

## DIVISION VI FEES AND CHARGES

### Section 6.01 Plan Checking Fees

Any person required by this chapter to have improvement plans checked by the District shall reimburse the District for the actual total costs to the District of providing such a service. Such costs shall be determined by the District Manager. The District will require a deposit to be applied to plan-checking costs as established from time to time by the Board for all commercial, industrial, public or multi-family proposed improvements.

Applications for plan checking are available at the District Office and are to be filled out by the owner or agent submitting the improvement plans. [Amended by Ord. 94-04]

### Section 6.02 Distribution System Improvements Fees

Any person making a permanent or temporary improvement to the District's water distribution system shall reimburse the District for the total costs of field and structure inspection, procuring or preparing record plans, automobile mileage, and all overhead and indirect costs. The applicant shall also be responsible to pay the cost of all labor, equipment, and materials required for the actual improvements. Such costs shall be determined by the District Manager.

### Section 6.03 Connection Charges

There is hereby levied and assessed against any premise, or portion thereof, which has been approved for connection to the District water system, a connection charge, as set by the Board from time to time. Connection charges include a connection fee and plant availability charge.

**A. Time of Payment.** All connection charges shall be paid to the District upon approval of an application and prior to any construction.

**B. Water Service When Service Connection is Adequate.** Where an existing and adequate service connection and/or meter are properly connected to the District distribution system, and which is or has been legally servicing the premises or for which a District connection permit has been issued, an applicant for water service from the District shall be entitled to such service after the applicant submits an appropriate application to the District, pays a service fee as set by the Board from time to time and complies with all other District regulations. However, if the applicant is delinquent in any bills to the District, the applicant shall pay such bills in full prior to receiving District water service.

**C. Water Service When Service Connection is Inadequate.** A service is deemed inadequate where the installation or enlargement of a main line, service connection or meter is necessary prior to the District's supplying service to an applicant and or a connection permit has not been issued by the District for service. If the District has sufficient water supply, and system capacity to supply water, the District shall accept an

application. The District shall furnish the water service subsequent to the applicant's construction, or payment for construction, of the necessary portions of the distribution system; the applicant's payment of all fees to the District; the applicant's compliance with all District rules and regulations; and the applicant's payment in full of all delinquent charges, if any, owed to the District.

**D. Meter Connection Fees.** When the District installs a service connection or meter, the District shall collect a service connection fee from the applicant prior to the installation of service connections and meters. The service connection fee shall be to cover the District's cost of labor, equipment and materials required to install the connection. The fee shall be set at a rate for a normal service connection cost of its type as determined by the District Manager. In the event that the actual cost is greater than the fee the difference shall be collected by the District prior to providing water service. [Amended by Ord. 94-04]

**E. Plant Availability Charge.** The District shall collect from all applicants for water service connections under Section C., above, a Plant Availability Charge (PAC) to ensure the continued availability of facilities through periodic system expansion and replacement. The Plant Availability Charge consists of (1) a supply and treatment component, (2) a transmission/distribution component, and (3) a storage component. [Amended by Ord. 96-01]

1. The Plant Availability Charge for a 5/8 x 3/4 inch residential meter shall be the basic unit in determining all other PAC's, including the PAC for multiple dwelling units and commercial/industrial uses. [Amended by Ord. 96-01]
2. The PAC for a residential service connection using a 5/8 x 3/4 inch meter (maximum daily demand for an equivalent dwelling unit (EDU) is 1,000 gallons per day or .69 gallons per minute) shall be: [Amended by Ord. 01-03, 05-04, 2007-07]

Supply and treatment component	\$6,907
Transmission/distribution pipeline component	\$1,150
Storage component	<u>\$ 357</u>
TOTAL	\$8,414

[Amended by Ord. 88-03, 89-03, 94-01, 96-01, 99-04, 01-03, 2005-05; 2007-07]

3. PAC charges for enlargement of otherwise adequate service connections shall be the difference in the PAC charges for new and existing uses.

**F. Plant Availability Charge for Meters Larger Than 5/8 x 3/4 Inch.** The PAC for all services larger than the 5/8 x 3/4 inch metered EDU shall be proportionally based on the projected water use of the new connection and shall be calculated as follows:

$$\frac{\$8,414 \times \text{Projected Maximum Day Demand}}{1,000 \text{ gallons Maximum Day Demand}}$$

[Amended by Ord. 96-01, 99-04, 01-03, 05-05, 2007-07]

**1. Residential Meter Size Requirements.** Single-family residential unit meter size is based on the number of equivalent fixture units being served.

