RULES AND REGULATIONS
FOR DISTRIBUTION OF WATER
ARVIN-EDISON WATER STORAGE DISTRICT

AS ORIGINALLY ADOPTED BY RESOLUTION NO. 68-16, January 2, 1968
AS AMENDED AND RESTATED BY RESOLUTION NO. 11-17, June 14, 2011

20401 Bear Mountain Boulevard
Mailing Address: P.O. Box 175
Arvin, California 93203-0175
arvined@aewsd.org

Telephone Numbers:
District Office ................................................ (661) 854-5573
District Fax ..................................................... (661) 854-5213
Watermaster/Dispatcher .............................. (661) 854-4433
Forrest Frick Pumping Plant ......................... (661) 366-7721
Tejon Pumping Plant .................................... (661) 854-2378
North Canal Spreading Works .................... (661) 854-5579
Intertie Pump Plant ....................................... (661) 858-2348
CIMIS............................................................ (661) 634-3404
ARVIN-EDISON WATER STORAGE DISTRICT

OFFICERS AND DIRECTORS

Director, Division 1 ................................................................. Ronald R. Lehr
Director, Division 2 ................................................................. Jeffrey G. Giumarra
Director, Division 3 ................................................................. President, Howard R. Frick
Director, Division 4 ................................................................. Donald M. Johnston
Director, Division 5 ................................................................. Secretary-Treasurer, John C. Moore
Director, Division 6 ................................................................. Vice President, Edwin A. Camp
Director, Division 7 ................................................................. Charles Fanucchi
Director, Division 8 ................................................................. Donald J. Valpredo
Director, Division 9 ................................................................. Kevin E. Pascoe

STAFF

Engineer-Manager ................................................................. Steven C. Collup
Assistant Manager ................................................................. David A. Nixon
Staff Engineer ................................................................. Jeevan S. Muhar
General Superintendent ........................................................ Christopher P. Krauter
Watermaster ................................................................. Perry L. Hyatt
Watermaster ................................................................. Nicolas J. Carbajal
# TABLE OF CONTENTS

## DIVISION I: GENERAL

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Purpose</td>
<td>1</td>
</tr>
<tr>
<td>2. Definitions</td>
<td>1</td>
</tr>
<tr>
<td>3. Interpretation-Federal Contracts</td>
<td>1</td>
</tr>
<tr>
<td>4. Enforcement of Rules and Regulations</td>
<td>1</td>
</tr>
<tr>
<td>5. Effective Date and Changes</td>
<td>1</td>
</tr>
<tr>
<td>6. Severability of Provisions-Captions</td>
<td>2</td>
</tr>
</tbody>
</table>

## DIVISION II: GENERAL PROJECT ADMINISTRATION

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Engineer-Manager and District Employees</td>
<td>2</td>
</tr>
<tr>
<td>a. Engineer-Manager</td>
<td>2</td>
</tr>
<tr>
<td>b. District Employees</td>
<td>2</td>
</tr>
<tr>
<td>c. Appeal of Decision of Engineer-Manager</td>
<td>2</td>
</tr>
<tr>
<td>d. Right of Access</td>
<td>2</td>
</tr>
<tr>
<td>2. Equipment and Records</td>
<td>2</td>
</tr>
<tr>
<td>a. Equipment</td>
<td>2</td>
</tr>
<tr>
<td>b. Records</td>
<td>3</td>
</tr>
<tr>
<td>3. Ownership, Notices, Representatives, and Appointment of Agents</td>
<td>3</td>
</tr>
<tr>
<td>a. Land Ownership-Address of Landowners</td>
<td>3</td>
</tr>
<tr>
<td>b. Representatives</td>
<td>3</td>
</tr>
<tr>
<td>c. Appointment of General Agent</td>
<td>3</td>
</tr>
<tr>
<td>d. Eligibility Under Reclamation Law</td>
<td>4</td>
</tr>
<tr>
<td>4. Transfers of Land-Assumptions and Encumbrances</td>
<td>4</td>
</tr>
<tr>
<td>a. Transfer of Title to Land</td>
<td>4</td>
</tr>
<tr>
<td>(1) District Records</td>
<td>4</td>
</tr>
<tr>
<td>(2) Transfers Affecting Water Service Contract - Assumption Agreements</td>
<td>4</td>
</tr>
<tr>
<td>b. Warranty of Title</td>
<td>4</td>
</tr>
<tr>
<td>c. Request for Notice</td>
<td>4</td>
</tr>
<tr>
<td>5. Segregation of Lien for Delinquent Toll or Charge - Partial Redemption</td>
<td>5</td>
</tr>
<tr>
<td>6. Liability of District</td>
<td>6</td>
</tr>
<tr>
<td>7. Actions Against District</td>
<td>6</td>
</tr>
<tr>
<td>8. Liability of Water User</td>
<td>6</td>
</tr>
<tr>
<td>9. Groundwater Storage and Preservation of Pumping Rights</td>
<td>7</td>
</tr>
<tr>
<td>10. Encroachment on District Right-of-Way</td>
<td>8</td>
</tr>
<tr>
<td>11. Modification of the System</td>
<td>8</td>
</tr>
</tbody>
</table>
DIVISION III: DISTRIBUTION OF WATER

Section | Page
--- | ---
1. Surface Water Service Area | 8
   a. Additions of Lands to Surface Water Service Area | 8
   b. Exclusion of Lands from Surface Water Service Area | 9
2. Water Service | 9
   a. Water User | 9
   b. Operating Agent | 9
      (1) Appointment | 9
      (2) Term of Agency-Revocation | 10
   c. Payment for Water Service | 10
   d. Determination of Charges | 11
   e. Tiered Water Pricing | 11
   f. Delinquencies | 11
   g. Carry Over Prohibited | 12
3. Temporary Water Service for Special Purposes | 12
4. Temporary Water Service for Agricultural Uses | 12

DIVISION IV: ORDERING, DELIVERY, AND USE OF WATER

Section

1. Annual Applications for Contract Water Service | 13
2. Revised Annual Applications for Contract Water Service | 13
3. Continuous Delivery | 13
4. Water Service Orders | 14
5. Delivery Change Within the Same Lateral | 14
6. Emergency Turn Offs | 14
7. Unauthorized Adjustments of Flow | 14
8. Interruptions in Service | 15
9. Proration of Water Delivery | 15
   a. System Deficiency | 15
   b. Water Shortage | 15
10. Use of Other Water Supplies | 15
11. Waste of Water | 15
12. Farm Turnouts-Connections | 15
13. Combined Turnouts | 16
   a. Combined Turnout Agreement and Consent to Easement | 16
   b. Rate of Delivery | 16
14. Delivery of Municipal, Industrial, and Domestic Water | 16
15. Condition of Water | 16
16. Section 592 of the Penal Code of the State of California | 16
DIVISION V: POLICIES AND PROCEDURES FOR ESTABLISHING, FIXING AND COLLECTION OF CHARGES AUTHORIZED BY SECTIONS 43006 AND 47180 OF THE WATER CODE FOR GENERAL ADMINISTRATION AND GENERAL PROJECT SERVICES RENDERED BY THE ARVIN-EDISON WATER STORAGE DISTRICT

