

ORDINANCE NO. 104

AN ORDINANCE OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING WATER CONNECTION FEES, CLASSES OF WATER SERVICE AND REGULATING THE SALE AND DELIVERY OF WATER WITHIN THE INLAND EMPIRE UTILITIES AGENCY* SERVICE AREA

BE IT ORDAINED by the Board of Directors of the Inland Empire Utilities Agency* ("Agency") as follows:

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DIVISION 1 – GENERAL

PART I - ADMINISTRATION

SECTION 101 –AUTHORIZATION:

This Ordinance is enacted pursuant to the authority contained in the Municipal Water District Law of 1911, California Water Code, §71616- et. seq., as amended, and California Government Code §66013 and §54999.

SECTION 102 - PURPOSE AND OBJECTIVES:

The purpose of this Ordinance is to establish classes of water service, rates, and charges for the delivery of imported and supplemental water within the Inland Empire Utilities Agency service area, to promote the conservation and reuse of water resources, and to provide procedures for complying with requirements placed upon the Inland Empire Utilities Agency by the Metropolitan Water District of Southern California.

Inland Empire Utilities Agency is a member agency of the Metropolitan Water District of Southern California.

The objectives of this Ordinance are:

- (A) To establish water connection fees to cover IEUA's cost of water infrastructure and supplies and other related expenses and financial requirements.
- (B) To adopt terms and conditions for the fixing of water connection fees from time to time by Resolution by the Board of Directors.
- (C) To define classifications of water service and establish water rates and charges for the sale of imported and supplemental water sufficient to cover IEUA's cost of water and other operating expenses and financial requirements.
- (D) To adopt terms and conditions for the provision of the various classes of water and to provide for the fixing of water rates and charges from time to time by Resolution of the Board of Directors.

- (E) To establish water connection fees from each new connection or upsized connection within IEUA's service area as a condition of receiving water deliveries from any source provided by IEUA.
- (F) To provide for the collection from each IEUA Local Agency, those charges imposed by Metropolitan on IEUA as a condition of receiving water deliveries from Metropolitan, including but not limited to, a Readiness-to-Serve Charge, a New Demand Charge, a Connection Maintenance Charge and Capacity Charge.
- (G) To encourage the use of recycled water to supplement existing surface and underground water supplies to assist in meeting the future water requirements within the service area. To encourage the efficient use of water and affect change in water-use habits to reduce water demand.
- (H) To establish provisions for obtaining funds for capital projects necessary to support supplemental water supply sources, development and implementation of conservation and water use efficiency programs to increase supply reliability and meet future water demands within the service area.

SECTION 103 – SEVERABILITY:

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason found to be invalid or unconstitutional by any court of competent jurisdiction, such decision shall not affect the remaining portion of this Ordinance. The Inland Empire Utilities Agency Board of Directors declares that it would have approved this Ordinance by section, subsection, sentence, clause, or phrase irrespective of the fact that any one or more of the sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

SECTION 104 - SERVICE AREA:

This Ordinance pertains to Local Agencies within the boundaries of the IEUA service area unless otherwise stated.

SECTION 105 – ADMINISTRATOR:

Except as otherwise provided herein, the General Manager shall administer, implement, and enforce the provision of this Ordinance. The General Manager may, at his discretion, delegate any or all of these powers and duties.

SECTION 106 - RIGHT OF REVISION:

IEUA reserves the right to amend this Ordinance, as it deems appropriate.

SECTION 107 - DEFINITION OF TERMS:

- (A) **AGRICULTURAL PURPOSES:** the growing or raising in conformity with recognized practices of husbandry, for the purposes of commerce, trade, or industry, or for use by public educational or correctional institutions, of agricultural, horticultural, or floricultural products, and produce (1) for human consumption or for the market, or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) for the feeding of fowl or livestock for the purpose of obtaining their products for human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less than one acre utilized exclusively therefor.
- (B) **BOARD OF DIRECTORS:** the Board of Directors of the Inland Empire Utilities Agency.
- (C) **CALENDAR YEAR:** the time period which commences January 1 of each calendar year and ends December 31 of the calendar year.
- (D) **CAPACITY CHARGE:** a pass-through charge of the monetary annual charge imposed by Metropolitan based on the maximum summer day demand placed on the Metropolitan system by IEUA between May 1 and September 30 in cubic foot per second during a rolling three-calendar year period.
- (E) **CONNECTED CAPACITY:** a measure of the size of the service connection to the Metropolitan System or to any water system within the Agency's service area, which will be used for purposes of determining the fixed capital, operation and maintenance charges among the Service Connections.
- (F) **CONNECTION FEE:** a one-time charge imposed on any new retail water connection or upsized connection, based upon the connected capacity, to any water system within IEUA's service area.
- (G) **CONSERVATION CHARGE:** the charge for regional conservation projects necessary to support water conservation program development within the service area.
- (H) **DOMESTIC AND MUNICIPAL PURPOSES:** the use of water for all domestic, municipal, commercial, industrial and recreational purposes commonly, but not exclusively, serviced by the water supply of a city, town, or other similar population group, but shall not include water use for agricultural purposes.
- (I) **DROUGHT CHARGE:** the charge for the programs needed to meet the reduced water supply made available to the region.
- (J) **FISCAL YEAR:** the time period which commences July 1 of each calendar year and ends June 30 of the following calendar year.

- (K) FULL SERVICE WATER RATE: service of Metropolitan water that does not meet the criteria for other classes of service or special programs. For purposes of agreements with Metropolitan, reference to the Full Service Water Rate shall be as defined by Metropolitan's Administrative Code.
- (L) GENERAL MANAGER: the General Manager or a duly Authorized Representative of the Inland Empire Utilities Agency.
- (M) GROUNDWATER BASIN: any groundwater basin located entirely, partially within or adjacent to the boundaries of Inland Empire Utilities Agency.
- (N) GROUNDWATER REPLENISHMENT: the act of spreading, injecting, or causing to be spread or injected, water for the purpose of replenishing natural groundwater basins, without regard to subsequent use of the water.
- (O) IMPORTED WATER: water which is acquired by IEUA from Metropolitan and other Agencies or Entities, can be treated or untreated water but excludes recycled water sources.
- (P) IEUA: Inland Empire Utilities Agency or its officers or representatives when in the exercise of their official business.
- (Q) IN-LIEU GROUNDWATER REPLENISHMENT: maintenance or replenishment of water supplies in groundwater basins by reduction or elimination of extraction therefrom through the substitution of deliveries of water to IEUA local agencies from surface distribution facilities in-lieu of such extraction.
- (R) LONG-TERM SEASONAL STORAGE (LTSS): delivery of imported water by IEUA to an IEUA Local Agency, for storage, by direct or in-lieu methods, beyond the 12-month Seasonal Storage Service program period. Local production is reduced over the winter period and IEUA deliveries are increased under this program. LTSS may be made available at other times based on terms and conditions established by the General Manager.
- (S) LOCAL AGENCY: any individual, partnership, association, corporation, governmental entity or agency, mutual water company, water company, or any other organization and users of water in such quantity as to merit being considered for an individual service connection from IEUA.
- (T) METER EQUIVALENT UNIT (MEU): the number of equivalent base meters served by an IEUA Local Agency. The number of MEU's is determined by multiplying the number of active water accounts of each water meter size by the MEU ratio associated with that meter size. The MEU ratio is established by the assigned base meter size of 5/8-inch.
- (U) METER EQUIVALENT UNIT (MEU) CHARGE: an annual basic charge imposed by the IEUA for each MEU served by an IEUA Local Agency which exists as of January 1 of

each year. The charge shall be established at a level which will yield revenues sufficient to recover the Program Charge, costs incurred for the Water Conservation Program, which also includes the Conservation and Drought Charges, and could include a portion of the Net RTS charge by Metropolitan.