Less than 30 EFUs	5/8 x 3/4 inch meter
31 EFUs to 54 EFUs	3/4 inch meter
55 EFUs to 127 EFUs	1 inch meter

[Amended by Ord. 96-01]

**2. Projected Residential Maximum Day Demand.** The projected maximum day demand for residential single family units requiring meters larger than 5/8 x 3/4 inch shall be as follows:

3/4 inch residential meter 2,000 gallons max day demand or 1.4 gpm

1 inch residential meter 2,625 gallons max day demand or 1.8 gpm

[Amended by Ord. 96-01, 05-05]

**3. Residential PAC for 3/4 inch and 1 inch Meters:**

3/4 inch residential meter PAC fee =

$$\frac{\$8,414 \times 2,000}{1,000} = \$16,828$$

1 inch residential meter PAC fee =

$$\frac{\$8,414 \times 2,625}{1,000} = \$22,087$$

[Amended by Ord. 96-01, 99-04, 01-03, 2005-05, 2007--07]

**4. PAC for Commercial Connections.** This charge shall be determined by the General Manager on a case-by-case basis using the formula in paragraph (F.) above.

The applicant shall provide to the District the projected maximum day demand as certified by a qualified Engineer and subject to approval by the District Engineer, and meter size requested. The maximum day demand shall be at least equivalent to one equivalent dwelling unit (1,000 gpd). [Amended by Ord. 01-03, 05-05]

The maximum day use will be evaluated from time to time, at the sole discretion of the District. Said evaluation shall be complete within five years from the date of actual service. If the actual maximum day use within that period differs from the estimated maximum day use that was the basis for the original connection fee by more than 5%, then an additional charge will be assessed. [Amended by Ord. 96-01, 99-04]

**5. Change in Commercial Use.** At any time the District becomes aware of a change in the use of a commercial property, the District may review and re-evaluate the PAC for that property. In the case where the new use creates a larger maximum day demand than had previously been projected, an additional charge shall be assessed. In the case where a smaller maximum day demand is created there shall be no reimbursement of PAC fees previously paid. [Added by Ord. 96-01]

**6. Fire Service Detector Check.** In addition to any other charge required by this Chapter, premises equipped with private fire protection systems connected to the District distribution system shall pay a fire service PAC equal to a 5/8 x 3/4 inch basic unit charge for every 500 gpm requirement of the fire protection system.

**Calculation:**

1. 4 sprinkler heads flowing x 16 gpm = 64 gpm demand
2. 64 gpm ÷ 500 gpm = .128 Conversion Factor
3. .128 (Conversion Factor) x \$8,414 = \$1,077

[Amended Ord. 2008-02]

7. Where meters other than displacement type are used, the ratio shall be based on the AWWA equivalent rating for the meter used and PAC amount adjusted accordingly, as determined by the District Manager.

8. Where a service is to sustain continuous flow, the AWWA's recommendation for size adjustment may be imposed.

9. If, at any time after the date of providing service, the PAC is determined to be insufficient due to an undersized meter, the meter shall be replaced by a properly sized meter at the expense of the owner. The owner shall also be responsible for the difference in PAC of the new and previously undersized meter. The District shall not be held responsible for any rates or charges resulting from an oversized meter installation. [Added by Ord. 88-03]

**G. PAC for Multiple Dwelling Units.** Service connections for multiple dwelling units including, but not limited to, residential condominiums, townhouses and apartments, shall be assessed a PAC based upon the applicable percentage as provided below of a 5/8 x 3/4 inch connection, multiplied by the number of dwelling units in the size specified in the complex.

<u>Bedrooms Per Unit</u>	<u>Percentage</u>
1. For multiple dwelling units of 3 bedrooms or more	100
2. For multiple dwelling units of 2 bedrooms	90
3. For multiple dwelling units of 1 bedroom and studio	80

[Amended by Ord. 01-03]

#### **Section 6.04 Billing for Water Service**

The District shall begin billing for water service when the District first determines water service is available to the permittee or in accordance with Division V.

#### **Section 6.05 Fee for Processing Water Line Easements**

For each written contract required by Division V requiring the processing of water line easements, the District shall be reimbursed by the applicant for the total actual costs of processing the required easement(s). In the event it is necessary to rewrite the description, the District again shall be reimbursed by the applicant for the actual total processing cost. A deposit may be required as set forth on Schedule A, attached hereto and incorporated herein by reference.