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Policies</td>
<td>17</td>
</tr>
<tr>
<td>a. General Administrative Service Charge</td>
<td>17</td>
</tr>
<tr>
<td>b. General Project Service Charge</td>
<td>17</td>
</tr>
<tr>
<td>2. Procedures</td>
<td>18</td>
</tr>
</tbody>
</table>
ARVIN-EDISON WATER STORAGE DISTRICT

RULES AND REGULATIONS
FOR DISTRIBUTION OF WATER

EFFECTIVE JUNE 14, 2011

DIVISION I: GENERAL

1. Purpose: These Rules and Regulations are established by the Board of Directors of the Arvin-Edison Water Storage District pursuant to the requirements of Division 14 of the California Water Code, specifically section 43003 of said Water Code, and, in furtherance of District's Adopted Project, in order to provide for the most economical and efficient distribution and use of water within the District and establish procedures for fixing tolls and charges authorized by sections 43006 and 47180 et seq., of the California Water Code. These Rules and Regulations are the Rules and Regulations mentioned in the Water Service Contracts between the District and various landowners within District's Surface Water Service Area.

2. Definitions: Terms and expressions employed in these Rules and Regulations are as defined in the Water Service Contracts executed by the District and its landowners with the exception of certain terms or expressions used herein which do not appear in said Contracts, but which terms or expressions are defined or explained at the point where they are introduced into these Rules and Regulations.

3. Interpretation - Federal Contracts: These Rules and Regulations are in implementation of the contract effective November 1, 2010 between Arvin-Edison Water Storage District and the United States of America regarding water delivery, and any other contracts which may be entered into between Arvin-Edison Water Storage District and Water Users for water service; and any amendment to the foregoing.

4. Enforcement of Rules and Regulations: The Engineer-Manager of the District is authorized to perform all acts necessary and proper to enforce these Rules and Regulations. Failure of a Water User to comply with any of the Rules and Regulations shall be sufficient cause for the termination of water service, and water service will not again be furnished to such Water User until full compliance has been made with all requirements as herein set forth; PROVIDED, HOWEVER, that Water User shall in no way be relieved of any responsibility for payment of any charges or obligations by reason of such termination of water service. When it is practicable to do so, advance notice of any such termination of water service will be furnished to Water User. In no event shall any liability accrue against District or any of its officers, agents, or employees for damage, direct or indirect, arising from such terminations of water service. Non-enforcement of any provision of these Rules and Regulations does not constitute a waiver of the District's right of enforcement at any time.

5. Effective Date and Changes: These Rules and Regulations, as amended, shall become effective June 14, 2011 and may be added to, amended, or repealed at any time by resolution of the Board of Directors of the District and such additions, amendments, or repeals shall become effective upon adoption or as otherwise specified by the Board of Directors.
6. **Severability of Provisions - Captions:** If any provisions of these Rules and Regulations, or the application thereof to any person or circumstances are held invalid, the remainder of these Rules and Regulations and the application of their provisions to other persons or circumstances shall not be affected thereby.

Captions accompanying these Rules and Regulations are for convenience or reference and do not form a part thereof.

**DIVISION II: GENERAL PROJECT ADMINISTRATION**

1. **Engineer-Manager and District Employees:**

   a. **Engineer-Manager:** The Engineer-Manager is the person appointed by the Board of Directors to manage, pursuant to the Board's direction, the affairs of the District. The District's distribution system is under the exclusive management and control of the Engineer-Manager. Except as provided in Division IV, Section 6 hereof (relating to emergency turn-offs), no person other than the Engineer-Manager or District employees designated by him shall turn on, turn off, or otherwise adjust, manipulate, or use any of the District's facilities; provided, however, the Engineer-Manager may provide written authority for water users to turn on, turn off or otherwise adjust facilities under specified conditions, which authority may be withdrawn at any time.

   b. **District Employees:** The Engineer-Manager shall supervise the activities of all District employees in connection with the operation and maintenance of the Distribution System and all other activities of the District. The Engineer-Manager shall designate the authority of each of the employees of the District. Any controversy between a Water User and a District employee that cannot be settled directly shall be appealed to the Engineer-Manager.

   c. **Appeal of Decision of Engineer-Manager:** In event the Water User disagrees with a decision made by the Engineer-Manager in administering these Rules and Regulations, said Water User shall have the right to appeal to the Board of Directors within ten (10) days after notice of such decision. Appeals shall be submitted in writing to the Board and shall specifically set forth the decision being appealed and shall give reasons for said appeal. Appeals shall be considered at the next regularly scheduled meeting of the Board.

   d. **Right of Access:** Persons employed by the District and/or authorized by the Engineer-Manager shall have access at all times to all lands and District water distribution facilities within the District for the purpose of conducting District business. Except in cases of emergency or where otherwise considered impractical by the Engineer-Manager, the person in possession of the land shall first be contacted before entering landowner's property. Nothing herein contained shall affect any District easement or right-of-way.

2. **Equipment and Records:**

   a. **Equipment:** No property of the District, including tools, machinery, equipment, vehicles, and the like shall be used for purposes other than District business. No property of the District, including tools, machinery, equipment, vehicles, and the like shall
be borrowed or loaned for any purpose without the expressed authorization of the Engineer-
Manager.

b. **Records:** All records of the District that are retained consistent with its
policies shall be maintained at the District office or an offsite storage location. Such records
are for the exclusive use of the District and shall be made available for use for other
purposes only as provided in the provisions of Chapter 3.5, Division 7, Title 1 (commencing
with Section 6250, of the California Government Code), subject to policies of the District
adopted from time to time.

3. **Ownership, Notices, Representatives, and Appointment of Agents:** For
administration of these Rules and Regulations and District's Water Service Contracts, it is
necessary that certain matters (including, but not limited to, matters regarding applications
for water service; ordering, delivery, and use of water; and giving notice to Water Users)
shall be authorized in writing by the Water User. For convenience of Water Users and
District and without releasing a Water User's land from any obligations under their Water
Service Contract or these Rules and Regulations, District will provide water service pursuant
to the following determinations and authorizations:

a. **Land Ownership - Address of Landowners:** In all respects where materially
relevant to the administration of these Rules and Regulations, except as provided in
Division II, Section 4a(1) hereof (relating to transfer of title and District records), owner of
land means the person(s) or entity shown on the Kern County Assessment Roll, last
equalized, at the time in question and as determined in accordance with the Water Code,
sections 39051 through 39054, inclusive. Addresses of landowners will be determined in a
like manner.

