



**SCOTTS VALLEY
WATER DISTRICT**

Administrative Code

***Scotts Valley Water District
2 Civic Center Drive
Scotts Valley, California***

Adopted April 13, 2017

Ordinance No. 165-17

Exhibit A

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Title 1
GENERAL PROVISIONS

Chapter 1.10
Definitions

Account Holder – a person who has assumed financial responsibility for the water service from an existing service connection

Applicant – a person who is in the process of requesting water connection or service

Approved Backflow Protection Device - a device which is specifically approved by the State of California Department of Health Services and is designed to prevent backflow

Backflow - the flow of water or other substances from the customer’s plumbing into the public water system

Board of Directors or Board – the elected body of the Scotts Valley Water District, which has such power and authority as granted by the County Water District Act of the California Water Code

Contamination - the impairment of District water quality through the introduction of any foreign substance into the public water system, including water previously delivered to a customer through the District service connection

Cross Connection - an unprotected actual or potential plumbing connection or structural arrangement within the customer side water system and any other source of water, fluids, or gas

Customer – either Owner or Account holder

Customer’s Side - all equipment beyond the meter box, including spigots, faucets, valves, etc., that the customer is responsible for receiving, controlling, applying and utilizing water

Curb Stop – a service shutoff valve located just before the meter inside the meter box operated and controlled by the District

District – the Scotts Valley Water District, Santa Cruz County, California

Owner – a person or their authorized agent who has legal rights to a subject property

Parcel – a tract or plot of land

Person – any individual, business, partnership, association, private, public or municipal corporation, and political subdivision or governmental agency

Premises – a building or facility on a parcel which is determined by the District to be a single unit for purposes of receiving, using, and paying for water service

Property – an area under single ownership that consists of one or more parcel(s)

Private Fire Protection –water service and infrastructure for sprinkler systems, hydrants, hose reels and other facilities installed on private property for fire protection

Regulations – any document including codes, policies, programs, specifications, which establish rules and govern operations for the District

Responsible Bid - an offer, submitted by a responsible bidder to furnish equipment, materials, supplies or services in conformity with the specifications included in the invitation for bids

Responsible Bidder - a bidder who submits a bid and who is financially responsible and possesses the resources, judgment, skill, ability and capacity necessary to perform the contract according to its terms

Service Connection - a pipeline and meter assembly which conveys water from the main to a served property that the District is responsible for installing, monitoring, and maintaining

Water Well – any excavation constructed by any method for the purpose of determining the availability of water, extracting water from or injecting water into the ground

Chapter 1.20

Authority

1.20.010 District Designation

The Scotts Valley Water District was formed on October 9, 1961, pursuant to the provisions of the County Water District Act of the California Water Code.

The General Manager makes the final determination in interpreting the District regulations, subject to the right of appeal to the Board.

1.20.020 Supply and Service Area

The District provides potable water service in accordance with its regulations to any property within the District and to such areas outside the District as the Board may designate and as approved by the Santa Cruz County Local Agency Formation Commission.

The District provides recycled water service in accordance with its regulations and pursuant to the terms of the Recycled Water Supply Use, Maintenance and Operations Agreement between the District and the City of Scotts Valley.

1.20.030 Water System

The District furnishes a water system that supplies water to end users. The system is comprised of lands, rights, above- and below-ground infrastructure that is used for and useful in obtaining, treating, storing, distributing and disposing of water for public and private use.

1.20.040 Water Wells

To ensure that the construction, maintenance, abandonment and destruction of wells is conducted in such a manner that the groundwater will not be contaminated or polluted, and that water obtained from wells will be suitable for beneficial use and will not jeopardize the health, safety or welfare of the District's customers, any person desiring to drill, modify or destroy a water well must comply with the well construction standards as established by the County of Santa Cruz, City of Scotts Valley or any other authorized agency, pursuant to California Water Code Section 13801. The owner is required to obtain a well permit from either the County or the City and present a copy of it to the District prior to commencing any work on the well.

Chapter 1.30 Ownership and Responsibility

1.30.010 Ownership of Service Connection

The service connection, including the meter and the meter box, whether located on public or private property, will become and remain the property of the District when installed and put into service, unless otherwise provided. The District reserves the right to repair, replace and maintain the service connection, as well as to remove it when determined necessary. The service connection will be repaired and maintained by the District at its expense.

No person will place or permit the placement of any object in a manner which will interfere with the free access to a meter box or will interfere with the reading of a meter. It is the owner's responsibility to keep the area surrounding the meter box clear of vegetation and debris.

1.30.020 Responsibility of Water System on Customer's Side

The District is not responsible for the maintenance of water lines beyond the end of its service connection.

The District is not responsible for any loss or damage associated with customer furnished and installed equipment that may be required for receiving, controlling, applying and utilizing water.

The District is not responsible for damage to property caused by spigots, faucets, valves and other equipment that are open when water is turned on at the meter, either when the water is turned on originally or when turned on after a temporary shutdown.

1.30.030 Control Valves and Pressure Regulators

The customer is expected to install a suitable control valve, as close to the meter as practicable, the operation of which controls the entire water supply from the service. The customer is prohibited from operating the curb stop in the meter box.

Where reduced pressure is desired, the customer is responsible for installing and maintaining a pressure regulator and/or relief valve. Where increased pressure is desired, the customer is responsible for installing and maintaining the necessary pumping equipment in accordance with Section 1.40.070.

All customer-provided equipment is to be installed on the customer's side of the meter at their own risk and expense in such a manner as not to put the water system at risk.

1.30.040 Damage to Water System Facilities

The customer is liable for any damage, either intentional or unintentional, to a meter or other equipment or property owned by the District which is caused by any act of the customer or their tenants, agents, employees, contractors, licensees or permittee, including breaking or destruction of locks on or near a meter and any damage to a meter or pipeline that may result from heating or electrical system connection on the customer's premises. The customer will reimburse pertinent expenses to the District for any such damage promptly on presentation of a bill.

1.30.050 Access to Property

The District or its duly authorized agents will at all reasonable times have the right to enter or leave the customer's property for any purpose connected with the service of water to the property.

Chapter 1.40
General Use of Water System

1.40.010 Supply and Quantity

The District will endeavor, so far as is reasonably possible, to deliver a safe continuous supply of water to its customers at a sufficient pressure at the meter.

If, in the opinion of the District, it is doubtful that satisfactory water service can be provided, due to the location or elevation of the premises, a recorded release from liability may be required for any damage or inconvenience that may occur by reason of insufficient or excessive pressure or inadequate volume of water or intermittent supply. The said release must be recorded together with a legal description of the property and serve as a covenant running with the land and, remain in effect for all customers taking water through the service unless and until removed by the District. In addition, the District may require the customer to install and maintain a pressure system on the customer side of the meter to insure minimum pressure to the residence.

1.40.020 Interruptions in Service

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

Whenever the District finds it necessary to schedule an interruption to its service, an advanced notice will be given to all affected customers within a reasonable amount of time. Scheduled interruption will be made at such hours as will be least inconvenient to customers and consistent with reasonable utility operations.

Where an interruption of service affects the service to any public fire protection device, the District will promptly notify the fire protection agency of the interruption and restoration of normal service.

1.40.030 Apportionment of Supply during Shortages

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

1.40.040 Resale of Water

Except by special agreement with the District, no customer will resell water received from the District other than water that is altered for commercial resale, nor will such water be delivered to a property other than that specified at the time of requesting the new service connection. When property provided with the service connection is subdivided, the service connection is considered as belonging to the parcel which it directly enters.

1.40.050 Theft of Water

Theft of water including theft through unauthorized connections is a serious offense and can result in significant fines as well as criminal or civil prosecution. Each customer receiving service agrees to pay the District any applicable fees and charges. Such persons are also responsible for all costs and damages associated with the violation of this code.

1.40.060 Fire Hydrant Use

The fire protection agency having jurisdiction over the property will set the fire hydrant requirements. No person(s), other than those designated and authorized by the fire protection agency, or the District, is allowed to open any fire hydrant, attempt to draw water from it or in any manner damage or tamper with it. Any violation of this regulation will be prosecuted according to law. Tampering with any fire hydrant or the unauthorized use of water from a fire hydrant constitutes a misdemeanor, punishable by law. Other parties desiring to use fire hydrants for any purpose must first obtain written permission and must operate the hydrant in accordance with the instructions from the District.

