

CALLEGUAS MUNICIPAL WATER DISTRICT

AGREEMENT FOR CONSTRUCTION AND USE OF SALINITY MANAGEMENT PIPELINE DISCHARGE SERVICE CONNECTION

THIS AGREEMENT is made and entered into this _____ day of _____, 20____(the "Effective Date"), by and between CALLEGUAS MUNICIPAL WATER DISTRICT, organized under the Municipal Water District Act of 1911, as amended (hereinafter referred to as the "DISTRICT") and _____ (hereinafter referred to as "DISCHARGER").

In consideration of the covenants and agreements set forth herein, IT IS AGREED:

I. GENERAL

- a. DISCHARGER requests that the DISTRICT design and construct a discharge service connection (the "Connection") which will be installed on the DISTRICT's Salinity Management Pipeline ("SMP") at a location between Stations XX+XX and XX+XX with an estimated discharge capacity of __ gallons per minute (gpm).
- b. DISCHARGER shall timely provide all of the necessary easements to the DISTRICT, as may be requested by the DISTRICT, for construction, operation, and maintenance of the Connection.
- c. DISCHARGER, at its sole cost and expense, shall be responsible for construction and operation of the system from which flow will be discharged by DISCHARGER to the Connection and DISCHARGER agrees that such system shall be designed/constructed/modified to accommodate the design criteria listed in Paragraph III of this Agreement at any and all times that DISCHARGER discharges to and through the Connection.

II. ORDINANCE 19 AND OUTFALL DISCHARGE PERMIT

- a. DISCHARGER acknowledges and agrees that installation of the Connection, and subsequent operation and use of the Connection and SMP, shall be in accordance with and subject to the terms and conditions of the DISTRICT's Ordinance No. 19, as may be amended, modified, and replaced by the DISTRICT from time to time as provided therein (hereinafter "Ordinance 19"). The DISTRICT agrees to provide the Connection and its subsequent operation and maintenance pursuant to the terms and conditions of this Agreement and Ordinance 19 and Discharger shall at all times comply with the terms and conditions of this Agreement and Ordinance 19. A copy of Ordinance 19, in effect as of the date of this Agreement, is attached hereto as Exhibit A.
- b. DISCHARGER shall at all times comply with all requirements of the Waste Discharge Requirements for Calleguas Municipal Water District, Regional Salinity Management Pipeline, Oxnard (National Pollutant Discharge Elimination System No. CA0046521, CI-9404) and its successor permits (hereinafter, "Outfall Discharge Permit"). A copy of the Outfall Discharge Permit, as in effect on the date of this Agreement, is attached hereto as Exhibit B.

III. DESIGN CRITERIA

- a. The following criteria will be utilized as the basis of design for this Connection:

Minimum operating hydraulic grade line in SMP	_____ ft above mean sea level
Maximum operating hydraulic grade line in SMP	_____ ft above mean sea level
Maximum hydraulic grade line for surge in SMP	_____ ft above mean sea level
Minimum discharge at the point of connection*	

Maximum discharge at the point of connection _____ gpm

* Low flow is one (1) foot per second of velocity through the flow meter.

IV. WATER QUALITY

- a. DISCHARGER shall pay the reasonable costs for the DISTRICT and/or its designated consultant to (i) conduct pre-connection sampling and water quality analysis to verify that DISCHARGER's discharge will comply with the Outfall Discharge Permit, and (ii) if appropriate as determined by the DISTRICT, prepare a letter to the Regional Water Quality Control Board documenting compliance of DISCHARGER'S proposed discharges with the limitations of the Outfall Discharge Permit.
- b. Prior to commencing these efforts, the DISTRICT shall prepare and deliver to DISCHARGER a cost estimate for such efforts and DISCHARGER shall provide to the DISTRICT a cash deposit in the full amount of the estimate. Upon completion of the pre-connection analysis and letter (if applicable), the DISTRICT will compile all costs associated with these efforts. If the reasonable costs exceed the sum of the deposits made by DISCHARGER, DISCHARGER shall pay the DISTRICT the difference within 60 days of receipt of an invoice. If the costs are less than the sum of the deposits made by DISCHARGER, the DISTRICT will, at its election, either pay DISCHARGER the difference within 60 days or apply the balance to the surge analysis cost deposit described in Paragraph V, below.
- c. DISCHARGER shall not be permitted to begin discharging to the Connection or otherwise use the SMP until the DISTRICT determines that the water quality of DISCHARGER'S discharge complies with the Outfall Discharge Permit. DISCHARGER is solely responsible for adopting and implementing all necessary contingency plans to avoid, minimize, or mitigate any adverse consequences to DISCHARGER resulting from any delay in the use of the SMP arising from or relating to the DISTRICT'S Outfall Discharge Permit compliance determination.

