

Section 15. CONTROL AND DISPOSITION OF SEWAGE-  
CONTRACTING AGENCIES RIGHT OF PURCHASE OF TREATED OR  
RECLAIMED EFFLUENT

A. General

Subject to the provisions of this Section 15 and Section 16, IEUACBMWD shall have total ownership and control of all sewage delivered into the Regional Sewerage System for the purpose of transmission, treatment and disposal thereof; subject to the right of first purchase by any Contracting Agency, the use of all treated effluent from the Regional Sewerage System shall be within the sole discretion of IEUACBMWD. If any Contracting Agency exercises its right of first purchase of treated effluent, then such agency shall have the total ownership and control of all treated effluent delivered to it and the use thereof shall be within the sole discretion of that agency.

1. The Contracting Agencies acknowledge that IEUA is currently meeting the Santa Ana River Judgment obligation with recycled water.
2. The Contracting Agencies acknowledge that Jurupa Community Services District (JCSD) shall have the right to purchase up to 20% of the recycled water recharged in Chino Groundwater Basin Management Zone No. 3 (MZ-3). Regardless of the volume of recycled water recharged in MZ-3, the volume available to JCSD to purchase will be capped at no more than 950 acre-feet per year, reduced proportionally based on new groundwater recharge (imported or stormwater) recorded by Watermaster for the prior fiscal year, but not less than 750 acre-feet per year, as described in the

2013 Agreement between IEUA and JCSD.

B. Right of Purchase of Treated or Reclaimed Effluent

Each Contracting Agency, at its option, shall have the right of first purchase of treated or reclaimed effluent as provided in Section 16 hereof.~~under either of the following two alternatives:~~

~~1. — Each Contracting Agency shall have the right of first purchase of treated effluent, as provided in Section 16 hereof; or~~

~~2. Upon written request by any Contracting Agency, CBMWD shall enter into an agreement, substantially similar to Exhibit G, attached hereto and made a part hereof, for reclamation of treated effluent and the right of first purchase of reclaimed effluent. Upon execution by a Contracting Agency of such an agreement and upon the availability to the Contracting Agency of reclaimed effluent pursuant thereto, all or any portion of the disposal costs of the Regional Sewerage System attributable to the disposal of the treated effluent of the Contracting Agency and to the disposal of reclaimed effluent by CBMWD downstream from any CBMWD reclamation facility or facilities reclaiming the treated effluent of the Contracting Agency shall be excluded from the service charge of the Contracting Agency as determined under Sections 17 and 18 hereof, and shall be financed by CBMWD from sources other than service charges, Improvement District "C" tax revenues and Supplemental Capital Outlay Funds. (Amended April 12, 1984).~~

Section 16. SALE, BENEFICIAL USE OR DISPOSAL OF TREATED EFFLUENT

A. Purchase of Treated Effluent from IEUA~~CBMWD~~

1. Contracting Agencies' Right of Purchase

Each Contracting Agency shall have the right of first purchase from IEUA~~CBMWD~~ of treated effluent in a total quantity not exceeding the base entitlement of the Contracting Agency.

2. Base Entitlement of Contracting Agencies

Contracting Agency entitlement will be based on wastewater contribution to the recycled water supply, future external supplies and any acquisition of another contracting agency's unused entitlement.

- i. This entitlement may be used for Santa Ana River discharge obligations, direct use and/or regional recharge.

B. Contracting Agency Use Above Base Entitlement

a. The use of recycled water above a Contracting Agency's entitlement, will require replacement water from the Contracting Agency, collected by IEUA, and passed on to contracting agencies with surplus entitlement, with the exception of paragraph ii below.

i. This entitlement may be used for Santa Ana River discharge obligations, direct use or regional recharge.

ii. If a Contracting Agency's current use exceeds entitlement, current use corresponding to existing customers will be temporarily substituted for entitlement until June 30, 2023. In addition, groundwater recharge allocations will be curtailed and redistributed to other agencies with surplus entitlement during the temporary period. Any new connections that require additional supplies above an agency's entitlement and the temporary substitution of entitlement will require replacement water.

iii. The annual amount of replacement water will be calculated as a reconciliation on the annual usage and the base entitlement, within 90 days following the end of each fiscal year.

b. Contracting Agency exceeding entitlement shall provide replacement water by one of the following means:

i. Stored water in the Chino Groundwater Basin,

ii. Acquisition of another contracting agency's unused entitlement, or

- iii. Payment of surcharge rate to IEUA per the rate resolution in effect.
- c. Contracting Agencies having alternative means of providing replacement water shall provide documentation to IEUA within 90 days following reconciliation of the usage.
  - i. If Contracting Agency pursues transfer of stored groundwater, IEUA shall verify the replacement water and calculate the quantities of replacement water for Contracting Agencies with surplus entitlement.
  - ii. If Contracting Agency acquires entitlement from another agency, the Contracting Agency shall provide such documentation to IEUA.
- d. If Contracting Agency has not provided documentation for replacement water within 90 days of the notification from IEUA, IEUA shall bill Contracting Agency the surcharge rate for replacement water, and proceed with the acquisition of the replacement water.
- e. If IEUA is requested to purchase replacement water, IEUA will purchase within 12 months following the surcharge payment by Contracting Agency, beginning with the lowest cost water. IEUA will calculate the quantities of replacement water for Contracting Agencies with surplus entitlement.