Only the District or its authorized agents will access a fire hydrant for the purpose of performing a flow test. Upon a customer's request, the District will perform the necessary flow test, provided it will not cause potential property damage and that the Regional Water Quality Control Board's discharge requirements can be met. The customer will be required to pay a fee for the hydrant flow test.

1.40.070 Cross Connection Control and Backflow Prevention

California Code of Regulations, Title 17 sets rules and regulations governing cross connections. It provides that the water purveyor has primary responsibility to prevent water from unapproved sources, or any substance, from entering the public water system. The District is a water purveyor within the meaning of Title 17.

The District sets requirements for the protection of the District's water distribution system from backflow. New water service connections must be installed and existing water connections modified to conform to these requirements. The circumstances, conditions, and instances when the installation of a backflow prevention device is required are specified in the written regulations adopted by the Board.

Water service to any premises may be discontinued by the District if a required backflow protection device has not been installed, inspected, tested, and maintained; or, if it is defective or has been removed or bypassed. Prior to discontinuance of service, the District will provide the customer with written notice describing the conditions or defects that must be corrected, and the date on or after which the service will be discontinued, should the conditions or defects not be corrected.

Water service may be discontinued immediately and without notice to the customer if the District determines that the water supply is being contaminated or is in immediate danger of contamination from conditions that exist at the property. The District will make a reasonable attempt to notify the customer of the discontinuance of the water service however, failure to provide such notice will not prevent the discontinuance of the service.

Water service that has been discontinued will not be resumed until any required backflow protection device is properly installed or repaired, or until conditions on the premises causing the contamination, or danger of contamination, have been abated or corrected to the satisfaction of the District.

It is the responsibility of the customer to furnish, install and maintain the device in good working condition. Backflow protection devices are the sole property of the owner and responsibility of the customer. The customer is responsible for having such devices installed, periodically inspected and tested by a person authorized by the District. Devices must be tested at least once per year, or at the minimum time interval specified by Title 17 whichever is more frequent. The District will notify the customer when inspections and tests are required and the results of inspections and tests must be reported to the District when completed. The cost of such inspections and test is the sole responsibility of the customer. If the customer fails to have any of the inspections or tests made, or fails to make the records of such inspections or tests

available, the District has the right to have the device inspected or tested and charge the customer for the direct cost, plus administrative overhead.

Chapter 1.50 Miscellaneous

1.50.010 Severability

If any section, subsection, paragraph, subparagraph, sentence, clause or phrase of this code is for any reason found to be invalid or unconstitutional, such validity or unconstitutionality does not affect the validity or constitutionality of the remaining portions of this code. The Board declares that this code and each section, subsection, paragraph, subparagraph, sentence, clause and phrase thereof would have been adopted irrespective of the fact that one or more of such section, subsection, paragraph, subparagraph, sentence, clause or phrase be declared invalid or unconstitutional.

1.50.020 Immediate Effect

This code is in full force and effect upon adoption and is to be posted once in a newspaper of general circulation, printed, published, and circulated in the District within 15 days after adoption and is to be posted within said time in three (3) public places.

1.50.030 Violation a Misdemeanor: Punishment

After the publication or posting of the code, it is a misdemeanor for any person to use or apply water received from the District contrary to or in violation of the restriction or prohibition, until the code has been repealed or the emergency or threatened emergency has ceased, and upon conviction thereof, that person will be punished by imprisonment in the County jail for not more than 30 days and/or by fine of not more than \$600.00.

1.50.040 Claims against District

All claims against Scotts Valley Water District for money or damages, including, but not limited to any claims for refunds or reimbursements of fees or assessments, not otherwise governed by the Government Claims Act, California Government Code Section 900, or another state law will be presented within the time, and in the manner, prescribed by Part 3 of Division 3.6 of Title 1 of the California Government Code Section 900, for the claims to which that Part applies by its own terms, as those provisions now exist or will hereafter be amended, and as further provided by this section.

All claims will be made in writing and verified by the claimant or by his or her guardian, conservator, executor or administrator. In addition, all claims must contain the information required by California Government Code Section 910.

Title 2
BOARD OF DIRECTORS

Chapter 2.10
Membership

2.10.010 Term of Office

The District will have a Board of five (5) Directors each of whom, whether elected or appointed, will be a voter of the District in accordance with California Water Code Section 30500.

The term of office of each Director, other than a Director first elected or appointed to fill an unexpired term, will be four (4) years. Each Director elected or appointed will hold office until his or her successor qualifies.

2.10.020 Vacancies

All vacancies occurring on the Board will be filled pursuant to California Government Code 1780.

2.10.030 Oath

Before any Director or officer begins the duties of his or her office, he/she will take and subscribe to the oath or affirmation as set forth in the California Constitution. Unless otherwise provided, the oath may be taken before any officer authorized to administer oaths. The oath will be filed in accordance with California Government Code Section 1363. No other oath, declaration, or test, will be required as a qualification for any public office or employment. No compensation or reimbursement for expenses incurred will be paid to any Director or officer until he/she has taken and subscribed to the required oath or affirmation.

2.10.040 Officers

The Board appoints a President by majority vote. The President is the chief executive officer of the Board and does, subject to the control of the Board, exercise general supervision, direction and control of the meetings. The President presides at all Board meetings. The President makes appointments to all Board Committees. The President has such other powers and duties as may be prescribed by the Board.

The Board appoints a Vice President by majority vote. In the absence or disability of the President, the Vice President performs all the duties of the President and, when so acting, has all the powers of, and is subject to all the restrictions upon, the President. The Vice President

has such other powers and performs such other duties as from time to time may be prescribed by the Board.

The Board hereby designates the General Manager as the Secretary of the Board. The Secretary keeps or causes to be kept a book of minutes at the principal office or such other place as the Board may order, of all meetings with the time and place of holding, whether regular or special, and if special, how authorized, the notice given, the names of those present, the Directors present and the proceedings thereof. The Secretary gives notice of all the meetings required by law and has such other powers and performs such other duties as may be prescribed by the Board. The Secretary of the Board may delegate the assigned duties to a District employee.

The Board hereby designates the Finance Manager as the Treasurer. The Treasurer installs and maintains a system of auditing and accounting that will completely show the financial condition of the District.

The Board retains an independent Auditor who conducts an annual audit of the District's books, records and financial affairs. The Auditor meets with the Board at the beginning and conclusion of the audit each year to review the audit results and recommendations.

The Board sees that the District exercises responsible financial management.

2.10.050 General Manager

The Board appoints a General Manager. The General Manager has full charge and control of the maintenance, operation, and construction of the water system; full power and authority to employ and discharge all employees and assistants at pleasure (subject to applicable laws); prescribes the duties of employees and assistants, and fixes and alters the compensation of employees and assistants subject to approval by the Board. The General Manager also performs other duties imposed by the Board; and reports to the Board in accordance with District regulations.

Generally, the Board sets District policy and the General Manager is responsible for execution or implementation of policy. The Board provides policy direction on matters within the authority of the Board and instructions to the General Manager during duly convened Board and Committee meetings.

The General Manager, Secretary, Treasurer, and Auditor each receive compensation determined by the Board and serve at its pleasure.

2.10.060 Limitation on Who May Serve

A Director will not be the General Manager, Secretary, Treasurer, or Auditor. The same person may serve as General Manager and Secretary, Secretary and Auditor, or Secretary and Treasurer.

2.10.070 Bonds

The General Manager, Secretary, Treasurer, and other employees or assistants of the District, as required by the Board, will each give a bond to the District conditioned for the faithful performance of his or her duties at the District's expense.

Chapter 2.20 **Meetings**

2.20.010 Structure

The Board and each Director will fully comply with the provisions of the state's open meeting law for public agencies, the Ralph M. Brown Act (the Brown Act).

A meeting is defined as any gathering of a quorum of the Board to discuss or transact business under Board jurisdiction; serial meetings are prohibited.

The Board will establish the time and place of its regular meetings by resolution. If a regular meeting falls on a holiday, it will be held on the next business day. The Board or the President may, from time to time, change the date and time of a regular meeting to address a schedule conflict.

A special meeting may be called at any time by the President or by a majority of the Board in accordance with the Brown Act.

An emergency meeting may be called under an emergency situation in accordance with the procedures set forth in the Brown Act.

Standing Committees composed of two Directors will be established to review, study and discuss proposals, reports and issues in a specific area of expertise, advise and recommend actions to the Board on these topics, and to provide feedback to the General Manager and staff.

