

CRESCENTA VALLEY WATER DISTRICT

RULES AND REGULATIONS

Crescenta Valley Water District

Rules & Regulations - Revision History

Date	Revision	Comments
February 20, 2001	R/R adopted by Board of Directors	Adopted - 2/20/01
April 3, 2001	Added Article 8, Section 8:02 C (3) – District-Customer Connections	Adopted – 4/3/01
	Appendix H –Add Sewer Connection Surcharge for sewer connections outside the District	Adopted – 4/3/01& Resolution No. 618
June 12, 2001	Appendix E – Revise Rates and Charges for Water Service	Adopted – 6/12/01 & Resolution No. 620
September 18, 2001	Appendix C – Revise Miscellaneous Charges for Fire Hydrant Test Fee & Installation of Water Services	Adopted - 9/18/01 & Resolution No. 624
	Revised Article 11, Section 11.13 (C) Fees for Fire Hydrant Tests	Adopted - 9/18/01
March 6, 2002	Replaced Article 8, Section 8.07 (C) Emergency Regulations with Water Conservation Program	Adopted – 3/6/02 & Resolution No. 628
	Appendix G – Replaced Emergency Regulations with Water Conservation Program.	Adopted – 3/6/02
July 9, 2002	Appendix H - Revise Rates and Charges for Sewer Service	Adopted –7/9/02 & Resolution No. 632
November 6, 2002	Revised Article 8, Section 8.02 (I) Control Valve on Customer Property	Adopted –11/6/02
	Added Article 8 Section 8.08 – Emergency Water Management Plan	Adopted –11/6/02
	Appendix C – Added under Misc. Charges - Damaged Water Service Lateral Replacement	Adopted –11/6/02
November 19, 2002	Appendix O – Revised Resolution No. 580to include "Program Specialist" under Management Employees.	Adopted – 11/19/02 & Resolution No. 636
February 4, 2003	Revised Article 8, Section 8.03 (F)(2)	Adopted – 2/4/03
	Revised Article 8, Section 8.05 (D) Rendering and Payment of Bills (Automatic Payment)	Adopted – 2/4/03
	Appendix C – Added under Misc. Charges – Automatic Payment Fee	Adopted –2/4/03

Rules & Regulations - Revision History

Date	Revision	Comments
July 22, 2003	Appendix H - Revise Rates and Charges for Sewer Service	Adopted –7/22/03 & Resolution No. 645
	Revised Article 8, Section 8.03E Senior Low Income Discount	Adopted – 2/4/03 & Resolution No. 645
December 16, 2003	Appendix H - Revise Rates and Charges for Sewer Service Added City of Los Angeles Component And revised the CVWD component of the Sewer Connection Fee	Adopted –12/16/03 & Resolution No. 650
	Appendix E – Revise Rates and Charges for Water Service – Add Water System Connection Fee	Adopted –12/16/03 & Resolution No. 650
	Appendix E – Revise Rates and Charges for Water Service Raised Rate to \$2.97/unit	Adopted –12/16/03 & Resolution No. 649
	Added Article 8, Section 8.04 Water system Connection Fee Section 8.04 changed to 8.05 and So on, throughout Article 8 to Section 8.14.	Adopted –12/16/03
	Added Article 7, Section 7.05B Water system Connection Fee Section 7.05B changed to 7.05C and So on, throughout Section 7.05H/	Adopted –12/16/03
	Revised Article 9, Section 9.04 Sewer System Connections Fee	Adopted – 12/16/03
	Revised Article 7, Section 7.06C Sewer System Connections Fee	Adopted – 12/16/03
	Revised Article 3, Definitions as such Section 3.05 – Added Book Value Section 3.08 – Revised Capital Improvements Section 3.21 – Revised Equivalent Dwelling Units (EDU) Changed Section 3.05 to 3.06 and so on to Section 3.61	Adopted – 12/16/03
	Appendix G – Revise to include Water Conservation Alert System	Adopted – 6/1/04 & Resolution No. 654
	Appendix E – Revise Rates and Charges for Water Service Raised Rate to \$3.35/unit	Adopted –1/15/05 & Resolution No. 655

Crescenta Valley Water District

Rules & Regulations - Revision History

Date	Revision	Comments
April 5, 2005	Appendix E – Revise rates and changes for water service – lowered rate to \$3.32/unit	Adopted – 4/5/05 & Resolution 659

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CRESCENTA VALLEY WATER DISTRICT

RULES AND REGULATIONS

The District was formed under the provisions of the County Water District Act, Division 12 of the Water Code of the State of California. The District's functions include the acquisition, control, conservation, storage and distribution of water as well as the collection, conveyance, and disposal of wastewater for the beneficial use of inhabitants and Customers of 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 *Rules and Regulations* regarding the operation of the District and the provision of water and sewer service.

ARTICLE 1: DISTRICT OBJECTIVES

The District strives to make available the highest quality water and to provide uninterrupted sewer service at the lowest possible cost. The District intends to serve all property within District boundaries and all existing Customers outside 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 as well as the sewage collection and disposal facilities so as to provide the most economical and dependable service possible

1.02: PLANNING

To meet existing and future demands for water and sewer 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 RULES AND REGULATIONS

These *Rules and Regulations* are adopted by the Board of Directors with respect to the operation of the District and the provision of water and sewer 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 *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 *Rules and Regulations*, have the following meanings:

3.01: Applicant: Any person or entity applying to the District for water and/or sewer service.

- 3.02: Backflow Device:** A device that permits flow in pipes or conduits normally under open conditions, such as sewers, to occur in one direction only by mechanically blocking the flow or by providing a pressure relief opening such that flow may not occur in the uphill direction.
- 3.03 Biochemical Oxygen Demand (BOD):** The quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at 20 degrees centigrade, expressed in milligrams per liter.
- 3.04: Board:** Board of Directors of the Crescenta Valley Water District.
- 3.05 Book Value:** The Book Value of the District's assets is the true current value of all District property and equipment minus the depreciation of the assets as determined by the independently audited financial statements of the Crescenta Valley Water District for the prior fiscal year.
- 3.06: Building Drain:** That part of the lowest horizontal piping of a drainage system which receives the discharge from soil, waste, and other drainage pipes inside the walls of the building and conveys it to the building lateral, beginning five (5) feet (1.5 meters) outside the inner face of the building wall.
- 3.07: Building Lateral:** The extensions from the building drain to the street lateral or other place of wastewater disposal; also called house lateral.
- 3.08 Capital Improvement:** The Capital Improvement Program (CIP) is a list of water and sewer system improvements project that are required to ensure system reliability, to meet existing and future water quality regulations, and provide adequate capacity to serve the District's customers. The current CIP is to generally consist of 10 continuous fiscal years of planned improvements.
- 3.09: CEQA:** The California Environmental Quality Act.
- 3.10: Collection Line:** Any public sewer in a dedicated right of way or easement granted to the District into which several street laterals or other sewer lines may discharge; such sewers are generally eight (8) inches or more in diameter.
- 3.11: Commercial Service:** Provision of water or availability of sewers for use in connection with commercial premises devoted primarily to operations for profit or other designated non-residential accounts.
- 3.12: 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.
- 3.13: Customer:** Any person, association, corporation or governmental agency provided or entitled to be provided with water and/or sewer service for compensation by the District.
- 3.14: Developer:** Any person or entity developing and/or subdividing land within the District for the purpose of constructing new commercial or residential units.
- 3.15: Disconnection:** The termination of water service to the Customer, effected by turning off and locking the meter at the service connection.
- 3.16: Distribution Mains:** The water lines in streets, highways, alleys, and easements used for general distribution of water and public and private fire protection.
- 3.17: District:** The Crescenta Valley Water District, La Crescenta, California.
- 3.18: District Facility (Off-Site Facility):** Any domestic water, non-domestic water or sewer facility owned, operated and maintained by the District.
- 3.19: Easement:** An acquired legal right for the specific use of land owned by others.

- 3.20: Engineer:** A qualified professional engineer registered in California, appointed to act for the District.
- 3.21: Equivalent Dwelling Unit (EDU):** For purposes of the District's water and sewer connection fees, one (1) EDU is assigned to any single family home, multi-family residential unit (e.g. apartment, condominium, etc.) rentable guest house, or 5000 square feet of floor space for commercial/institutional facilities or structures. For additions to any structure, the EDU shall be calculated as the ratio of added floor space (square feet) per 5000 square feet.
- 3.22: Final Notice:** The Final Notice, sent to the Customer when payment is not received at least 4 days prior to the date of water service disconnection and at least 45 days from the date of the bill.
- 3.23: Individual Sewage Disposal System:** A single system of sewage treatment tanks and disposal facilities serving only a single lot or parcel.
- 3.24: Industrial Service:** Provision of water or sewer service to industrial premises where the water is used primarily in manufacturing or processing activities.
- 3.25: Industrial Wastes:** The wastewater from industrial processes, trade, or business as distinct from domestic or sanitary wastes.
- 3.26: Manager:** The General Manager of the Crescenta Valley Water District, or the person authorized by the Manager, or the Board, to act for the General Manager.
- 3.27: 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 Customer.
- 3.28: Natural Outlet:** Any outlet, including storm sewers and combined sewer overflows, into a watercourse, pond, ditch, lake, or other body of surface or groundwater.
- 3.29: Off-Site Facilities:** Domestic water and non-domestic water facilities up to and including the water meters, and sewer facilities within a public street, right-of-way, District property or easement. All off-site domestic water, sewer and non-domestic water facilities will be owned, operated and maintained by the District.
- 3.30: On-Site Facilities:** Sewer facilities located wholly within the Owner's property, and domestic water and non-domestic water facilities downstream (on the Customer's side) of the water meters. All on-site domestic water, sewer and non-domestic water facilities will be owned, operated, and maintained by the Owner, unless otherwise specified.
- 3.31: Owner:** The person in whose name legal title to the property appears.
- 3.32: Person:** An individual, company, association, co-partnership, or public or private corporation.
- 3.33: pH:** The logarithm of the reciprocal of the hydrogen-ion concentration. The concentration is the weight of hydrogen ions, in grams, per liter of solution. Neutral water, for example, has a pH value of 7 and a hydrogen-ion concentration of 10^{-7} .
- 3.34: Premises:** The integral property or area, including improvements thereon, to which water or sewer service is, or is to be, provided.
- 3.35: Pretreatment:** Treatment of wastewater that the District may require prior to permitting any discharge into a District sewer to insure compliance with the Rules, Regulations and

Ordinances of the District, as well as any and all applicable Federal, State or local statutes, ordinances, regulations, contracts, or all of the foregoing, individually or collectively, or if determined by the District to be necessary to protect the District Facilities from any possible damage.

- 3.36: Private Facilities (On-Site Facilities):** Those facilities which are owned, maintained, and operated by the Owner and are not the responsibility of the District.
- 3.37: 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.
- 3.38: Public Sewer:** A common sewer controlled by the District.
- 3.39: Regulatory Agencies:** Those public agencies legally constituted to protect the public health and water quality, such as the State Department of Health Services, the California Regional Water Quality Control Board, and the Los Angeles County Health Department.
- 3.40: Reminder Notice:** The Reminder Notice sent to the Customer when payment is not made on or before the 30th day after the date of the bill, in accordance with the provisions of the rules included herein.
- 3.41: Residential Service:** Provision of water and sewage collection 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.
- 3.42: Service Agreement:** An approved application agreement with the District for service.
- 3.43: Service Line:** Shall mean the wastewater conveyance line extending from the building drain up to and including the connection to the collection line. It consists of the building lateral (house lateral), the street lateral and appurtenances thereto.
- 3.44: Sewage:** The spent water of a community. An alternate term is “wastewater. (See also 3.53)
- 3.45: Sewer or Sanitary Sewer:** A pipe or conduit that carries liquid and water-carried wastes from residences, commercial buildings, industrial plants, and institutions together with minor quantities of ground, storm, and surface waters that are not admitted intentionally.
- 3.46: Sewer Facilities:** The structures, equipment, and processes required to collect, carry away, and treat domestic and industrial wastes and dispose of the effluent.
- 3.47: Sewer Main:** A public sewer or collection line.
- 3.48: Standard Special Provisions and Standard Drawings:** The District’s “Standard Special Provisions and Standard Drawings for Water and Sewer Construction” latest edition, which are to be used in conjunction with the District’s “Standard Specifications”.
- 3.49: Standard Specifications:** The “Standard Specifications for Public Works Construction” (Green Book), latest edition, which are the District’s reference specifications to be used in conjunction with the “Standard Special Provisions and Standard Drawings”.
- 3.50: Storm Drain:** A pipe or conduit for conveying water, groundwater, subsurface water, or unpolluted water from any source.
- 3.51: Street Lateral:** That part of the wastewater service line within the street right of way or easement granted to the District which extends from the building lateral up to and including the connection to the collection line.
- 3.52: Surplus Property:** Real or personal property owned by the District that is determined by the Board to be unnecessary for District purposes.

- 3.53: Suspended Solids:** Total suspended matter that either floats on the surface of, or is in suspension in water, wastewater, or other liquids, and that is removable by laboratory filtering as prescribed in “Standard Methods for the Examination of Water and Wastewater” and referred to as non-filterable residue.
- 3.54: Temporary Service:** Provision of water or sewer service on a temporary basis for construction purposes.
- 3.55: Unpolluted Water:** Water of quality equal to or better than the effluent criteria in effect or water that would not cause violation of receiving water quality standards and would not be benefited by discharge to the sanitary sewers and wastewater treatment facilities provided.
- 3.56: Wastewater:** The spent water of a community. From the standpoint of source, it may be a combination of the liquid and water-carried wastes from residences, commercial buildings, industrial plants, and institutions, together with any groundwater, surface water, and stormwater that may be present.
- 3.57: Wastewater Constituents and Characteristics:** The individual chemical, physical, bacteriological, and radiological parameters, including volume and flow rate and such other parameters that serve to define, classify, or measure the quality and quantity of wastewater.
- 3.58: Wastewater Treatment Works:** An arrangement of devices and structures for treating wastewater, industrial wastes, and sludge. Sometimes used a synonymous with “waste treatment plant” or “wastewater treatment plant” or “water pollution control plant.”
- 3.59: Water Facilities or Water Works System:** The wells, pipelines, meters, pumps, storage facilities, buildings, structure connections, fittings, valves and other fixtures and appurtenances comprising the production, storage, treatment, transmission and distribution system owned by the District for the purpose of delivering water to customers of District.
- 3.60: Water Service Connection:** The point of connection of the Customer's piping with the meter and service lateral owned by the District.
- 3.61: Water 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.

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 at large from residents of the District.

4.02: MEETINGS OF THE BOARD

Regular meetings of the Board shall be held on the first Tuesday of each month, at 7:00 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 or general election day, 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.

4.03: OFFICERS OF THE BOARD

The officers of the Board shall be president and vice president, to be elected by the Board annually at the regular meeting of the Board in December. The term of office of officers of the Board shall commence immediately following their election. The newly elected president will appoint members to Standing Committees at the regular meeting in December.

4.04: DIRECTORS FEES

Each member of the Board shall be compensated for attendance at regular and special meetings of the Board, or for each day's service rendered as a member of the Board by

request of the Board, at the rate of \$125.00 per day. Board members shall likewise be compensated at the rate of \$125.00 per day for service rendered as a member of a committee of the Board at the request of the Board. The maximum number of days in any calendar month for which compensation is authorized to be paid to a member of the Board is ten (10) days.

Other compensable activities include:

1. District-sponsored events;
2. Community events as a representative of the District;
3. Staff events;
4. Meetings where a Director is making a presentation on behalf of the District;
5. Meetings with District executive staff;
6. Meetings of the governing body of another agency, where a matter directly affecting the interests of the District is on the agenda and the Director is not a board member, employee or official compensated by the other agency;
7. Educational seminars conducted by various organizations on topics related to water and wastewater issues;
8. Trainings where the subject materials provide value to the District;
9. Meetings by Director(s) of or with agencies or organizations, and/or representatives of such, in or related to the public water industry or governmental or environmental matters or issues to discuss, review, and/or receive information relating to the District;
10. Conferences as approved in advance by the Board (compensable for each day of attendance, including travel);
11. Completions of forms and activities related to government required filings.

A report of activities is required during the “Directors Oral Reports” portion of the Board meeting in order for activities listed above to be compensable.

4.05: DIRECTORS EXPENSES

Each member of the Board is encouraged to participate in those outside activities and organizations which in the judgment of the Board further the interests of the District. Expenses incurred by Board members in connection with such activities are reimbursable, where authorized in advance by the Board. Such advance authorization is not necessary when expenses are \$500 or less. The following rules apply:

- A. All expenses shall be reasonable and necessary and directors are encouraged to exercise restraint in all expenditures.
- B. The most economical mode and class of transportation consistent with scheduling requirements shall be used. Reimbursement for use of personal autos shall be at the current rate established by the Internal Revenue Service for mileage reimbursement. Reimbursement for travel by personal automobile, if substituted for airline travel, shall not exceed airline fare plus reasonable “to and from” airport transportation.
- C. Expenditures for food and lodging shall be moderate and reasonable. Necessary meals outside of a convention or seminar package shall be reimbursed at the per diem rate for meals and incidentals set by US General Services.
- D. Expenses for guests and spouses of District representatives are not reimbursable.
- E. Upon incurring said “out-of-pocket” expenses, Directors may submit a request for reimbursement, accompanied by evidence of payment of such expenses and receipts for all

amounts if possible. The Secretary-Treasurer shall reimburse the Directors for such expenses upon the receipt of such request.

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-Treasurer a written waiver of notice. Such waiver may be given by fax or 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 an emergency involving matters upon which prompt action is necessary due to the disruption or threatened disruption of water or sewer service of the District, 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-Treasurer 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 at 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 not be required. Notice of special meetings of the Board shall be given as provided in Section 4.06. Notice of all adjourned meetings, regular or special, shall be given as provided in Section 4.08.
- 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: CONDUCT OF BOARD MEETINGS

- A. All District meetings shall be chaired by the District's President. In his or her absence, the Vice President of the Board shall chair meetings. In the absence of both the President and the Vice President, the Board member selected in advance by the President or by a majority of the Board members present shall chair the meeting. Meetings of the Board shall be governed in accordance with Robert's Rules of Order, as they may from time to time be revised.
- 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 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 President may limit public comment to three minutes for action items and three minutes otherwise. All other comments should be submitted in writing to the Secretary-Treasurer or General Manager prior to the meeting for reproduction and distribution to the Board.
- D. The District tapes each meeting of the Board, as an aid in preparing meeting minutes. Said tapes are retained by the District until the following Board meeting, 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.

4.11: AGENDA

The Secretary-Treasurer shall cause an agenda of each regular meeting of the Board to be posted 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.

4.12: 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 personnel matters unless the employee requests a public hearing, 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. 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.

4.15: POLICY REGARDING PUBLIC INFORMATION

This District has established a policy regarding communication between the District and the public. That policy is set out in Appendix A.

ARTICLE 5: CONFLICT OF INTEREST CODE AND DISCLOSURE

The District has adopted a Conflict of Interest Code in accordance with state law and incorporates such Code herein. The District Conflict of Interest Code is attached hereto as Appendix B.

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 except for punitive or exemplary damages.”

6.02: DEFENSE OF OFFICERS, DIRECTORS AND EMPLOYEES

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, DIRECTOR OR EMPLOYEES

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 however, where the District has provided the defense under a reservation of rights, then the District shall indemnify against the judgment only if its established that the acts complained of were within the scope of employment.

ARTICLE 7: RULES APPLICABLE TO INDIVIDUAL APPLICANTS FOR WATER AND SEWER SERVICE

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

Sewer service and water service shall always commence simultaneously (if applicable). A person who takes possession of premises and uses water or sewer facilities without applying for service is liable for all water delivered and/or sewer usage from the date of the last recorded meter reading or billing date; if the water 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 service, or if accumulated bills are not paid upon presentation, water and sewer service shall be discontinued as provided in the notice.

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. The current form of application is included in Appendix C. We are allowed to request this information.

A. Contents:

1. Name, Social Security No., and Driver’s License No. of applicant.

2. Location of premises to be served.
 3. Date applicant will be ready for service.
 4. Address to which bills are to be mailed or delivered.
 5. Home and work telephone numbers.
 6. Name, address, and telephone number of friend or relative not living with applicant.
 7. Agreement to hold Crescenta Valley Water District harmless from damages.
 8. Whether applicant is owner, tenant or agent for the premises (verbal).
 9. If owner - a copy of Proof of Ownership as described below.
 10. Such other information as the District may reasonably require.
- B. Proof of Ownership:** Applications for service must be accompanied by proof of ownership such as a grant deed, property tax bill, closing statement of a real-estate transaction, or another form acceptable to the District. Without said documentation a deposit fee will be required as described below.
- C. Deposit Fee:** Applicants who are property tenants or without proof of ownership may be required to submit a deposit fee based upon the credit-worthiness of the applicant, as determined by the District. The fee shall be the amount specified in Appendix C. Public agencies will be exempt from this requirement.
- D. Multiple Account Holders:** As an option for property owners or agents of owners (such as a Builder/Developer, Property Management Company, or Realtor) having a satisfactory credit and service history with the District, a one-time deposit fee of \$100 will be required for service to multiple accounts in lieu of providing proof of ownership or a deposit for each account. However, such Customers will be required to complete and submit the standard service application for each account requested. When service is discontinued and all accounts paid in full, the deposit will be refunded at the Customer's request.
- E. 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.
- F. Water Service Turn-On:** The District will turn-on water service at the meter no later than the next business day following approval of application and payment of fees (if applicable) as described above. A new Customer may request water-service turn-on during a weekend or on a holiday by calling the District's emergency/after-hours telephone number and making arrangements with standby duty personnel. Prior to turn-on in such situations, the District will collect a \$100 deposit in cash or check on-site. The Customer must then contact the District Office on the next business day and complete the service application process or the service will be discontinued at the end of that day and the \$100 will be retained by the District. If any application is processed and approved, the \$100 will be retained or returned to Customer in accordance with Items 7.02B & 7.02C above.

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. Again, public agencies will be exempt from this requirement. Deposits will be refunded to applicants at the termination of service, provided all water and sewer 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 bills, and penalties due from Customer have been fully paid.

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 Customers.
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 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.

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: NEW WATER SERVICE CONNECTIONS

- A. General:** Any service provided to a Customer's premises must be metered. For those premises that do not have an existing service connection, the applicant will be charged a pre-established fee for a 1-inch Service Lateral, $\frac{3}{4}$ -inch meter, and 1-inch meter as set forth in Appendix C. For all larger service connections and meters 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. An initial deposit will be required with a final payment or credit due upon completion.
- B. Water System Connection Fee:** Individual applicants for a new water service connection to properties with proposed new or expanded construction must pay a Water System Connection Fee as set forth in Article 8.04 and Appendix E herein.
- C. Size:** The District will furnish and install a service connection of such size as requested on a water meter clearance application, including the service pipe and water meter, so long as it reasonably complies with the Uniform Plumbing Code. The District reserves the right to determine the type of any backflow preventor or other appurtenances required for the installation.
- D. 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 (other than a freeway) in which is installed a water main of the District.
- E. Statement of Water Availability:** Upon request, Statements will be provided to the local building jurisdiction setting forth the conditions of water service as shown in the sample letter included as Appendix C, herein.
- F. 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 F.

G. Changes in Water Service Connection/Meter Size: Payment of all applicable additional charges will be required upon the change in service connection or meter size due to any of the following:

1. The alteration, increase or decrease in size of a water 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 either the applicant, owner, or their predecessors.

The size of any water meter service and/or the area it serves, or the property's zoning classification or actual use, shall be determined by the General Manager. Subject to an appeal to the Board, such determination by the General Manager will be final.

H. Limitations on Use of Water 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:** Not more than one water meter for domestic or commercial water supply shall be installed for one building, except under special conditions as approved by the District.

7.06 NEW SEWER SERVICE CONNECTIONS

- A. Sewer Connection Permit:** Individual applicants for a new sewer service connection shall be responsible for obtaining a sewer connection permit from the District's Engineering Division prior to connecting any parcel or building to the District's sewer system. A Sewer Connection Permit fee will be charged in an amount as set forth in Appendix H. The fee will be partially refundable upon satisfactory final inspection less the District's administrative and labor costs associated with said permit. Before granting any permit which necessitates construction in the public right-of-way, District shall require the applicant to first obtain a permit from the agency having jurisdiction for said right-of-way.
- B. Construction:** The individual applicant for a new sewer service connection is responsible for the construction of the building and street lateral by a licensed contractor acceptable to the District. All special requirements and conditions of

said construction are as provided by the District's Engineering Division as part of the approved Sewer Connection Permit and shall also conform to the Los Angeles County Plumbing Code.

- C. **Sewer System Connection Fee:** Individual applicants for a new sewer service connection to properties not originally assessed for sewage treatment and disposal capacity or which change use from that which the property was originally assessed must pay a Sewer System Connection Fee as set forth in Article 9.04 and Appendix H herein.
- D. **Standby Charge:** All accounts will be charged for sewer service as of the date water service is initiated. Charges will be made even if the property is not connected to the wastewater system. Upon completion of the project, all paid sewer service charges will be refunded less Standby charges as set forth in Appendix H. Refunds will be returned as credits to the Customer's account. This credit will be processed upon presentation to the District of the signed inspection form showing the date that the Building Inspector cleared the property for occupancy. The amount credited will be calculated to the date of said occupancy clearance.
- E. **Statement of Sewer Availability:** Upon request, statement will be provided to the local building jurisdiction setting forth the conditions of sewer service as shown in the sample letter included in Appendix C herein.
- F. **Limitations on Sewer Service Connections:**
 - 1. **General:** Sewer service connections will be subject to the conditions set forth in Article 9.08 and penalties for non-compliance with these provisions shall be as set forth in Article 9.11 herein. The District reserves the right to deny a sewer connection permit or to halt construction of any sewer service connection which may constitute a threat to public health or which may currently or in the future contribute to overloading to the public sewer system.
 - 2. **After Subdivision:** When property served by a District sewer lateral is subdivided, the lateral shall be considered as serving the lot or parcel of land that it directly or first enters. Additional sewers and/or sewer laterals and building sewers shall be provided by the applicant or Customer for each subdivided lot or parcel in accordance with these *Rules and Regulations*.
 - 3. **Supplying Service outside the District:** No sewer service connections will be made to properties outside the District boundaries without approval of the Board of Directors. The General Manager may approve said connections to properties within the City of La Canada Flintridge and meeting the conditions described in the agreement set forth in Appendix I.
- G. **Permit Revocations and Denials:** If the District finds that any applicable provisions of these *Rules and Regulations* or conditions of the Sewer Connection Permit have been violated, the permit will be revoked. The revocation will be effective immediately upon written notice to the permit applicant. Appeal from denial or revocation of a permit may be appealed to the Board of Directors of the District in writing. Said appeal must be filed within 15 days of the permit denial or revocation and will be heard by the Board within 60 days of said filing.

ARTICLE 8: RULES APPLICABLE TO EXISTING WATER CUSTOMERS

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 Customers.
- 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:** Customers shall accept such conditions of pressure and service as are provided by the District system, and hold District harmless for any loss or damage to Customers resulting from District's failure to meet service goals stated within this section, or due to any interruptions in service.

8.02: CONDITIONS OF SERVICE

- A. **Notices:**
 - 1. **Notice to Customers:** Notice to a Customer will normally be in writing and will be delivered or mailed to the Customer's last known address. In emergencies or when circumstances warrant, the District, where feasible, will endeavor to promptly notify the Customer affected and may make such notification orally, either in person or by telephone, or by leaving a written notice on the door.
 - 2. **Notice from Customers:** A Customer may make notification in person, by telephone or by letter to the District at its commercial office.
- B. **Change in Customer's Equipment, Operations or Land Use:** A Customer 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 service. Any and all modifications to the service must be approved by the District.
- 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. District staff will also make a reasonable effort to notify affected Customers of emergency interruptions where feasible.

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 Customers 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 Customers consistent with reasonable utility operations. The District will endeavor to provide notice of scheduled interruptions at least two calendar days in advance.

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. **District – Customer Connections:** The District from time to time, takes action to improve or modify District facilities which are connected to the Customer's plumbing system. When connection or reconnection to a Customer's plumbing system is not possible, due to the deteriorated condition of any components of the Customer's system, the Customer shall make the necessary improvements to facilitate the connection. All costs associated with said improvements shall be the responsibility of the Customer.
 4. **Apportionment of Supply During Water Shortages:** During times of impending or actual water shortage, the District will apportion its available water supply among its Customers 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 Customer's Premises:** The service lateral, meter, and meter box or other facilities furnished at the Customer's expense, whether located wholly or partially upon a Customer'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 Customer's premises.
- E. **District Access to Customer's Premises:** 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 Customer'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 Customer shall maintain the meter box area free and clear of any obstruction preventing clear access to District facilities. The Customer'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 Customer's premises, either as a result of a complaint or otherwise, may result in a charge to the Customer.
- F. **District Access to District Facilities and Property:** District facilities & property include but are not limited to water meters, meter boxes, gate valve covers, and fire hydrants. No property owner or Customer, or person shall damage or interfere with any such facilities or permit any shrubbery, ground cover, garbage containers, dirt, trash, leaves, vehicles, walls, fences, or any other material to obstruct or cover such property.
- G. **District's Responsibilities for Damage or Loss to Customer:** The District will not be responsible for any loss or damage caused by any negligence or wrongful act of a Customer or of a Customer's authorized representatives in installing, maintaining, operating or using any or all appliances, facilities or equipment which is supplied.

- H. Customer's Responsibility for District Property:** The Customer will be charged for damage to District's meters and other property resulting from the use or operation of appliances and facilities on Customer'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 Customer's expense. Costs for repairs may be added to the water bills.
- I. Control Valve on the Customer Property:** The Customer 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 Customer shall not use the service curb stop to turn water on and off for their convenience. In situations where use of the curb stop by a customer or customer's representative causes damage to the water service lateral to the extent where the entire lateral must be replaced, the customer's responsibility for such expense will be prorated to the remaining 50-year service life of such laterals but shall not be less than that specified in Appendix C.
- J. Resale of Water:** Except by special agreement with the District, no Customer 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 depends on the size of a Customer's meter, and is fixed regardless of the quantity of water consumed. Current rates are set forth in Appendix E.
- C. Quantity Rates:** The quantity rate is applied to the Customer's water consumption. Customers shall be held responsible and charged for all water passing through their meters. Current applicable rates are set forth in Appendix E.
- 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. Said rate difference may be imposed on the Service Charge or Quantity Rate as set forth in Appendix E.
- E. Bill Assistance Program:** A residential customer of the District who resides on the property and who is the named account holder on the records of the District may be eligible for a 25 percent discount on the combined bill for water, wastewater and/or wastewater standby charges.
- 1.** The customer must meet either of the following conditions, which are modeled after Southern California Edison's CARE program to qualify for the Bill Assistance Program.
 - a.** The customer or any dependent member of the household receives benefits from any of the following programs (must provide proof)
 - Bureau of Indian Affairs General Assistance
 - CalFresh (Food Stamps)

- CalWORKs (TANF)/ Tribal TANF
 - Head Start Income Eligible (Tribal Only)
 - CARE Program (Gas Company)
 - Low Income Home Energy Assistance Program (LIFEAP)
 - Medi-Cal/Medicaid
 - Medi-Cal for Families
 - National School Lunch Program
 - California Lifeline (Phone Company)
 - Supplemental Security Income (SSI)
 - Women, Infants & Children (WIC)
- b. Total income for all members in the household meets the guidelines listed below. "Income" means all income received in the prior calendar year, including but not limited to social security, interest income, salaries, wages, pensions, rents, commissions, and capital gains. Proof of total household income includes federal and state income tax returns for the prior year, or if no tax return was filed, other proof of total household income satisfactory to the District.

