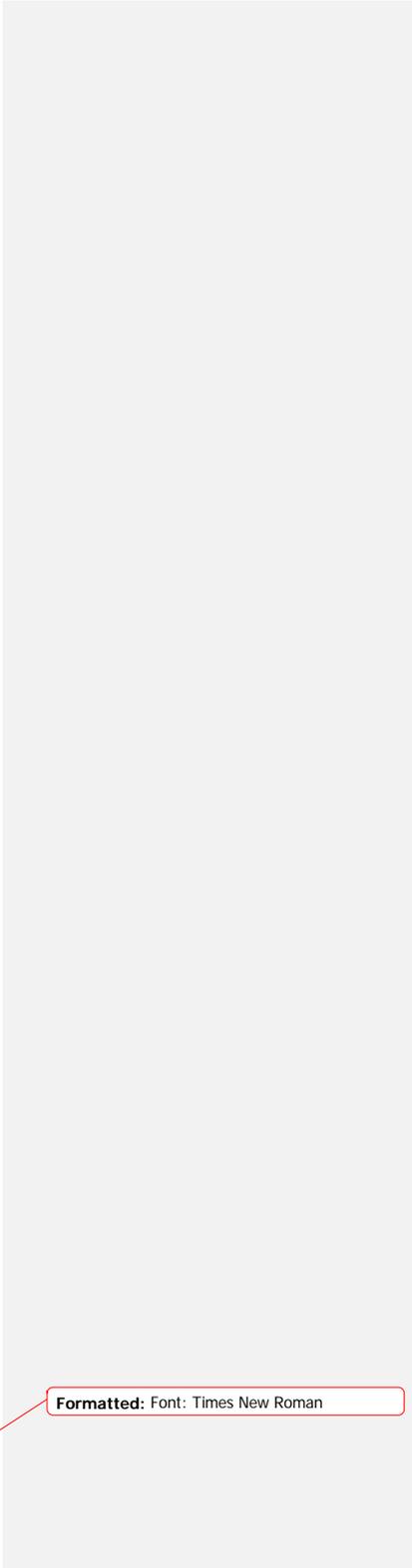


Exhibit B
Main Extension and Off-Site Facilities



Water System Accepted By District:

Signature
Date

Exhibit C
Main Extension Reimbursement Rates

1. Reimbursement Where Subsequent Connection Available:

\$1.00 per diameter inch per frontage foot of main, where District policy provides for subsequent connection from both sides of street.

\$2.00 per diameter inch per frontage foot of main, where District policy provides for subsequent connection from only one side of street.

2. Charge for Connection to Existing Main:

\$1.00 per diameter inch per frontage foot of main, where District policy provides for subsequent connection from both sides of street.

\$2.00 per diameter inch per frontage foot of main, where District policy provides for subsequent connection from only one side of street.

3. Reimbursement Where District Policy Precludes Subsequent Connection:

\$2.00 per diameter inch per lineal foot of main.

APPENDIX J

**BID PROCUREMENT AND PURCHASING
POLICY**

BID PROCUREMENT AND PURCHASING POLICY

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Work Costing More Than \$25,000

