RESOLUTION NO. 2026-11-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, UPDATING THE RATE STRUCTURE FOR THE INLAND EMPIRE UTILITIES AGENCY BRINE LINE SYSTEM COMPRISED OF THE NON-RECLAIMABLE WASTEWATER SYSTEM, THE ETIWANDA WASTEWATER LINE, AND THE INLAND EMPIRE BRINE LINE

WHEREAS, the Inland Empire Utilities Agency ("IEUA" or "Agency") and Los Angeles County Sanitation Districts ("LACSD") are parties to the Wastewater Disposal Agreement No. 4830 ("NRWS Agreement") governing the Non-Reclaimable Wastewater System ("NRWS"); and

WHEREAS, IEUA and LACSD are parties to the Wastewater Disposal Agreement No. 1679E ("EWL Agreement") governing the Etiwanda Wastewater Line ("EWL"); and

WHEREAS, agreements governing the treatment, disposal, and administration of wastewater discharge into the Inland Empire Brine Line ("IEBL") include the Wastewater Treatment and Disposal Agreement dated July 11, 1996, the Memorandum of Understanding between Santa Ana Watershed Project Authority ("SAWPA"), dated April 1, 1991, and the Orange County Sanitation District ("OC San") dated October 15, 2013, and the IEBL Multijurisdictional Pretreatment Agreement; and

WHEREAS, the NRWS, EWL, and IEBL collectively comprise the IEUA Brine Line System; and

WHEREAS, IEUA desires to update its existing rate structure to more accurately and equitably allocate the costs associated with providing services through the IEUA Brine Line System based on users' actual demand on the collection system; and

WHEREAS, the proposed updates primarily address operation and maintenance charges, while maintaining the existing rate methodologies for other applicable charges; and

WHEREAS, IEUA intends to periodically review rates and charges imposed by LACSD and SAWPA and, as necessary, propose adjustments to the applicable rates and charges through separate Rate Resolutions adopted by the IEUA Board of Directors; and

WHEREAS, IEUA's rate structure incorporates the pass-through of applicable charges imposed by LACSD and SAWPA for wastewater Flow, Peak Flow ("PF"), Biochemical Oxygen Demand ("BOD"), Chemical Oxygen Demand ("COD"), Total Suspended Solids ("TSS"), and other constituents; and

WHEREAS, the updated rate structure includes components for debt repayment, long-term system replacement, operations and maintenance, and operating reserves to support long-

PROPOSED

term reliability and financial sustainability of the IEUA Brine Line System; and

WHEREAS, IEUA has established a long-term capital improvement program for the repair and replacement of the IEUA Brine Line System, including funding for pipeline replacement and capital investment reserves; and

WHEREAS, this Resolution establishes procedures for allocating wastewater discharge rights to individual Users of the NRWS with wastewater discharge rights, expressed in Non-Reclaimable Wastewater System Capacity Units ("NRWSCU"), as defined herein; and

WHEREAS, this Resolution establishes procedures for allocating wastewater discharge rights to individual Users of the EWL and IEBL, expressed in Capacity Units as defined herein; and

WHEREAS, the rate structure provides for adjustments to wastewater flow and strength measured at individual discharge locations when measurements at the East End metering station at the Los Angeles County line or the SAWPA metering station at the Orange County line exceed the aggregate measurements of dischargers within the respective systems; and

WHEREAS, IEUA has conducted a solids formation study to evaluate TSS generated within the pipeline and has developed a methodology for allocating the resulting additional solids load among applicable users; and

WHEREAS, the rate structure provides for allocating individual Users of NRWS their respective fractional contributions to Volumetric, COD, TSS, and NRWSCU discrepancies measured at the East End monitoring facility, based on monitoring data from the preceding fiscal year; and

WHEREAS, the rate structure further provides for allocating individual Users their respective fractional contributions of the Solids Discrepancy at the East End ("SD_{EE}") monitoring facility, as determined by the Fractional Solids Discrepancy Formula ("FSD_i"); and

WHEREAS, IEUA has adopted Ordinances No. 118 and No. 119 governing the use of the NRWS, EWL, and IEBL within the Agency's service area; and

WHEREAS, the Board of Directors desires to adopt an updated rate structure governing rates, fees, charges, capacity allocations, and billing procedures associated with the IEUA Brine Line System, with applicable rates and charges to be established through separate Rate Resolutions adopted by the Board of Directors.