Except as provided in Division II, Section 4a(1), if title to land has been
transferred and the change of interest does not appear on said Assessment Roll, it is the
duty of the Transferee to present proper proof of title to the District.

b. **Representatives:** Anyone acting in any representative capacity for a Water
User shall furnish evidence to the satisfaction of the District of his/her authority to so act and
bind the lands of Water User. Such representatives include guardians; conservators;
administrators; executors; trustees; partnerships, including limited partnerships; attorneys-
in-fact; and the like.

c. **Appointment of General Agent:** Where Water User consists of more than
one owner (undivided ownership), except a husband and wife living at the same address, or
when Water User is an entity (e.g., partnership, limited liability company, corporation, public
agency, etc.) Water User shall, by written instrument, file with the District and appoint a
general agent for the purpose of performing any and all acts to be done by Water User
(except permanent assignment of rights) and for receiving all notices, billings, and refunds
from District for charges incurred by reason thereof. In case of husband and wife living at
the same address, in absence of written notification to the contrary it is to be presumed that
either has such authority to act for the other. Appointment of such agent shall be made on
forms furnished by District and executed and filed in a manner satisfactory to District. Forms
will stay in force until revoked or superseded. Failure to appoint such an agent may result in
discontinuance of water service delivery until an agent has been appointed.
d. **Eligibility Under Reclamation Law:** As a result of the District entering into a “Contract Between the United States and Arvin-Edison Water Storage District Providing for Project Water Service From Friant Division and for Facilities Repayment,” dated November 1, 2010, and repaying in full the Repayment Obligation thereunder, the District is no longer subject to the acreage limitation, reporting, and full cost pricing provisions of the Reclamation Reform Act of 1982, and accordingly Article 8 of the Water Service Contract is moot and no longer applicable.

4. **Transfers of Land - Assumptions and Encumbrances:**

   a. **Transfer of Title to Land:**

      (1) **District Records:** Notwithstanding any transfer or change of ownership, District shall be entitled to administer these Rules and Regulations and Water Service Contracts in reliance upon and in accordance with matters on file at the District office only (regardless of the knowledge of any agent, servant, or employee to the District acquired in any other manner) including such matters as determining landownership, addresses, authorizations, appointments, designations, refunds, and the like. Such matters are continuing representations upon which the District is entitled to rely unless and until the District has received actual written notice of a change or revocation.

      (2) **Transfers Affecting Water Service Contract - Assumption Agreements:** Without limiting the provisions of Article 7 of the Water Service Contracts, when title to land affected by a Water Service Contract is transferred or such lands are the subject of a contract of sale, District will be under no obligation to deliver water to such lands until the new landowner has provided satisfactory evidence of transfer of title or the contract of sale and thereafter promptly executes an Assumption Agreement; provided, however, service will continue to be made to any Operating Agent that has been previously appointed as provided in Division III, Section 2b hereof, until said appointment is otherwise revoked. Such Assumption Agreements shall be on forms provided by the District, executed and completed in a manner satisfactory to the District. In the event of such transfer of ownership as to a portion of the lands described in an Exhibit "A" to a Water Service Contract, and in the absence of written instructions from the affected landowners, agreements will be prepared so as to allocate the rights and obligations under said Water Service Contract on an acreage basis. (See Division IV, Section 13 hereof for Combined Turnouts). The District may decline to approve such Assumption Agreement and discontinue water service if such conveyance of a portion of the lands described in Exhibit "A" results in a parcel in separate ownership of less than five (5) acres.

   b. **Warranty of Title:** The execution by the District of any Assumption Agreement shall be without any warranty of title on the part of the District and shall not be interpreted as any representation, expressed or implied, by or on behalf of District, that such assignment, transfer, or disposal is free and clear of outstanding encumbrances.

   c. **Request for Notice:** Without attempting to establish or in any manner affect the rights of any person arising from a deed of trust, any person or entity having any interest in a deed of trust on property subject to a Water Service Contract may file with the District a written request for notice of failure to make the payments required by such Water Service Contract or a request for notice of any specified act that the District may be requested to
undertake or to consent to under the Water Service Contract or these Rules and Regulations that such person alleges will detrimentally affect his/her interest, including, but not limited to, a request for exclusion from the Surface Water Service Area, a request for assignment of rights under Water Service Contract, or a request for permission to utilize water on lands other than those described in Exhibit "A" to a Water Service Contract.

Upon receipt of such notice, District shall give such person or entity written notice of default or of any request that it take such action as is set forth in the request for notice at least fifteen (15) days prior to foreclosure proceedings or prior to such other specified act by the District, unless such person or entity has given written consent to the requested action. In addition to setting forth the matter as to which notice by the District is requested, the request for notice shall set forth a legal description of the land affected, the name of the current owner of the fee, the name and address where the requested notice is to be sent, and a copy of the deed of trust showing the recording information.

Any notice from the District shall be effective when deposited in the mail, postage prepaid, directed to the address shown in the notice. Provided, however, District may disregard any request for notice which has not been re-filed within fifteen (15) days of a written demand; therefore, by the District mailed in the same manner and with the same effect as hereinabove provided for the notice by the District. Provided further; however, nothing herein provided shall render District liable to any person or entity under any circumstances.

5. Segregation of Lien for Delinquent Toll or Charge - Partial Redemption:

a. For purposes of payment of delinquent tolls and charges, including Water Service Contract charges, the owner(s) (excluding owners of undivided interests) of any separately described portion of a tract of land subject to a lien established pursuant to Section 47183 of the Water Code, other than the owner(s) named in the delinquent list recorded pursuant to Section 47183 of the Water Code, may, with the consent of all the owners of said tract of land, request the Board to direct the District Treasurer, or the County Treasurer, as the case may be, to segregate said lien ratably in accordance with the acreage of the respective tracts; to accept payment of said segregated amounts in satisfaction of said respective segregated liens; and, upon receipt of payment, to issue a recordable satisfaction of such lien or to delete said parcel from the notice of sale provided for in Section 46730 et seq., of the Water Code, or to cancel the sale as to said parcel, as the case may be.

If the Board finds that the respective tracts are adequate security for the segregated amounts and that such segregation is not detrimental to the best interest of the District, it shall enter such order which shall become effective upon payment of the sum due.

b. For like purposes, any Transferee (excluding undivided owners) of any separately described portion of a tract of land for which the District holds a certificate of sale issued pursuant to Section 46759.5 et seq., of the Water Code, other than the owner named in the delinquent list recorded pursuant to Section 47183 of the Water Code by reason of which said certificate or deed was issued, may, with the consent of all of the owners of said tract of land, request the Board to direct the District Treasurer or County Treasurer, as the case may be, to segregate the amount for which the property was sold to District ratably in accordance with the acreage of the respective tracts, to compute the amount required for
redemption pursuant to Section 46786 of the Water Code on the basis of said segregated sale price, to accept such sum found to be due, and to issue a certificate of partial redemption describing the portion redeemed. If the Board finds that the respective tracts are adequate security for the segregated amounts and that such segregation is not detrimental to the best interests of the District, it shall enter such order which shall become effective upon payment of the sum due.

6. **Liability of District:** As provided in Article 2 Section (g) of the Water Service Contracts and in connection with all water service provided pursuant to these Rules and Regulations, District will not be responsible for the control, carriage, handling, use, disposal, or distribution of water delivered to Water Users or Contractors hereunder outside the facilities then being operated and maintained by District.

   As provided in Article 2 Section (j) of the Water Service Contract, and in connection with all water service provided pursuant to these Rules and Regulations, in no event shall any liability accrue against District or any of its officers, agents, or employees for any damage, direct or indirect, arising from temporary discontinuance or reduction of water deliveries.

