

**ORDINANCE NO. 21**

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE  
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT  
ESTABLISHING WATER DISTRIBUTION SYSTEM CONNECTION CHARGES**

The District Board makes the following findings of fact in support of its action on Ordinance No. 21.

**Water Management**

1. The California Legislature has declared that there is a need to augment the supply of potable water on the Monterey Peninsula by the integrated management of ground and surface water resources;
2. The California Legislature has charged the Monterey Peninsula Water Management District with responsibility for the integrated management of water resources and problems affecting the Monterey Peninsula and the Carmel River basin;
3. Growth projections conducted by the Monterey Peninsula Water Management District indicate that the current supply of potable water available to water distribution systems serving the Monterey Peninsula will not be sufficient to provide for future domestic and municipal use;
4. The Monterey Peninsula has a need to augment the future supply of potable water available for use to the area;
5. The California Public Utilities Commission on May 30, 1973 adopted decision No. 81443 which prohibited the setting of new mains or meters in the Monterey Division of the Cal Am Water Company based on the P.U.C. staff engineer's determination that "the normal demand for water to serve even just the present number of customers in

the Monterey Peninsula Division exceeds the present average safe yield of Cal Am's three principal sources of supply". This moratorium was lifted on August 8, 1978 with the adoption of decision No. 89195 in which the Commission mandated that additional water supply be developed for the Monterey Peninsula. This same Commission decision recognized the Monterey Peninsula Water Management District as "the appropriate public agency to be concerned with such matters as the solution to the development of supplemental long term water supply".

#### ALLOCATIONS

6. The Monterey Peninsula Water Management District has implemented a system for the allocation of unutilized potable water supplies among the various cities and county areas within the largest water distribution system in the District, and has established limits upon the amount of potable water which may be delivered by each water distribution system in the District;

7. The Monterey Peninsula Water Management District, acting pursuant to Section 363 of its enabling statute and in recognition of California Public Utilities Commission decision No. 89195, has allowed District water distribution systems to add service connections and to expand their service areas, and by such action has reserved capacity and has made a commitment to such new water users to provide them with potable water and service facilities;

8. The Monterey Peninsula Water Management District has distinguished residential and/or domestic use of potable water from commercial and/or industrial uses and has promulgated differential charges and/or fees for such uses to encourage proper water use, to promote conservation goals, and to preserve societal values.

9. The Monterey Peninsula Water Management District finds that a general positive correlation exists between the number of residential plumbing fixtures and the potential use (demand) of District potable water supplies resulting from new or intensified development. The number of both internal and external water fixtures increases water consumption and system demand.

10. Commercial, governmental and industrial water use correlates to the size of the structure, and/or the number of users/occupants depending upon the character of use based upon Monterey County regional use patterns. Each factor increases actual water consumption and system demand, and alternative commercial and industrial development creates a potential for increased future consumption and system demand.

11. The Monterey Peninsula Water Management District acknowledges that a need exists within the District to foster and encourage low and moderate income housing to meet the residential needs of the community. A general need exists to foster and encourage all residential use over commercial and industrial uses of the limited water supply. To meet this need the District desires to minimize the impact of its water supply augmentation charge upon residential projects within the District, and therefore has promulgated a graduated and separate connection charge for residential connections.

#### WATER RATIONING

12. The Monterey Peninsula Water Management District has adopted a water-rationing ordinance to regulate water use to guarantee a fair distribution of potable water should demand exceed the capacity of District water supplies.

### AUGMENTATION

13. The Monterey Peninsula Water Management District is presently planning a water supply project with an estimated cost of approximately \$34,000,000.00. The cost of financing this project could exceed \$172,000,000.00, with an annual cost of \$6,700,000.00. These long-term costs of this water supply project can be substantially reduced by the creation of a sinking fund to pre-pay a portion of the project construction costs.