V. SURGE

- a. DISCHARGER shall pay the reasonable costs for the DISTRICT and/or its designated consultant to perform a surge analysis for the discharge in order to assure that the SMP is not subjected to hydraulic transients which may cause structural damage.
- b. Prior to commencing the surge analysis, the DISTRICT shall prepare and deliver to DISCHARGER a cost estimate and DISCHARGER shall provide to the DISTRICT a cash deposit in the full amount of the estimate. Upon completion of the surge analysis, the DISTRICT will compile all costs associated with the analysis. If the reasonable costs exceed the sum of the deposits made by DISCHARGER, DISCHARGER shall pay the DISTRICT the difference within 60 days of receipt of an invoice. If the costs are less than the sum of the deposits made by DISCHARGER, the DISTRICT will, at its election, either pay DISCHARGER the difference within 60 days or apply the balance to the capital cost deposit described in Paragraph V, below.
- c. DISCHARGER shall install, operate, and properly maintain all surge protection facilities as recommended by, and in accordance with, this surge analysis. DISCHARGER shall operate and maintain the Surge Protection System in a way that does not cause any hydraulic transients or pressure changes at the Connection which could cause structural damage to the SMP. The DISTRICT reserves the right, in its sole discretion, to suspend, curtail, terminate, or otherwise interrupt DISCHARGER's discharges into the SMP should the Surge Protection System fail in whole or in part for any reason, including but not limited to

DISCHARGER's failure to properly maintain and operate the Surge Protection System. In addition to all other remedies available to the DISTRICT under this Agreement and applicable law, DISCHARGER shall timely pay for all repairs to the DISTRICT's facilities which result from improper operation and maintenance of the Surge Protection System.

- d. DISCHARGER shall not be permitted to begin discharging to the Connection or otherwise use the SMP unless and until the DISTRICT is satisfied with the results of the surge analysis and notifies DISCHARGER in writing. DISCHARGER is solely responsible for adopting and implementing all necessary contingency plans to avoid, minimize, or mitigate any adverse consequences to DISCHARGER resulting from any delay in the use of the SMP arising from or related to DISTRICT's satisfaction with the surge analysis.

VI. CAPITAL COSTS AND REIMBURSEMENTS

- a. Preliminary Design: DISCHARGER shall deposit an amount equal to the DISTRICT engineer's not-to-exceed amount (with appropriate contingency determined by the DISTRICT) for preliminary design services prior to the DISTRICT authorizing a Notice-to-Proceed for preliminary design.
- b. Design: DISCHARGER shall deposit an amount equal to the DISTRICT engineer's not-to-exceed amount (with appropriate contingency determined by the DISTRICT) for design services prior to the DISTRICT authorizing a Notice-to-Proceed for design.
- c. Construction: DISCHARGER shall deposit an amount equal to the DISTRICT engineer's construction cost estimate plus estimated inspection and construction management costs prior to the DISTRICT's advertising the project for bidding.
- d. Upon completion of construction, the DISTRICT will compile all costs associated with the design and construction of the Connection, including but not limited to engineering, right-of-way acquisition, inspection, permitting, and administration. If the reasonable costs exceed the sum of the deposits made by DISCHARGER, DISCHARGER shall pay the DISTRICT the difference within 60 days of receipt of an invoice. If the costs are less than the sum of the deposits made by DISCHARGER, the DISTRICT will pay the DISCHARGER the difference within 60 days after the Notice of Completion is filed for the project.
- e. In the event the discharge service connection requested herein is not completed for any reason by action or inaction of DISCHARGER, then it is agreed that the DISTRICT shall deduct from the deposit all costs incurred by the DISTRICT and any remaining portion of the deposit shall be returned to DISCHARGER.

VII. AVAILABILITY OF SERVICE

- a. DISCHARGER acknowledges and agrees that service and access may be suspended, curtailed, terminated, or otherwise interrupted, as provided for in this Agreement and/or in accordance with Ordinance 19. DISCHARGER further acknowledges and agrees that the DISTRICT shall not be liable to DISCHARGER or any other person or entity for any loss, liability, damage, claim, or other consequences resulting from the suspension, curtailment, termination, or interruption of service in accordance with Ordinance 19. DISCHARGER is solely responsible for adopting, implementing, and maintaining all necessary contingency plans and preventive measures to avoid, minimize, or mitigate any adverse consequences to DISCHARGER in anticipation of such suspension, curtailment, termination, or interruption.

VIII. ASSIGNMENT AND TRANSFER

- a. DISCHARGER shall not assign or transfer this Agreement or any of its rights or obligations hereunder without the prior written consent of the DISTRICT which may be given or withheld in the DISTRICT's sole discretion.

IX. AMENDMENT

- a. This Agreement may only be changed by written amendment signed by both parties; provided, however, that DISCHARGER acknowledges and agrees that DISCHARGER is subject to and shall be bound by any and all amendments, modifications, and changes to Ordinance 19 and/or the Outfall Discharge Permit, without the need for any written amendment to this Agreement. Any oral representations or modifications concerning this Agreement shall be of no force or effect.