Household Size Income Eligibility Upper Limit

Household Size	Income Eligibility Upper Limit
1-2	\$ 52,875
3	\$ 66,625
4	\$ 80,375
5	\$ 94,125
6	\$ 107,875
7	\$ 121,625
8	\$ 135,375
Each Additional Person	\$ 13,750

* Information is based on federal poverty guidelines and updated annually on July 1.

2. The discount becomes effective for the first full billing period following approval of an application in a form prescribed by the District. Applicants must sign the form under penalty of perjury and must furnish proof of eligibility as listed above.

3. Decisions on any questions concerning eligibility for the discount shall be made by the General Manager. Applicants shall have the right to appeal adverse determinations to the Board of Directors. Appeals shall be in writing and delivered to the District within 10 days following the General Manager's decision.
4. Once an application is approved, the Customer shall receive the eligiblediscount on future bills as long as the Customer continues to be eligible. The 25 percent discount applies to wastewater charges, all service charges, and the first 26 billing units of water per billing cycle. Usage over 26 billing units of water per billing cycle will be billed at standard rate. It shall be the duty of the Customer to advise the District if the Customer becomes ineligible for the discount. The Customer must reapply for the discount every two years to retain eligibility.
5. This program may be modified without prior notice. When the program is modified, current program recipients will remain eligible until the time of their recertification. During the recertification process, the customer's eligibility will be based on current requirements at the time of recertification.
6. This program is on a first-come-first-serve basis limited to annual budgeted funding.
 - a. When funding limits have been reached, applicants will be placed on a waiting list based on the order in which applications were received. If the program is closed due to funding limits, current members will be notified of recertification requirements and due dates. If a customer does not recertify within the allotted time, they will need to reapply and join the waiting list.

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

1. **Reconnection Charge:** If a Customer requests resumption or continuance of service after such service has been disconnected or if a notice to disconnect has expired, then the Customer shall pay a reconnection charge in addition to any past due user charges, advance payments, or meeting any other conditions set forth by the District.
2. **Non-Negotiable Payment Charge:** When a Customer's check or any other authorized form of payment for water service and other charges is returned as non-negotiable for any reason, the District shall notify the Customer of the returned check on a 48-hour Shutoff Notice of water service as set forth in Section 8.04.F(5) below. The Shutoff Notice 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 48-hour Shutoff Notice.

3. **Meter Test Deposit:** The District shall endeavor to keep the meters in good condition and registering accurately. Any Customer may request that his meter be examined and tested to see if it is correctly recording water delivered through it. The District also encourages the Customer to witness said test. Said request shall be made in writing and shall be accompanied by a deposit, if required, as set forth in Appendix D.

Upon receipt of such demand and deposit, if required, 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 two percent more water than actually passes through it, the meter shall be properly adjusted or another meter substituted therefor, and the deposit shall be returned to the person making the demand, if applicable, and the water bill shall be adjusted proportionately.

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

4. **Pulled Meter Charge:** If a Customer's service has been disconnected and the meter has been "pulled" or removed from the premises, then the Customer shall pay at the District office a pulled meter charge as set forth in Appendix C 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 Customer 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.
7. **Property Damage:** If a Customer, 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 Customer or property owner. This section does not limit other remedies of the District.

8.04 WATER SYSTEM CONNECTION FEE

- A. **General Provisions:** A connection fee shall be imposed upon all properties as a condition of new development to provide the District with funds to cover an equitable portion of investment in existing water system infrastructure and projected capital costs for water system improvements.

- B. Fee:** The Water System Connection Fee shall be determined and levied as set forth in Appendix E for each dwelling unit or equivalent dwelling unit (EDU) which exceeds the existing EDU factor of the property. The fee consists of a component considered reimbursement for existing infrastructure (Book Value) and a component for future capacity (CIP). The fee does not include construction of mains, water service laterals or other physical work associated with the property.

8.05: 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 apply for service, each party shall be severally liable for payment of bills.
- B. Bankruptcy of Customer:** 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 Customer, or a trustee of a Customer, solely on the basis that a debt owed by the Customer to the District for service rendered before the order for relief was not paid when due. It shall be the responsibility of the Customer to supply the District with a copy of any applicable order for relief. The District shall not discontinue service if the Customer, 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 of the last 6 billings rendered to the Customer, or for the Customer's property if Customer 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.
- C. Refund of Deposit:** Upon discontinuance of a service, the District will refund the balance of the Customer'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.
- D. Rendering and Payment of Bills:** Bills for service will be rendered on a bimonthly basis, at the option of the District. Bills for service are due and payable upon presentation and become delinquent approximately 30 days from the date of the invoice. In the event that the bill is not paid within that time, the Customer will be assessed a late charge as specified in Appendix C. Payment may be made at the office of the District, to any representative of the District authorized to make collections, or through any other authorized form of payment. However, it is the Customer'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. All bills are considered delivered after mailing, and the District is not responsible for non-delivery. Any payment envelope received without a payment enclosed, or with an unsigned check shall be considered as non-payment. The District will apply payments to the oldest debt due. No two party checks are accepted.
- 1. Opening Bills:** Opening Bills for less than the normal billing period shall be prorated as to minimum charges and billed for actual water consumption.
 - 2. Closing Bills:** Closing bills for less than the normal billing period shall be prorated as to minimum charges and billed for actual 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.

- E. Separate Billings for Each Meter:** Each meter on a Customer'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.
- F. Delinquent Bills:** The following rules apply to Customers whose bills remain not paid after approximately 30 days from the invoice 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. Reminder Notice.** If payment for a billing period is not made on or before approximately the 30th day after the billing period invoice date, a Reminder Notice will be mailed to the water service Customer at least twelve (12) days prior to actual disconnection.
 - 3. Final Notice.** If payment is not received 6 days prior to the date of actual disconnection, a Final Notice will be mailed to the water service Customer. The Final Notice will include a late charge as specified in Appendix C. Upon receipt of a Final Notice and up to the date set for disconnection, the Customer may request an amortization payment plan pursuant to Article 8.05I.
 - 4. Turn-Off Deadline.** Water service charges and late charges must be paid on or prior to 4:30 p.m. on the day specified in the Final Notice.
 - 5. Contents of Final Notice.** The Final 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.** Telephone number of the District representative who can provide additional information.
 - 6. Forty-Eight Hour Shutoff Notice.** At least forty-eight (48) hours prior to actual termination of multi-family residences, the District shall make a reasonable, good faith effort to contact an adult of each residence by telephone or in person, and provide them with the information set forth in 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.
 - 7. Waiver of Reminder and Final 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.
 - 8. 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. The District will make a reasonable, good-faith effort to notify the Customer in person and leave a 48-hour Shutoff Notice due to a returned check. Water service will be disconnected if the amount of the

returned check and returned check charge are not paid on or before the date specified in the Shutoff Notice. All amounts paid to redeem a returned check and to pay the returned check charge must be cash or certified funds.

9. **Returned Checks-Issued to Restore Service:** In the event the Customer 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 48-hour Shutoff Notice will be made in the case of a returned check tendered for payment of water charges that were subject to discontinuance.

G. 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:

1. Within five (5) days of receipt of the bill for water service, the Customer has a right to initiate a complaint or request an investigation regarding any bill tendered by the District. Such protest shall be made in writing and delivered to the District at its office.
2. Following receipt of a complaint or a request for an investigation, a hearing date shall be set before an appointed hearing officer of the District. After evaluation of the evidence provided by the Customer and the information on file with the District concerning the water charges in question, the District representative shall render a decision as to the accuracy of the water charges, and shall render a brief written summary of the decision.
 - a. If water charges are determined to be incorrect, a corrected invoice will be provided and the revised charges will be due within ten (10) days after the date of invoice for revised charges. If the revised charges remain unpaid after the prescribed period of time, water service will be terminated, subject to right of appeal to the Board of Directors, on the working day following the period allowed for payment. Water service will be restored only after outstanding water charges and any and all applicable reconnection charges are paid in full.
 - b. If the water charges in question are determined to be correct, the water charges are due and payable at the time the decision of the District representative is rendered.
 - c. At the time the decision of the District representative is rendered, the Customer will be advised of the right to further appeal before the Board.
 - d. If the decision of the District representative is not to the satisfaction of the Customer, the Customer may request a hearing before the District Board of Directors at the next regular meeting.
 - e. Water service may not be terminated until the investigation is completed and the Customer has been notified of the District's decision.
3. When a hearing before the Board is requested, such request shall also be made in writing and delivered to the District at its office and the Customer shall appear and present evidence and reasons as to why the water charges in question are not accurate.

The Board shall evaluate evidence presented by the Customer, as well as information on file with the District concerning the water charges in question, and render a decision as to the accuracy of said charges.

- a. If the Board finds the water charges in question are incorrect, the Customer will be invoiced for any additional charges and payment of

the invoice is due within ten (10) days from the date of said invoice. Any overcharges will be reflected as a credit on the next regular bill to the Customer, or refunded directly to the Customer, in the sole discretion of the Board.

If the revised charges remain unpaid after the prescribed period of time, water service will be terminated on the working day following the period allowed for payment. Service will be restored only after outstanding water charges and any and all applicable reconnection charges are paid in full.

- b. If the Board finds that the water charges in question are correct, the Board's decision is final and binding.

H. Adjustment of Bills for Meter Error: The Customer 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 8.03F(3), Meter Test Deposit, will apply. The Meter Test Deposit shall be as specified in Appendix D. The District will, within one week, proceed to test the Customer's meter preferably with the Customer as a witness. 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 2 percent, that is if quantities of water recorded by the meter are outside of a range between 98 percent and 102 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 credit to the Customer account the Meter Test Deposit, if applicable, and 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 Customer, 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 Customer 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 Customer'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 Customers 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, slow, or non-registering meters, as stated in 1 through 3 above.

I. Amortization of Unpaid Balance: Any Customer 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 Customer, and the Customer 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 Customer 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 Customer. The plan will amortize the unpaid balance over 12 months, with payments added to the Customer's regular bill.

The Customer 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 Customer must comply with the amortization plan and remain current as charges accrue in each subsequent billing period. The Customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan. Failure to comply with the terms of an amortization plan will result in a Final Notice.

8.06: TURN-ON AND TURN-OFF PROCEDURES AND CHARGES

- A. **Turn-off at the Customer's Request:** A Customer 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 Customer will be billed for service until one working day after the District has received appropriate notice that the Customer has vacated premises or otherwise has discontinued service.

- B. **Turn-off by the District:** The District may disconnect a Customer'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 Customer of disconnection in person, or will place a disconnection notice on the premises served by the disconnected meter at least 48 hours prior to termination. Reasons for involuntary disconnection include, but are not limited to, the following:

1. **For Non-Payment of Bills:** A service may be disconnected for non-payment of periodic bills. Before a service is disconnected, the Customer will be notified by a Reminder Notice and Final Notice as set forth in Article 8.04F. A service may be disconnected for non-payment of bills of a Customer 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 Customer.
2. **For Obstruction:** A service may be disconnected upon failure by any Customer to remove an obstruction to District facilities or property within 45 days of written notice.
3. **For Non-Compliance with Rules:** The District may discontinue service to any Customer for violation of the District's Rules and Regulations after it has given the Customer at least (5) five days' written notice of such intention. Where safety of water supply is endangered, service may be discontinued immediately without notice.
4. **For Waste of Water:** In order to protect itself and its Customers 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 Customer. Such written notice shall be given by personal service or by registered or certified mail. Upon failure of the Customer to correct those wasteful practices set forth in the five-day notice, the Customer's water service shall be terminated. Service will be restored only after the wasteful practice has been remedied, and the Customer has paid the reconnection charge as set forth in Appendix C.

5. **For Unsafe or Hazardous Conditions:** The District may disconnect a service without notice if unsafe or hazardous conditions are found to exist on the Customer's premises.

The District will immediately notify the Customer 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 Customer, the District, or to the District's other Customers.

6. **For Fraudulent Use of Service:** When the District has discovered that a Customer has obtained service by fraudulent means, or has diverted the water service for unauthorized use, the service to that Customer may be discontinued without notice. The District will not restore service to such Customer until that Customer 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 Customer must pay a reconnection charge as set forth under Article 8.03F(1). The District will endeavor to make reconnections as soon as practicable, to suit the Customer's convenience; however, the District will not make reconnections between 10 pm and 7:30 am and shall make the reconnection before the end of the next regular working day following the Customer's request and payment of any applicable reconnection charges pursuant to 8.03F(1).

8.07: **CHANGES IN METER SIZE, SERVICE LATERALS, 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 Customer 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/Customer shall pay for the actual costs incurred by the District. Also, in the case of a requested change in meter location due to construction in the public right-of-way by the customer or property owner, a copy of the appropriate County/City building permit must be presented to the District before the meter will be relocated.
- D. **Replacement of Service Laterals:** Upon notification by the Customer of inadequate water supply, District staff will perform an investigation of flow rates and service lateral condition. If it is determined, in the General Manager's sole discretion, that the supply is deficient due only to the deteriorated quality or the

undersizing of the District-owned service lateral or appurtenant fittings, then said service lateral and/or fittings will be replaced by the District at no cost to the Customer.

- E. **Change in Land Use:** The Customer/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 General Manager's determination of the property's zoning classification or use will be final, subject to an appeal to the Board.
- F. **Inclusion of Additional Land Area:** The Customer/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.

8.08: 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(4).
- B. **Use of Water Saving Devices and Practices:** Each Customer 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 Customer is further urged to adopt such other water use and reuse practices and procedures as are feasible and reasonable and otherwise comply with local building, health, and safety codes.
- C. **Water Conservation Program:** The District has established a water conservation program consisting of regulations to be used during a declared water shortage. These regulations are included as Appendix G and are incorporated herein.
- D. **Rules and Regulations:** The District may adopt additional *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(3).
- E. **Leak Policy:** In a good-faith effort to promote water conservation, the District offers an adjustment to accounts of any Customer experiencing a water leak on their premises.

To qualify for the adjustment, the Customer must have the leak verified by the District's customer service staff and must request the adjustment in writing to the General Manager along with documentation (e.g. plumber invoice, plumbing supply itemized receipt, etc.) that shows the leak was repaired in a timely fashion.

All such adjustments are subject to approval by the General Manager and will be given as a credit to the Customer's account. The amount of credit shall be one-half (1/2) the value of the verified excess water usage relative to the normal consumption history of that account, and shall not exceed \$200. Said adjustment is available only once in the history of any water service account held by the same Customer at any one service address.

8.09: EMERGENCY WATER MANAGEMENT PLAN

- A. **General:** The District has established a comprehensive emergency water management plan to be implemented in case of an emergency pursuant to California Water Code Sections 375 et seq., based upon the need to conserve water supplies during the emergency.

The provisions of this article shall apply to all water served to persons, customers, and property by the District. The District's General Manager, or a designated representative, is hereby authorized to make minor and limited exceptions to prevent undue hardship or unreasonable restrictions, provided that water shall not be wasted or used unreasonably and the purpose of this article can be accomplished.

- B. **Water Emergency Measures:** No person shall knowingly use water or permit the use of water supplied by the District for commercial, industrial, governmental or any other purpose in a manner contrary to any provision of this article, in an amount in excess of the amounts authorized by this article. At no time shall water be wasted or used unreasonably. It is anticipated that these measures will result in a reduction in water use from a base period to be determined at the time of declaration. During emergency, the following measures shall apply:

1. All outdoor landscape irrigation is prohibited.
2. Washing of autos, trucks, trailers, boats, airplanes, and other types of mobile equipment is prohibited. Such washings are exempted from these regulations where the health, safety and welfare of the public is contingent upon frequent vehicle cleaning such as garbage trucks and vehicles used to transport food and perishables.
3. Filling, refilling, or adding of water to swimming pools, spas, ponds, and artificial lakes is prohibited (other than that amount needed to keep the equipment operative and replace water that has evaporated).
4. Watering of parks, school grounds, and recreation fields is prohibited with the exception of plant materials classified to be rare, exceptionally valuable, or essential to the well being of rare animals.
5. The use of water from fire hydrants shall be limited to fire fighting or to maintain the health, safety, and welfare of the public.
6. Restaurants shall not serve water to their customers except when specifically requested.
7. The operation of any ornamental fountain or similar structure is prohibited.
8. New construction meters or permits for new service connections will not be issued. Construction water shall not be used for earthwork or road construction purposes.
9. The use of water for commercial manufacturing or processing purposes shall be permitted under conditions set forth by the District based upon the severity and anticipated duration of the shortage.

- C. **Implementation of Emergency Water Management Plan:** The District shall monitor the projected supply and demand for water by its customers on a daily basis. The General Manager shall determine the extent of the emergency conservation required in order for the District to prudently plan for and supply water to its customers.

Thereafter, the General Manager may order that the Emergency Water Management Plan be implemented or terminated in accordance with the applicable provision of this article.

The declaration of water emergency shall be made by public announcement with a notice published a minimum of one (1) time in a newspaper of general circulation, or by direct customer notification or both, and shall become effective immediately upon announcement. The declaration shall be reported to the Board at its next regular meeting. The Board shall thereupon ratify the declaration or rescind the declaration, and may adopt such additional rules and regulations to limit water use during the emergency as it deems appropriate.

- D. Enforcement:** As provided in Water Code Section 377, any violation of the Water Emergency Measures, found in Section 8.08B of this Emergency Water Management Plan, is a misdemeanor. Upon conviction thereof, such person shall be punished by imprisonment in the county jail for not more than 30 days, or by fine not exceeding one thousand dollars (\$1,000) or both. In addition, or as an alternative, the District may install flow restrictors or discontinue water service at any time. Prior to seeking criminal enforcement of the provisions of Section 8.08B Water Emergency Measures, the District may impose progressive enforcement measures for repeated, willful violations as follows:

First Violation: Written Notice

Second Violation: Penalty equal to 25% of previous water bill.

Third Violation: Penalty equal to 50% of the previous water bill and service of water terminated for a period not to exceed 48 hours.

8.10: CROSS CONNECTIONS

The District has adopted Cross-Connection Control Rules and Regulations, and incorporates them herein. The District Cross-Connection Control Rules and Regulations are attached hereto as Appendix F.

8.11: 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 per Section 10.03.

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.

8.12: 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 blowoff 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.

8.13: PUBLIC FIRE PROTECTION

Please refer to Section 11.13 herein.

8.14: PRIVATE FIRE PROTECTION SERVICE

All facilities utilized by the Customer in providing private fire protection to the premises are the property of the Customer, 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 Customer 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 8.03F(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:** A monthly charge for fire protection services shall be assessed at the rates shown in Appendix E for each service size. Any consumption will be charged at 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.

ARTICLE 9: RULES APPLICABLE TO EXISTING SEWER CUSTOMERS

9.01: DESCRIPTION OF SERVICE

- A. **Service Goal and Requirement:** The District will endeavor to provide safe and dependable sewer service to meet the reasonable needs and requirements of its sewer Customers. Sewer Service will be provided only in accordance with these *Rules and Regulations*, applicable Federal, State, and local statutes, orders, contracts and regulations, and the terms of the Service Agreement and/or permit issued by the District.
- B. **Termination of Service:** Sewer Service may be terminated by the District as provided herein and thereupon all sewer service shall cease. Thereafter, there shall be no discharge of any type by the sewer Customer into the District's sewer facilities. The grounds for termination shall be a violation of any portion of these *Rules and Regulations* or any applicable provision of any Federal, State or local statute, order, contract, or regulation.
- C. **Responsibility for Loss or Damage:** Customers shall accept such conditions of sewer service as provided by the District's wastewater collection system, and hold the District harmless for any loss or damage to Customers resulting from the District's failure to meet the service goals stated in this section, or due to any interruptions in service.

9.02: CONDITIONS OF SERVICE

- A. **Notices:** Notices to and from sewer Customers will generally be by the same provisions set forth in Article 8.02A.
- B. **Change in Customer's Operations or Land Use:** Any material changes in land use or operations by a sewer Customer shall conform with the notification and application requirements of Article 8.02B.
- C. **Continuity of Service:** The District in its sole discretion, expressly reserves the right to restrict or curtail sewer service as necessary. The District will make all reasonable efforts to prevent interruptions of sewer service, and will endeavor to re-establish service with minimum delay when interruptions occur.

For scheduled interruptions, affected sewer Customers will be notified, where feasible, of the approximate time and duration of the interruption. Said, scheduled interruptions will be made at such hours as will be least inconvenient to the Customer consistent with reasonable utility operations.

- D. **District Access to Customer's Premises:** The District shall at all reasonable hours have access to sewer facilities owned by it which may be wholly or particularly located upon the Customer's premises. Additionally, the District has the right to enter upon the Customer's premises at any reasonable time for the purpose of inspection, observation, measurement, sampling, and testing of the Customer's sewer system for wastewater discharge to insure compliance with these Rules and Regulations.
- E. **District Access to District Facilities and Property:** The District shall at all times have access to all its sewer facilities, property, and private properties through which the District holds a duly negotiated easement, for the purposes of inspection, observation, measurement, sampling, construction, repair, or maintenance of any portion of District sewer facilities. No obstruction of these facilities including but not limited to manholes, sewer mains, sewer laterals, cleanouts, or lift stations is allowed at any time.

- F. **Responsibility for Property Damage:** The District will not be responsible for any loss or damage caused by any negligence or wrongful act of a Customer or a Customer's authorized representative in installing, maintaining, or operating any appliances, facilities or equipment which is ultimately connected to the District's sewer system. All damage to District sewer facilities caused by the Customer will be repaired by the District at the Customer's expense. Such costs may be added to the sewer bills.

9.03: RATES AND CHARGES

- A. **General Provisions:** Rates and charges for sewer service, connections, and related 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. Each water meter that results in a discharge to the District's sewer system will constitute a separate account, and no account will be billed at less than the Single Family Dwelling Unit Rate. For sewer Customers not receiving District water service, each sewer lateral connection will constitute a separate account.
- B. **Service Charge:** The monthly sewer service charge varies by the Customer classification of residential, commercial, or schools. Current rates are set forth in Appendix H.
- C. **Sewer Service Discount:** A discount is available to any user of the District's sewer system within District boundaries and also receiving District water service. The discount is intended to promote water conservation and is contingent upon low water usage requirements as set forth in Appendix H.
- D. **Senior Low Income Discount:** Customers may be eligible for a discount in the sewer service charge as set forth in Article 8.03E herein.
- E. **Miscellaneous Charges:** Various charges applicable to sewer service as well as water service Customers are set forth elsewhere in the Rules and Regulations as noted below.
1. Late Charge - Article 8.04F, Appendix C
 2. Returned Check Charge - Article 8.03F(2), Appendix C
 3. Property Damage - Article 8.03F(7)

9.04: SEWER SYSTEM CONNECTION FEE

- A. **General Provisions:** The District created and confirmed two assessment districts (79-1 and 79-2) in 1979 for the purpose of acquiring sewage treatment and disposal capacity as well as constructing sanitary sewers. A connection fee shall be imposed upon properties not originally assessed or that change use from that for which they were originally assessed.

As part of the fee, the District will collect an Amalgamated System Sewerage Facilities Charge (ASSFC) on behalf of the City of Los Angeles. The ASSFC shall be imposed on new development, modified development, changes in land use, and increases in discharge for any current or proposed connection to the District's wastewater collection system.

- B. **Fees:** The Sewer System Connection Fee shall be determined and levied as set forth in Appendix H for each dwelling unit or equivalent dwelling unit which exceeds the equivalent dwelling units for which the property was originally or most recently assessed. The fee consists of a District component and a City of Los Angeles (ASSFC) component. The District component is considered

reimbursement for capital costs paid by District Customers for construction of the District's wastewater collection system. The fee does not include construction of mains, laterals or other physical work associated with the property.

The ASSFC shall be collected by the District based on methodology used by the City of Los Angeles. Said methodology utilizes standard flow and strength sewage generating factors for various categories of development and a centroidal conveyance distance to Los Angeles' sewer facilities. A table of current sewage generating factors and sample ASSFC calculation spreadsheet are included in Appendix H. The ASSFC shall be based on the charge rates in effect at the time of building permit issuance. A 10% administration fee shall also be imposed by the District for processing the ASSFC.

- C. **Properties Outside the District:** All properties outside the original assessment districts and permitted by the Board or General Manager to connect to the District's sewer system pursuant to Article 7.06E(3) herein shall pay the above charges.

9.05: BILLING PROCEDURES

Billing Procedures for sewer service Customers is the same as set forth under the applicable sections and provisions of Article 8.04 for water service including Joint Service, Bankruptcy of Customer, and Refund of Deposit, Rendering & Payment of Bills, Delinquent Bills, and Amortization of Unpaid Balance.

9.06: SEWER SERVICE DISCONTUATION AND RESTORATION PROCEDURES

- A. **Discontinuation at the Customer's Request:** A Customer may request that sewer 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 Customer will be billed for service until one working day after the District has received appropriate notice that the Customer has vacated premises or otherwise has discontinued service.
- B. **Discontinuation by the District:** The District may disconnect a Customer's sewer service for various reasons which are listed below.

Such involuntary disconnections are effected by excavating, cutting and capping the service line thereby stopping the sewer service; the District will make a reasonable attempt to notify the Customer of disconnection in person, or will place a disconnection notice on the premises served by the disconnected service line at least 48 hours prior to termination. The District will also notify the Los Angeles County Health Department prior to any such disconnection. Reasons for involuntary disconnection include, but are not limited to , the following:

1. **For Non-Payment of Bills:** A sewer service may be disconnected for non-payment of periodic bills. Before a sewer service is disconnected, the Customer will be notified by a Reminder Notice and Final Notice as set forth in Article 8.04F. A sewer service may be disconnected for non-payment of bills of a Customer whether or not the payment delinquency is associated with water or sewer service for the affected account or any other account of that same Customer.
2. **For Obstruction:** A sewer service may be disconnected upon failure by Customer to remove any obstruction to District facilities or property within 45 days of written notice.
3. **For Non-Compliance with Rules:** The District may discontinue sewer service to a Customer for violation of the District's Rules and Regulations

after it has given the Customer at least five (5) days' written notice of such intention. Where public health or safety is endangered, service may be discontinued immediately without notice.

4. **For Unsafe or Hazardous Conditions:** The District may disconnect a sewer service without notice if unsafe or hazardous conditions are found to exist on the Customer's premises. The District will immediately notify the Customer 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 Customer, the District, to the District's other Customers, or to the wastewater treatment works.

5. **For Fraudulent Use of Service:** When the District has discovered that a Customer has obtained sewer service by fraudulent means, or has diverted the sewer service for unauthorized use, the water or sewer service to that Customer may be disconnected without notice. The District will not restore service to such Customer until that Customer 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 a sewer service that has been disconnected, the Customer must pay a reconnection charge equal to the actual time and material charges incurred by the District. The District will endeavor to make reconnections as soon as practicable, to suit the Customer's convenience; however, the District shall make the reconnection within two (2) regular working days following the Customer's request and payment of any applicable reconnection charges and subject to receipt of the appropriate encroachment permit for street excavation.

9.07: USE OF PUBLIC SEWERS REQUIRED

A. **General Provisions:** The owner(s) of all houses, buildings, or properties used for human occupancy, employment, recreation, or other purposes, situated within the District and abutting on any street, alley, or right-of-way in which there is now located or may in the future be located a public sewer of the District, is hereby required at the owner(s) expense to install suitable toilet facilities therein, and to connect such facilities directly with the proper public sewer in accordance with the *Rules and Regulations* within the time limits stipulated in an official notice to do so, provided that said public sewer is within 100 feet of the structure.

B. **Unlawful Practices:** It shall be unlawful for any person to place, deposit, or permit to be deposited in any unsanitary manner on public or private property within the District, or in any area under the jurisdiction of said District, any human or animal excrement, garbage, or other objectionable waste. It shall be unlawful to discharge to any natural outlet within the District, or in any area under the jurisdiction of said District, any sewage or other polluted waters, except where suitable treatment has been provided in accordance with subsequent provisions of this ordinance.

C. **Individual/Sewage Disposal Systems:** It shall be unlawful to construct or maintain any privy, privy vault, septic tank, cesspool, or other facility intended or used for the private disposal of wastewater within the District.

9.08: SEWER SERVICE CONNECTIONS

1. **Laterals:** A separate and independent building and street lateral shall be provided to each individual lot, parcel, or building. However, the District reserves the right

to allow more than one house or building to be connected to one building lateral by authorization of the Los Angeles County Public Works Department and also to limit the number of buildings or the area of land under one ownership to be served by one building lateral.

2. **Illegal Connections:** No person shall make a connection to the District's sewer facilities without a completed Application for Service or a valid sewer connection permit as detailed in Article 7. No roof downspouts, exterior foundation drains, area drains, or other sources of surface runoff, groundwater, or swimming pool wastewater shall be connected to a building or street lateral or any District sewer facility.
3. **Sewer Backflow Prevention:** Residences and other buildings served by the District's sewer facilities shall be protected from the backflow of wastewater from the sewer laterals as provided herein. The Customer's on-site sewer facilities serving fixtures whose flood-level rims are below the rim elevation of the uphill manhole and above the crown level of the District's sewer main, shall drain by gravity into the District's sewer lateral and shall be protected from backflow of sewage by the installation of an approved backwater device.

Backflow (backwater) devices and appurtenances, as required in these provisions, shall be provided and maintained by the Customer at his expense. Such devices shall be located on the Customer's premises and not on the District's facilities.

Backwater devices required by this section shall be located where they will be readily and easily accessible for inspection and repair at all times and, unless visible at all times, shall be located in a water-tight vault fitted with an adequately-sized removable cover.

9.09: OPERATION AND MAINTENANCE

- A. **On-Site Sewer Facilities:** The ownership, operation, maintenance and surveillance of all on-site sewer facilities, including the building sewer, are the responsibility of the Customer.

Building laterals and street laterals shall be cleared and cleaned to the sewer main by the Customer at his expense. Street laterals will be repaired or reconstructed by the District at the cost of the District, unless the situation necessitating such repair or reconstruction is the result of abnormal use or damage to such facilities, or the result of root intrusion from owner's property, in which case such repair or reconstruction will be done at the expense of the person responsible for such abnormal use or damage.

- B. **Off-Site Sewer Facilities:** All of the District's sewer system facilities including, but not limited to, sewers (trunks, mains and laterals), force main and other appurtenances shall be owned, operated, maintained and controlled by the District. (See Exception for Street Laterals above).

No person except authorized employees of the District shall have any right to enter upon, inspect, operate, adjust, change, alter, move, or relocate any portion of the District's Facilities or property. In the event of such unauthorized occurrence, the District will enforce and collect all applicable charges and penalties. In addition, such unauthorized occurrence in violation of these Rules and Regulations or any and all applicable Federal, State and local statutes, ordinances, regulations, and other requirements will be subject to prosecution.

9.10: USE OF DISTRICT SEWER FACILITIES

- A. **General:** These provisions shall apply to all discharges into any District sewer facility.

Pursuant to the authority created by California Government Code Section §54739 and by other applicable provisions of law, these requirements are made herein for the regulation of sewer use and wastewater discharges into the District's sewer system in order to comply with Federal and State policies and requirements, to protect the District's Facilities, and to permit the District's contracting treatment agency to meet applicable standards of treated effluent quality.