14. The projected rate of new water demand within the District is 159.5 acre feet per year. Based upon rough projections of the annual fiscal requirements of a water supply project, and based upon a requirement that new development fund 1.35 million of the annual fiscal requirement, the anticipated annual cost to new development will be \$10,623,20 for each acre foot of new water consumption.

15. The Monterey Peninsula Water Management District intends to augment the supply of potable water available to water distribution systems to meet domestic and municipal water demand on the Monterey Peninsula and throughout the District;

16. The California Legislature has found that the privately owned water suppliers do not have the facilities nor the ability to raise sufficient capital to meet these augmentation needs or regulate the distribution of water within the District;

17. The Monterey Peninsula Water Management District has examined alternate methods of augmenting potable water supplies and of conserving existing water supplies;

18. The precise cost of water augmentation project expenses is not at this time ascertainable; but threshold costs regarding environmental review, project design, engineering, administrative permits, revenue funding, and election expenses are substantial and would affect any alternative water supply augmentation project;

19. Water supply augmentation project expenses are in part mandated by other public agencies, including but not limited to the California Department of Fish and Game, and the California State Water Resources Control Board. These expenses cannot be avoided due to the regulatory control exercised by such public entities, and are incurred for the providing or the availability of augmented District water and District services;

**WATER DISTRIBUTION SYSTEM SERVICES**

20. The allocation Progrm, the Water Rationing Regulation, the preliminary Augmentation Project work, the Flood Hazard Warning Program, the Groundwater Monitoring Program, and the River Management Program undertaken by the Monterey Peninsula Water Management District constitute services which have been furnished by the District on behalf of, and which have accrued to the benefit of the water distribution systems of the Monterey Peninsula, and to the water consumers they serve;

21. The Monterey Peninsula Water Management District, through its Ordinance No. 19, has integrated the management of all District water resources and the management of District water distribution systems to meet the needs of water consumers and to reduce environmental degradation caused by the exportation of this resource.

22. Expenditures made by the Monterey Peninsula Water Management District alleviate burdens that are placed upon the Carmel River and other District water resources by reason of water extraction and exportation caused by District water distribution systems and other water consumers;

23. The Monterey Peninsula Water Management District cannot fully fund its management, monitoring, augmentation and river restoration programs from general fund revenues to fully discharge, in a timely manner, the duties delegated by the California Legislature, and to fulfill the current needs of District water distribution systems and their water consumers;

#### Authority

24. The Monterey Peninsula Water Management District is authorized to establish a permit system to regulate the creation, establishment, extension, and/or expansion of water distribution systems within the District, including the addition of new water meters to those systems.

25. The Monterey Peninsula Water Management District is authorized to fix and collect rates and charges for all services, including services relating to the augmentation of the existing water supply, and is authorized to impose connection fees and connection charges upon systems and users who benefit from services which have been furnished by the District;

NOW THEREFORE, BE IT ORDAINED that Ordinance 20, entitled "An Ordinance of the Board of Directors of the Monterey Peninsula Water Management District Establishing Water Distribution System Connection Charges" be revoked, and BE IT FURTHER ORDAINED that the attached Exhibit "A", incorporated herein by reference, be adopted and implemented as a revision of the District's Rules and Regulations.

On motion of Director McClintock and seconded by Director DeBerry, the foregoing ordinance is duly adopted as Rule 24 of the District's Rules and Regulations, and Ordinance 20 is hereby revoked, this 11th day of March, 1985 by the following votes.

**AYES:** Directors Heuer, Strasser Kauffman, McClintock, Bernardi, DeBerry and Williams  
**NAYES:** Director Townsend  
**ABSENT:** None

I, Gladys McKillop, Secretary of the Board of Directors of the Monterey Peninsula Water District, hereby certify that the foregoing is a full and true copy of an ordinance duly adopted on the 11th day of March, 1985, and now is of record in my office.  
 Witness my hand and seal of the Board of Directors this 13th day of March, 1985.