- (V) METROPOLITAN: Metropolitan Water District of Southern California.
- (W) METROPOLITAN CONNECTION MAINTENANCE CHARGE (CMC): a pass-through charge of the monetary charge imposed by Metropolitan on IEUA to recover a portion of the cost associated with operating and maintaining service connections and other connection related costs.
- (X) METROPOLITAN NEW DEMAND CHARGE: a pass-through charge of the monetary charge imposed by Metropolitan based on water demand measured in acre-feet allocated by Metropolitan to IEUA as the basis for determining whether IEUA or an IEUA Local Agency will incur a charge and the amount of the charge under Metropolitan's New Demand Charge.
- (Y) METROPOLITAN WATER DISTRICT FACILITIES: those facilities of Metropolitan that can provide water service to IEUA.
- (Z) PROGRAM CHARGE: the charge imposed by the IEUA on deliveries for each class of water service to offset administration, operation, special projects, maintenance, depreciation expenses, and debt service incurred by the IEUA in association with the water resources program.
- (AA) READINESS-TO-SERVE (RTS) CHARGE: a pass-through charge of the total monetary RTS charge, as determined by the RTS Share, imposed by Metropolitan on IEUA to recover the costs of emergency system storage and the cost of system conveyance capacity for peak and standby use not recovered by property tax revenue.
- (BB) READINESS-TO-SERVE (RTS) SHARE: the annual percent share of the RTS Charge imposed on IEUA which is not collected as a Standby Charge on property within IEUA's service area.
- (CC) RETAIL METER CHARGE: an annual basic charge imposed by the IEUA for each active retail water meter served by an IEUA Local Agency which exists as of January 1 of each year. The charge shall be established at a level which will yield revenues sufficient to cover the Net RTS charge by Metropolitan, Program Charge and costs incurred for the Water Conservation Program, including the Conservation and Drought Charges.
- (DD) RECYCLED WATER; as defined in Title 22, Division 4, of the California Administrative Code, as amended from time to time, is water which as a result of treatment of wastewater, is suitable for direct beneficial use or a controlled use that otherwise would not occur.

- (EE) RESERVE ACCOUNT: As a condition of water service, each IEAU Local Agency shall maintain an appropriate level of funds in their Reserves Account sufficient to cover up to 3 months of average rates and charges imposed by Metropolitan upon IEUA. Such reserves may be called upon by IEUA, as determined by the Board of Directors in the event of any IEUA Local Agency being delinquent in payment of bills for water rates and charges.
- (FF) RESERVOIR STORAGE: the act of storing water in surface reservoirs or the maintenance of reservoir storage by reduction or elimination of reservoir withdrawals through substitution of surface deliveries of water to consumers from surface distribution facilities in lieu of such withdrawals.
- (GG) RESOLUTION: A legal document set by the Board of Directors in the form of a Resolution to establish said rates and fees.
- (HH) SEASONAL STORAGE SERVICE: additional summer production of local water supply sources by the IEUA Local Agency that is offset by equivalent IEUA imported winter water deliveries to the Local Agency within a 12-month period.
- (II) SERVICE CONNECTION: outlet pipe together with a shutoff valve and a meter to record the flow of water.
- (JJ) SPECIAL PROJECTS: non-capital projects that include planning and feasibility studies and reports, excludes conservation related programs and projects.
- (KK) SEASONAL SHIFT STORAGE: deliveries of water by IEUA to an IEUA local agency in the winter period for groundwater replenishment by spreading or injecting or in-lieu deliveries of water which would have otherwise been produced from local sources, and which replaces local storage depleted by increased pumping from local sources during the preceding summer period to reduce, by an equivalent amount, the water deliveries from IEUA which would otherwise have been taken by the IEUA local agency during the preceding summer period, as calculated in their seasonal storage service certification form. Local production and IEUA deliveries remain the same for the combined summer and winter periods under this program.
- (LL) STANDBY CHARGE: revenue collected by Metropolitan on parcels of land within the IEUA service area to offset all or a portion of the RTS Charge.
- (MM) SUPPLEMENTAL WATER: includes recycled water, captured and treated stormwater, and water imported by IEUA which does not represent a delivery from Metropolitan to IEUA.
- (NN) WATER CONSERVATION PROGRAM: cost for programs developed and implemented that are necessary to achieve efficient use of water resources within the service area

SECTION 108 - DUTY TO COMPLY:

All Local Agencies shall comply with all conditions of this Ordinance. Any Local Agency that is not in compliance with any provision of this Ordinance constitutes a violation of this Ordinance and is grounds for enforcement action as provided for in Division I, Part II of this Ordinance.