These *Rules and Regulations* establish quantity and quality limitations on all wastewater discharges which may adversely affect sewer facilities, treatment processes, or effluent quality.

- B. **Wastewater Discharge Regulations:** Discharge of the following wastes into the public sewer system is prohibited.

1. Any wastes having a pH less than 6.0 or greater than 9.0 wastewater discharges shall at no time contain any corrosive property capable of causing damage or hazard to structures, equipment, or personnel of the District.
2. Any wastewater with a temperature greater than 140 degrees Fahrenheit (60 degrees Celsius).
3. Any wastewater exceeding radioactivity limits specified in Title 17, Chapter 5, Subchapter 5, Group 3, Article 5, Section 30287, of the California Administrative Code.
4. Any wastes or discharges from a private disposal system such as a septic tank, cesspool, or commercial portable toilet facility.
5. Any solids or viscous substances of such size or in such quantity that may cause obstruction to the flow in the sewer or to be detrimental to proper wastewater treatment plant operation.
These objectionable substances may include, but are not necessarily limited to, asphalt, dead animals, offal, ashes, sand, mud, straw, industrial process shavings, metal, glass, rags, feathers, tar, plastics, wood, whole blood, bones, hair, seafood shells, flashing, entrails, paper dishes, paper cuts, milk containers, or other similar paper products either whole or ground.
6. Any wastes with excessively high Biochemical Oxygen Demand (BOD), Chemical Oxygen Demand (COD), or decomposed organic contents.
7. Any strongly odorous waste or waste which can create odors in receiving waters or at sewage collection or treatment facilities.
8. Any excessive amounts of organic phosphorous-type compounds.
9. Any waste containing substances that may precipitate, solidify or become viscous at temperatures between 50 and 100 degrees Fahrenheit.
10. Any waste producing excessive discoloration of wastewater or treatment plant effluent.
11. Any water added for purposes of diluting wastes which would otherwise exceed applicable maximum concentration limitations.
12. Any waste which may create a fire or explosion hazard in the waste water collection or treatment system.
13. Any waste or wastewater constituents prohibited by Federal or State standards from being discharged to the sewer system.
14. Any other wastes or wastewater constituent which may be specifically prohibited or limited in concentration by the District, the City of Glendale,

or the City of Los Angeles as a provision of contract(s) for the treatment and disposal of District wastewater.

15. Any hospital wastes including “infectious wastes” as defined by the Hospital Council of Southern California as well as disposable hypodermic needles, syringes, and other similar articles which may be used in medical or dental practices.

C. **Point of Discharge:** No person except authorized District personnel shall discharge any water or wastewater directly into a manhole or other opening in a sewer other than through an approved building sewer, without express permission from the District. Such permission will only be granted upon receipt by the District of a written application and payment of the outstanding charges by the Customer.

D. **Industrial and Commercial Sewer Use:**

1. **General:** No person shall discharge any industrial waste into the public sewers without first obtaining an industrial waste permit from the District and the County of Los Angeles.

Industrial waste discharges shall comply with all requirements established by the District, by the City of Los Angeles and by the City of Glendale. If the requirements imposed by the three agencies should differ, the most stringent of the three requirements shall be deemed to apply.

2. **Interceptors:** Grease, oil, and sand interceptors shall be provided when, in the opinion of the District, they are necessary for the proper handling of liquid wastes containing floatable grease in excessive amounts, or any flammable wastes, sand, or other harmful ingredients; except that such interceptors shall not be required for private living quarters or dwelling units. All interceptors shall be of a type and capacity approved by the District, and shall be located as to be readily and easily accessible for cleaning and inspection. In the maintaining of these interceptors the Owner shall be responsible for the proper removal and disposal by appropriate means of the captivated material and shall maintain records of the dates, and means of disposal which are subject to review by the General Manager. Any removal and hauling of collected materials not performed by Owner’s personnel must be performed by current licensed waste disposal firms.

3. **Pretreatment and Sampling Facilities:** Where pretreatment or flow-equalizing facilities are provided or required for any waters or wastes, they shall be maintained continuously in satisfactory and effective operation by the Owner at his expense.

When required by the District, the Owner of any property serviced by a building sewer carrying industrial wastes shall install a suitable structure together with such necessary meters and other appurtenances in the building sewer to facilitate observation, sampling, and measurement of the wastes. Such structures, when required, shall be accessibly and safely located, and shall be constructed in accordance with plans approved by the District. The structure shall be installed by the Owner at this expense, and shall be maintained by him so as to be safe and accessible at all times.

4. Additional Information and Data: The District may require a user of sewer services to provide information needed to determine compliance with these regulations. These requirements may include:

- a. Wastewater discharge peak rate and volume over a specified time period.
- b. Chemical analyses of wastewaters.
- c. Information on raw materials, processes, and products affecting wastewater volume and quality.
- d. Quantity and disposition of specific liquid, sludge, oil, solvent, or other materials important to sewer use control.
- e. A plot plan of sewers of the user's property showing sewer and pretreatment facility location.
- f. Details of wastewater pretreatment facilities.
- g. Details of systems to prevent and control the losses of materials through spills to the District sewer.

All measurements, tests, and analyses of the characteristics of waters and wastes to which reference is made in this ordinance shall be determined in accordance with the latest edition of "Standard Methods for the Examination of Water and Wastewater," published by the American Public Health Association.

Sampling methods, location, times, durations, and frequencies are to be determined on an individual basis subject to approval by the District.

No statement contained in this article shall be construed as preventing any special agreement or arrangement between the District and any industrial concern whereby an industrial waste of unusual strength or character may be accepted by the District for treatment.

9.11: PENALTIES

Any person found to be violating any provision of this Article shall be served by the District with written notice stating the nature of the violation and providing a reasonable time limit for the satisfactory correction thereof. The offender shall, within the period of time stated in such notice, permanently cease all violations.

Any person who shall continue any violation beyond the time limit provided for above, shall be guilty of a misdemeanor, and on conviction thereof shall be punishable by a fine in the amount not exceeding 500 dollars or by imprisonment for not more than 6 months, or by both such fine and imprisonment, for each violation. Each day in which any such violation shall continue shall be deemed a separate offense.

Any person violating any of the provisions of this Article shall become liable to the District for any expense, loss, or damage occasioned the District by reason of such violation.

ARTICLE 10: RULES APPLICABLE TO TEMPORARY CUSTOMERS

10.01: ESTABLISHMENT OF TEMPORARY WATER SERVICE

The District will, if no undue hardship to its existing Customers would result therefrom, furnish temporary water 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 therefor has paid advances 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 estimated bill as established by the Board and set forth in Appendix D. If the duration of service is to exceed six (6) months, then the applicant must establish credit in the same manner as is prescribed for permanent service, under Article 7.03.

10.02: RATES, CHARGES AND CONDITIONS OF SERVICE

The rates, charges and conditions for temporary water service will be the same as those prescribed for permanent service, but with a minimum monthly consumption charge and a one-time service charge as set forth in Appendix B.

10.03: CONNECTIONS TO FIRE HYDRANT

Fire hydrants connected to District mains are for use by the District and by organized fire protection agencies. Temporary water service from fire hydrants for any purpose must obtain written permission from the District and the appropriate fire protection agency prior to service, and shall operate the hydrant according to the instructions issued by the District. Unauthorized use will be subject to penalty as prescribed in Article 8.03F(5) and will be prosecuted according to law. Temporary meters provided for connection to fire hydrants shall not be moved by the Customer without written approval of the fire protection agency and notification to the District for each relocation of a meter. A temporary service deposit is required in an amount set forth in Appendix D.

10.04: 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 a temporary service deposit amount as set forth in Appendix D. Any costs involved in supplying such connections will be prepaid by the applicant.

10.05: RESPONSIBILITY FOR METERS AND INSTALLATION

The Customer 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 Customer shall be responsible for the cost to repair any damage to District facilities.

10.06: TANK TRUCKS

Any person desiring service for tank trucks may obtain water, upon application and payment of a temporary service deposit as set forth in Appendix D equal to the cost of the meter plus a non-reimbursable charge for meter installation and removal. The District shall designate the location of the temporary meter and the Customer 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.

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. 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.

10.07: TEMPORARY SEWER SERVICE

Customers receiving temporary water service for construction purposes on a parcel to be served by District sewer facilities but unable to receive sewer service during construction will be subject to sewer service charges as set forth in Appendix H. Said charges will be refunded to the temporary Customer less accrued Standby Charges (also Appendix H) upon completion of construction and presentation of a valid Certificate of Occupancy from the local building jurisdiction. The refund will cover the period from service initiation to date of issuance on the Certificate of Occupancy

ARTICLE 11: RULES APPLICABLE TO DEVELOPERS AND SUBDIVIDERS

Construction of all water distribution mains, sewers, and other necessary facilities required in subdivisions, for water and/or sewer main extensions, or to service a remote parcel of land, shall be performed and paid for by the developer or subdivider 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. Limitations on water and sewer facilities for developers and sub-dividers shall be the same as already described in Articles 7.05G and 7.06-for individual applicants.

11.01: APPLICATION PROCEDURE

- A. Submission of Plans and Fire Requirements:** The subdivider or developer shall furnish the District with the following which shall be prepared by a Registered Civil Engineer, licensed to operate in the State of California:
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 water and sewer service connections, subject to District approval. For residential developments, the District shall determine the sizing of each service connection.
 4. Plot Plan
 5. Water System Plan
 6. Sewer Plan
 7. Storm Drainage Plan
 8. 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 and Sewer Availability:** Upon written request by the developer to the District, and upon approval by the General Manager of the proposed water and sewer system improvements required to serve the development, including any oversizing or off-site facilities required by the District, the District will provide the developer with a letter(s) regarding water and/or sewer availability to the development. Such letter(s) shall expressly condition water and sewer service upon the terms set forth in the letter(s) 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 in Appendix C.

11.02: 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 at 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 developer shall construct, subject to plans approved by the District, such off-site facilities as required to provide a fully circulating water system. The developer shall 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 rights-of-way and the circulating water main easements. Any easements provided hereunder shall be in accordance with District policy regarding easements, as set forth in Article 12.05.

11.03: GRAVITY SEWER SYSTEM

In order to conserve energy, and provide ease of operation & maintenance, the District will approve the design of, and subsequently accept only project sewer systems for subdivisions, apartment complexes, etc., which provide gravity collection of the wastewater stream and are tributary to the District's existing sewer collection system. If a sewer lift station(s) is the only feasible alternative for conveying said wastewater stream, an exception must be approved during the design phase by the District's Board of Directors and may be subject to any restrictions or conditions imposed by the Board at such time.

- A. Project Street Patterns:** Developers should design street patterns for projects which permit installation of gravity-only sewer collection facilities.
- B. Easements Required:** Where street patterns cannot reasonably be designed to accommodate a gravity system, or for other reasons deemed valid by the District, easements shall be granted to the District for gravity sewer 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-way and the sewer main easements. Any easements provided hereunder shall be in accordance with District policy regarding easements, as set forth in Article 12.05.

11.04: 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 or sewer system. The developer shall advise the District, in advance of contracting for water system

improvements, of its selection of a contractor for the construction of off-site improvements, for the District's review and approval. All work will be performed in accordance with applicable law governing construction of public works.

11.05: APPROVAL OF MATERIALS

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

11.06: 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. A copy of the agreement is attached hereto as Appendix J.
- B. Payment of Costs:** The developer shall be responsible for the cost of all facilities, including sewer service connection charges (see Article 9.04), other connection fees, material handling charges, meter setting fees, administrative overhead charges, and any other applicable charges as specified in Appendix J.
- C. Specifications:** The facilities shall be constructed in accordance with the District's current Standard Specifications for Construction, or in accordance with all special requirements and conditions as provided by the District's Engineering Division.
- D. Maintenance and Repair of Facilities:** The applicant shall protect and maintain the water and sewer facilities at all times up to and including completion of the development to be served by the said facilities. In the event the water and/or sewer 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 Documents:** The applicant shall be responsible for all costs associated with complying with applicable environmental laws and regulations.

11.07: SCHEDULING OF WATER AND SEWER SYSTEM INSTALLATION

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

11.08 WORK PERFORMED BY DISTRICT PERSONNEL

In some instances, work on District facilities 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.

11.09: EASEMENTS

When required, a developer or applicant for water and/or sewer service shall provide the District with any easements required for District facilities necessary to accomplish or complete said service for an applicant, consistent with District policy regarding easements, as set forth in Article 12.05.

11.10: DISTRICT ACCEPTANCE OF FACILITIES

All mains, services, or other appurtenances connected to the District's water distribution system and sewage collection system with the exception of backflow prevention devices, shall become the property of the District upon acceptance of the facility for operation, maintenance and repair by the District. The District will require the Developer or applicant

to provide a deed, bill of sale, or other instrument of conveyance, as appropriate, to formally transfer the facilities to the District.

11.11: PROVISION OF SERVICE

The District shall not be obligated to provide water or sewer service to any applicant 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.

11.12: WATER SYSTEM 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 the local fire protection agency, 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 protection standards shall be prepared by the District, at the developer's expense.
- 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.

11.13: 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 adhere to the applicable section of Article 10 herein for temporary water service.
- 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 proper authority.
- C. Fees for Fire Hydrant Tests:** Fire flow tests shall be performed by the District. Requests for said tests and results must be made on the appropriate District form included in Appendix C. The developer or applicant shall pay the fee for such test, also as set forth in Appendix C, to cover the cost for the District to perform said test, review calculations, and process forms. This fee need not be charged to public agencies if the fire flow test is made for the sole benefit of the public agency.

ARTICLE 12: GENERAL RULES APPLICABLE TO MEMBERS OF THE PUBLIC

12.01: ACCESS TO DISTRICT RECORDS

The District shall make available for copy or examination, 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; and must state whether the request is for examination of records or for copies. The request shall be made on the standard District form as shown in Appendix K.

- 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 therefore.
- 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 K.

12.02: REQUEST FOR PUBLIC HEARING

Where a decision or determination has been made by the Board or by District personnel, which decision impacts a Customer, 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 General Manager, including a response by the General Manager 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 determination shall not be upheld. The burden of demonstrating to the Board why the determination should be overruled shall lie with the interested party. The Board shall consider only the evidence available to the Board or General Manager at the time the determination was made.
- D. Decision Final:** All decisions by the Board shall be final and binding.

12.03: 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 therefore, 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 12.03 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.

12.04: SALE OF DISTRICT PERSONAL PROPERTY

- A. **Surplus Property:** The General Manager shall periodically review District personal property requirements. If certain personal property is no longer necessary for District purposes, the General 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 General 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 or appropriate trade publication 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.

12.05: 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 General Manager, in which case the amount required shall be determined by the General 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 to confine or eliminate 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.

12.06: ACCEPTANCE OF GRANT DEEDS AND EASEMENTS

The General 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.

12.07: 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 L.

12.08: 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 §31701.7).

12.09: VOLUNTEER WORK

The District will not allow or approve the use of volunteer labor in performing any operational or administrative functions.

12.10: POSTING OF SIGNS OR NOTICES

It is the District's desire to maintain all its facilities for a professional, clean, and uncluttered appearance. Therefore, any public posting of signs or other notices on District property is prohibited. Such signs or notices found in violation of this policy will be removed and disposed of by District staff. Appropriate District signs or notices required by law are authorized.

ARTICLE 13: 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:

13.01: 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.

13.02: CONDITIONS OF ANNEXATION

In addition to payment of charges specified in Article 13.01, 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 subdividers, and to individual applicants for water and sewer service.

13.03: 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 and/or sewer service to

the annexed property. Such easements shall be provided in accordance with District policy, as set forth in Article 12.05.

ARTICLE 14: REPORTING REQUIRED BY STATE AND LOCAL AUTHORITIES

14.01: STATEMENT OF INVESTMENT POLICY

Pursuant to Government Code Section 53646, the Board shall adopt a statement of investment policy annually. The investment policy established guidelines for the prudent investment of District funds. A copy of the current District policy is attached hereto as Appendix M.

14.02: 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.

14.03: 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's General Manager and Secretary Treasurer.

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.

14.04: 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.

14.05: 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.

14.06 VOLUNTARY CAMPAIGN EXPENDITURE LIMITS

In an effort to reduce the time and resources expended in campaigning for election to the Board and to provide a fair opportunity for individuals and interest groups to participate in the election process, the District has established a policy providing for voluntary limits on campaign expenditures, which policy is set forth in Appendix N.

14.07 QUARTERLY EXPENSE REPORTING

In accordance with Government Code Section 53065.5, the District shall publish, 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 15: RULES, POLICIES AND PROCEDURES RE EMPLOYER-EMPLOYEE RELATIONS

Pursuant to Government Code Sections 3500 et seq., also known as the Meyers-Milias-Brown Act, the Board has adopted a resolution which provides a reasonable method of resolving disputes

regarding wages, hours, and other terms and conditions of employment between the District and employee organizations. A copy of such resolution is attached hereto as Appendix O.

ARTICLE 16: RESPONSIBILITIES AND AUTHORITY OF THE BOARD, GENERAL MANAGER AND SECRETARY-TREASURER

The Board has employed a General Manager and a Secretary-Treasurer 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 their respective responsibilities and authority is essential to effective District management. Said authority and responsibilities are set out in Appendix P attached hereto.

ARTICLE 17: 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 18: POLICIES REGARDING PURCHASING AND DONATIONS

18.01 BID PROCUREMENT AND PURCHASING POLICY

A County Water District such as this 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 acquisition of material or equipment, should be let by a contract arrived at through 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 General Manager be authorized to proceed on behalf of the District by any means the General 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 as Appendix Q.

18.02 CHECK SIGNING POLICY

The Board has adopted a policy regarding the signing of District checks. That policy is set out in Appendix R.

18.03 DONATIONS PROHIBITED

Except as permitted by the Board under unusual circumstances, the Board prohibits the donation, permanent or temporary, of District funds, equipment or assets, to any person, estate, corporation, public agency, or entity.

ARTICLE 19: POLICY REGARDING CLAIMS

19.01 GENERAL

From time to time people present claims against the District under the Government Tort Claims Act. Many of these claims are for property damage and the District's insurance carrier allows the District the option of settling or denying certain covered claims not

involving bodily injury. Therefore, the Board has adopted the following categories and guidelines in the handling of said claims against the District.

19.02 REVIEW OF CLAIMS

The General Manager or District's Attorney shall review all claims for sufficiency and timeliness. The General Manager or the Attorney is authorized to return insufficient or late claims.

19.03 CLAIMS OF \$1,000 OR LESS

The General Manager is authorized to perform the functions of the Board with respect to claims of \$1,000 or less and not involving bodily injury. These functions include but are not limited to, ruling on the sufficiency, reasonableness, or timeliness of claims; returning insufficient or late claims; allowing, compromising, or settling claims; and presenting claims to the District's insurance carrier. On the written order of the General Manager, the District shall pay the amount for which these claims have been allowed, compromised, or settled.

19.04 CLAIMS GREATER THAN \$1,000 BUT NOT MORE THAN \$5000

All legally sufficient claims against the District not involving bodily injury in amounts greater than \$1,000 but not more than \$5000 shall be presented to the Board at a Board Meeting. The Board may perform such functions with respect to these claims set forth under Article 19.03 above. The District shall pay the amount for which these claims have been allowed, compromised, or settled.

19.05 CLAIMS GREATER THAN \$5,000 OR INVOLVING BODILY INJURY

The District shall immediately refer all claims greater than \$5000 or those involving bodily injury directly to its insurance carrier. However, after such consultation with the District's insurance carrier as may be appropriate in the particular case, the General Manager or District's Attorney may review the claim and the Board may consider or act on the claim, if to do so would be in the best interests of the District.

19.06 CLAIM FORM

A Standard District Claim Form, as revised from time to time and approved by the Board is included in Appendix C herein.

ARTICLE 20: POLICY REGARDING DISCRIMINATION/SEXUAL HARASSMENT AND DRUG AND ALCOHOL

20.01 DISCRIMINATION/SEXUAL HARASSMENT POLICY

The District is committed to providing a work environment that is free of unlawful discrimination. In keeping with this commitment, the District strictly prohibits unlawful harassment on the basis of an employee's race, sex, religious creed, color, national origin, ancestry, age, marital status, sexual orientation, or physical or mental disability. Discrimination of anyone employed or conducting business with the District, on any of these categories, is strictly prohibited. A copy of this policy is attached hereto as Appendix S.

20.02 DRUG AND ALCOHOL POLICY

The District has a significant interest in ensuring the health and safety of its employees. It has an obligation to ensure that its employees do not present a safety risk to the general public. Substance abuse can affect job performance and employee and public safety. For these reasons, the District will be firm in identifying and disciplining those employees who do not voluntarily seek assistance and who continue to abuse alcohol or use controlled substances in violation of established policy. A copy of this policy is attached hereto as Appendix S.

APPENDIX A
CRESCENTA VALLEY WATER
DISTRICT
POLICY REGARDING PUBLIC
INFORMATION

APPENDIX A

POLICY REGARDING PUBLIC INFORMATION

1. No individual Board member shall speak on behalf of the District unless authorized to do so by the Board.
2. Should a member of the Board wish to communicate with the public regarding District matters without authorization from the Board, the Board member shall make it clear that he or she is not speaking on behalf of the Board.
3. With regard to operational matters, the General Manager is authorized to speak on behalf of the Board.
4. With regard to legal matters, the attorney for the District is authorized to speak on behalf of the Board.
5. With regard to all other matters, a person designated by the Board is authorized to speak for the Board. If no person is so designated by the Board, then the General Manager is authorized to do so.
6. The Board will maintain a program to provide for regular communication with District customers.

APPENDIX B-1

**CRESCENTA VALLEY WATER
DISTRICT**

**CONFLICT OF INTEREST AND
DISCLOSURE CODE**

CRESCENTA VALLEY WATER DISTRICT
CONFLICT OF INTEREST AND DISCLOSURE CODE

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 Regs. 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 and Disclosure Code of the Crescenta Valley Water District by reference. This regulation and the attached Exhibits designating officials and employees and establishing economic disclosure categories shall constitute the conflict of interest code of this District.

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 General Manager of the District, or his or her designee. The District shall make and retain a copy of all statements filed by its Board Members, and its General Manager, and forward the originals of such statement to the Executive Office of the Board of Supervisors of Los Angeles County.

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

CRESCENTA VALLEY WATER DISTRICT

EXHIBIT A

Types of business entities, business positions, investments, sources of income or real property reportable, according to the following disclosure categories as set forth for the designated positions listed on Exhibit B.

Category 1

Persons in this category shall disclose, in accordance with this Code, all interests in real property within the District, except personal residences or property used primarily for personal recreational purposes. 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 in, and business positions with 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; and office equipment or office supplies.

Category 3

Persons in this category shall disclose, in accordance with this Code, all investments. 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, options, 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 one thousand dollars (\$1,000). The term "investment" does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, 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 or trust in which the individual or spouse owns, directly, indirectly or beneficially, a ten percent interest or greater. (Government Code Section 82034).

Person in this category shall disclose all income received from, or business positions with, any source located or doing business within the jurisdiction or expecting to do business within the jurisdiction. Income received from a public agency need not be disclosed.

Category 4

Persons in this category shall disclose, in accordance with this Code, all investment in, or business positions with, and income from all banks, savings and loans, investment companies, and underwriters.

Category 5

Consultants performing 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, consultants 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, and those consultants who, under contract, exercise primary responsibility for the management of public investments, shall be required to file Statements of Economic Interests disclosing reportable interests as determined by the General Manager of the District.

CRESCENTA VALLEY WATER DISTRICT

EXHIBIT B

<u>Designated Positions</u>	<u>Disclosure Categories</u>
Members of Board of Directors	1, 2, 3, 4
General Manager	2, 3
Director of Finance and Administration	2, 3, 4
Director of Engineering and Operations	2, 3
Engineering Manager	2, 3
Finance and Administration Manager	2, 3
Operations and Maintenance Manager	2, 3
Regulatory and Public Affairs Manager	2, 3
Systems Operations Manager	2, 3

CRESCENTA VALLEY WATER DISTRICT

EXHIBIT C

In addition, the following provisions are hereby incorporated into the District's Code:

DISQUALIFICATION

1. An investment, interest in real property, income or source of income of a designated employee shall not be a basis for disqualification as referenced in Section 18730 of the model code where such interest will foreseeably be affected only by the decisions to fix an ad valorem property tax rate, uniform water rates, or uniform assessments for the District.
2. After disqualification, a designated employee may make an appearance, submit information, or express views on the same basis as any other citizen on matters related solely to his personal interest, provided that it is done publicly and provided that the person clearly indicates he is acting in a private capacity following provisions outlined in Code Section 87105.
3. Rule of Necessity: Item No. 1 (above) does not prevent a designated employee from making or participating in the making of a governmental decision to the extent that his participation is legally required for an action or decision to be made. The fact that a designated employee's vote is needed to break a tie does not make this participation legally required for the purposes of this section. The attorney for the District is empowered to advise any designated employee whether or not the "Rule of Necessity" is applicable in any particular instance.

OPINIONS OF COUNSEL AND OF THE COMMISSION

1. Opinion Requests. Any designated employee who is unsure of any right or obligation arising under this Code may request a formal opinion or letter of advice from the FPPC or a written opinion from the attorney for the District.
2. Evidence of Good Faith. If an opinion is rendered by the attorney for the District stating the facts and the law upon which the opinion is based, compliance by the designated employee with the conclusions of such an opinion is evidence of good faith in any civil or criminal proceeding brought pursuant to the Political Reform Act of 1974 on this Code. The designated employee's good faith compliance with the opinion of the District's attorney shall also act as a complete defense to any disciplinary action that the District may bring under Section 91003.5 of said Act or this Code.

STATUTE OF LIMITATIONS

1. No action based on a disqualification provision of this Code shall be brought pursuant to Government Code Section 91003(b) to restrain the execution of or to set aside official action of the District unless the complaint or petition is filed and served upon the District within 90 days following the official action.

APPENDIX C
CRESCENTA VALLEY WATER
DISTRICT
MISCELLANEOUS CHARGES AND
DISTRICT FORMS

CRESCENTA VALLEY WATER DISTRICT

APPENDIX C

MISCELLANEOUS CHARGES AND DISTRICT FORMS

New Account Fee	\$40.00 – during office hours \$60.00 – after office hours or weekends
Deposit Fee [Per Article 7.02.C]	\$100.00
Late Charge [Per Article 8.04.D]	\$25.00
Reconnection Charge [Per Article 8.03.F(1)]	\$50.00 - during office hours \$125.00 - after office hours or weekends \$50.00 - plus cost of new lock and District labor and materials to repair damage for unauthorized turn-on.
<i>Monthly Meter Read (AMI Opt Out)</i>	\$25.00
<i>Returned Check Charge</i> [Per Article 8.03.F(2)]	\$35.00
Meter Test Charge [Per Article 8.03.F(3)]	\$50.00
Pulled Meter Charge [Per article 8.03.F(4)]	\$50.00
Unauthorized Water Use [Per Article 8.03.F(5)]	\$1,000.00
Turn off at Main [Per Article 8.03.F(6)]	Actual cost to District
Plan Check Fees [Per Article 11.01.D]	Parcel Maps \$100.00 Subdivisions of 1 to 9 \$200.00 Parcels or dwelling units 10 - 19 units \$300.00 20 or more units \$400.00
D-job Administrative Fee [Per Article 11.01.E]	
	Tier 1 \$515.00 Tier 2 \$2,415.00 Tier 3 \$5,715.00
Fire Hydrant Test Fee [Per Article 11.13.C]	\$380.00
Cross-Connection Program Fee	\$100.00
Installation of Water Services [Per Article 7.05A]:	
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. An initial deposit will be required with a final payment or credit due upon completion.	
Damaged Water Service Lateral Replacement [Per Article 8.02 I]	
Prorated to remaining 50-year service life	
Minimum Charge:	\$500.00

Copies of District Records [Per Article 11.01]

\$0.15/page after first ten pages*

*Members of the public are entitled to a maximum of ten (10) pages copied within any 60-day period at no charge.

Other Charges:

Where the District determines that a charge is appropriate for a particular service provided, which charge is not specified herein, the General Manager shall determine the amount to be charged the Customer.

APPENDIX E
CRESCENTA VALLEY WATER DISTRICT
RATES AND CHARGES FOR WATER
SERVICE

CRESCENTA VALLEY WATER DISTRICT

APPENDIX E

RATES AND CHARGES FOR WATER SERVICE

Quantity rate charge for single family residential usage: Quantity charges are applicable to all water consumption in addition to the monthly service charge. The rates charged by the District for water consumption, per 1,000 gallons (Unit) of water consumed per monthly billing period, are as follows:

	Effective	7/1/2025
Tier I	Indoor Budget ¹	\$5.56
Tier II	Outdoor Budget ²	\$11.52
Tier III		\$18.26

¹**Indoor Budget** = (People Per Household) X (47 Gallons Per Day) X (Number of Days in Billing Period)

²**Outdoor Budget** = (Irrigated Landscape Area) X (Evapotranspiration) X (Landscape Factor) X (Conversion Factor) X (Number of Days in Billing Period)

1. Irrigated Landscape Area – Calculated at 33 percent of lot size
2. Evapotranspiration (ET) – Sum of daily ET factor collected from the California Irrigation Management Information System (CIMIS)
3. Landscape Factor – The District will use a landscape factor of 0.8
4. Conversion Factor – A conversion factor of 0.623 will be used to convert calculation total into gallons

Quantity rate charge for multi-family units, commercial, institutions, & schools usage: The rates charged by the District for water consumption, per 1,000 gallons (Unit) of water consumed per monthly billing period, are as follows:

	Effective	7/1/2025
Base Rate		\$9.79

Quantity rate charge for irrigation usage: The rates charged by the District for water consumption, per 1,000 gallons (Unit) of water consumed per monthly billing period, are as follows:

	Effective	7/1/2025
Base Rate		\$10.96

Service Charge: The monthly service charge is a fixed charge per meter size and does not provide for any minimum water consumption allowance are as follows:

Within District

Meter Size	Effective 7/1/2023
3/4"	\$44.53

1"	\$70.58
1 ½"	\$135.70
2"	\$213.85
3"	\$461.32
4"	\$826.02

Minimum Monthly Charge for Temporary Service per Article 9.02: \$35.00

One-Time Service Charge for Temporary Service per Article 9.02: \$25.00

Private Fire Protection Charge: The monthly service charge for fire protection services per meter size and does not provide for any minimum water consumption allowance are as follows:

Meter Size	Effective 7/1/2025
1"	\$6.31
2"	\$10.72
3"	\$20.74
4"	\$38.03
6"	\$100.08
8"	\$207.11
10"	\$368.10

Glendale Utility Administration Fee – Effective 1/1/2011, for customers within the City of Glendale - \$0.40 per monthly bill.

WATER SYSTEM CONNECTION FEE:

1. The basic fee is **\$8,180** per equivalent dwelling unit for fiscal year **2025/2026**. On July first of each year, the fee shall be revised according to the following equation.

$$\text{Fee} = \frac{\text{BV} + \text{CIP}_5}{\Sigma \text{EDU}}$$

Where: Fee = Current year's connection fee per equivalent dwelling unit.

BV = Current value of all District water system property and equipment minus the depreciation of water system assets as published in the District's independently audited financial statements.

CIP₅ = The average annual cost of water system projects in the District's most recent Capital Improvement Program attributed to the need for increased water system capacity multiplied by 5 years.

