Appendix 6. Rules and Regulations for Distribution and Use of Water

James Maples, Assessor-Recorder
Kern County Official Records
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Taxes...
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Belridge Water Storage District

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Belridge Water Storage District

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BELRIDGE WATER STORAGE DISTRICT

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RULES AND REGULATIONS
FOR
DISTRIBUTION AND USE OF WATER

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BELRIDGE WATER STORAGE DISTRICT

AMENDED AND RESTATED
RULES AND REGULATIONS
FOR
DISTRIBUTION AND USE OF WATER

(Wat. Code, § 43003)

The Board of Directors of Belridge Water Storage District hereby publishes the amended and restated rules and regulations for the distribution and use of water within the District.

ARTICLE I.

RULES OF INTERPRETATION

1.00. Introduction.

The rules of interpretation contained in article I hereof shall govern the interpretation of these Rules unless the context otherwise requires.

1.01. Authority.

These Rules are established and published under the authority of Water Code section 43003.

1.02. Effective Date.

These Rules shall become effective on the date of the recordation of a certified copy hereof in the Official Records.

1.03. Purpose.

These Rules are intended to implement the California Water Storage District Law (Division 14 (commencing with section 39000) of the Water Code) and the Water Supply Contracts with respect to the administration, operation and maintenance of the District Project. In the event of any conflict between these Rules and the Water Supply Contracts, the latter shall control.

1.04. Severability.

If any provision of these Rules, or the application thereof to any person or circumstance, is held invalid, no other provision shall be affected.

1.05. Captions.

The captions of articles and sections of these Rules shall not define the scope, meaning or intent of these Rules.

1.06. Definitions.

The definitions contained in article II hereof shall govern the interpretation of these Rules unless the context otherwise requires.

1.07. Amendments.

The reference to any law, agreement, or policy shall include all amendments and additions thereto, heretofore or hereafter made.

1.08. Tenses.

The present tense includes the past and future tenses; and the future tense includes the present.

1.09. Gender.

The masculine, feminine or neuter gender shall include the other.

1.10. Singular; Plural.

The singular or plural number shall include the other.

ARTICLE II.

DEFINITIONS

2.00. Agency.

"Agency" means the Kern County Water Agency.

2.01. Annual Entitlement.

"Annual Entitlement" means the amount of Entitlement Water set forth in section 11.00 of the Water Supply Contract

2.02. Board.

"Board" means the Board of Directors of the District.

2.03. Buyer.

"Buyer" means a holder of title to land who is a party to a Water Supply Contract and any successor in interest of the Buyer in any part of the Buyer's Land.

2.04. Class 1 Land.

"Class 1 Land" means land within the District subject to a Water Supply Contract.

2.05. Class 2 Land.

"Class 2 Land" means land within the District not subject to a Water Supply Contract.

2.06. Connection Service Charge.

"Connection Service Charge" means the charge established from time-to-time by the Board for the construction, acquisition and installation of a turnout.

2.07. Contract Entitlement.

"Contract Entitlement" means the amount of Entitlement Water set forth in Table 1 of the District Contract.

2.08. District.

"District" means Belridge Water Storage District, a California water storage district organized and existing under and by virtue of the provisions of Division 14 (commencing with section 39000) of the Water Code.

2.09. District Contract.

"District Contract" means the agreement between the Agency and the District dated October 4, 1966 as heretofore amended and as may be hereafter amended, supplemented or replaced.

2.10. District Project.

"District Project" means those certain facilities that have been constructed by and are presently being operated and maintained by the District and any future facilities that may hereafter be constructed, or otherwise acquired, and operated and maintained by the District.

2.11. Entitlement Water.

"Entitlement Water" means the water delivered or scheduled to be delivered by the Agency to the District as part of the District's Contract Entitlement and water delivered or scheduled to be delivered by the District to the Buyer as part of the Buyer's Annual Entitlement.

2.12. General Manager.

"General Manager" means the person appointed by the Board to manage the affairs of the District.