Members of the public may comment on agenda items before or during consideration by the Board, subject to District regulations and the President's right to establish order and control of

the meeting. Time must be set aside for the public to comment on any other matters under Board jurisdiction.

If a Board meeting has been recorded, the public may obtain a copy, at cost, of an existing tape recording or listen to Board's original tape on a District tape recorder.

All votes, except for those cast in permissible closed session must be cast in public. No secret ballots, whether preliminary or final, are permitted.

At an open session following a closed session, the Board must report on final action taken in closed session under specified circumstances.

The District will comply with the California Public Records Act.

2.20.020 Agenda Requirements

Regular Board and Committee meeting agendas must specify the time and location, include a brief general description of each matter to be considered and must be posted at least 72 hours prior to meeting.

A special Board meeting requires an agenda containing a brief general description of matters to be considered, and must be posted and provided to media outlets 24 hours before the meeting.

An emergency Board Meeting requires a notice be posted and provided to media outlets at least one (1) hour prior to the meeting, except in the case of a dire emergency.

Special circumstances (dire emergency, matter too late for agenda, continued matter) permit the Board to take action on items of business not appearing on the posted agenda. Prior to discussing an item not appearing on the agenda, the Board will first publicly identify the item. Exceptions to the agenda requirement are as follows:

(a) Upon a determination by a majority vote of the Board that an emergency situation exists, as defined in the Brown Act.

(b) Upon a determination by at least two-thirds vote of the Board present at the meeting, or if less than two-thirds of the Board is present, a unanimous vote of the Directors present, 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.

(c) The item was posted for a prior meeting of the legislative body occurring not more than five (5) calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

2.20.030 Closed Session Agenda

All items to be considered in closed session must be described in the agenda for the meeting. A model format for closed session agenda items appears in the Brown Act. Prior to each closed session, the Board must orally announce the subject matter of the closed session. If final action is taken in closed session, the Board generally must report the action at the conclusion of the closed session.

Matters for closed session include:

(a) To consider appointment, employment, evaluation of performance, discipline or dismissal of an employee. With respect to complaints or charges against an employee brought by another person or another employee, the employee must be notified at least 24 hours in advance, of his or her right to have the hearing conducted in public.

(b) With law enforcement or security personnel concerning the security of public buildings and services.

(c) To receive advice from its legal counsel concerning existing litigation, initiating litigation, or situations involving a significant exposure to litigation.

(d) With its negotiator to consider labor negotiations with represented and unrepresented employees. Issues related to budgets and available funds may be considered in closed session, although final decisions concerning salaries of unrepresented employees must be made in public.

(e) With its negotiator to consider price and terms of payment in connection with the purchase, sale, exchange or lease of real property.

2.20.040 Conduct

Each person who addresses the Board may not make personal, impertinent, slanderous or profane remarks to a Director, staff or general public. Any person who makes such remarks, or who utters loud, threatening, personal or abusive language, or engages in any other disorderly conduct which disrupts, disturbs or otherwise impedes the orderly conduct of any meeting may, at the discretion of the President be asked to leave the meeting.

In the event that any meeting is willfully interrupted by any person or persons, so as to disrupt the orderly progress of the meeting, and order cannot be restored by the removal of individuals disrupting the meeting, the President or a majority of the Board may order the room cleared and continue in session. Representatives of the press or other news media, except those participating in the disturbance, will be allowed to attend any session held pursuant to this

section. Nothing in this section will prohibit the President at his or her discretion from establishing a procedure for readmitting a person.

2.20.050 Actions

The Board acts only by ordinance, resolution, or motion. A majority of the Board constitutes a quorum for the transaction of business. No ordinance, resolution, or motion is passed or becomes effective without the affirmative votes of a majority of the Directors. When deciding whether an ordinance, resolution or motion is appropriate, the following considerations should be made:

(a) A motion is used to take action not requiring an ordinance or resolution; the action is not intended as local law; is non-penal in nature, and is used when no formal document reflecting Board action is necessary. For example, a motion is appropriate to approve minutes, accept a report, provide direction to staff, approve a contract, etc.

(b) A resolution is adopted when dealing with a temporary issue or special matter that requires "finding of fact." Generally, a resolution is appropriate for rate and fee setting, land use decisions, determination of an administrative appeal, approval of environmental document such as an EIR, or Negative Declaration.

(c) An ordinance is adopted when dealing with a permanent rule of the District, absent a statutory or contractual requirement to the contrary. An ordinance has the same effect as a statute or law within the boundaries of the District. An ordinance can be substituted for a resolution required by statute, but the converse is not true.

The Board may prescribe and define by ordinance the restrictions, prohibitions, and exclusions relating to District operations. Every such ordinance will be in full force and effect immediately upon adoption, and will be published once in a newspaper of general circulation, printed, published and circulated in the District within 15 days after adoption, or if there be no such newspaper it will be posted within 15 days after adoption in three (3) public places within the District.

The publication of ordinances may be satisfied by either of the following actions:

(a) The District may publish a summary of a proposed ordinance or proposed amendment to an existing ordinance. The summary will be prepared by an official designated by the Board. A summary will be published in a newspaper of general circulation and a certified copy of the full text of the proposed ordinance or proposed amendment will be posted in the office of the Board at least five (5) days prior to the Board meeting at which the proposed ordinance or amendment is to be adopted. Within 15 days after adoption, a summary of the

ordinance or amendment with the names of those directors voting for and against the ordinance or amendment will be published in a newspaper of general circulation, and a certified copy of the full text of the adopted ordinance or amendment along with the names of those directors voting for and against the ordinance or amendment will be posted in the office of the Board.

(b) If the official designated by the Board determines that it is not feasible to prepare a fair and adequate summary of the proposed or adopted ordinance or amendment, and if the Board so orders, a display advertisement of at least one-quarter of a page in a newspaper of general circulation in the county will be published at least five (5) days prior to the Board meeting at which the proposed ordinance or amendment or alteration thereto is to be adopted. Within 15 days after adoption of the ordinance or amendment, a display advertisement of at least one-quarter of a page will be published. The advertisement will indicate the general nature of, and provide information about, the proposed or adopted ordinance or amendment, including information sufficient to enable the public to obtain copies of the complete text of the ordinance or amendment, and the names of those directors voting for and against the ordinance or amendment.

The enacting clause of all ordinances passed by the Board will be: "Be it ordained by the Board of Directors of the Scotts Valley Water District as follows: ... "

Resolution and ordinances are signed by the President and attested by the Secretary of the Board.

A roll call vote is required when adopting an ordinance or resolution. The ayes and noes will be entered on the ordinance or resolution and the minutes.

The President signs all contracts and the Secretary countersigns all contracts on behalf of the District. Notwithstanding the foregoing, the Board hereby authorizes the General Manager or his or her designee to execute contracts on behalf of the District, and no countersignature is required. The Board may also authorize, subject to such limitations and conditions as it may determine, the execution of contracts on behalf of the District by another officer or officers of the District.

Chapter 2.30 Compensation

2.30.010 Compensation

Directors are compensated for each meeting of the Board in an amount consistent with limits and provisions contained California Water Code Section 20200 and 20202 and in accordance with District regulations.

2.30.020 Reimbursement of Expenses

Directors may be reimbursed for actual expenses incurred in connection with their official duties in accordance with District regulations.

Expense reports must be submitted within a reasonable time, but not more than thirty (30) days, after incurring an expense. Late expense reports may be referred to the Board for approval or disapproval.

A Director's expense for attending a conference, training event or other similar function will not be reimbursed if it occurs after the Director has announced his or her pending resignation, or if it occurs after an election in which it has been determined that the Director will not retain his or her seat on the Board. A Director will not be reimbursed for attending a conference, training event or other similar function when it is apparent that there is no significant benefit to the District.

Directors will maintain written records, including expense accounts, in sufficient detail to reflect accurately and completely all transactions and expenditures made by them on the District's behalf.

All documents related to reimbursable agency expenditures are public records subject to disclosure under the California Public Records Act.

2.30.030 Health and Welfare Benefits

The District provides all current Directors and their dependents reimbursement for health care premiums in an amount not to exceed the District's lowest group rate for employees. The amount of reimbursement is determined annually, and is subject to the same percentage limitation that would apply to a District employee hired on that same date.