Σ EDU = The sum of equivalent dwelling units in the District's water system as calculated at the end of the prior year based on the meter

conversion method in the November 2003 report entitled "Establishment of a New Water System Connection Fee Structure for Crescenta Valley Water District".

2. **Exception:** For the installation of a new fire service line, where no other construction is proposed, the water system connection fee shall only include the CIP component as follows:

$$\text{Fee} = \text{CIP}_5 / \Sigma \text{EDU}$$

RESOLUTION NO. 797

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CRESCENTA VALLEY WATER DISTRICT ADOPTING AN AMENDMENT TO APPENDIX F, CROSS-CONNECTION CONTROL RULES AND REGULATIONS TO PROTECT THE PUBLIC WATER SYSTEM

SECTION I. PURPOSE

The purpose of these Rules and Regulations is (1) to protect the public water supply against actual or potential cross-connection by isolating within the premise contamination that may occur because of some undiscovered or unauthorized cross-connection on the premises; (2) to eliminate existing connections between drinking water systems and other sources of water that are not approved as safe and potable for human consumption; (3) to eliminate cross-connections between drinking water systems and sources of contamination; (4) to prevent the making of cross-connections in the future; and (5) to establish and enforce standards for cross-connection control and backflow prevention in accordance with the California Safe Drinking Water Act (CHSC sections 116275, 116375, 116407, and 116555.5) and the Cross-Connection Control Policy Handbook (CCCPH), adopted by the State Water Resources Control Board and effective July 1, 2024.

This resolution is adopted pursuant to the requirements of the State of California Safe Drinking Water Act, including Health and Safety Code sections 116275, 116375, 116407, and 116555.5, and the Cross-Connection Control Policy Handbook (CCCPH), adopted by the State Water Resources Control Board. The CCCPH establishes enforceable standards for all California Public Water Systems (PWSs) and became effective on July 1, 2024. Compliance with the CCCPH is mandatory and governed by the State Water Board under the authority granted through Assembly Bill 1671 (2017) and Assembly Bill 1180 (2019). These Rules and Regulations apply to all properties served with water by the Crescenta Valley Water District and are intended to ensure that the District's potable water distribution system is protected from actual or potential backflow under any condition, and that all required backflow prevention assemblies are properly installed, maintained, and tested.

It is unlawful for any person, firm, or corporation at any time to make or maintain, or cause to be made or maintained, temporarily or permanently, for any period of time whatsoever, any cross-connection between plumbing pipes or water fixtures that could allow backflow into the water supply system of the Crescenta Valley Water District.

SECTION II - DEFINITIONS

- A. **Air-Gap Separation or AG:** The term "air-gap separation" means a physical separation between the free-flowing discharge end of a potable water supply discharge pipe and an open or non-pressurized receiving vessel. The air gap shall be at least double the diameter of the supply pipe measured vertically above the top rim of the vessel, in no case less than one inch. Wherever used in this manual, the term "air-gap separation" shall mean an installation inspected and approved according to the requirements of this plan and local regulations. An AG must be inspected and evaluated on a regular schedule as defined by state regulations or permit (if applicable) and CVWD.
- B. **Approved Water Supply:** The term "approved water supply" means a water source that has been approved by the State Water Board for domestic use in a public water system and designated as such in a domestic water supply permit issued pursuant to section

116525 of the CHSC.

- C. **Auxiliary Water Supply:** The term "auxiliary water supply" means any water supply on or available to the premises other than the approved water supply delivered by the water purveyor to the service connection. An auxiliary supply may refer to a private well, a pond, a lake, a river, etc.
- D. **AWWA Standard:** The term "AWWA Standard" means an official and current standard developed and approved by the American Water Works Association (AWWA).
- E. **Backflow:** The term "backflow" means a flow condition caused by a differential in pressure that causes the flow of water or other liquids, gases, mixtures, or substances into the distributing pipes of a potable water supply from any source other than an approved water supply source. Backsiphonage is one cause of backflow. Back pressure is the other cause.
- F. **Backflow Prevention Assembly or BPA:** The term "backflow prevention assembly" means a mechanical assembly designed and constructed to prevent backflow, such that while in line, it can be tested and repaired, if needed, to ensure correct function. Only approved BPAs shall be installed. An approved BPA is one that has passed laboratory and field evaluation tests performed by a recognized testing organization, such as the Foundation for Cross-Connection Control and Hydraulic Research from the University of Southern California.
- G. **Backpressure:** The term "backpressure" is defined as the flow from a customer's pressurized system through an unprotected cross-connection into the potable water supply. This condition occurs when a force is exerted and reverses the flow of water in a direction opposite the intended normal direction of flow.
- H. **Backsiphonage:** The term "backsiphonage" refers to backflow resulting from negative or reduced pressure in the water distribution supply.
- I. **Certified Backflow Assembly Tester:** The term "certified backflow assembly tester" is any individual who has passed a backflow certification examination and is thus on a "List of Certified Testers" established by:
 - i. County of Los Angeles Public Health
 - ii. CA-NV AWWA
 - iii. American Backflow Prevention Association (ABPA)
- J. **Chemigation:** The term "Chemigation" means utilizing underground sprinkler systems to apply herbicides and pesticides.
- K. **Confined Space:** The term "confined space" means space that meets one or more of the following criteria:
 - i. It is large enough and so configured that an employee can bodily enter and perform assigned work; and,
 - ii. Has limited or restricted means for entry or exit (for example, tanks vessels, silos, storage bins, hoppers, vaults, and pits are spaces that may have limited means of entry); and,

- iii. It is not designed for continuous occupancy. This definition is given because backflow assemblies are often found in these spaces.
- L. **Contamination:** The term "contamination" means a degradation of the quality of the potable water by any foreign substance which creates a hazard to public health; or which may otherwise impair the water's usefulness or quality.
- M. **Cross-Connection:** The term "cross-connection" means any unprotected actual or potential connection between a potable water system used to supply potable water: 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 assemblies, or other assemblies through which backflow could occur shall be considered cross-connections.
- N. **Cross-Connection Control Assessment/Survey :** A "cross-connection control assessment/survey" is an assessment conducted at a premise to determine whether there is an actual or potential backflow hazard to the public water supply.
- O. **Cross-Connection Control Specialist (Specialist):** The term "cross-connection control specialist (specialist)", also known as field inspector, means the designated employee(s) certified in backflow prevention who serves as a company contact for technical cross-connection/backflow-related issues.
- P. **Days:** The term "days" shall mean calendar days, unless otherwise specified.
- Q. **Double Check Valve Assembly or DCV:** The term "double check valve assembly" means an assembly of two internally loaded, independently acting check valves, including resilient seated shut-off valves on each end of the assembly and test cocks for testing the water tightness of each check valve.
- R. **Double Check Detector Assembly or DCDA:** The term "double check detector assembly" means a double-check valve backflow assembly that includes a bypass with a water meter and double-check backflow assembly, with the bypass water meter accurately registering flow rates up to two gallons per minute and visually indicating all rates of flow. This type of assembly may only be used to isolate low-hazard cross-connections.
- S. **Hazardous Substance:** The term "hazardous substance" means a contaminant to the public water supply which can negatively impact public health.
- T. **Internal Protection:** The term "internal protection" is the appropriate type or method of backflow prevention within the customer's potable water system at the point of use that is commensurate with the degree of hazard. Crescenta Valley Water District is not responsible for any cross-connection that occurs or could occur within the customer's premises. Crescenta Valley Water District is not responsible for and does not manage or maintain any backflow assemblies or methods that are located within a customer's premises.
- U. **Multi-Family Residential:** The term "multi-family residential" means any detached residential structure designed for human habitation divided into two or more independent living quarters. This definition includes apartments or similar structures but does not include row or townhouses.

- V. **Non-Residential Customer:** The term "non-residential customer" refers to commercial, industrial, and public authority customers.
- W. **Person:** The term "person" means an individual, corporation, company, association, partnership, municipality, public utility, or other public body or institution.
- X. **Premise Isolation:** The term "premise isolation" means protection of a public water system's distribution system from backflow from a user premises. This is accomplished through the installation of one or more air gaps or BPAs, installed as close as practical to the user's service connection, in a manner intended to isolate the water user's water supply from the public water system's distribution system.
- Y. **Pressure Vacuum Breaker or PVB:** The term "pressure vacuum breaker" is a type of backflow assembly consisting of a spring-loaded check valve that closes tightly when the pressure in the assembly drops below one (1) psi or when zero flow occurs. The unit also contains an air relief valve that opens to break a siphon.
- Z. **Public Water System or PWS:** The term "public water system" means a system for the provision of piped water to the public for human consumption that has five or more service connections or regularly serves an average of twenty-five (25) individuals daily for at least 60 days out of the year.
- AA. **Qualified Backflow Assembly Installer (Installer):** A "qualified backflow assembly installer" must be a plumber licensed by the state and/or municipality; or a plumber working under the direct supervision of a licensed plumber who meets all applicable local and state requirements to install backflow assemblies.
- BB. **Recycled Water:** The term "recycled water" means wastewater which, as a result of treatment, is suitable for uses other than potable use.
- CC. **Reduced Pressure Principle Backflow Prevention Assembly or RP:** The term "reduced pressure principle backflow prevention assembly" means an assembly incorporating two internally loaded, independently operating check valves and an automatically operating differential relief valve located between the two checks, including resilient seated shutoff valves on each end of the assembly, and equipped with necessary test cocks for testing the assembly.
- DD. **Reduced Pressure Principle Detector Backflow Prevention Assembly or RPDA:** This is an RP assembly that includes a bypass with a water meter and reduced pressure principle backflow prevention assembly. The bypass water meter accurately registers flow rates up to two gallons per minute and visually indicates all rates of flow.
- EE. **Reduced Pressure Principle Detector Backflow Prevention Assembly – Type II or RPDA-II:** This is an RP that includes a bypass around the second check, with the bypass having a reduced pressure principle backflow prevention assembly and a water meter that accurately registers flow rates up to two gallons per minute and visually indicates all rates of flow.
- FF. **Service Connection:** The term "service connection" means the connection point of a user's piping to the water supplier's facilities. This connection is generally, but not always, found at the meter.
- GG. **Water Supplier:** The term "water supplier" means a person who owns and/or operates

the approved water supply system.

- HH. **Water User:** A "water user" is anyone obtaining water from CVWD's water supply system.

SECTION III - CROSS-CONNECTION PROTECTION REQUIREMENTS

A. General Provisions

1. Unprotected cross-connections with the public water supply are prohibited.
2. Whenever backflow protection has been found necessary, the Water District will require the water user to install an approved backflow prevention device by and at his/her expense for continued service or before a new service will be granted
3. Wherever backflow protection has been found necessary on a water supply line entering a water user's premises, then any and all water supply lines from the Water District entering such premises, buildings, or structures shall be protected by an approved backflow prevention device. The type of device to be installed will be in accordance with the requirements of this resolution.
4. The Water District shall be responsible for cross-connection control at the service connection to the public water system. Backflow protection within the internal plumbing of a water user's premises shall be the sole responsibility of the water user. The Water District shall not manage, maintain, or enforce internal backflow protection located beyond the point of service.

B. Where Protection is Required

1. Each service connection from the Water District water system for supplying water to premises having an auxiliary water supply shall be protected against backflow of water from the premises into the public water system unless the auxiliary water supply is accepted as an additional source by the Water District, and is approved by the Health Agency
2. Each service connection from the Water District water system for supplying water to any premises on which any substance is handled in such fashion as may allow its entry into the water system shall be protected against backflow of the water from the premises into the public system. This shall include the handling of processed waters and waters originating from the Water District water system which have been subjected to deterioration in sanitary quality
3. Backflow prevention devices shall be installed on the service connection to any premises having (a) internal cross-connections that cannot be permanently corrected and controlled to the satisfaction of the Health Agency and the Water District, or (b) intricate plumbing and piping arrangements or where entry to all portions of the premises is not readily accessible for inspection purposes making

it impracticable or impossible to ascertain whether or not cross-connections exist.

C. Type of Protection Required

1. The type of protection that shall be provided to prevent backflow into the approved 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 (listing 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 Water District. The minimum types of backflow protection required to protect the approved water supply at the user's water connections to premises with varying degrees of hazard are given in Table 1. Situations which are not covered in Table I shall be evaluated on a case-by-case basis and the appropriate backflow protection shall be determined by the Water District

Table 1

TYPE OF BACKFLOW PROTECTION REQUIRED

Degree of Hazard		Minimum Type of Backflow Prevention
(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 may be provided in lieu of an AG if approved by the Health Agency and the Water District	AG or RP
(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 the Water District	AG or RP
(4)	Premises where hazardous substances are handled in any manner in which the substances may enter a 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 the Water District.	AG or RP
(5)	Premises where there are irrigation systems into which fertilizers, herbicides, or pesticides are, or can be, injected	RP
(b) Auxiliary Water Supplies		
(1)	Premises where there is an unapproved auxiliary water supply which is interconnected with the public	

- water system. A RP may be provided in lieu of an AG, if approved by the Health Agency and the Water District AG or RP
- (2) Premises where that is an unapproved auxiliary water supply and there are no interconnections with the public water system. A RP may be provided in lieu of an AG if approved by the Health Agency and the Water District AG
- (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) DC or DCDA
- (2) Premises where the fire system is supplied from the public water system and interconnected with an unapproved auxiliary water supply. A RP or DCDA may be provided in lieu of an AG if approved by the Health Agency and the Water District AG or RP or DCDA
- (3) Premises where the fire system is supplied by the public water system and where either elevated storage tanks or fire pumps which take suction from the private reservoirs or tanks are used RP or RPDA
- (d) Dockside Watering Points and Marine Facilities
- (1) Pier hydrants for supplying water to vessel for Purpose RP
- (2) Premises where there are marine facilities RP
- (e) Premises where entry is restricted so that inspections for cross-connections cannot be made with sufficient frequency or on sufficiently short notice to assure that cross-connections do not exist RP
- (f) Premises where that is a repeated history of cross-connections Being established or re-established RP
2. Two or more services supplying water from different street mains to the same building, structure, or premises through which an interconnection between street mains may occur, shall have at least a standard check valve on each water service to be located adjacent to and on the property side of the respective meters. Such a check valve shall not be considered adequate if backflow protection is deemed necessary to protect the Water District's mains from pollution or contamination; in such cases the installation of approved backflow devices at such service connections shall be required.
- D. Hazard Assessment and Survey Frequency
1. The Water District shall conduct hazard assessments for new water service

connections and existing premises as needed to determine the degree of hazard and appropriate backflow protection required.

2. Hazard assessments shall be performed under the following conditions:
 - i. Upon request for new service;
 - ii. Upon a change in ownership or occupancy;
 - iii. When plumbing modifications or permits are issued;
 - iv. When irrigation systems or private wells are installed;
 - v. When a known hazard is identified or suspected.
3. The Water District may also conduct periodic reassessments of existing services, with annual assessments required for high-hazard premises or as otherwise directed by state or local regulations.
4. Refusal by the water user to permit on-site inspection or to provide requested information shall be considered evidence of a potential hazard, and the Water District shall require the installation of appropriate backflow protection.

SECTION IV - BACKFLOW PREVENTION DEVICES

A. Approved Backflow Prevention Devices

1. Only backflow prevention devices which have passed laboratory and field evaluation tests performed by a recognized testing organization which has demonstrated their competency to perform such tests to the Health Agency shall be acceptable for installation by a water user connected to the Water District's potable water system

B. Backflow Prevention Device Installation

1. Backflow prevention devices shall be installed in a manner prescribed in the CCCPH and the manufacturer's instructions. Location of the devices should be as close as practical to the user's connection. The Water District shall have the final authority in determining the required location of a backflow prevention device.
 - a. Air-gap separation (AG) The air-gap separation shall be located on the user's side of and as close to the service connection as is practical. All piping from the service connection to the receiving tank shall be above grade and be entirely visible. No water use shall be provided from any point between the service connection and the air-gap separation. The water piping inlet shall terminate a distance of at least two (2) pipe diameters of the supply inlet, but in no case less than one (1 ") inch above the flood rim of the receiving tank.
 - b. Reduced pressure principle backflow prevention device (RP) The approved reduced pressure principle backflow prevention device shall be

customers by mail when annual testing of a device is required and will supply the necessary forms, which must be completed and submitted each time a device is tested or repaired.

D. Backflow Prevention Device Removal

1. Approval must be obtained from the Water District before a backflow prevention device is removed, relocated, or replaced.
 - a. Removal: The use of a device may be discontinued and the device removed from service upon presentation of sufficient evidence to the Water District to verify that a hazard no longer exists or is not likely to be created in the future;
 - b. Relocation: A device may be relocated following confirmation by the Water District that the relocation will continue to provide the required protection and satisfy installation requirements. A retest will be required following the relocation of the device;
 - c. Repair: A device may be removed for repair, provided the water use is either discontinued until repair is completed and the device is returned to service, or the service connection is equipped with other backflow protection approved by the Water District. A retest will be required following the repair of the device;
 - d. Replacement: A device may be removed and replaced provided the water use is discontinued until the replacement device is installed. All replacement devices must be approved by the Water District and must be commensurate with the degree of hazard involved; and

SECTION V - USER SUPERVISOR

At each premise where it is necessary, in the opinion of the Water District, a user supervisor shall be designated by and at the expense of the water user. This user supervisor shall be responsible for the monitoring of the backflow prevention devices and for avoidance of cross-connections. In the event of contamination or pollution of the drinking water system due to a cross-connection on the premises, the Water District shall be promptly notified by the user supervisor so that appropriate measures may be taken to overcome the contamination. The water user shall inform the Water District of the user supervisor's identity on, as a minimum, an annual basis and whenever a change occurs

SECTION VI - ADMINISTRATIVE PROCEDURES

A. Water System Survey

1. The Water District shall review all requests for new services to determine if backflow protection is needed. Plans and specifications must be submitted to the Water District for review of possible cross-connection hazards as a condition of service for new service connections. If it is determined that a backflow prevention device is necessary to protect the public water system, the required device must be installed before service will be granted.
2. The Water District may need to perform an on-premises inspection to evaluate cross-connection hazards. The Water District will contact the water user requesting an inspection appointment. Any customer which cannot or will not

allow an on-premise inspection of their piping system shall be required to install the backflow prevention device the Water District considers necessary.

3. The Water District may need to perform a re-inspection for cross-connection hazards of any premise to which it serves water. The Water District will contact the water user requesting a re-inspection appointment. Any customer which cannot or will not allow an on-premises inspection of their piping system shall be required to install the backflow prevention device the Water District considers necessary.
4. For any new development, building modification, accessory dwelling unit (ADU), or construction activity that may impact the District's water distribution system, the Developer shall submit a Cross-Connection Control Survey Form along with architectural plans and relevant permit documentation. The Water District shall review the submittal to determine if backflow protection is required. If deemed necessary, an approved backflow prevention assembly shall be installed and tested prior to connection or service activation. This process shall apply to requests for new service, meter upgrades, fire service installations, and Will-Serve Letters.

B. Customer Notification – Device Installation

1. The Water District will notify the water user of the inspection (or re-installation) findings, listing corrective action to be taken if required. A period of sixty (60) calendar days will be given to complete all corrective actions required, including the installation of backflow prevention devices. If action is not taken within this timeframe, a second notice shall be issued granting an additional ten (10) business days. If the customer fails to act, a final seven (7) day notice shall be sent before discontinuation of service. The District may also leave a door hanger as a courtesy reminder. Water service may be terminated until the required corrective actions are completed and approved by the Water District.
2. A second notice will be sent to each water user which does not take the required corrective action prescribed in the first notice within the sixty (60) day period allowed. The second notice will give the water user a period of ten (10) business days to take the required corrective action. If no action is taken within the period of then (10) business days, a final seven (7)-day notice is sent before the discontinuation of service. The Water District may terminate water service to the affected water user until the required corrective actions are taken.

D. Customer Notification – Testing and Maintenance

1. The Water District will notify each affected water user in writing when it is time for the backflow prevention device installed on their service connection to be tested. This written notice shall give the water user thirty (30) calendar days to complete the required testing and submit the necessary test certification to the Water District.2. If no action is taken within the initial thirty (30) day period, a second written notice will be sent allowing the water user an additional thirty (30) calendar days to complete the testing and submit the required certification or request termination of service. If no action is taken during this second notice period, a final seven (7) day notice shall be issued before discontinuation of service. A door hanger may also be left as a reminder. Water service may be

terminated until the subject device is repaired, retested, and verified to be operating correctly.

SECTION VII - WATER SERVICE TERMINATION

A. General

When the Water District encounters a water user's on-premise system that poses a clear and immediate hazard to the potable water supply that cannot be immediately abated, the Water District shall institute procedures for discontinuing water service.

B. Basis for Termination

Conditions or water uses that create a basis for water service termination shall include, but are not limited to, the following items

1. Refusal to install a required backflow prevention device,
2. Refusal to test a backflow prevention device
3. Refusal to repair a faulty backflow prevention device
4. Refusal to replace a faulty backflow prevention device
5. Direct or indirect connection between the public water system and a sewer line
6. Unprotected direct or indirect connection between the public water system and a sewer and a system or equipment containing contaminants
7. Unprotected direct or indirect connection between the public water system and auxiliary water system
8. A situation which presents an immediate health' hazard to the public water system.

C. Water Service Termination Procedures

1. For conditions 1, 2, 3, or 4, the Water District will terminate service to a customer's premise after 2 written notices have been sent specifying the corrective action needed and the time period in which it must be completed. . If corrective action is not taken within the total allowed period, water service may be terminated.
 - a. The first notice shall provide the customer thirty (30) calendar days to comply.
 - b. A second notice will provide an additional fifteen (15) calendar days.
 - c. Where the violation involves a high-risk hazard, corrective action must be completed within fourteen (14) calendar days.
 - d. For general hazards, the Water District may grant an extension not to exceed ninety (90) calendar days under special circumstances.
2. For conditions 5, 6, 7, or 8, the Water District will take the following steps:
 - a. Make reasonable efforts to advise water user of intent to terminate water service;
 - b. Terminate water supply and lock service valve. The water service will remain inactive until correction of violations has been approved by the Water District.

SECTION VIII – PUBLIC EDUCATION AND OUTREACH

The Water District shall implement a public education program to promote awareness of cross-connection hazards and the importance of backflow prevention. Outreach methods may include informational brochures, website updates, bill inserts, and other communication tools directed toward water users.

SECTION IX - SEVERABILITY

If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this resolution, or any part thereof, is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this resolution or any part thereof. The Board of Directors hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof, irrespective of the fact that anyone or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phases be declared invalid

SECTION X - EFFECTIVE DATE

This Resolution shall take effect immediately upon its adoption by the Board of Directors, and the Secretary of the Board of Directors shall attest to and certify the vote adopting this Resolution.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the Board of Directors of Crescenta Valley Water District held on June 24, 2025. Resolution No. 797 was adopted by the following vote:

AYES: **Director Bodnar**
 Director Raghavachary
 Director Valdez
 Director Johnson

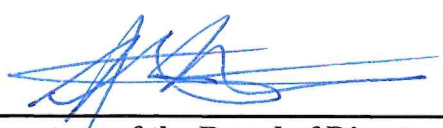
ABSENT: **Director Erickson**

NOES: **None**

ATTEST:



President, Board of Directors
Crescenta Valley Water District



Secretary of the Board of Directors

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES) ss.

I, Arturo Montes, Secretary to the Board of the Crescenta Valley Water District, DO
HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution No. 797 of the
Board of Directors of Crescenta Valley Water District adopted at an Adjourned Regular Meeting
held on June 24, 2025, and that the same has not been amended or repealed.



Secretary of the Board of Directors

Crescenta Valley Water District

DATED: June 24, 2025

(S E A L)

APPENDIX G

CRESCENTA VALLEY WATER DISTRICT WATER CONSERVATION PROGRAM

CRESCENTA VALLEY WATER DISTRICT

APPENDIX G

WATER CONSERVATION PROGRAM

GENERAL STATEMENT

1. Due to the water supply conditions prevailing in the Crescenta Valley Water District (CVWD) and/or in the area from which CVWD obtains a portion of its water supply, the general welfare requires that:
 - The water resources available to the CVWD be put to the maximum beneficial use;
 - The waste or unreasonable use, or unreasonable method of use of water be prevented;
 - The conservation of such water be practiced with a view to the reasonable and beneficial use thereof in the interest of the customers of CVWD and for the public health and safety.
2. The purpose of this program is to provide water conservation regulations, in a phased approach, to minimize the effect of a shortage of water supplies on the customers of CVWD during various critical stages of a water shortage.

PHASE I –STANDARD WATER CONSERVATION

Phase I standard water conservation practices will be in effect at all times. The CVWD Board of Directors has adopted the following measures to reduce consumption and prohibit water waste for existing and new water users within CVWD in order to sustain water supply reliability.

Prohibited Use Applicable to Existing and New Customers

1. **Water hose usage:** Hose washing of sidewalks, walkways, driveways, or parking areas, tennis courts, patios, porches or other paved areas shall not be permitted. Exception: Flammable or other dangerous substances may be disposed of by direct hose flushing by public safety officers for the benefit of public health and safety. Businesses or schools required to hose down public eating areas will be provided with access to a water broom.
2. **Overspray and runoff:** Use of water for any purpose which results in overspray, excessive runoff onto hardscapes, driveways, streets, adjacent lands or into gutters shall not be permitted.
3. **Fountains, similar structures and swimming pools:** Water used to clean, fill or maintain levels in decorative fountains or similar structures must be part of a recirculation system.
4. **Leaks:** Leaks from any facility both inside and outside of a customer's premises must be repaired within seventy-two hours after the customer is notified by the District of, or discovers the leak. Failure to affect the repair of any leak shall subject said customer to all penalties provided herein for waste of water.
5. **Irrigating times:** No watering, sprinkling or irrigating shall take place between the hours of nine a.m. (9:00AM) and five p.m. (5:00PM) in any landscaped or vegetated areas, including, but not limited to, golf courses, parks, cemeteries and school areas landscaped with, but not limited to, grass, lawn, groundcover, shrubbery, annual and perennial plants, crops, trees, and California-friendly plantings.

6. **Hand Watering:** Hand watering of non-turf areas is allowed using a hose with a positive shut-off nozzle or watering can within the allowable times as specified above.
7. **Windy and rainy days:** No watering, sprinkling or irrigating shall take place in any landscaped or vegetated areas on days when the wind is blowing causing overspray. No irrigation or watering of turf or ornamental-landscapes during and 48 hours following measurable precipitation.
8. **Vehicle washing:** The washing of commercial and non-commercial privately owned automobiles, trucks, trailers, motor-homes, boats, buses, airplanes and other types of vehicles is restricted to use of a hand-held bucket and quick rinses using a hose with a positive shut-off nozzle. Exceptions: the use of wash water which is on the immediate premises of a commercial car wash or commercial service station; where health, safety and welfare of the public is contingent upon frequent vehicle cleaning, such as garbage trucks and vehicles which transport food and perishables.
9. **Swimming pools:** Owners of outdoor swimming pools, wading pools or spas, when these are not in use, are requested to use covers to minimize the evaporation of water.
10. **Construction water restrictions:** Water for construction purposes including but not limited to de-brushing of vacant land, compaction of fills and pads, trench backfill and other construction uses, shall be used in an efficient manner which will not result in runoff.
11. **Fire hydrants:** The use of potable water from fire hydrants shall be limited to firefighting related activities or other activities immediately necessary to maintain the health, safety, and welfare of the residents of the city.
12. **Drinking water upon request:** No restaurant, hotel, café, cafeteria or other public place where food is sold, served or offered for sale, shall serve drinking water to any customer unless expressly requested by a customer.
13. **Hotels/Motels:** Hotels, motels, and other commercial lodging establishments are requested to post notices informing their guests about the city's water conservation policy and urging guests to conserve water. Water conservation notices will be provided by CVWD.
14. **Hotels/Motels:** Hotels, motels and other commercial lodgings are requested to post notices giving their guests the option of not laundering towels and linens daily.
15. **Reporting waste of water:** The District shall maintain a program for residents to report waste of water throughout the District boundaries. This will include an online submittal form, a dedicated phone number, and follow-up by District staff on all waste of water reports. Residents are requested to report any observed waste of water from surrounding properties or in the community and report to the District for follow-up.
16. **Pre-rinse spray valve:** Where applicable, restaurants must utilize water conserving nozzles.
17. **New Development (new commercial and multi-family accounts):**
 - 1) All new commercial and multi-family accounts are prohibited from water waste such as, but not limited to: single-pass cooling systems; conveyor and in-bay vehicle wash and commercial laundry systems which do not reuse water; non-recirculating decorative water fountains.
 - 2) All landscape must be in accordance with the permitting agency's landscape ordinance. If the permitting agency does not have a landscape ordinance, the Department of Water Resources Model Landscape Ordinance will apply.

BE IT FURTHER RESOLVED, Crescenta Valley Water District urges the following water usage to all of its customers:

1. To reduce the amount of turf and install new drought tolerant landscaping, low-water using trees and plants, and efficient irrigation systems including but not limited to ET controllers, drip irrigation, and “high efficiency sprinkler heads”.
2. To wash only full loads of dishes or clothes in automatic washers, and do not allow indoor faucets to run continuously.
3. To turn water system off when leaving property unoccupied for an extended period of time.
4. To use covers to minimize the evaporation of water from outdoor swimming pools, wading pools or spas when they are not in use.

WATER CONSERVATION ALERT SYSTEM

When a water conservation alert system is implemented by direction of the General Manager, the following measures to reduce water consumption will be required for all water users within CVWD.

- a. Color Code **“Blue”** is defined as the Normal Water Conservation Alert. Standard water conservation applies as defined in Appendix G of the Rules and Regulations as Stage 1. Outdoor watering is recommended to be no more than three (3) days per week.
- b. Color Code **“Yellow”** is defined as an Extraordinary Conservation Alert, when Metropolitan Water District of Southern California is pulling water from most of its storage programs to meet demand, or the District’s Groundwater Supplies have been reduced. Customers are required to minimize indoor water use and water outdoors no more than three (3) days per week. Outdoor irrigation will be permitted only on Tuesday, Thursday, and Saturday.
- c. Color Code **“Orange”** is defined as a Allocation Conservation Alert, when Metropolitan Water District of Southern California has implemented its allocation plan to its member agencies, or the State of California has imposed mandatory water restrictions or reductions. Customers are required to minimize indoor water use and water outdoors no more than two (2) days per week. Outdoor irrigation will be permitted only on Tuesday and Saturday. The following additional rules apply:
 1. The filling, refilling or adding of water to indoor and outdoor pools, wading pools, or spas is prohibited. Exemptions: Commercial Repairs mandated by the Federal Virginia Graeme Baker Act, or adding water for the prevention of equipment failure is permissible, however, the District strongly urges that a cover be used to prevent evaporation and thereby reducing the frequency of refilling..
 2. The use of water to clean, maintain, fill, or refill decorative fountains or similar structures is prohibited. Exemptions: Adding water for the prevention of equipment failure is permissible.
 3. Vehicle washing is restricted to the use of a hand-held bucket and quick rinses using a hose with a positive shut-off nozzle.
 4. Fix leaks within 48 hours.
 5. Exemption: Public use areas owned and/or operated by School Districts are exempt from watering days, and public use areas greater than 4,000 square feet are exempt from watering days so long as best management practices are applied.

- d. Color Code “Red” is defined as a Critical Water Conservation Alert, when water supplies are only available for health and safety needs. Customers are required to minimize indoor water use and curtail all outdoor water use. Fix any leaks within 24 hours.
- e. Color Code “Purple” is defined Emergency Water Conservation Alert, when water supplies are only available for health and safety needs.

