

EXHIBIT H
WATER BUDGET MODIFICATION AND BILL ADJUSTMENT POLICY
FOR THE MOULTON NIGUEL WATER DISTRICT'S
WATER BUDGET BASED RATE STRUCTURE

This Water Budget Modification and Bill Adjustment Policy provides details on water budget calculations, budget modification procedures, and bill adjustment policies and procedures for customers of the Moulton Niguel Water District. More specifically, Section 2 details the water budget calculations for each customer class, as well as their respective permitted budget modification procedures, while Section 3 contains the procedures and qualified events eligible for bill adjustments for each customer class.

Section 1. DEFINITIONS

For the purposes of this Water Budget Modification and Bill Adjustment Policy, the following words, terms, and phrases shall be defined as follows:

- A. Bill Adjustment – a recalculation of charges on an existing bill.
- B. Billing Unit (BU) – a unit for measuring water usage. One BU equals one hundred cubic feet (CCF) or 748 gallons of water. CCF is synonymous with BU.
- C. Budget Modification – a change in the factors used to calculate a customer’s water budget.
- D. California Friendly Landscaping - vegetation meeting Water Use Classifications of Landscape Species (WUCOLS) with low or very low watering needs for the South Coastal Region.
- E. Conversion Factor – the factor used to convert Evapotranspiration, measured in inches, to gallons.
- F. Customer – a person who, according to the District’s records, has an account with the District and receives water service or recycled water service to a parcel of property.
- G. Director of Planning - the Director of Planning of the District or his or her authorized designee.
- H. District – Moulton Niguel Water District.
- I. Evapotranspiration (ET) – both the evaporation of water from the land surface and the transpiration of water through plants into the atmosphere. The District measures daily local evapotranspiration at 110 micro-zones throughout its service area.
- J. GPCD – gallons per capita per day.

- K. I9 Account customers – potable irrigation customers located in high traffic public spaces.
- L. Landscape Establishment Period – The two-month consecutive period immediately following the installation of California Friendly Landscaping.
- M. New Customer Adjustment – A one-time bill adjustment provided courtesy of the District for over-budget water consumption. Exclusively allowed for new customers within the first 12 months of service with District.
- N. Person – any natural person, firm, joint venture, joint stock company, partnership, public or private association, club, company, corporation, business trust, organization, public or private agency, government agency or institution, school district, college, university, any other user of water provided by the District, or the manager, lessee, agent, servant, officer or employee of any of them, or any other entity which is recognized by law as the subject of rights or duties.
- O. Plant Factor - a measurement of the water needs of the specific type of plant that is used to calculate each customer’s outdoor budget within the District’s service area and guidelines provided by state law and the State Water Resources Control Board’s Model Water Efficient Landscape Ordinance. The plant factor is a conversion factor to multiply with daily evapotranspiration to determine the daily watering needs per unit of surface area of plant coverage.
- P. Potable water – water furnished to a customer which complies with federal and State drinking water regulations and standards, or any other applicable standards.
- Q. Property owner (owner) – the owner of a parcel whose name and address appears on the last equalized secured property tax assessment roll, or in the case of any public entity, the representative of that public entity at the address of that entity known to the agency.
- R. Qualifying Event – A unique incident or occurrence eligible for a bill adjustment.
- S. RC9 Account customers – recycled water customers with high traffic public spaces.
- T. Recycled water – water which, as a result of treatment of waste, is suitable for a direct beneficial use or a controlled use that would not otherwise occur and is therefore considered a valuable resource.
- U. State – the state of California, including any department or regulatory agency thereof.
- V. Water Budget – the amount of water representing efficient water use for each customer calculated by the District in accordance with its Water Budget Based Rate Structure.

Section 2 – WATER BUDGET AND BUDGET MODIFICATIONS

Part 1. Residential Customers

Residential customers include single-family detached homes, individually metered condominiums, and multi-family residential customers, including master-metered condominiums and apartments.