#### **Section 6.06 Application Fee**

A. When a person applies for a permit, the applicant shall pay to the District an application fee as determined by the General Manager (see Schedule A) per application made. The District shall not accept an application until it receives the application fee.

B. Any person who has paid an application fee pursuant to this section, and whose application expires or is canceled, withdrawn, voided, terminated, or abandoned, whether voluntarily or involuntarily, shall not be entitled to a refund of or credit from the application fee.

#### **Section 6.07 Fees for Preparing or Checking Special Studies**

Before proceeding with the preparation of any special study the District shall collect from the person making the request for the study a fee in the amount of the estimated cost of preparing the study, as determined by the District Manager. If, after the fee is paid, a change in the study is requested which will increase the cost of preparing the study, supplemental fees shall be collected in the amount of the estimated additional cost. Studies prepared by others and submitted for checking by the District shall be subject to the fee requirement stated above.

#### **Section 6.08 Temporary Fire Hydrant or Water Service Fee**

A person desiring connection to a fire hydrant or other system appurtenance shall first apply to the District for permission to connect and shall comply with Division V of this Chapter. Temporary connections for water use outside District boundaries, for a period in excess of 28 days or for a quantity of water in excess of one million gallons, shall require Board approval. The District Board will from time to time establish rates, charges and deposits for this service, which are set forth on Schedule A attached hereto and incorporated herein by reference. [Amended by Ord. 92-02]

#### **Section 6.09 Collection of Fees Charged**

All connection charges and other applicable fees shall be due prior to connection to and use of the water distribution system of the District.

## **Section 6.10 Rates and Charges for Water Service**

**A. Power of Board.** For the purposes of providing funds for the maintenance, operation and capital improvements of the District, the Board may from time to time establish rates, charges, and other fees to be levied and assessed against consumers such as are necessary to carry out the provisions of this chapter.

**B.** For the purposes of this section only, the specified terms shall have the following definitions:

1. "Domestic users" shall mean all residential users, including single family units, residential condominiums, and multi-family dwellings.
2. "Commercial users" shall mean all business or other similar users, commercial condominiums, hotels, laundries, laundromats, service stations, public buildings, and unoccupied storage/warehouses, swimming pools (semi-public), spa/hot tubs (semi-public).
3. "Commercial unit" shall mean each office, store, or other separately owned or operated commercial space or structure, including any commercial user, which is not otherwise specifically identified.
4. "Laundry" shall mean a commercial laundering facility.
5. "Laundromat" shall mean a self-service laundry utilized by the public.
6. "Public building" shall mean any public service building, including a police station or fire station, or any other publicly owned building not otherwise specifically identified.

**C.** Each lot or premises which is connected to and each owner or customer receiving water from the District's distribution system shall pay an annual water service charge.

**1. Residential Water Rate.** There is hereby levied and assessed upon all residential users, a residential water rate consisting of a base rate and a uniform usage rate charge.

**a. Base Rate Charge.** The base rate charge is equal to the unit value assigned by the District to the premise, or class of premises, times the rate for a single family unit as set forth in Schedule A, which is attached hereto and incorporated herein by reference.

**b. Unit Value.** The Manager shall assign to each premise within the District subject to a base rate charge a unit value based on the classification system established by the District for such purpose. The basis for such a value shall be that a "living Unit" as defined under the definition of "single family unit" is considered to have a unit value equal to 1.0.  
[Amended by Ordinance 88-03]

**c. Water Consumption.** Annual consumption is determined from the previous year's April to April or May to May meter reading period.  
[Amended by Ord. 05-05]

**d. Uniform Usage Rates.** The uniform usage rate charge is for consumption greater than the water consumption allowance. The measurement of said consumption shall be done by meter, installed on the premises and approved by the District. The rates for such consumption are set forth on Schedule A, attached hereto and incorporated herein by reference. [Amended by Ord. 89-03]

**2. Commercial Water Rate.** There is hereby levied and assessed upon all commercial users a commercial water rate, which rate is set forth on Schedule B, attached hereto and incorporated herein by reference. [Amended by Ord. 89-03]

**3. Landscaping/Erosion Control Irrigation Rate.** There is hereby levied and assessed upon all premises where a separate metered service connection distributes water to a landscaping/ erosion control irrigation system a charge for such use. Said use shall be considered a commercial use and the charge for such use shall be established from time to time by the Board. The charge is set forth on Schedule B, attached hereto and incorporated herein by reference. [Amended by Ord. 89-03]

