

MAMMOTH COMMUNITY WATER DISTRICT

Policy for Providing Water and Sewer Service to Parcels Outside of the Mammoth Community Water District's Legal Service BoundariesApproved: January 18, 2024

I. PURPOSE AND AUTHORITY

The purpose of this policy is to establish the terms and conditions on which the Mammoth Community Water District will consider and grant requests for water and/or sewer service from persons and entities who own or lease property located outside of the District's legally-established service territory. This policy also is intended to govern the rights and responsibilities of the District when providing service to existing out-of-district water and wastewater customers. This policy is adopted in accordance with the provisions of Water Code sections 31007, 31023, 31024, 31026, 31100, 31101, 31101.5, other applicable laws including Proposition 26 and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, and the applicable provisions of the Mammoth Community Water District Sewer and Water Codes.

II. POLICY

- A. General Statement. The Mammoth Community Water District's first priority and sole duty is to serve all customers within its legal service territory who desire water and sewer service and who are willing to pay all rates, fees, and charges for connecting to and receiving such services. However, whenever the District has capacity in its water and sewer systems in excess of in-district customers' requirements, the Board in its sole discretion may find that interested property owners outside of the District will be permitted to apply for water and sewer services and receive such services upon satisfying all terms and conditions and paying all rates, fees, and charges as determined by the District sufficient to pay all costs of connecting and providing the requested service or services without any subsidy from in-District customers. Requests for out-of-district service shall be considered on a case-by-case basis. The District's decision to grant or deny requests for such service is in its sole discretion. All requests granted shall be subject to a written agreement between the District and out-of-district property owner tailored to the specific property and requirements necessary to serve the property. Out-of-district service is a revocable privilege granted solely by contract, is not guaranteed, and is subject to each customer's continued compliance with the terms of service established under applicable law and ordinances, rules and regulations, and policies of the District Board of Directors, as amended from time to time.
- B. Application for New Out-of-District Service. The General Manager or their designee shall administer this policy and be responsible for processing all applications for new out-of-district water and sewer services. The District will not grant any application for new out-of-district service until the applicant has satisfied all of the following requirements:

1. The Person or entity seeking out-of-district sewer and/or water service files a complete connection permit application on a District form, provides any additional information requested by the District, and pays the application fee and deposit specified by the General Manager or designee for application processing to cover all administrative, engineering, environmental studies, and legal costs.
2. If the General Manager or designee determines that adequate capacity exists to provide the service(s) requested, and that providing the requested services would not impact existing in-district and out-of-district customers or that such impacts can be mitigated on specified conditions, the application, together with a staff report and other appropriate documentation, will be forwarded to the Board of Directors for consideration at the Board's next available regular meeting.
3. The Board may approve, approve with conditions, or deny the application in its sole discretion, with or without cause. This initial approval will be deemed a conditional will-serve approval and shall not provide the applicant with any vested right to service.
4. If the Board approves the application, District staff will advise the applicant of the approval and conditions. The applicant then may apply to obtain connection and construction permits for the service(s) requested. The applicant may also be required to enter into a transfer agreement with the District if new water and/or sewer facilities are required. Staff's advice will include a determination of the appropriate facilities required to be provided by the applicant at their sole cost and the connection fees and other charges the applicant must pay in order to obtain the required permit(s) and connect their property to the District water and/or sewer systems.
5. No connection or construction permits will be issued to an applicant until all necessary information is provided and all required approvals are obtained, including any CEQA and NEPA review, and required approvals from any local, state, and federal agencies, and the applicant has paid all applicable fees and charges assessed by the District.
6. If required, the applicant also will be responsible for all costs of obtaining approval of the out-of-district service(s) prior to the issuance of any permits from the Mono Local Agency Formation Commission under Government Code section 56133.
7. As part of the approval process for the service(s) after Board approval of the application, staff also will determine the appropriate sewer/water services charges that the applicant must pay and require that the applicant execute an Out-of-District Service Agreement with the District on a District-provided form before any connection is made or service is commenced. The agreement shall include all required terms of service and assign responsibility for ownership of facilities necessary to serve the property receiving the new out-of-district service.

8. Upon applicant satisfying all conditions, obtaining all required approvals, and preparing of environmental and other required documents, staff shall present a report and request for final approval of the completed application, CEQA/NEPA review, and required agreements to the Board for its consideration and approval. The Board shall consider the requested approvals at a noticed regular meeting and approve the request, approve it with changes or additional conditions, or deny the request, in its sole discretion. All decisions of the Board shall be final. If the request is approved, with or without conditions, then the applicant may proceed to complete all connections and facilities required to obtain District water and/or sewer service in accordance with the terms and conditions of the District's approval and subject to final inspection and approval by District staff of the required connections and facilities.
9. The applicant will pay all fees and costs for processing an application for and connection of a new or expanded out-of-district service in accordance with the fees established in the District's Master Fee Schedule as it is amended from time to time. Such fees shall include, but not be limited to permit fees, connection fees, and water and sewer service rates and charges and the property tax replacement charge.

Agreements for out-of-district water and/or sewer service to parcels involving a land lease between the applicant and the United States Forest Service ("USFS") or a USFS use permit shall have a term commensurate with the term of the applicable lease or use permit. Agreements for out-of-district service not subject to USFS approvals or permitting shall not have a specified term, but shall be subject to the compliance requirements of this Policy and applicable laws, ordinances, rules and regulations, and District Code provisions.

- C. Emergency Service. The District may grant requests for temporary emergency water and/or sewer service to persons or entities requesting such service to address an existing or imminent threat to public health or safety. The District General Manager shall have authority to grant an emergency service request, subject to reporting on the request and the District's response to it to the Board at its next noticed regular or special meeting and making such additional reports as directed by the Board. The granting of an emergency service request shall be subject to the requirements of this policy to the extent applicable and feasible as determined by the General Manager in their sole discretion and stated in a written agreement or order granting the request. In addition, the applicant shall immediately comply with the requirements of subdivision (c) of Government Code section 56133, if applicable, by notifying the Mono County Local Agency Formation Commission in writing of their request to the District for emergency water and/or sewer service and providing the commission with sufficient documentation of the threat to public health and safety necessitating the request for emergency service.
- D. Existing Out-of-District Customers. No out-of-district customer is entitled to continued service as a matter of right and must at all times comply with all terms of their service

agreement with the District and all applicable legal requirements and District ordinances, rules and regulations, and policies in order to maintain this revocable privilege. Existing out-of-district customers' continuing entitlement to receive service is subject to:

1. Payment when due of all rates, fees, and charges determined and levied by the District in its sole discretion.
2. Compliance with the terms of any existing agreement for out-of-district service, this policy, and all applicable ordinances, rules and regulations, and applicable law;
3. Compliance with any change in the terms of service required by the District due to changes in law or policy as determined in its sole discretion; and
4. Permitting District entry to the property receiving out-of-district service to make inspections, repairs, or changes to District facilities on the property.

Failure to promptly comply with any of the above requirements shall be grounds for the District to terminate service. Service will not be restored to a disconnected property receiving out-of-district service until the property owner cures the violation causing the disconnection and agrees to provide reasonable written assurance to the District that the property owner will not repeat the violation. If appropriate, the District also may require the property owner to pay a security deposit or pay service charges and fees in advance.

III. POLICY REVIEW

This Policy shall be reviewed at least every two years.