Notification of the Water Conservation Alert System status on any given day shall be visibly posted at the exterior of the District’s Administration Office (2700 Foothill Blvd., La Crescenta) and other accessible locations throughout the District’s service area where allowed.

APPENDIX G

Date	Revisions	Approved by Board	Initials
04/28/2010	Residential and commercial landscape irrigation has been increased from two (2) days per week to no more than three (3) days per week on Tuesday, Thursday and Saturday. Watering limits have been reduced to seven (7) minutes per watering station from (10) minutes per station.	04/27/2010	
07/11/12	1. Revise "Prohibited Use Applicable to <u>all</u> Customers" was revised to "Prohibited Use Applicable to <u>Existing and New</u> Customers" 2. Add the following: 17. New Development (new commercial and multi-family accounts) 1) All new commercial and multi-family accounts are prohibited from water waste such as, but not limited to: single-pass cooling systems; conveyor and in-bay vehicle wash and commercial laundry systems which do not reuse water; non-recirculating decorative water fountains. 2) All landscape must be in accordance with the permitting agency's landscape ordinance. If the permitting agency does not have a landscape ordinance, the Department of Water Resources Model Landscape Ordinance will apply.	07/10/12	
7/23/14	1. Revised Orange Alert from three (3) days per week to two (2) days per week, Tuesdays and Saturdays	7/23/2014	
4/7/15	1. Revise Appendix "G": Windy and rainy days: No watering, sprinkling or irrigating shall take place in any landscaped or vegetated areas on days when the wind is blowing causing overspray, and on days when it is raining. 2. Add the following: Windy and rainy days: No watering, sprinkling or irrigating shall take place in any landscaped or vegetated areas on days when the wind is blowing causing overspray. No irrigation or watering of turf or ornamental-landscapes during and 48 hours following measurable precipitation.		

5/16/2017	Delete every other day change voluntary to standard		

APPENDIX H

CRESCENTA VALLEY WATER DISTRICT

**RATES AND CHARGES FOR SEWER
SERVICE**

CRESCENTA VALLEY WATER DISTRICT

APPENDIX H

RATES AND CHARGES FOR SEWER SERVICE

Service Charge: Each user of the District's sewer system shall pay a monthly sewer service charge and usage charge by customer class as follows:

Customer Class

Single Family Residence:

	Effective	<u>Monthly Fee</u>
Monthly Sewer Service Per Person Charge	7/1/2025	\$12.82

Multiple Family Residence:

	Effective	7/1/2025
Monthly Sewer Service Charge per Equivalent Dwelling Unit (EDU)		\$34.18

Commercial/Institutional:

	Effective	7/1/2025
Monthly Minimum Charge per Account		\$51.28
Monthly Sewer Flow Rate Charge per unit of water over 6 kgals		\$8.55

Schools

	Effective	7/1/2025
<u>Elementary School:</u> Monthly Quantity Charge per 100 Average Daily Attendance (ADA)		\$64.08
<u>Middle School:</u> Monthly Quantity Charge per 100 ADA		\$128.16
<u>High School:</u> Monthly Quantity Charge per 100 ADA		\$192.24

Sewer Connection Surcharge: \$500.00 per equivalent dwelling unit for each sewer lateral connection outside of District boundaries. Surcharge is applicable to all such connections approved after January 1, 2001.

Sewer Connection Permit Fee: \$1,000.00

Standby Charge: \$8 per Account per month

SEWER SERVICE CONNECTION CHARGE:

1. **CVWD Component:** The basic charge is \$2,500 per equivalent dwelling unit for fiscal year **2025/2026**. On July first of each year the charge shall be revised according to the following equation.

$$C = \frac{(P_T \times 1.012) + P_X}{D_T}$$

Where:	C =	Current year's connection charge (new charge) per equivalent dwelling unit
	P _T =	Total cumulative District capital contributions to City of Los Angeles system exactly one-year prior (basis of \$11,594,387 on January 1, 1995)
	P _X =	Prior year's District capital contributions to City of Los Angeles system
	D _T =	Total cumulative equivalent Dwelling units connected to District sewer system to date
	1.012	Represents 3.2 percent inflation less 2.0 percent depreciation

2. **City of Los Angeles Component**

Amalgamated System Sewerage Facilities Charge (ASSFC) based on the following calculation from the City of L.A. Bureau of Sanitation plus 10% administration charge; adjusted annually.

$$ASSFC = (FCR \times \Delta F) + (CCR \times \Delta F \times D) + (BODCR \times \Delta BOD_5) + (SSCR \times \Delta SS)$$

Where:	FCR =	Flow Charge Rate, \$/mgd
	CCR =	Conveyance Charge Rate, \$/mgd-miles
	BODCR =	BOD Charge Rate, \$/ppd SS
	SSCR =	SS Charge Rate, \$/ppd
	F =	Flow, mgd
	D =	Flow-weighted average centroidal distance, miles
	BOD ₅ =	Biochemical Oxygen Demand (5-day), ppd
	SS =	Suspended Solids, ppd
	Δ =	Net change in designated constituent from previous to proposed land use
	Mgd =	Millions gallons per day
	ppd =	Pounds per day

Also: Flow, BOD, SS values are based upon City of Los Angeles' table of Sewage Generation Factors for various developed land uses.

Charge Rates are based upon values published by City of Los Angeles Bureau of Sanitation and vary annually with Bureau expenses and capital outlay.

APPENDIX I

AGREEMENT BETWEEN

CRESCENTA VALLEY WATER DISTRICT

AND

CITY OF LA CANADA FLINTRIDGE

PROVIDING TERMS FOR

CONNECTION TO THE DISTRICT'S WASTE

WATER SYSTEM

AGREEMENT
BETWEEN THE CRESCENTA VALLEY COUNTY WATER DISTRICT
AND THE CITY OF LA CANADA FLINTRIDGE
PROVIDING TERMS FOR CONNECTION TO THE DISTRICT'S
WASTEWATER SYSTEM

THIS AGREEMENT, entered into this 15th day of January, 1991, by and between the City of La Canada Flintridge, California, hereinafter called "City" and Crescenta Valley County Water District, hereinafter called "District".

RECITALS

- A. The City desires to enable certain properties within the City to connect into the District's wastewater system;
- B. District is a public agency organized and existing under the laws of the State of California, and is authorized to provide service to the territory and property within the area contemplated to be served;
- C. All improvements constructed to extend the service area of the District within the City, including the construction and installation of certain mainlines and sanitary sewers, together with appurtenances and appurtenant work, to serve and benefit properties located within the City, will be transferred to the District, upon completion, and will thereafter be under the ownership, management and control of the District.

NOW, THEREFORE, it is mutually agreed between the parties as follows:

- 1. The City hereby agrees to allow certain properties within the City of La Canada Flintridge and lying westerly of Ocean View Boulevard and within one hundred feet of the District's sewer system as it exists as of September 24, 1990 to connect to said facilities as approved by the District.
- 2. The District will review properties requesting connection to their facilities. Permission to connect these properties will be subject to this review and acceptance, or rejection, by the District, on a case by case basis;
- 3. The Applicant/Connector shall provide all facilities needed to complete connections to the District wastewater system in accordance with the District's specifications and requirements;
- 4. The Applicant/Connector must obtain and pay all costs for any permits, fees and/or charges assessed by any agency having jurisdiction, including the District;
- 5. All construction plans and specifications, including change orders and re-designs, shall be submitted for the approval of the District to determine if said proposed construction and connections are in conformance with District's standards;
- 6. The installation of all facilities for connection into District facilities will be in accordance with plans of improvement as prepared by a registered civil engineer, and approved by the District. However, this requirement may be waived by the District;
- 7. The Applicant/Connector shall pay all costs incurred by the District in connection with sections made by the District or its engineers in the course of the construction of said systems and parcel connections thereto;

8. The City hereby gives to the District, Consent and Jurisdiction for the operation of the improvements, within the City after acceptance of said improvements by the District, including repairs in streets and easements. The City shall also obtain Consent and Jurisdiction from La Canada Irrigation District for operation within 45 days from the date of the agreement;
9. The City agrees that the connectors within the City of La Canada Flintridge shall be subject to all of the District's rules, regulations and ordinances providing for sewer service, and providing that all wastewater service charges shall be collected from the connectors, and provided further that in the event such charges are delinquent for more than a twelve-month period, the City will pay directly to the District upon demand the total amount of said service charges;
10. Upon application the District for connection into the wastewater sewer system by a property owner within the service area, the District will set the requirements for connection. This process will include the calculation of flows from the property and costs of their prorate share of all capacity charges, including accrued interest;
11. At the time of application, the District will apprise the applicant of all estimated connection charges, including its capacity charges, which are to be collected by the District. Applicant shall deposit the estimated charges with the District at the time of application;
12. The wastewater collected from La Canada Flintridge will be considered District wastewater for all purposes.
13. The City agrees that all persons, public agencies, firms or corporations within the territorial boundaries of City connecting to District's sewer system shall comply with all standards adopted by the City of Los Angeles, relative to the quality for wastewater permitted to be discharged in the Hyperion System. It is understood that to verify compliance with the provisions of the discharge requirements, that a representative of the City of Los Angeles and/or City of Glendale, accompanied by a representative of the District and/or La Canada Flintridge shall at all reasonable times have the right to enter the territorial boundaries of La Canada Flintridge to inspect, test or otherwise investigate wastewater facilities and/or all persons, firms or corporations within La Canada Flintridge's territorial boundaries that are connected to District's wastewater facilities should it be deemed necessary by the City of Los Angeles, the City of Glendale or District. This agreement shall require all parties thereto to comply with all federal, state or local laws and regulations pertaining to the discharge, collection, transportation and treatment of wastewater.
14. It is agreed that by connecting those certain properties lying within the territorial boundaries of La Canada Flintridge as described hereinabove to District's sewer system, district shall not acquire any additional capacity rights greater than those in existence and acquired with said Joint Powers Agreement of April 22,1980, nor shall City acquire any rights whatsoever in the City of Glendale's system or its capacity rights n the Hyperion System, and City shall comply with all the terms and conditions of said Joint Powers Agreement to the same extent as District. No other properties in La Canada Flintridge, other than those set out in this agreement shall be connected to the District's sewer system.

15. Any notice authorized or required by this agreement shall be deemed to have sufficiently given if and when sent by registered or certified mail, return receipt requested, as follows:

To City: City of La Canada Flintridge
1327 Foothill Boulevard
La Canada Flintridge, CA 91011
Attention: Director of Public Works

To District: Crescenta Valley Water District
2700 Foothill Boulevard
La Crescenta, CA 91214
Attention: General Manager

16. The provisions of this agreement shall inure to and be binding upon each of the parties and their successors and assigns.

Executed on the day and year first hereinbefore written at La Canada Flintridge, California.

CITY OF LA CANADA FLINTRIDGE "CITY"

By: Signed 01/15/91
Mayor of La Canada Flintridge
State of California

ATTEST:

Signed 01/15/91
City Clerk of La Canada Flintridge
State of California

CRESCENTA VALLY COUNTY WATER
DISTRICT "DISTRICT"

By: Signed 01/15/91
President, CVWD and of the
Board of Directors thereof

ATTEST:

Signed 01/15/91
Secretary, CVWD and of the
Board of Directors thereof

Approved as to Form and Content

Signed 01/15/91
Director of Public Works
City of Glendale

ENBOCRESCENTA VALLEY WATER DISTRICT

CONSTRUCTION CONTRACT

[PROJECT NAME]

1. PARTIES AND DATE.

This Contract is made and entered into this [] day of [], 2025 by and between the Crescenta Valley Water District, a public agency of the State of California ("District") and [Contractor Name], a [Entity Type] with its principal place of business at [Contractor Address] ("Contractor"). District and Contractor are sometimes individually referred to as "Party" and collectively as "Parties" in this Contract.

2. RECITALS.

2.1 District. District is a public agency organized under the laws of the State of California, with power to contract for services necessary to achieve its purpose.

2.2 Contractor. Contractor desires to perform and assume responsibility for the provision of certain construction services required by the District on the terms and conditions set forth in this Contract. Contractor represents that it is duly licensed and experienced in providing heating ventilating and air conditioning related construction services to public clients, that it and its employees or subcontractors have all necessary licenses and permits to perform the services in the State of California, and that it is familiar with the plans of District. The following license classifications are required for this Project: [].

2.3 Project. District desires to engage Contractor to render such services for the [Project Name] ("Project") as set forth in this Contract.

2.4 Project Documents & Certifications. Contractor has obtained, and delivers concurrently herewith, a performance bond, a payment bond, and all insurance documentation, as required by the Contract.

3. TERMS

3.1 Incorporation of Documents. This Contract includes and hereby incorporates in full by reference the following documents, including all exhibits, drawings, specifications and documents therein, and attachments and addenda thereto:

- Services/Schedule (Exhibit "A")
- Plans and Specifications (Exhibit "B")
- Special Conditions (Exhibit "C")
- Contractor's Certificate Regarding Workers' Compensation (Exhibit "D")
- Public Works Contractor Registration Certification (Exhibit "E")
- Payment Bond (Exhibit "F")
- Fleet Compliance Certification. (Exhibit "G")
- Addenda

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- Change Orders executed by the District
- 2024 Edition of the Standard Specifications for Public Works Construction (The Greenbook), Excluding Sections 1-9

3.2 Contractor's Basic Obligation; Scope of Work. Contractor promises and agrees, at its own cost and expense, to furnish to the District all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately complete the Project, including all structures and facilities necessary for the Project or described in the Contract (hereinafter sometimes referred to as the "Work"), for a Total Contract Price as specified pursuant to this Contract. All Work shall be subject to, and performed in accordance with the above referenced documents, as well as the exhibits attached hereto and incorporated herein by reference. The plans and specifications for the Work are further described in Exhibit "B" attached hereto and incorporated herein by this reference. Special Conditions, if any, relating to the Work are described in Exhibit "C" attached hereto and incorporated herein by this reference.

3.2.1 Change in Scope of Work. Any change in the scope of the Work, method of performance, nature of materials or price thereof, or any other matter materially affecting the performance or nature of the Work shall not be paid for or accepted unless such change, addition or deletion is approved in writing by a valid change order executed by the District. Should Contractor request a change order due to unforeseen circumstances affecting the performance of the Work, such request shall be made within five (5) business days of the date such circumstances are discovered or shall waive its right to request a change order due to such circumstances. If the Parties cannot agree on any change in price required by such change in the Work, the District may direct the Contractor to proceed with the performance of the change on a time and materials basis.

3.2.2 Substitutions/"Or Equal". Pursuant to Public Contract Code Section 3400(b), the District may make a finding that designates certain products, things, or services by specific brand or trade name. Unless specifically designated in this Contract, whenever any material, process, or article is indicated or specified by grade, patent, or proprietary name or by name of manufacturer, such Specifications shall be deemed to be used for the purpose of facilitating the description of the material, process or article desired and shall be deemed to be followed by the words "or equal."

Contractor may, unless otherwise stated, offer for substitution any material, process or article which shall be substantially equal or better in every respect to that so indicated or specified in this Contract. However, the District may have adopted certain uniform standards for certain materials, processes and articles. Contractor shall submit requests, together with substantiating data, for substitution of any "or equal" material, process or article no later than thirty-five (35) days after award of the Contract. To facilitate the construction schedule and sequencing, some requests may need to be submitted before thirty-five (35) days after award of Contract. Provisions regarding submission of "or equal" requests shall not in any way authorize an extension of time for performance of this Contract. If a proposed "or equal" substitution request is rejected, Contractor shall be responsible for providing the specified material, process or article. The burden of proof as to the equality of any material, process or article shall rest with Contractor.

The District has the complete and sole discretion to determine if a material, process or article is an "or equal" material, process or article that may be substituted. Data

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required to substantiate requests for substitutions of an “or equal” material, process or article data shall include a signed affidavit from Contractor stating that, and describing how, the substituted “or equal” material, process or article is equivalent to that specified in every way except as listed on the affidavit. Substantiating data shall include any and all illustrations, specifications, and other relevant data including catalog information which describes the requested substituted “or equal” material, process or article, and substantiates that it is an “or equal” to the material, process or article. The substantiating data must also include information regarding the durability and lifecycle cost of the requested substituted “or equal” material, process or article. Failure to submit all the required substantiating data, including the signed affidavit, to the District in a timely fashion will result in the rejection of the proposed substitution.

Contractor shall bear all of the District’s costs associated with the review of substitution requests. Contractor shall be responsible for all costs related to a substituted “or equal” material, process or article. Contractor is directed to the Special Conditions (if any) to review any findings made pursuant to Public Contract Code section 3400.

3.3 Period of Performance.

3.3.1 Contract Time. Contractor shall perform and complete all Work under this Contract within *****INSERT NUMBER OF CALENDAR OR WORKING DAYS***** days, beginning the effective date of the Notice to Proceed (“Contract Time”). Contractor shall perform its Work in strict accordance with any completion schedule, construction schedule or project milestones developed by the District. Such schedules or milestones may be included as part of Exhibits “A” or “B” attached hereto, or may be provided separately in writing to Contractor. Contractor agrees that if such Work is not completed within the aforementioned Contract Time and/or pursuant to any such completion schedule, construction schedule or project milestones developed pursuant to provisions of the Contract, it is understood, acknowledged and agreed that the District will suffer damage.

3.3.2 Force Majeure. Neither District nor Contractor shall be considered in default of this Contract for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Contract, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; pandemics or epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Contract. Contractor’s exclusive remedy in the event of delay covered under this section shall be a non-compensable extension of the Contract Time.

3.3.3 Liquidated Damages. Pursuant to Government Code Section 53069.85, Contractor shall pay to the District as fixed and liquidated damages the sum of Five Hundred (\$500) per day for each and every calendar day of delay beyond the Contract Time or beyond any completion schedule, construction schedule or Project milestones established pursuant to the Contract.

3.4 Standard of Performance; Performance of Employees. Contractor shall perform all Work under this Contract in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Work. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Work, including any required business license, and that such licenses and approvals shall be maintained throughout the term of this Contract. As provided for in the indemnification provisions of this Contract, Contractor shall perform, at its own cost and expense and without reimbursement from the District, any work necessary to correct errors or omissions which are caused by Contractor's failure to comply with the standard of care provided for herein. Any employee who is determined by the District to be uncooperative, incompetent, a threat to the safety of persons or the Work, or any employee who fails or refuses to perform the Work in a manner acceptable to the District, shall be promptly removed from the Project by Contractor and shall not be re-employed on the Work.

3.5 Control and Payment of Subordinates; Contractual Relationship. District retains Contractor on an independent contractor basis and Contractor is not an employee of District. Any additional personnel performing the work governed by this Contract on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance under this Contract and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

3.6 District's Basic Obligation. District agrees to engage and does hereby engage Contractor as an independent contractor to furnish all materials and to perform all Work according to the terms and conditions herein contained for the sum set forth above. Except as otherwise provided in the Contract, the District shall pay to Contractor, as full consideration for the satisfactory performance by Contractor of the services and obligations required by this Contract, the below-referenced compensation in accordance with compensation provisions set forth in the Contract.

3.7 Compensation and Payment.

3.7.1 Amount of Compensation. As consideration for performance of the Work required herein, District agrees to pay Contractor the Total Contract Price of *****INSERT PRICE***** ("Total Contract Price") provided that such amount shall be subject to adjustment pursuant to the applicable terms of this Contract or written change orders approved and signed in advance by the District.

3.7.2 Payment of Compensation. If the Work is scheduled for completion in thirty (30) or less calendar days, District will arrange for payment of the Total Contract Price upon completion and approval by District of the Work. If the Work is scheduled for completion in more than thirty (30) calendar days, District will pay Contractor on a monthly basis as provided for herein. On or before the fifth (5th) day of each month, Contractor shall submit to the District an itemized application for payment in the format supplied by the District indicating the amount of

Work completed since commencement of the Work or since the last progress payment. These applications shall be supported by evidence which is required by this Contract and such other documentation as the District may require. The Contractor shall certify that the Work for which payment is requested has been done and that the materials listed are stored where indicated. Contractor may be required to furnish a detailed schedule of values upon request of the District and in such detail and form as the District shall request, showing the quantities, unit prices, overhead, profit, and all other expenses involved in order to provide a basis for determining the amount of progress payments.

3.7.3 Prompt Payment. District shall review and pay all progress payment requests in accordance with the provisions set forth in Section 20104.50 of the California Public Contract Code. However, no progress payments will be made for Work not completed in accordance with this Contract. Contractor shall comply with all applicable laws, rules and regulations relating to the proper payment of its employees, subcontractors, suppliers or others.

3.7.4 Contract Retentions. From each approved progress estimate, five percent (5%) will be deducted and retained by the District, and the remainder will be paid to Contractor. All Contract retention shall be released and paid to Contractor and subcontractors pursuant to California Public Contract Code Section 7107.

3.7.5 Other Retentions. In addition to Contract retentions, the District may deduct from each progress payment an amount necessary to protect District from loss because of: (1) liquidated damages which have accrued as of the date of the application for payment; (2) any sums expended by the District in performing any of Contractor's obligations under the Contract which Contractor has failed to perform or has performed inadequately; (3) defective Work not remedied; (4) stop notices as allowed by state law; (5) reasonable doubt that the Work can be completed for the unpaid balance of the Total Contract Price or within the scheduled completion date; (6) unsatisfactory prosecution of the Work by Contractor; (7) unauthorized deviations from the Contract; (8) failure of Contractor to maintain or submit on a timely basis proper and sufficient documentation as required by the Contract or by District during the prosecution of the Work; (9) erroneous or false estimates by Contractor of the value of the Work performed; (10) any sums representing expenses, losses, or damages as determined by the District, incurred by the District for which Contractor is liable under the Contract; and (11) any other sums which the District is entitled to recover from Contractor under the terms of the Contract or pursuant to state law, including Section 1727 of the California Labor Code. The failure by the District to deduct any of these sums from a progress payment shall not constitute a waiver of the District's right to such sums.

3.7.6 Substitutions for Contract Retentions. In accordance with California Public Contract Code Section 22300, the District will permit the substitution of securities for any monies withheld by the District to ensure performance under the Contract. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with the District, or with a state or federally chartered bank in California as the escrow agent, and thereafter the District shall then pay such monies to Contractor as they come due. Upon satisfactory completion of the Contract, the securities shall be returned to Contractor. For purposes of this Section and Section 22300 of the Public Contract Code, the term "satisfactory completion of the contract" shall mean the time the District has issued written final acceptance of the Work and filed a Notice of Completion as required by law and provisions of this Contract. Contractor shall be the beneficial

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owner of any securities substituted for monies withheld and shall receive any interest thereon. The escrow agreement used for the purposes of this Section shall be in the form provided by the District.

3.7.7 Title to Work. As security for partial, progress, or other payments, title to Work for which such payments are made shall pass to the District at the time of payment. To the extent that title has not previously been vested in the District by reason of payments, full title shall pass to the District at delivery of the Work at the destination and time specified in this Contract. Such transferred title shall in each case be good, free and clear from any and all security interests, liens, or other encumbrances. Contractor promises and agrees that it will not pledge, hypothecate, or otherwise encumber the items in any manner that would result in any lien, security interest, charge, or claim upon or against said items. Such transfer of title shall not imply acceptance by the District, nor relieve Contractor from the responsibility to strictly comply with the Contract, and shall not relieve Contractor of responsibility for any loss of or damage to items.

3.7.8 Labor and Material Releases. Contractor shall furnish District with labor and material releases from all subcontractors performing work on, or furnishing materials for, the Work governed by this Contract prior to final payment by District.

3.7.9 Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720 et seq., and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. Since the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. District shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Contract upon request. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at Contractor's principal place of business and at the project site. Contractor shall defend, indemnify and hold the District, its officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. Contractor and any subcontractor shall forfeit a penalty of up to \$200 per calendar day or portion thereof for each worker paid less than the prevailing wage rates.

3.7.10 Apprenticeable Crafts. When Contractor employs workmen in an apprenticeable craft or trade, Contractor shall comply with the provisions of Section 1777.5 of the California Labor Code with respect to the employment of properly registered apprentices upon public works. The primary responsibility for compliance with said section for all apprenticeable occupations shall be with Contractor. The Contractor or any subcontractor that is determined by the Labor Commissioner to have knowingly violated Section 1777.5 shall forfeit as a civil penalty an amount not exceeding \$100 for each full calendar day of noncompliance, or such greater amount as provided by law.

3.7.11 Hours of Work. Contractor is advised that eight (8) hours labor constitutes a legal day's work. Pursuant to Section 1813 of the California Labor Code, Contractor shall forfeit a penalty of \$25.00 per worker for each day that each worker is permitted to work more than eight

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(8) hours in any one calendar day and forty (40) hours in any one calendar week, except when payment for overtime is made at not less than one and one-half (1-1/2) times the basic rate for that worker.

3.7.12 Payroll Records. Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. The payroll records shall be certified and shall be available for inspection at all reasonable hours at the principal office of Contractor in the manner provided in Labor Code section 1776. In the event of noncompliance with the requirements of this section, Contractor shall have 10 days in which to comply subsequent to receipt of written notice specifying in what respects such Contractor must comply with this section. Should noncompliance still be evident after such 10-day period, Contractor shall, as a penalty to District, forfeit not more than \$100.00 for each calendar day or portion thereof, for each worker, until strict compliance is effectuated. The amount of the forfeiture is to be determined by the Labor Commissioner. A contractor who is found to have violated the provisions of law regarding wages on Public Works with the intent to defraud shall be ineligible to bid on Public Works contracts for a period of one to three years as determined by the Labor Commissioner. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from progress payments then due. The responsibility for compliance with this section is on Contractor. The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

3.7.13 Contractor and Subcontractor Registration. Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work. Contractor is directed to review, fill out and execute the Public Works Contractor Registration Certification attached hereto as Exhibit "E" prior to contract execution. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

3.7.14 Labor Compliance; Stop Orders. This Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be the Contractor's sole responsibility to evaluate and pay the cost of complying with all labor compliance requirements under this Contract and applicable law. Any stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor that affect Contractor's performance of Work, including any delay, shall be Contractor's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Contractor caused delay subject to any applicable liquidated damages and shall not be compensable by the District. Contractor shall defend, indemnify and hold the District, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor.

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3.8 Performance of Work; Jobsite Obligations.

3.8.1 Water Quality Management and Compliance.

3.8.1.1 Water Quality Management and Compliance. Contractor shall keep itself and all subcontractors, staff, and employees fully informed of and in compliance with all local, state and federal laws, rules and regulations that may impact, or be implicated by the performance of the Work including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); local ordinances regulating discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the State.

3.8.1.2 Compliance with the Statewide Construction General Permit. Contractor shall comply with all conditions of the most recent iteration of the National Pollutant Discharge Elimination System General Permit for Storm Water Discharges Associated with Construction Activity, issued by the California State Water Resources Control Board ("Permit"). It shall be Contractor's sole responsibility to file a Notice of Intent and procure coverage under the Permit for all construction activity which results in the disturbance of more than one acre of total land area or which is part of a larger common area of development or sale. Prior to initiating work, Contractor shall be solely responsible for preparing and implementing a Storm Water Pollution Prevention Plan (SWPPP) as required by the Permit. Contractor shall be responsible for procuring, implementing and complying with the provisions of the Permit and the SWPPP, including the standard provisions, and monitoring and reporting requirements as required by the Permit. The Permit requires the SWPPP to be a "living document" that changes as necessary to meet the conditions and requirements of the job site as it progresses through difference phases of construction and is subject to different weather conditions. It shall be Contractor's sole responsibility to update the SWPPP as necessary to address conditions at the project site.

3.8.1.3 Other Water Quality Rules Regulations and Policies. Contractor shall comply with the lawful requirements of any applicable municipality, drainage District, or local agency regarding discharges of storm water to separate storm drain systems or other watercourses under their jurisdiction, including applicable requirements in municipal storm water management programs.

3.8.1.4 Cost of Compliance. Storm, surface, nuisance, or other waters may be encountered at various times during construction of The Work. Therefore, the Contractor, by submitting a Bid, hereby acknowledges that it has investigated the risk arising from such waters, has prepared its Bid accordingly, and assumes any and all risks and liabilities arising therefrom.

3.8.1.5 Liability for Non-Compliance. Failure to comply with the Permit is a violation of federal and state law. Pursuant to the indemnification provisions of this Contract, Contractor hereby agrees to defend, indemnify and hold harmless the District and its officials, officers, employees, volunteers and agents for any alleged violations. In addition, District

may seek damages from Contractor for any delay in completing the Work in accordance with the Contract, if such delay is caused by or related to Contractor's failure to comply with the Permit.

3.8.1.6 **Reservation of Right to Defend.** District reserves the right to defend any enforcement action brought against the District for Contractor's failure to comply with the Permit or any other relevant water quality law, regulation, or policy. Pursuant to the indemnification provisions of this Contract, Contractor hereby agrees to be bound by, and to reimburse the District for the costs (including the District's attorney's fees) associated with, any settlement reached between the District and the relevant enforcement entity.

3.8.1.7 **Training.** In addition to the standard of performance requirements set forth in paragraph 3.4, Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work assigned to them without impacting water quality in violation of the laws, regulations and policies described in paragraph 3.8.1. Contractor further warrants that it, its employees and subcontractors will receive adequate training, as determined by District, regarding the requirements of the laws, regulations and policies described in paragraph 3.8.1 as they may relate to the Work provided under this Contract. Upon request, District will provide the Contractor with a list of training programs that meet the requirements of this paragraph.

3.8.2 **Safety.** Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. Contractor shall comply with the requirements of the specifications relating to safety measures applicable in particular operations or kinds of work. In carrying out its Work, Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the Work and the conditions under which the Work is to be performed. Safety precautions as applicable shall include, but shall not be limited to, adequate life protection and lifesaving equipment; adequate illumination for underground and night operations; instructions in accident prevention for all employees, such as machinery guards, safe walkways, scaffolds, ladders, bridges, gang planks, confined space procedures, trenching and shoring, fall protection and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and adequate facilities for the proper inspection and maintenance of all safety measures. Furthermore, Contractor shall prominently display the names and telephone numbers of at least two medical doctors practicing in the vicinity of the Project, as well as the telephone number of the local ambulance service, adjacent to all telephones at the Project site.

3.8.3 **Laws and Regulations.** Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Contract or the Work, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Work. If Contractor observes that the drawings or specifications are at variance with any law, rule or regulation, it shall promptly notify the District in writing. Any necessary changes shall be made by written change order. If Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the District, Contractor shall be solely responsible for all costs arising therefrom. District is a public entity of the State of California subject to certain provisions of the Health & Safety Code, Government Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all

provisions of the law applicable to the public contracts of a municipality are a part of this Contract to the same extent as though set forth herein and will be complied with. Contractor shall defend, indemnify and hold District, its officials, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Contract, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.8.4 Permits and Licenses. Contractor shall be responsible for securing District permits and licenses necessary to perform the Work described herein, including, but not limited to, any required business license. While Contractor will not be charged a fee for any District permits, Contractor shall pay the District's business license fee, if any. Any ineligible contractor or subcontractor pursuant to Labor Code Sections 1777.1 and 1777.7 may not perform work on this Project.

3.8.5 Trenching Work. If the Total Contract Price exceeds \$25,000 and if the Work governed by this Contract entails excavation of any trench or trenches five (5) feet or more in depth, Contractor shall comply with all applicable provisions of the California Labor Code, including Section 6705. To this end, Contractor shall submit for District's review and approval a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the shoring system standards, the plan shall be prepared by a registered civil or structural engineer.