2.13. Interruptible Water.

"Interruptible Water" means Project Water available to the District under article 15(e) of the District Contract.

2.14. Master Contract.

"Master Contract" means the agreement between the State and the Agency dated November 15, 1963 as heretofore amended and as may be hereafter amended, supplemented or replaced.

2.15. Non-Service Area Entitlement Water.

"Non-Service Area Entitlement Water" means the difference between 95% of the District's Contract Entitlement in any Year and the aggregate amount of the Entitlement Water scheduled for delivery to Buyers in the Service Area in such Year.

2.16. Official Records.

"Official Records" means the official records in the office of the County Recorder of the County of Kern, State of California.

2.17. Permanent Transfer Policy.

"Permanent Transfer Policy" means the District's duly adopted policy for the permanent transfer of entitlement to Project Water as heretofore amended and as may be hereafter amended, supplemented or replaced.

2.18. Project Water.

"Project Water" means all water made available to the District by the Agency under or because of the District Contract.

2.19. Rules.

"Rules" means the District's Rules and Regulations for Distribution and Use of Water.

2.20. Service Area.

"Service Area" means the geographical area of the District within which (a) the District is obligated to deliver Entitlement Water and (b) the Water Users are obligated to pay for the delivery of Entitlement Water.

2.21. State.

"State" means the State of California, acting by and through its Department of Water Resources.

2.22. Supplemental Water.

"Supplemental Water" means any water acquired by the District from the Agency, other than Project Water, and any other water acquired by the District from any source other than the Agency.

2.23. Turnout.

"Turnout" means the delivery structure installed by the District in accordance with the Water Supply Contract.

2.24. Water Shortage.

"Water Shortage" means a condition during a particular Year when the total amount of Entitlement Water to be made available by the Agency to the District during that Year under the District Contract is less than the District's Contract Entitlement for that Year.

2.25. Water Supply Contract.

"Water Supply Contract" means a contract between the District and a holder of title to land in the District for the purchase and delivery of Project Water.

2.26. Water User.

"Water User" means any holder of title to land in the District with whom the District has executed a Water Supply Contract.

2.27. Year.

"Year" means the twelve month period from January 1 through December 31.

2.28. Zone.

"Zone" means a zone of benefit, the boundaries of which are generally shown on Exhibit A to the Water Supply Contract.

ARTICLE III.

ADMINISTRATION OF DISTRICT

3.00. Board.

The Board shall govern the administration of the District.

3.01. Meetings of Board.

(a) Regular Meeting.

The regular meeting of the Board shall be held without notice at one o'clock in the afternoon on the first Tuesday of each month at the District's Administration and Operations Building in the Southeast Quarter of Section 36, Township 28 South, Range 21 East, M.D.B.& M., Kern County, California, or such other place as the Board may provide by resolution. If

at any time any regular meeting falls on a holiday, such regular meeting shall be held on the next business day. If by reason of fire, flood, earthquake or other emergency, it shall become unsafe to meet at the place designated, the meeting may be held for the duration of the emergency at such place as is designated by the President of the Board.

(b) Adjourned and Special Meetings.

Adjourned meetings and special meetings may be held from time-to-time and at such places and in such manner as is authorized by law.

3.02. Officers.

The officers of the District shall be a President, a Secretary, a Treasurer, and such other officers as may be elected or appointed by the Board from time-to-time to perform such duties as may be designated by the Board. The duties of such officers shall include the following:

(a) President. The President shall:

(1) be the principal executive officer of the District and, unless otherwise determined by the Board, shall preside at all meetings of the Board;

(2) sign deeds, notes, bonds, contracts or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof is expressly designated by the Board or by these Rules to some other officer or agent of the District or is required by law to be otherwise signed or executed; and

(3) perform in general all duties incident to the office of President and such other duties as may be prescribed by the Board.