SECTION 109- RECYCLED WATER:

All Local Agencies are encouraged to promote the reuse of recycled water supplies in their service areas wherever technically and economically reasonable, and in compliance with the IEUA's Regional Reclamation Ordinance No. 63, as amended from time to time. Recycled water is available for the following uses: agricultural, recharge, wildlife habitat, recreational impoundments and any additional use provided for under Title 22, Division 4, of the California Administrative Code, as amended from time to time. To support the development of recycled water projects, IEUA may implement, from time to time, financial incentive programs, and levy additional imported water administrative charges to fund these incentive programs.

SECTION 110- WATER CONSERVATION:

All Local Agencies are encouraged to promote urban water conservation to supplement existing surface and underground water supplies and to assist in meeting the future water requirements of the region. To support the implementation of water conservation programs, IEUA may implement, from time to time, financial incentive programs and levy additional imported water administrative charges to fund these programs.

PART II – ENFORCEMENT

SECTION 201 -PROTECTION FROM DAMAGE:

No person, organization, or Local Agency shall maliciously, willfully, or negligently break, damage, destroy, impair the usefulness, uncover, deface, or tamper with any structure, appurtenance, or equipment which is a part of IEUA's Water Distribution System.

SECTION 202 - PENALTY FOR VIOLATION:

The IEUA shall have the right to assess such penalties as may be permitted by law, call upon Local Agencies reserve account for the collection of additional funds to recover delinquent payments issued by IEUA, and/or discontinue the water service to the connection, up to and including seizure of the service connection, of any Local Agency for failure to comply with any rule or regulation of the IEUA.

A Local Agency not in compliance with any portion of this Ordinance will be notified of the IEUA's intention of enforcement, with an explanation of the violation or infraction committed. A Local Agency notified shall have thirty (30) calendar days to respond before any action will be taken by the IEUA. However, no such notice to afford an opportunity to comply need be given in those instances in which the non-compliance may cause conditions dangerous and detrimental to public health, safety and welfare, or are in violation of State law or applicable section of the California Penal Code. These violations include, but are not limited to trespass, assault, water theft, cross connection, and water system damage.

DIVISION II -SERVICE CLASSIFICATION, RATES AND CHARGES

PART I – CLASSIFICATION

SECTION 101 -CLASSES OF SERVICE:

The classes of service for water are as follows:

- (A) Full Service Untreated (for domestic and municipal purposes, including groundwater replenishment, injection and in-lieu groundwater replenishment and reservoir storage).
- (B) Full Service Treated (for domestic and municipal purposes).
- (C) Interim Agricultural Untreated (for agricultural purposes without incidental domestic use for dwellings).
- (D) Seasonal Storage (for Long Term Seasonal Shift-Untreated and Seasonal Shift Storage-Untreated).
- (E) Recycled Water (recycled water delivered by the IEUA to the Local Agencies for selected non-potable uses, without regard to subsequent use of the water).
- (F) Replenishment (untreated water for groundwater replenishment by spreading, injecting or in-lieu deliveries of water within the service area).
- (G) Supplemental Water (includes recycled water and water imported to the IEUA service area from outside the Chino Basin Watershed, other than imported water delivered from Metropolitan to IEUA, without regard to subsequent use of the water).

PART II- WATER RATES

SECTION 201 –RATES:

The water rate shall be established in an amount which in combination with revenues from other charges collected by IEUA will result in revenues sufficient for the purposes set forth in §71616 of the California Water Code, and shall include but not be limited to, components for:

- (A) the cost for the acquisition of water (e.g., for water acquired from Metropolitan, the cost of acquisition would be Metropolitan's water supply rate for each class, including any penalties and other applicable charges); and
- (B) the cost incurred for the Program Charge by IEUA.
- (C) the cost incurred for the Water Conservation Program, which includes the Conservation and Drought Charges.

The Board of Directors shall establish said rates by Resolution and shall adjust said rates from time to time by Resolution. Written notice of the proposed establishment of water rates or amendment of water rates shall be given to all local agencies not less than 15 days prior to the meeting at which such Resolution will be considered.

SECTION 202 – CONNECTION FEES:

The water connection fees shall be established and collected by IEUA in order to proportionally recover the costs to create regional supplies that are available to meet the water demands of future development. Any customer requesting a new connection to a water distribution system within IEUA's service area, or requiring an additional connection as a result of any addition, improvement, or change in use of an existing connection to a water distribution system shall pay a water connection fee. An existing customer's request to modify an existing connection will be reviewed by IEUA's General Manager or his/her designee on a case by case basis to determine if the customer is subject to payment of the water connection fee. The connection fee may not be sold, traded, or conveyed in a manner to another site or customer. The connection does not convey or imply ownership in or of any facilities of IEUA's water system.