**4. Leak Rate Charge.** [Adopted by Ord. 94-04, amended by Ord. 96-01, deleted by Ord. 2005-05]

**D.** Whenever reasonably possible, the annual water service charge shall be determined as stated above. However, when a meter fails to register or a meter cannot be reasonably read, the Uniform Usage Rates shall be based on the average quantity of water supplied for comparable service during the preceding year. When there is no record of water supplied for comparable service, the total annual service charge shall be determined by the District Manager based on other comparable dwellings in the District. [Amended by Ord. 94-04]

- E.**
1. No water shall be furnished to any premises or persons except through a service connection in compliance with the District's rules and regulations.
  2. No water service or facility shall be furnished to any premises or persons free of charge.

3. Whenever possible, all water supplied by the District shall be measured by means of water meters.

4. The minimum meter size shall be 5/8 x 3/4 inch meter.

## **F. Temporary Water Services:**

### **1. Fire Hydrant Use.**

Except as provided by Government Code section 53069.9, District shall charge any person who seeks a fire hydrant use permit a basic permit fee for each fire hydrant or hydrants requested. Rates, charges, deposits and rules and regulations thereof may be established from time to time by the Board. Rates, charges and deposits are set forth in Schedule A, attached hereto and incorporated herein by reference. [Amended by Ord. 96-01]

### **2. Temporary Service.**

The District shall charge any person who seeks a temporary water service a basic fee for each service requested. Rates, charges, deposits and rules and regulations thereof may be established from time to time by the Board. Rates, charges and deposits are set forth in Schedule A, attached hereto and incorporated herein by reference. [Amended by Ord. 96-01]

A portion of the deposit charged for Temporary Water Service may be retained by the District for fees, as set forth on Schedule A, or to repair or replace damaged hydrant or meter. Should inspection of both the hydrant and meter prove to be in sound working order without defects, the remainder of the deposit shall be applied to water usage or refunded to the applicant. This deposit may be waived if the applicant is a District customer with no current delinquencies. All fees and damage charges, if any, shall be paid by direct invoice. [Added by Ord. 96-01]

**G. Water Service Outside District Boundaries.** Water service supplied on a permanent basis for use by properties or customers located outside Water District boundaries shall be charged at a higher rate than water supplied to properties or customers for use within Water District boundaries. The water rate shall include:

1. The appropriate residential or commercial rate structure; and,
2. An additional fee equal to the proportion of property tax revenues applied to those properties within the District in calculating the annual rate structure; and,
3. Any additional charges for costs incurred by the District to maintain and supply water service to those properties and customers outside District boundaries.

Water use outside District boundaries shall require Board approval and, when appropriate, a written contract. [Adopted by Ord. 92-02]

## **Section 6.11 Billing Procedures and Meter Testing**

**A.** Except as otherwise specified herein, the District shall directly bill each individual owner of each lot or premises connected to the District's distribution system. The annual water charge shall be payable by each owner and each customer. Each owner shall be liable to the District for payment of the annual water charge regardless of whether the owner is also the customer and regardless of whether service is provided through an individual meter or multi-customer meter.

**B.** Where owners of premises in a multi-unit structure served through a multi-customer meter are billed individually and belong to a homeowner's or similar association, the association shall provide to the District current and updated lists of the owners of each premises. The association shall inform the District in timely fashion of any change in ownership in its members.

**C.** Notwithstanding Section A. above, the District may elect to send a composite bill to groups of customers served by individual or multi-customer meters when each of the following conditions are met:

1. The owners to be billed as a group own lots or premises in a multi-unit living structure;
2. The owners are served through one or more individual or multi-customer meters;
3. The owners have formally organized in writing into a homeowners or similar association.
4. The homeowners or similar association, through properly executed covenants, conditions, articles of incorporation or by-laws, has the power to act as the sole agent for the owners concerning water service charges in a manner which binds individual owners; and
5. The association enters into a written agreement with the District which provides, among other matters, that:
  - a. The association shall be responsible for and guarantee payment of all such charges within the time required by the District's rules and regulations, regardless of whether any single owner has paid the owner's share of such charges to the association;
  - b. The District shall bill to and the association shall pay all delinquent penalty and interest charges on the composite bills;
  - c. The District's bill or other notices to the association shall constitute a bill or other notice to each individual owner or customer, who shall agree that no other notice or bill to individual owners or customers shall be necessary for,