   As further provided in Article 2 Section (k) of the Water Service Contract, and in connection with all water service provided pursuant to these Rules and Regulations, in no event shall any liability accrue against the District or any of its officers, agents, or employees, for any damage, direct or indirect, arising from a shortage on account of problems in deliveries, drought, or any other cause whatsoever.

7. **Actions Against District:** Nothing contained in these Rules and Regulations constitute any waiver by District or estop it from asserting any defenses or immunities from liability as provided in Division 3.6 of Title 1 of the Government Code. In connection with any such matters, one may wish to seek the advice of an attorney of their choice.

8. **Liability of Water User:** As provided in Article 2 Section (g) of the Water Service Contract and by acceptance of surface water service provided pursuant to these Rules and Regulations, Water User and/or Contractor does thereby agree to indemnify and to assume the defense of and hold harmless the District and its officers, agents, and employees from any loss, damage, liability, claims, or causes of action of every nature whatsoever, for damage to or destruction of property, including the District's property, or for injury to or death of persons, in any manner arising out of or incidental to the control, carriage, handling, use, disposal, or distribution of water outside District's Distribution System. No persons will be allowed to drain irrigation water or tail water upon or permit water to drain upon District-owned property except as authorized in writing by the District Engineer-Manager and any person doing so will be subject to fine and damages; will be in violation of these Rules and Regulations; and water service may be terminated until such violation ceases.

   It is the duty of the Water User to furnish sufficient protection for the individual farm turnout or any other District facility to prevent damage. In the event that damage occurs, the expense of District personnel and/or contractors for the repair of such damage will be borne by Water User and no water will be furnished through the affected turnout until such repairs are made and the charges therefore are paid to the District.
Consistent with the provisions of Article 2 of the Water Service Contract, water delivery may be discontinued by the District for any Water User who permits water delivered by District to escape beyond the boundary of the lands described in said contract whether willfully, carelessly, or on account of defective or inadequate ditches, pipelines, or other facilities, or inadequate tail water facilities, or inadequately prepared land or improper management, and said water delivery will not be resumed until such conditions are corrected.

9. Groundwater Storage and Preservation of Pumping Rights: In order that no Water User be prejudiced by utilizing Project Water in lieu of exercising whatever rights he or she may have to pump groundwater, and in recognition of the anticipated benefit to the District's underground water supply arising from the implementation of the District's project, the Board of Directors has adopted the following policies:

a. All Water Service Contracts with the District for water service include a paragraph (Article 2 Section (e)) which is quoted following:

"In the interest of preserving to Landowner1 his rights to pump groundwater for use on his lands which will be served with water under this Contract, it is agreed that, during all years that District delivers water to Landowner, to the extent that Landowner shall reduce his pumping of groundwater and shall make use of water so delivered to him by District, Landowner's said use of water so delivered to him by the District shall be deemed the same as if he had pumped from the underground a quantity of water equal to the quantity of water so delivered to him by District. Landowner also agrees to recognize and be bound by the pumping rights similarly preserved to other Landowners in District pursuant to water service contracts heretofore and hereafter executed. It is further agreed that, as a result of District's spreading of water and percolation thereof to underground storage, either by direct recharge ponds or through deliveries in lieu of Landowners pumping groundwater, District shall have the exclusive right to use of the underground storage for (i) spreading and recovery of water in connection with supplying water to Landowner and to all other Landowners who shall heretofore or hereafter execute contracts with District for water service; (ii) providing stored water to third parties which have contracted with the District or (iii) for any other lawful purpose."

b. That, to the extent District may pump water from underground supplies for furnishing to Water Users, District shall be deemed to be exercising said Water Users' rights to pump water from underground water supplies; PROVIDED, HOWEVER, that nothing herein contained shall prevent or hinder any Water User from exercising their rights to pump groundwater.

c. Consistent with Article 2 Section (d) of the Water Service Contract it is declared that without obligating District to assume any responsibility therefore and without limiting or detracting from the obligations assumed by Water Users in this regard, District shall have the right to the use of all seepage and return flow resulting from Project Water which escapes, percolates, or is discharged beyond Water User's recovery facilities, if any, and nothing contained in said Water Service Contract or contained herein shall be

1 In municipal and industrial contracts, Landowners are sometimes called “Contractors.”
construed as an abandonment or relinquishment by District of the right to the recapture, use, and benefit of all such water and any use made of any resultant benefit to groundwater conditions is made with its consent, which consent is revocable at any time, and such use is not to be considered a use adverse to such right to the continued exercise of right to pump and utilize groundwater, nor shall any such use under any circumstances create an estoppel in asserting any such right at any time.

10. **Encroachment on District Right-of-Way:** Without limiting rights otherwise reserved, a permit for encroachment shall be required before any fences, pipelines, or other encroachments will be permitted upon District's property. An encroachment permit form approved by the Board of Directors will be furnished by District and must first be approved by the Engineer-Manager before any construction begins. The work shall be constructed to the District's specifications at the sole expense of the applicant and maintained under supervision of, and to the satisfaction of, the District. Under no circumstance shall any facilities be constructed or permanent crops be planted which prevent access to District facilities for repair of such facilities.

11. **Modification of the System:** If a modification to District's Distribution System is made at the request of a Water User, and for his/her benefit, including, but not limited to, construction of a turnout, the costs thereof, including reasonable charges for engineering performed by District and overhead, shall be paid in advance by such Water User. The advance payment shall be determined by the estimate of the Engineer-Manager. Within thirty (30) days after submittal of final accounting, Water User shall pay or District will refund the difference between said estimated costs and the actual costs of the modification. All modifications to the Distribution System shall be made in accordance with District specifications and subject to District's approval. The construction of such facilities shall be done by or at the direction of District and shall become the property of District.

**DIVISION III: DISTRIBUTION OF WATER**

1. **Surface Water Service Area:** Surface Water Service Area means that certain area of land within the District to which surface water service is available pursuant to an Water Service Contract with the District, said area having been selected pursuant to criteria adopted by the Board. Said area of land consists of all those parcels of real property described in Exhibit "A" to said Water Service Contracts. Lands within the Surface Water Service Area are shown on a map on file at the District office designated as "Surface Water Service Area" as amended from time to time. In the case of a conflict between the lands described in Exhibit "A" to said Water Service Contracts and said map, the description contained in said Exhibits shall govern. The originals of said contracts are on file at the District office and recorded in the Official Records of Kern County. Said contracts are uniform in nature differing as to whether the service to be provided is for agricultural or municipal, industrial and domestic purposes.

   a. **Addition of lands to Surface Water Service Area:** Lands may be added to the Surface Water Service Area only if the following conditions are met:

      (1) An application for addition to the Surface Water Service Area is filed with the Board by the owner or owners of the lands described in said application;

      (2) The Board determines that water service is available for said lands and
such addition is feasible and in the best interest of, or not detrimental to, District and its landowners;

(3) The owner or owners of said lands execute a Water Service Contract with the District in the form established by the Board including such special conditions as it may reasonably require, and pay such charges as the Board finds equitable and just.

b. Exclusion of Lands from Surface Water Service Area: Lands may be excluded from the Surface Water Service Area only if the following conditions are met:

(1) An application for exclusion is filed with the Board by the owner or owners of the lands described in said application. Such application shall state that the applicant understands that if exclusion is granted, he/she must waive any right(s) the lands may have had to surface water service under existing policies.