X. REPRESENTATIONS AND WARRANTIES

- a. As a material inducement to the DISTRICT to enter into this Agreement, DISCHARGER represents, warrants and covenants to the DISTRICT, which representations, warranties, and covenants shall survive termination of this Agreement, that:
 - i. DISCHARGER is duly organized, validly existing and in good standing under the laws of the State of California and has all necessary power and authority to enter into this Agreement and to perform its obligations hereunder;
 - ii. DISCHARGER's execution and delivery of this Agreement, and its performance of all of its obligations, will not violate or constitute an event of default under any agreement or instrument to which DISCHARGER is a party or by which it is bound;
 - iii. All proceedings and approvals required to be taken by or on behalf of DISCHARGER to authorize and perform this Agreement have been duly and properly taken, and this Agreement is a valid and binding obligation of DISCHARGER enforceable in accordance with its terms;
 - iv. To the best of DISCHARGER's knowledge, there is no litigation, proceeding or investigation pending or threatened, to which it is or would be a party, which, if adversely determined, might materially and adversely affect the ability of DISCHARGER to perform its obligations under this Agreement, or which raises a question as to the validity of this Agreement, or any action to be taken hereunder;
 - v. DISCHARGER shall at all times comply with the terms of this Agreement and all laws, rules, regulations, ordinances, and all orders of government and regulatory authorities having jurisdiction, as the same are applicable to DISCHARGER's ownership, operation and maintenance of all property and facilities of or relating to the Connection and the SMP; and
 - vi. No approval, authorization or consent of any government agency or body, or any other person or entity, is required for the valid execution, delivery, and performance of this Agreement by DISCHARGER except for such as have been duly obtained as of the Effective Date. No registration or filing with any government agency or body, or any other person or entity is required for the valid execution, delivery and performance of this Agreement by DISCHARGER except as has been duly completed as of the Effective Date.

XI. COOPERATION

a. In addition to its duties and obligations under this Agreement, DISCHARGER agrees to reasonably cooperate with the DISTRICT as the DISTRICT may request from time to time in order to design, construct and operate the Connection in accordance with this Agreement, Ordinance 19, and the Outfall Discharge Permit. Without limiting the foregoing, DISCHARGER agrees to timely provide to the DISTRICT information requested and access to DISCHARGER's personnel and facilities as reasonably necessary to carry out the purpose and intent of this Agreement.

XII. CONFLICT

a. If any term of this Agreement conflicts with the terms of Ordinance 19, Ordinance 19 shall govern to the extent of such conflict.

XIII. ACKNOWLEDGMENT

a. DISCHARGER acknowledges that it has voluntarily elected to participate in the SMP and by entering into this Agreement DISCHARGER acknowledges and agrees to all of the terms, conditions and requirements of this Agreement, Ordinance 19, and the Outfall Discharge Permit, including without limitation the obligations of DISCHARGER to defend and indemnify the DISTRICT as provided in Ordinance 19. The DISTRICT is entering into this Agreement with DISCHARGER in reliance upon this acknowledgement and agreement, which acknowledgement and agreement constitutes material consideration for this Agreement. .

XIV. MISCELLANEOUS

- a. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.
- b. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, regarding its subject matter and contains the entire agreement between the parties relating thereto.
- c. Subject to the restrictions on assignment set forth above, this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties.
- d. In the event that any dispute between the parties arising under this Agreement results in litigation or arbitration, the prevailing party in such dispute shall be entitled to recover from the other party all reasonable fees, costs and expenses (including attorney's fees) incurred in such action.
- e. The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of California and the venue for all legal or equitable actions relating to or arising from this Agreement shall be Ventura County, California.
- f. If any term, covenant, condition or provision of this Agreement, is found by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions herein shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated thereby.
- g. Any notice, demand or request to be given under or pursuant to this Agreement shall be given in writing at the physical addresses set forth below by personal service; telecopy; overnight courier; or registered or certified, first class mail, return receipt requested:

If to the DISTRICT: Calleguas Municipal Water District
2100 Olsen Road
Thousand Oaks, California 91360
Attn: General Manager

If to DISCHARGER: _____

h. All Recitals set forth above, and all Exhibits attached to this Agreement are intended to be and hereby are specifically made a part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement in Ventura County, California, and have caused this Agreement to be executed in duplicate on the day and year first above written.

CALLEGUAS MUNICIPAL WATER DISTRICT

By _____
Susan B. Mulligan
General Manager

DISCHARGER

By _____

ORDINANCE NO. 19

AN ORDINANCE OF CALLEGUAS MUNICIPAL WATER DISTRICT COVERING THE RULES AND REGULATIONS FOR USE OF THE SALINITY MANAGEMENT PIPELINE

WHEREAS, Calleguas Municipal Water District (the "District") is a public agency and special district created in 1953 by a vote of the electorate and organized pursuant to the Municipal Water District Act of 1911, as amended; and

WHEREAS, the District has constructed the Salinity Management Pipeline (the "SMP") for the purposes of facilitating the development of local water supplies to enhance water supply reliability, protecting the Las Posas Aquifer Storage and Recovery wellfield from salts intrusion, and assisting in bringing the Las Posas Basin to safe yield; and

WHEREAS, the District is committed to operating and maintaining the SMP for its long-term water quality and water supply benefits to the District's purveyors, the basin, and others; and

WHEREAS, the Board of Directors finds that these requirements are for the purpose of meeting operation and construction expenses and complying with permit conditions for protection of the environment, and are therefore exempt from requirements of the California Environmental Quality Act;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CALLEGUAS MUNICIPAL WATER DISTRICT AS FOLLOWS:

SECTION 1. AUTHORITY. That, subject to all applicable provisions of the Municipal Water District Act of 1911, as amended, the following rules, regulations, and rate structures governing the use of the SMP are hereby adopted and shall become effective on the date adopted by the Board of Directors.

SECTION 2. DEFINITIONS.