or a prerequisite to, the District's exercise of its powers to terminate service, or place liens on each owner's property or exercise other legal remedies necessary to preserve the collection of and collect delinquent bills and charges, and;

d. The bill shall consist of the sum of the total annual water charges for each owner or customer represented by the association, which shall be the sum of the service charge and/or excess charge for each customer, lot, or premises plus the total quantity rate charge for all service through the individual or multi-customer meter. The District shall not be responsible for any disparity among such customers for the amounts of water used or for the size of premises served. Any adjustment for such disparity in water use or in the quantity rate charge shall be the responsibility of the owners or customers served.

**D.** All applications for service shall constitute a written agreement to pay for all service rendered pursuant to the application and to be bound by all applicable District rules and regulations. An application shall be signed by the person who shall be responsible for the bills for water service provided through that meter, regardless of whether the meter is a single customer or multi-customer meter.

**E.** 1. Whenever possible, meters shall be read on a bi-monthly basis.  
[Amended by Ord. 94-04]

2. At its discretion, the District may test a meter at any time. The District shall test a meter upon the request of a customer, provided the customer first deposits an amount estimated by the Manager to conduct the test with the District. If the District's test shows the meter is registering within 5% of accuracy the amount of water actually passing through the meter, the actual cost to conduct the test shall be retained by the District to cover its costs of testing. If the test shows that the meter is in error by at least 5%, the deposit shall be refunded and the meter replaced or repaired.

3. If, after testing a meter, the meter is found to register 5% more water than the amount of water actually passing through the meter, the District shall replace or repair the meter and refund to the customer the overcharge that may have been made during the preceding three months due to the meter's inaccuracy. If, after testing the meter, the meter is found to register less than 95% of the amount of water actually passing through the meter, the District shall repair or replace the meter and issue a supplemental bill to the customer. The amount of the supplemental bill shall be equal to the difference of the customer's average bill for comparable service and his/her actual bills for the preceding three months. If there is no record of comparable service, the rates set forth earlier in this Section shall be used to establish the amount of the supplemental bill.

**Section 6.12—Manual Reading Charge** [Deleted by Ord 2007-04]

## **Section 6.13 Collection of Water Use and Service Charges and Rates**

All water use and service charges and rates may be billed on the same bill and collected together with rates and charges for any other District services. If all or any part of such bill is not paid for any service, the District may discontinue any or all of the services for which the bill is rendered.

**A. Time of Payment.** All annual water services charges are payable in advance on an annual basis or upon presentation of a billing by District to consumer. Payment plans may be prearranged and are payable at the office of the District. [Amended by Ord. 94-04]

**B. Issuance of Bills.** All bills for water service will be rendered by the District as provided in this chapter. Bills not paid sixty (60) days from billing date, except pursuant to payment plan, are delinquent.

**C. Penalty and Administrative Charge.** All delinquent bills will be subject to a penalty charge equal to 1% per month on all delinquent sums, plus a \$10.00 administrative service charge for each additional billing that is prepared by District. Any check which is returned to District on the basis of insufficient funds or "refer to maker" are subject to an additional \$25.00 service charge per check. [Amended by Ord. 94-04]

**D. Notice of Delinquency, Administrative Charge, and Interest.** On each bill for water service, notice will be given of the date upon which the billing shall become delinquent and of applicable administrative and interest charges as provided in this Chapter.

**E. Base Rate Billing.** Bills for base rate water will be rendered and are payable yearly in advance. Less than annual bills for base rate service will be pro-rated to the end of the billing year in accordance with the applicable District schedule. Should the pro-rated period be less than one month, no pro-ration will be made and no bill shall be less than the monthly fixed charge. Base rate service may be billed, at the option of the District, at intervals other than yearly.

**F. Over Allowance Excess Metered Rate Billing.** All over allowance rate bills may be rendered semi-annually or at the option of the District, based on the District's determination by inspection of such meters of the quantity of water used by each consumer. [Amended by Ord. 94-04]

**G. Discontinuance of Service.** A consumer's water service may be involuntarily discontinued for non-payment of a bill for service rendered at any current or previous location by District, provided said bill has not been paid within sixty (60) days after the billing date and which is presented at the consumer's last known address. Discontinuation of service shall be in accordance with Division IX.