(b) Secretary. The Secretary shall:

(1) keep the minutes of the meeting of the Board in one or more books provided for that purpose;

(2) see that all notices are duly given in accordance with these Rules or as required by law;

(3) be custodian of the District records and of the seal of the District and affix the seal of the District to documents, the execution of which on behalf of the District under its seal is duly

authorized in accordance with the provisions of these Rules; and

(4) perform in general all duties incident to the office of Secretary and such other duties as may be assigned by the Board.

(c) Treasurer.

The Treasurer shall see that all funds and securities of the District are deposited with the District's depository and in general perform all the duties incident to the office of Treasurer and such other duties as from time-to-time may be assigned by the Board.

(d) Other Officers.

Any Vice President shall exercise the authority of the President in the absence or unavailability of the President. Any Assistant Secretary shall exercise the authority of the Secretary in the absence or unavailability of the Secretary. Any Assistant Treasurer shall exercise the authority of the Treasurer in the absence or unavailability of the Treasurer.

3.03. General Manager.

The General Manager shall be responsible for the administration, construction, operation and maintenance of the District Project and is responsible directly to the Board.

3.04. District Employees.

The General Manager shall supervise the activities of all District employees in connection with the operation and maintenance of the District Project and all other activities of the District. District employees and other persons authorized by the General Manager shall have access at all times to all lands being served by the District Project for the purpose of conducting District business which may include the following:

(a) The inspection of the lands upon which Project Water is being applied for the purpose of determining compliance with the terms of the Water Supply Contracts or other agreements for the supply or delivery of water.

(b) The inspection, maintenance, repair or modification of facilities of the District Project.

(c) The determination of improper use or wasting of Project Water.

ARTICLE IV.

ALLOCATION OF WATER

4.00. Introduction.

The District's primary source of water is Project Water, that is, water made available to the District by the Agency under or because of the District Contract. Most of the District's Contract Entitlement has been allocated to Water Users under their Water Supply Contracts. A Water User may apply for more or less than its Annual Entitlement in the manner provided in section 4.01 hereof. The District will attempt to obtain all of the water needed by the Water Users and will allocate such water under section 4.02 hereof. Finally, it may be necessary for the District to allocate or reallocate water when the amount of water available to the District is inadequate to meet the needs of all Water Users and the District will do so under section 4.02(a) hereof.

4.01. Applications.

(a) Requests On or Before September 1.

A request by a Buyer that water be made available in any Year in an amount greater than its Annual Entitlement for that Year or in an amount less than its Annual Entitlement for that Year, made in accordance with the Water Supply Contract, shall be "timely made" if received by the District by four o'clock in the afternoon, local time, on September 1 of the Year preceding the Year during which the Buyer desires more or less than its Annual Entitlement. All timely made requests shall have the same priority in time and shall be deemed made at four o'clock in the afternoon, local time, on such September 1.

A request to purchase additional water shall constitute an offer by the Buyer to purchase the requested water from the District. The request shall be irrevocable until the District accepts the request and agrees to make such water available to the Buyer or until the next December 31, whichever first occurs. The request, to the extent accepted by the District, shall constitute a contract on the part of the Buyer to purchase water from the District at the applicable rate established by the District in the manner provided in article V hereof or, if no such rate has been established, at the rate agreed to by the District and the Buyer. A request received by the District by 4:00 p.m., local time, on September 1 of the Year preceding the Year during which the Buyer desires more than its Annual Entitlement shall no longer be deemed "timely made" after the District accepts the request and agrees

to make such water available to the Buyer or after the next December 31, whichever first occurs.

The District will, from time-to-time as required, notify each Buyer who has requested that water be made available in any Year in an amount less than the Buyer's Annual Entitlement of the District's ability to dispose of such water, the estimated revenue to be derived therefrom, and such other information as the Buyer may reasonably require so that the Buyer may determine whether to attempt to otherwise dispose of such water.

(b) Requests After September 1.

All requests for additional water received by the District after September 1 of a Year prior to the Year of delivery will be considered and acted upon by the District in a fair and equitable manner. Buyers who request additional water will be notified as to the availability of water, the estimated cost thereof, and such other information as may be material so that they may determine whether they wish to purchase additional water. When appropriate, pools will be established and water will be allocated among Buyers pro rata on the basis of each Buyer's Annual Entitlement.