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* hereby RESOLVES, DETERMINES, AND ORDERS as follows:

SECTION 1 – GENERAL PROVISIONS

(A) This IEUA Brine Line System Rate Structure Resolution (the "Rate Structure

PROPOSED

Resolution") establishes the updated rate structure for the NRWS, EWL, and IEBL and authorizes the Finance Department to propose Rate Resolutions for consideration and adoption by the Board of Directors in accordance with the framework established herein.

(B) This Rate Structure Resolution shall apply to all direct and indirect users of the NRWS, EWL, and IEBL, including their respective tributary systems.

(C) This Rate Structure Resolution establishes the framework for determining and administering rates, fees, and charges associated with the use of the IEUA Brine Line System, including those related to capacity acquisition, wastewater discharge permit processing, volumetric, strength, imbalance, and any incidental charges related to wastewater discharges into the IEUA Brine Line System.

SECTION 2 – DEFINITION OF TERMS

(A) AGENCY - The Inland Empire Utilities Agency (IEUA) and its duly authorized officers, agents, and representatives.

(B) AGENCY PROGRAM CHARGE - A charge payable by each Discharger to cover Agency operations and maintenance costs, inspection, monitoring, laboratory analysis, chemicals, and other Agency-incurred costs.

(C) BASELINE NRWS CAPACITY UNITS OR BASELINE NRWSCU - Shall mean the capacity units allocated to a NRWS User as of June 30, 2018, also known as their Final Allocation. This Baseline NRWSCU may be adjusted as needed and determined on an annual basis by the Agency.

(D) BIOCHEMICAL OXYGEN DEMAND (BOD) - Shall mean the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedures for five (5) days at 20 degrees Celsius, usually expressed as a concentration (e.g., mg/l).

(E) CAPACITY RIGHT - Shall mean a right to discharge into the IEUA Brine Line System in accordance with the Capacity Right Agreement issued by the Agency to the Capacity Right Agreement Holder. Capacity Right shall be applicable only to the wastewater generated at the location to which the Capacity Right has been assigned and is not transferable.

(F) CAPACITY RIGHT AGREEMENT - Shall mean a uniform agreement between the Agency and each Capacity Right Holder in the Agency's NRWS, EWL, or IEBL.

(G) CAPACITY RIGHT HOLDER - Shall mean the User holding the Capacity Right Agreement in the Agency's NRWS, EWL, or IEBL.

PROPOSED

(H) CHEMICAL OXYGEN DEMAND (COD) - Shall mean a measure of the oxygen required to oxidize all compounds, both organic and inorganic, in water, usually expressed as a concentration (e.g., mg/l).

(I) DISCHARGER - Shall mean any Person that discharges or causes a discharge of Industrial Wastes directly or indirectly to the NRWS, EWL, or IEBL.

(J) ETIWANDA WASTEWATER LINE OR EWL - Shall refer to the Agency's disposal system governed by Agreement No. 1679E dated May 26, 2010, or its successors, between the Agency and LACSD.

(K) ETIWANDA WASTEWATER LINE CAPACITY UNIT OR EWLCU - Shall mean a maximum instantaneous peak flow of not to exceed fifteen (15) gallons per minute and is applicable only to the Etiwanda Wastewater Line Users.

(L) FRACTIONAL SOLIDS DISCREPANCY FORMULA - Shall mean the formula to distribute the solids discrepancy resulting from the difference between the East End monitoring station and the summation of the NRWS industries as defined in the Rate Resolution.

(M) HISTORICAL MAXIMUM NRWSCU - Shall mean the maximum NRWSCU used as a reference to existing Users per the *Wastewater Disposal Agreement 4830.*

(N) IEBL CAPACITY UNIT OR IEBLCU - Shall mean a maximum instantaneous peak flow of not to exceed fifteen (15) gallons per minute and is applicable only to IEBL Users.

(O) IEUA - Shall mean the Inland Empire Utilities Agency, a Municipal Water District, and its duly authorized officers, agents and representatives.

