

project's WDO requirement and fee will be calculated and provided to APPLICANT, APPLICANT'S project will be added to DISTRICT wait list to purchase offset credits.

3. Under DISTRICT'S default program, half of a development project's WDO fee requirement will be paid toward a toilet rebate project which has a wait list. The other half will be paid toward a fund for long-term offset-generating projects. APPLICANT may purchase the half of offset requirement that goes toward long-term offset-generating projects at the time in which they completely fulfill one-half of the WDO requirement through the toilet rebate project.
4. The development project at the top of the wait list has first priority to purchase a maximum of up to 0.5 acre-feet of offset credit from the toilet rebate project when sufficient offset credits are available.
5. In addition to or in lieu of meeting half of development project's WDO requirement by purchasing offset credits from DISTRICT'S default toilet rebate project, APPLICANT may also:
 - (a) solicit DISTRICT customers to participate in toilet rebate program and direct (i.e. earmark) toilet rebate applications to go toward APPLICANT's specific project; or
 - (b) perform a residential toilet direct installation project (i.e. pay for replacement toilets and installation labor and carry out installation) in accordance with requirements developed by DISTRICT; and/or
 - (c) find and perform their own offset-generating projects under a program developed by DISTRICT.

Offset credits achieved through options defined above in (a), (b) and (c) are hereinafter referred to as SELF-EARNED OFFSET CREDITS.

6. For APPLICANT'S purchasing offsets from the toilet rebate project or participating in option 5(a) above, DISTRICT will notify APPLICANT in writing via email when sufficient offset credits are available for purchase from toilet rebate project. APPLICANT has 21 days from the date of notification by DISTRICT to purchase offset credits. If APPLICANT does not complete payment of WDO fees within this time frame, they will be bumped down to the number two position on the wait list. If APPLICANT fails to complete payment a second time under this process, they will go to the end of the wait list.
7. If APPLICANT requires a purchase of greater than one acre-foot of offset credit from DISTRICT bank, APPLICANT shall submit a written request to DISTRICT to be added to the end of the wait list for another opportunity to purchase up to another 0.5 acre-feet of offset credit from toilet rebate project. APPLICANT may repeat this process as many times as needed to fulfill one-half of development project's total WDO requirement, or may use

SELF-EARNED OFFSET CREDITS. APPLICANT may purchase the remaining one-half of development project's total WDO requirement in full (to go towards long-term offset-generating projects) at the time in which they completely fulfill one-half of the WDO requirement through the toilet rebate project.

8. APPLICANT may not gift, sell, or otherwise transfer their place on the wait list to another APPLICANT or development project.
9. When APPLICANT's total WDO requirement is met in full (i.e. one-half through the toilet rebate project (or designated alternate pathway) and one-half through long-term offset-generating projects), DISTRICT Board of Directors will consider approval of new water service request at the next available Board meeting.
10. Upon receiving Board approval for new water service, APPLICANT will be required to meet remaining DISTRICT conditions of service as shown in the New Water Service Process Flow Diagram and Applicant Installed Service Process for the applicable development project type.
11. Once a project receives Board approval for new water service, APPLICANT can transfer the approval (including any refund rights) to a new property owner upon sale of said property, provided the development project type and offset requirement does not change. However, the new property owner is required to enter into a New Water Service Applicant Agreement with DISTRICT within 30 days of the close of escrow or the approval becomes invalid and a WDO fee refund (for any offsets purchased) will be granted in accordance with Item D(1) below. The original date in which the approval was granted stays with the property and development project and does not reset due to a change in ownership.
12. If the development project changes as part of the land use planning process, resulting in an increase in water demand and a higher WDO fee than what was previously paid, APPLICANT shall purchase the additional required offset credits. One-half of the total WDO fee required to purchase additional offset credits shall be directed toward long-term conservation/supply projects, and one-half shall be directed toward the toilet rebate project. If there is a wait list to purchase offset credits from the toilet rebate project, APPLICANT must get back on the wait list until they have priority and sufficient offset credits are available for purchase. In addition to purchasing offset credits from the toilet rebate project, APPLICANT may use SELF-EARNED OFFSET CREDITS.
13. If the development project changes as part of the land use planning process in a manner which results in a lower WDO fee than what was previously paid, DISTRICT will refund applicant 100% of the overage.

14. When all conditions of service are met and approvals are issued by DISTRICT Conservation & Engineering Managers, and upon request by the APPLICANT, DISTRICT will install the meters and activate service.