4.02. Allocation of Water Supply to Class 1 Lands.

(a) Introduction.

If water is not available to the District in an amount sufficient to satisfy the requests of all Buyers for the delivery of water in amounts greater than their Annual Entitlements, the available water shall be allocated first among the Buyers whose requests therefor are timely made and next to Buyers whose requests are not timely received by the District. If the amount of water made available to the District is reduced after the District has made an original allocation thereof, the remaining available supply thereof shall be allocated or reallocated, as the case may be, pursuant to the allocation procedures contained in this section.

(b) Non-Service Area Entitlement Water.

All Non-Service Area Entitlement Water shall be pooled and shall be the first water used to fill the requests of those Buyers requesting that water be made available to them in amounts greater than their allocation of Entitlement Water. If the requests for Non-Service Area Entitlement Water exceed the amount of such water available to the District, the available

water shall be allocated pro rata among Buyers on the basis of each Buyer's Annual Entitlement.

(c) Pooled Entitlement Water.

All Entitlement Water made available to the District as a result of requests timely made for reduced deliveries shall be pooled and shall be the next water used to fill the requirements of those Buyers requesting that water be made available to them in amounts greater than the aggregate of their allocation of Annual Entitlement Water and their allocation of the Non-Service Area Entitlement Water. If the requests for pooled Entitlement Water exceed the amount of such water available to the District, the available water shall be allocated pro rata among Buyers on the basis of each Buyer's Annual Entitlement.

(d) Supplemental Water.

Water required by the District to satisfy the demands of Buyers desiring the delivery of water in amounts greater than the aggregate of their allocation of Annual Entitlement Water and their allocation of the pooled Entitlement Water, shall be obtained by the District, to the extent possible, from the Agency or from any other outside source which may from time-to-time become available. If the requests for Supplemental Water exceed the amount of such water available to the District, the available water shall be allocated pro rata among the Buyers on the basis of each Buyer's Annual Entitlement.

4.03. Assignment of Entitlement Water.

A Buyer may assign the right to receive Entitlement Water under its Water Supply Contract to any person for use on Class 1 Land without the prior written consent of the District. A Buyer may not assign the right to receive Entitlement Water under its Water Supply Contract to any person for use on Class 2 Land without the prior written consent of the District. A Buyer may not assign the right to receive any other water allocated by the District.

ARTICLE V.

WATER CHARGES, ASSESSMENTS AND CREDITS

5.00. Adoption of District Budget.

The Board shall adopt at its regular meeting in October a District budget for the next Year.

5.01. Establishment of Buyer's Annual Payment Obligation.

The Board shall determine at its regular meeting in October each Buyer's Agency Charge, District Capital Charge, Delivery Charge, and Overhead Charge for the next Year in accordance with the Water Supply Contract.

5.02. Establishment of Other Water Charges.

(a) Initial Unit Rates.

The Board, to the extent possible, shall establish initial unit rates for additional Project Water and Supplemental Water at the time the District gives each Buyer notice of its annual payment obligation for the next Year. The unit rate for Non-Service Area Entitlement Water shall be the amount determined by dividing (1) the total of (i) the portion of the Buyer's Agency Charge for such Year for Entitlement Water scheduled for delivery in the Zone in which such water is to be delivered, (ii) one-half of the operations, maintenance and replacement component of the Buyer's Delivery Charge for such Year for such Zone, (iii) the energy component of the Buyer's Delivery Charge for such Year for such Zone, unadjusted for any funds on hand at the beginning of the Year, and (iv) one-half of that portion of the Buyer's Overhead Charge which bears the same relationship to the whole thereof as the portion of the Buyer's Annual Entitlement for such Year scheduled for delivery in such Zone bears to the Buyer's Annual Entitlement for such Year by (2) that portion of the Buyer's Annual Entitlement scheduled for delivery in such Zone for such Year. The unit rate for pooled Entitlement Water shall be the unit rate established in the manner provided in section 8.01(b) of the Water Supply Contract. The unit rate for Supplemental Water and Interruptible Water shall be the same as the unit rate for Non-Service Area Entitlement Water except that there shall be no Agency Charge but the Buyer shall pay to the District the amount the District is obligated to pay to the Agency, if any, for such additional water.

