

WESTLANDS WATER DISTRICT

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TERMS AND CONDITIONS FOR MUNICIPAL AND INDUSTRIAL WATER SERVICE

1. The furnishing of water to and its use by the water user shall be subject to all regulations of the Board of Directors of the District as the same may exist now or hereafter be amended or adopted. In the event of a conflict between the terms and conditions set forth herein and the regulations, the latter shall be controlling.

2. All water delivered shall be pursuant to a request by the water user for the delivery of a stated amount to a specific location. The request shall be made within the time and in the manner prescribed by the General Manager.

3. Water will be furnished by the District subject to the terms and conditions under which the water is made available to the District and if, in the exclusive judgment of the District, the water and facilities for its delivery are available; provided, that the District will use its best efforts, to the extent that it has water and capacity available and taking into account the requirements of other water users to receive water from its facilities, to provide such water in the manner and at the times requested. The District may temporarily discontinue water service or reduce the amount of water to be furnished for the purpose of such investigation, inspection, maintenance, repair, or replacement as may be reasonably necessary of any of the District's facilities. Insofar as feasible, the District will give the water user notice in advance of such temporary discontinuance or reduction, except in case of emergency, in which event no notice need be given. No liability shall accrue against the District or any of its officers, directors, or employees for damage, direct or indirect, because of the failure to provide water as a result of system malfunctions, interruptions in service necessary to properly operate and maintain the water distribution system, or other causes which are beyond the District's reasonable control.

4. By taking delivery of water from the District, the water user assumes responsibility for, and agrees to hold the District harmless from, all damage or claims for damage, which may arise from his furnishing or use of the water after it leaves the District facilities.

5. The water furnished by the District is not potable (suitable for drinking, cooking, bathing, or other domestic use) and the District does not warrant the quality or potability of water so furnished. By taking delivery of water from the District, the water user assumes responsibility for, and agrees to hold the District harmless from, damage or claims for damage arising out the non-potability of water furnished by the District. Untreated water must never be used for any type of human consumptive needs. A water user defined and operating as a Public Water Supply (PWS) shall be responsible for any water treatment, including but not limited to filtration and chlorination achieved through central treatment or point-of-entry (POE) treatment devices approved by the California Department of Health Services (DHS), in order to provide water safe for human consumption as required by Federal, State or local law or regulation.

According to DHS, the use of POE treatment systems by individual customers of a constructed conveyance system may not provide a continuous safe, potable supply of water due to inadequate operation and maintenance of these systems by the owners, unless they are a regulated PWS. Individual use of POE devices ("Water Treatment Exclusion") may only be used if they are approved by DHS and are regularly maintained by a State-licensed operator or service provider.

Facilities in place prior to July 2001, may continue to use bottled water for drinking and cooking ("Alternative Water Exclusion"). After July 2001, the District cannot furnish new municipal and industrial water service if bottled water use is the basis for the potable water supply unless approved by DHS. Bottled water may only be obtained from a State-licensed provider.

DHS mandates the District conduct periodic surveys of water use as required by the Safe Drinking Water Act and to collect records for Alternative Water and Treatment Exclusions. Records for exclusions include invoices or statements of bottled water delivery from a licensed provider or maintenance and service records for a POE system from a licensed operator. Water users who fail to complete a survey or provide records showing an approved exclusion requested by the District shall have water service discontinued if no response is received after a reasonable attempt has been made to obtain the information.

6. All water will be measured by the District with meters installed by it and such measurements shall be final and conclusive.

7. Charges for water, hereinafter referred to as "water charges", shall be established by the Board of Directors. The water charges shall include District operation and maintenance costs and any other costs determined by the Board to be payable as part of the water charges. Water charges shall be adjusted retroactively to the extent required and authorized by federal or state law or regulations or District regulations. The General Manager may adjust the water charges as necessary and legally authorized to account for increases or decreases in the estimates used to establish the water charges.

8. As a condition of the District continuing to furnish water, the water user shall make payment for the amount billed after the District's billing and by the 25th of the month in which the bill is mailed; provided, that the due date will be not less than 15 calendar days after the billing date. Charges not paid by the due date shall be delinquent; provided, that payments postmarked on or before the due date shall be deemed to have been received by that date. The payment of water charges or related penalties or interest shall be made at the District's Fresno office. When any deadline established herein falls on a Saturday, Sunday, or holiday, it shall be extended to the next working day.

9. All claims for overcharges or errors must be made in writing and filed with the District at its Fresno Office within 10 working days after the date the bill is received by the water user. In the event the water user files a timely written protest, the District's Finance & Administration Committee shall consider the protest at its next regular meeting and notify the water user in writing of its decision. The Committee's decision shall be final, unless a written appeal to the Board of Directors is filed with the Secretary of the District within 15 working days after notice of the decision. In the event of an appeal, the decision of the Board shall be final. The filing of a protest or an appeal does not nullify the payment requirement or the District's right to discontinue water service as provided in these terms and conditions. However, in the event the protest or appeal is sustained, the District will refund the amount of the overcharge and penalty, if any.

