

ORDINANCE NO. 56

***AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT, COUNTY OF SAN
BERNARDINO, STATE OF CALIFORNIA***

DECLARATION OF MANDATORY RECYCLED WATER USE

WHEREAS, the people of the State of California have a primary interest in the development of facilities to recycle water containing waste to supplement existing surface and underground water supplies and to assist in meeting the future water requirements of the state (California Water Code, Section 13510).

WHEREAS, conservation of all available water resources requires the maximum reuse of recycled water for beneficial uses of water (California Water Code, Section 461).

WHEREAS, continued use of potable water for irrigation of greenbelt areas, including golf courses, parks, and highway landscaped areas, and certain other non-domestic water uses may be an unreasonable use of such water where recycled water is available (California Water Code, Section 13550).

WHEREAS, the state policies described above are in the best interest of the Lake Arrowhead Community Services District (the "District" or "LACSD"). The District is dependent on Lake Arrowhead (Lake), groundwater and imported potable water for domestic and non-domestic uses. The supply and the reliability of these supplies can vary. By developing and utilizing recycled water, the impact on the Lake level and the need for additional imported water can be reduced. In light of these circumstances, certain uses of potable water in the District's service area may be considered unreasonable or to constitute a nuisance where recycled water is available. Reference is made to uses as set forth in paragraph 3 above.

THE BOARD OF DIRECTORS OF THE LAKE ARROWHEAD COMMUNITY SERVICES DOES HEREBY ORDAIN AS FOLLOWS:

1. The Recitals set forth above are incorporated herein and made an operative part of this Ordinance.

2. Section 35423 of the California Water Code empowers the District to establish, print and distribute equitable rules and regulations for the sale and distribution of water, inclusive of recycled water.

3. The Board of Directors of LACSD, pursuant to the authority set forth in the Recitals, desires to establish a specific policy and also procedures for the mandatory use of recycled water within its service area as well as certain other related uses.

THE BOARD OF DIRECTORS OF THE LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT DOES HEREBY ORDAIN AS FOLLOWS:

1. Findings set forth above are incorporated herein as findings of the Board of Directors of LACSD.

2. Policy - It is the policy of the District to provide reliable and energy-efficient water services in a customer-oriented and environmentally responsible manner. In light of this policy, it is the intent of the District that recycled water shall be used within its jurisdiction and where it can reasonably supply neighboring jurisdictions wherever such use is economically justified, financially and technically feasible, and legal requirements including water rights, and not detrimental to public health, safety and welfare, and the environment.

3. Recycled Water Use

- a) Mandatory Use: The following types of authorized use shall generally require recycled water: agricultural irrigation, construction use, landscape irrigation, landscape and/or recreation impoundments, and wildlife habitat, these being called "mandatory" types of use.

In order for the District to successfully plan and provide for a District-wide recycled water system, the user base must be firmly established. Where available in offsite facilities, recycled water shall be used under the following conditions: for mandatory types of use being serviced recycled or potable water by the District (at the time of this regulation's adoption), and for mandatory types of use associated with future development that would otherwise be served potable water by the District. The only exceptions to use under these conditions shall be based on the judgment of the District in light of special public health concerns or established through the adopted appeals process set forth in Section 6 below whereby a waiver for recycled water service is obtained by the prospective user.

- b) Non-Mandatory Use: The following types of authorized use may require recycled water: commercial use (including nurseries), groundwater recharge, and industrial process (including cooling water), these being called "non-mandatory" types of use.

Where available in offsite facilities, recycled water may be used under the following conditions: for non-mandatory types of use being serviced potable water by the District at the time of this regulation's adoption, for

non-mandatory types of use associated with future development that would otherwise be served potable water by the District, for mandatory types of use within the District's water service area not being served recycled or potable water by the District (having some other alternative source of supply), and for mandatory and non-mandatory types of use not within the District's regular water service area and for which there are not legally conflicting service arrangements. Confirmation of this condition of use shall be established through the process set forth in Section 6 below whereby a letter of intent is obtained from the prospective user.

- c) Permitting: Regardless of type of condition or use, all prospective users shall successfully complete the use permit application process detailed in the Recycled Water Rules and Regulations prior to receiving recycled water.

4. Funding Requirements for the various offsite and onsite recycled water facilities require capital and operating expenditures. The District shall seek the most advantageous financing for offsite facilities construction and, in its discretion, develop fiscally responsible programs to assist users with their financing efforts for requisite onsite facilities construction or conversion. The District shall seek the most economical operation and maintenance of the offsite facilities and encourage users in conservative operating practices.

5. Recycled Water System Implementation

- a) Rules and Regulations: The District shall maintain regulations governing the distribution and use of recycled water, including specifications for the construction of on-site recycled water facilities.
- b) Standard Specifications: The District shall maintain the Standard Specifications for the construction of off-site facilities. These shall include narrative and drawings that may be referenced for incorporation by project-specific construction documents.
- c) Public Awareness Program: The District shall maintain a comprehensive water reclamation public awareness program.
- d) Coordination Among Agencies: The District shall continue to examine the potential for a coordinated effort between the District and other neighboring agencies, to share in the production and utilization of recycled water.