(2) The Board determines that water service for said lands has been requested by other lands in the District, subject to such conditions of service as the Board may reasonably require, and that the exclusion is feasible and in the best interest of, or not detrimental to, the District and its landowners.

(3) All documents necessary to effect the transfer have been properly executed and that payment of such charges as the Board finds equitable and just has been made or provided for.

2. Water Service: Contract Water Service is water service available only to lands within District's Surface Water Service Area pursuant to District's form of Water Service Contract and only to lands described at Exhibit “A” of said contract; provided, however, a Water User may deliver water from a particular turnout to other lands in the Surface Water Service Area which are designated in the annual application filed pursuant to Division IV, Section 1 as part of Water Users Farming Unit Operations. A Farming Unit Operation shall consist of lands owned, leased or managed, or a combination thereof, by a common Water User, for which the Water User is otherwise authorized to act pursuant to these Rules and Regulations.

a. Water User means the owner of land described in Exhibit “A” of a fully executed Water Service Contract or their representative or agent as appointed pursuant to Division II, Section 3c (relating to General Agents) or Division III, Section 2b (relates to Operating Agents) hereof.

b. Operating Agent:

(1) Appointment: Water User may by written instrument filed with the District, appoint an Operating Agent, and authorize said Agent to apply for such water service as is or may be available for the turnout(s) designated in the appointment, order such water, and Water User may designate the Operating Agent as the person to receive the billings, notices, and refunds due in connection with service to such turnout(s). Such authorization must be made on forms provided by the District, and executed and completed in a manner satisfactory to the District. The authorization shall remain in effect, and District may rely thereon until the same is revoked as provided for below or superseded by subsequent filing of a like document.
(2) **Term of Agency - Revocation:** The appointment of such agent shall be binding upon and shall inure to the benefit of Water User, their respective heirs, executors, administrators, successors, and assigns, and each and every one of them, or any person or entity claiming any interest in the lands affected by said Water Service Contract by, through, or under any Water User and to the District and its successors and assigns. The power and authority of such agent shall continue until Water User or, in the case of undivided ownership, a majority of Water Users (determined on an acreage basis, or ownership interest in the case of an undivided interest), shall have filed with the District a written revocation of said agency executed in the same form as the appointment, or a superseding appointment is filed with the District. Said agency is revoked by death of the agent, or his/her incapacity to act, or by his/her renunciation by written notice of resignation filed with the District.

c. **Payment for Water Service:** Under conditions of Contract Water Service, Water User shall pay the “Standby” Charge and the “Water Use” Charge as provided in the Water Service Contract. These charges shall be annually fixed by the Board and shall be due by and delinquent as shown on the following schedule:

<table>
<thead>
<tr>
<th>Payments</th>
<th>Month</th>
<th>Billed</th>
<th>Due</th>
<th>Delinquent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>March</td>
<td>04/05</td>
<td>04/10</td>
<td>05/10</td>
</tr>
<tr>
<td>2</td>
<td>April</td>
<td>05/05</td>
<td>05/10</td>
<td>06/10</td>
</tr>
<tr>
<td>3</td>
<td>May</td>
<td>06/05</td>
<td>06/10</td>
<td>07/10</td>
</tr>
<tr>
<td>4</td>
<td>June</td>
<td>07/05</td>
<td>07/10</td>
<td>08/10</td>
</tr>
<tr>
<td>5</td>
<td>July</td>
<td>08/05</td>
<td>08/10</td>
<td>09/10</td>
</tr>
<tr>
<td>6</td>
<td>August</td>
<td>09/05</td>
<td>09/10</td>
<td>10/10</td>
</tr>
<tr>
<td>7</td>
<td>September</td>
<td>10/05</td>
<td>10/10</td>
<td>11/10</td>
</tr>
<tr>
<td>8</td>
<td>October</td>
<td>11/05</td>
<td>11/10</td>
<td>12/10</td>
</tr>
<tr>
<td>9</td>
<td>November</td>
<td>12/05</td>
<td>12/10</td>
<td>01/10</td>
</tr>
<tr>
<td>10</td>
<td>December</td>
<td>01/05</td>
<td>01/10</td>
<td>02/10</td>
</tr>
<tr>
<td>11</td>
<td>January</td>
<td>02/05</td>
<td>02/10</td>
<td>03/10</td>
</tr>
<tr>
<td>12</td>
<td>February</td>
<td>03/05</td>
<td>03/10</td>
<td>04/10</td>
</tr>
</tbody>
</table>

Note: The Standby Charge may be prorated over the first nine (9) payments; or provided the Board may annually determine that it be paid with the 12th payment and the “Standby” Charge be waived to the extent Water User has paid “Water Use” Charges totaling for the Water Year an amount at least equal to the “Standby” Charge.

A statement indicating the balance of Water User's account for both the Standby Charge and the Water Use Charges will be mailed approximately the fifth day of each month and shall be due and payable by the tenth day of the month, and delinquent one month thereafter. A penalty of ten percent (10%) and interest at the rate of one percent (1%) per month will be assessed on the delinquent date.

The **Standby Charge** may be paid in full at the beginning of the water year or paid in nine (9) installments as defined above in the Standby Charge payment schedule; provided the Board may annually determine that it be paid with the 12th payment, and the Standby Charge be waived to the extent Water User has paid Water Use Charges totaling...
for the Water Year an amount at least equal to the Standby Charge. The Standby Charge provided in the Water Service Contract is a per acre charge and is due the District regardless of the quantity of water used under a Water Service Contract. Water User will be notified prior to the beginning of a Water Year as to the amount of the Standby Charge as provided in the Water Service Contract.

The Water Use Charge(s) as provided in the Water Service Contract shall be billed based on the quantity of water used the previous month. The amount of the Water Use Charge shall consist of a water component plus an energy component for the District's energy cost for each pump lift, including Forrest Frick Pumping Plant and groundwater pumping, there being one to six pumping lifts as identified in Exhibit “A” of each Water User's contract by turnout. Water User will be notified prior to the beginning of a Water Year as to the amount of the Water Use Charge as provided in the Water Service Contract.

d. Determination of Charges: The amount of the per acre Standby Charge and the amount of the per acre-foot Water Use Charge shall be fixed each year by the Board of Directors and determined as follows:

The sum of the Water Use Charge and to the extent applicable the Standby Charge shall approximate the average total per acre-foot cost of producing groundwater within the District (including capital recovery, operations, maintenance, repair, standby power, and energy costs).

The per acre-foot Water Use Charge further consists of a Water Component and an Energy Component. The Energy Component is a variable charge and shall approximate the average energy cost to the District of each additional pump plant lift required for the delivery of water including Forrest Frick Pumping Plant and Groundwater Pumping. The Water Component shall provide for all or a portion of the cost of the water.

e. Tiered Water Pricing: Tiered water pricing charges will be determined and fixed by the Board and may be imposed in addition to the Water Use Charge in any year the Board determines that in order to meet the demands of the Water Users in the Surface Water Service Area the District will be pumping significant quantities of water from its well fields or in lieu thereof will be purchasing additional quantities of water from sources other than its contract with the United States. During such a year, notice of the applicability of tiered water pricing will be mailed to each water user, which notice may not be given until after March 1 because of uncertain water supplies.

f. Delinquencies:

(1) No water order or application for water for any person or entity who is delinquent in payment of District charges or District assessments, will be honored until such delinquent charges, or assessments, or sums are paid in full.