  
 Gladys McKillop, Secretary

EXHIBIT "A"  
Projected Water Use/Fixture Unit Method

ORDINANCE NO. 21

RULE 24. CONNECTION CHARGES

A. The following connection charges shall apply to the expansion, extension, and increased utilization of any connection or water-measuring device in a potable water distribution system within the District.

1. Process

Each individual, prior to increasing the use of water from a potable water distribution system within the District, and before adding a connection or changing the character of use of an existing connection to a potable water distribution system within the District, shall obtain a permit from the Monterey Peninsula Water Management District.

Each applicant for a permit to expand or extend water distribution system, shall, prior to issuance of such a permit, deposit with the District all connection and water supply improvement charges calculated pursuant to this Rule in addition to the fees prescribed by Rule 60. Such charges shall apply to each applicant seeking to relocate or change the size of a connection or a water measuring device, applicants seeking to intensify the use of water from an existing connection, and/or applicants for an amended permit.

The addition of any fixture unit by a user shall be deemed an intensification of use requiring an expansion/extension permit, or an amended permit pursuant to these Rules and Regulations. Any change in use from one category to another as shown on table No. 2 of this Rule shall be deemed an intensification of use requiring an expansion/extension permit, or an amended permit pursuant to these Rules and Regulations.

2. Applications Which Affect Existing Connections

Projects which will relocate, enlarge, resize, or alter the type or quantity of use from an existing permanent connection, including projects which will add to or remodel existing structures, shall pay the connection fee required by this Rule. For such projects, the General Manager shall first determine the connection charge calculation in this Rule. Thereafter, the General Manager may reduce the connection charge with respect to applications for an amended permit which seek only to relocate, increase, or alter the type or quantity of use from an existing permanent connection. The connection charge for intensification of use from an existing connection shall exact a charge only as it relates to the extra increment of water which will be available to and subject to use by the applicant as the



function of the relocated, increased, or altered use from the connection.

A change of use which results in a less intensive utilization of water shall not entitle the user to any refund of connection charges which have previously been paid, except where an adjustment is permitted under paragraph 7, and where such adjustment was approved at the time the original permit was granted.

3. Residential Expansions

A. Determination of Fixture Unit Component for Each Dwelling Unit

Each expansion/extension permit applicant seeking a residential use shall provide to the District the number of fixture units as determined for each residential dwelling unit of that project in accord with Table No. 1 below. The applicant shall provide project building plans and site plans in the form and manner requested by the General Manager. The General Manager shall review this information and determine the fixture unit count to be used in the formula set forth in this Rule. Fixtures which deviate from those categories listed on Table No. 1 shall be characterized by the General Manager as "other", and assigned a fixture unit value by the General Manager which has a positive correlation to the anticipated water use facilitated by that fixture.

B. TABLE NO. 1: FIXTURE UNIT COUNT

<u>Fixture</u>	<u>NO. OF FIXTURE</u>	<u>FIXTURE UNIT VALUE</u>	<u>FIXTURE UNIT COUNT</u>
Bathtubs/Bidets	----	x 2 units =	-----
Decorative Fountains	----	x 2 units =	-----
Drinking Fountains	----	x 1 unit =	-----
Hot Tubs, Jacuzzis	----	x 4 units =	-----
Laundry Tubs/Clothes Washer	----	x 2 units =	-----
Outdoor Faucets	----	x 4 unit =	-----
Showers, single stalls	----	x 2 units =	-----
Showers, gang, (one unit per head)	----	x 1 unit =	-----
Sinks, bar	----	x 1 unit =	-----
Sinks, and/or dishwashers	----	x 2 units =	-----
Swimming Pool (outdoor)	----	x 2 units for each 100 sq. ft. of pool surface =	-----
Wash basins (lavatories) single	----	x 1 unit =	-----
Wash basins, in sets	----	x 2 units =	-----
Water closet flush tank type	----	x 4 units =	-----
Water closet valve type	----	x 6 units =	-----
Other	----	x _ units =	-----
<b>TOTAL FIXTURE UNIT COUNT</b>			-----