A. Water Budgets

The residential water budget is composed of a customer's calculated indoor water budget (Tier 1) and outdoor water budget (Tier 2). The calculations for each respective tier are found below. The District's Water Budget Based Rate Structure is intended to recover the proportionate cost of providing water service and to allocate costs to customers who place the greatest demands on the District's water system. Any usage in excess of a customer's total water budget results in additional costs that their higher demand places on the system. This usage, in excess of a residential customer's total water budget, is reflected in charges in Tiers 3, 4, and 5. In certain limited circumstances, the District may grant bill adjustments for qualified reasons specified in Section 3.

1. Indoor Water Budget
 - a. Indoor water budgets for residential customers are calculated based on the total number of occupants living in a home. Residential customers may request a modification to their indoor water budget to account for a change in the number of household occupants. The indoor water budget for new residential customers will be based on the number of household occupants the customer identifies on their water service application. If the residential customer does not provide the number of household occupants on their water service application, the following values will be used to calculate the customer's indoor water budget: single family customers will be assumed to have four (4) household occupants; multi-family customers living in condominiums will be assumed to have three (3) household occupants; and multi-family customers living in apartments will be assumed to have two (2) household occupants.
 - b. Indoor Water Budget formula: 55 gallons of water per day x the number of household occupants. Each occupant increases the Tier 1 allotment of water for the indoor water budget by 55 gallons per day times the number of days in the billing cycle.
2. Outdoor Water Budget
 - a. Outdoor water budgets are calculated based on the amount of landscaped area. Residential customers may request a modification to their outdoor water budget to account for a change or increase in the amount of landscaped area (e.g. customer replaces hardscape with landscape).

b. Outdoor Water Budget formula: Landscaped Area (Square Footage) x ET (Evapotranspiration) x 0.7 (Plant Factor) x 0.62 (Conversion Factor) = Gallons ÷ 748 gallons = Number of Billing Units.

c. Landscaped area is either determined by the District's Geographic Information System, County Assessor parcel data, site survey conducted by the District, or by customer input through the budget modification process.

B. Modifications to Water Budgets

1. General Information

a. It is the ***sole responsibility of a residential customer to contact the District*** to request a budget modification to his or her base indoor and/or outdoor water budget.

b. Unless otherwise specified in Section 2, Part 1.B.2., a residential customer must submit a Residential Budget Modification Request Form to the District to request a budget modification.

c. Acceptable proof (e.g. site plans) may be required for each budget modification request at the discretion of the District.

d. Once a budget modification is approved, it will become effective on the residential customer's next bill. An approved budget modification request will increase the calculated water budget (Tier 1 and/or Tier 2), and will be determined on a case-by-case basis.

i. No bill adjustments will be made for approved modifications to a residential customer's indoor water budget. However, a residential customer may request a bill adjustment for an approved outdoor water budget modification. For further details on the District's bill adjustment policy, see Section 3.

e. Any residential customer providing falsified information to the District may be liable for back charges. Bill calculations based on falsified information will be recalculated with corrected customer account details.

2. Relevant Factors That May Support a Budget Modification

a. Number of household occupants in a dwelling unit

A residential customer may request a budget modification to change the total number of household occupants used to calculate the customer's indoor water budget.

i. The District allows indoor water budget modification requests to change the total number of household occupants. Although there is no strict limit on the number of times household occupancy can be updated in a given time period, the goal is to minimize excessive changes to household population.

ii. Requests to change the total number of household occupants will not require a formal submission of a Budget Modification Request Form. Residential customers may contact the District directly via telephone or in person to make their requests.

iii. The total number of household occupants is used to calculate the household's monthly wastewater charge. Wastewater charges are comprised of a base wastewater charge plus a per person wastewater charge. Increasing the number of residents will increase the household's monthly wastewater charges; conversely, decreasing the number of occupants will decrease the household's monthly wastewater charges.

b. Landscape Area

Any change in the outdoor water budget due to increased landscaped area will be calculated using the outdoor water budget formula:

Landscaped Area (Square Footage) x ET (Evapotranspiration) x 0.7 (Plant Factor) x 0.62 (Conversion Factor) = Gallons ÷ 748 gallons = Number of Billing Units

c. Medical Needs

Budget modification requests for medical needs are considered on a case-by-case basis. Approved medical needs budget modifications will affect the indoor water budget and may increase the calculated water budget (Tier 1).

d. Livestock (weighing over 100 pounds each)

A budget modification to a customer's indoor water budget may be requested for livestock. The District provides 15 gallons per animal over 100 pounds, per day, based on veterinary standards. A budget modification for livestock will be limited to the maximum number of animals (times 15 gallons per animal over 100 pounds) established by the applicable municipal ordinances. Approved livestock budget modifications will affect the indoor water budget and may increase the calculated indoor water budget (Tier 1).

3. Procedure

a. Unless otherwise specified in Section 2, Part 1.B.2., a Residential Budget Modification Request Form must be submitted to the District. Residential Budget

Modification Request Forms can be obtained at the District's Main Office or online at www.mnwd.com.

- b. Additional documentation may be requested at the discretion of the District (e.g. site plans). The documentation will be for review only. The District will not retain any copies of such additional documentation.
- c. Once a Residential Budget Modification Request Form has been received, a site survey may be required by District staff to verify the customer's landscaped square footage. The site survey will be at no charge to the customer and will require the customer to be present.
- d. A response to budget modification requests will be provided by the District, either by phone or email.
- e. In the event a residential customer budget modification request is denied, the Residential Budget Modification Request Form may be resubmitted for further review. Decisions made by the Director of Planning are final.

Part 2. Commercial Customers

A. Default Water Budgets

The District's Water Budget Based rate structure is intended to recover the proportionate cost of providing water service and to allocate costs to commercial customers who place the greatest demands on the District's water system. Any usage in excess for a customer's total water budget results in additional costs that their higher demand places on the system. This usage, in excess of a commercial customer's total water budget, is reflected in charges in Tiers 2, 3 and 4. In certain limited circumstances, the District may grant bill adjustments to commercial customers for qualified reasons specified in Section 3.

1. Total Water Budget

- a. Commercial customers are given a water budget based on a three (3) year rolling average of each commercial customer's usage. To determine the water budget for commercial customers, the District uses a rolling average of the current month's usage and the usage associated with the respective month from the prior two years to determine the total water budget. Each month's usage is weighted by the number of days in that bill to account for the potential difference in meter read dates for the different years. This 3-year rolling monthly average accounts for typical monthly usage for commercial customers as well as for potential increases in business activity or recent efficiency improvements that may have been made within the current month. See below for an example calculation of the January 2018 water budget for a commercial customer:

$$\left(\frac{\text{Jan 2018 Usage}}{\text{Days in Jan 2018 Bill}} + \frac{\text{Jan 2017 Usage}}{\text{Days in Jan 2017 Bill}} + \frac{\text{Jan 2016 Usage}}{\text{Days in Jan 2016 Bill}} \right) / 3 * (\text{Days in Jan 2018 Bill})$$

b. New commercial customers who do not have a consumption history with the District will be billed at the Tier 1 rate and will not incur any over-budget charges for the first year. After the first year, new commercial customers will be billed as existing commercial customers, and their calculated water budget will be based on the monthly usage in the first year. After two (2) years of consumption history, commercial customers will be billed with a water budget that averages the usage of each respective month within the first two (2) years. After three (3) years, commercial customers will utilize a three (3) year rolling average of each respective month as their calculated water budget.

B. Modifications to Water Budgets

1. General Information

a. It is the ***sole responsibility of a commercial customer to contact the District*** to request a budget modification to its base water budget through a Commercial Budget Modification Request Form.

b. Unless otherwise specified in Section 2, Part 2.B.2., the commercial customer must submit a Commercial Budget Modification Request Form to the District to request a budget modification.

c. Acceptable proof (e.g. lease agreements, site plants) may be required for each budget modification request at the discretion of the District. Some requests may require on-site verification by the District.

d. An approved budget modification will become effective on the bill following the date the District approves the Commercial Budget Modification Request. An approved budget modification request may increase the base water budget (Tier 1) and will be determined on a case-by-case basis.

e. Any commercial customer providing falsified information to the District may be liable for back charges. Bill calculations based on falsified information will be recalculated with corrected customer account details.