(2) If the installment or payment is not received in the District office by 5:00 p.m. on the date in which it becomes delinquent (or when the delinquent date falls on a weekend or District-observed holiday, by 5:00 p.m., the next regularly scheduled workday) as defined in Division III, Section 2c, hereof, delivery of water service shall be discontinued without notice and no further water service deliveries will be made until all delinquencies,
including penalties, and interest, have been paid.

(3) Thirty (30) days after each installment or payment becomes due it shall become delinquent and a penalty of ten percent (10%) of the amount of the installment or payment will be assessed. In addition, said delinquent installment or payment shall be subject to interest at the rate of twelve percent (12%) per annum from the date of the delinquency until all installment or payments are current as defined in Division III, Section 2c.

(4) In the event a Water User is delinquent on any Standby or Water Use Charges as of April 10 of each calendar year, for the prior Water Year, action will be commenced by the District to collect all charges due in accordance with the provisions of the Water Service Contract and Sections 47181 to 47185, inclusive, of the Water Code. Provided, however, the District may initiate such action prior to such date as to any delinquency.

(5) A trustee or beneficiary under deed of trust that has recorded a notice of default of land that is delinquent in payment of water service tolls and charges may deposit the amount of such tolls and charges with the District as are necessary to keep the lands current.

g. **Carry Over Prohibited:** Water made available in a particular year may not be carried over for use in the following Water Year, regardless of the reason why the water was not used or available for use during that Water Year.

3. **Temporary Water Service for Special Purposes:** Temporary Water Service for Special Purposes is water service made available on an interruptible and non-dependable basis for uses not directed to agricultural uses, within or outside of the Surface Water Service Area. Such water may be made available at the discretion of the Engineer-Manager on a short-term basis only, and District reserves the right to discontinue such service at any time. Persons wishing such service must either make arrangements with a Water User for use of turnout facilities or with District if water is to be taken directly from District's canal or other facility; file with District a form of contract entitled "Arvin-Edison Water Storage District Contract for Temporary Water Service for Special Purposes"; and make such payments or deposit such funds as are set forth in said form of contract pursuant to policy established by the Board from time to time.

4. **Temporary Water Service For Agricultural Uses:** Temporary Water Service for Agricultural Uses is water service made available for agricultural use on an interruptible and non-dependable basis to lands outside the Surface Water Service Area. In the event that the Board determines that temporary water service for a given period or water year is in the best interest of the District, the Board may authorize such service and set charges. Such temporary water service shall be made available only to lands having an independent alternative source of water and no crop is to be planted which will be dependent upon the continued delivery of the temporary water. In order that land located outside the Surface Water Service Area is to be eligible for temporary water service, the landowner shall have executed an agreement establishing a covenant running with the land, in a form provided by the District, wherein the landowner expressly acknowledged that the affected lands have no right to Contract Water Service from the District. Provisions for payment of charges
resulting from the sale of such temporary water service shall be the same as the “Water Use” Charge(s) as described in Division III Section 2 hereof. Such temporary water service may be made available to eligible land through an existing farm turnout or through a temporary farm turnout to be installed by the District at landowner's expense and used to serve temporary water or directly from District's Distribution Facilities canals through pumps and metering devices installed to District's specifications and at landowner's expense, which facilities shall be operated solely by District personnel; provided that District facilities are able to deliver the extra water and the delivery of such water does not interfere with water service deliveries to Water Users within the Surface Water Service Area. It is the responsibility of the party requesting such temporary water service, if a facility to deliver water to his/her lands is not in place, to make arrangements with a Water User for the use of an existing farm turnout or to pay, in advance, the cost of installing a connection from a District facility to the desired point of delivery. The District is under no obligation to continue such temporary water service and delivery of temporary water may be terminated by District at any time. An annual agreement setting forth the conditions contained herein must be entered into by and between District and Temporary Water User prior to commencement of the delivery of such temporary water service. Such agreement shall be in a form furnished by the District, and executed and filed in a manner satisfactory to District.

DIVISION IV: ORDERING, DELIVERY, AND USE OF WATER

1. **Annual Application(s) for Contract Water Service:** In order to obtain delivery of Contract Water Service each year, Water User must complete, sign, and file with the District no later than February 1 of each year, an "Annual Application for Contract Water Service" covering lands described in Exhibit "A" of the Water Service Contract and designating any Farming Unit Operation for the following year. **Water service will not be made available to any such land until this document necessary to meet eligibility requirements is filed.** As provided in Section 3(b) of the Water Service Contract and Division IV, Section 9 of these Rules and Regulations, the District will schedule water deliveries and deliver water to Water Users as nearly in accordance with their requests as is practicable and District's determinations with regard to scheduling of water deliveries shall be conclusive.

   The application will be sent to Water Users on or about December 1st of the preceding year. Water User shall include the following information:

   a. Landowner's name and address.
   b. Turnout Number(s).
   c. The name of the person or persons who have the authority to place water orders throughout the year.
   d. The total estimated water requirement for the Water Year.

2. **Revised Annual Applications for Contract Water Service:** Revised Annual Applications for Contract Water Service may be filed at any time, but water will be delivered pursuant to such revised applications only if the Engineer-Manager determines that it is practicable and feasible to do so and District does not assume any obligations for the delivery of water according to such revised applications.

3. **Continuous Delivery:** Water delivered shall be initiated at approximately 8:00 a.m., and will run continuously day and night until the amount of water ordered for the period has been delivered and no water order will be accepted for less than a 24-hour period.
4. **Water Service Orders:** Orders to turn on or to turn off water or orders to increase or decrease the rate of water delivery shall be made at the District office in person or by telephone by Water User or the person he/she designates in writing in accordance with Division IV, Section 1c hereof. Such orders shall be made in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Orders Received Prior to 9:00 a.m.</th>
<th>Orders Received After 9:00 a.m.</th>
</tr>
</thead>
<tbody>
<tr>
<td>on Monday shall be for Tuesday;</td>
<td>on Monday shall be for Wednesday;</td>
</tr>
<tr>
<td>on Tuesday shall be for Wednesday;</td>
<td>on Tuesday shall be for Thursday;</td>
</tr>
<tr>
<td>on Wednesday shall be for Thursday;</td>
<td>on Wednesday shall be for Friday;</td>
</tr>
<tr>
<td>on Thursday shall be for Friday;</td>
<td>on Thursday shall be for Saturday;</td>
</tr>
<tr>
<td>on Friday shall be for Saturday;</td>
<td>on Friday shall be for Sunday;</td>
</tr>
<tr>
<td>on Saturday shall be for Sunday;</td>
<td>on Saturday shall be for Monday;</td>
</tr>
</tbody>
</table>

Furthermore, water orders placed after 5:00 p.m. on Saturday, or on Sunday, will be for Tuesday.