- a. Except as otherwise provided in this statement of policy or by law, all Contracts for any improvement, job, construction project or unit of work [Herein referred to as work], and all acquisition of material or equipment, estimated to cost or have a value when completed in excess of Twenty-five Thousand Dollars [\$25,000] shall be let to the lowest responsible bidder in the manner hereinafter provided.
- b. The Board shall first determine whether the contract shall be let or the acquisition made, as a single unit for the whole of the work or acquisition, or whether it shall be divided into severable convenient parts.
- c. The contract documents shall be prepared utilizing the District standards forms, with such modification as may be appropriate for the particular work or unit of work, for the acquisition of material or equipment. In case of work to be performed for the District, the documents to be prepared shall ordinarily include the Notice Inviting Bids, Instructions to bidders, the Proposal for submission by the bidder, the Information Required of Bidder, setting forth the equipment and material source and other required information, Contractors Licensing Statement, List of Subcontractors, Bid Security Form, Agreement, Faithful Performance Bond, Payment Bond, Non-Collision Affidavit, Notice to Proceed, General Provisions, Special Provisions, and Plans and Specifications.
- d. Unless otherwise required by the provision of the Public Contract Code, the District may advertise in the F.W. Dodge Green Sheet, The Construction Market Data, and similar publications, inviting sealed proposals for furnishing labor for or material or supplies for use or incorporation in, the proposed work or unit of work, or for providing material or equipment. In the event that the construction of works is to be paid for with the proceeds of the sale of bonds or a limited assessment, the District shall give said notice by publication once a week for three [3] successive weeks in a newspaper of general circulation published in the District.
- e. All bids shall be presented under sealed cover on forms furnished by the District, and, in the case of a bid to perform work for the District, it shall be accompanied by one of the following forms of bidder's security: [1] cash, [2] a cashier's check made payable to the District, [3] a certified check made

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payable to the District, or [4] bidder's bond executed by an acceptable surety insurer made payable to the District.

- f. At the time and place appointed and set forth in the Notice Inviting Bids, the bids shall be opened in public.
- g. The Board may reject any and all proposals or bids should it deem it to be for the public good, or may award the contract for the work or unit of work, or material or equipment, to the lowest responsible bidder at the prices named or specified in the bid or proposal.
- h. In the case of work to be performed for the District, the District shall require the successful bidder or bidders to file with the Board good and sufficient bonds, to be approved by the Board, conditioned upon the faithful performance of the contract and upon payment of all claims for labor and material in connection therewith.
- i. In the case of work to be performed for the District, the District shall require the successful bidder or bidders to carry public liability and property damage insurance, worker's compensation insurance, and other insurance, in the amounts and under the terms stipulated in the Contract documents.
- j. "Lowest Responsible Bidder" shall mean a person who submits the lowest monetary bid, taking into account the contract bid reduction provided for in paragraph g, and which responds to the terms upon which bids were requested, and who has the capacity, integrity and ability to perform the particular requirements of the contract. Factors which may be considered in determining the "lowest responsible bidder" included, but are not limited to, all of the following:
 - 1] The contractor's prior record of performance other public works projects, if any, including timely completion of performance, quality of work and completion of projects within project budget or bid amount submitted.
 - 2] The contractor's involvement in any ongoing litigation or contract disputes with the awarding authority, which could impair satisfactory performance on the contract to be awarded.
 - 3] The contractor's history of noncompliance with occupational safety and health requirements, labor statutes and regulations, and other local, state, and federal laws.

Work or Acquisitions Costing More Than \$5000, but Not More Than \$25,000

All contracts for any work or unit of work, and all acquisitions of material or equipment, estimated to cost or to have a value when completed in excess of Five Thousand Dollars [\$5000], but not more than Twenty-five Thousand Dollars [\$25,000], shall be reviewed by a committee of the Board, and shall be submitted for formal competitive bids in accordance with this statement of policy only if the committee shall so recommend and the Board shall concur by a majority vote.

Work or Acquisitions Costing Less than \$5000

All contracts for any work or unit of work, and all acquisitions of material or equipment, estimated to cost or to have a value when completed that is less than Five Thousand Dollars [\$5000], may be authorized by the District's General Manager without compliance with any formal competitive bidding procedures or prior Board approval, and in any such case he may authorize the work or unit of work or acquire the material or equipment, by informal bidding or quotations or by purchase on the open market without advertising.

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General Manager's Report

April 21, 2009

I. Projects

- A. Kinneloa Mesa Pipeline Project – The project is 80% complete. Mains have been installed on all four streets and one of the five tie-ins to the existing mains has been completed. New and upgraded fire hydrants have been installed on Meyerloa, Lindaloe and Doyne Road. The fire hydrants on Clarmeya are yet to be completed. The first course of repaving has been completed on Meyerloa, Lindaloe and Doyne Road. Completion is projected to be May 29, 2009 if there are no significant delays due to rain or other issues such as the fire hydrant on Clarmeya.
- B. Doyne Road Development – The engineering work is proceeding and upon completion we will have the plans and specifications for the bidding package. We have received the first draft of the plans for the pipeline and booster station and we are currently doing our review.
- C. Emergency Generator – An emergency generator and automatic transfer switch have been installed at the office and are operational. SCADA monitoring and control has now been added and the project is finished.

