

Exhibit A

POLICY FOR APPLICATION OF THE LEAKAGE SERVICE CHARGE RATE STRUCTURE

The Leakage Service Charge Rate is defined as the lowest District treated water volume rate per billable usage volume in effect at the time a request for the application of the Leakage Service Charge Rate is received by the District. Once a leak is detected, and the affected customer requests application of the Leakage Service Charge Rate, the Leakage Service Charge Rate, if approved, will be applied to the amount of water measured by the customer's meter that exceeds the normal (average) usage volume for the same meter and the same billing cycle. The normal usage volume shall be calculated by the District using meter data available from the prior two years for the same account. Regular District treated water volume charge rates will be applied to the customer's account for water usage volumes up to the normal (average) usage volume as calculated by the District.

Application of the Leakage Service Charge Rate will be considered for an account (property) at the discretion of District Staff when all of the following criteria are met:

- a) Water usage volume must be at least double the normal (average) usage for the same billing cycle based on the previous two years meter data;
- b) The cause of the excessive water usage must be due to an underground service line leak (excluding irrigation lines and yard hydrants);
- c) A written request must be made to the District from the property owner, tenant or property manager, which includes the location of the leak, the date of repair and the billing cycle for which consideration is requested and
- d) Documentation of proof of repair must be provided.

Application of the Leakage Service Charge Rate shall be limited for any single account (property) as follows:

- a) No more than two consecutive billing cycles; and
- b) No more than once in any two-year period.