- A. "Board of Directors" or "Board" shall refer to the Board of Directors of the Calleguas Municipal Water District.
- B. "Brine" is concentrate produced by the membrane treatment process of Groundwater, Potable Water, or Recycled Water.
- C. "California Ocean Plan" shall be the version of the Water Quality Control Plan, Ocean Waters of California, currently adopted by the State Water Resources Control Board.
- D. "Discharger" is any person or entity that discharges to the SMP.
- E. "District" shall mean the Calleguas Municipal Water District, duly organized under and by virtue of the Municipal Water District Act of 1911, as amended.

- F. "General Manager" shall refer to the General Manager of the Calleguas Municipal Water District.
- G. "Groundwater" is water extracted from within geologic deposits beneath the earth's surface, typically via a well.
- H. "High Flow Charge" is a charge applied when a Discharger's discharge at a given Service Connection exceeds the established maximum rated flow capacity of that particular Service Connection.
- I. "Low Flow Charge" is a charge applied when a Discharger's discharge at a given Service Connection is less than one (1) foot per second of velocity and above zero through the meter of that particular Service Connection.
- J. "Non-Brine" is any flow that is an allowable discharge to the SMP, but is not Brine.
- K. "Outfall Discharge Permit" means and refers to the Waste Discharge Requirements for Calleguas Municipal Water District, Regional Salinity Management Pipeline, Oxnard (National Pollutant Discharge Elimination System No. CA0046521, CI-9404) and its renewals and successor permits, each as may be modified or amended from time to time.
- L. "Potable Water" is water that is suitable for human consumption delivered through a public water system, as defined by the California Department of Public Health.
- M. "Recycled Water" is disinfected tertiary recycled water, as defined by the California Department of Public Health.
- N. "Service Connection" shall mean all pipes, valves, meters, instrumentation, and other necessary or usual appurtenances required for operation, measurement, and sampling of discharge to the SMP by a Discharger.

SECTION 3. GENERAL REQUIREMENTS.

A. Allowable Discharges.

- i. Only the following may be discharged to the SMP:
- Recycled Water
 - Groundwater
 - Potable Water
 - Brine from the membrane treatment of any of the above.

- ii. Dischargers shall not be allowed to discharge to or through the SMP any surface water, irrigation runoff, stormwater runoff, or any other substances which are not expressly permitted under the Outfall Discharge Permit.
- B. Termination or Suspension of Service. The District reserves the right, at any time and from time to time, to suspend or terminate operation of the SMP, or any portion thereof, and/or suspend or discontinue service to a Discharger, for violation of this Ordinance, any agreement related to the SMP or discharge connection, or any reason that prevents the District from operating the SMP legally or safely.
- C. Access. Discharger shall allow the District access to Discharger's sites and facilities as may be requested by the District from time to time in order for the District's employees, contractors and agents, to confirm compliance with this Ordinance, the Outfall Discharge Permit, California Ocean Plan, and any agreement entered into with the District concerning the SMP.
- D. Additional Studies. Discharger shall pay for and timely perform all additional studies and prepare all additional reports required of a Discharger pursuant to the Outfall Discharge Permit. Discharger shall also reasonably cooperate with the District if the District elects from time to time to conduct or participate in any other studies relating to the operation of the SMP.
- E. Surge. Discharger shall install, operate, and at all times properly maintain surge protection facilities necessary to prevent its discharge from causing hydraulic transients in the SMP in a manner and timeframe acceptable to the District.
- F. Documents and Reports. Discharger shall provide such documents, reports and information regarding Discharger's discharges and participation in the SMP as may be requested by the District in a manner and timeframe acceptable to the District.

SECTION 4. MODIFICATIONS AND AMENDMENTS

- A. This Ordinance and the Outfall Discharge Permit shall be posted on the website the District maintains at <http://smp.calleguas.com> (the "Website"). The District reserves the right to amend, modify or change the terms of this Ordinance from time to time and the Outfall Discharge Permit is also subject to amendment, modification or change from time to time.
- B. The District shall provide written notice ("Notice of Ordinance Change") to Discharger if the District adopts any amendment, modification or change to this Ordinance, and an updated version of this Ordinance shall be posted on the Website. Such amendment, modification or change to this Ordinance shall take effect 30 days from the date of the Notice of Ordinance Change. If Discharger objects to the amendment, modification or change, Discharger may terminate its participation in the SMP by delivering written notice to the District within the 30 day notice period.

- C. Within 7 days of receiving notice of any proposed change to the Outfall Discharge Permit, the District shall provide Discharger with written notice of the proposed change (the "Notice of Permit Change") and, if possible, the proposed effective date of such change. If Discharger objects to the proposed change, Discharger may terminate its participation in the SMP by delivering written notice to the District within 30 days from the date of the Notice of Permit Change or prior to the proposed effective date of the change, whichever is earlier.
- D. Discharger's failure to deliver timely notice of termination and/or Discharger's continued use of the Service Connection after receipt of a Notice of Ordinance Change or Notice of Permit Change shall constitute Discharger's consent to such amendments, modifications or changes to those instruments.

SECTION 5. RATES AND CHARGES.

