

RULE 23.6 - SAND CITY WATER ENTITLEMENT

- A. There is hereby established the Sand City Water Entitlement which confers upon Sand City a vested property right to take up to 206 Acre-Fee per Water Year of Potable water from the California American Water Distribution System (CAW System). For so long as the Sand City Water Entitlement continues: (i) Sand City shall own the Sand City Desalination Facility; (ii) Sand City shall cause the Sand City Desalination Facility to produce 300 Acre-Feet of Potable water per Water Year; (iii) Sand City shall cause 300 Acre-Feet of Potable water per Water Year to be delivered to the CAW System through a single Connection as permitted by the District; and (iv) California American Water shall continue to accept delivery from the Sand City Desalination Facility of 300 Acre-Feet of Potable water per Water Year through a single Connection as permitted by the District. The Sand City Water Entitlement shall continue for a period of seventy-five (75) years so long as the Sand City Desalination Facility is properly maintained and continues to be able to reliably produce 300 Acre-Feet of Potable water acceptable for use by the CAW System.
- B. Sand City is hereby authorized to separately sell, transfer and convey to owners of Sand City Sites, for such consideration and upon such conditions as Sand City may in its discretion determine, such portions of the Sand City Water Entitlement as it may choose. Any portion of the Sand City Water Entitlement conveyed to the owner of a Sand City Site shall become vested in the owner of the Sand City Site, and appurtenant to title to the particular Sand City Site, at the time a Sand City Water Use Permit is issued as evidence of such conveyance. At the time the Sand City Desalination Facility begins delivery of Potable water to the CAW System, the General Manager shall issue a Water Use Permit to Sand City in the amount of the Sand City Water Entitlement.
- C. The Sand City Water Entitlement shall be separate and distinct from the Allocation to Sand City as provided in Rule 30. The existence of the Sand City Water Entitlement shall not affect any existing use of water in Sand City or any existing or future Allocation to Sand City.
- D. Nothing in this Rule shall excuse the owner of a Sand City Site from the obligation to comply with the water conservation rules set forth in MPWMD Regulation XIV and the water rationing rules set forth in MPWMD Regulation XV, provided, however, that MPWMD shall not impose a moratorium on the issuance of Water Use Permits authorized by this Rule.
- E. Nothing in this Rule shall relieve the owner of a Sand City Site to whom a Water Use Permit has been issued from all or any part of such owner's obligation to pay all fees, Capacity Fees, user fees, surcharges, taxes, utility taxes or other obligation imposed by the California Public Utilities Commission, the MPWMD (including but not limited to fees and charges imposed by MPWMD under its Rule 24), California American Water or any governmental authority acting with jurisdiction on other Users of the CAW System in Sand City. Nothing herein shall prevent the termination of service from the CAW System for non-payment of required fees and charges in the manner authorized by law.

- F. Each Water Use Permit issued to the owner of a Sand City Site shall provide that MPWMD shall have such access as may be required to enable it to account for the use of water on the Sand City Site. Water use authorized by the Water Use Permit shall be measured in accordance with the water use factors specified at the time of issuance of the Water Use Permit.

Added by Ordinance No. 132 (1/24/2008); Ordinance No. 157 (12/9/2013)