(b) Final Unit Rates.

On or before May 15 following the District's notice to each Buyer of its annual payment obligation, the District shall reestablish the unit rate for additional Project Water and Supplemental Water based upon the latest available information as to the availability of such water. The revised unit rates for

additional water shall be established in the manner provided in section 5.02(a) hereof.

5.03. Payment of Water Charges.

(a) Annual Entitlement.

The Buyer shall pay for its Annual Entitlement in the manner and at the times indicated in its Water Supply Contract.

(b) Other Water Charges.

At the time the District gives each Buyer notice of its annual payment obligation for the next Year, the District, to the extent possible, shall bill the Buyer separately for (1) Non-Service Area Entitlement Water, (2) pooled Entitlement Water, and (3) Supplemental Water ordered by the Buyer for the purchase of which the District must obligate itself in advance of delivery and for water which the District is not required to obligate itself in advance of delivery. If it is not possible for the District to bill the Buyer for water at the time the District gives notice to a Buyer of its annual payment obligation for the next Year, the District shall bill the Buyer for such water at the District's earliest opportunity. The amount billed for water for which the District is not required to obligate itself in advance of delivery (1) shall be deposited by the Buyer with the District on or before the date specified by the District, (2) shall be held by the District as trustee for the benefit of the Buyer separate and apart from other funds of the District but may be commingled with other such deposits, (3) shall be transferred by the District to the District's Operations Fund, and (4) shall become the property of the District as needed to pay for water delivered to the Buyer. The Buyer shall not be entitled to any interest on or from the funds so deposited.

5.04. Assessments.

The District has levied assessments for the benefit of Units of Construction 1 and 2, 6-1 and 5-2 and the District Contract. The benefits of these units of construction and the District Contract have been apportioned to the lands in the District under Part 9 (commencing with section 46000) of Division 14 of the Water Code and assessment rolls in connection therewith are on file at the District office. The Board may from time-to-time make orders fixing and calling an assessment in an amount determined by the Board. Any such assessments are in addition to

any payments otherwise due from a Buyer to the District under a Water Supply Contract.

5.05. Credits.

(a) Non-Use of Available Water.

A Buyer who requests and pays for water in any Year and who thereafter fails to use, accept or otherwise dispose of all such water shall be entitled to a credit in an amount equal to the direct costs which the District does not incur or will be refunded as a result of the reduced delivery of such water requested and paid for but not used, accepted or otherwise disposed of, to be determined each Year within each Zone. The "direct costs" which the District does not incur or will be refunded for each acre foot of water not used, accepted or disposed of, shall be as follows:

(1) For the Buyer's Entitlement Water, (i) any credit due from the Agency resulting from the reduced delivery and (ii) the energy component of the Delivery Charge for such Year for the Zone, both expressed in dollars per acre foot;

(2) For pooled Entitlement Water acquired under section 4.02(c) hereof,

(i) any credit due from the Agency resulting from the reduced delivery and the energy component of the Delivery Charge for such Year for such Zone, both expressed in dollars per acre foot, if the cost of such water was established under section 8.01(b)(1) of the Water Supply Contract; or

(ii) any credit due from the Agency resulting from the reduced delivery, one-half the operations, maintenance and replacement component of the Delivery Charge in such Zone for such Year, the energy component of the Delivery Charge in such Year for such Zone, unadjusted for any funds on hand at the beginning of the Year, and one-half of the Overhead Charge for such Year, all expressed in dollars per acre foot, if the cost of such water was established under section 8.01(b)(2) of the Water Supply Contract; and

(3) For Non-Service Area Entitlement Water, Supplemental Water, and Interruptible Water, (i)

any credit due from the Agency resulting from the reduced delivery, (ii) one-half of the operations, maintenance and replacement component of the Delivery Charge for such Year for such Zone, (iii) the energy component of the Delivery Charge for such Year for such Zone, unadjusted for any funds on hand at the beginning of the Year, and (iv) one-half of the Overhead Charge for such Year.