Group dental and vision coverage is provided to all current Directors and their dependents.

Group Life Insurance is provided to current Directors in a benefit amount equal to \$10,000, subject to any age limitations imposed by the insurance provider. Insurance coverage will be effective as of the date a new Director is seated on the Board.

A Qualified Retired Director is one who is entitled to benefits as provided in California Government Code Section 53201. The District provides Qualified Retired Directors and their spouses with reimbursement for health care premiums in an amount not to exceed the District's lowest group rate for employees determined annually.

For Qualified Retired Directors who are Medicare-eligible, the amount of reimbursement will be limited to the District's lowest Medicare supplemental plan group rate for employees determined annually.

Group dental and vision coverage is provided to Qualified Retired Directors and their spouses.

Group Life Insurance is not provided to Qualified Retired Directors.

Chapter 2.40 Board Conduct

2.40.010 Ethics

The District is committed to promoting ethical behavior in the conduct of its business. The proper operation of the District requires that Directors remain objective and responsive to the needs of the public they serve, make decisions within the proper channels of governmental structure, and not use public office for personal gain. To further these objectives, certain ethical principles govern the conduct of each Director. Ethics, integrity and fidelity are critical elements in Directors' conduct and in achievement of the District's mission.

Directors will uphold the Constitution of the United States and the Constitution of the State of California, and carry out the laws of the nation, the state, and local governmental agencies; comply with applicable laws regulating their conduct, including conflict of interest and financial disclosure laws; and work in cooperation with other public agencies, unless they are legally prohibited from doing so.

Directors will promote a fair and open public process.

Directors will promote diversity and equality in personnel matters and in contracting, consistent with state and federal laws.

Directors, in performance of their official duties and responsibilities, will not discriminate against or harass any person on the basis of any and all protected categories included but not limited to race, religion, color, creed, age, marital status, national origin, ancestry, gender, sexual orientation, medical condition or disability.

Directors will not grant any special consideration, treatment, or advantage to any person or group beyond that available to every other person or group in similar circumstances.

Directors will exercise responsible financial management in the conduct of District business.

Directors will protect and properly use any District property within their control, including information recorded on paper or in electronic form.

Directors will not ask or require a District employee to perform services for the personal benefit or profit of a Director or employee.

Gifts of public funds are not allowed. The District will have no power to give or pledge credit to a person or entity, public or private, for the payment of the liabilities of such person or entity, public or private; nor will it have power to make any gift or authorize the making of any gift, of any public money or thing of value to any person or entity, public or private, except as expressly allowed by law.

Directors will safeguard confidential information. A Director who willfully and knowingly discloses for pecuniary gain confidential information received in the course of their official duties may be guilty of conflict of interest.

Directors will not disclose information that legally qualifies as confidential to unauthorized persons without approval of the Board. This includes information that has been received for, or during, a closed session Board meeting, or is protected from disclosure under the attorney/client or other evidentiary privilege.

Notwithstanding the foregoing, any of the following will not be a violation of this section:

(a) Making a confidential inquiry or complaint to a District Attorney or Grand Jury concerning a perceived violation of law, including disclosing facts to a District Attorney or Grand Jury that are necessary to establish the illegality of an action taken by the Board or the potential illegality of an action that has been the subject of deliberation at a closed session if that action were to be taken by the Board.

(b) Expressing an opinion concerning the propriety or legality of actions taken by the Board in closed session, including disclosure of the nature and extent of the illegal or potentially illegal action.

(c) Disclosing information acquired by being present in a closed session that is not confidential information. Prior to disclosing confidential information, however, a Director will first bring the matter to the attention of either the President or the full Board, in a lawful and appropriate manner, to provide an opportunity for the Board to cure an alleged violation. Nothing in this section will be construed to prohibit disclosures under the whistleblower statutes contained in California Labor Code Section 1102.5 or California Government Code Section 53296.

2.40.020 Conflict of Interest

Directors will avoid both actual conflicts of interest and the appearance of conflicts of interest.

A Director has a financial interest in a matter if it is reasonably foreseeable that the Board decision would have a material financial effect on the Director, a member of the Director's immediate family, or the Director's qualifying business or real property interests in California Government Code Section 87103.

A Director will not have a financial interest in a contract with the District, or be a purchaser at a District sale or a vendor at a District purchase, unless the Director's participation was authorized as a "remote interest" under California Government Code Section 1090-1091. The qualifying business or real property interests include both "direct" and "indirect" interests.

A Director will report all gifts, honoraria, campaign contributions, income and financial information as required under the District's Conflict of Interest Code and the provisions of the Political Reform Act.

A Director will not participate in the discussion, deliberation or vote on a matter before the Board, or in any way attempt to use his or her official position to influence a decision of the Board, if he or she has a prohibited interest with respect to the matter, as defined in the California Government Code Section 8100 relating to financial conflicts of interest.

If a member of the Board believes that he or she may be disqualified from participation in the discussion, deliberations or vote on a particular matter due to a conflict of interest, the following procedure will be followed:

(a) If the Director becomes aware of the potential conflict of interest before the Board meeting at which the matter will be discussed or acted on, the Director will notify the District's General Manager of the potential conflict of interest, so that a determination can be made whether it is a disqualifying conflict of interest.

(b) If it is not possible for the Director to discuss the potential conflict with the General Manager before the meeting, or if the Director does not become aware of the potential conflict until during the meeting, the Director will immediately disclose the potential conflict during the Board meeting, so that there can be a determination whether it is a disqualifying conflict of interest.

(c) Upon a determination that there is a disqualifying conflict of interest, the Director will not participate in the discussion, deliberation or vote on the matter for which a conflict of interests exist, which will be so noted in the Board minutes, and leave the room until after the discussion, vote and any other disposition of the matter is concluded, unless the matter has been placed on the portion of the agenda reserved for uncontested matters, except that the Director may speak on the issue during the time that the general public speaks on the issue.

A Director will not recommend the District employ a relative. In addition, a Director will not recommend the employment of a relative to any person known by the Director to be bidding for or negotiating a contract with the District.

A Director will not solicit political funds or contributions of in-kind services at District facilities.

A Director will not solicit or direct a political contribution or in-kind services from District officers, employees, consultants or contractors, or from vendors or consultants that have a material financial interest in a contract or other matter while that matter is pending before the District. A Director will not use the District's seal, trademark, stationary, or other indicia of the District's identity or facsimile thereof in any solicitation for political contributions.

Except as provided in California Government Code, a Director will not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with or inimical to his or her duties as a Director. A District employee may not be sworn into office as an elected or appointed member of the same District unless he or she resigns as an employee.

All Directors will receive two hours of training in general ethics principles and ethics laws relevant to public service within one year of election or appointment to the Board and at least once every two years thereafter. The District will maintain a record of the training.

A perceived violation of the District's ethics policy by a Director should be referred to the Board President for investigation and consideration of any appropriate action warranted. In the case of a perceived violation by the President, the matter should be referred to the Vice President. A violation of this policy may be addressed by remedies available by law, including but not limited

to: adopting a resolution expressing disapproval of the conduct of the Director who has violated this policy; injunctive relief, or referral of the violation to the District Attorney and/or the Grand Jury.

The Board and the General Manager are responsible for monitoring and enforcing compliance with the District's regulations. Directors will disclose to the General Manager, to the extent not expressly prohibited by law, improper activities within their knowledge. Directors will not interfere with the General Manager's responsibilities in identifying, investigating and correcting improper activities, unless the Board determines the General Manager is not properly carrying out these responsibilities. A Director will not directly or indirectly use or attempt to use the authority or influence of his or her position to intimidate, threaten, coerce, command or influence any other person for the purpose of preventing such person from acting in good faith to bring to the attention of the General Manager or the Board any information that, if true, would constitute: a work-related violation by a Director or District employee of any law or regulation, gross waste of District funds; gross abuse of authority, a specified and substantial danger to public health or safety due to an act or omission of a District official or employee, use of a District office or position or of District resources for personal gain, or a conflict of interest of a District Director or District employee.

A Director will not include false or misleading information in a candidate's statement for a general District election filed pursuant to California Elections Code Section 13307.

Title 3
INTERNAL FUNCTIONS OF DISTRICT

Chapter 3.10
Purchasing and Contracting

3.10.010 Contracting for Professional Services \$25,000 or Less

The General Manager may, by negotiated contract or purchase order, enter into contracts for professional services in the amount of \$25,000 or less provided the work to be performed is included within the District's work plan and funds are available within the current approved budget for such work.