### C. Calculation of Unfactored Residential Connection Charge

An unfactored connection charge shall be calculated for each residential dwelling unit from the expansion/extension permit by multiplying the General Manager's fixture unit count as determined pursuant to subdivision B of this Rule by the water supply cost component determined pursuant to subdivision 6 of this Rule, as follows:

For the first 10 residential fixture units per dwelling unit:

$$\begin{array}{r r r r r} \# \text{ of dwelling} & \times & \# \text{ of fixture} & \times & \text{water supply} & = & \text{unfactored} \\ \text{units} & & \text{unit count} & & \text{cost} & & \text{connection} \\ & & & & \underline{200} & & \text{charge} \end{array}$$

For all residential fixture units per dwelling unit in excess of 10:

$$\begin{array}{r r r r r} \# \text{ of dwelling} & \times & \# \text{ of fixture} & \times & \text{water supply} & = & \text{unfactored} \\ \text{units} & & \text{unit count} & & \text{cost} & & \text{connection} \\ & & & & \underline{100} & & \text{charge} \end{array}$$

Notwithstanding the foregoing calculation, for each system, there shall be a minimum connection charge in the amount of \$250 per residential connection, and a minimum non-refundable connection charge in the amount of \$600 upon each application for a temporary expansion/extension permit. Any application for an expansion/extension permit which is made by the holder of a current (unexpired and non-revoked) temporary expansion permit shall be credited with the connection charge previously paid for the temporary permit. Applicants for an amended permit shall not be subject to a minimum connection charge.

#### 4. Commercial, Governmental and Industrial Expansions

##### A. Determination of Projected Water Consumption by Category of Use

Each expansion/extension permit applicant seeking a commercial, governmental, or industrial use shall provide the District building plans, site plans, and general use information in the form and manner requested by the General Manager. The General Manager shall review this information and determine, based upon the Table No. 2 set forth below, the projected water use for the expansion/extension permit.

B. TABLE NO. 2: PROJECTED WATER USE

Type of Use	Number	Average Use in Region by acre-feet	Total Projected Water Use Per Annum
Bar	_____ seats	x .0253	= _____
Beauty Shop	_____ sq. ft.	x .0003	= _____
Bed & Breakfast	_____ units	x .1401	= _____
Car Wash w/Recycle	_____ sq. ft.	x .00052	= _____
Cleaners, Commercial Laundry	_____ sq. ft.	x .0007	= _____
Delicatessen, Sandwich Shop	_____ sq. ft.	x .0003	= _____
Fast Food Restaurant	_____ seats	x .0005	= _____
Gas Station	_____ pumps	x .2021	= _____
General Retail (department store, markets, auto repair, auto dealers, variety stores)	_____ sq. ft.	x .00004	= _____
Hotel, Motel	_____ units	x .151	= _____
Launderette (self serve)	_____ sq. ft.	x .00006	= _____
Meeting Hall	_____ sq. ft.	x .000025	= _____
Medical, Dental, Veterinary Hospital	_____ sq. ft.	x .0003	= _____
Nursing Home	_____ rooms	x .1654	= _____
Office, Banks	_____ sq. ft.	x .0002	= _____
Open Space (non turf)	# of acres	x 1.1	= _____
Open Space (turf)	# of acres	x 2.2	= _____
Photographic	_____ sq. ft.	x .0030	= _____
Plant Nursery	_____ sq. ft. of land	x .00002	= _____
Public Restrooms	_____ toilet/ urinal	x .1265	= _____
Restaurant	_____ seats	x .0633	= _____
Retail Photo	_____ sq. ft.	x .0001	= _____
School, Childcare Facility	_____ sq. ft.	x .0003	= _____
Swimming Pool	_____ sq. ft. pool surface	x .0040 per sq. ft.=	= _____
Undesignated Commercial	_____ sq. ft.	x .0002	= _____
Warehouse, wholesale distributor, corporate yard	_____ sq. ft.	x .00005	= _____