3.8.6 Hazardous Materials and Differing Conditions. As required by California Public Contract Code Section 7104, if this Contract involves digging trenches or other excavations that extend deeper than four (4) feet below the surface, Contractor shall promptly, and prior to disturbance of any conditions, notify District of: (1) any material discovered in excavation that Contractor believes to be a hazardous waste that is required to be removed to a Class I, Class II or Class III disposal site; (2) subsurface or latent physical conditions at the site differing from those indicated by District; and (3) unknown physical conditions of an unusual nature at the site, significantly different from those ordinarily encountered in such contract work. Upon notification, District shall promptly investigate the conditions to determine whether a change order is appropriate. In the event of a dispute, Contractor shall not be excused from any scheduled completion date and shall proceed with all Work to be performed under the Contract, but shall retain all rights provided by the Contract or by law for making protests and resolving the dispute.

3.8.7 Underground Utility Facilities. To the extent required by Section 4215 of the California Government Code, District shall compensate Contractor for the costs of: (1) locating and repairing damage to underground utility facilities not caused by the failure of Contractor to exercise reasonable care; (2) removing or relocating underground utility facilities not indicated in the construction drawings; and (3) equipment necessarily idled during such work. Contractor shall not be assessed liquidated damages for delay caused by failure of District to provide for removal or relocation of such utility facilities.

3.8.8 Air Quality.

Contractor shall fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the Bay Area Air Quality Management District (Air

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District) and/or California Air Resources Board (CARB). Although the Air District and CARB limits and requirements are more broad, Contractor shall specifically be aware of their application to "portable equipment", which definition is considered by Air District and CARB to include any item of equipment with a fuel-powered engine.

Contractor shall comply, and shall ensure all subcontractors comply, with all applicable requirements of Title 13, California Code of Regulations Division 3, Chapter 9 and all pending amendments ("Regulation").

Throughout the Project, and for three (3) years thereafter, Contractor shall make available for inspection and copying any and all documents or information associated with Contractor's and any subcontractors' fleet including, without limitation, all Certificates of Reported Compliance, fuel/refueling records, maintenance records, emissions records, and any other information the Contractor is required to produce, keep or maintain pursuant to the Regulation upon two (2) calendar days' notice from the District.

Contractor shall indemnify District against any fines or penalties imposed by Air District, CARB, or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Contractor, its subcontractors, or others for whom Contractor is responsible under its indemnity obligations provided for in this Agreement.

3.8.9 State Recycling Mandates. Contractor shall comply with State Recycling Mandates. Any recyclable materials/debris collected by the contractor that can be feasibly diverted via reuse or recycling must be hauled by the appropriate handler for reuse or recycling.

3.9 Completion of Work. When Contractor determines that it has completed the Work required herein, Contractor shall so notify District in writing and shall furnish all labor and material releases required by this Contract. District shall thereupon inspect the Work. If the Work is not acceptable to the District, the District shall indicate to Contractor in writing the specific portions or items of Work which are unsatisfactory or incomplete. Once Contractor determines that it has completed the incomplete or unsatisfactory Work, Contractor may request a reinspection by the District. Once the Work is acceptable to District, District shall pay to Contractor the Total Contract Price remaining to be paid, less any amount which District may be authorized or directed by law to retain. Payment of retention proceeds due to Contractor shall be made in accordance with Section 7107 of the California Public Contract Code.

3.10 Claims; Government Code Claim Compliance.

3.10.1 Intent. Effective January 1, 1991, Section 20104 et seq., of the California Public Contract Code prescribes a process utilizing informal conferences, non-binding judicial supervised mediation, and judicial arbitration to resolve disputes on construction claims of \$375,000 or less. Effective January 1, 2017, Section 9204 of the Public Contract Code prescribes a process for negotiation and mediation to resolve disputes on construction claims. The intent of this Section is to implement Sections 20104 et seq. and Section 9204 of the California Public Contract Code. This Section shall be construed to be consistent with said statutes.

3.10.2 Claims. For purposes of this Section, "Claim" means a separate demand by the Contractor, after a change order duly requested in accordance with the terms of this

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Contract has been denied by the District, for (A) a time extension, (B) payment of money or damages arising from Work done by or on behalf of the Contractor pursuant to the Contract, or (C) an amount the payment of which is disputed by the District. A "Claim" does not include any demand for payment for which the Contractor has failed to provide notice, request a change order, or otherwise failed to follow any procedures contained in the Contract Documents. Claims governed by this Section may not be filed unless and until the Contractor completes all procedures for giving notice of delay or change and for the requesting of a time extension or change order, including but not necessarily limited to the change order procedures contained herein, and Contractor's request for a change has been denied in whole or in part. Claims governed by this Section must be filed no later than fourteen (14) days after a request for change has been denied in whole or in part or after any other event giving rise to the Claim. The Claim shall be submitted in writing to the District and shall include on its first page the following in 16 point capital font: "THIS IS A CLAIM." Furthermore, the claim shall include the documents necessary to substantiate the claim. Nothing in this Section is intended to extend the time limit or supersede notice requirements otherwise provided by contract for the filing of claims, including all requirements pertaining to compensation or payment for extra Work, disputed Work, and/or changed conditions. Failure to follow such contractual requirements shall bar any claims or subsequent lawsuits for compensation or payment thereon.

3.10.3 Supporting Documentation. The Contractor shall submit all claims in the following format:

3.10.3.1 Summary of claim merit and price, reference Contract Document provisions pursuant to which the claim is made

3.10.3.2 List of documents relating to claim:

- (A) Specifications
- (B) Drawings
- (C) Clarifications (Requests for Information)
- (D) Schedules
- (E) Other

3.10.3.3 Chronology of events and correspondence

3.10.3.4 Analysis of claim merit

3.10.3.5 Analysis of claim cost

3.10.3.6 Time impact analysis in CPM format

3.10.3.7 If Contractor's claim is based in whole or in part on an allegation of errors or omissions in the Drawings or Specifications for the Project, Contractor shall provide a summary of the percentage of the claim subject to design errors or omissions and shall obtain a certificate of merit in support of the claim of design errors and omissions.

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3.10.3.8 Cover letter and certification of validity of the claim, including any claims from subcontractors of any tier, in accordance with Government Code section 12650 *et seq.*

3.10.4 District's Response. Upon receipt of a claim pursuant to this Section, District shall conduct a reasonable review of the claim and, within a period not to exceed 45 days, shall provide the Contractor a written statement identifying what portion of the claim is disputed and what portion is undisputed. Any payment due on an undisputed portion of the claim will be processed and made within 60 days after the public entity issues its written statement.

3.10.4.1 If District needs approval from its governing body to provide the Contractor a written statement identifying the disputed portion and the undisputed portion of the claim, and the governing body does not meet within the 45 days or within the mutually agreed to extension of time following receipt of a claim sent by registered mail or certified mail, return receipt requested, District shall have up to three days following the next duly publicly noticed meeting of the governing body after the 45-day period, or extension, expires to provide the Contractor a written statement identifying the disputed portion and the undisputed portion.

3.10.4.2 Within 30 days of receipt of a claim, District may request in writing additional documentation supporting the claim or relating to defenses or claims District may have against the Contractor. If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of District and the Contractor.

3.10.4.3 District's written response to the claim, as further documented, shall be submitted to the Contractor within 30 days (if the claim is less than \$50,000, within 15 days) after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information or requested documentation, whichever is greater.

3.10.5 Meet and Confer. If the Contractor disputes District's written response, or District fails to respond within the time prescribed, the Contractor may so notify District, in writing, either within 15 days of receipt of District's response or within 15 days of District's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand, District shall schedule a meet and confer conference within 30 days for settlement of the dispute.

3.10.6 Mediation. Within 10 business days following the conclusion of the meet and confer conference, if the claim or any portion of the claim remains in dispute, District shall provide the Contractor a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after District issues its written statement. Any disputed portion of the claim, as identified by the Contractor in writing, shall be submitted to nonbinding mediation, with District and the Contractor sharing the associated costs equally. District and Contractor shall mutually agree to a mediator within 10 business days after the disputed portion of the claim has been identified in writing, unless the parties agree to select a mediator at a later time.

3.10.6.1 If the Parties cannot agree upon a mediator, each Party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the claim. Each Party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator.

3.10.6.2 For purposes of this section, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the Parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this section.

3.10.6.3 Unless otherwise agreed to by District and the Contractor in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Section 20104.4 to mediate after litigation has been commenced.

3.10.6.4 The mediation shall be held no earlier than the date the Contractor completes the Work or the date that the Contractor last performs Work, whichever is earlier. All unresolved claims shall be considered jointly in a single mediation, unless a new unrelated claim arises after mediation is completed.

3.10.7 Procedures After Mediation. If following the mediation, the claim or any portion remains in dispute, the Contractor must file a claim pursuant to Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the Contractor submits his or her written claim pursuant to subdivision (a) until the time the claim is denied, including any period of time utilized by the meet and confer conference or mediation.

3.10.8 Civil Actions. The following procedures are established for all civil actions filed to resolve claims subject to this Section:

3.10.8.1 Within 60 days, but no earlier than 30 days, following the filing or responsive pleadings, the court shall submit the matter to non-binding mediation unless waived by mutual stipulation of both parties or unless mediation was held prior to commencement of the action in accordance with Public Contract Code section 9204 and the terms of these procedures.. The mediation process shall provide for the selection within 15 days by both parties of a disinterested third person as mediator, shall be commenced within 30 days of the submittal, and shall be concluded within 15 days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court.

3.10.8.2 If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1114.11 of that code. The Civil Discovery Act of 1986 (Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.

3.10.8.3 In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, (A) arbitrators shall, when possible, be experienced in construction law, and (B) any party appealing an arbitration award who does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, also pay the attorney's fees on appeal of the other party.

3.10.9 Government Code Claims. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Contractor must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the District. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the District. A Government Code claim must be filed no earlier than the date the work is completed or the date the Contractor last performs work on the Project, whichever occurs first. A Government Code claim shall be inclusive of all unresolved claims unless a new unrelated claim arises after the Government Code claim is submitted.

3.10.10 Non-Waiver. District's failure to respond to a claim from the Contractor within the time periods described in this Section or to otherwise meet the time requirements of this Section shall result in the claim being deemed rejected in its entirety. District's failure to respond shall not waive District's rights to any subsequent procedures for the resolution of disputed claims.

3.11 Loss and Damage. Except as may otherwise be limited by law, Contractor shall be responsible for all loss and damage which may arise out of the nature of the Work agreed to herein, or from the action of the elements, or from any unforeseen difficulties which may arise or be encountered in the prosecution of the Work until the same is fully completed and accepted by District. In the event of damage proximately caused by an Act of God, as defined by Section 7105 of the Public Contract Code, the District may terminate this Contract pursuant to Section 3.17.3; provided, however, that the District needs to provide Contractor with only one (1) day advanced written notice.

3.12 Indemnification.

3.12.1 Scope of Indemnity. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the District, its officials, employees, agents and authorized volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, (collectively, "Claims") in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Contractor, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Contractor's services, the Project or this Contract, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent required by Civil Code section 2782, Contractor's

indemnity obligation shall not apply to liability for damages for death or bodily injury to persons, injury to property, or any other loss, damage or expense arising from the sole or active negligence or willful misconduct of the District or the District's agents, servants, or independent contractors who are directly responsible to the District, or for defects in design furnished by those persons.

3.12.2 Additional Indemnity Obligations. Contractor shall defend, with counsel of District's choosing and at Contractor's own cost, expense and risk, any and all Claims covered by this section that may be brought or instituted against District or its officials, employees, agents and authorized volunteers. In addition, Contractor shall pay and satisfy any judgment, award or decree that may be rendered against District or its officials, employees, agents and authorized volunteers as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse District for the cost of any settlement paid by District or its officials, employees, agents and authorized volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for District's attorney's fees and costs, including expert witness fees. Contractor shall reimburse District and its officials, employees, agents and authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the District, its officials, employees, agents and authorized volunteers.

3.13 Insurance.

3.13.1 Time for Compliance. Contractor shall not commence Work under this Contract until it has provided evidence satisfactory to the District that it has secured all insurance required under this section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the District that the subcontractor has secured all insurance required under this section. Failure to provide and maintain all required insurance shall be grounds for the District to terminate this Contract for cause.

3.13.2 Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Work hereunder by Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Contract. Such insurance shall meet at least the following minimum levels of coverage:

3.13.2.1 Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 00 01) OR Insurance Services Office Owners and Contractors Protective Liability Coverage Form (CG 00 09 11 88) (coverage for operations of designated contractor); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 00 01, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance. Policies shall not contain exclusions contrary to this Contract.

3.13.2.2 Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence and \$4,000,000 aggregate for bodily injury, personal injury and property damage; (2) *Automobile Liability*: \$2,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 each accident, policy limit bodily injury or disease, and each employee bodily injury or disease. Defense costs shall be available in addition to the limits. Notwithstanding the minimum limits specified herein, any available coverage shall be provided to the parties required to be named as additional insureds pursuant to this Contract.

3.13.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Contractor shall provide endorsements (amendments) on forms supplied or approved by the District to add the following provisions to the insurance policies:

3.13.3.1 General Liability. (1) Such policy shall give the District, its officials, employees, agents and authorized volunteers additional insured status using ISO endorsements CG20 10 10 01 plus CG20 37 10 01, or endorsements providing the exact same coverage, with respect to the Work or operations performed by or on behalf of Contractor, including materials, parts or equipment furnished in connection with such work; (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the District, its officials, employees, agents and authorized volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the District, its officials, employees, agents and authorized volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it.

3.13.3.2 Automobile Liability. (1) Such policy shall give the District, its officials, employees, agents and authorized volunteers additional insured status with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by Contractor or for which Contractor is responsible; (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the District, its officials, employees, agents and authorized volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the District, its officials, employees, agents and authorized volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it in any way.

3.13.3.3 Workers' Compensation and Employer's Liability Coverage. The insurer shall agree to waive all rights of subrogation against the District, its officials, employees, agents and authorized volunteers for losses paid under the terms of the insurance policy which arise from work performed by Contractor.

3.13.3.4 All Coverages. Each insurance policy required by this Contract shall be endorsed to state that: (1) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the District; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the District, its officials, employees, agents and authorized volunteers.

3.13.4 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the District, its officials, employees, agents and authorized volunteers.

3.13.5 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the District. Contractor shall guarantee that, at the option of the District, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officials, employees, agents and authorized volunteers; or (2) the Contractor shall procure a bond or other financial guarantee acceptable to the District guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.13.6 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A-:VII, licensed to do business in California, and satisfactory to the District. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

3.13.7 Verification of Coverage. Contractor shall furnish District with original certificates of insurance and endorsements effecting coverage required by this Contract on forms satisfactory to the District. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms supplied or approved by the District. All certificates and endorsements must be received and approved by the District before work commences. The District reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.13.8 Subcontractors. All subcontractors shall meet the requirements of this Section before commencing Work. Contractor shall furnish separate certificates and endorsements for each subcontractor. Subcontractor policies of General Liability insurance shall name the District, its officials, employees, agents and authorized volunteers as additional insureds using form ISO 20 38 04 13 or endorsements providing the exact same coverage. All coverages for subcontractors shall be subject to all of the requirements stated herein except as otherwise agreed to by the District in writing.

3.13.9 Reporting of Claims. Contractor shall report to the District, in addition to Contractor's insurer, any and all insurance claims submitted by Contractor in connection with the Work under this Contract.

3.14 Bond Requirements.

3.14.1 Payment Bond. If required by law or otherwise specifically requested by District in Exhibit "C" attached hereto and incorporated herein by reference, Contractor shall execute and provide to District concurrently with this Contract a Payment Bond in an amount required by the District and in a form provided or approved by the District. If such bond is required, no payment will be made to Contractor until the bond has been received and approved by the District.

3.14.2 Performance Bond. If specifically requested by District in Exhibit "C" attached hereto and incorporated herein by reference, Contractor shall execute and provide to District concurrently with this Contract a Performance Bond in an amount required by the District and in a form provided or approved by the District. If such bond is required, no payment will be made to Contractor until the bond has been received and approved by the District.

3.14.3 Bond Provisions. Should, in District's sole opinion, any bond become insufficient or any surety be found to be unsatisfactory, Contractor shall renew or replace the effected bond within (ten) 10 days of receiving notice from District. In the event the surety or Contractor intends to reduce or cancel any required bond, at least thirty (30) days prior written notice shall be given to the District, and Contractor shall post acceptable replacement bonds at least ten (10) days prior to expiration of the original bonds. No further payments shall be deemed due or will be made under this Contract until any replacement bonds required by this Section are accepted by the District. To the extent, if any, that the Total Contract Price is increased in accordance with the Contract, Contractor shall, upon request of the District, cause the amount of the bond to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the District. If Contractor fails to furnish any required bond, the District may terminate the Contract for cause.

3.14.4 Surety Qualifications. Only bonds executed by an admitted surety insurer, as defined in California Code of Civil Procedure Section 995.120, shall be accepted. If a California-admitted surety insurer issuing bonds does not meet these requirements, the insurer will be considered qualified if it is in conformance with Section 995.660 of the California Code of Civil Procedure, and proof of such is provided to the District.

3.15 Warranty. Contractor warrants all Work under the Contract (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed and any non-conforming materials incorporated into the Work) to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Contract or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Work, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the District of any defect in the Work or non-conformance of the Work to the Contract, commence and prosecute with due diligence all Work necessary to fulfill the terms of the warranty at its sole cost and expense. Contractor shall act sooner as requested by the District in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the Work (or work of other contractors) damaged by its defective Work or which becomes damaged in the course of repairing or replacing defective Work. For any Work so corrected, Contractor's obligation hereunder to correct defective Work shall be reinstated for an additional one year period, commencing with the date of acceptance of such corrected Work. Contractor shall perform such tests as the District may require to verify that any corrective actions,

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including, without limitation, redesign, repairs, and replacements comply with the requirements of the Contract. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of Contractor. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the Work, whether express or implied, are deemed to be obtained by Contractor for the benefit of the District, regardless of whether or not such warranties and guarantees have been transferred or assigned to the District by separate agreement and Contractor agrees to enforce such warranties and guarantees, if necessary, on behalf of the District. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Contract, to the reasonable satisfaction of the District, the District shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the District for any expenses incurred hereunder upon demand.

3.16 Employee/Labor Certifications.

3.16.1 Contractor's Labor Certification. By its signature hereunder, Contractor certifies that he is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Work. A certification form for this purpose, which is attached to this Contract as Exhibit "D" and incorporated herein by reference, shall be executed simultaneously with this Contract.

3.16.2 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

3.16.3 Verification of Employment Eligibility. By executing this Contract, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subcontractors and sub-subcontractors to comply with the same.

3.17 General Provisions.

3.17.1 District's Representative. The District hereby designates *****INSERT TITLE*****, or his or her designee, to act as its representative for the performance of this Contract ("District's Representative"). District's Representative shall have the power to act on behalf of the District for all purposes under this Contract. Contractor shall not accept direction or orders from any person other than the District's Representative or his or her designee.

3.17.2 Contractor's Representative. Before starting the Work, Contractor shall submit in writing the name, qualifications and experience of its proposed representative who shall

be subject to the review and approval of the District ("Contractor's Representative"). Following approval by the District, Contractor's Representative shall have full authority to represent and act on behalf of Contractor for all purposes under this Contract. Contractor's Representative shall supervise and direct the Work, using his best skill and attention, and shall be responsible for all construction means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Work under this Contract. Contractor's Representative shall devote full time to the Project and either he or his designee, who shall be acceptable to the District, shall be present at the Work site at all times that any Work is in progress and at any time that any employee or subcontractor of Contractor is present at the Work site. Arrangements for responsible supervision, acceptable to the District, shall be made for emergency Work which may be required. Should Contractor desire to change its Contractor's Representative, Contractor shall provide the information specified above and obtain the District's written approval.

3.17.3 Termination. This Contract may be terminated by District at any time, either with or without cause, by giving Contractor three (3) days advance written notice. In the event of termination by District for any reason other than the fault of Contractor, District shall pay Contractor for all Work performed up to that time as provided herein. In the event of breach of the Contract by Contractor, District may terminate the Contract immediately without notice, may reduce payment to Contractor in the amount necessary to offset District's resulting damages, and may pursue any other available recourse against Contractor. Contractor may not terminate this Contract except for cause. In the event this Contract is terminated in whole or in part as provided, District may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated. Further, if this Contract is terminated as provided, District may require Contractor to provide all finished or unfinished documents, data, diagrams, drawings, materials or other matter prepared or built by Contractor in connection with its performance of this Contract. District shall not be liable for any costs other than the charges or portions thereof which are specified herein. Contractor shall not be entitled to payment for unperformed Work including, without limitation, any overhead and profit on the portion of the Work that is terminated and shall not be entitled to damages or compensation of any kind or nature for termination of Work.

3.17.4 Contract Interpretation. Should any question arise regarding the meaning or import of any of the provisions of this Contract or written or oral instructions from District, the matter shall be referred to District's Representative, whose decision shall be binding upon Contractor.

3.17.5 Anti-Trust Claims. This provision shall be operative if this Contract is applicable to California Public Contract Code Section 7103.5. In entering into this Contract to supply goods, services or materials, Contractor hereby offers and agrees to assign to the District all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2, commencing with Section 16700, of Part 2 of Division 7 of the Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the Contract. This assignment shall be made and become effective at the time the District tender final payment to Contractor, without further acknowledgment by the Parties.

3.17.6 Notices. All notices hereunder and communications regarding interpretation of the terms of the Contract or changes thereto shall be provided by the mailing

thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

CONTRACTOR:

[Contractor Name]
[***INSERT CONTRACTOR ADDRESS***]
Attn: [***INSERT CONTRACTOR REP. NAME AND TITLE***]

DISTRICT:

Crescenta Valley Water District
[***INSERT DISTRICT ADDRESS***]
Attn: [***INSERT DISTRICT REP. NAME AND TITLE***]

Any notice so given shall be considered received by the other Party three (3) days after deposit in the U.S. Mail as stated above and addressed to the Party at the above address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.17.7 Time of Essence. Time is of the essence in the performance of this Contract.

3.17.8 Assignment Forbidden. Contractor shall not, either voluntarily or by action of law, assign or transfer this Contract or any obligation, right, title or interest assumed by Contractor herein without the prior written consent of District. If Contractor attempts an assignment or transfer of this Contract or any obligation, right, title or interest herein, District may, at its option, terminate and revoke the Contract and shall thereupon be relieved from any and all obligations to Contractor or its assignee or transferee.

3.17.9 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.17.10 Laws and Venue. This Contract shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Contract, the action shall be brought in the Superior Court of California for the County of Los Angeles.

3.17.11 Counterparts. This Contract may be executed in counterparts, each of which shall constitute an original.

3.17.12 Successors. The Parties do for themselves, their heirs, executors, administrators, successors, and assigns agree to the full performance of all of the provisions contained in this Contract.

3.17.13 [Reserved]

3.17.14 Solicitation. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely

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for Contractor, to solicit or secure this Contract. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, District shall have the right to terminate this Contract without liability.

3.17.15 Conflict of Interest. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, District shall have the right to rescind this Contract without liability. For the term of this Contract, no official, officer or employee of District, during the term of his or her service with District, shall have any direct interest in this Contract, or obtain any present or anticipated material benefit arising therefrom. In addition, Contractor agrees to file, or to cause its employees or subcontractors to file, a Statement of Economic Interest with the District's Filing Officer as required under state law in the performance of the Work.

3.17.16 Certification of License.

3.17.16.1 Contractor certifies that as of the date of execution of this Contract, Contractor has a current contractor's license of the classification indicated below under Contractor's signature.

3.17.16.2 Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

3.17.17 Authority to Enter Contract. Each Party warrants that the individuals who have signed this Contract have the legal power, right and authority to make this Contract and bind each respective Party.

3.17.18 Entire Contract; Modification. This Contract contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Contract may only be modified by a writing signed by both Parties.

3.17.19 Non-Waiver. None of the provisions of this Contract shall be considered waived by either party, unless such waiver is specifically specified in writing.

3.17.20 District's Right to Employ Other Contractors. District reserves right to employ other contractors in connection with this Project or other projects.

[SIGNATURES ON NEXT PAGE]

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**SIGNATURE PAGE FOR CONSTRUCTION CONTRACT
BETWEEN THE CRESCENTA VALLEY WATER DISTRICT
AND [CONTRACTOR NAME]**

IN WITNESS WHEREOF, the Parties have entered into this Contract as of the
[***INSERT DAY***] day of [***INSERT MONTH***], [***INSERT YEAR***].

Crescenta Valley Water District

[CONTRACTOR NAME]

By: _____
[INSERT NAME]
[INSERT TITLE]

By: _____

Its: _____

Printed Name: _____

EXHIBIT "A"
SERVICES / SCHEDULE

[INSERT SCOPE OF SERVICES]

EXHIBIT “B”

PLANS AND SPECIFICATIONS

[INSERT ALL PLANS AND SPECS]

EXHIBIT "C"

SPECIAL CONDITIONS

ARTICLE 1. BOND

Within ten (10) calendar days from the date the Contractor is notified of award of the Contract, the Contractor shall deliver to the District four identical counterparts of Payment Bond on the form supplied by the District and included as Exhibit "F" to the Contract. The surety supplying the bond must be an admitted surety insurer, as defined in Code of Civil Procedure Section 995.120, authorized to do business as such in the State of California and satisfactory to the District. The Payment Bond shall be for one hundred percent (100%) of the Total Contract Price.

ARTICLE 2. Reverse Liquidated Damages Due to Unreasonable District Delay.

In compliance with the provisions of California Public Contract Code § 7102, the Contractor will be compensated for damages incurred due to delays in completing the Work due solely to the fault of the District, where such delay is unreasonable under the circumstances and not contemplated by the parties and such delay is not the result of Additional Work. The Contractor and District agree that determining actual damages is impracticable and extremely difficult. As such, the Contractor shall be entitled to the appropriate time extension and to payment of liquidated damages in the sum of \$400 per Day of delay in excess of the time specified for the completion of the Work. Such amount shall constitute the only payment allowed and shall necessarily include all overhead (direct or indirect), all profit, all administrative costs, all bond costs, all labor, materials, equipment and rental costs, and any other costs, expenses and fees incurred or sustained as a result of such delay. The Contractor expressly agrees to be limited solely to the liquidated damages for all such delays as defined in this subsection.

EXHIBIT "D"

**CERTIFICATION
LABOR CODE - SECTION 1861**

I, the undersigned Contractor, am aware of the provisions of Section 3700, et seq., of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I, the undersigned Contractor, agree to and will comply with such provisions before commencing the performance of the Work on this Contract.

[Contractor Name]

By: _____
Signature

Name (Print)

Title (Print)

EXHIBIT "E"

PUBLIC WORKS CONTRACTOR REGISTRATION CERTIFICATION

Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. See <http://www.dir.ca.gov/Public-Works/PublicWorks.html> for additional information.

No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work.

Contractor hereby certifies that it is aware of the registration requirements set forth in Labor Code sections 1725.5 and 1771.1 and is currently registered as a contractor with the Department of Industrial Relations.¹

Name of Contractor: _____

DIR Registration Number: _____

DIR Registration Expiration: _____

Small Project Exemption: _____ Yes or _____ No

Unless Contractor is exempt pursuant to the small project exemption, Contractor further acknowledges:

- Contractor shall maintain a current DIR registration for the duration of the project.
- Contractor shall include the requirements of Labor Code sections 1725.5 and 1771.1 in its contract with subcontractors and ensure that all subcontractors are registered at the time of bid opening and maintain registration status for the duration of the project.
- Failure to submit this form or comply with any of the above requirements may result in a finding that the bid is non-responsive.

Name of Contractor _____

Signature _____

Name and Title _____

Dated _____

¹ If the Project is exempt from the contractor registration requirements pursuant to the small project exemption under Labor Code Sections 1725.5 and 1771.1, please mark "Yes" in response to "Small Project Exemption."

EXHIBIT “F”
PAYMENT BOND

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS That

WHEREAS, the Crescenta Valley Water District (hereinafter designated as the "District"), by action taken or a resolution passed _____, 20____ has awarded to [Contractor Name] hereinafter designated as the "Principal," a contract for the work described as follows:

_____ (the "Project"); and

WHEREAS, the work to be performed by the Principal is more particularly set forth in the Contract Documents for the Project dated _____ ("Contract Documents"), the terms and conditions of which are expressly incorporated by reference; and

WHEREAS, said Principal is required to furnish a bond in connection with said contract; providing that if said Principal or any of its Subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its Subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and _____ as Surety, are held and firmly bound unto the District in the penal sum of _____ Dollars (\$_____) lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Section 9100 of the Civil Code, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Section 18663 of the Revenue and Taxation Code, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified.

This bond shall inure to the benefit of any of the persons named in Section 9100 of the Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or

subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or District and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 9100 of the Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned and the provisions of sections 2819 and 2845 of the California Civil Code.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__.

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____
Attorney-in-Fact

Title _____

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached. A Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
☐ Corporate Officer

Title(s)

- ☐ Partner(s) ☐ Limited
 ☐ General

- ☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

Signer is representing:
Name Of Person(s) Or Entity(ies)

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

Exhibit G
Fleet Compliance Certification.

Bidder hereby acknowledges that they have reviewed the California Air Resources Board's policies, rules and regulations and are familiar with the requirements of Title 13, California Code of Regulations, Division 3, Chapter 9, effective on January 1, 2024 (the "Regulation"). Bidder hereby certifies, subject to penalty for perjury, that the option checked below relating to the Bidder's fleet, and/or that of their subcontractor(s) ("Fleet") is true and correct:

- ☐ The Fleet is subject to the requirements of the Regulation, and the appropriate Certificate(s) of Reported Compliance have been attached hereto.
- ☐ The Fleet is exempt from the Regulation under section 2449.1(f)(2), and a signed description of the subject vehicles, and reasoning for exemption has been attached hereto.
- ☐ Bidder and/or their subcontractor is unable to procure R99 or R100 renewable diesel fuel as defined in the Regulation pursuant to section 2449.1(f)(3). Bidder shall keep detailed records describing the normal refueling methods, their attempts to procure renewable diesel fuel and proof that shows they were not able to procure renewable diesel (i.e. third party correspondence or vendor bids).
- ☐ The Fleet is exempt from the requirements of the Regulation pursuant to section 2449(i)(4) because this Project has been deemed an Emergency, as defined under section 2449(c)(18). Bidder shall only operate the exempted vehicles in the emergency situation and records of the exempted vehicles must be maintained, pursuant to section 2449(i)(4).
- ☐ The Fleet does not fall under the Regulation or are otherwise exempted and a detailed reasoning is attached hereto.

Name of Bidder: _____

Signature: _____

Name: _____

Title: _____

Date: _____

APPENDIX K

CRESCENTA VALLEY WATER DISTRICT

RECORD RETENTION POLICY

APPENDIX K

CRESCENTA VALLEY WATER DISTRICT

RECORD RETENTION POLICY

In order to establish guidelines for the retention of Crescenta Valley Water District records and to identify those records which are no longer important to District operations and are therefore appropriate for destruction, the following guidelines are established for the retention of District records.