3.10.020 Contracting for Professional Services \$25,000-\$100,000

The General Manager, after seeking written proposals, may enter into contracts for professional services of more than \$25,000 and less than \$100,000 provided the work to be performed is included within the District's work plan and funds are available within the current approved budget for such work.

In the event of awarding the contract of more than \$25,000 and less than \$100,000, the General Manager will inform the Board of such contract as soon as practicable.

3.10.030 Contracting for Professional Services \$100,000+

The General Manager will seek written proposals for professional services of more than \$100,000. Such contracts will be approved by the Board.

3.10.040 Selection of Architectural, Landscape Architectural, Engineering, Environmental Services, Land Surveying, Construction Management Services

Notwithstanding any other provision of law or this Chapter, selection for professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms will be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. Any individual or firm proposing to provide construction project management services will provide evidence that the individual or firm and the personnel carrying out onsite responsibilities have expertise and experience in construction project design review and evaluation, construction mobilization and supervision, bid evaluation, project scheduling, cost-benefit analysis, claims review and negotiation, and general management and administration of a construction project.

3.10.050 Exceptions

Nothing contained in this Chapter will be construed to prohibit the District from renewing contracts, extending contracts or expanding the scope of work of existing contracts where it is determined by the General Manager or the Board that such renewal, extension or expansion is in the District's best interest. The District may, additionally, approve contracts for professional services on an emergency basis or where, due to the experience of the professional, contracting for the services without a competitive process would be in the best interest of the District.

The District may, in its discretion, use the proposals for professional services or independent contractors which were obtained through a bid, proposal or solicitation process initiated by another public agency.

3.10.060 Procurement for Equipment, Material and Supplies

A Purchasing Officer will be appointed for the District. The Purchasing Officer is appointed by the General Manager and in the absence of such appointment, the General Manager is the Purchasing Officer. The duties of the Purchasing Officer are combined with those of any other office or position. The Purchasing Officer has the authority to:

- (a) Purchase or contract for equipment, materials, supplies and services.
- (b) Negotiate and recommend execution of contracts for the purchase of equipment, materials, supplies and services.
- (c) Act to procure for the District the needed quality in equipment, materials, supplies and services at least expense to the District.
- (d) Recommend the transfer of surplus or unused supplies and equipment between divisions of the District as needed and the sale of all supplies and equipment which cannot be used or have become unsuitable for District use.

The Purchasing Officer may, by negotiated contract or purchase order, enter into contracts for equipment, materials and supplies in the amount of \$25,000 or less, provided the items to be purchased are included within the District's work plan and funds are available within the current approved budget for such items.

The Purchasing Officer, after seeking written proposals, may enter into contracts for equipment, materials and supplies in the amount of more than \$25,000 and less than \$100,000 provided the items to be purchased are included within the District's work plan and funds are available within the current approved budget for such items.

In the event of awarding the contract of more than \$25,000 and less than \$100,000, the General Manager will inform the Board of such contract as soon as practicable.

The Purchasing Officer will seek written proposals for contractors for equipment, materials and supplies of more than \$100,000. Such contracts will be approved by the Board.

The Purchasing Officer is not required to go through a competitive solicitation process if the equipment, materials and supplies have been competitively priced by another public agency, such as through State procurement arrangements.

Chapter 3.20 Public Works Bidding

3.20.010 Prevailing Wages

Unless exempt, all District public works contracts awarded, are subject to prevailing wage requirements in accordance with California Labor Code Section 1720. When prevailing wages are required, the District will affirmatively state in the call for bids or the contract documents, that the work to be covered by the bid or contract is a "public works."

3.20.020 Competitive Bidding for Projects \$25,000

Public projects of \$25,000 or less may be performed by the employees of the District, by negotiated contract, by purchase order or by the informal bid procedure set forth below, provided the work to be performed is included within the District's work plan and funds are available within the current approved budget for such work. A bid bond, performance bond and payment bond are not required, but a warranty bond may be required.

3.20.030 Competitive Bidding for Projects \$25,000-\$100,000 (Informal Bid Process)

Public projects of more than \$25,000 and less than \$100,000 are, except as otherwise provided in this section, let to contract by the following informal bidding procedure:

- (a) The District will maintain a list of qualified contractors, identified according to categories of work.
- (b) At least three contractors on the list for the category of work being bid or construction trade journals serving the vicinity of the District (or both); will be given a Notice Inviting Bids, unless the product or service is proprietary.
- (c) A Notice Inviting Bids will be delivered not less than 10 calendar days before bids are due, except in an emergency. The Notice Inviting Bids will describe the project in general terms and will provide instructions about how to obtain more detailed information about the project, and state the time and place for the submission of bids. Delivery of the Notice Inviting

Bids will be by personal delivery, facsimile, electronic mail, first class mail or overnight mail. Delivery is complete as of the date of delivery.

(d) The Board hereby delegates the authority to receive bids and award informal contracts to the General Manager or his or her designee, provided the work to be performed is included within the District's work plan and funds are available within the District's current approved budget for such work. The General Manager will inform the Board of such contract as soon as practicable.

(e) If all bids received are in excess of \$100,000, the District may, by adoption of a resolution, award the contract to the lowest responsible bidder if it determines the cost estimate is reasonable.

(f) A bid bond, performance bond and payment bond are required in connection with the informal bid process. A warranty bond may be required.

3.20.040 Competitive Bidding for Projects \$100,000 + (Formal Bid Process)

It will be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading the provisions of this article requiring work to be done by contract after competitive bidding.

Public projects of more than \$100,000 are, except as otherwise provided in this section, let to contract by the following formal bidding procedure:

(a) The Notice Inviting Bids will state the time and place for receiving and opening of sealed bids and accurately describe the project. The notice will be published at least 14 calendar days before the date of opening the bids in a newspaper of general circulation, printed and published in the jurisdiction of the District.

(b) The Notice Inviting Bids may be sent to construction trade journals serving the vicinity of the District. The notice will be sent at least 15 calendar days before the date of opening the bids. In addition to notice required by this section, the District may give such other notice as it deems proper.

(c) The Notice Inviting Bids will state the time and place for the receiving and opening of sealed bids and will describe the project. Sealed bids will be submitted by bidders prior to the deadline established for opening bids.

The Board will award the contract to the lowest responsible bidder after receiving bids through the formal bid process.

A bid bond, performance bond and payment bond are required. A warranty bond may be required. All bids for construction work will be presented under sealed cover and will be accompanied by one of the following forms of bidder's security: Cash; a cashier's check made payable to the District; a certified check made payable to the District; or a bidder's bond executed by an admitted surety insurer, made payable to the District. Upon an award to the lowest bidder, the security of an unsuccessful bidder will be returned in a reasonable period of time, but in no event will that security be held by the District beyond 60 days from the time the award is made.

3.20.050 Emergency Bid Procedures

In the case of an emergency, the General Manager, may take any immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice or soliciting bids for the work. In the event the General Manager enters into a contract for emergency work, the General Manager will report the same to the Board at its next regularly scheduled meeting.

3.20.060 Specifications of Contractor's License Classification in Notice Inviting Bids

The District will specify the classification of the contractor's license which a contractor will possess at the time a contract is awarded and through completion of the work. The specification will be included in any plans prepared for a public project and in any Notice Inviting Bids. This requirement will apply only with respect to contractors who contract directly with the District. A contractor who is not awarded a public contract because of the failure of the District to comply with this requirement will not receive damages for the loss of the contract.

3.20.070 Specifications by Brand or Trade Name or "Equal"

Neither the District, nor any District officer or person charged with the letting of contracts for the construction, alteration, or repair of public works, will draft or cause to be drafted specifications for bids in connection with the construction, alteration, or repair of public works in such a manner as to limit the bidding, directly or indirectly, to any one specific concern. When a product is designated to match others in use on a particular public improvement either completed, or in the course of completion, calling for a designated material, product, item, or service by specific brand or trade name, unless the specification lists at least two brands or trade names of comparable quality or utility and is followed by the words "or equal."

Specifications will provide a period of time prior to or after, the award of the contract for submission of data substantiating a request for a substitution of "an equal" item. If no time

period is specified, data may be submitted any time within 35 days after the award of the contract. The District reserves the right to determine whether or not any substitute is "equal".