Except in emergencies, water flow shall not be turned on, turned off, increased, or decreased after 9:00 a.m., on the day scheduled.

For the purpose of properly scheduling District's activities, it is desirable that Water User give the District a turn off order at the same time that a turn on order is given.

5. **Delivery Change Within the Same Lateral:** Once water is ordered changes of delivery point within the service area of the same lateral may be made on a less than 24-hour notice, but the Engineer-Manager, as communicated through the Watermaster, will make the decision as whether or not to waive the 24-hour notice.

6. **Emergency Turn Offs:** Water User or the District may in an emergency turn off the supply of water at Water User's turnout. If Water User effects such emergency turn off, he must notify the District office immediately. Water User and anyone effecting such an emergency turn off does thereby agree to assume the defense of and hold harmless the District and its officers, agents, and employees from any and all loss, damage, liability, claims, or causes of action of every nature whatsoever for damage to or destruction of property, including District's property, or for injury to or death of persons, in any manner arising out of or incidental to such emergency turn off. If District effects such emergency turn off, the Water User will be notified as soon as possible as provided in Section 2(j) of the Water Service Contract. In no event shall any liability accrue against District or any of its officers, agents, or employees for any damage, direct or indirect, arising from such temporary discontinuance or reduction of water deliveries.

7. **Unauthorized Adjustments of Flow:** When District meter readings show substantial variation from the ordered flow indicating that the flow has been altered by a Water User, a warning shall be sent to the Water User and if the variations continue, the turnout may be locked by District personnel or service otherwise discontinued until the matter is satisfactorily resolved.
8. **Interruptions in Service:** Consistent with Article 2 Section (i) of the Water Service Contract, temporary shutdowns may be made by District to make improvements and repairs. Except in an emergency, all affected Water Users will be notified prior to making such temporary shutdowns. District shall not be liable for damage, which may result from interruptions in service.

9. **Proration of Water Delivery:**

   a. **System Deficiency:** Consistent with the design and operational objectives of District's distribution facilities and giving consideration to requests for water service from all Water Users, as provided in Section 3(b) of the Water Service Contracts and Division IV, Section 1 of these Rules and Regulations, the District will schedule water deliveries and deliver water to Water User as nearly in accord with Water User's requests as is practicable, and District's determinations with regard to such scheduling of water deliveries shall be final and conclusive; however, when total daily orders exceed the delivery capacity of a lateral, water orders will be taken and water delivered on a basis as determined by the Engineer-Manager on a day-to-day basis by dividing the available lateral or system capacity by the total Water Service Contract acreage served by that lateral or system and ordering water that day.

   b. **Water Shortage:** Pursuant to powers granted by Section 43004 of the California Water Code and Article 2(l) of the Water Service Contracts, water will be apportioned within the District, in the event of a shortage, to each Water User upon the basis of the ratio of each Water User's acreage as listed in Exhibit "A" of each contract to the total acreage subject to the District's contracts for agricultural water service.

10. **Use of Other Water Supplies:** Subject to approval by the Engineer-Manager, a Water User may use water furnished by District concurrently with water from other sources, provided that Water User can demonstrate that the delivery of water furnished by District is less than or equal to the amount of water applied on land eligible for water service within the same period, less the reasonable incidental losses.

11. **Waste of Water:** Water service delivery will be discontinued to any Water User found to be wasting water, either willfully or carelessly, due to defective or inadequate ditches, pipelines or other facilities, inadequately prepared land, improper management, or for any other reason. Water service delivery will not be resumed until the conditions causing the waste have been corrected.

12. **Farm Turnouts - Connections:** Except as provided in Division II, Section 11 (relating to modification of the system), water delivery will be made only through a District-owned and operated turnout, and the connection from said turnout to the individual Water User's system shall be subject to approval by the Engineer-Manager or his designee. Plans for any subsequent revisions to said connection shall be submitted to the District for approval, in writing, by the Engineer-Manager or his designee. Failure to obtain such approval in the manner provided may result in discontinuance of delivery of water service to the turnout until such approval is obtained.
All deliveries from District's facilities shall be made in a manner so as to prevent water from Water User's system from entering the District's facilities and all normal precautions shall be taken to prevent damage to District's facilities resulting from operation of the Water User's system. District will not install any additional turnouts in its distribution system except as provided in Division II, Section 11 hereof.

13. **Combined Turnouts:** Combined turnout means any farm turnout serving more than one Water User. If for any reason (including matters resulting from a transfer into separate ownership of a portion of the lands described in Exhibit "A" to an Water Service Contract as being served by a particular farm turnout and where all the affected land will continue to be served by the designated turnout), the lands of two or more Water Users are to be served by a single turnout, such turnout is a combined turnout and the following rules shall apply:

a. **Combined Turnout Agreement and Consent to Easement:** Water service will be furnished through a combined turnout only upon execution of a "Combined Turnout Agreement and Consent to Easement" by each Water User to be served through the combined turnout. Such agreement shall be on forms provided by the District and executed and completed in a manner satisfactory to District. District shall be under no obligation to deliver water to a Water User through a combined turnout until such agreement has been executed and filed with the District. Combined turnout agreements remain in effect unless terminated by all affected parties.

b. **Rate of Delivery:** The "Rate of Delivery" for a combined turnout as shown in Exhibit "A" of Water Service Contract(s) and/or Assumption Agreement(s) is a combined rate of delivery for the turnout. Therefore, when the combined water service delivery requests of Water Users exceed the delivery capacity of the turnout, the Engineer-Manager may prorate water service delivery to conform to such delivery capacity.

14. **Delivery of Municipal, Industrial, and Domestic Water:** No deliveries of water for municipal, industrial, and domestic uses will be made except pursuant to a Water Service Contract between District and a public entity or other entity having necessary legal and financial capability to furnish such service.

The basic rules and regulations governing the delivery of irrigation water shall apply also to the delivery by the District of municipal, industrial, and domestic water, and the term "Water User" as used herein shall also refer to users of said municipal, industrial, and domestic water. Since water shortages and interruptions in delivery may occur, the users of municipal, industrial, and domestic water must have secondary sources of supply or adequate storage for temporary use.

15. **Condition of Water:** Water furnished by the District is in a raw, untreated condition, and, as a result, is considered to be unfit for human consumption without treatment.

16. **Section 592 of the Penal Code of the State of California:** Attention is directed to the provisions of Section 592 of the California Penal Code as follows:

"Canals, ditches, flumes or reservoirs

a) Every person who shall, without authority of the owner or managing agent, and with intent to defraud, take water from any canal, ditch,
flume, or reservoir used for the purpose of holding or conveying water for manufacturing, agricultural, mining, irrigating, generation of power, or domestic uses is guilty of a misdemeanor.

b) If the total retail value of all the water taken is more than nine hundred fifty dollars ($950), or if the defendant has previously been convicted of an offense under this section or any former section that would be an offense under this section, or of an offense under the laws of another state or of the United States that would have been an offense under this section if committed in this state, then the violation is punishable by imprisonment in the county jail for not more than one year, or in the state prison."