C. Calculation of Unfactored Commercial, Governmental, Industrial and Open Space Connection Charges by Category of Use.

An unfactored connection charge shall be calculated for each commercial, governmental, industrial and open space expansion/extension permit, including amended permits required by changed use of existing connections, by multiplying the General Manager's projected water use for the project as follows:

projected water use for each category of use	X	water supply cost	=	unfactored connection charge
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Each commercial, governmental, industrial, or open space project which proposes two or more of the uses set forth in Table No. 2 above shall be subject to a use calculation for each proposed use. By way of example, a motel/restaurant would be subject to both the motel use by unit, and the restaurant use by seat calculation, similarly, a restaurant/bar would be subject to both the restaurant use by seat, and the bar use by seat. Where a proposed use may be designated as more than one category, the category which most accurately depicts projected water use shall be selected. Where doubt exists, the higher intensity use category shall be chosen.

Notwithstanding any other provision of this subdivision, water use upon open space in conjunction with any other use shall not result in a dual calculation for connection charge purposes unless special circumstances exist as set forth in subdivision 7 below.

Notwithstanding the foregoing calculation, for each system, there shall be a minimum connection charge in the amount of \$500 per commercial, industrial, governmental, or open space connection, and a minimum non-refundable connection charge in the amount of \$600 upon each application for a temporary expansion/ extension permit. Any application for an expansion/ extension permit which is made by the holder of a current (unexpired and non-revoked) temporary expansion permit shall be credited with the connection charge previously paid for the temporary permit. Applicants for an amended permit shall not be subject to a minimum connection charge.

5. Water Supply Cost Component

The water supply cost component used as a monetary multiplier in each connection charge calculation required by this Rule shall be \$10,623.20. This water supply cost component shall be adjusted on July 1st of each year beginning July, 1985 to include the annual increase or decrease of the April Consumer Price Index, all items, for San Francisco/Oakland, as promulgated by the U.S. Department of Labor, Bureau of Statistics. The adjusted multiplier shall apply to each extension/expansion application received on or after July 1st of each year.

6. Calculation of Final Residential, Commercial,  
Governmental, Industrial and Open Space  
Connection Charges.

The unfactored connection charge total, together with surcharges as applicable, determined pursuant to this Rule, shall be applied to each application to expand/extend a water distribution system as follows:

California-American Water Company

- a) total unfactored connection charge X 100% =  
final connection charge  
b) final connection charge X 01.85% =  
connection surcharge

Seaside Municipal Water District  
and Water West Corporation

total unfactored connection charge X 100% =  
final connection charge

All other potable water distribution systems

total unfactored connection charge X 18.67% =  
final connection charge

7. Adjustment of Calculations Where Special  
Circumstances Exist

After making the connection charge calculation detailed above in this Rule, the General Manager may reduce (or increase) the connection charge with respect to the fixture unit count component or the projected water use component of any extension/ expansion application where special circumstances exist with respect to the anticipated water consumption resulting from that permit. Special circumstances shall be deemed to exist in each single family dwelling unit project which proposes to irrigate more than two acres, and for each other project which proposes to irrigate more than five acres. Special circumstances shall also be deemed to exist where a dual system provides sub-potable water for outdoor use. The General Manager may make a proportional reduction in the connection charge and/or the water supply improvement charge calculation for connections to any system which uses a dual delivery of subpotable water for non-consumptive purposes, and shall factor the charge based upon the portion of potable water which otherwise would have been used in the absence of the dual system. Special circumstances shall be deemed to exist with respect to each expansion/extension permit or amended permit which proposes to utilize water in conjunction with a manufacturing process.