10. On the first day following the due date, a penalty of 10 percent of the water charges which became delinquent on the preceding day shall be added to the water charges and penalties and interest, if any, due and owing to the District, the total of which are hereinafter referred to as "unpaid charges." Prior unpaid charges shall accrue interest at a monthly rate of 1½ percent. The interest shall not, however, accrue after the unpaid charges have been added to, and become a part of, the annual assessment levied on the land by the District. All payments and credits shall be applied to the earliest unpaid charges.

11. At the time of filing the District's assessment book with the District Tax Collector, unpaid charges may be added to and become a part of the assessment levied by the District on the land which received the water or for which other water charges were incurred. The District shall notify the landowner of the expected amount prior to its addition to the annual assessment. The amount so added shall be a lien on the land and impart notice thereof to all persons. If the assessment becomes delinquent, penalties and interest will be added as provided by law.

12. To supplement the procedure described in paragraph 11, the District may elect to file and record a Certificate of Unpaid Water Charges as provided in California Water Code Section 36729. This

Certificate creates a lien in the amount of unpaid charges on any land owned by the delinquent water user, or acquired by the water user before the lien's expiration, within the recording County.

13. Except as provided in paragraph 15, municipal and industrial water service shall not be provided to any parcel of land for which the unpaid charges for such service are a lien on the land or for which the assessment is delinquent.

14. Except as provided in paragraph 15, municipal and industrial water service shall not be provided to any person who owes the District unpaid charges notwithstanding the fact that the unpaid charges have been added to the assessment(s) on the parcel(s) for which they were incurred.

15. Where the District furnishes residential water service to persons other than the water user to whom the service is billed, the District shall make a reasonable, good faith effort to inform the actual users of the services when the account is delinquent. This shall be done by a notice that service will be terminated in 10 days. The notice shall inform the actual users that they have the right to become customers of the District without being required to pay the amount due on the delinquent account.

The District is not required to make service available to the actual users unless each actual user agrees to the terms and conditions of service. However, if one or more actual users are willing and able to assume responsibility for the entire account to the satisfaction of the District, or if there is a physical means legally available to the District of selectively terminating service to those actual users who have not met the requirements of the District's terms and conditions, the District shall make service available to the actual users who have met those requirements. In making service available to an actual user, the District may require that a deposit be paid to the District prior to establishing an account and furnishing service. If a deposit is required, it shall be based solely upon the creditworthiness of the actual user as determined by the District.

The District will give notice of the delinquency and impending termination of residential water service, at least 10 days prior to the proposed termination, by means of a notice mailed postage prepaid or by personal delivery to the water user to whom the service is billed not earlier than 19 days from the date of mailing the District's bill for services, and the 10-day period shall not commence until 5 days after the mailing of the notice. When the day established for the discontinuance of water service falls on a Saturday, Sunday, or District holiday, such water service shall be discontinued on the next working day.

The District will make a reasonable, good faith effort to contact an adult person residing at the premises of the water user by telephone or in person at least 48 hours prior to any termination of residential water service.

The District will comply with all other applicable provisions of California Government Code Sections 60370-60375.5 regarding termination of residential water service.

16. Except as provided in paragraph 15, in the event water service hereunder is discontinued as a result of nonpayment of water charges, all unpaid charges for such service which are due the District from the person in default must be paid before water service can be restored.

17. If a water user's delinquent charges are unpaid for 30 days or more, or if a water user's delinquent charges are added to the annual assessments on any lands within the District, or the procedure in paragraph 12 is implemented, the General Manager shall require, as a condition of resumption of water service, that advance payment of all water charges be made for the 12-month period immediately following resumption of service, according to a schedule to be determined by the General Manager. A written guarantee in a form satisfactory to the General Manager from a recognized financial lending institution may be substituted in lieu of advance payment.

18. The General Manager, after consultation with and approval by the Finance & Administration Committee, may also require advance payment and/or payment by cashier's check or such other actions as he may deem necessary when a water user's account is determined, based on the payment history or other actions of the water user, to create a financial risk or hardship for the District or its landowners. Circumstances which constitute the basis for such a determination include but are not limited to the following: (1) instances of a water user's checks being returned unpaid or (2) instances where a water user whose account is delinquent has, in violation of District regulations, taken water from a District delivery.

19. By applying for or taking delivery of municipal and industrial water from the District, the water user agrees to these terms and conditions of service.

20. The District may modify or terminate these terms and conditions; provided, that such modifications or terminations are prospective only and notice thereof is given prior to the effective date by mail to the water user.