C. Temporary Entitlement (City of Chino)

- a. Currently the City of Chino is the only Regional Contracting Agency exceeding entitlement.
- b. Temporary entitlement shall be for the time period July 1, 2016 through June 30, 2023 and shall be based on the customers that were connected to the system in Fiscal Year 2014-15.
- c. The temporary entitlement for the City of Chino shall be 8,324 AFY based on the Fiscal Year 2014-15 usage.
- d. If the annual usage for customers exceeds the temporary entitlement of 8,324 AFY, surcharges will apply for that year.
- e. Commencing Fiscal Year 2015/16 any new customers shall have the surcharge rate apply, until such time the usage is greater than entitlement.

~~The total base supply of effluent which is subject to the right of first purchase from~~

~~CBMWD by the Contracting Agencies receiving sewerage service at any Regional Treatment Plant shall be the total quantity of sewage delivered into the Regional Sewerage System by all such Contracting Agencies, measured at the intake point of the Regional Treatment Plant, less normal processing losses resulting from the treatment of sewage. Sewage exported from the Chino Basin by CBMWD pursuant to Section 8 hereof shall not be part of the total base supply.~~

~~Each Contracting Agency, including any Contracting Agency whose sewage is exported pursuant to Section 8 hereof, shall have a base entitlement to a portion of the total base supply of effluent, said portion being in the proportion that the quantity of sewage delivered into the Regional Sewerage System by the Contracting Agency bears to the total quantity of sewage delivered into the Regional Sewerage System by all Contracting Agencies.~~

### 3. Delivery Points

Unless otherwise agreed by IEUA~~CBMWD~~, the delivery point or points of any Contracting Agency exercising its rights of first purchase of treated effluent shall be the discharge point or points of each Regional Treatment Plant or any disposal facility of ~~CBMWD~~IEUA which provides further treatment and disposal of wastewater from any Regional Treatment Plant.

### ~~4. Exercise of Base Entitlement at Various Discharge Points~~

~~If none of the sewage collected by a Contracting Agency is exported pursuant to Section 8 hereof, the base entitlement of such agency shall be exercised as provided in paragraph a of this subpart 4. If all of the sewage collected by a Contracting Agency is~~

~~exported, the base entitlement of such agency shall be exercised as provided in paragraph b of this subpart E. If only a portion of the sewage collected by a Contracting Agency is exported, the portion of the base entitlement of such agency represented by non-exported sewage shall be exercised as provided in said paragraph a and the portion represented by exported sewage shall be exercised as provided in said paragraph b.~~

~~The base entitlement of each Contracting Agency shall be exercised in quantities and at delivery points determined as follows:~~

~~a. — If the sewage collected by a Contracting Agency ("agency sewage") is treated:~~

~~(1) — At a single Regional Treatment Plant, the total base entitlement of such agency shall be exercised from treated effluent discharge from that plant or any disposal facility of CBMWD providing further treatment and disposal of wastewater from that plant.~~

~~(2) — At two or more Regional Treatment Plants, the base entitlement of such agency shall be exercised from each such plant in the proportion that the total sewage of the particular agency which is treated at that plant bears to the total sewage of all agencies whose sewage is treated at that plant or any disposal facility of CBMWD providing further treatment and disposal of wastewater from that plant.~~

~~b. — If all of the sewage collected by a Contracting Agency is exported, the base entitlement of such agency shall be exercised from a pro rata share of treated effluent discharged from each of the Regional Treatment Plants, computed as follows:~~

~~(1) Based upon the preceding fiscal year, a determination of the ratio of the total quantity of all agency sewage treated by each Regional Treatment Plant to the total quantity of all agency sewage treated by all such plants or all such plants and any disposal facility of CBMWD providing further treatment and disposal of wastewater from any such plant.~~

~~(2) The pro rata share of an exporting agency for each Regional Treatment Plant shall be determined by multiplying the ratio for that plant, computed under (1) above, by the base entitlement of such agency.~~

4. Recycled Water System Operation

A. The regional recycled water system will be operated based on the following priorities for recycled water deliveries:

i. Minimal operational discharges (instrumentation, environmental obligations, etc.)

ii. Contracting agency deliveries

iii. Regional groundwater recharge

B. IEUA and the Contracting Agencies shall meet peak recycled water direct demands through coordinated demand management of recycled water deliveries.

i. IEUA shall have the discretion to require ~~Large users with demand greater than 500 AFY to~~ will have pressure sustaining valves to ensure that overall regional demands are reliably met.