6. Procedures for Determining Mandated and Related Recycled Water Service:

- a) Existing Potable Water Service: The District shall make preliminary determinations as to which existing potable water customers shall be converted to the use of recycled water; shall provide notice regarding that determination; shall receive objections to proposed service, entertain appeals, and provide a waiver if circumstances warrant; and shall complete the application process where waivers have not been granted in accordance with these regulations.
- b) Alternative Water Supply: The District may approach or be approached by prospective user(s) within the District's regular service area who currently utilize an alternative to the District's recycled or potable water supply and who desire recycled water service. The District shall then make a preliminary determination whether the existing service(s) can be converted to the use of recycled water and shall provide notice regarding that determination along with a request for a letter of intent from the prospective user(s). The letter of intent shall substantially comply with the model format and content to be provided by the District. The District shall complete the application process where letters of intent have been received.
- c) Outside Regular Service Area: The District may approach or be approached by prospective user(s) outside the District's regular service area who currently utilize an alternative to the District's water supply and who desire recycled water service. The District shall then make a preliminary determination whether the existing service(s) can be converted to the use of recycled water and whether any legally conflicting service arrangements, express or implied, exist, and shall provide notice regarding that determination along with a request for a letter of intent from the prospective user(s). The balance of the process shall be the same as for Section 6(b).
- d) Notice: All the foregoing procedures for obtaining recycled water service require written notice by the District to the prospective user(s), which represents the District's preliminary determination. Such notice shall include as a minimum: descriptive information about onsite facilities requirements necessitated by conversion to recycled water, and the opportunity for objection.
- e) Objections; Appeals; Waivers: The prospective user(s) may file a notice of objection with the District within thirty (30) days after any notice of determination to comply is delivered or mailed to the prospective user(s), and may request reconsideration of the determination or modification of the proposed conditions or schedule

for conversion. The objection must be in writing and specify the reasons for the objection. The preliminary determination shall be final if the prospective user(s) does not file a timely objection. Staff shall review the objection and shall confirm, modify or abandon the preliminary determination. Upon issuance of a final determination by staff, the prospective user(s) may appeal the determination to the General Manager of the District. The District shall issue a waiver to the prospective user(s) where its objection or appeal is successful.

- f) Recycled Water Use Permit Process: Upon a final determination by the District that a property shall be served with recycled water, the prospective user(s), owner or applicant shall obtain a recycled water use permit in accordance with the application process detailed in these regulations.
- g) Temporary Use of Potable Water: At the discretion of the District, potable water may be made available on a temporary basis until recycled water is available. Before the applicant receives temporary potable water, a recycled water use permit as required in Section 6(f), must be obtained for the onsite recycled water distribution facilities. Prior to commencement of recycled water service, an inspection of the onsite facilities will be conducted to verify that the facilities have been maintained and are in compliance with the recycled water use permit and current requirements for service. Upon verification of compliance, recycled water shall be served to the parcel for the intended use. If the facilities are not in compliance, the applicant shall be notified of the corrective actions necessary and shall have thirty (30) days to take such actions prior to initiation of enforcement proceedings.

7. Costs of Conversion to Recycled Water Service

- a) For an existing potable water use site, the cost for those modified or additional facilities necessitated by conversion from potable to recycled water use shall be borne by the potential user(s).
- b) For an existing water use site, the cost for those modified or additional facilities not necessitated by conversion from potable to recycled water shall be borne entirely by the potential user(s). For a site with new water use, regardless of whether the site was previously developed or is a newly developed site, the cost of those facilities required to accommodate recycled water use shall be borne by the potential user(s).

8. Sanctions

- a) The District may implement all enforcement methods and penalties otherwise provided in these regulations to any violator of the terms of this Ordinance.
- b) Where recycled water is available in offsite facilities, if after one hundred and eighty (180) calendar days from the date of the District's final determination under Section 6, the prospective user has not completed required onsite conversion work, then, in addition to those penalties set forth in subsection (a) above, the District shall impose a surcharge equal to fifty percent (50%) of its potable water rate in effect at the time of violation, such surcharge to be included in the customer's monthly billing."

9. Validity. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance and the application of such provisions to other persons or circumstances shall not be affected thereby.

10. Separability. If any portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof.

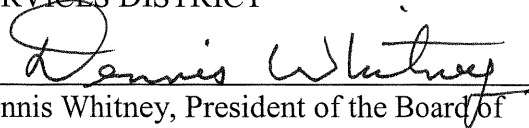
11. Conflicts. All District ordinances or parts of District ordinances are hereby repealed.

12. Publication. This Ordinance shall be certified by the Secretary of LACSD and the Secretary is hereby ordered and directed to publish said Ordinance as set forth within one week for two weeks in the Mountain News, a newspaper of general circulation published in San Bernardino County, California, pursuant to the provisions of Section 35424 of the California Water Code.

ADOPTED by the Board of Directors of the Lake Arrowhead Community Services District at a Special Meeting/Workshop Meeting held on June 10, 2003, by the following votes:

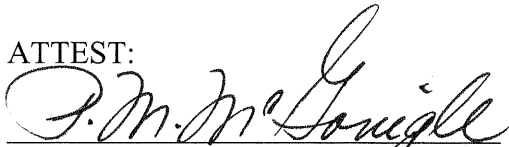
AYES:	<i>Huber, Keefe, Kendrick and Whitney</i>
NOES:	<i>None</i>
ABSTENTIONS:	<i>None</i>
ABSENT:	<i>Field</i>

LAKE ARROWHEAD COMMUNITY
SERVICES DISTRICT



Dennis Whitney, President of the Board of
Directors of the Lake Arrowhead
Community Services District.

ATTEST:



P.M. McGonigle, Secretary of the
Lake Arrowhead Community Services
District and of the Board of Directors
thereof.

(SEAL)