- A. Each Discharger shall be obligated to pay for all discharges made by the Discharger to the SMP at the appropriate rate as established from time to time by the Board of Directors. Rates per acre-foot of discharge to the SMP shall be established for Brine and Non-Brine.
- B. The billing rate for discharge by a Discharger that is not within the established District service area shall be 150% of the rate for discharge of Brine or Non-Brine, as appropriate.
- C. When a Discharger's discharge exceeds the established maximum flow capacity of that particular Service Connection, a High Flow Charge calculated at one hundred and fifty percent (150%) of rated maximum capacity of the Service Connection will be assessed for each tenth of an hour of operation over the established maximum flow capacity.
- D. When a Discharger's discharge flow velocity at a given Service Connection is below one (1) foot per second through the meter of that particular Service Connection and above zero, a Low Flow Charge calculated at 10% of the rated maximum capacity of the Service Connection will be assessed for each tenth of an hour of operation below this important accuracy value.
- E. Each Discharger shall be obliged to pay for the operations, maintenance, replacement, and repair costs for each of its Service Connections, including, but not limited to, labor, parts, and water quality sampling and analysis. These costs will be calculated and incorporated into the rates and charges established from time to time by the Board of Directors. The District will bill the Discharger monthly for these costs.
- F. The Board of Directors shall have the absolute and sole authority to change the rates specified in this Ordinance, implement new rates, and/or pass through any charges imposed on the District as set forth in Section 9.E. The Board of Directors shall make every reasonable effort to provide sixty (60) days advance notice to all Dischargers of such rate changes.

SECTION 6. BILLING. The billing period shall run from the first calendar day of the month through the last calendar day of the month. As soon after the billing period as practicable, the District will mail or deliver to each Discharger a statement of its bill for the preceding month. All bills or charges shall be due and payable immediately upon receipt. The following conditions also apply:

- A. Delinquencies/Penalties. A bill shall be delinquent if not paid by the last business day of the month in which it was mailed to Discharger. Delinquent bills are subject to a penalty of one percent (1%) of the outstanding balance which shall be added thereto and charged to and collected from the Discharger on a monthly basis, including the previous month's penalty. If full payment is not received in the District Office within sixty (60) days after such bill has become delinquent, the District may pursue all remedies and take any action it deems appropriate, including, but not limited to, suspension or termination of service. Notice of suspension or termination of service for non-payment will be given to the delinquent Discharger by registered mail at least ten (10) days prior to the date such action will take effect.
- B. Cash Deposit. Whenever any Discharger fails to pay its bills, the Board of Directors may require as a condition for future service a cash deposit, in an amount determined by the Board, to guarantee the prompt payment of the account in the future. The Board of Directors shall have full power to determine whether or not such deposit shall be made and the amount thereof, and the time when the requirement for deposit by any Discharger shall be discontinued.
- C. Application of Deposit. If a Discharger who has made such deposit fails to pay its delinquent bill or bills, including all added penalties, within thirty (30) days after delinquency, the District may apply the deposit to the Discharger's account and discontinue service to the Discharger until such time as the balance due, less the applied deposit, has been fully paid and a new deposit in the amount determined by the District under Subsection B has been fully restored by the Discharger.

SECTION 7. AVAILABILITY OF SERVICE.

- A. Emergency Interruptions. The District shall have the right to suspend, interrupt, or terminate SMP service without prior notice to Discharger in the event of an emergency, as determined by the District in its sole discretion.
- B. Interruption of Service for Cause. In addition to all other rights and remedies of the District as provided in this Ordinance and any agreement entered into with a Discharger relating to the SMP, the District may indefinitely suspend or terminate a Discharger's access to and use of the SMP if the District determines that Discharger has violated any term of this Ordinance or any agreement with the District related to the SMP. The District shall use reasonable efforts to provide Discharger with prior notice of the violation and the decision to suspend or terminate service; provided, however that if the District determines that the nature of

the violation is such that providing such prior notice would have an adverse impact on the District or on operation of the SMP, no prior notice shall be required.

- C. Other Interruptions of Service. The District may interrupt a Discharger's service and/or operation of the SMP at any time and from time to time as the District deems necessary to facilitate routine maintenance, internal inspection, rehabilitation, and improvement projects on the SMP or other District facilities. Except in cases of emergency, as determined by the District, notice of such interruption of service shall be given to each affected Discharger in advance of such interruption. The SMP has no redundancy and may be out of service for indeterminate periods of time for planned maintenance or for unplanned repairs.
- D. No Liability. The District shall not be liable to any Discharger or any other person or entity for any loss, liability, damage, claim, or other consequences, including without limitation lost profits or income, resulting from the suspension, interruption, or termination of service and/or Discharger's access to and use of the SMP. Each Discharger is solely responsible for adopting, implementing, and maintaining all necessary contingency plans and preventive measures to minimize or avoid any adverse consequences in anticipation of such events.
- E. Priority of Service. In the event of capacity constraints, Brine discharges will have priority over Non-Brine discharges.

SECTION 8. SERVICE CONNECTIONS.