2. Relevant Factors That May Support a Budget Modification

a. Changes in business or occupancy

b. Expansion of production capacity and/or new technology

c. Additional employees

d. Increased landscaped acreage (mixed use commercial only)

3. Procedure

a. Unless otherwise specified in Section 2, Part 2.B.2, a Commercial Budget Modification Request Form must be submitted to the District. Commercial Budget Modification Request Forms can be obtained at the District's Main Office or online at www.mnwd.com.

b. Additional documentation may be requested at the discretion of the District. The documentation will be for review only. The District will not retain any copies of such additional documentation.

c. Once a Commercial Budget Modification Request Form has been received, a site survey may be required by District staff to verify the commercial customer's request. The site survey will be performed at no charge to the customer and will require the customer to be present.

d. A response to the budget modification request will be provided by the District, either by phone or email.

e. In the event a budget modification request is denied, the Commercial Budget Modification Request Form may be resubmitted for further review. Decisions made by the Director of Planning are final.

Part 3. Potable and Recycled Water Irrigation Customers

A. Default Water Budgets

The District's Water Budget Based Rate Structure is intended to recover the proportionate cost of providing water service and to allocate costs to potable and recycled water irrigation customers (irrigation customers) who place the greatest demands on the District's potable water and recycled water systems. Any usage in excess for a customer's total water budget results in additional costs that their higher demand places on the system. This usage, in excess of a potable or recycled irrigation (irrigation) customer's total water budget, is reflected in charges in Tiers 2, 3 and/or 4. In certain limited circumstances, the District may grant bill adjustments to irrigation customers for qualified reasons specified in Section 3.

1. Outdoor Water Budget

a. Irrigation customers are given a water budget based on the actual square footage of landscaped area that each meter connection irrigates.

i. Potable Irrigation water budget formula is as follows: Landscaped Area (Square Footage) x ET (Evapotranspiration) x 0.7 (Plant Factor) x 0.62 (Conversion Factor) = Gallons ÷ 748 gallons = Number of Billing Units

ii. Recycled Water Irrigation water budget formula is as follows: Landscaped Area (Square Footage) x ET (Evapotranspiration) x 0.8 (Plant Factor) x 0.62 (Conversion Factor) = Gallons ÷ 748 gallons = Number of Billing Units

iii. Public Space Irrigation water budget formula for RC9 and I9 Accounts is as follows: Landscaped Area (Square Footage) x ET (Evapotranspiration) x 1.0 (Plant Factor) x 0.62 (Conversion Factor) = Gallons ÷ 748 gallons = Number of Billing Units

b. Landscaped area is either determined by the District's Geographic Information System, site surveys conducted by the District, measurements provided by the Landscape Certification Program, or by customer input through the budget modification process.

B. Modifications to Water Budgets

1. General Information

a. It is the ***sole responsibility of an irrigation customer to contact the District*** to request a budget modification to their base water budget through a District Commercial Budget Modification Request Form.

b. Acceptable proof may be required for each budget modification request at the discretion of the District. Acceptable proof to receive a modification to the default water budget includes, but is not limited to, site plans.

c. An approved budget modification will become effective on the bill following the date the District approves the Commercial Budget Modification Request. An approved budget modification request will increase the calculated water budget (Tier 1) and will be determined on a case-by-case basis.

d. Any irrigation customer providing falsified information to the District may be liable for back charges. Bill calculations based on falsified information will be recalculated with corrected customer account details.

2. Relevant Factors That Could Support a Budget Modification

a. Landscape Area

Increases in landscape area resulting from a site measurement performed by the District or approved site drawing provided by the irrigation customer may increase

the customer's calculated water budget (Tier 1). Any changes to the water budget due to increases in landscaped area will be calculated using the applicable outdoor water budget formula detailed in Section 2, Part 3.A.1.a.