3.20.080 Exceptions

The District may make a finding that is described in the Notice Inviting Bids or request for proposals that a particular material, product, item, or service is designated by specific brand or trade name for any of the following purposes in order:

- (a) That a field test or experiment may be made to determine the product's suitability for future use.
- (b) To match other products in use on a particular public improvement either completed or in the course of completion.
- (c) To obtain a necessary item that is only available from one source.
- (d) To respond to an emergency declared by a local agency, but only if the declaration is approved by an at least four-fifths vote of the Board issuing the invitation for bid or request for proposals.
- (e) To respond to an emergency declared by the state, a state agency, or political subdivision of the state, but only if the facts setting forth the reasons for the finding of the emergency are contained in the public records of the authority issuing the Notice Inviting Bids or request for proposals.

3.20.090 Subletting and Subcontracting Fair Practices Act

The specifications for the work or improvement will provide that any person making a bid or offer to perform the work, will, in his or her bid or offer, set forth the name and the location of the place of business of each subcontractor who will perform work or labor or render service in an amount in excess of one-half of 1 percent of the prime contractor's total bid. The District may not substitute any person as subcontractor in place of the subcontractor listed in the original bid, except as allowed under the California Public Contract Code Section 4100.

3.20.100 Award to Lowest Responsible Bidder

If a contract is awarded, it will be awarded to the lowest responsible bidder. If two or more bids are the same, the awarding authority may accept the one it chooses. The lowest responsible bidder is the lowest bidder whose offer best responds in quality, fitness and capacity to the particular requirements of the work. Bids from the lowest responsible bidder may be rejected in the following circumstances:

(a) The awarding authority may reject all bids if the acceptance of the lowest responsible bid is deemed not to be in the District's best interests.

(b) If the successful bidder refuses to execute the contract, the awarding authority may award the contract to the next lowest bidder if the awarding authority decides that the action is in the District's best interests.

(c) The contract may be awarded to the next lowest responsible bidder if the lowest bidder is nonresponsive.

3.20.110 Additive or Deductive Bid Items; Identity of Contractors

The District may require a bid for a public works contract to include prices for items that may be added to, or deducted from, the scope of work in the contract for which the bid is being submitted. Whenever additive or deductive items are included in a bid, the bid solicitation will specify which one of the following methods will be used to determine the lowest bid. In the absence of a specification:

(a) The lowest bid will be the lowest bid price on the base contract without consideration of the prices on the additive or deductive items.

(b) The lowest bid will be the lowest total of the bid prices on the base contract and those additive or deductive items that were specifically identified in the bid solicitation as being used for the purpose of determining the lowest bid price.

(c) The lowest bid will be the lowest total of the bid prices on the base contract and those additive or deductive items that when taken in order from a specifically identified list of those items in the solicitation, and added to, or subtracted from, the base contract, are less than, or equal to, a funding amount publicly disclosed by the local agency before the first bid is opened.

(d) The lowest bid will be determined in a manner that prevents any information that would identify any of the bidders or proposed subcontractors or suppliers from being revealed to the public entity before the ranking of all bidders from lowest to highest has been determined.

A responsible bidder who submitted the lowest bid as determined by this section will be awarded the contract, if it is awarded. This section does not preclude the District from adding to or deducting from the contract any of the additive or deductive items after the lowest responsible bidder has been determined.

3.20.120 Rejections of Bids

In its discretion, the awarding authority may reject any bids presented. If after the first invitation of bids all bids are rejected, after reevaluating its cost estimates of the project, the District will have the option of the following: abandoning the project or re-advertising for bids; or by passage of a resolution by a four-fifths vote of its Board declaring that the project can be performed more economically by the employees of the District, may have the project done by District staff without further complying with bidding requirements.

3.20.130 No Bids

If no bids are received, the project may be performed by District staff, or negotiated contract without further complying with bidding requirements.

3.20.140 Bidder's Relief from Bids

A bidder will not be relieved of the bid unless by consent of the awarding authority, nor will any change be made in the bid because of mistake. The bidder may bring an action against the public entity in a court of competent jurisdiction in the county in which the bids were opened for the recovery of the amount forfeited, without interest or costs. If the plaintiff fails to recover judgment, the plaintiff will pay all costs incurred by the public entity in the suit, including a reasonable attorney's fee to be fixed by the court. If an action in superior court is filed, the bidder will establish to the satisfaction of the court that: a mistake was made; he or she gave the public entity written notice within five (5) working days (excluding Saturdays, Sundays, and state holidays) after the opening of the bids of the mistake, specifying in the notice in detail how the mistake occurred; the mistake made the bid materially different than he or she intended it to be; the mistake was made in filling out the bid and not due to error in judgment or to carelessness in inspecting the site of the work, or in reading the plans or specifications.

A bidder who claims a mistake or who forfeits his or her bid security will be prohibited from participating in further bidding on the project on which the mistake was claimed or security forfeited.

If the public entity deems it is for its best interest, it may, on refusal or failure of the successful bidder to execute the contract, award the contract to the second lowest bidder. If the second lowest bidder fails or refuses to execute the contract, the public entity may award the contract to the third lowest bidder. On the failure or refusal of any bidder to whom a contract is awarded to execute the contract, the bidder's security will be forfeited.

3.20.150 Contracting by Electronic Transmission

The District may enter into and make payment on contracts by way of electronic transmission, including but not limited to, the issuance of solicitation documents and the receipt of responses thereto, provided that it adopts methods and procedures set forth in Public Contract Code.

3.20.160 Payment, Performance and Warranty Bonds

A direct contractor (excluding a design professional) that is awarded a public works contract involving an expenditure in excess of \$25,000 will, before commencement of work, provide the District an approved payment bond and a performance bond. Each bond will be in a sum not less than 100 percent of the total amount payable by the terms of the contract. The District will state in its call for bids that a payment bond and a performance bond are required for a public works contract involving expenditure in excess of \$25,000.

The contract documents may require that the contractor provide an appropriate warranty bond after substantial completion of the project.

3.20.170 Insurance

Prior to the commencement of the work, every contractor (and subcontractor) will provide insurance as set forth in the contract documents or as required by law, including but not limited to Workers Compensation Insurance and General Liability Insurance.

3.20.180 General Manager's Authority

The General Manager or his/her approved designee is authorized to manage the construction contract and approve change orders, provided such funds are available within the approved construction budget. Any change orders exceeding the approved construction budget require the approval of the Board.

3.20.190 Release of Retention

The District will release retention proceeds withheld from an original contractor within 60 days after the completion of the project or within the time limits set forth in California Public Contract Code. In the event of a dispute between the public entity and the original contractor, the public entity may withhold from the final payment an amount not to exceed 150 percent of the disputed amount. In the event that retention payments are not made within the time periods, the District will be subject to a charge of 2 percent per month on the improperly withheld amount, in lieu of any interest otherwise due. Additionally, in any action for the collection of funds wrongfully withheld, the prevailing party will be entitled to attorney's fees and costs.

Title 4
DISTRICT SERVICES: EXISTING CONNECTIONS

Chapter 4.10
Description of Service

4.10.010 Classes of Service

All services provided by the District are classified into the following categories:

Domestic – intended for residential and commercial primarily indoor uses for public health and safety; may include landscape uses

Fire Protection – intended for fire protection uses

Landscape – intended for landscape, agricultural or horticultural uses

Bulk – intended for temporary short term uses and transported by tank trucks

4.10.020 Types of Customers

The District establishes particular customer types based on water use patterns and purpose of use, such as residential or commercial. Different rates may apply to customer type as adopted by the Board.

4.10.030 Types of Water Supply

Potable water is water that meets the standards for drinking purposes of the federal, state or local authority having jurisdiction.

Recycled water, permitted only for specific purposes, is wastewater that has been purified through multiple treatment processes to a level that meets State Water Resources Control Board standards. The District establishes written regulations for the use of recycled water.

4.10.040 Pressure Conditions

Customers are required to accept conditions of pressure and service as are provided by the water system at the location of the service connection, and to hold the District harmless for any damages arising out of low pressure or high pressure conditions or interruptions in service.

Chapter 4.20 Start and Stop Service

4.20.010 Requesting Service

Each applicant for water service is required to provide information as requested by the District.

A separate account is established for each class of service at the service location. A request for service should be made a reasonable number of days prior to the start date.

A fee is applied to the first water bill for establishing a new customer account.

