Regulation No. 2 Conditions of Service

Adopted: July 19, 2004

Amended: November 17, 2008; December 21, 2009; January 28, 2013;

June 15, 2015; January 27, 2020, March 20, 2023

A. Service Subject to District Regulations

Water supply and service will be provided by the District to Customers within defined District boundaries in accordance with regulations governing said service from time to time adopted and amended by the District's Board of Directors.

The District will exercise reasonable care and diligence to deliver to its Customers a continuous and sufficient supply of water under proper pressure and of good quality at the District Point of Responsibility to the Customer's Premises.

B. Non-Liability of District

The District is not, and will not be, liable for any loss, damage, or inconveniences to any Customer by reason of shortage, insufficiency, suspension, discontinuation, shut off, increase, or decrease of water pressure, or by a water quality problem.

C. Service Interruption

The District reserves the right at any and all times to shut off water delivery for the purposes of maintenance, emergency repairs, alterations, or improvements to the system. Whenever practical, advance notice of interruption of service will be given to all Water Users affected either by personal contact, mail, or door hanger.

D. Access Facilities

1. Unrestricted Access

By applying for or receiving water service from the District, each Customer irrevocably licenses the District and its authorized employees and representatives to enter upon the Customer's property at all reasonable times for the purpose of reading, inspecting, testing, checking, repairing, maintaining, or replacing the District's Meters and Water System components.

2. Restricted Access to District Water System

If access to District Water System is obstructed, the Customer will be required to move or modify the obstruction to allow access by authorized District employees or representatives. The cost to move or modify an obstruction will be borne by the Customer. Removal or modification of any obstruction will be carried out in accordance with Regulation No. 16 hereof.

E. Customers' Responsibility for Control of Water Delivered

Title to water furnished by the District, the risk of loss thereof, and full responsibility for the carriage, handling, storage, disposal, and use thereof shall pass from the District to the Customer at the Point of Responsibility. In all cases where a Parcel is leased or rented, the Landowner will retain total responsibility for control of and payment for water delivered.

F. Place of Use of Water: Resale Prohibited

Except with the prior written authorization of the District, no Customer shall use, or permit the use of, any water furnished by the District on any Premises other than specified in his/her Application for Water Service, nor shall any Customer resell any water furnished by the District unless his/her business uses water in the process of producing a product for resale. The bottling of water for resale is not considered a process of producing a product for resale and is expressly prohibited.

G. Electric Grounds

No electric circuit shall be grounded to the District's facilities or to any plumbing or metal in contiguity therewith. Any Customer who makes, or permits to be made, such a connection will be liable for damages to the District's facilities and for personal injury resulting therefrom. Ground Rods may be installed per Sacramento County Standards by District staff or contractor when electrical grounds are found connected to service lines during the course of District business.

H. Water User's Compliance with Regulations

By applying for and/or receiving water service from the District, each Applicant and Customer agrees to be bound by and to comply with all regulations in effect, adopted or amended by the District Board of Directors from time to time. An Applicant or Customer who violates any District regulation is subject to termination of District Water Service if he or she does not immediately resolve the violation to the satisfaction of the District.

I. Responsibility for Payment

Each Landowner is responsible for regular monthly payment for all services rendered by the District to his, her or its Premises, whether an invoice is received or not, until the District receives a notice from the Customer to terminate such service. (Gov. Code Section 54347; Water Code Section 31007.5) A Landowner remains responsible for all District fees and charges incurred on his, her or its Premises regardless of the time or manner in which the charges were incurred. A Landowner remains responsible for payment of all such fees and charges whether or not the Landowner enters into a financial responsibility agreement with the District in accordance with Section I of Regulation No. 5.

In the absence of such notice to terminate services, and/or when the Landowner has been notified of the District's intention to discontinue services, or in the event the Premises are vacant or service has been discontinued in accordance with the provisions of Regulation No. 6 hereof and/or Policy – Disconnection of Residential Water Service Policy (PL – CS 001), and the District has given notice of its demand for payment against the Premises by attaching such notice to the front of or to the principal entrance or any structure located thereon, then water service will not be continued, restored, or re-established until all unpaid bills, charges, fees, and penalties have been paid by the Landowner, Tenant, Agent, or by any subsequent Landowner, Tenant, or Agent.

In some cases a homeowner's association is receiving the water bills for each individual property or unit within the association and making payment for water service on behalf of its members. If the homeowner's association requests to transition the billing to each Customer in the association, the association first will be required to obtain and provide to the District a signed Application for Water Service from each Customer within the association as a condition of the District providing water service to individual Customers in lieu of the homeowner's association. The District also will require the homeowner's association to remain responsible for water bills rendered for District Water Service to all common areas within the association.

The District also may collect delinquent charges by any other legally- authorized procedure including service termination, collection on the Sacramento County secured property tax roll, and recordation of a property lien.

J. Reimbursement

Upon written application of a Customer, the District will consider a credit/refund against future water charges to the extent the Customer has paid water charges erroneously levied by the District in excess of the proper water charge, provided that the credit will not apply to charges levied more than four (4) years before the application for credit was filed. The four year limitation on refunds is based on the statute of limitations for claims made upon a written contract. Nothing in this Section J excuses a Customer from complying with the Government Claims Act if he/she applies for a reimbursement of overpaid water charges.

K. Contracts

The District, at the discretion of the District General Manager and with the approval of the Board of Directors, may enter into a Contract with third parties for the supply or delivery of water and/or other services. The Contract may specify price, delivery

conditions or limitations, schedule, duration, guarantees and/or liabilities as circumstances warrant, as determined in the best interest of the District.