Customers subject to payment of the water connection fee shall pay 100% of the fee prior to issuance of the applicable permit to construct. Any plan changes may result in a revised connection fee payment. Assessment of the applicable connection fee will be based on the date that IEUA receives the final permit application and building plans. If full payment of all fees and charges is not received in accordance with the Resolution payment requirements, the new or additional water services will not be authorized.

The connection fees have been developed in accordance with California Government Code §66013 and California Water Code §71616 and shall include, but not be limited to, components for:

- (A) The cost for the construction of capture, treatment, transmission, distribution, and injection facilities;
- (B) The cost incurred for the Water Conservation Program which includes Conservation and Drought Charges;
- (C) Providing a reasonable reserve for improvements, extensions, and enlargements for system reliability and associated debt service costs;
- (D) The cost to administer the program incurred by IEUA; and
- (E) Any other costs that are deemed appropriate and comply with governing laws.

The Board of Directors shall establish said connection fees by Resolution and shall adjust said fees from time to time by Resolution. Written notice of the proposed establishment of water rates or amendment of water rates shall be given to all local agencies not less than 15 days prior to the meeting at which such Resolution will be considered.

SECTION 203 – RIGHT TO INSPECT DOCUMENTS AND PROPERTY:

IEUA retains the right, upon reasonable notice, to audit all public records and accounts of any local agency, to ensure ongoing compliance and enforcement of this ordinance. Additionally, pursuant to California Water Code § 71601, IEUA may enter upon the private property of any person to investigate possible violations of this ordinance, including, but not limited to the verification of meter connections previously issued by IEUA to verify that no unauthorized or non-permitted meter change has occurred.

SECTION 204 – LIEN FOR CHARGES:

Charges fixed by IEUA shall be a lien on all the property benefitted thereby as provided in California Water Code § 71637 and shall have the same force and effect as other liens for taxes and may be enforced by the same means as provided for the enforcement of liens for state and county taxes.

PART III - OTHER CHARGES

SECTION 301 -OTHER CHARGES:

In addition to the water rates provided in Division II, Part II, Section 201, this ordinance authorizes IEUA to levy on each IEUA Local Agency the following charges:

- (A) Readiness-to-Serve-Charge
- (B) New Demand Charge
- (C) Connection Maintenance Charge
- (D) Retail Meter Charge
- (E) Meter Equivalent Unit Charge
- (F) Capacity Charge
- (G) Any additional charges imposed on IEUA by Metropolitan shall be administered as a pass-through charge.

Water rates and charges shall be set by the Board of Directors of IEUA by Resolution and shall be established at a level which will yield revenues sufficient to cover the charges imposed by Metropolitan upon IEUA. IEUA may provide for collection in advance of expected invoice by Metropolitan and provide for a reasonable excess to cover variations in the amount of Metropolitan's charges which cannot be calculated in advance.

DIVISION III – REGULATIONS AS RELATED TO THE SALE OF IMPORTED WATER FROM METROPOLITAN

PART I- WATER SERVICE REGULATIONS

SECTION 101- OBLIGATION TO PAY FOR WATER DELIVERED:

All water delivered through any service connection to an IEUA Local Agency for use within the Local Agency shall be supplied in accordance with the provisions of the Metropolitan Water District Act and the rules and regulations of IEUA. IEUA shall bill the Local Agency for all water delivered through the service connection, and the Local Agency shall pay IEUA for all water so delivered at the rate or rates fixed by the Board of Directors by Resolution.

SECTION 102 - LIABILITY AND INDEMNIFICATION:

All contracts for the delivery of water to others shall contain the following language: Neither IEUA nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of water supplied by IEUA to a Local Agency after such water has been delivered to such Local Agency; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water beyond the point of such delivery; and the Local Agency shall indemnify and hold harmless IEUA and its officers, agents, and employees from any such damages or claims of damages, and shall reimburse IEUA for costs of repair of IEUA's facilities and other damages resulting from the operations of the Local Agency. Neither the Local Agency nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of water prior to such water being delivered to the Local Agency; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water prior to its delivery to such Local Agency, excepting, however, claims by IEUA for costs of repair to IEUA's facilities and other damages resulting from the operations of the Local Agency; and IEUA shall indemnify and hold harmless the Local Agency and its officers, agents, and employees from any such damages or claim of damages, except claims by IEUA for costs of repair of IEUA's facilities and other damages resulting from the operations of the Local Agency.