4.20.020 Security Deposits

The District may collect a security deposit or reasonable credit assurance from the applicant. A security deposit will be returned to a customer in good standing after one year, or will be credited against the final bill if the account is stopped sooner.

Deposits are required for all bulk water customers.

4.20.030 Responsibility for Account

Responsibility for an account is assigned either to the owner or the tenant. The owner is considered the main account holder for a service installed at the premises. The account will revert back to the owner upon the tenant's effective stop service date. The District will make an effort to notify the owner of the account switch back. It is the owner's responsibility to keep contact information current with the District.

When a property changes ownership, the effective date for the start of service with the new account holder is the close of escrow date on the deed.

If there is no identifiable owner, the District will determine how to handle the service at that location and may charge a fee if a meter must be reinstalled or unlocked to reinstate service at a later time.

4.20.040 Stopping Service

A request from the account holder to stop service should be made a reasonable number of days prior to the stop date. The District will do a meter read on the closest business day to the effective stop date to close the account.

If a tenant stops service, the account will revert back to the owner on file until either a new tenant or a new owner starts service.

4.20.050 Bulk Water Service

Bulk water is used for temporary needs such as dust control during construction or for transitory landscaping. The District requires the use of recycled water whenever feasible and practical. Potable bulk water may be, but is not always, available as a bulk water service.

A request for bulk water service must be made a reasonable number of days prior to the date the service is requested. A deposit will be charged for the bulk meter when service is granted. It is the bulk water customer's responsibility to report the meter reads to the District on a regular basis.

Bulk water meters must be returned to the District office. A final bill will be prepared and the deposit will be returned after final payment is received.

**Chapter 4.30
Metering****4.30.010 Meter Reading**

Meters are read on a regular and periodic basis. For a bi-monthly billing, meters are read on, or close to a 60-day cycle; for a monthly billing, meters are read on, or close to a 30-day cycle.

4.30.020 Meter Accuracy

If a meter is found not to be registering, the District will estimate the usage for the water bill by a fair and equitable method and its decision will be final.

Customer may request the District test the meter serving their premises. The customer must deposit an amount to cover the cost of a bench test as established by the District fee schedule. The deposit will be returned only if the meter is found to register more than 2% inaccurately. When a meter is found to be registering more than 2% fast, under conditions of normal operation, the District will refund to the customer the full amount of the overcharge based on corrected meter readings for the period, not exceeding six months, that the meter was in use; unless the exact duration of fast meter registration can be determined. When a meter is found to be registering more than 25% slow, the District may bill the customer for the amount of the undercharge based upon calculated meter readings for the period, not exceeding six months that the meter was in use.

4.30.030 Non-registering and Unreadable Meters

The District may bill the customer for water consumed while the meter was not registering or not readable. The bill will be at the minimum basic service charge or will be calculated on an estimate of consumption based either upon the customer's prior use during the same season of the year or upon a reasonable comparison with the use of other customers receiving the same class of service during the same period and under similar circumstances and conditions.

4.30.040 Fire Detection Meter Use

Water used through a separate fire protection service will only be used to extinguish fires and to test firefighting equipment. Any other type of consumption recorded on the designated fire detection meter may be charged at double the uniform water commodity charge; no charges will be assessed for water used to extinguish fires where such fires have been reported to the duly authorized fire protection agency.

Water used from a private fire service in violation of this section is prohibited, and the District may also discontinue the domestic service connection serving the premises.

Chapter 4.40 Billing

4.40.010 Fees

The District may assess a variety of fees as part of the billing process, as determined and approved by the Board. Such fees may include a new account fee, a returned check fee, or a reconnection fee.

4.40.020 Water Rates

The District is required by law to set and collect water rates in accordance with California Water Code Section 31025. Water Rates are established in accordance with the California Constitution, Article XIII D §6(a).

There are fixed and variable rates that apply for service. For basic service, standby charges will be assessed whether any water is used. Any inactive accounts with meters removed from the ground are exempt from the basic service charge.

Consumption based rates are calculated based on actual usage on an account and can vary based on types of supply, service classes, customer types, and consumption levels.

Separate bills may be rendered for each class of service.

The District may grant adjustments to water bills in the following instances: waiving penalties, correction of billing errors, leak adjustments and others as found necessary.

4.40.030 Payment

The water bill is due upon presentation. The delinquent date is set on the 20th day from the water bill date. If the delinquent date falls on a District holiday or weekend, the delinquent date will be the next business day.

4.40.040 Delinquent Accounts/Accounts in Arrears

A late penalty will be added to the balance if a full balance is not received by the delinquent date. Exceptions include a prior payment plan in good standing or a pending leak adjustment request.

If there is a deposit, the District reserves the right to apply it towards the unpaid balance if payment is not received by the delinquent date.

The District reserves the right to obtain a third party to collect past due balances, and/or to place a lien on the property for any past due balances.

4.40.050 Discontinuance of Service

The District may start the process to discontinue an account holder's service when payment has not been received by the delinquent date. A notice (red tag) about potential service turn-off will be hung at the service address on or after the delinquent date.

To restore service, the account holder must pay the balance in full and any other fees that the District deems necessary.

Chapter 4.50 Water Use Efficiency

4.50.010 Water Waste, Leaks and Other Water Losses

The District establishes written regulations to promote efficient use of water and minimize water waste. The District may impose additional regulations during current or anticipated water shortages. Such regulations may specify mandatory water conservation measures, identify and

prohibit wasteful water uses, establish penalties, specify processes for granting variances and appeals, and include other provisions as deemed necessary.

The customer is solely responsible for the amount of water registered by the meter serving their premises and for maintenance and repairs of pipes and fixtures on the customer's side of the meter. No allowance will be made for loss of water on the customer's side of the meter unless authorized in accordance with the written regulations for leak adjustments.

The District attempts to notify customers when leaks or other potential water losses are suspected. When water is wastefully or negligently used on a customer's premises, the District may fine customers and/or discontinue the service if such conditions are not corrected within a reasonable amount of time after giving the customer written notice.

Section 4.50.020 Rebates

The District establishes written regulations for water use efficiency rebates. Rebates are granted to customers in good standing for installing certain indoor and outdoor water use efficiency improvements. The District reserves the right to require inspection of the customer's premises before and after installation for purposes of verification.

Title 5
DISTRICT SERVICES: NEW CONNECTIONS

Chapter 5.10
Eligibility for New Water Service

5.10.010 Requesting New Service

New water service connections will be approved in the size and at the location desired by the owner where such requests are determined to be reasonable and the service installation will be made in compliance with the District's standard specifications. The owner is required to provide requested information and to pay a processing fee.

The issuance of a promise to the owner to serve the requested property is subject to and conditioned upon the location of the property in relation to the District's service area, existing water infrastructure and availability of the supply. All services, whether temporary or permanent, unless otherwise specified, will be metered.

5.10.020 Number of Services per Property

The owner may request as many services as reasonable to serve their property. If the pipeline systems for each service are interconnected, the owner will be required to install, on the customer side at each meter connection, approved backflow protection devices.

5.10.030 Master Meters

The owner may request an installation of a master meter to serve residential premises at their property on the following terms and conditions:

- (a) All units must have individual sub-meters.
- (b) The account holder for the master meter is responsible for equitable distribution of the cost of the water service between the units.
- (c) Separate meter of appropriate size, based upon projected demand, with an approved backflow device must be installed for landscape irrigation.

The owner may request an installation of a master meter to serve non-residential premises at their property on the following terms and conditions:

- (a) Single ownership of all premises.

(b) Separate meter of appropriate size, based upon projected demand, with an approved backflow device installed for landscape irrigation.

5.10.040 Service to Separate Parcels and Properties

Not more than one parcel will be served from each connection except as allowed by this section. The customer will not allow the use of any of the water received by them from the District on any parcel other than those specified in their application for service.

The owner may request an installation of an irrigation master meter to serve more than one parcel of their property. In the event the property is divided among separate ownerships, a recordable document governing the use of the shared connection between the owners of the subject properties must be established.

An irrigation service that serves more than one property can be installed if a recordable document governing the use of the shared connection between the owners of the subject properties is established.

5.10.050 Moratorium

Special conditions may be set by an authority, such as the Board, that warrant a suspension of activity, a waiting period, or a limit on new service connections. The Board may, upon showing sufficient cause, prohibit new connections and/or new demands on the water supplies or facilities of the District.