3 Procedure

a. An irrigation customer requesting a budget modification must submit to the District a Commercial Budget Modification Request Form. Commercial Budget Modification Request Forms can be obtained at the District's Main Office or online at www.mnwd.com.

b. Additional documentation may be requested at the discretion of the District. The documentation will be for review only. The District will not retain any copies of such additional documentation.

c. Once a Commercial Budget Modification Request Form has been received, a site survey may be required by District staff to verify the irrigation customer's request. The site survey will be at no charge to the customer and will require the customer to be present.

d. A response to budget modification requests will be provided by the District either by phone or email.

e. In the event a budget modification request is denied, the Commercial Budget Modification Request Form may be resubmitted for further review. Decisions made by the Director of Planning are final.

Section 3 – BILL ADJUSTMENTS

Part 1. Residential Customers

Residential customers include single-family detached homes, individually metered condominiums, and multi-family residential customers, including master-metered condominiums and apartments.

A. Bill Adjustments

The District's Water Budget Based Rate Structure is intended to recover the proportionate cost of providing water service and to allocate costs to residential customers who place the greatest demands on the District's water system. Any usage in excess for a residential customer's total water budget, which is comprised of Tiers 1 and 2, results in additional costs that their higher demand places on the system. This usage, in excess of a residential customer's total water budget, is reflected in charges in Tiers 3, 4, and 5 on a residential customer's bill. In certain limited circumstances, the District may grant bill adjustments for the qualified events described below. The District retains the right to grant bill adjustments for extraordinary events, provided the residential customer demonstrates timely progress toward resolving issues resulting in over-budget consumption.

1. General Information

- a. It is the ***sole responsibility of a residential customer to contact the District*** to request a bill adjustment by submitting a Residential Bill Adjustment Request Form.
- b. Acceptable proof (e.g. repair receipts, parts receipts, work orders) may be required for each bill adjustment request at the discretion of the District.
- c. Bill adjustment requests must be submitted in a timely manner. Unless otherwise specified in Section 3, Part 1.B., to be eligible for a bill adjustment, the residential customer must submit a Residential Bill Adjustment Request Form to the District within one (1) month of receiving his or her affected bill.
- d. All bill adjustment requests will be determined on a case-by-case basis. Only one bill may be adjusted per qualifying event. The District may adjust either the most recent bill or the higher of the two most recent affected bills.
- e. The residential customer's water usage must be entirely within their water budget within two billing periods of the repair or resolution date of the qualifying event to receive final approval of a bill adjustment.
- f. To be eligible for a bill adjustment, a residential customer must have billed usage in Tiers 4 and/or 5. Units of water consumed in Tiers 1, 2, and/or 3 are not eligible for bill adjustments.

- g. When a bill adjustment is granted for a residential customer, the billing units of water charged in Tiers 4 and/or 5 will be recalculated at the Tier 3 rate.
- h. The bill adjustment will be made in the form of a credit to the residential customer's account. No checks will be issued. The credit will be posted to the residential customer's account within 30-45 days following the District's approval of the bill adjustment request.
- i. Any residential customer providing falsified information to the District may be liable for back charges. Bill adjustments based on falsified information will be recalculated with corrected customer account details.

B. Qualifying Events

1. Pool Fill

- a. Adjustments to a residential customer's water bill for pool fills, partial or complete draining and refilling, due to general periodic water quality maintenance, pool equipment or plaster repair may be granted once every five (5) years.
- b. Any subsequent pool fills, partial or complete draining and refilling, required within a one year period are eligible to be considered on a case-by-case basis for a bill adjustment.
- c. Refilling due to normal evaporation does not qualify for an adjustment.

2. Leak Repair

- a. Residential customers may request a bill adjustment if they accrue any charges within Tiers 4 and/or 5 due to leaks (indoor or outdoor), stuck irrigation valves, broken pipes, etc.
- b. A residential customer is allowed a maximum of three (3) leak adjustments per year, per account, barring extenuating circumstances, to be determined at staff discretion.
- c. If a residential customer is notified by the District of an apparent leak, the customer must fix the leak within seven (7) days to qualify for a leak repair adjustment.

