

EXHIBIT A

Legislative Code Chapter
7.41

Chapter 7.41

INTERRUPTIBLE AGRICULTURE WATER CONSERVATION MEASURES

- 7.41.010 Declaration of Policy.**
- 7.41.020 2008 Mandatory Interruptible Agriculture Water Conservation Measures.**
- 7.41.030 Variance**

- 7.41.010 Declaration of Policy.**

The Interim Agricultural Water Program (“IAWP”) is a program operated by the Metropolitan Water District which provides imported treated and untreated water for local agriculture at a discounted rate in exchange for mandatory water reduction (up to 30%) during periods of shortage, prior to cuts in industrial and municipal supplies. Eligible District customers directly opt into the IAWP through Metropolitan Water District and the District serves as an administrator of the IAWP, imposing mandatory water reductions when mandated by Metropolitan Water District.

- 7.41.020 2009 Mandatory Interruptible Agricultural Conservation Measures.**

In 2008 the San Diego County Water Authority (“SDCWA”) imposed mandatory cutbacks on Interruptible Agricultural Water Program (“IAWP”) water deliveries to RMWD of 30%. In order to achieve the water cutbacks imposed by the SDCWA, District retail accounts that received any IAWP discounts after December 31, 2006, (“Affected Accounts”), were required to reduce their deliveries in each billing cycle of 2008 to no more than 85% of the deliveries in the corresponding billing cycle of the base year selected by the SDCWA. The District used existing water inventory in Lake Ramona to offset the additional 15% in 2008. The 15% offset was intended to ease the burden to IAWP customers for a limited amount of time and was only offered in 2008. The District anticipates that the SDCWA will impose additional mandatory cutbacks in 2009. If additional cutbacks are required by the SDCWA, the District will notify the affected accounts of the additional cutbacks, increased penalties and any corresponding changes to the base year.

Prior to December 31, 2008, the District notified Affected Accounts of the base year selected by SDCWA and the targeted reduced deliveries for each billing cycle in 2009. This was the most recent information available to the District, but it does not guarantee that the SDCWA will not require additional cutbacks in 2009. Affected Accounts taking 2009 deliveries of more than 70% (depending on the SDCWA required cutback percentage) of the deliveries in the corresponding billing cycle of the base year selected by SDCWA shall be subject to any penalties imposed by the SDCWA in calendar year 2009, as may be adjusted by the District from time to time.

Affected Accounts that reduce deliveries in a billing cycle to at least 70% (depending on the SDCWA required cutback percentage) from the same billing cycle in the base year shall be subject to no penalty rates in that cycle. Any Affected Account failing to reduce water deliveries to at least 70% (depending on the SDCWA required cutback percentage) of its base year

RMWD CODE

deliveries in any billing cycle shall be billed at penalty rate equivalent to two (2) times the Tier 2 rate less the IAWP Rate. As of January 1, 2009 the penalty rates are as follows:

For amounts above 70% of the deliveries in the corresponding billing period in the base year:

- a. Treated Water, \$926 per acre foot
- b. Untreated Water, \$736 per acre foot

Penalties shall be billed in each billing cycle if applicable. To the extent that prior cumulative deliveries are less than 70% (depending on the SDCWA required cutback percentage) of the cumulative base year deliveries at the end of a given billing cycle, credits shall be applied to offset inadequate conservation during the given billing cycle. No penalties will be assessed in a billing cycle if the net deliveries (actual deliveries including credits) are no more than 70% (depending on the SDCWA required cutback percentage) of the base year deliveries in the same billing cycle.

Affected Accounts are prohibited from utilizing non-IAWP water to supplement the reduced delivery of IAWP water. An Affected Account will be presumed by the General Manager, in his or her sole discretion, to be supplementing with non-IAWP water the reduced delivery of IAWP water if the Affected Account has another meter/account for the same property served by the Affected Account with the District which increases by more than thirty percent (30%) during any billing cycle. Any use of non-IAWP water to supplement the reduction in IAWP water delivered shall be subject to the penalties stated above as if the Affected Account used more than the applicable delivery allocation of IAWP water.

If the cumulative actual calendar year deliveries at the end of a billing cycle do not exceed 70% (depending on the SDCWA required cutback percentage) of the cumulative base year deliveries, then any accumulated un-credited penalty payments on the last day of the billing cycle shall be returned as credits on that cycle's bill. Credits accumulated during a calendar year shall not be applied towards subsequent calendar years.

At the end of the calendar year 2009, if the cumulative actual deliveries are greater than 70% (depending on the SDCWA required cutback percentage) of the cumulative 12 months deliveries in the base year, then the actual annual deliveries at an account that exceed 70% (depending on the SDCWA required cutback percentage) for the base year the District can reduce the base year allocation of any account in years following 2009 by the amount over the 70% (depending on the SDCWA required cutback percentage).

(07-333, Added, 10/09/2007)

7.41.030 Variance.

Notwithstanding the inapplicability of Chapter 7.40 to IAWP water deliveries, any reductions or penalties imposed pursuant to this Chapter 7.41 are subject to waiver or reduction pursuant to the variance provisions set forth in Section 7.40.042.