Chapter 5.20 Changes to Existing Service Connection

5.20.010 Meters

An owner must obtain approval from the District prior to relocating their meter. Meters moved for the convenience of the owner will be done at the owner's expense. Meters moved for the District's purposes and objectives will be done at District expense.

An owner must request and obtain approval from the District before making any material change in the size, character or extent of the water service equipment or operations that results in a change in demand of the service.

Changes to existing service include but are not limited to:

- (a) Plumbing fixture count change.

- (b) Fire service addition or upgrade.
- (c) Change in degree of hazard, as detailed in Section 1.40.070.

5.20.020 Fire Hydrants

Public or private fire hydrants moved for the convenience of the owner will be relocated at the owner's expense. The owner must obtain approval from the District prior to relocating the hydrant.

Chapter 5.30 Installation of New Service Connection

5.30.010 New Service in District Service Area with No Extension of Water System

The owner, upon presentation of a building permit issued by the City of Scotts Valley or County of Santa Cruz, may apply for a service connection. The new service connection will be granted only if the District finds that the premises can be connected to a water main of adequate size to provide sufficient pressure and flow to meet the owner's need without adversely affecting service to any existing customers.

The owner of the new service connection is required to provide requested information and to comply with all District regulations. Construction of the new service connection must be done in accordance with the District's standard specifications. That service will be reserved only for the parcel(s) designated by the owner. If the parcel changes ownership before installation of the meter, the new owner must notify the District.

A water service connection from the District main to the owner's property will be installed only by employees or duly authorized agents of the District, or by persons to whom a Notice to Proceed has been issued. Connections installed pursuant to the Notice to Proceed will, upon completion of the work, become the property of the District. Water service will be installed at a location in the size approved by the District. Service installation will be made only to property abutting on public streets or abutting on such water mains as may be constructed in public rights-of-way or easements. Services installed in new subdivisions prior to the construction of streets or in advance of street improvement, must be accepted by the applicant in the installed location.

The owner is responsible for providing and paying for all facilities connecting their property to the existing water system, and reimbursing the District for any and all expenses incurred or paid

by the District related to establishing the new service connection. The District may collect a deposit from the owner and draw the applicable funds from the deposit.

5.30.020 New Service in District Service Area with Extension of the Water System

Everything in Section 5.30.010 is applicable to the process for new service with an extension of the water system.

In addition, whenever premises for which a new service connection is requested cannot adequately be served by the existing water facilities, construction of a water main extension and related infrastructure will be required at the applicant's expense. Prior to construction of the main extension and necessary related facilities, the applicant for water service is required to enter into a written agreement for such extension and satisfy the conditions as prescribed in such agreement. The terms and conditions of the agreement must be approved by the Board.

All main extensions and other water facilities are to be designed and constructed to satisfy domestic and fire demands with provisions for future extensions, and to improve the water system as a whole. The owner may be required to provide greater than the minimum requirements to serve the premises as the District is charged with developing and constructing an adequate water system that will meet all service requirements of the District.

Unless otherwise permitted, water mains will be extended in the public street right-of-way which serves as access to applicant's parcel, from the existing main's terminus to a location in front of applicant's parcel.

The applicant is fully responsible for providing, at no cost to the District, all easements necessary for the installation, operations, maintenance and replacement of pipelines and facilities owned or to be owned by the District.

5.30.030 New Service Outside District Service Area

Everything in Sections 5.30.010 and 5.30.020 is applicable for new service outside the District service area.

In addition, all requests for permanent potable water service to property located outside the boundaries of the District will be referred to the Board for approval. Factors to be considered include, but are not limited to, the availability of surplus water supply, location of water distribution and transmission facilities, any pending boundary changes, and the water shortage contingency plan currently in effect. Final approval may require annexation from the Santa Cruz County Local Agency Formation Commission (LAFCO).

If the property is located within the boundaries of another water agency, the property owner must obtain approval from that agency to be served by the District.

5.30.040 Fire Hydrants

The fire protection agency having jurisdiction over the property will set the fire hydrant requirements. If fire hydrants are required, such hydrants will be installed and paid for by the applicant. Installation of the fire hydrants must be done in accordance with the District's standard specifications.

5.30.050 Private Fire Protection

The fire protection agency having jurisdiction over the property will set the fire protection service requirements. A residential fire sprinkler system will be served by the residential meter, unless a separate service is necessary to provide the required fire flow. A commercial fire sprinkler system will be served by a designated service line.

No connection is permitted between a private fire protection system and any other water system on the property. Installation of a backflow prevention device is required at the owner's expense.

Chapter 5.40 Fees for New Service Connections

5.40.010 Fees for New Connections in District Service Area

The Board has determined that a fee for new connections to the water system will be applied to each new service in order to pay for their fair share of the public water system (equity buy-in). Such fee is necessary to pay a proportional share of the water system expansion or replacement costs essential to provide water to the new or additional service.

A fee will not be extended, imposed, or increased unless it meets all requirements of the California Constitution, Article XIII A and D §6(a).

When the owner requesting water service provides benefit to the District, including but not limited to: dedication of land to the District; participation in an assessment district which provides a source of water supply or storage equal to or greater than that needed to serve the applicant's premises, or other similar forms of benefit; the District may enter into a negotiated agreement to waive the new connection fees, in an amount equal to the value of the benefit received by the District in excess of the property's water demand and/or storage requirement.

Connection fees are based on the meter size and will be required in order to connect either to the potable or the recycled water system. The fee is also established for connections that are installed for fire protection purposes.

The fee for replacing an existing service connection with a different size or different type of supply will take into consideration relinquishing the equity buy-in of the existing connection by applying an appropriate credit to the fee.

When the applicant desires a service connection for which a fee has not been established by the Board, such fee will be determined by written agreement with the District.

5.40.020 Refunding of Fees

Refunds can only be requested by the original service agreement applicant requiring a main extension, and paid for such extension within ten (10) years after the date of such agreement. Upon the request of the applicant, the District will collect from any future applicant(s) connecting to such main extension, a proportionate share of the original cost of the main extension to the degree of benefit received. The total reimbursement to the original applicant will be one hundred percent (100%) of the main extension cost, less that percentage of cost benefiting the parcel(s) of the original applicant. The proportionality will be based on front footage, parcel area, gross floor area of structures, number of connections or such other formula which is deemed by the General Manager to be both reasonable and fair. The District is obligated to make said reimbursement only to the extent that moneys are received from future applicant(s) who have connected to the main extension installed by the original applicant, and not from any other funds or revenues of the District. The District may charge a processing fee for administering the refunding of the fees, which will be subtracted from the amount payable to the original applicant.

Chapter 5.50 Special Contracts

5.50.010 Temporary Water Service

Temporary water services are those for which no capacity fees have been paid and are not considered as permanent connections to the District's water supply system. Temporary meters may be required for the purpose of construction, interim landscape maintenance, or other uses not specifically mentioned or described in the Code. Temporary water services may be limited or discontinued at the District's discretion.

The type of use and the time period for temporary water service will be specified at the time of requesting such service. A temporary meter will be issued for a maximum time period not to exceed one (1) year. If the service is not converted to a permanent service after one (1) year, the owner will be required to either request an extension of the temporary service or pay the cost to abandon the service.

The owner is responsible for paying a deposit and installing the facilities required for temporary water service according to District's standard specifications. Charges for water furnished through a temporary service connection will be set at the rates established by the Board.

The owner will use all possible care to prevent damage to the meter or to any other District facilities which are involved in furnishing temporary service. If the meter or other facilities are damaged, the cost of making repairs is paid by the owner.

Chapter 5.60 Annexation

5.60.010 Annexation Process

District's general sphere of influence amendments and annexation proposals are considered from time to time by the Board. Terms and conditions pertaining to the annexation are determined, defined and set forth in proceedings by the District and in accordance with state law. Detachments from the District service area and sphere of influence are also subject to the above described proceedings. Factors to be considered include, but are not limited to, the availability of surplus water supply, location of water distribution and transmission facilities, any pending boundary changes, and the water shortage contingency plan currently in effect. Final approval also requires approval from the Santa Cruz County Local Agency Formation Commission.

If the property is located within the boundaries of another water agency, the property owner must obtain approval from that agency to be served by the District.

5.60.020 Annexation Fees

In addition to all other fees applicable to the new service connections, the owner is required to reimburse for all fees and costs incurred by the District in connection with the annexation.