3. New California Friendly Landscaping – Establishment Period

- a. A residential customer re-landscaping the majority of their outdoor landscaping with new California Friendly Landscaping may request a bill adjustment if they incur usage within Tiers 4 and/or 5 for the first two (2) consecutive months of the landscape establishment period.

b. The residential customer is required to contact the District for each affected bill during the two (2) month establishment period to be eligible for the bill adjustment(s).

c. The new California Friendly Landscaping must be installed between November 1 and April 30 for a residential customer to be eligible for a bill adjustment.

d. Any residential customer's charges within Tiers 4 and/or 5 may be recalculated at the Tier 3 rate for a maximum of two (2) consecutive bills.

4. New Customer Adjustment

a. New residential customers are eligible for one (1) courtesy adjustment within the first twelve (12) months of starting water service within the District for their most recent bill at the time of notification to the District.

5. Irrigation Timer Malfunction

a. Once every three (3) years, a residential customer may be allowed one bill adjustment due to an irrigation timer malfunction.

6. District Approved Bill Modifications

a. No bill adjustments will be made for approved modifications to a residential customer's indoor water budget. See Section 2 for more details on water budget modifications.

b. Residential customers may request a bill adjustment for an approved outdoor water budget modification due to increased landscaped area.

C. Procedure for Requesting Bill Adjustments

1. A Residential Bill Adjustment Request Form must be submitted to the District. Residential Bill Adjustment Request Forms can be obtained at the District's Main Office or online at www.mnwd.com.

2. Additional documentation may be requested at the discretion of the District (e.g., site plans, repair receipts, work orders). The documentation will be for review only. The District will not retain any copies of such additional documentation.

3. Once a Residential Bill Adjustment Request Form has been received, a site survey may be required by District staff to verify the issue causing high usage has been resolved. The site survey will be at no charge to the residential customer and will require the customer to be present.

4. A response to the bill adjustment request will be provided by the District, either by phone or email.

5. In the event a bill adjustment request is denied, the Residential Bill Adjustment Request Form may be resubmitted for further review. Decisions made by the Director of Planning or the General Manager's designee are final.

Part 2. Commercial Customers

A. Bill Adjustments

The District's Water Budget Based rate structure is intended to recover the proportionate cost of providing water service and to allocate costs to commercial customers who place the greatest demands on the District's water system. Any usage in excess of a commercial customer's total water budget, which is comprised of Tier 1, results in additional costs that their higher demand places on the system. This usage, in excess of a commercial customer's total water budget, is reflected in charges in Tiers 2, 3 and 4 on the customer's bill. In certain limited circumstances, the District may grant bill adjustments for the qualified events described below. The District retains the right to grant bill adjustments for extraordinary events, provided the customer demonstrates timely progress toward resolving issues resulting in over-budget consumption.

1. General Information

a. It is the ***sole responsibility of a commercial customer to contact the District*** to request a bill adjustment by submitting a Commercial Bill Adjustment Request Form.

b. Acceptable proof (e.g. repair receipts, parts receipts, work orders) may be required for each bill adjustment request at the discretion of the District.

c. Bill adjustment requests must be submitted in a timely manner. Unless otherwise specified in Section 3, Part 2.B., to be eligible for a bill adjustment a commercial customer must submit a Commercial Bill Adjustment Request Form to the District within one (1) month of receiving their affected bill.

d. All bill adjustment requests will be determined on a case-by-case basis. Only one bill may be adjusted per qualifying event. The District may adjust either the most recent bill or the higher of the two most recent affected bills.

e. The commercial customer's water usage must be entirely within their water budget (Tier 1) within two billing periods of the repair or resolution date of the qualifying event to receive final approval of a bill adjustment.

f. To be eligible for a bill adjustment, a commercial customer must have billed usage in Tiers 3 and/or 4. Units of water consumed in Tiers 1 and/or 2 are not eligible for bill adjustments.

g. When a bill adjustment is granted for a commercial customer, the billing units of water charged in Tiers 3 and/or 4 will be recalculated at the Tier 2 rate.

h. The bill adjustment will be made in the form of a credit to the commercial customer's account. No checks will be issued. The credit will be posted to the customer's account within 30-45 days following the District's approval of the bill adjustment request.

i. Any commercial customer providing falsified information to the District may be liable for back charges. Bill adjustments based on falsified information will be recalculated with corrected customer account details.