B. Voluntary Go Green Program Participation

1. To participate in DISTRICT's voluntary Go Green (Go Green) Program and receive an upfront reduction in their project's offset requirement and fee, APPLICANT shall submit a Go Green Application to DISTRICT prior to purchasing offset credit. DISTRICT will review Application and notify APPLICANT of credit applied and adjusted WDO requirement.
2. If APPLICANT does not commit to participating in Go Green before purchasing offset credits, and wishes to participate after a building permit has been obtained, but before DISTRICT installs meter and activates service, they may submit an Application to DISTRICT. DISTRICT will review Application and notify APPLICANT of any credit applied, the adjusted WDO requirement, and the amount of any refund. Refunds will be granted only after DISTRICT has confirmed APPLICANT has complied with their level of Go Green commitment, and will be granted for 100% of the difference between the original WDO fee and the adjusted WDO fee.
3. If APPLICANT commits to participating in Go Green (and receives a reduction in their project's offset requirement and fee) but does not comply with their required level of commitment, DISTRICT will not install the meter and activate service until APPLICANT meets required level of commitment. The APPLICANT may:
 - (a) install the Go Green measures they committed to;
 - (b) get on the wait list to purchase offset credits;
 - (c) solicit DISTRICT customers to participate in toilet rebate program and direct toilet rebate applications to go toward APPLICANT's specific project; and/or
 - (d) perform residential toilet direct installations.

C. Voluntary Deed Restrictions (for Single-Family Residential Development Only)

1. To account for situations in which areas of a residential parcel are not to be used for development or landscaping, DISTRICT allows APPLICANT to irrevocably deed restrict portions of the parcel from being developed or irrigated in the future. DISTRICT allows deed restricted area to be subtracted from total parcel size, thus APPLICANT may proceed with a lower water use factor.

2. APPLICANT must use DISTRICT deed restriction template, must have deed legally recorded by the Santa Cruz County Assessor's Office, and must provide DISTRICT with an original copy of the recorded deed restriction.
3. APPLICANT is advised that deed restrictions are permanent and cautions against their use in situations where they could negatively impact sale or use of a property.
4. To receive an upfront reduction in their project's offset requirement and fee associated with filing for a deed restriction enabling for a smaller parcel size and lower water use factor, an APPLICANT shall provide a County-recorded deed restriction to DISTRICT prior to purchasing offset credit. DISTRICT will review Application and notify APPLICANT of credit applied and adjusted WDO requirement.
5. If APPLICANT does not legally record a deed restriction before purchasing offset credits, and wishes to do so after a building permit or tentative map has been obtained but before DISTRICT installs meter and activates service, they may do so. Upon receipt of a legally-recorded deed restriction, DISTRICT will adjust the WDO requirement and issue APPLICANT a refund for 100% of the difference between the original WDO fee and adjusted WDO fee.

D. Refunds of WDO Fees and Earned Offset Credit

1. DISTRICT agrees to refund APPLICANT 90% of WDO fees paid to DISTRICT (by check) within 30 days of written request by APPLICANT. DISTRICT will retain 10% of the fees to account for WDO Program administration. The 90% refund provision above applies to all refund clauses specified in AGREEMENT, unless otherwise specified.
2. APPLICANT understands that a WDO fee refund request invalidates prior DISTRICT approval of new or expanded water service for APPLICANT's development project.
3. In the event that the WDO Program is terminated by the Board of Directors, an APPLICANT shall only receive a WDO fee refund if they have not obtained a building permit or tentative map.
4. DISTRICT will automatically refund APPLICANT within four (4) years of date of Board approval for new water service unless APPLICANT has submitted a development permit application to the applicable land use planning agency. APPLICANT understands that receiving a WDO fee refund, upon expiration of their Board approval, invalidates prior DISTRICT approval for new or expanded water service for APPLICANT'S development project.

5. Upon issuance of a development permit (i.e. building permit or tentative map) by the applicable land use planning agency, APPLICANT is no longer eligible to request a refund of WDO fees.
6. APPLICANT may not transfer purchased offsets to another development project, or transfer offsets achieved from soliciting customers to participate in DISTRICT toilet rebate project.
7. If APPLICANT's development project does not remain active and is terminated, DISTRICT retains rights to any offsets achieved through the toilet rebate project, including toilet rebates that DISTRICT customers earmarked toward APPLICANT's development project. These offsets will go back into the DISTRICT'S general toilet rebate offset pool and be made available to other development projects.
8. APPLICANT may only retain possession of offset credits achieved by performing a direct residential toilet installation project or by implementing their own District-approved offset-generating conservation/supply project(s), which may be used toward a different development project owned by APPLICANT.

E. Agreement Applicability

1. This Agreement is binding upon the parties, their heirs, successors and assigns.

APPLICANT Signature: _____ Date: _____

Applicant Printed Name: _____

APPLICANT Signature: _____ Date: _____

Applicant Printed Name: _____

APPLICANT Signature: _____ Date: _____

Applicant Printed Name: _____

APPLICANT Signature: _____ Date: _____

Applicant Printed Name: _____

APPLICANT Signature: _____ Date: _____

Applicant Printed Name: _____

DISTRICT Signature: _____ Date: _____

District Printed Name: _____