SECTION 103 - SUSPENSION OF DELIVERIES:

Whenever repairs or maintenance of Metropolitan's and/or IEUA's system shall require suspension of delivery of water at any point or points, such delivery may be suspended without liability on the part of the IEUA; provided, that except in cases of emergency, as determined by the General Manager, notice of such suspension of service shall be given to the affected Local Agency in advance of such suspension.

Each Local Agency should have a seven (7) day supply of water in case of an interruption in Metropolitan deliveries. Except in cases of emergency, IEUA will notice long term (over seven days) shutdowns at least one year in advance and produce a shutdown schedule in September of each year for shutdowns less than seven days.

Seasonal Storage Service certifications will be adjusted for the reduction of credits that are accrued due to shutdowns that are greater than seven days. No adjustments will be made for shutdowns seven days or less.

SECTION 104 - RATES OF FLOW:

- (A) IEUA shall have the right to regulate and prescribe the maximum and minimum quantities of water that shall be discharged or delivered through any service connection so as to assure

equitable service to all Local Agencies, and maintain compliance with Metropolitan's rules and regulations as may be amended from time to time.

SECTION 105 -WATER REQUIREMENTS AND SCHEDULE OF DELIVERIES:

- (A) Before January 31 of each year or at such time as the General Manager may specify, each IEUA Local Agency shall furnish IEUA, on form provided by IEUA, the quantity of active water service accounts, an estimate of the amounts of water to be furnished to such IEUA Local Agency by IEUA, and an estimate of the quantity of water anticipated to be obtained from local sources to meet IEUA Local Agency needs. The estimate shall constitute the Local Agency's request for deliveries for the first of the five (5) years covered therein.
- (B) Requests made by IEUA to a Local Agency shall be complete and returned to IEUA no later than 45 calendar days after the initial request.
- (C) Each estimate furnished by a Local Agency shall contain, as a minimum, the following information:
 - (1) The quantity of untreated water to be delivered by IEUA to the IEUA Local Agency in full service for each month of the Fiscal Year.
 - (2) The quantity of water to be delivered by IEUA to the IEUA Local Agency in Agricultural Water Service for each month of the Fiscal Year.
 - (3) The quantity of water to be delivered by IEUA to the IEUA Local Agency in Replenishment Water Service for each month of the Fiscal Year.
 - (4) The quantity of water to be delivered by IEUA to IEUA Local Agency in Seasonal Storage Service for each month of the Fiscal Year.
 - (5) With regard to water estimated to be delivered in Seasonal Storage Service, the quantity of water to be used for:
 - (a) Domestic and municipal purposes, exclusive of groundwater replenishment by spreading or injecting;
 - (b) Groundwater replenishment by spreading or injecting;
 - (c) Direct Reservoir Storage.
 - (6) The quantity of active water service accounts itemized by customer class and meter size.

SECTION 106- METERING OF WATER:

All water delivered by IEUA shall be metered. Meter readings shall be made on or about the last day of each calendar month for billing purposes. Any Local Agency may request that the meter through which its water is being furnished be examined and tested by IEUA for the purpose of checking its accuracy. Such requests shall be made in writing to the General Manager and shall be accompanied by a deposit of the estimated cost of such examination and test as determined by the General Manager. Such demands may not be made more often than once a year without evident cause.

Any Local Agency affected shall have the right to be represented by a qualified observer at and during any such tests. In the event that any such test shall disclose an error exceeding two (2) percent, an adjustment shall be made in charges made to the affected Local Agency, covering the known or estimated period of duration of such error, but in no event exceeding six months, and the deposit shall be refunded. In the event that any such test shall disclose an error below two (2) percent, the deposit shall be retained by IEUA and the water bill paid as rendered.