DIVISION V: POLICIES AND PROCEDURES FOR ESTABLISHING, FIXING AND COLLECTION OF CHARGES AUTHORIZED BY SECTIONS 43006 AND 47180 OF THE WATER CODE FOR GENERAL ADMINISTRATION AND GENERAL PROJECT SERVICES RENDERED BY THE ARVIN-EDISON WATER STORAGE DISTRICT

1. Policies: Under present Project conditions and as declared by Board Resolution Nos. 73-15 and 73-23, it is necessary that the following charges be established, namely;

   a. General Administrative Service Charge: Being the amount of money necessary to be raised by District to provide for and to recover such of District's costs of salaries, services, supplies, and other expenses as are applicable to the general administration of the affairs of District, plus a reasonable percentage not to exceed fifteen (15) percent for delinquency and the percentage necessary to cover cost of collection.

      Said charge shall be fixed annually in such amount as to reflect that portion of the costs of such District services as reflect the benefits to lands within District by reason of being in an organized District, which is operating the Project and importing supplemental water.

      In order that such charges be collected from all persons receiving the benefit thereof and that such charges be collected in proportion, as nearly as practicable, to such services rendered, said charge shall be fixed at an equal rate per acre upon each acre of assessable land within the District; EXCEPTING, that a minimum rate per parcel shall be established for tracts of land less than one acre in area and further EXCEPTING those lands within both this District and the Wheeler Ridge-Maricopa Water Storage District, which are receiving contract water service from said latter District, as provided in Board Resolution No. 73-4.

   b. General Project Service Charge: Being the amount of money necessary to be raised by District to provide for and to recover such of District's costs, plus a reasonable percentage not to exceed fifteen (15) percent for delinquencies and the percentage necessary to cover costs of collection, incurred by reason of federal contracts and operation of District's Adopted Project, in excess of the General Administrative Service Charge and such tolls and charges as are to be collected for surface water service as provided in District's Water Service Contracts.
Said charge shall be fixed annually in such amount as to reflect that portion of the costs of such District services as reflect that portion of Project services and benefits arising to certain lands within District as a consequence of the federal contracts and operation of District's Adopted Project, designed to provide an assured water supply on a long-term basis by the importation of supplemental water. Such general Project services and benefits accrue to all lands using or having the potential to use surface water service by reason of a Water Service Contract with the District and to all other lands relying upon groundwater in connection with the development thereof, which lands, as a consequence of District's operation will be in a long-term stabilized water basin.

In order that such charges be collected from all persons receiving the benefit thereof, and that such charges be collected in proportion, as nearly as practicable to the services rendered, the charges shall be fixed at an equal rate per acre upon each acre of such assessable land; EXCEPTING, that a minimum rate per parcel shall be established for tracts of land less than one acre in area and further EXCEPTIONING lands within both this District and the Wheeler Ridge-Maricopa Water Storage District which are receiving contract water service from said latter District and further EXCEPTIONING that the charge for other lands located within the boundaries of both Districts shall not exceed the higher of a charge established by either said District reflecting similar benefits and services reflected in this charge as provided in Board Resolution No. 73-4.

2. Procedures: The following procedures are established for fixing and collecting the foregoing charges, namely:

a. Until such time as these Rules and Regulations are changed as provided in Subparagraph e hereof, at the regular meeting in April or at such other time as may be announced at said meeting, the Board shall consider, determine, and by resolution fix the amount of such charges for the current Water Year. In compliance with Section 47980 of the Water Code, said resolution shall fix the total amount of each such charge; the total amount to be collected by reason of such charges, the percentage for delinquency and cost of collection attributable to such charges; the minimum charge for parcels less than one acre in area; declare the facts necessary to compute the charges to be applied to the lands within both this District and the Wheeler Ridge-Maricopa Water Storage District as required by the provisions of Board Resolution No. 73-4 or any amendments thereto; set the time and place of hearing of objections to the roll as provided in Subparagraph c hereof, and determine the newspaper or papers in which notice shall be published.

b. In accordance with the provisions of Section 47980(b) of the Water Code, the District Treasurer shall prepare a roll setting forth the assesssee parcels and assesssee names for each parcel of assessable land in the District, determined in accordance with the provisions of Chapter 3, Part 1, Division 14 (Commencing with Section 39050) of the Water Code and matters on file in District's records; the acreage assessed to each such assessee according to District's records; the classification of each such tract of land and prepare plat maps in accordance with said roll.

The Treasurer shall determine the preliminary rates per acre for said charges, which rates shall be based upon the matters set forth in said roll and the determinations of the Board and shall be separately stated as a rate per acre for parcels receiving only an Administrative Service Charge and a composite rate for those lands receiving the General Administrative and Project Service Charges.
c. Said roll, plat maps, and preliminary rates shall be filed with the District Secretary and be available for public inspection at the District office. The District Secretary shall forthwith give notice of filing of said roll, which notice shall set forth the preliminary rates per acre, the minimum charge for parcels less than one acre and the charge applicable to those lands in both said Districts and declare the time and place set by the Board when the Board will meet and hear any objections to the charges established for said respective tracts of land in accordance with the matters set forth in said roll. Said notice shall be published once a week for two successive weeks, as provided in Section 39057 of the Water Code and by depositing in the mail a copy of said notice directed to each holder of title to lands within the District at their last known address as set forth in said roll. The first publication shall be at least three weeks (21 days) prior to the date of said hearing, and mailing shall be completed at least 10 days prior to said hearing date.

d. At the time and place for hearing of objections the Board shall consider such objections and make such corrections to the roll as are necessary and proper. Upon conclusion of the hearing, the Board shall adopt said roll as finally fixed and determined; make such changes in the preliminary rates per acre necessitated thereby; order the Treasurer to certify said roll; declare that said charges be collected by the County of Kern pursuant to the provisions of Article 4, Part 9, Chapter 13, Division 14 (commencing with Section 47980) of the Water Code and determine the District account at the county to which said funds shall be deposited when collected.

On or before July 15 and no later than August 10, the Secretary shall file with the County Auditor certified copies of said final roll, the resolution fixing charges, and the resolution adopting said roll, fixing the rates per acre, and ordering collection by the County. Said Secretary shall notify the County Tax Collector of said filing of the roll, and furnish them certified copies of said resolution.

e. These Rules and Regulations in Division V shall continue until such time as the Board determines, pursuant to noticed public hearing, that said charges, or either of them, are to be fixed on some basis other than that herein provided or until such time as there has been a reassessment of Project costs as provided in Section 46355 of the Water Code; PROVIDED, HOWEVER, pursuant to petition of the holders of title to ten (10) percent of the land to receive such charge or charges filed with the Board not later than five (5) days preceding the regular meeting date in February, the Board shall set a noticed public hearing to consider whether such policy should be continued or the amount of such charge or charges or all of such matters, as may be specified in said petition.

Notice of time and place of such public hearing, specifying the matters to be considered, shall be published once a week for two successive weeks, as provided in Section 39057 of the Water Code, and by depositing in the mail, at least three weeks before said hearing date, a copy of the notice directed to each holder of title to lands within the District at their last known address as determined in accordance with Chapter 3, Part 1, Division 14 (commencing with Section 39050) of the Water Code. Said date of hearing shall not be less than thirty (30) days after the first date of publication.