B. Qualifying Events

1. Pool Fill

a. Adjustments to a commercial customer's water bill for pool fills, partial or complete draining and refilling, due to general periodic water quality maintenance, pool equipment or plaster repair may be granted once a year.

b. Any subsequent pool fills, partial or complete draining and refilling, required within a one year period are eligible to be considered on a case-by-case basis for a bill adjustment.

c. Refilling due to normal evaporation does not qualify for an adjustment.

2. Leak Repair

a. Commercial customers may request a bill adjustment if they accrue any usage charges above their water budget within Tiers 3 and/or 4 due to leaks (indoor or outdoor), stuck irrigation valves, broken pipes, etc.

b. A commercial customer is allowed a maximum of three (3) leak adjustments per year per account, barring extenuating circumstances, to be determined at staff discretion.

c. If a commercial customer is notified by the District of an apparent leak, the customer must fix the leak within seven (7) days to qualify for a leak repair adjustment.

3. New California Friendly Landscaping – Establishment Period

a. A commercial customer re-landscaping its outdoor landscaping with California Friendly Landscaping may request a bill adjustment if it incurs usage with Tiers 3 and/or 4 for the first two (2) consecutive months of the landscape establishment period.

b. The customer is required to contact the District for each billing period during the two (2) consecutive month establishment period in order to be eligible to receive the bill adjustment(s).

c. The new California Friendly Landscaping must be installed between November 1 and April 30 for a commercial customer to be eligible for a bill adjustment.

d. Any charges within Tiers 3 and/or 4 may be recalculated at the Tier 2 rate for a maximum of two (2) monthly bill adjustments.

4. District Approved Bill Modifications

a. Commercial customers may request a bill adjustment for an approved outdoor budget modification. The District may adjust up to the most recent previous bill for a verified increase to the landscaped area. See Section 2 for more details on water budget modifications.

b. All billing units that were billed in Tiers 3 and/or 4 will be recalculated at the Tier 2 rate.

C. Procedure for Requesting Commercial Bill Adjustments

1. A Commercial Bill Adjustment Request Form must be submitted to the District. Commercial Bill Adjustment Request Forms may be obtained at the District's Main Office or online at www.mnwd.com.

2. Additional documentation may be requested at the discretion of the District (e.g. site plans, repair receipts, work orders). The documentation will be for review only. The District will not retain any copies of such additional documentation.

3. Once a Commercial Bill Adjustment Request Form has been received, a commercial site survey may be required by District staff to verify the issue causing high usage has been resolved. The site survey will be at no charge to the commercial customer and will require the customer to be present.

4. A response to the bill adjustment request will be provided by the District, either by phone or email.

5. In the event a bill adjustment request is denied, the Commercial Bill Adjustment Request Form may be resubmitted for further review. Decisions made by the Director of Planning or the General Manager's designee are final.

Part 3. Potable and Recycled Water Irrigation Customers

A. Bill Adjustments

The District's Water Budget Based Rate Structure is intended to recover the proportionate cost of providing water service and to allocate to potable and recycled water irrigation customers (irrigation customers) who place the greatest demands on the District's potable water and recycled water systems. Any usage in excess for an irrigation customer's total water budget results in additional costs that their higher demand places on the system. This usage, in excess of an irrigation customer's total water budget, is reflected in charges in Tiers 2, 3 and/or 4 on the customer's bill. In certain limited circumstances, the District may grant bill adjustments for the qualifying events described below. The District retains the right to grant bill adjustments for extraordinary events, provided the customer demonstrates timely progress toward resolving issues resulting in over-budget consumption.