SECTION 107 - DELINQUENT PAYMENT:

- (A) In the event any IEUA Local Agency is delinquent in payment of bills for water rates and charges, a penalty of ten (10) percent of the original unpaid invoice amount shall be added to any fee or charge that becomes delinquent. Interest at the maximum rate provided by California Government Code Section 926.10 as may be amended from time to time, shall accrue on the total of all delinquent fees or charges, commencing on the 25th calendar day after the postmark of the invoice, and shall be added to any fee or charge that becomes delinquent.

Invoices for delinquencies, including additional charges, shall be mailed within five (5) business days of delinquency. If IEUA does not receive payment within five (5) business days of the delinquency, all Local Agencies will be notified of IEUA's intent to call upon the Local Agencies Reserve Account for the collection of additional funds. If approved by the Board of Directors, the amount requested will recover the full unpaid amount of the delinquent payment. The amount identified in IEUA's notice of delinquency shall be equally shared among all Local Agencies which receive water service from IEUA.

In the event that any IEUA Local Agency which receives deliveries of water from IEUA shall be delinquent for more than 25 calendar days in the payment of billings for IEUA's charges, the Board of Directors, at its discretion and upon other conditions as it may prescribe, after giving the IEUA Local Agency a 20 calendar day notice in writing of such delinquency and of the right to request a hearing on the matter, and after such hearing, if requested, may call upon the Reserve Account for the collection of additional funds from all Local Agencies to recover the unpaid amount, and/or order the termination of water service to such agency until all delinquent payments, including additional charges, are made to IEUA, and may authorize such other action as may be appropriate.

Additional charges provided herein for delinquent payments may be waived by the Board of Directors upon written request by the IEUA Local Agency upon a finding that the delinquency was caused by excusable neglect or circumstances beyond the control of the IEUA Local Agency, provided that the delinquent Local Agency reimburses IEUA for all costs and penalties actually incurred by IEUA as a result of the delinquent payment.

In the event a mistake is discovered in a water sales record of IEUA, the General Manager shall initiate appropriate corrective action, except that no mistake made more than three (3) years prior to discovery shall be corrected. If an incorrect invoice has been issued to a Local Agency, the General Manager shall notify the affected Local Agency of any adjustment and the manner of making any required credit or charge, neither of which shall bear interest.

- (B) In the event that a retail water customer does not pay required connection fees in full, a penalty charge shall be imposed and must be paid in full prior to continued water service. The delinquent payment shall include any unpaid portion of the connection fee plus a penalty charge of ten (10) percent interest per annum beginning from the date of delinquency. All charges and penalties shall be assessed based on the connection fee that is in place at the time that full payment occurs.

SECTION 108 – NOTICES:

All notices and communications from Local Agencies to IEUA, relating to the service of water or the administration of these regulations by IEUA, shall be addressed to the General Manager, Post Office Box 697, Rancho Cucamonga, California 91729-0697, or such address as may be established by IEUA.

SECTION 109 - WATER AVAILABILITY:

All sales and deliveries of water at the rates established by Board of Directors Resolution shall be subject to the ability of IEUA to sell and deliver such water under operating conditions determined by the General Manager.

- (A) IEUA may restrict the use of available water during any emergency caused by drought or other threatened or existing water shortages and during such periods prohibit wastage of water or the use of available water for any purpose other than household uses or such other limited uses as may be determined by IEUA to be essential. IEUA shall prohibit use of water during such periods for specific uses which IEUA may deem to be nonessential.
- (B) IEUA shall have the right to turn off water from lines and pipes of the system in case of an emergency, without notice. However, when possible, advance notice will be given by IEUA whenever Metropolitan announces an impending temporary shut-down of service or if a need arises for IEUA to shut down temporarily for routine or emergency repairs.

SECTION 110 - ANNEXATIONS AND DETACHMENTS:

IEUA makes available water to the people and land within its service area boundaries. A request for annexation of area to the IEUA shall be made in writing and executed on behalf of the Local Agency responsible for providing water service to the annexing area, the area which is or is proposed to be situated. Local Agency annexation proposals shall be evaluated according to the requirements set forth by IEUA, and in accordance with Metropolitan's Administrative Code, as amended from time to time.