II. Customer Service Issues for March

- A. Edgecliff Lane – Customer reported unusually high water usage. We helped customer to determine that there was a leak on his side of the meter.
- B. Villa Mesa – Customer reported that shut-off valve on our side of the meter was broken and water could not be turned off. We replaced valve and instructed the customer to call us next time and/or install a shut-off valve on his side of the meter to prevent damage to our valve in the future.
- C. Villa Knolls – Customer reported high usage and requested help in determining if there was a leak or not. We found no obvious leak.

III. Office Operations

A. Delinquent Accounts

- 24 accounts received 10 day letters
- 8 accounts received 5 day letters
- 2 account received 24-hour shut off notice
- 2 accounts were shut off for non-payment and turned back on after payment
- 2 accounts remain shut off for non-payment

IV. GM's Projects and Goals

- A. The audit has been completed and will be presented to the Board at the April meeting.
- B. I am working on my annual report to the Board of Directors.
- C. Our efforts to stop the proposed NPDES permit have been successful and the Regional Water Quality Board is not expected to move forward at this time. In the mean time the water agency group is proposing a non-regulatory solution as an alternative in order to meet the RWQB's objectives in order to eliminate the need for a permit in the future.
- D. I am continuing the set up our on-line training site for operator certification, safety training and general education courses.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
MARCH 17, 2009**

MEMBERS PRESENT: Directors Barkhurst, Griffith, Kilburn, Pickard, and Sorell

STAFF PRESENT: Shirley Burt, Administrative Assistant
Chris Burt, Facilities Supervisor
Melvin Matthews, General Manager

CALL TO ORDER: The Executive Meeting was called to order by the Chair, Director Barkhurst,

at 1910 hours. He noted that there was a quorum of the Board present and the Board adjourned to Executive Session.

CALL TO ORDER: The Regular Meeting was called to order by the Chair, Director Barkhurst at 2010 hours. The Chair requested approval of the Agenda and it was unanimously approved as presented.

REPORT OF EXECUTIVE SESSION:

The Chair reported that the Board had reviewed the General Manager's performance for the year 2008 and that the General Manager had received and signed off on that review. He explained that no decisions had been made in Executive Session and that it was appropriate at this time to consider a salary adjustment based on the performance evaluation.

It was M/S/C- (Kilburn/Pickard-4/1 (Director Griffith voting No) –

“That the General Manager’s base salary be increased by 3% for the year 2009 beginning on April 1, 2009.”

PUBLIC COMMENT: No persons from the Public wished to comment at this time.

REVIEW OF NEW FIRE HYDRANT PLACEMENTS

Director Kilburn explained that part of the Kinneloa Mesa Pipeline Project is the installation of several new Fire Hydrants and that one of the residents upon whose property a new hydrant is to be placed has brought to her the following issues –

- that there should be compensation paid to the owner for having this Hydrant placed in his front yard, if not by direct compensation then to pay no water bill for at least one year.
- that the precedent for compensation had been set when the prior owner had received payment from the Edison Company for the placement of a pole on the property and that a copy of the payment is attached to the deed for the property for the placement of a pole in the easement
- that there would be a liability created by the presence of the “Hydrant Pit”
- that the presence of the hydrant could be a liability to the sale of the property
- that the suggested placement of the hydrant would be on his personal property not in the road easement
- that there are different easements –above ground and below ground—and questioned whether the

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
MARCH 17, 2009**

District had the proper documents

Page 2

REVIEW OF NEW FIRE HYDRANT PLACEMENTS: (continued)

Director Sorell questioned whether the District does have an easement for the water line and

Director Kilburn explained that all properties on the Mesa have an easement for ingress and egress

Director Barkhurst stated that this is a discussion item only and that he sees three appropriate courses of action.