1. General Information

- a. It is the ***sole responsibility of an irrigation customer to contact the District*** to request a bill adjustment by submitting a Commercial Bill Adjustment Request Form.
- b. Acceptable proof (e.g., repair receipts, parts receipts, work orders) may be required for each bill adjustment request at the discretion of the District.
- c. Bill adjustment requests must be submitted in a timely manner. Unless otherwise specified in Section 3, Part 3.B., to be eligible for a bill adjustment an irrigation customer must submit a Commercial Bill Adjustment Request Form to the District within one (1) month of receiving their affected bill.
- d. All bill adjustment requests will be determined on a case-by-case basis. Only one bill may be adjusted per qualifying event. The District may adjust either the most affected recent bill or the higher of the two most recent affected bills.
- e. The irrigation customer's water usage must be entirely within their individually calculated water budget (Tier 1) within two billing periods of the repair or resolution date of the qualifying event to receive final approval of a bill adjustment.
- f. To be eligible for a bill adjustment, an irrigation customer must have billed usage in Tiers 3 and/or 4. Units of water consumed in Tiers 1 and/or 2 are not eligible for bill adjustments.

g. When a bill adjustment is granted, the billing units of water charged in Tiers 3 and/or 4 will be recalculated at the Tier 2 rate.

h. The bill adjustment will be made in the form of a credit to the irrigation customer's account. No checks will be issued. The credit will be posted to the customer's account within 30-45 days following the District's approval of the bill adjustment request.

i. Any irrigation customer providing falsified information to the District may be liable for back charges. Bill adjustments based on falsified information will be recalculated with corrected customer account details.

B. Qualifying Events

1. Leak Repair

a. An Irrigation customer may request a bill adjustment if they accrue any usage charges above their water budget within Tiers 3 and/or 4 due to leaks, stuck irrigation valves, broken pipes, etc.

b. An irrigation customer is allowed a maximum of three (3) leak adjustments per year per account, barring extenuating circumstances, to be determined at staff discretion.

c. If an irrigation customer is notified by the District of an apparent leak, the customer must fix the leak within seven (7) days to qualify for a leak repair adjustment.

2. New California Friendly Landscaping – Establishment Period

a. An irrigation customer re-landscaping its property with California Friendly Landscaping may request a bill adjustment if they incur usage within Tiers 3 and/or 4 for the first two (2) consecutive months of the landscape establishment period.

b. The customer is required to contact the District for each billing period during the two (2) consecutive month establishment period in order to be eligible to receive the bill adjustment(s).

c. The new California Friendly Landscaping must be installed between November 1 and April 30.

d. Any charges within Tiers 3 and/or 4 may be recalculated at the Tier 2 rate for a maximum of two (2) monthly bill adjustments.

3. New Customer Adjustment

a. New irrigation customers are eligible for one (1) courtesy adjustment within the first twelve (12) months of starting water service within the District for their most recent bill at the time of notification to the District.

4. District Approved Bill Modifications

a. Irrigation customers may request a bill adjustment for an approved budget modification. See Section 2 for more details on water budget modifications.

C. Procedure for Requesting a Bill Adjustment

1. Irrigation customers must submit a Commercial Bill Adjustment Request Form to the District. Commercial Bill Adjustment Request Forms can be obtained at the District's Main Office or online at www.mnwd.com.

2. Additional documentation may be requested at the discretion of the District (e.g. site plans, repair receipts, work orders). The documentation will be for review only. The District will not retain any copies of such additional documentation.

3. Once a Commercial Bill Adjustment Request Form has been received, an irrigation site survey may be required by District staff to verify the issue causing high usage has been resolved. The site survey will be at no charge to the irrigation customer and will require the customer to be present.

4. A response to the bill adjustment request will be provided by the District, either by phone or email.

5. In the event a bill adjustment request is denied, the Commercial Bill Adjustment Request Form may be resubmitted for further review. Decisions made by the Director of Planning or the General Manager's designee are final.