**H. Joint and Several Liability.** Two or more parties who join in one application for service or who jointly own property served by the District shall be jointly and severally liable

for payment of bills and shall be billed by means of single periodic bills.

**I. Payment Plan.** If consumer is not in default to any other sum due District at the time of the rendering of the annual base rate billing pursuant to the above, and provided further that applicant submits a written request to District within thirty (30) days of the rendering of the bill for a payment plan, District will allow a payment plan for the base rate billing on the following terms:

Payment plan agreement periods will be determined by the District for payment of full service fees due within the fiscal year of billing. One percent (1%) interest per month on the unpaid balance and a \$10.00 service fee per billing shall be included with the payment plan. Requesting a payment plan constitutes an agreement by the customer to make all payments on or before the set due date. Additional service fees shall be charged for each reminder notice or rebilling. Failure to make payments as scheduled constitutes a delinquency of the account whereby all remaining service fees, penalties and interest become immediately due and payable. Water service shall be discontinued for any account over 60 days delinquent.

**J. Payment Discounts.** Yearly water service charges shown on Schedule A will be billed annually in advance on July 1 of each year. The following is the District policy concerning deposits:

1. Prepayment Discount - if the annual charge is paid in full and received in District office on or before July 31 of the current annual billing period, a discount as may be set by the Board from time to time thereof shall be allowed.
2. Current Payment, No Discount - if the annual charge is paid in full after July 31 and received in District office on or before August 31 of the current annual billing period, no discount shall be allowed. A current payment is not subject to interest or administrative charges.

**K. Reduction in Unit Count.** District recognizes that a consumer may voluntarily elect to reduce the unit count on a parcel of real property and District will allow such reduction provided consumer:

1. Submits to District in writing a request for reduction, to take effect upon inspection and verification; and,
2. Allows District to inspect the building or buildings, which are subject to the reduction, within thirty (30) days of the request.

If the unit reduction request is granted there will be no reimbursement of connection charges previously paid.

Any reduction of annual service fees as a result of a reduction in unit count will be applied as a credit to the next annual billing. [Amended by Ord. 94-04, Ord. 96-01]

**L. Deferral of Service Fees on Structures that are Destroyed.** When a residence or commercial structure is destroyed by fire, avalanche, earthquake, or other disaster, the owner of such destroyed structure is allowed a maximum 12-month courtesy period to rebuild without paying service fees. If the structure is rebuilt and approved for occupancy before the 12-month period has passed, service fees will immediately become payable. If the structure is not rebuilt within the 12-month period, minimum service fees must be paid in order to maintain a valid permit. [Adopted by Ord. 94-04]

#### **Section 6.14 Meter Reading Charge**

The Board from time to time will set a charge, as shown on Schedule A, for the District to provide an other than normally scheduled meter reading. Any person requesting such a service from the District shall be responsible for such charge. [Amended by Ord. 94-04]

#### **Section 6.15 Deposit**

A. Prior to receiving water service, an applicant for water service may be required to deposit with the District a sum equal to 25 percent of the annual rate for water service.

B. A deposit may be required for each lot or premises when any of the following conditions occur:

1. Whenever an owner of property receiving water service from the District transfers the property to a new owner, the new property owner shall pay a deposit to the District as identified in Section A above.
2. Whenever there is a change in the owner receiving water service, the new owner shall pay a deposit to the District as identified in Section A above.
3. Any District customer or property owner whose water service is disconnected due to non-payment of District charges shall pay a deposit, as specified in Section A above, as a pre-requisite for resumption of water service.

C. Notwithstanding Section A, B, B.1, or B.2, an existing customer or property owner within the District who has not incurred any penalties or late charges on any water account with the District for nine (9) months of the immediately preceding twelve (12) months, shall not be required to deposit with the District an amount as identified in Section A above.

D. The District may use the deposit to pay any District bill, and penalties and interest thereon, which are otherwise unpaid by the customer or property owner. The District may also use the deposit for its costs of collecting the unpaid water bill and penalties. If the District uses part or all of a customer's or property owner's deposit, that customer or property owner shall pay the District a sum adequate to maintain a deposit equal to 25 percent of the annual meter rate as a condition of continued water service.

E. The amount of deposit not used by the District shall be refunded to the customer or

property owner when the customer or property owner voluntarily terminates water service with the District.

F. The amount of the deposit not used by the District may be credited to the account of the customer or property owner at such time as the District determines a deposit is no longer required, provided the District has held the deposit for a minimum of twelve (12) months.