The connection charge adjustment shall operate to exact a connection charge as it relates to the increment of water which is projected to actually be available to and subject to use by the applicant as a function of the connection, or the use of water. The

General Manager shall make this adjustment based upon projected use figures which are clearly more accurate and reliable (based upon historical use or other hard documentation) than the regional average methodology used to substantiate the fixture unit or projected use category methods. Calculation of any charge shall be made by use of regional averages should any reasonable question arise with respect to the projected use figures for a particular expansion/extension permit or amended permit. Determinations of the General Manager pursuant to this subdivision may be appealed to the Board.

For those special circumstances where substantial uncertainty exists regarding the projected water use proposed by the permit applicant, the connection may be approved and installed upon payment of an estimated connection charge, and the actual final connection charge be adjusted upon the actual water use record for that connection. Adjustment of connection charges shall occur only where the Board of Directors finds (a) that special circumstances exist in accord with this paragraph, and (b) that substantial uncertainty exists regarding the projected water use proposed by the permit applicant. For such applications, the Board may approve the permit subject to the following conditions:

- 1) The Applicant shall deposit with the District the full fee estimated to be due by reason of the projected water use.
- 2) The Applicant shall make available to the General Manager, upon request, any information pertaining to the actual water use or water use practices, and information pertaining to the special circumstances which justify application of the extraordinary fee calculation.
- 3) The Applicant shall agree to tender the final connection fee calculated pursuant to this paragraph, and shall agree that such charge shall constitute a lien against the real property upon which the water connection is located.
- 4) Failure to tender the final connection fee upon written demand shall result in the automatic revocation of the connection permit.
- 5) The Applicant shall authorize in writing the Water Distribution System to remove any water meter installed pursuant to this permit, upon revocation of the permit.
- 6) The conditions of this permit shall be recorded as a restriction upon the deed for the real property upon which the water connection is located. Such restriction shall be removed only upon payment of the final connection fee.
- 7) The Board shall set a time certain for the determination of actual water use, and the calculation of the final connection fee.

In all applications where substantial evidence does not support the finding that uncertainty exists regarding the projected water use, it shall be presumed that the regional water consumption figures as shown on Tables 1 or 2 apply to the permit.

#### 8. Connection Charge Refunds

The connection charge paid by an applicant for an expansion/extension permit under these Rules and Regulations shall be a fee retained by the District in its general fund in consideration of, and as reimbursement for, the District's costs for administration of the expansion/extension application, and for the costs and expenses incurred by the District in planning for, acquiring, reserving, and maintaining capacity in the water distribution facilities existing or to be constructed within the District. In the event a water augmentation project has not been approved by a District-wide vote before December 1, 1991, the Board shall conduct a public hearing at its December 1991 regular meeting to determine whether the District will undertake any project to augment the water resources and service capacity within the District, and whether this Rule should subsequently be amended to eliminate or substantially abandon the water supply improvement charge required for future expansion/extension permits. Following the completion of that hearing the Board may resolve either (1) to continue to enforce this Rule, or the Board may, in its sole discretion, (2) provide for a refund of the unused portion of the water supply improvement charge paid by each applicant together with interest as may be determined by the Board. The total amount of District monies subject to refund shall exclude all expenses and costs of the District in planning for, acquiring, reserving and maintaining capacity, and in administering the water supply improvement charge program. The amount of refund, if any, shall be determined by the Board at the time these Rules are amended. All refunds shall be determined strictly upon a pro rata basis, with the sole variables being (1) the initial water supply improvement charge paid by any one applicant and (2) the total amount of water supply improvement charge monies to be refunded as determined by the Board. No provision of these Rules and Regulations shall confer a right upon any applicant to receive a refund as provided in this part. Any refund which may be authorized by exercise of the Board's discretion pursuant to this subdivision shall be made to the then current title holder of the real property upon which the water connection is located.