Listed below are different types of District records and a recommended retention period. Original records are created in various mediums including paper, electronic documents, photographs, microfilm, video, and digital data. Although every effort has been made to provide a thorough list of District records, the attached list is not all-inclusive, and there may be records which do not fall within one of the listed categories. In such case, the Secretary-Treasurer of the District is authorized to make a determination as to the retention period for that particular record.

Each record on the attached list shall be maintained in District records for the period indicated. In some instances, circumstances may exist which justify maintenance of the record for a longer period. The periods begin at the end of the fiscal year during which the record was created, not from the date of the record.

1. **Permanent Records:** Permanent records are those records identified on the attached list which shall be retained permanently in District records. Some permanent records should be retained in their original form, including minute books, resolutions and ordinances; records relating to the District's formation, and formation of improvement or assessment districts; water distribution system design, installation and repair records; well records; deeds, easements and other real property records; insurance policies; annual and audited financial reports; and court judgments and settlement agreements. Other permanent records may be photographed or scanned as provided below.
2. **Duplicate Records:** The Secretary-Treasurer can authorize the destruction of any duplicate record so long as the original, permanent photographic record or electronic record of the document is maintained in the District files.
3. **Photographic and Electronic Reproduction Retention:** In accordance with Government Code Section 60203, the District may utilize alternative storage methods for those records which are not required to be maintained in their original form. The Secretary-Treasurer will determine which District records may be photographed, microphotographed, reproduced by electronically recorded video images on magnetic surfaces, recorded in the electronic data-processing system, recorded on optical disk, reproduced on film, reproduced through electronic scanning or any other medium which does not permit additions, deletions, or changes to the original document. The electronic reproduction must be accurate and fully legible. This preservation must comply with the minimum standards or guidelines recommended by the American National Standards Institute (ANSI) or the Association for Information and Image Management (AIIM) for recording of permanent records or nonpermanent records.

The reproductions shall be maintained in conveniently accessible files and provisions made for preserving, examining, and using the files. The reproductions can be certified, and such certified reproductions are deemed to be original public records for all purposes. The certification must comply with standards approved by the California Attorney General, including a statement of the identity, description, and disposition or location of the records reproduced, and the date, reason, and authorization of such reproduction.

4. **Destruction of District Records:** Following the expiration of the suggested retention periods set forth below, records (whether originals or reproductions) can be destroyed unless the District determines a compelling reason that exists to continue retention. Alternatively, those records which

are maintained in their original form during the retention period could, upon expiration of the retention period, be converted to microfilm or other photographic reproduction for so long as circumstances reasonably dictate. Immediately prior to destruction, the Secretary-Treasurer shall make a determination that no reason then exists to preserve the record. The Secretary will keep a record summarizing the records that were destroyed including the date of destruction.

RECORD RETENTION GUIDELINES

(Numbers indicate years)

"P" = permanently, "AT" = after termination, and "AD" = after disposal of the underlying asset

Accident reports (settled)	7	Audited	P
Applications for Utility Services (After closed)	3	Annual	P
		Interim	3
Bank deposit slips	3	Fixed asset records	7 AD
Bank reconciliations	3	Garnishments	3 AT
Bank statements	7	Insurance policies	P
Bids or Proposals (unaccepted)	2	Inventory records	7 AD
Bills of lading	5	Invoices (not including water bills)	7
Bonds (records of issuance)	P	Labor records:	
Budgets	3	Applications (employees)	7 AT
Check register	10	Contracts	7 AT
Checks (paid and canceled)	7 AD		
Contracts:		Disability claims	7 AT
Employee	7 AT	Earnings records	7
Vendor	7	Employee service records	7 AT
For acquisition, operation, maintenance of land, water, sewer systems; water entitlement & water rights	P	Pay Stubs	7
		Personnel files	7 AT
		Salary and wage changes	7 AT
Correspondence:		Salary receipts	7 AT
Accounting	7	Time cards, tickets and Clock records	5
Credit and collection	7	Unemployment claims	7 AT
General	3	Withholding certificates	7 AT
Personnel	7 AT	Worker's compensation reports	10
Cost accounting records	5	Leases	7 AT
Deposit slip copies	3	Ledgers and journals:	
Depreciation schedules	7 AD	Accounts payable ledger	7
District Formation records	P	Accounts receivable ledger	7
Equipment leases (after expiration)	7	Cash journal	10
Equipment repair records	3	Customer ledger	7
Financial reports:			

General journal	10	Taxes	10
General ledger	P	Purchase order copies	3
Journal entries-year-end	P	Purchase invoices	7
Payroll journal	10	Receiving reports	3
Plant ledger	P	Remittance statements	3
Purchase journal	10	Surety bonds	3 AT
Licenses	1 AT	Sewer system design, installation and repair records	P
Litigation files (resolved):	5	Tax records	10
Judgments, Orders, Settlement	P	Tax returns (copies):	20
Agreements	P	Travel records (employees)	3
Maintenance records:		Water and sewer bills	7
Building	7	Water distribution system design, installation and repair records	P
Machinery	7	Water Quality	P
Meter History	7	Well records	P
Meter Complaint Inquiries	7		
Minute books,	P		
Resolutions, Ordinances	P		
Mortgages	7 AT		
Notes (cancelled)	7		
Options	7 AT		
Pension records	P		
Petty cash records	3		
Plant acquisition records	7 AD		
Real estate development records:	P		
Design, Engineering, Construction	10		
As-builts w/ District approval	P		
Property records:			
Appraisals	P		
Damage reports	7		
Deeds, Easements, Licenses	P		
Depreciation	7 AD		
Plans and specifications	P		
Purchases	P		
Reconveyances	P		
Sales	P		

CRESCENTA VALLEY WATER DISTRICT

Public Records Request Form

Requesting Party (Name): _____
(Please Print)

Mailing Address: _____

Phone Number: _____

1. The Requesting Party requests (CHECK ONE):

_____ That Crescenta Valley Water District provide the documents, records and information described below for the Requesting Party to examine at the District's offices during District business hours.

_____ That Crescenta Valley Water District provide the Requesting Party with photocopies of the documents, records and information described below.

2. Description of the documents, records and information requested. (Description must be specific enough to identify the public records sought.).

3. If the request is for copies of public records, the Requesting Party (CHECK ONE):

_____ Will return to pick up the copies and will pay for copying costs at the time of pickup. (Requesting Party should leave a phone number at which they may be contacted when the copies are ready.)

_____ Requests that the copies be mailed to the address specified above. (All copying and postage costs must be paid before the copies will be mailed. The District will notify the Requesting Party of the amount of copying costs and postage by telephone or mail at the Requesting Party's choice.)

Dated: _____

Signature of Requesting Party

FOR OFFICE USE ONLY

Reviewing Official _____

Received On _____

Approved By _____

Number of Copies _____

Copying Cost _____

Date Paid _____

APPENDIX L

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 Crescenta Valley Water District.
- 2.3 **"District"**: shall mean the Crescenta Valley Water District.
- 2.4 **"Manager"**: shall mean the General Manager of the Crescenta Valley Water District or the Designee of said General 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 therefore, (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.

EXHIBIT A

CRESCENTA VALLEY WATER DISTRICT INVESTMENT POLICY

1.0 PURPOSE

This Investment Policy (the “Policy”) is intended to outline the guidelines and practices to be used in effectively and prudently managing the available cash and investment portfolio of the Crescenta Valley Water District (“District”).

It shall be the policy of the District to invest funds in a manner which will provide maximum security with the highest investment return while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds.

2.0 SCOPE

This investment policy applies to all cash and investment assets of the District, excluding funds regarding or held in any pension plan, CalPERS, OPEB trusts, the investment of employees’ deferred compensation funds, and bond/debt proceeds invested pursuant to their bond documents. District monies not required for immediate expenditure will be invested in compliance with governing provisions of law, including (applicable portions of Government Code Section 53600 *et seq.*) and this Policy..

3.0 PRUDENCE

Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the “prudent investor” standard (California Government Code 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

As specified in California Government Code Section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

1. Safety: Safety of principal is the foremost objective of the investment program and this Policy. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
2. Liquidity: The investment portfolio of the District will remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated and to meet its cash flow requirements.
3. Return on Investments: The investment portfolio of the District shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio. The objective of maximizing return on investments should be done only after ensuring safety and liquidity.

5.0 1DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from California Government Code 53600, *et seq.* Pursuant to California Government Code Section 53607, management responsibility for the investment program is hereby delegated to the Treasurer of the District (the “Treasurer”), who shall be responsible for all transactions undertaken. Such delegation of authority is for a one-year period and may be renewed annually by the Board of Directors of the District (the “Board”). Pursuant to California Government Code Section 53607, as long as the aforementioned delegation authority is renewed, the Treasurer shall submit a monthly investment report of transactions to the Board. Under the provisions of California Government Code 53600.3, the Treasurer is a trustee and a fiduciary subject to the prudent investor standard.

The District may engage the services of one or more external investment advisers, who are registered under the Investment Advisers Act of 1940, to assist in the management of the District’s investment portfolio in a manner consistent with the District’s objectives. External investment advisers may be granted discretion to purchase and sell investment securities in accordance with this Policy.

6.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment officials shall disclose any personal financial/investment positions that could be related to the performance of the District’s investment portfolio. Employees and investment officials shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the District.

7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Treasurer may maintain a list of approved financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list may also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California (“State”). As provided in Section 53601.5 of the California Government Code, the purchase by a local agency of any investment authorized pursuant to Section 53601 or 53601.1, not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank. No public deposit shall be made except in a qualified public depository as established by State laws. Deposits will be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, will be collateralized in accordance with State law.

For brokers/dealers of government securities and other investments, the District shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Selection of broker/dealers used by an external investment adviser retained by the District will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

Before engaging in investment transactions with a broker/dealer, the Treasurer shall have received from said firm a signed certification form. This form shall attest that the individual responsible for the District's account with that firm has reviewed the District’s Policy and that the firm understands the Policy and intends to present investment recommendations and transactions to the District that are appropriate under the terms and conditions of the Policy.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

District funds may be invested as authorized by California Government Code Sections 16429.1, 53601 and 53601.8, and subject to the limitations and conditions of California Government Code Section 53600 *et seq.* Where this Policy does not specify a maximum remaining maturity at the time of the investment, no investment shall be made in any security, other than security underlying a repurchase or reverse repurchase agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five (5) years.

Maximum stated term for permitted investments shall be determined based on the settlement date (not the trade date) upon purchase of the security and the stated final maturity of the security. The purchase of a security with a forward settlement date cannot exceed 45 days from the time of investment. Within the investments permitted by the Code, the District seeks to further restrict eligible investments to the guidelines listed below. Percentage holding limits and minimum credit requirements listed in this section shall apply at the time the security is purchased.

For purposes of compliance with California Government Code Section 53601, an investment's term or remaining maturity shall be measured from the settlement date to final maturity. A security purchased in accordance with Section 53601 must not have a forward settlement date exceeding 45 days from the time of investment. An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and institution issuer to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

- a. Bonds issued by the District.
- b. United States Treasury Bills, Notes, Bonds, and Certificate of Indebtedness.
- c. Registered state warrants or treasury notes or bonds issued by the State of California.
- d. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of revenues from revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California. The securities are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization ("NRSRO"). No more than 30% of the portfolio may be in Municipal Securities.
- e. Bonds, notes, warrants or other evidence of debt issued by the District, the State of California or a local agency within the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. The securities are rated in a rating category of "A" or its equivalent or better by at least one NRSRO. No more than 30% of the portfolio may be in Municipal Securities.
- f. Federal agency or United States government-sponsored enterprise ("GSE") obligations, participations, or other instruments, including those issued by, or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. No more than 30% of the portfolio may be invested in any single Agency/GSE issuer. The maximum percent of callable agency securities in the portfolio will be 20%.
- g. Bankers' acceptances, otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchase of bankers' acceptances may not exceed one hundred eighty (180) days' maturity or forty percent (40%) of the District's money that may be invested pursuant to this Policy, however, no more than 30% of the District's moneys may be invested in the bankers' acceptances of any one commercial bank. Such investments must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term debt obligations which are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- h. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating

as provided for by a NRSRO. The entity that issues the commercial paper shall either be:

(1) organized and operating within the United States as a general corporation, shall have total assets in excess of Five Hundred Million Dollars (\$500,000,000), and shall have debt, other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a NRSRO; or

(2) organized within the United States as a special purpose corporation, trust, or limited liability company, have program-wide credit enhancements including, but not limited to, over-collateralization, letters of credit, or a surety bond, and has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

Eligible commercial paper shall have a maximum maturity of two hundred seventy (270) days or less. The District shall invest no more than twenty-five percent (25%) of its money in eligible commercial paper. The District shall purchase no more than ten percent (10%) of the outstanding commercial paper of any single corporate issue.

- i. Negotiable certificates of deposit ("NCD") issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federal or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed thirty percent (30%) of the District's money which may be invested pursuant to this policy. The Board of Directors and the General Manager are prohibited from investing District funds, or funds in the District's custody, in negotiable certificates of deposit issued by a state or federal credit union if a member of the Board of Directors, or any person with investment decision making authority within the District also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.
- j. Repurchase Agreements of any securities authorized by Section 53601 with a maximum maturity not exceeding one (1) year. The market value of securities that underlay a repurchase agreement shall be valued at one hundred two percent (102%) or greater of the funds borrowed against those securities and shall be adjusted no less than quarterly, and are subject to the special limits and conditions of California Government Code 53601(j). Securities used as collateral for Repurchase Agreements will be delivered to an acceptable third party custodian. Repurchase Agreements are subject to a Master Repurchase Agreement between the District and the provider of the repurchase agreement. The Master Repurchase Agreement will be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA).
- k. Medium term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five (5) years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Such notes eligible for investment shall be rated in a rating category of "A" or its equivalent or better by a NRSRO. Purchases of medium term notes shall not include other instruments authorized by this policy and shall not exceed thirty percent (30%) of the District's money which may be invested pursuant to this policy. The District may invest no more than ten percent (10%) of its total investment assets in the commercial paper and the medium-term notes of any single issuer.
- l. Shares of beneficial interest issued by diversified management companies that are money market funds (mutual funds) investing in the securities and obligations authorized by this Policy, and shares in money market mutual funds, subject to the restrictions of Government Code Section 53601(l) as follows: The District may invest in shares of beneficial interest issued by a company that shall have met either of the following criteria: (1) attained the highest ranking or the highest letter and

numerical rating provided by not less than two NRSROs, or (2) retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000). The purchase price of investments under this subdivision shall not exceed twenty percent (20%) of the District's money, provided, however, no more than ten percent (10%) of the District's money may be invested in any one mutual fund.

- m. Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.
- n. Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Government Code Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Government Code Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.
- o. A mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bonds, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond. The securities shall be rated in a rating category of "AA" or its equivalent or better by a NRSRO. Purchase of securities authorized by this subdivision shall not exceed twenty percent (20%) of the District's money that may be invested pursuant to this Policy. Mortgage and asset-backed securities issued or guaranteed by the United States, its federal agencies and/or government-sponsored enterprises do not count when calculating the 20% maximum portfolio exposure to mortgage and asset-backed securities. No more than 5% of the portfolio may be invested in any single asset-backed or commercial mortgage security issuer.
- p. Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized under Government Code Section 53601. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible, the joint powers authority issuing the shares must have retained an investment advisor that is registered or exempt from registration with the Securities and Exchange Commission, have not less than five years of experience in investing in the securities and obligations authorized under Government Code Section 53601, and have assets under management in excess of five hundred million dollars (\$500,000,000.00).
- q. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. These types of investments must be rated in a rating category of "AA" or its equivalent or better by a NRSRO and cannot exceed 30% of the District's moneys that may be invested pursuant to this Policy. No more than 10% of the portfolio may be invested in any single issuer.

- r. Deposits at a commercial bank, savings bank, savings and loan association or credit union that uses a private sector entity that assists in the placement of such certificates of deposit, pursuant to Government Code Section 53601.8. Deposits shall be subject to Government Code Section 53638 and may not exceed 50% of the District's money which may be invested pursuant to this Policy.
- s. State of California Local Agency Investment Fund ("LAIF"), provided that the District may invest up to the maximum amount permitted by LAIF. LAIF's investments in instruments prohibited by or not specified in the District's Policy do not exclude the investment in LAIF itself from the District's list of allowable investments, provided LAIF's reports allow the District to adequately judge the risk inherent in LAIF's portfolio.

9.0 PROHIBITED INVESTMENTS

Any investments not specifically described in Section 8.0 are prohibited. In addition, as a matter of state law and policy, the District has chosen not to invest in the following:

- a. Investment in futures and options is prohibited.
- b. In accordance with Government Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
- c. Investment in any security that could result in a zero-interest accrual if held to maturity is prohibited. Under a provision sunseting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted.
- d. Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
- e. Purchasing or selling securities on margin is prohibited.
- f. The use of reverse repurchase agreements as a form of leverage, securities lending or any other form of borrowing or leverage is prohibited.
- g. The purchase of foreign currency denominated securities is prohibited.
- h. The purchase of a security with a forward settlement date exceeding 45 days from the time of the investment is prohibited.

10.0 COLLATERALIZATION

Certificates of Deposit (CDs): The District shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of eligible security.

Bank Deposits: This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. The District shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code Section 53630 *et seq.*, including Sections 53651 and 53652.

Repurchase Agreements: The District requires that Repurchase Agreements be collateralized only by securities authorized in accordance with California Government Code and will adhere to the amount required under California Government Code Section 53601(j)(2):

- a. The securities which collateralize the repurchase agreement shall be priced at Market Value, including any Accrued Interest plus a margin. The Market Value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those

- securities.
- b. Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.
- c. The District shall receive monthly statements of collateral.

11.0 SAFEKEEPING AND CUSTODY

All security transactions entered into by the District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery or by third party custodial agreement.

12.0 RISK MANAGEMENT AND DIVERSIFICATION

The District will diversify its investments by security type and institution. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification strategies shall be reviewed and revised by the Finance Committee periodically if determined necessary to meet District goals. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- a. Portfolio maturity dates shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- b. Maturities selected shall provide for stability of income and liquidity.
- c. Disbursement and payroll dates shall be covered through maturities of investments, marketable United States Treasury bills or other cash equivalent instruments such as money market mutual funds.
- d. No more than 5% of the total portfolio may be deposited with or invested in securities issued by any single issuer unless otherwise specified in this Policy.
- e. If a security owned by the District is downgraded to a level below the requirements of this Policy, making the security ineligible for additional purchases, the following steps will be taken:
 - i. Any actions taken related to the downgrade by the investment manager will be communicated to the Treasurer in a timely manner.
 - ii. If a decision is made to retain the security, the credit situation will be monitored and reported to the Board of Directors.
- f. Credit risk is the risk that a security or a portfolio will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. The District will mitigate credit risk by adopting diversification requirements, issuer limitations and language that downgrades credit ratings. The District may elect to sell a security prior to its maturity and record a capital gain or loss in order to manage the quality, liquidity or yield of the portfolio in response to market conditions or District's risk preferences.
- g. The maximum stated final maturity of individual securities in the portfolio will be five (5) years, except as otherwise stated in this policy.
- h. The duration of the portfolio will generally be approximately equal to the duration (typically plus or minus 20%) of a market benchmark, an index selected by the District based on the District's investment objectives, constraints and risk tolerances.

13.0 REPORTING

The Treasurer shall submit to the Board of Directors a quarterly investment report within 45 days after the end of the quarter covered by said report. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for District by third-party contracted managers. The report will also include the source of the portfolio valuation. For funds which are placed in LAIF, FDIC-insured accounts and/or in a

county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Policy and, (2) the District will meet its expenditure obligations for the next six months. The Treasurer shall maintain a complete and timely record of all investment transactions.

Monthly transaction reports will be submitted by the Treasurer to the Board of Directors in accordance with California Government Code Section 53607.

14.0 INTERNAL CONTROLS

The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Periodically, as deemed appropriate by the District and/or the Board of Directors, an independent analysis by an external auditor shall be conducted to review internal controls, account activity and compliance with policies and procedures.

15.0 PORTFOLIO REVIEW AND PERFORMANCE EVALUATION:

The Treasurer shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this Policy and establish protocols for reporting major and critical incidences of noncompliance to the Board of Directors.

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the District's risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Treasurer shall monitor and evaluate the portfolio's performance relative to the chosen market benchmark(s), which will be included in the Treasurer's quarterly report. The Treasurer shall select an appropriate, readily available index to use as a market benchmark. Benchmarks may change over time based on changes in market conditions or cash flow requirements.

16.0 INVESTMENT POLICY ADOPTION

The Policy shall be adopted by resolution of the Board of the District. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by resolution of the Board of Directors at a public meeting.

GLOSSARY OF INVESTMENT TERMS

AGENCIES. Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called “FreddieMac” issues discount notes, bonds and mortgage pass-through securities.

FNMA. Like FHLB and FreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “FannieMae,” issues discount notes, bonds and mortgage pass-through securities.

GNMA. The Government National Mortgage Association, known as “GinnieMae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

ASSET BACKED SECURITIES. Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

AVERAGE LIFE. In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

BANKER’S ACCEPTANCE. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

BENCHMARK. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

BROKER. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from their own position.

CALLABLE. A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline, the issuer will likely call its current securities and reissue them at a lower rate of interest.

CERTIFICATE OF DEPOSIT (CD). A time deposit with a specific maturity evidenced by a certificate.

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS). A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

COLLATERAL. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

COLLATERALIZED BANK DEPOSIT. A bank deposit that is collateralized at least 100% (principal plus interest to maturity). The deposit is collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

COLLATERALIZED MORTGAGE OBLIGATIONS (CMO). Classes of bonds that redistribute the cash flows of

mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

COLLATERALIZED TIME DEPOSIT. Time deposits that are collateralized at least 100% (principal plus interest to maturity). These instruments are collateralized using assets set aside by the issuer such as Treasury securities or other qualified collateral to secure the deposit in excess of the limit covered by the Federal Deposit Insurance Corporation.

COMMERCIAL PAPER. The short-term unsecured debt of corporations.

COUPON. The rate of return at which interest is paid on a bond.

CREDIT RISK. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

DEALER. A dealer acts as a principal in security transactions, selling securities from and buying securities for their own position.

DELIVERY VS. PAYMENT (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

DISCOUNT. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

DURATION. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a security to changes interest rates.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC). The Federal Deposit Insurance Corporation (FDIC) is an independent federal agency insuring deposits in U.S. banks and thrifts in the event of bank failures. The FDIC was created in 1933 to maintain public confidence and encourage stability in the financial system through the promotion of sound banking practices.

FEDERALLY INSURED TIME DEPOSIT. A time deposit is an interest-bearing bank deposit account that has a specified date of maturity, such as a certificate of deposit (CD). These deposits are limited to funds insured in accordance with FDIC insurance deposit limits.

FIDUCIARY. A person or organization that acts on behalf of another person(s) or organization that puts their clients' interest ahead of their own as they are bound both legally and ethically to act in the other's best interests.

LEVERAGE. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

LIQUIDITY. The speed and ease with which an asset can be converted to cash.

LOCAL AGENCY INVESTMENT FUND (LAIF). A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

LOCAL GOVERNMENT INVESTMENT POOL. Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

MAKE WHOLE CALL. A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

MARGIN. The difference between the market value of a security and the loan a broker makes using that security as collateral.

MARKET RISK. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

MARKET VALUE. The price at which a security can be traded.

MATURITY. The final date upon which the principal of a security becomes due and payable. The investment's term or remaining maturity is measured from the settlement date to final maturity.

MEDIUM TERM NOTES. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MODIFIED DURATION. The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

MONEY MARKET. The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

MONEY MARKET MUTUAL FUND. A mutual fund that invests exclusively in short-term securities. Examples of investments in money market funds are certificates of deposit and U.S. Treasury securities. Money market funds attempt to keep their net asset values at \$1 per share.

MORTGAGE PASS-THROUGH SECURITIES. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

MUNICIPAL SECURITIES. Securities issued by state and local agencies to finance capital and operating expenses.

MUTUAL FUND. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO).

A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

NEGOTIABLE CERTIFICATE OF DEPOSIT (CD). A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market.

PAYDOWN. A reduction in the principal amount owed on a bond, loan, or other debt.

PRIMARY DEALER. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

PRUDENT INVESTOR (PRUDENT PERSON) RULE. A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

REPURCHASE AGREEMENT. Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

SAFEKEEPING. A service to bank customers whereby securities are held by the bank in the customer's name.

SECURITIES AND EXCHANGE COMMISSION (SEC). The U.S. Securities and Exchange Commission (SEC) is an independent federal government agency responsible for protecting investors, maintaining fair and orderly functioning of securities markets and facilitating capital formation. It was created by Congress in 1934 as the first federal regulator of securities markets. The SEC promotes full public disclosure, protects investors against fraudulent and manipulative practices in the market, and monitors corporate takeover actions in the United States.

SECURITIES AND EXCHANGE COMMISSION SEC) RULE 15c3-1. An SEC rule setting capital requirements for brokers and dealers. Under Rule 15c3-1, a broker or dealer must have sufficient liquidity in order to cover the most pressing obligations. This is defined as having a certain amount of liquidity as a percentage of the broker/dealer's total obligations. If the percentage falls below a certain point, the broker or dealer may not be allowed to take on new clients and may have restrictions placed on dealings with current client.

STRUCTURED NOTE. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

SUPRANATIONAL. A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

TOTAL RATE OF RETURN. A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. TREASURY OBLIGATIONS. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

TREASURY BILLS. All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

TREASURY NOTES. All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

TREASURY BONDS. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

YIELD TO MATURITY. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

APPENDIX P

RESPONSIBILITIES AND AUTHORITY OF THE BOARD, GENERAL MANAGER AND SECRETARY-TREASURER

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 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.
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 Secretary-Treasurer shall have full charge and control of all supporting functions including accounting, billing, customer service, and inventory.
2. The General Manager shall have full charge and control of office employees, suppliers, purchasing, and consultants, except as qualified elsewhere in this Appendix.
3. The General Manager and Secretary-Treasurer 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, train, and terminate all employees with the exception of the Secretary-Treasurer. The General Manager may consult with the Employee Relations and Benefits Committee at his discretion.
2. The General Manager shall prepare job descriptions for all employees. The Employee Relations and Benefits 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 the Employee Relations and Benefits Committee.
3. The General Manager shall oversee all operations of the District.
4. The General Manager or his designee shall determine the need for discipline and administer the disciplinary process for those employees in accordance with respective terms and conditions of employment. The General Manager shall inform the Employee Relations & Benefits Committee or the Board about disciplinary actions.

5. The Board shall establish compensation, salary ranges, benefits and other terms and conditions of employment through collective bargaining with the recognized employee association by a designated Chief Negotiator.

6. The Board shall establish salary ranges and terms and conditions of employment with Management Unit Employees. The General Manager shall set the compensation of the District Engineer and Superintendent within the prescribed salary range for those positions.

7. The General Manager shall make decisions on promotions and demotions of employees with the exception of the Secretary-Treasurer.

8. The General Manager shall determine the total number of employees for the District, subject to Board approval.

9. The General Manager shall implement the rules and policies governing bargaining unit employees as stated in the Memorandum of Understanding between the District and the recognized employees association. The General Manager shall also implement the rules and policies governing management unit employees as stated in the Management Unit Terms and conditions of Employment.

10. The General Manager shall oversee the performance and employee evaluation process and the Secretary-Treasurer shall maintain a record of every evaluation.

11. The General Manager shall keep the Board informed about extraordinary personnel activities.

III. BOARD MEETINGS:

1. The Secretary-Treasurer shall prepare the Board meeting agenda. The General Manager or a Board member may request that an item be added to the agenda.

2. The Secretary-Treasurer shall prepare the Board meeting packet, which shall include such detail regarding agenda items as the General Manager deems sufficient, or as requested by the Board.

3. The Secretary-Treasurer shall provide a financial report and an investment report to the Board once monthly, or as requested by the Board.

4. The General Manager, Secretary-Treasurer, or delegated representative shall reply to questions raised by the public at Board meetings if directed by the President.

5. The General Manager and/or Board members may determine which additional persons (employees and consultants) should attend a Board meeting.

6. The President of the Board in consultation with the Attorney shall be responsible for assuring that the requirements of the Brown Act are observed at Board meetings.

IV. FINANCE:

1. The Secretary-Treasurer, in conjunction with the General Manager and the Financial Consultant, shall prepare the draft District budget, which shall then be presented to the Board for its consideration.

2. The Secretary-Treasurer shall establish the sequence of events leading to the adoption of a final budget and, with the cooperation of the President, shall see that these events are followed in a timely fashion.

3. The General Manager and Secretary-Treasurer shall be responsible for operating the District in accordance with the budget.

4. The General Manager or the Secretary-Treasurer, in conjunction with the Finance Committee and the Engineering 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. The Secretary-Treasurer shall assure that accurate and auditable financial records are kept.

6. The General Manager and Secretary-Treasurer shall comply with limits established by Board policy on expenditure of funds.

7. The Secretary-Treasurer shall invest District Funds in accordance with the District's Investment Policy.

V. CONSULTANTS:

1. The Board shall select an Attorney to advise the Board.

2. The General Manager, the Secretary-Treasurer and the Board of Directors 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, or other consultants to the District, as appropriate), prepare requests 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 to retain a consultant on a sole source basis without the formal request for proposal process.

4. The General Manager shall refer contractual matters to the Attorney for preparation and review, as needed.

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, as needed.

8. The Attorney shall report to the Board of Directors and take direction from the Board. The Attorney also may take direction from the General Manager or Secretary-Treasurer. 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 President of the Board, or by a majority vote of the Board.

2. The committee Chair shall schedule Committee meetings.

3. The committee Chair shall establish the persons who should be in attendance at committee meetings (staff, consultants, etc.).

4. The committee 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 the Board shall determine who will attend which outside functions and serve as the District's representatives(s).

2. The General Manager shall determine which employees should attend meetings, conferences, and seminars within 100 miles of the District, and shall report to the Board on such activities, as needed.

3. The Board shall oversee the expenditures of Board Member and employees incurred in connection with outside functions. Employee expenses for such activities must also conform with Article 4.05 of the Rules & Regulations.

VIII. PROPERTY:

1. The General Manager shall be responsible to safeguard, conserve, and maintain all District property.

2. The Secretary-Treasurer shall maintain an inventory of District property.

3. The General Manager and Secretary-Treasurer shall be responsible for meeting the requirements of the laws 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 real 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 he has taken.

X. GENERAL:

1. The General Manager shall also perform all those functions which the Board shall deem necessary and direct, whether or not mentioned in this document. The General Manager may delegate responsibilities to others as the General Manager sees fit.

APPENDIX Q

CRESCENTA VALLEY WATER DISTRICT

BID PROCUREMENT AND PURCHASING

POLICY

APPENDIX Q

CRESCENTA VALLEY WATER DISTRICT

BID PROCUREMENT AND PURCHASING POLICY

I. Work Costing More Than \$75,000 and Service Contracts More than \$30,000

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 acquisitions of material or equipment, estimated to cost or to have a value when completed in excess of Seventy-Five Thousand Dollars (\$75,000) and all service contracts for more than thirty thousand dollars (\$30,000), 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's standard forms, with such modification as may be appropriate for the particular work or unit of work, for the acquisition of materials or equipment. In the 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, Contractor's Licensing Statement, List of Subcontractors, Bid Security Form, Agreement, Faithful Performance Bond, Payment Bond, Non-Collusion Affidavit, Notice to Proceed, General Provisions, Special Provisions, and Plans and Specifications.

d. Unless otherwise required by the provisions 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 materials or supplies for use or incorporation in, the proposed work or unit of work, or for providing materials 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 materials 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 materials 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, workers' 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" include, but are not limited to, all of the following:

- 1) The contractor's prior record of performance on 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 District 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.