1--Do nothing and let it play out

2--Decide that discretion is the better part of valor and think about moving the placement of the hydrant to another location

3--Perform normal due diligence procedures to determine if the District has the legal right to put this Hydrant where it is proposed to be placed.

He further explained that it was his understanding that there is another six or seven weeks before all of the water lines are installed and so there is time before the hydrants need to be installed.

He stated that the appropriate course of action is to get a survey, obtain a preliminary title report of the property involved, have a preliminary discussion with the District's legal counsel and then have the General Manager report these findings at the next Board Meeting. He further stated that he was of the belief that there is more than sufficient code and case law that covers these kinds of issues but that he thought the Board did not have enough information at this time to make an enlightened decision.

Director Kilburn suggested that more research be done as to the possibility of placing the hydrant on the next property to the west as that owner is planning to build a new home and might cooperate with the District in placing the hydrant on that property. She also stated that she had explained to the resident that the hydrant would not be visible from his house and that it would be placed in the hillside with a protective wall around it.

Director Barkhurst replied that the General Manager has the task to investigate all of the viable alternatives and the expense involved with any of them.

GENERAL MANAGER'S REPORT

Kinneloa Mesa Pipeline Project:

The **General Manager** reported that the project was going well and that the residents have been very cooperative. He stated that he is very pleased with the Contractor and he is doing a good job.

Proposed NPDES Permit:

The General Manager called attention to the letters regarding this matter that are included in the Board Packet noting that the stand that the Public Water Agencies Group (PWAG) was taking had received a fair amount of legislative support. He explained that the permit in its proposed form is ridiculous and costly and that the Public Hearing that was scheduled had been postponed due to a lack of a quorum.

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
KINNELOA IRRIGATION DISTRICT
MARCH 17, 2009**

Page 3

REVIEW OF THE MINUTES:

The minutes of February 17, 2009 were reviewed and unanimously approved as presented.

REVIEW OF FINANCIAL REPORTS

Director Sorell reviewed the reports noting that for the month --
--the revenues are down and this could be due to conservation efforts
--the expenses are down but that is due to a refund from the insurance company
--project engineering is high -- \$6400 against a budget of \$1200 for updating of system drawings
Director Griffith noted that he estimated that about \$20,000 worth of parts and supplies had been purchased and thought that he had noted somewhere that there was only \$6000 of insurance to cover. The **General Manager** replied that most of these items are consumable supplies and not large capital items.

The Financial Reports were unanimously approved for filing.

ITEMS FOR NEXT AGENDA:

Executive Session –Review of General Manager’s Performance
Review of 2008 Draft Audit
New Fire Hydrant Placements

ADJOURNMENT:

The meeting was adjourned at 2052 hours. The next meeting will be held on April 21, 2009.

Respectfully submitted,

Shirley L. Burt
Secretary to the Board

2009 AGED RECEIVABLES REPORT

ACCOUNTING PERIOD	TOTAL BALANCE	CURRENT PERIOD	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	OVER 120 DAYS	Penalty Charges	Interest Charges
JANUARY	\$61,807	\$37,314 416	\$18,057 112	\$3,440 28	\$1,269 12	\$1,727 2	\$675.00 45 Accts.	\$91.91
FEBRUARY	\$35,432	\$18,065 154	\$9,547 84	\$4,187 29	\$1,154 11	\$2,480 7	\$495.00 34 Accts.	\$47.15
MARCH	\$35,588	\$23,036 198	\$7,788 72	\$1,792 22	\$994 9	\$1,979 3	\$525.00 33 Accts.	\$58.10
APRIL								
MAY								
JUNE								
JULY								
AUGUST								
SEPTEMBER								
OCTOBER								
NOVEMBER								
DECEMBER								
						Totals	\$1,695.00	\$197.16

Kinneloa Irrigation District
Statement of Cash Flow
For the three Months Ended March 31, 2009