- A. Application for Service Connection. Any person or entity wishing to discharge into the SMP at a particular location shall submit a written application for a Service Connection to the District on a form provided by the District. The decision whether to approve the application shall be solely within the discretion of the District. If the application is approved, the proposed Discharger shall enter into an Agreement for Construction and Use of Salinity Management Pipeline Discharge Service Connection in the form provided by the District. No person or entity shall discharge into the SMP or otherwise use the SMP unless and until the requirements of this provision have been met.
- B. Ownership of Facilities. The Service Connections installed hereunder shall be and become the property of the District downstream from the upstream flange of the isolation valve which is located upstream of the flow meter. The Discharger will own, operate and maintain any facilities upstream of the isolation valve. The District will operate, maintain, repair, and replace the Service Connection at the Discharger's expense when the District determines that such Service Connection has been rendered unserviceable through normal wear and tear.
- C. Operation of Valves. Shutoff valves at Service Connections or on pipelines belonging to the District shall not be operated by the Discharger without the District's prior written consent. Authorized consent may only be granted by the District's General Manager or Manager of Operations and Maintenance, or a duly appointed designee of either of them.

- D. Tampering. It shall be unlawful for any person to meddle, tamper with, or operate any District facilities, including, but not limited to, Service Connections, pipelines or valves without the District's prior written consent. Authorized consent may only be granted by the District's General Manager or Manager of Operations and Maintenance, or a duly appointed designee of either of them. It is unlawful for any person to tap, break or damage any District pipeline, Service Connection or appurtenances, or any other equipment of the District.
- E. Access and Use of District Facilities. Dischargers shall not enter District facilities, including buildings, cabinets, and vaults, nor use District facilities to support or house Discharger equipment without prior written approval from the District.
- F. Communication. Dischargers are to promptly report to the District's Operations Center at (805) 579-7137 any leaks, failures of equipment, security breaches, and other matters which come to their attention and require timely response of the District's staff. All requests for routine operational assistance may be directed to the District's Operations Center or to the appropriate District supervisor. Inquiries about policies and procedures, general information, and coordination for project planning should be directed to the Manager of Operations and Maintenance. Requests to initiate new service or modify the rated capacity of existing Service Connections must be made in writing and submitted to the General Manager.
- G. District Equipment as Billing Meter. The District's equipment shall be used as the primary billing meter to calculate flow rates, accumulate discharge quantities, and determine the occurrence and duration of High and Low Flow Charge penalty periods. Discharger metering data shall only be considered by the District when the District determines that its own equipment is inoperable.
- H. Metering Equipment Standards. The District's established standard for metering equipment used for Discharger billing of discharges to the SMP shall be an ultrasonic meter. The meter shall be configured to provide an input to a device which calculates rate of flow and accumulated discharge.
- I. Meter Testing. The District shall calibrate and test all metering components a minimum of once annually to confirm accuracy of plus or minus two percent ($\pm 2.0\%$). A Discharger may request to have a Service Connection meter tested by the District whenever the Discharger suspects inaccuracy. The Discharger affected shall have the right to witness any such test. In the event that such test shall disclose an error exceeding plus or minus two percent ($\pm 2.0\%$), an adjustment shall be made in metered charges to the Discharger affected, covering the known or estimated extent and period of duration of such error up to a six-month period. If such test shall disclose an error exceeding plus or minus two percent ($\pm 2.0\%$), the expenses of such test shall be borne by the District; otherwise, such expenses shall be borne by the Discharger requesting such test.

- J. District Provided Controls. The District will install and maintain flow rate signals, valve open and close control inputs, and rate-of-flow controls at Service Connections for the Discharger. All District supplied signals and controls are provided as a courtesy to the Discharger. It is the responsibility of the Discharger to control their own system and maintain operations within the rated capacity of their Service Connection(s), and any reliance upon District equipment is done solely at the risk of the Discharger. The inaccuracy or failure of District provided flow signals and controls does not constitute cause to avoid payment of High or Low Flow Charges, nor to dispute the metered totals. The District reserves the right to remove controls if it so desires.
- K. Hydraulic Transients. Dischargers shall operate their systems in a way that does not cause hydraulic transients or pressure changes at Service Connections. The District reserves the right, in its sole discretion, to terminate a Discharger's service, access and use of the SMP should the Discharger fail to properly maintain and operate their surge protection equipment. A Discharger shall be financially responsible for all repairs to District facilities which result from the Discharger's operations.

SECTION 9. WATER QUALITY.

- A. Discharger shall ensure that all of its discharges shall at all times comply with all water quality and other requirements of the Outfall Discharge Permit and California Ocean Plan. Compliance shall be achieved for the Discharger's discharge only, without consideration for mixing with other SMP flows.
- B. The District may from time to time, without notice, perform sampling of discharges at Discharger's Service Connection and at the outfall for the SMP to determine whether discharges are in compliance with this Ordinance and the Outfall Discharge Permit. Discharger consents to such sampling and agrees that the District may rely upon such sampling for purposes of determining Discharger's compliance with this Ordinance and the requirements of the Outfall Discharge Permit and California Ocean Plan. Sampling and laboratory analysis costs for each Discharger's Service Connection shall be assessed to that Discharger.
- C. Discharger may request permission, in writing, from the District to conduct some or all of its own sampling and analysis. The District may choose to grant or deny permission at its discretion. Any such permission shall be granted in writing and the Discharger shall abide by any terms and conditions included in the permission.
- D. The District reserves the right to immediately suspend or discontinue service for water quality violations.
- E. Discharger will reimburse the District for any fines, penalties, or charges levied against the District due to the failure of the Discharger to comply with the discharge requirements.