The credit shall be determined by the General Manager as soon as feasible after the end of the Year for which it is to be determined and shall be applied, without interest, against the next payment thereafter becoming due to the District from a Buyer entitled thereto.

(b) Non-Availability of Water.

A Buyer who requests and pays for water other than Entitlement Water in any Year and who thereafter is unable to receive the delivery of any portion thereof because of a reduction in the amount thereof and a reallocation thereof as provided in section 4.02(a) hereof shall be entitled to a credit in an amount equal to the difference between the Buyer's actual total payment for such water and what the Buyer's total payment for such water would have been if determined on the basis of the reduced supply of such water. Any credit shall be applied in the manner provided in section 5.05(a) hereof.

ARTICLE VI.

SCHEDULING OF WATER SERVICE

6.00. Five Year Schedules.

If a Buyer desires to modify a water delivery schedule, the Buyer shall file with the District on or before September 1 a preliminary schedule for each Zone indicating the amount of Entitlement Water to be delivered each month for the succeeding five Years through such Zone. Upon receipt of a preliminary schedule, the District shall review it and, after consultation with the Buyer, shall make such modifications as the District deems necessary to insure that the amounts, times and rates of delivery to the Buyer will be consistent with the District's receipt of Entitlement Water from the Agency and the State, considering the then current delivery schedules of all Water Users.

6.01. Monthly Delivery Schedule.

If a Buyer modifies a water delivery schedule under

section 6.00 hereof, on or before December 30 of the Year prior to the Year of delivery, the District will furnish each Buyer a schedule of monthly deliveries for the next Year. This schedule will conform to the Buyer's requests for water deliveries as nearly as possible. In the event that the dates provided for in the District Contract are changed, the dates provided for in this section shall be changed so that the time span between dates specified in this section and the corresponding dates in the District Contract will remain constant.

6.02. Daily Delivery Schedule.

Prior to nine o'clock in the morning of each Tuesday of each week, each Buyer shall file with the District a daily water use schedule for Wednesday, Thursday and Friday of that week for each Turnout of such Buyer. Prior to nine o'clock in the morning of each Friday of each week, each Buyer shall file with the District a daily water use schedule for Saturday of that week and Sunday, Monday and Tuesday of the next week for each Turnout of such Buyer. Buyers shall be informed by the District if any change is required in their requested schedules. Unless otherwise approved by the District, daily delivery schedules shall be made on the basis of continuous use of water during the 24-hour period commencing at seven o'clock in the morning of one day and ending at seven o'clock in the morning the following day, including Sundays and holidays, and no allowance shall be made in the service to any Buyer for failure to use the water. Daily delivery schedules may be revised by notification to and approval by the District no less than 24 hours prior to the time such revision is to take effect.

ARTICLE VII.

DELIVERY OF WATER

7.00. Installation of Turnouts.

The District shall install and maintain all Turnouts specified in the Water Supply Contracts. The Board shall establish the Connection Service Charge concurrent with the Buyer's written request for the installation of a Turnout.

7.01. Place of Delivery.

All water shall be delivered to and accepted by each Buyer at the Buyer's Turnout unless otherwise agreed in writing by the District.