	Current Month	Year to Date
Cash Flows from operating activities		
Net Income	\$ (10,153.22)	\$ 702.85
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
1100 Accts. Receivable-Water Sales	(156.07)	31,722.41
1101 Accts. Receivable-Invoices	350.60	0.60
1350 Prepaid Insurance	(500.25)	2,551.25
1360 Prepaid Expenses	1,745.08	5,235.24
2000 Accounts Payable	183,266.52	194,368.53
2250 PERS Withholding-Employee	59.70	19.17
2260 Med./Dental-Withhold-Employee	0.00	24.52
2271 Deposits-Construction Meters	(850.00)	0.00
2273 Job Deposits-Doyme Rd.	(11,360.00)	3,640.00
	172,555.58	237,561.72
Total Adjustments	172,555.58	237,561.72
Net Cash provided by Operations	162,402.36	238,264.57
 Cash Flows from investing activities		
<i>Used For</i>		
1512 Trans. & Dist. Plant Meters	(8,338.53)	(13,283.37)
1515 Trucks and Portable Equipment	0.00	(19,594.14)
1516 Water Company Facilities	(2,254.90)	(2,254.90)
1523 Construction in Progress	(361,945.17)	(365,169.42)
1527 SCADA Equipment	(2,998.08)	(2,998.08)
1528 Tanks and Reservoirs	(6,048.71)	(29,599.13)
	(381,585.39)	(432,899.04)
Net cash used in investing	(381,585.39)	(432,899.04)
 Cash Flows from financing activities		
<i>Proceeds From</i>		
<i>Used For</i>		
	0.00	0.00
Net cash used in financing	0.00	0.00
Net increase (decrease) in cash	\$ (219,183.03)	\$ (194,634.47)
 Summary		
Cash Balance at End of Period	\$ 964,284.48	\$ 964,284.48
Cash Balance at Beg. of Period	(1,017,646.83)	(993,098.27)
	(53,362.35)	(28,813.79)
Net Increase (Decrease) in Cash	\$ (53,362.35)	\$ (28,813.79)

Steven Sorell, Treasurer _____

Kinnelo Irrigation District
Income Statement
For the Three Months Ending March 31, 2009

	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget
Revenues				
4000 Water Sales	\$ 68,368.27	\$ 44,000.00	\$ 192,738.54	\$ 176,795.00
4020 Invoice Sales	0.00	833.33	700.00	2,499.99
4035 Interest-General Fund Savings	0.00	0.00	4,683.59	6,250.00
4050 Capacity Charge	0.00	3,000.00	0.00	3,000.00
Total Revenues	68,368.27	47,833.33	198,122.13	188,544.99
Expenses				
5005 Electricity	5,100.85	5,000.00	16,502.31	15,000.00
5010 Maintenance Supplies	3,311.56	1,666.67	9,170.18	5,000.01
5012 Safety Equipment	1,183.73	500.00	1,964.28	1,500.00
5015 Maintenance Labor	12,276.87	14,050.00	36,704.82	42,150.00
5020 Stand-by Compensation	720.00	625.00	1,860.00	1,875.00
5022 Training/Certification	0.00	200.00	45.00	600.00
5025 Water Treatment/Analysis	1,277.54	1,833.33	4,081.42	5,499.99
5030 Maintenance Contractors	18,801.90	4,166.67	23,053.67	12,500.01
5034 Equipment Maintenance	2,308.99	250.00	2,358.84	750.00
5035 Vehicle Maintenance	0.00	583.33	15.13	1,749.99
5036 Fuel - All Equipment	678.80	833.33	4,131.02	2,499.99
5045 Insurance-Workers Compensation	2,680.00	0.00	(2,221.65)	3,750.00
5046 Insurance-Liability	1,359.75	1,250.00	3,766.05	3,750.00
5048 Insurance-Property	166.00	208.33	498.00	624.99
5049 Insurance-Medical	3,165.77	3,333.33	12,200.35	9,999.99
6000 Project Engineering	0.00	1,250.00	6,440.00	3,750.00
6005 Watermaster	901.33	666.67	2,703.99	2,000.01
6015 Administrative Salary	9,713.00	9,713.00	29,795.00	29,795.00
6017 Administrative Travel	314.58	416.67	564.67	1,250.01
6020 BofD Compensation	500.00	800.00	1,400.00	1,800.00
6021 Administrative Exp.	0.00	208.33	0.00	624.99
6024 Customer/Public Info. Prog.	0.00	333.33	91.19	999.99
6025 PERS - KID	879.67	1,183.33	2,708.06	3,549.99
6030 Social Security - KID	2,067.19	2,175.00	6,185.01	6,525.00
6035 Office Supplies	0.00	750.00	1,245.22	2,250.00
6036 Postage/Delivery	365.96	500.00	1,094.30	1,500.00
6040 Professional Dues	843.75	583.33	2,613.25	1,749.99
6045 Legal	715.45	833.33	2,431.17	2,499.99
6050 Telephone	461.35	487.50	1,488.65	1,462.50
6051 Cellular Telephone	342.08	208.33	558.90	624.99
6052 Pagers	137.95	150.00	416.31	450.00
6053 Internet Service	64.94	83.33	194.82	249.99
6059 Computer/Software Maintenance	626.24	833.33	1,728.98	2,499.99
6061 Office Equipment Maintenance	0.00	83.33	0.00	249.99
6065 Accounting	0.00	0.00	4,800.00	6,000.00
6070 Office Labor	3,812.16	4,000.00	11,089.92	12,000.00
6075 Outside Services	3,498.01	1,666.67	5,047.50	5,000.01
6081 Permits/Fees	0.00	208.33	75.00	624.99
6120 Bank Service Charges	246.07	250.00	617.92	750.00
Total Expenses	78,521.49	61,883.80	197,419.28	195,457.40
Net Income	(10,153.22)	(14,050.47)	702.85	(6,912.41)