SECTION 10. COMPLIANCE.

- A. In addition to all of Discharger's duties and obligations specified in this Ordinance, Discharger shall at all times comply with all laws, rules, regulations, ordinances, and all orders of government and regulatory authorities having jurisdiction, applicable to Discharger's participation in the SMP, including without limitation its ownership, operation and maintenance of all property and facilities of or relating to the Connection and the SMP.

SECTION 11. INDEMNITY

- A. Discharger shall hold harmless, defend, and indemnify the District and its directors, officers, managers, agents and employees (collectively referred to herein as the "District") from and against any and all liability, loss, damage, expense, claim, judgment, settlement, fine, penalty, assessment, attorney's fees and costs (including without limitation costs and fees of litigation) of every kind and nature whatsoever, including, but not limited to, injury to or death of any person, damage to or destruction of property of any person or entity, or violation of any law, statute, rule, regulation, ordinance or any order of a government or regulatory agency having jurisdiction (individually a "Claim" and collectively "Claims") that arise from or relate to any of the following:
- i. Negligent acts, errors, or omissions of Discharger, its owners, officers, directors, managers, employees, agents and/or contractors in connection with the Service Connection and/or the SMP.
 - ii. Recklessness or willful misconduct of Discharger, its owners, officers, directors, managers, employees, agents and/or contractors in connection with the Service Connection and/or the SMP.
 - iii. The type and quality of all discharges by Discharger, including without limitation any Claim arising from or relating to the failure of Discharger, and/or the failure of Discharger's discharges, to comply with the requirements of this Ordinance, the Outfall Discharge Permit, and/or any agreement entered into between the District and Discharger with respect to the Service Connection and/or the SMP.
 - iv. Discharger's operation of any of its facilities or the acts or omissions of any of its owners, officers, directors, managers, employees, agents and/or contractors.
 - v. Any activity under Discharger's exclusive control.
 - vi. Discharger's failure to comply with (a) any requirement of the Outfall Discharge Permit or California Ocean Plan, (b) any term of this Ordinance, and/or (c) any term of any agreement between Discharger and the District relating to the Service Connection and/or the SMP.
- B. The District shall hold harmless, defend, and indemnify the Discharger and its directors, officers, managers, agents and employees (collectively referred to herein as the "Discharger") from and against any and all liability, loss, damage, expense, claim, judgment,

settlement, fine, penalty, assessment, attorney's fees and costs (including without limitation costs and fees of litigation) of every kind and nature whatsoever, including, but not limited to, injury to or death of any person, damage to or destruction of property of any person or entity, or violation of any law, statute, rule, regulation, ordinance or any order of a government or regulatory agency having jurisdiction (individually a "Claim" and collectively "Claims") to the extent such Claim is caused by any of the following:

- i. Negligent acts, errors, or omissions of the District, its owners, officers, directors, managers, employees, agents and/or contractors in the design, construction, or repair of the Service Connection or the SMP. The Discharger acknowledges and agrees that for purposes of the District's obligation to indemnify hereunder, the "Service Connection" and the "SMP" refer only to the portion of those facilities that were designed and/or constructed by the District or the District's contractors.
 - ii. Recklessness or willful misconduct of the District, its owners, officers, directors, managers, employees, agents and/or contractors with respect to the District's operation of the SMP.
 - iii. Any activity under the District's exclusive control.
 - iv. The District's failure to comply with (a) the District's sampling, reporting, and inspection obligations under the Outfall Discharge Permit or California Ocean Plan, (b) the District's obligations under this Ordinance, and/or (c) the District's obligations under its agreement with the Discharger relating to the Service Connection and the SMP.
- C. Any assertion of negligence, breach, or violation of law by the party to be indemnified hereunder (the "Indemnified Party") shall not relieve the party required to indemnify (the "Indemnifying Party") from its obligation to indemnify. However, the Indemnifying Party shall not be obligated to indemnify the Indemnified Party for that portion of any Claim determined by the trier of fact to have been caused by the negligence or willful misconduct of the Indemnified Party.
- D. Upon request of the Indemnified Party, the Indemnifying Party shall defend, at its sole cost and expense, any and all allegations, claims, demands, suits, and all other legal proceedings of every kind that may be brought or instituted against the Indemnified Party, arising from or relating to a Claim for which the Indemnified Party is entitled to indemnification pursuant to this paragraph 11. The Indemnified Party shall have the right, but not the obligation, to approve any counsel retained under this paragraph, provided however that such approval shall not be unreasonably withheld. Without limiting its obligations under this paragraph, the Indemnifying Party agrees that the Indemnified Party has the right to participate in the defense of any matters that relate to the Indemnified Party, or any of them, and that no action, claim, or suit shall be settled without the Indemnified Party's consent, such consent not to be unreasonably withheld. If, at any time, the Indemnified Party makes a good faith determination that a conflict exists with respect to its interests and the interests of the Indemnifying Party, then the Indemnified Party may retain independent counsel of its own choosing whose reasonable fees shall be paid by the Indemnifying Party.

E. Nothing in this Agreement shall constitute a waiver or limitation of any rights that a party may have under applicable law, including any right to implied indemnity. The Indemnifying Party's obligation to indemnify shall not be limited or restricted to insurance proceeds, if any, received by the Indemnified Party.