5. Delivery Facilities and Costs of Delivery of Treated Effluent

Delivery facilities shall consist of any facilities for the delivery of treated effluent from the point of discharge of any Regional Treatment Plant to the point of use of the effluent. This contract and the service charge provided herein shall not apply to any such delivery facilities or to the financing thereof. ~~IEUACBMWD~~ or any Contracting Agency may, at its own expense, acquire, construct, or make a contribution toward the financing of capital costs and maintenance and operation of any delivery facilities. ~~IEUACBMWD~~, or any Contracting Agency or Agencies or any combination thereof, may provide for delivery facilities by contract entered into between or among themselves or with any other person or public or private entity.

6. Price for Purchase of Treated Effluent

Any Contracting Agency exercising the right of first purchase of treated effluent shall be entitled to take delivery thereof at no cost, except for the costs of delivery, if any, of ~~IEUACBMWD~~.

7. Use of Purchased Treated Effluent

Any Contracting Agency exercising its right of first purchase of treated effluent may make any lawful use thereof, including beneficial use, sale, or other disposal and shall be entitled to retain all revenues received by it as a result thereof.

8. Contract for Joint Exercise or Transfer of Rights of First Purchase

Subject to the rights of ~~IEUACBMWD~~ hereunder, any or all of the Contracting Agencies may be contract provided for the joint exercise of any of their respective rights of first purchase of treated effluent or for the sale, exchange or transfer of

such rights. Certified copies of all such contracts shall be filed with IEUACBMWD by the parties thereto.

B. Disposition by IEUACBMWD of Unclaimed Treated Effluent

To the extent that any of the Contracting Agencies fail to exercise their respective rights of first purchase of treated effluent, IEUACBMWD may make any lawful use of such effluent, including beneficial use, sale or other disposition inside or outside the Chino Basin; provided, that:

1. IEUACBMWD shall not, for a consideration, sell or otherwise dispose of any treated effluent for beneficial use inside the Chino Basin without review and approval by a majority of the Contracting Agencies; and

2. If IEUACBMWD, for a consideration, sells or otherwise disposes of any treated effluent for beneficial use inside or outside the Chino Basin, any portion of the consideration in excess of IEUACBMWD's net audited costs of reclamation and delivery shall be apportioned and credited:

a. 85% to the Regional Sewerage System Maintenance and Operation Fund, and

b. 15% to the Regional Wastewater Capital Improvement Fund.

C. Measurement of Treated Effluent

IEUACBMWD shall install, maintain, and operate measuring devices and equipment for the measurement of deliveries of treated effluent to the Contracting Agencies at a location or locations mutually agreed upon by IEUACBMWD and the Contracting Agencies. The measuring devices and equipment shall be examined, tested and

serviced regularly to insure their accuracy. At any time, IEUACBMWD or any Contracting Agency may inspect any measuring devices and equipment and all records and measurements taken therefrom.

D. Notice of Proposed Delivery

Prior to the commencement of each fiscal year, notice of the delivery of treated effluent shall be given as follows:

1. Request by IEUACBMWD

Between the first day of January and the first day of March of each year, IEUACBMWD shall request each Contracting Agency to provide IEUACBMWD with a schedule of the estimated flow and quantity of treated effluent to be delivered to each person or agency during the next fiscal year and the proposed points of delivery. The rates of flow and quantity shall not exceed the delivery capability of the facilities then in operation.

2. Response by Contracting Agencies

Within 30 days of the date of each such request by IEUACBMWD, each Contracting Agency shall provide IEUACBMWD with the schedule requested pursuant to subpart 1 above; provided that if a Contracting Agency does not intend to exercise its right of first purchase, it need not respond in any manner to IEUACBMWD.

3. Allocation of Treated Effluent

On or before the first day of May of each year, IEUACBMWD shall allocate treated effluent to the Contracting Agencies that have submitted schedules pursuant to subpart 2 above.

4. Additional Allocation of Treated Effluent

At any time during the fiscal year and upon 60 days written notice to ~~IEUA~~~~CBMWD~~, a Contracting Agency may apply for the delivery of any treated effluent then available at a rate of flow or quantity greater than that allocated pursuant to subpart 3 above. However, the rates of flow and quantity shall not exceed the delivery capability of the treatment facilities then in operation. (Amended April 12, 1984)