7.02. Delivery of Water.

Delivery of water to Buyers shall conform to the daily delivery schedules or approved revisions thereof. Unless

otherwise approved by the District, water deliveries shall be made to Buyers on a continuous flow basis in 24-hour increments. Required adjustments in the delivery facilities of the District's project will be made each day beginning at seven o'clock in the morning and will be completed by nine o'clock in the morning or as soon thereafter as practicable. The Buyer's system must be designed to receive water from a Turnout on a continuous flow basis for 24-hour increments. If a Buyer fails to use the water during a period assigned on the schedule, or if the operation under the schedule is begun and then discontinued, the Buyer shall nevertheless be responsible for the water. However, upon notice of emergencies, the District will give such assistance to the Buyer as may be practicable under the circumstances to minimize any water losses.

7.03. Change of Place of Delivery and Use.

The District hereby consents to the change of place of delivery and use of Project Water from any Class 1 Land to any other Class 1 Land, provided that the Buyer first notifies the District in writing of the proposed change of place of delivery and use.

7.04. Delivery to Lands Subject to Outstanding Certificates of Sale.

To the extent that a Buyer is otherwise entitled to the delivery of Entitlement Water from the District, the District will not suspend the delivery of such Entitlement Water under the terms of the Water Supply Contract because the land subject to the Water Supply Contract is also subject to one or more certificates of sale issued pursuant to Water Code section 46761 so long as such Buyer is not delinquent in the payment of its water charges for the Year in which the delivery of Entitlement Water is requested.

7.05. Limitations.

(a) Refusal to Deliver Water.

The District may refuse to deliver water to a Buyer if water is to be delivered through a private facility which the General Manager has determined is not capable of conveying water without creating damage to the District Project, or any portion thereof.

(b) Waste of Water.

Water deliveries will be discontinued to any Buyer found to be wasting water either willfully, carelessly, or on account of defective or inadequate ditches or pipelines or inadequately prepared land or improper

management and water deliveries will not be resumed until such conditions are corrected.

(c) Water Unfit for Domestic Use.

Water furnished by the District will be unfit for human consumption. A Buyer who desires to use such water for incidental domestic use must provide, operate, and maintain water treatment facilities satisfactory to all governmental authorities vested with jurisdiction over domestic water supplies.

(d) Non-Waiver of Lien.

The lien created by the Water Supply Contract on the lands of a Buyer shall not be waived or in any manner modified as a result of the Buyer's changing the place of delivery and use of any water and the District's consent thereto as provided for in section 7.03 hereof, or the disposition of water as provided in article VIII hereof.

7.06. Allocation of Capacity in District Conveyance Facilities.

If the capacity of any District conveyance facility is insufficient to meet the demands of Water Users served by such facility, the capacity thereof shall be allocated among such Water Users pro rata on the basis of the annual entitlements appurtenant to lands served by such facility.

ARTICLE VIII.

DISPOSITION OF WATER

8.00. Entitlement Water, Non-Service Area Entitlement Water, and Pooled Entitlement Water.

If (1) a Buyer is unable to put all of its Entitlement Water to reasonable beneficial use and has either not filed or not timely filed a written request with the District as provided in the Water Supply Contract and section 4.01(a) hereof, (2) a Buyer has been allocated Non-Service Area Entitlement Water but is unable to put all of such water to reasonable beneficial use, or (3) a Buyer has been allocated pooled Entitlement Water hereof but is unable to put all of such water to reasonable beneficial use, the Buyer may dispose of such water to any owner of Class 1 Land within the District for use on such Class 1 Land if the Buyer first notifies the District in writing of the disposition of such water. If a Buyer does not so dispose of such water, upon written request the District will attempt to dispose of such water; provided, however, that such water will be disposed of by

the District only after there has been complete allocation of all Non-Service Area Entitlement Water and all pooled Entitlement Water and after allocation of any other water required to be paid for, whether or not taken. Any funds received by the District for the account of the Buyer shall be credited and applied as provided in section 5.05 hereof.

8.01. Supplemental Water.

If the Supplemental Water requirements of a Buyer are less than the amount of Supplemental Water allocated to the Buyer as provided in section 4.02(d) hereof, the District, upon written request from the Buyer, will attempt to dispose of the excess Supplemental Water for the account of the Buyer. Any funds received by the District for the account of the Buyer shall be credited and applied as provided in section 5.05 hereof. Except as herein provided or as provided in section 5.05(a) hereof, a Buyer who receives an allocation of Supplemental Water shall not sell or otherwise dispose of such Supplemental Water without the prior written consent of the District.