II. Work or Acquisitions Costing Less Than \$75,000

Except for personal service contracts over \$30,000, all contracts made by a single vendor over any twelve (12) month period for any work or unit of work, and all acquisitions of materials or equipment, estimated to cost or to have a value when completed that totals less than Seventy-Five Thousand Dollars (\$75,000), may be authorized by the District's General Manager or in his absence the Secretary-Treasurer, without compliance with any formal competitive bidding procedure or prior Board approval, and in any such case the General Manager or Secretary-Treasurer may authorize the work or unit of work or acquire the materials or equipment, by informal bidding or quotations or by purchase on the open market without advertising. Any contract with a vendor who has been awarded more than or equal to \$75,000 within the prior twelve month period must be approved by the Board and follow the procedures set forth in Section I. These informal procurement processes shall, nevertheless contain adequate risk management controls as determined from time to time by the Attorney.

The following procedures shall be followed by all District employees when requesting parts, materials or supplies:

- a) Any purchase under One Thousand Dollars (\$1,000.00) or purchased from ongoing suppliers with whom the District has an open account does not require a Purchase Order but must have approval from a supervisor on the original invoice.
- b) An authorized employee must fill out a Purchase Order for any purchase in the amount of or exceeding One Thousand Dollars (\$1,000). Purchase orders in the

amount of or exceeding Five Thousand Dollars (\$5,000) require final approval by the General Manager, or their designee. The account number to which the purchase should be charged must be included on the Purchase Order.

- c) On a monthly basis, the General Manager shall provide the Board with a list of the contracts approved by the General Manager. The list shall include at minimum the vendor name, contract purpose, contract amount, the number of contracts the vendor has received, and the total value of the contracts awarded to that vendor over the course of the last twelve (12) months.
- d) Upon receipt of the parts, supplies or materials ordered, the designated receiving person checks the goods to ensure they are in acceptable condition, and counts them against the packing slip. If everything is in proper order, the packing slip is then approved. If not in order, the shipment shall be refused and returned to the vendor for correction. Upon approval of the packing slip, the receiving person shall forward the shipment to the appropriate Supervisor or Plant Coordinator.
- e) The signed packing slip shall be noted with the corresponding Purchase Order and submitted to Accounts Payable to be processed for payment.
- f) Upon receipt of the original invoice from the vendor, Accounts Payable shall compare the original invoice to the approved Purchase Order and packing slip. If all is in order, the invoice shall be processed for payment.
- g) Petty cash disbursements may be used for miscellaneous purchases not to exceed \$200 when approved in advance by the Secretary-Treasurer or his designee.

III. Change Order Policy

All change orders occurring during the performance of a contract shall be reported to the Board. Change order amounts which are Fifteen Thousand Dollars (\$15,000) or less or which are ten percent (10%) or less of the original contract amount up to a maximum amount of Seventy-Five Thousand Dollars (\$75,000) may be authorized by the District's General Manager; however, change order amounts greater than Fifteen Thousand Dollars (\$15,000) and greater than ten percent (10%) of the original contract amount up to a maximum or cumulative change order amount of Seventy-Five Thousand dollars (\$75,000) shall be approved by the Board. The Board shall by a majority vote approve all change order amounts in excess of Seventy-Five Thousand Dollars (\$75,000). In the case of contracts with unit prices, if the number of units of significant bid items increases by twenty percent (20%) or more, Board approval must be obtained.

IV. Exceptions to Statement of Policy

The Policy specified in this statement shall not apply in the following cases or circumstances, provided, however, that the policy with respect to approval of Purchase Orders and processing invoices for payment shall be observed in all events: and provided that the Board shall approve all single expenditures greater than \$75,000 regardless of the procurement process:

- (1) A contract for the acquisition or disposal of any real property.
- (2) A contract for the leasing of any personal property or the acquisition of personal property other than materials and equipment for use in construction activities.

- (3) A contract for the purchase of water or water rights.
- (4) A contract for the repair of District equipment.
- (5) A contract for legal, engineering and other professional services.
- (6) A contract for the performance of work or acquisition of materials or equipment deemed by the Board to be of urgent necessity for the preservation of life, health or property, or in order to continue to provide water to the District's existing customers, and such action is authorized by a two-thirds vote of the District's Board.
- (7) The repair, alteration, addition, or the making of improvements, by force account.
- (8) Work related to and in furtherance of the purposes of the District, or materials or equipment acquired for such purposes, where such work is to be performed or such materials or equipment are to be acquired, for the account of other persons or entities, an example of such work or acquisition being the construction of a water transmission line or the installation of meters or other facilities for a developer and done at the developer's expense.
- (9) A contract for the performance of work or acquisition of materials in instances where work and materials are regularly and periodically required and work and materials are repairs or replacements of prior works or materials relating to the following:
 - (a) Asphalt and concrete patching;
 - (b) Janitorial supplies;
 - (c) Office supplies;
 - (d) Aggregate (sand, base and similar materials);
 - (e) Cold mix asphalt;
 - (f) Data mailers;
 - (g) Water meters.
 - (h) Water treatment chemicals and supplies;
 - (i) Sewer maintenance;
 - (j) Landscaping maintenance;
 - (k) Uniform service.
- (10) The provision of ongoing utility services to the District such as electricity, natural gas, or telecommunications.
- (11) A contract for the performance of work or acquisition of materials in instances where the work or materials is identified as a line item on an approved budget or as a necessary component of a line item in an approved budget.

V. Scope of Statement of Policy

This statement of policy establishes the manner of calling for bids and letting contracts for the performance of work for the District or the acquisition of materials or equipment. However, notwithstanding this statement, all contract for work and all contracts for acquisition of materials and equipment, may be made or entered into upon such terms and conditions and in such manner as the Board may determine is in the best interest of the District

APPENDIX R

CRESCENTA VALLEY WATER DISTRICT

CHECK SIGNING POLICY

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CRESCENTA VALLEY WATER DISTRICT
CHECK SIGNING POLICY

1. The persons authorized to sign District checks are the General Manager, Secretary-Treasurer, Director of Engineering and Operations, and members of the Board of Directors.
2. Checks written for an amount less than \$1,000.00 require one authorized signature.
3. Checks written for an amount between \$1,000.00 and \$24,999.99 require two authorized signatures from the list above.
4. Checks written for an amount of \$25,000.00 or more require two authorized signatures, one of which must be that of a member of the Board of Directors.

CRESCENTA VALLEY WATER DISTRICT DRUG AND ALCOHOL POLICY

**Crescenta Valley Water District
2700 Foothill Blvd.
La Crescenta, CA 91214
818-248-3925**

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MODEL DRUG AND ALCOHOL PROGRAM

A. GENERAL POLICY

The District has a significant interest in ensuring the health and safety of its employees. It has an obligation to ensure that its employees do not present a safety risk to the general public. Substance abuse can affect job performance and employee and public safety. For these reasons, the District will be firm in identifying and disciplining those employees who do not voluntarily seek assistance and who continue to abuse alcohol or use controlled substances in violation of the following:

1. No District employee who is on duty or on standby for duty will:
 - a. Use, possess, or be under the influence of illegal or unauthorized drugs or other illegal mind-altering substances; or
 - b. Use or be under the influence of alcohol to any extent that would impede the employee's ability to perform his or her duties safely and effectively.
2. No employee will perform duties that, because of drugs taken under a legal prescription, cannot be performed without posing a threat to the health or safety of the employee or others. This includes medications that may impair the employee's ability to operate machinery or motor vehicles.
3. Employees will be subject to drug and alcohol testing when there is reasonable suspicion that the employee has violated the rules expressed in this program. In addition, when an employee has already been found in violation of this program through the adverse action or medical examination process under this policy, as a result of substance testing under this policy, or by the employee's own admission, the employee will be required to submit to periodic substance testing as a condition of remaining in or returning to District employment.

Employees will refer any questions regarding their rights and obligations under this policy to the District's General Manager.

B. SCOPE

The purpose of this policy is to protect District employees and the public from risks associated with alcohol abuse and controlled substances abuse. This policy is also intended to comply with all applicable Federal regulations governing workplace anti-drug programs in the transportation industry.

C. APPLICABILITY

This policy applies to all employees when they are on District property or when performing any District-related business.

Employees are subject to pre-employment, reasonable suspicion, and follow-up controlled substance and/or alcohol testing following a reasonable suspicion violation.

Visitors, vendors, and contracted employees violating this policy will not be permitted to conduct business on District property or projects and will be ordered off District property.

D. PROHIBITED SUBSTANCES

Prohibited substances addressed by this policy include the following:

1. Controlled substances (drugs) not legally prescribed including, but not limited to, marijuana, amphetamines, opiates, phencyclidine (PCP), and cocaine; and
2. Alcohol, which is defined as the intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohol, including methyl and isopropyl alcohol.

E. PROHIBITED CONDUCT

1. Unlawfully manufacturing, distributing, dispensing, selling, possessing, or consuming a non-prescribed controlled substance on District premises, in District vehicles or while conducting or performing District business, regardless of location. This includes while operating or being responsible for the operation, custody or care of District equipment or property, on District property, or while subject to duty (i.e., standby duty).
2. Reporting to work or being on-call for work while impaired due to alcohol or drug use.

F. NOTIFYING THE DISTRICT OF CRIMINAL DRUG CONVICTION

All employees must, as a condition of employment, abide by the terms of this policy and report any conviction under a criminal drug statute for violations occurring on or off District premises while conducting District business. A report of conviction must be made to the General Manager or designated employee within five days after conviction, as mandated by the Federal Drug-Free Workplace Act of 1988 and the California Drug-Free Workplace Act of 1990. Failure to report such convictions will subject the employee to discipline, up to and including dismissal.

G. PRESCRIPTION AND NON-PRESCRIPTION SUBSTANCES

Using or being under the influence of any legally obtained drug by an employee while performing District business, while on District property, or while on standby is prohibited if such use or influence may affect the safety of the employee, co-workers, members of the public, the employee's job performance, or the safe or efficient operation of the District's business.

An employee may continue to work, even though under the influence of a legal substance, if District management has determined that the employee does not pose a threat to their own safety or their co-workers and that the employee's job performance is not significantly affected by the legal drug. Otherwise, the employee may be re-assigned to an alternative position, if available, or be required to take a leave of absence or comply with other appropriate action as determined by the District.

H. VOLUNTARY ADMITTANCE

Employees who believe they may have a substance abuse problem are encouraged to take the initiative in voluntarily seeking assistance. Those voluntarily seeking help can make a confidential request for assistance to their supervisor or the General Manager. The employee will be referred to a SAP (Substance Abuse Professional) for evaluation and rehabilitation recommendations. Employees may use accumulated sick leave, vacation time, or compensatory time to participate in a rehabilitation program. The District will not be responsible for program costs.

Employees who admit to alcohol misuse or controlled substances use are not subject to disciplinary measures provided that the employee does not self-identify in order to avoid testing under the requirements of this program.

After approval from the SAP the employee may return to work and may be subject to unannounced follow-up testing, based on the SAP's recommendations for a specified period of time. Any employee failing to complete the program will be subject to termination.

NOTE: Health insurance plans may provide coverage for rehabilitation costs. Health benefits information can be obtained from the District's Human Resources contact.

I. SEARCHES

The District reserves the right to search all places under the common control of the District and to enlist the assistance of law enforcement personnel in connection with the enforcement of this policy.

J. PROPER APPLICATION OF THE POLICY

The District is dedicated to assuring fair and equitable application of this Substance Abuse Policy. Therefore, supervisors are required to administer all aspects of the policy in an unbiased and impartial manner. Any supervisor who knowingly disregards the requirements of this policy, or who is found to deliberately misuse the policy with respect to their subordinates will be subject to disciplinary action, up to and including termination.

K. TESTING FOR PROHIBITED SUBSTANCES

Controlled substance testing will include marijuana, cocaine, opiates, amphetamines, and phencyclidine (PCP). An initial controlled substance screen will be conducted on each specimen. For specimens that test above initial screening thresholds, a confirmatory Gas Chromatography/Mass Spectrometry (GC/MS) test will be performed. This test will be considered positive if the controlled substance levels are above the minimum thresholds established in the DOT guidelines (49 CFR, Part 40).

Tests for alcohol concentration will be conducted utilizing an approved Evidential Breath Testing (EBT) device operated by a trained Breath Alcohol Technician (BAT). If the initial test indicates an alcohol concentration of 0.02 or greater, a confirmation test will be performed to confirm the result of the initial test. An employee who has a confirmed alcohol concentration of 0.02 but less than 0.04 will be removed from their position for at least 24 hours. A breath alcohol concentration of 0.04 or greater will be considered a positive alcohol test.

Employees may be subject to the following circumstances:

a. Pre-Placement/Post Offer Controlled Substance (Drug) Testing

An applicant with the District will be required to undergo a drug screening analysis prior to employment. Any offer of employment will be conditioned upon compliance with this policy. The applicant will be requested to execute a consent form which includes a waiver and release. A positive test indicating the presence of controlled substances as defined in this policy may constitute disqualification of the applicant for the position for a period of six months.

b. Reasonable Suspicion Testing

All employees will be subject to urine and/or breath testing when there is a reason to believe that controlled substances or alcohol use is adversely affecting job performance. A reasonable suspicion referral for testing will be made on the basis of documented objective facts and circumstances consistent with the effects of substance abuse, mere “hunches” are not sufficient to meet this standard. Examples of reasonable suspicion include, but are not limited to, the following:

- 1) A pattern of abnormal conduct or erratic behavior;
- 2) Adequate documentation of unsatisfactory work performance or on-the-job behavior;
- 3) Physical signs and symptoms consistent with prohibited substance use;
- 4) Occurrence of a serious accident that may have been caused by human error;
- 5) Fights (to mean physical contact), assaults and flagrant disregard or violations of established safety, security, or other operation procedures.

Reasonable suspicion determinations will be made by a manager who is trained to detect the signs and symptoms of controlled substance and alcohol use and who reasonably concludes that an employee may be adversely affected or impaired in his/her work performance due to prohibited substance abuse or misuse. The manager requesting an employee to submit to a drug or alcohol test based on reasonable suspicion must document facts constituting reasonable suspicion in writing (See **Appendix A – “Behavior / Incident Documentation Form”** and **Appendix B – “Search / Evidence (Discrepancy) Documentation Form”**).

Employees reasonably believed to be under the influence of drugs or alcohol will not be permitted to engage in further work.

A controlled substance test is considered positive when a verified confirmation test indicates specimens have concentrations of a particular class of drug above the specified concentration levels. Drug classes and threshold concentration levels are listed in the “Controlled Substance (Drug) Test” Definition Section of this policy.

An alcohol test is considered positive when a verified confirmation test indicates a breath alcohol content greater than 0.04. “Alcohol Concentration Level” is defined in the Definition Section of this policy.

c. Training

Managers will receive a minimum of 60 minutes of training on alcohol misuse and a minimum of 60 minutes of training on controlled substances use. The

training will be used by managers to determine whether reasonable suspicion exists to require an employee to undergo testing. The training will include the physical, behavioral, speech, and performance indicators of probable alcohol misuse and use of controlled substances.

d. Post Accident Testing

As soon as practicable following an accident involving an employee performing a safety sensitive function, that employee will be tested for alcohol and controlled substances if:

- 1) The accident involved a fatality; or
- 2) The driver receives a citation under state or local law for a moving traffic violation arising from an accident that involved, AND one of the following conditions:
 - (a) Injury requiring emergency medical treatment away from the scene; or
 - (b) One or more vehicles having to be towed from the scene.

An alcohol test will be administered within two hours following an accident, but no longer than eight hours following the accident. A controlled substance test will be administered within 32 hours following an accident. If alcohol and/or controlled substance tests cannot be administered within the allotted time, attempts to collect specimens must cease.

A manager should be notified immediately following an accident to ensure proper post-accident instructions. A manager will determine if a test is necessary, based on the criteria above.

An alcohol test is considered positive when a verified confirmation test indicates a breath alcohol content greater than 0.04. "Alcohol Concentration Level" is defined in the Definition Section of this policy. An alcohol concentration level of 0.02 or greater but less than 0.04 will result in removal from a safety sensitive position for at least 24 hours, and disciplinary action may be taken.

A controlled substance test is considered positive when a verified confirmation test indicates specimens having concentrations of a particular class of drug above the specified concentration levels. Drug classes and threshold concentration levels are listed in the "Controlled Substance (Drug) Test" Definition Section of this policy.

In the event of a positive non-prescription drug or alcohol test confirmation, the employee will be suspended from employment, pending agreement on rehabilitation procedures described in the Rehabilitation Section of this policy.

NOTE: Nothing in this section will be interpreted to require the delay of necessary medical attention for injured people following an accident. In addition, the driver is not prohibited from leaving the scene of an accident for

the period necessary to obtain assistance in responding to the accident or to obtain necessary emergency medical care.

L. REFUSAL TO SUBMIT

Any employee who refuses to submit to a drug or alcohol test immediately when requested by a manager will be treated in the same manner as an employee who has failed an alcohol or controlled substance test, as defined in this policy. Unless at the time of request, the employee acknowledges use of a prescribed drug and provides within 72 hours proof of a legal prescription.

An applicant who refuses to be tested will not be extended an offer of employment.

Attempts to alter or substitute the specimen provided will be deemed a refusal to take the drug test when required.

M. VIOLATION OF POLICY AND DISCIPLINARY CONSEQUENCES

An employee may be found to use illegal drugs or alcohol on the basis of any appropriate evidence including, but not limited to:

1. Direct observation;
2. Evidence obtained from an arrest or criminal conviction;
3. A verified positive test result; or
4. An employee's voluntary admission.

The District will refer an employee found to use illegal drugs or alcohol to the Substance Abuse Professional and may remove the employee from their position. Disciplinary action taken against an employee found to use illegal drugs or alcohol may include the full range of disciplinary actions, including termination.

The severity of the action chosen will depend on the circumstances of each case. At the discretion of the District, and as part of SAP counseling, an employee may return to duty if the employee's return would not endanger public health or safety.

The terms and conditions of the disciplinary consequences, if any, utilized by the District will not expand the rights and limitations of the employee under the "at will" provision of the employee handbook or the terms and conditions of any MOU between the District and the employee association.

A rehabilitation program may be available for those employees having a positive controlled substance and/or alcohol test. A second verified positive test under any circumstances might constitute cause for immediate termination. Failure to complete a treatment program provided by the Substance Abuse Professional (SAP) will be treated as a second positive test.

The employee will pay rehabilitation program costs and subsequent controlled substance and/or alcohol costs related to return-to-work and follow-up testing. When recommended by the SAP, participation in and completion of the rehabilitation program is mandatory. Prior to return-to-duty testing, an employee must follow the rehabilitation program recommended by the SAP and agree to sign a return-to-duty agreement. The duration and frequency of follow-up testing will be determined by the SAP but will not be shorter than one year or longer than five years.

NOTE: Health insurance plans may provide coverage for rehabilitation costs. Health benefits information can be obtained from the District's Human Resources contact.

N. VOLUNTARY REFERRAL

A fundamental purpose of the District's Drug and Alcohol Policy is to assist employees who themselves are seeking treatment for drug use and/or alcohol abuse. For this reason, the District will not initiate disciplinary action against any employee who meets all three of these conditions:

1. Voluntarily identifies him/herself as a user of illegal drugs or alcohol prior to being identified through other means;
2. Obtains counseling or rehabilitation through an EAP; and
3. Thereafter refrains from using illegal drugs or alcohol.

This self-referral option allows any employee to step forward and identify him/herself as an illegal drug user for the purpose of entering a drug treatment program under the supervision of an SAP. In stepping forward, an employee may volunteer for a drug test as a means of identification. Although this self-identification test may yield a verified positive test result, such result will not subject an employee to discipline assuming the three conditions listed above are met.

O. EMPLOYEE RIGHTS

The sample collection process will include the opportunity for the employee to provide information about factors other than illegal drug use, such as taking prescribed medication that could cause a positive test result. At the employee's option, this information may be submitted in a sealed envelope to be opened only by the Medical Review Officer if the test result is positive.

Upon request, the employee will receive a full copy of any test results and related documentation of the testing process.

P. CONFIDENTIALITY

The District will maintain records of the circumstances and results of any employee testing under this policy. These records, and any other information pertaining to an

employee's drug or alcohol test, will be considered confidential and will be released only to:

1. The employee who was tested or other individuals designated in writing by that employee;
2. The Medical Review Officer; or
3. Individuals who need the records or information to:
 - a. Determine, or assist in determining, what action the District should take in response to the test results; or
 - b. Respond to appeals or litigation arising from the drug or alcohol test or related actions.

Q. REHABILITATION / RETURN-TO-DUTY

1. Rehabilitation

After a verified positive test result, a conference will be conducted between the employee and a Human Resources contact. If warranted, the employee will be requested to participate in a substance abuse rehabilitation program developed by a SAP. Details will be outlined in a Return-to-Duty Agreement.

Employees may use accumulated sick leave, vacation time, or compensatory time to participate in a rehabilitation program. Program costs and subsequent controlled substance and/or alcohol-testing costs will be paid by the employee. Failure to participate in and complete such a program may result in employment termination.

2. Return-to-Duty

Employees who have violated the prohibition set forth in this policy will be required to submit to a return-to-duty test before returning to their position. The test result must indicate an alcohol concentration of less than 0.02 and/or a verified negative result on a controlled substance test.

3. Follow-Up Testing

After the return-to-duty test, employees will be subject to unannounced follow-up testing. A SAP will determine the number and frequency of tests.

R. SPECIAL DUTIES AND RESPONSIBILITIES

1. Maintenance of Records

The District will maintain records of its alcohol misuse and controlled substances use prevention programs. The records will be maintained in a secure location with controlled access and separate from the employee's personnel file. The District will maintain the records in accordance with the following schedule:

One Year – Records of negative and cancelled controlled substances test results and alcohol test results with a concentration of less than 0.02.

Two Years – Records relating to the alcohol and controlled substances collection process.

Five Years – The following records will be maintained for a minimum of five years:

- a. Alcohol results indicating an alcohol concentration of 0.02 or greater;
- b. Records of verified positive controlled substances test results;
- c. Documentation of refusals to take required alcohol and/or controlled substances tests;
- d. Driver evaluation and referrals; and
- e. A copy of each annual calendar year summary.

S. DEFINITIONS

Alcohol means the intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohol including methyl or isopropyl alcohol.

Alcohol Concentration means the alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath as indicated by an evidential breath test under this regulation. For example, 0.02 means 0.02 grams of alcohol in 210 liters of expired deep lung air. Blood tests will not be used to determine alcohol concentration, unless administered by on-site police or public safety officials in a post accident situation.

Applicant means any individual tentatively selected:

1. For employment with the District; or
2. For a Safety-Sensitive Position, and who has not, immediately prior to the selection, been subject to random testing.

Breath Alcohol Technician (BAT) means a person trained to operate the Evidential Breath Testing (EBT) device that the technician is using in the alcohol testing procedures. BATs are the only qualified personnel to administer the EBT tests.

Chain of Custody means the procedures to account for the integrity of each urine specimen by tracing its handling and storage from point of collection to final disposition.

Collection Site means a place designated by the District where individuals present themselves for the purpose of providing a specimen of either urine and/or breath.

Confirmation Test for alcohol testing means a second test, following a screening test with a result of 0.02 or greater that provides quantitative data of alcohol

concentration. For controlled substances testing, it means a second analytical procedure to identify the presence of a specific drug or metabolite which is independent of the screen test and which uses a different technique and chemical principle from that of the screen test, in order to ensure reliability and accuracy. Gas Chromatography/Mass Spectrometry (GC/MS) is the only authorized confirmation method of cocaine, marijuana, opiates, amphetamines, and phencyclidine.

Consortium/Third-Party Administrator (C/TPA) is a service agent that provides or coordinates the provision of a variety of drug and alcohol testing services to employers. C/TPAs typically perform administrative tasks concerning the operation of the employer's drug and alcohol testing programs. This term includes, but is not limited to, groups of employers who join together to administer, as a single entity, the DOT drug and alcohol testing programs of its members.

Controlled Substance (Drug) Test is a method of detecting and measuring the presence of controlled substances, whether legal or illegal, in a person's body. A controlled substance test may be either an initial test or a confirmation test. An initial controlled substance test is designed to identify specimens having concentrations of a particular class of drug above a specific concentration level. It eliminates negative specimens from further consideration. A confirmation drug test is a second analytical procedure to detect the presence of a specific drug or its metabolite. The confirmation procedure is conducted independent of the initial test and uses a different technique and chemical principal in order to confirm reliability and accuracy.

Controlled substances will be tested under the Department of Health and Human Service guidelines. The cut-off concentrations below are for initial and confirmation drug tests:

Type of drug or metabolite	Initial test	Confirmation test
(1) Marijuana metabolites	50	
(i) Delta-9-tetrahydrocannabinol-9-carboxylic acid (THC) 50		15
(2) Cocaine metabolites (Benzoylecgonine)	300	
(3) Phencyclidine (PCP)	25	
(4) Amphetamines	1000	
(i) Amphetamine		500
(ii) Methamphetamine		500 (Specimen must also contain amphetamine at a concentration greater than or equal to 200 ng/mL.)
(5) Opiates metabolites	2000	
(i) Codeine		2000
(ii) Morphine		2000
(iii) 6-acetylmorphine (6-am)		10 (Test for 6-AM in the specimen. Conduct this test only when specimen contains morphine at a concentration greater than or equal to 2000 ng/mL.)

Department of Transportation (DOT) Guidelines means the controlled substances and alcohol testing procedures in all transportation industries (49 CFR, Part 40) and for the Federal Motor Carrier Safety Administration (49 CFR, Part 382).

Employee Assistance Program (EAP) means a counseling program that offers assessment, short-term counseling, and referral services to employees for a wide range of drug, alcohol, and mental health problems, and monitors the progress of employees while in treatment.

Evidential Breath Testing Device (EBT) means the device to be used for breath alcohol testing.

Medical Review Officer means the individual responsible for receiving laboratory results generated from the District's Drug and Alcohol Program who is a licensed physician with knowledge of substance abuse disorders and the appropriate medical training to interpret and evaluate all positive test results together with an individual's medical history and any other relevant biomedical information.

Illegal Drugs means a controlled substance included in Schedule I or II, as defined by section 802(6) of Title 21 of the United States Code, the possession of which is unlawful under chapter 13 of that Title. The term "illegal drugs" does not mean the use of a controlled substance pursuant to a valid prescription or other uses authorized by law.

Performing Safety Sensitive Function means an employee is considered to be performing a safety sensitive function in any period in which they are actually performing, ready to perform, or immediately available to perform such functions.

Post Accident Alcohol and/or Controlled Substance Testing is testing performed on safety-sensitive employees following an accident involving a commercial motor vehicle where:

- 1) The accident involved a fatality; or
- 2) The driver receives a citation under state or local law for a moving traffic violation AND one of the following conditions:
 - (a) Injury requiring emergency medical treatment away from the scene; or
 - (b) One or more vehicles having to be towed from the scene.

Pre-Employment Controlled Substance Testing is conducted before applicants begin work, but after an offer to hire. It is also conducted when existing District employees are transferred to a safety sensitive position.

Random Controlled Substance and/or Alcohol Testing means a system of testing imposed without individualized suspicion that a particular individual is using illegal drugs. Testing is conducted on a random, unannounced basis for safety sensitive employees just before, during, or just after performing a safety sensitive function.

Reasonable Suspicion Controlled Substance and/or Alcohol Testing is conducted when a trained manager has a good faith belief based on specific, contemporaneous, and articulable facts or evidence that an employee may have violated the prohibitions set forth this policy.

Refusal to Submit means failing to provide an adequate breath or urine sample for testing without a valid medical explanation or engaging in conduct that clearly obstructs the testing process (i.e., verbal declarations, obstructive behavior, or physical absence resulting in the inability to conduct the test.)

Safety-Sensitive Employee is defined as an employee possessing a commercial drivers license and as a part of their job description may operate any of the following vehicles:

1. A vehicle with a gross vehicle weight rating (GVWR) of at least 26,001 pounds;
2. A vehicle with a gross combination weight of at least 26,001 pounds inclusive of a towed unit with a gross vehicle weight rating (GVWR) of more than 10,000 pounds;
3. A vehicle designed to transport 16 or more passengers, including the driver; or
4. A vehicle used to transport hazardous materials that requires placards.

Substance Abuse Professional (SAP) means a licensed physician (medical doctor or doctor of osteopathy), or a licensed or certified psychologist, social worker (with knowledge of and clinical experience in the diagnosis and treatment of drug and alcohol related disorders (the license alone does not authorize this), Certified Employee Assistance Professional (CEAP), or addiction counselor certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission (NAADAC) with knowledge of and clinical experience in the diagnosis and treatment of alcohol and controlled substances related disorders.

Trained Manager means a person in authority who received at least one hour of training on the signs and symptoms of alcohol abuse and at least one hour of training on the signs and symptoms of controlled substance abuse.

Model Drug and Alcohol Program

Appendices

- A. Behavior/Incident Documentation Form**
- B. Search/Evidence (Discrepancy) Documentation Form**
- C. Collection Center Locations**

Appendix A

Behavior/Incident Documentation Form

OBSERVED BEHAVIOR REASONABLE SUSPICION RECORD

PERSONNEL OFFICE USE ONLY

Employee Number _____

Location _____

Incident Number _____

EMPLOYEE NAME

DATE OBSERVED

ADDRESS OF INCIDENT:

Street

City

State

Zip Code

TIME OBSERVED

FROM _____ a.m. p.m.

TO _____ a.m. p.m.

Mark items that apply and describe specifics

1. **APPEARANCE:** normal ____ sleepy ____ tremors ____ clothing ____ cleanliness ____

Description: _____

2. **BEHAVIOR:** _____

normal ____ erratic ____ irritable ____ inappropriate gaiety ____ mood swings ____ lethargic ____

Description: _____

3. **SPEECH:** _____

Description: _____

4. **BODY ODORS:** _____

5. **INDICATIONS OF THE CHRONIC AND WITHDRAWAL EFFECTS OF CONTROLLED SUBSTANCES:**

☐ YES ☐ NO

EXPLAIN: _____

6. **OTHER OBSERVATIONS FOR REASONABLE SUSPICION:**

WITNESSED BY:

Signature Title Preparation Date Time a.m. p.m.

Signature Title Preparation Date Time a.m. p.m.

**THE ALCOHOL TEST MUST BE ADMINISTERED WITHIN EIGHT HOURS FOLLOWING A REASONABLE
SUSPICION DETERMINATION**

EMPLOYER RETAIN IN EMPLOYEE'S CONFIDENTIAL FILE

Appendix B

Search/Evidence (Discrepancy) Documentation Form

Search/Evidence (Discrepancy) Documentation Form

Department/work location: _____

Employee or subject name: _____

Date: _____ Time: _____

Investigated by: _____

Employed by: _____ Position: _____

Location of search: _____

Reason for search: ☐ Routine ☐ Periodic ☐ Contractual

☐ Reasonable suspicion (or cause)

Location of evidence or prohibited items: _____

Description of evidence, items or substances (continue on back, if necessary): _____

Were local authorities called? _____

Time: _____

Reporting supervisor's signature Date

Witness' signature Date

Employee's signature Date

Appendix C

Glendale Adventist Occupational Medical Center