Kinneloa Irrigation District
Income Statement
For the Three Months Ending March 31, 2009

	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget
Other Expenditures				
1504 Water Mains	0.00	94,750.00	0.00	284,250.00
1511 Water Treatment Plant	0.00	833.33	0.00	2,499.99
1512 Trans. & Dist. Plant Meters	8,338.53	1,666.67	13,283.37	5,000.01
1513 Electrical/Electronic Equip.	0.00	1,666.67	0.00	5,000.01
1514 Computer/Office Equipment	0.00	416.67	0.00	1,250.01
1515 Trucks and Portable Equipment	0.00	1,666.67	19,594.14	5,000.01
1516 Water Company Facilities	2,254.90	0.00	2,254.90	10,000.00
1523 Construction in Progress	196,124.49	0.00	199,348.74	0.00
1527 SCADA Equipment	2,998.08	1,250.00	2,998.08	3,750.00
1528 Tanks and Reservoirs	6,048.71	6,250.00	29,599.13	18,750.00
Total Other Expenditures	215,764.71	108,500.01	267,078.36	335,500.03
Total Increase or (Drawdown)	\$ (225,917.93)	\$ (122,550.48)	\$ (266,375.51)	\$ (342,412.44)

Steven Sorell, Treasurer _____

Kinneloa Irrigation District
Balance Sheet
March 31, 2009

ASSETS

Current Assets

1010	Checking-Wells Fargo Bank	\$ 158,393.25
1012	Savings Account-LAIF	488,064.07
1013	Savings-LAIF Reserve Fund	250,000.00
1100	Accts. Receivable-Water Sales	35,588.29
1101	Accts. Receivable-Invoices	976.13
1190	Allowance for Bad Debts	(1,881.57)
1200	Inventory	19,999.95
1340	Accrued Water Sales	67,827.16
1350	Prepaid Insurance	10,137.70
1360	Prepaid Expenses	5,530.39
		<hr/>
	Total Current Assets	1,034,635.37