SECTION 12. LEGAL CHALLENGES. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Directors hereby declares that it would have passed this Ordinance by section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more other sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

SECTION 13. ADMINISTRATION. All SMP service shall be in accordance with these rules and regulations unless otherwise approved by the Board of Directors. These rules and regulations may be amended, modified, changed or repealed by the Board of Directors by resolution or ordinance.

SECTION 14. NOTICES. All notices and communications from agencies to the District relating to the SMP or the administration of these rules and regulations by the District shall be addressed to the General Manager of the District, 2100 Olsen Road, Thousand Oaks, California 91360.

SECTION 15. EFFECTIVE DATE AND SUNSET. This Ordinance shall be given effect at 12:01 a.m. on September 8, 2011. This Ordinance shall not have a sunset date.

ADOPTED, SIGNED, AND APPROVED this 7th day of September, 2011.



Ted Grandsen, President
Board of Directors

On motion by Director Hauser, and seconded by Director Seaver,
the foregoing ordinance is adopted upon this 7th day of September, 2011, by the following vote:

AYES: Director Hauser, Director Quady, Director Seaver, Director Grandson

NAYS: NONE

ABSENT: Director Pringle

I HEREBY CERTIFY that the foregoing Ordinance was adopted at a regular meeting of the Board
of Directors of Calleguas Municipal Water District held on September 7, 2011.

ATTEST:

Donald G. Hauser

Donald G. Hauser, Secretary
Board of Directors

(SEAL)

RESOLUTION NO. 1869

A RESOLUTION PURSUANT TO ORDINANCE NO. 19
ESTABLISHING RATES FOR DISCHARGE TO THE
SALINITY MANAGEMENT PIPELINE

WHEREAS, the Board of Directors of Calleguas Municipal Water District (the "District") by Ordinance No. 19 established rules and regulations for use of the Salinity Management Pipeline (the "SMP"); and

WHEREAS, the District has constructed the Salinity Management Pipeline (the "SMP") for the purposes of facilitating the development of local water supplies to enhance water supply reliability, protecting the Las Posas Aquifer Storage and Recovery wellfield from salts intrusion, and assisting in bringing the Las Posas Basin to safe yield; and

WHEREAS, most recently, the Board of Directors of the District by Resolution No. 1728, adopted November 2, 2011, established rates for discharging into the SMP; and

WHEREAS, the District is committed to operating and maintaining the SMP for its long-term water quality and water supply benefits to the District's purveyors, the basin, and others; and

WHEREAS, the Board of Directors of the District has determined that establishment of the District's rates for discharge to and use of the SMP are necessary and desirable; and

WHEREAS, the Board of Directors of the District finds that said fees are for the purpose of meeting operating and construction expenses, and are therefore exempt from requirements of the California Environmental Quality Act.

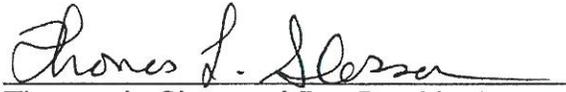
NOW, THEREFORE, THE BOARD OF DIRECTORS OF CALLEGUAS MUNICIPAL WATER DISTRICT RESOLVES AS FOLLOWS:

SECTION 1. In accordance with Ordinance No. 19, the rates and charges set forth in the CALLEGUAS SMP RATE SCHEDULE attached hereto as Exhibit A, and incorporated herein by reference are hereby approved and adopted as the Calleguas Municipal Water District SMP Rate Schedule to be imposed as set forth therein.

SECTION 2. Resolution No. 1728 adopted November 2, 2011, is hereby rescinded effective at 12:01 a.m., January 1, 2016, at which time this Resolution No. 1869 shall become effective.

SECTION 3. All Dischargers serviced by the District shall be notified promptly of the rates for use of the SMP hereby established in accordance with the provisions of Ordinance No. 19.

ADOPTED, SIGNED AND APPROVED this 20th day of May, 2015.


Thomas L. Slosson, Vice President
Board of Directors

I HEREBY CERTIFY that the foregoing Resolution was adopted at a meeting of the Board of Directors of Calleguas Municipal Water District held on May 20, 2015.

ATTEST:


Andres Santamaria, Secretary
Board of Directors

(SEAL)

EXHIBIT A TO RESOLUTION NO. 1869

CALLEGUAS SMP RATE SCHEDULE

	Proposed Effective January 1, 2016
Discharge Rates (Discharger inside the Service Area)	
Brine Discharge Rate (\$/af)	\$ 519.60
Non-Brine Discharge Rate (\$/af)	\$ 41.60
Discharge Rates (Discharger outside the Service Area)	
Brine Discharge Rate (\$/af)	\$ 779.40
Non-Brine Discharge Rate (\$/af)	\$ 62.40
O&M, Repair	
<p>O&M Costs will be billed on a monthly basis after the first full year of service. Charges will be billed on the actual costs for O&M incurred at a particular discharge station over the previous year. After the initial year, O&M Charge will be adjusted annually on July 1st and be based on costs incurred during the time period of January through December of the previous calendar year.</p>	
Replacement Charge	
<p>0.33% of construction costs of the discharge station will be billed monthly. Charges will begin as soon as the meter is in service.</p>	