Notwithstanding any other provision of this paragraph 8, the General Manager shall, upon request of any applicant who paid connection charges pursuant to interim rates set by Ordinance 20, refund any excess charge which would not have been due under the provisions of this Rule. All refunds shall be made to the current title holder of the real property upon which the water connection is located.

9. Applications Which Affect Expansions/Extensions Which are in Progress

The General Manager shall not assess the water supply connection charge pursuant to subdivisions 3 or 4 of this Rule with respect to construction projects which are "in progress" on or before July 9, 1984, but shall assess the charges and fees required of Rule 24 of the District's Rules and Regulations which were at that time in effect for those projects. The term "in progress" shall be defined as those projects which, on or before July 9, 1984, (a) had received a final building permit, or other final discretionary approval, from the municipal unit whose jurisdiction includes the property upon which the project is constructed; or (b) had submitted a completed application for a building permit, together with all fees required thereon, to the municipal unit whose jurisdiction includes the property upon which the project is to be constructed. Governmental projects which had been let to final bid on or before July 9, 1984 shall also be deemed "in progress". The General Manager shall refund the full cost of any temporary permit fee paid by those applicants whose construction projects were "in progress" in accord with this subdivision, and who were issued a temporary permit during that period of time when the issuance of permanent permits had been suspended. This subdivision shall have no force or effect with respect to permanent expansion/extension permits issued after July 10, 1985.

10. Connection Charge Hearing

Upon request of an applicant, together with the payment of any applicable fee, or upon referral of the General Manager, the Board shall conduct a hearing to determine the connection charge due under this Rule. The Board hearing shall be conducted as a variance pursuant to Rule 90 of the District's Rules and Regulations. Following this hearing, the Board may calculate the connection charge to reasonably relate the particular application to the burden upon the water distribution system, or the burden upon District sources of supply which may be caused by the projected potential increase in consumption as a result of the new connection; the improvement value selected must be warranted by the circumstances and tend not to defeat the purpose of these Rules and Regulations. The Board may take notice of prior connection charges paid pursuant to the District's Rules and Regulations by the applicant or his predecessor in interest with regard to the parcel or parcels on which the expansion of extension will occur.

11. Connection Charge Fund Accounting

The District shall maintain separate accounts in its general fund for portions of the connection charges received by operation of this Ordinance. Those separate fund accounts shall be maintained, designated connection charge accounts "A" and "B". Account "A" shall receive 18.67% of all connection fees collected pursuant to this Ordinance. Account "B" shall receive 81.33% of all connection fees collected pursuant to this Rule. The proceeds of any connection surcharge shall be transferred to the District's general fund, without restriction.



Connection charge funds shall be expended from connection charge accounts "A" and "B" for the sole purpose of planning for, acquiring and/or reserving augmented water supply capacity for District water distribution facilities. It is recognized that such purposes include engineering, hydrologic, geologic, fishery, appraisal, financial, and property acquisition endeavors. Connection charge funds may further be used to acquire, maintain, and/or reserve capacity in existing water distribution facilities existing within the District.

Notwithstanding any other provision of this Ordinance, the expenditure of funds maintained in Connection Charge Account "B" shall not be authorized prior to the final discretionary approval of a water supply project, including, if necessary for the project, a vote of the people.

#### 12. Savings Effect

If any subdivision, paragraph, sentence, clause or phrase of this Ordinance is for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforcement of the remaining portions of this Ordinance, it being the District's express intent that each remaining portion would have been adopted irrespective of the fact that any one or more subdivisions, paragraphs, sentences, clauses or phrases be declared invalid or unenforceable. Should the charges imposed by this Ordinance be deemed a tax by a court of competent jurisdiction, it is the District's express intent that such be a general tax for deposit in the District's general fund without limitation, irrespective of any other provision of this Ordinance.

#### 13. Revocation of Rule 24

The provisions of Ordinance No. 20 are herewith revoked, and are superceded by the provisions of this Ordinance. The provisions of Ordinance No. 20 shall have no further force or effect.