Property and Equipment

1501	Water Rights	52,060.41
1503	Land Sites	96,700.08
1504	Water Mains	1,188,444.80
1505	Water Tunnels	705,985.75
1506	K-3 Well	70,233.86
1507	Improvement District #1	602,778.12
1508	Mountain Property	6,620.00
1509	Wilcox Well	71,312.70
1510	Interconnections	14,203.27
1511	Water Treatment Plant	172,044.97
1512	Trans. & Dist. Plant Meters	68,015.96
1513	Electrical/Electronic Equip.	189,620.60
1514	Computer/Office Equipment	34,761.42
1515	Trucks and Portable Equipment	182,758.05
1516	Water Company Facilities	41,334.10
1517	Hidden Valley Office	51,362.92
1518	Shaw Ranch	280,789.92
1519	Dove Creek Project	487,383.87
1521	Kinneloa Ridge Project	690,492.58
1522	Eucalyptus Booster Station	471,817.81
1523	Construction in Progress	199,348.74
1526	Vosburg Booster	12,590.00
1527	SCADA Equipment	167,209.99
1528	Tanks and Reservoirs	112,168.38
1529	Holly Tanks	181,113.76
1600	Accum. Depreciation	(2,147,170.24)
		<hr/>
	Total Property and Equipment	4,003,981.82
		<hr/>
	Total Assets	\$ 5,038,617.19
		<hr/> <hr/>

Kinneloa Irrigation District
Balance Sheet
March 31, 2009

LIABILITIES AND CAPITAL

Current Liabilities

2000	Accounts Payable	\$ 206,748.33	
2250	PERS Withholding-Employee	1,307.92	
2260	Med./Dental-Withhold-Employee	527.32	
2271	Deposits-Construction Meters	1,700.00	
2273	Job Deposits-Doyne Rd.	9,137.68	
2290	Accrued Vacation	12,003.70	
	Total Current Liabilities		231,424.95

Long-Term Liabilities

2400	Truck Lease Payable	86,671.63	
	Total Long-Term Liabilities		86,671.63
	Total Liabilities		318,096.58

Capital

3040	Fund Balance	4,719,817.76	
	Net Income	702.85	
	Total Capital		4,720,520.61
	Total Liabilities & Capital		\$ 5,038,617.19

Steven Sorell, Treasurer _____

Kinneloa Irrigation District
Check Register
For the Period From March 1, 2009 to March 31, 2009

Date	Check #	Payee	Amount	Description
3/2/09	5833	Rosalind Yasui	625.00	refund
3/4/09	5834	A&B Electric	1,527.48	Pasadena interconnection flow meter electrical instal
3/4/09	5835	TRG Customer Solutions	156.00	answering service
3/4/09	5836	Athens Services	129.38	trash pickup
3/4/09	5837	Charter Communications	59.99	Internet service
3/4/09	5838	Denram Products	295.57	#9 window envelopes
3/4/09	5839	Egan & Egan	4,800.00	audit
3/4/09	5840	McMaster Carr	1,336.07	maintenance supplies and hand tools
3/4/09	5841	MWH Laboratories	26.40	water analysis
3/4/09	5842	Orchard Supply Hardware	24.93	maintenance supplies
3/4/09	5843	Pasadena Municipal Servic	1,086.50	Wilcox Well power
3/4/09	5844	SA Associates	9,664.25	system maps update and Kinneloa Mesa project
3/4/09	5845	Specialty Services	275.00	janitorial service
3/4/09	5846	Underground Service Alert	4.50	dig alerts
3/4/09	5847	USA Mobility Wireless, In	145.67	pager service
3/4/09	5848	Utility Service Co., Inc.	6,048.71	tank maintenance agreement
3/4/09	5849	Aramark	66.95	shirts
3/4/09	EFT423	Verizon Wireless	128.98	mobile phone service
3/4/09	EFT424	Earthlink Network	4.95	Internet service
3/4/09	EFT425	Southern California Edison	4,433.06	power
3/4/09	5850	ACWA/JPIA	2,026.00	property insurance
3/13/09	5851	Bank of America Business	3,416.00	see attached schedule
3/13/09	5852	Civiltec Engineering, Inc.	11,360.00	Doyne Road Development engineering
3/13/09	5853	Clinical Laboratory, San B	154.00	water analysis
3/13/09	5854	Lagerlof,Senecal,Bradley,C	665.45	PWAG 1/11 Share NPDES Permit
3/13/09	5855	McMaster Carr	2,886.91	battery maintenance supplies, tools
3/13/09	5856	Measurement Control Syst	2,553.51	proread registers for existing meters
3/13/09	5857	MWH Laboratories	480.10	water analysis
3/13/09	5858	National Meter & Automat	5,937.88	meter transmitters
3/13/09	5859	Pasadena Sign Studios	225.00	signs for new generator
3/13/09	5860	Perry Thomas Constructio	15,448.11	Delores Tunnel pipeline repair
3/13/09	5861	Shirley Burt	119.87	mileage reimbursement
3/13/09	5862	J.G. TUCKER & SON, INC	1,140.96	fuel spill containment pallets and fuel can covers
3/13/09	5863	Aramark	105.89	shirts
3/13/09	5864	Lagerlof,Senecal,Bradley,C	50.00	auditor's request for information
3/13/09	5865	Ameripride Uniform Servic	66.26	shop rag service
3/13/09	EFT426	Arco Gaspro Plus	678.80	truck fuel
3/13/09	5866	ACWA Health Benefits Au	3,693.09	medical/dental insurance
3/15/09	EFT427	Christopher A. Burt	1,992.28	salary
3/15/09	EFT428	Shirley L. Burt	1,313.67	salary