PART II - SERVICE CONNECTIONS

SECTION 201 -GENERAL AUTHORIZATION:

The General Manager is authorized to construct, or have constructed, any service connection requested by a Local Agency, which, in the opinion of the General Manager, should be authorized and which is not specifically precluded by Resolution of the Board of Directors; subject to the terms and conditions deemed reasonable and proper, and which shall include the following:

- (A) The IEUA shall cause a service connection to be constructed pursuant to a written request by a Local Agency in accordance with plans and specifications approved by the General Manager and by an authorized representative of the Local Agency.
- (B) The service connection shall include the facilities for diversion of water from Metropolitan's system and for delivery of such water into the pipeline distribution system of IEUA or of IEUA's Local Agency. The service connection up to and including the fitting connecting with the pipeline through which IEUA will receive water delivered through the service connection, which shall include metering instruments and a cabinet therefor, shall be the property of Metropolitan and shall be operated, maintained and controlled by Metropolitan.
- (C) All service connections shall be installed at the sole expense of the Local Agency. IEUA shall furnish the Local Agency with an estimated cost of the service connection. The Local Agency shall deposit with IEUA the amount of such estimate prior to the start of construction. Any difference between the deposit and the actual cost shall be refunded to the Local Agency, if in excess of actual cost, or if the cost of the connection exceeds the estimate, the Local Agency shall be required to pay the difference.
- (D) Prior to the release of water by Metropolitan into the pipeline distribution system of IEUA or of IEUA's Local Agency, the Local Agency shall install its own flow control device or devices as a means of maintaining uniform flow. The flow control device shall be of a type approved by the General Manager and shall be accessible to and available for operation by

representatives of IEUA when necessary. Tampering of the Local Agency's flow control device to take water at times not agreed upon with IEUA is forbidden under penalty of disconnection.

- (E) The number, design, and location of all service connections, meters, and the charges to be made therefore shall be as established by the Board of Directors of IEUA. Before any service connection shall be installed, the Local Agency desiring such connection shall execute an application on the form provided by IEUA and file the same with IEUA together with any and all deposits required, in accordance with IEUA rules and regulations as may be amended from time to time.

SECTION 202 - DISCONTINUANCE OF SERVICE:

- (A) A Local Agency's water service may be discontinued if a bill is not paid within twenty-five (25) days after the date of billing. The Board of Directors, in its discretion and upon such other conditions as it may prescribe after giving the Local Agency a reasonable opportunity to be heard, may order the termination of service to such Local Agency until all delinquent payments, including additional charges, are made to IEUA.
- (B) Whenever notice is given by IEUA to a Local Agency to discontinue service, the water may be shut off and the meter removed at the option of IEUA.
- (C) A Local Agency may have its water service discontinued by notifying IEUA thirty (30) days in advance of the date of discontinuance. The Local Agency shall be required to pay all water charges until the date of discontinuance.
- (D) If a Local Agency requests water service be restored, the meter shall be reinstalled at the sole expense of the Local Agency. If a Local Agency requests service be reinstated within a twenty-four (24) month period after discontinuance, the Local Agency shall be required to pay IEUA all outstanding charges up to the time of discontinuance.

SECTION 203 - INTERFERENCE BY LOCAL AGENCIES:

No Local Agency shall take or draw water from any water line or pipe of IEUA without paying the established charges therefore. Any Local Agency interference constitutes a violation of the Ordinance and is grounds for discontinuance of service.

SECTION 204 – EFFECTIVE DATE:

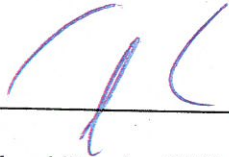
Upon the effective date of this Ordinance No. 104, Ordinance No. 103, including any amendments thereto, shall be repealed and superseded by this Ordinance. This Ordinance shall be in full force and effect immediately following its passage, approval, and publication, as provided by law.

ADOPTED, this 15th of June, 2016.



Terry Catlin
President of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

ATTEST:



Steven J. Elie
Secretary of the Inland Empire Utilities
Agency* and the Board of Directors thereof

*A Municipal Water District

STATE OF CALIFORNIA

$$\begin{array}{l}) \\)SS \\) \end{array}$$

COUNTY OF SAN BERNARDINO

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the forgoing Ordinance being No. 104, was adopted at a regular meeting on June 15, 2016, of said Agency by the following vote:

AYES: Hall, Elie, Camacho, Catlin

NOES: None

ABSTAIN: None

ABSENT: None

Steven J. Elie
Secretary/Treasurer

(SEAL)