8.02. Permanent Transfer of Annual Entitlement.

If a Buyer elects to permanently transfer any of its Annual Entitlement to any person, including the Buyer, for use outside the boundaries of the District, any such transfer shall be subject to any limitations, conditions, or like provisions contained in the Water Supply Contract and the Permanent Transfer Policy.

ARTICLE IX.

MISCELLANEOUS PROVISIONS

9.00. Operation and Maintenance of District Project.

The operation and maintenance of all of the District Project shall be within the exclusive control of the District. No person shall be allowed to make any opening in, cut, plow down or otherwise interfere with or weaken any bank of any facility of the District Project.

9.01. Prohibitions.

(a) Pumping Into Canals and Pipelines.

No private pumping into or from District canals or reservoirs shall be permitted. No private pumping into District pipelines shall be permitted, except those pipeline laterals in which a rejection structure has

been installed and the water in the pipeline downstream of the structure is controlled by the Buyer.

(b) Structures.

No structures of any kind whatsoever, shall be placed in, on, or over any District canal or pipeline by anyone, except as such are approved, both as to location and character of construction, by the District.

(c) Nuisances.

No rubbish, swill, garbage, manure or refuse, or dead animal or animal matter from any barnyard, stable, dairy or hog pen shall be placed in or allowed to be emptied into any canal, reservoir, or pipeline of the District.

(d) Waste Waters.

No waste water shall be discharged into District canals or pipelines without the written consent of the District.

(e) Private Interference.

Attention is directed to Penal Code section 592 which provides as follows:

> "(a) Every person who shall, without authority of the owner or the managing agent, and with intent to defraud, take water from any canal, ditch, flume or reservoir used for the purpose of holding or conveying water for manufacturing, agricultural, mining, irrigating or generation of power, or domestic uses is guilty of a misdemeanor.
>
> "(b) If the total retail value of all the water taken is more than four hundred dollars ($400), or if the defendant has previously been convicted of an offense under this section or any former section that would be an offense under this section, or of an offense under the laws of another state or of the United States that would have been an offense under this section if committed in this state, then the violation is punishable by imprisonment in the county jail for not more than one year, or in the state prison."

9.02. Availability of Public Records.

All public records on file with the District shall be made available for review and inspection of landowners within the District, or any other interested party, during the normal business hours of the District. Copies may be procured of all such public records which the District can reproduce at its office upon the payment of reasonable reproduction charges as shall be established by the General Manager. Copies of those public documents which are not capable of being reproduced at the District's office may be procured by making appropriate arrangements with the General Manager for the safe delivery thereof to a person determined by the General Manager to be capable of safely reproducing such documents, and all costs of such reproduction shall be borne by the party requesting the copies.

END OF DOCUMENT

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BELDRIGE WATER STORAGE DISTRICT

SECRETARY'S CERTIFICATE

I, WILLIAM C. KUHS, Assistant Secretary of the Board of Directors of BELRIDGE WATER STORAGE DISTRICT, hereby certify that:

(a) the foregoing is a full, true and correct copy of the Rules and Regulations For Distribution and Use of Water (the "Rules") duly adopted at an adjourned regular meeting of the Board duly and regularly held at the regular meeting place thereof on April 7, 1999;

(b) all directors had due notice of the meeting and a majority thereof were present;

(c) I have compared the foregoing copy of the Rules with the original minutes of the meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original thereof adopted at the meeting and entered in the minutes; and

(d) the Rules have not been amended, modified or rescinded since the date of their adoption, and are now in full force and effect.

WITNESS my hand and the seal of the BELRIDGE WATER STORAGE DISTRICT this 12th day of April, 1999.

William C. Kuhs

William C. Kuhs, Assistant
Secretary Board of Directors

[SEAL]

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