Kinneloa Irrigation District
Check Register
For the Period From March 1, 2009 to March 31, 2009

3/15/09	EFT429	Melvin L. Matthews	3,173.08	salary
3/15/09	63739051	Brian Fry	1,454.13	salary
3/15/09	63739052	Felix Galindo	461.97	salary
3/15/09	63739053	Chris Mellinger	303.64	salary
3/23/09	EFT430	ADP	74.00	payroll processing
3/23/09	EFT431	Christopher A. Burt	125.00	salary
3/23/09	EFT432	ADP	3,826.09	payroll taxes
3/31/09	EFT433	AT&T	72.07	telephone
3/31/09	EFT434	AT&T	103.74	telephone
3/31/09	EFT435	AT&T	91.45	telephone
3/31/09	EFT436	AT&T	65.69	telephone
3/31/09	EFT437	AT&T	50.40	telephone
3/31/09	EFT438	Verizon Wireless	129.09	cell phone service
3/31/09	EFT439	Earthlink Network	4.95	Internet service
3/31/09	5867	Byrd Industrial Electronics	8,514.96	various SCADA projects and transducer replacement
3/31/09	5869	McMaster Carr	386.79	maintenance supplies
3/31/09	5870	Monrovia Mailing Compan	312.37	billing statements and postage
3/31/09	5871	MWH Laboratories	232.00	water analysis
3/31/09	5872	Sunny Express, Inc.	55.35	delivery charge
3/31/09	5873	USA Mobility Wireless, In	137.95	pager service
3/31/09	EFT440	Calif. Public Employees Re	2,127.87	CalPERS-employee and KID contribution
3/31/09	EFT443	Richard L. Barkhurst	92.35	salary
3/31/09	EFT441	Christopher A. Burt	2,466.87	salary
3/31/09	EFT442	Shirley L. Burt	1,519.35	salary
3/31/09	EFT445	Francis J. Griffith	92.35	salary
3/31/09	EFT444	Gerrie G. Kilburn	92.35	salary
3/31/09	EFT446	Melvin L. Matthews	3,173.07	salary
3/31/09	63768960	Brian Fry	1,571.88	salary
3/31/09	63768961	Felix Galindo	362.09	salary
3/31/09	63768962	Chris Mellinger	416.76	salary
3/31/09	EFT447	Maurice Pickard	92.35	salary
3/31/09	EFT448	Steve Sorell	57.35	salary
3/31/09	EFT449	ADP	94.18	payroll processing
3/31/09	EFT450	Christopher A. Burt	125.00	salary
3/31/09	EFT451	ADP	4,542.37	payroll taxes
		Total	121,554.08	