(P) IEUA Brine Line System – Shall mean the infrastructure and disposal system of the NRWS, EWL, and IEBL as dictated by the aforementioned agreements in this Rate Structure Resolution.

(Q) IEUA CIP CHARGE RATE - Shall refer to the total IEUA Capital Improvement Project (CIP) cost divided by the total NRWSCU or EWLCU or IEBLCU allocated to the Users for the applicable fiscal year.

(R) IEUA O&M CHARGE RATE - Shall refer to the total IEUA operations and Maintenance cost divided by the total NRWSCU, EWLCU, or IEBLCU allocated to the Users.

(S) IEUA O&M STANDBY CHARGE RATE – Shall refer to the periodic charges per NRWSCU, EWLCU, or IEBLCU determined on a three-year rolling average.

PROPOSED

(T) IEUA PEAK FLOW CHARGE - Shall mean the monthly charges based on the peak flow discharge rates. The Peak Flow Rate Charge shall be established in the NRWS Rate Resolution.

(U) IEUA PEAK FLOW RATE - Shall mean two times the average flow rate in gallons per minute.

(V) INITIAL CAPACITY CHARGE - Shall mean a monetary payment to acquire Capacity Right or Capacity Units.

(W) INLAND EMPIRE BRINE LINE or IEBL – Shall refer to the Agency's disposal system governed by SAWPA Wastewater Treatment and Disposal Agreement dated July 11, 1996, the Memorandum of Understanding between Santa Ana Watershed Project Authority and Orange County Sanitation District, dated April 1, 1991, and the Inland Empire Brine Line Multijurisdictional Pretreatment Agreement dated October 15, 2013.

(X) LOS ANGELES COUNTY SANITATION DISTRICTS or LACSD - Shall mean the Los Angeles County Sanitation Districts.

(Y) MONTHLY CAPACITY CHARGE - Shall mean a monthly charge based upon the number of Capacity Units owned by each User of the NRWS, EWL, or IEBL.

(Z) NON-RECLAIMABLE WASTEWATER - Shall mean wastewater that is required to comply with the quality standards and requirements of applicable Joint Disposal Agreements and contains high concentrations of salinity or dissolved solids (e.g., TDS) in a concentration which exceeds IEUA's Local Limits.

(AA) NON-RECLAIMABLE WASTEWATER SYSTEM OR NRWS - Shall refer to the Agency's disposal system governed by *Agreement No. 4830* between Agency and LACSD.

(BB) NON-RECLAIMABLE WASTEWATER SYSTEM CAPACITY UNIT OR NRWSCU - Shall mean the number of capacity unit(s) as determined in Section 3 of this Resolution. NRWSCU shall be applicable only to the wastewater generated at the location to which the NRWSCU has been assigned.

(CC) OTHER CHARGES - Shall mean any other charges invoiced from Los Angeles County Sanitation Districts (LACSD) and Santa Ana Watershed Project Authority (SAWPA) to the Agency for discharges to the NRWS, EWL, or IEBL, including, but not limited to, volumetric, strength, and capacity imbalance charges, permit, inspection, laboratory fees, and non- conventional constituents.

(DD) QUALITY (OR STRENGTH) CHARGE - Shall mean a charge payable by each

PROPOSED

Discharger based upon the quality or strength of actual discharge, multiplied by rates established in Rate Resolutions.

(EE) QUANTITY OF VOLUMETRIC FLOW CHARGE - Shall mean a charge payable by each Discharger based upon the quantity of actual volumetric flow discharged by the User, multiplied by rates established in Rate Resolutions.

(FF) RATE RESOLUTION – Shall mean the resolution which is adopted each year by the IEUA Board of Directors for the specific rate for usage charges billed to the Users of the IEUA Brine Line System.

(GG) RATE STRUCTURE RESOLUTION – Shall mean this Resolution which establishes the updated rate structure for Capacity Rights, rates, fees, charges and billing associated with the administration of the IEUA Brine Line System.

(HH) SANTA ANA WATERSHED PROJECT AUTHORITY or SAWPA - Shall mean the Santa Ana Watershed Project Authority.

(II) STANDBY CHARGES – Shall mean the NRWS, EWL, or IEBL program charges as established in this Rate Structure Resolution and respective Rate Resolutions.

(JJ) USER - Shall mean any Person that has entered into a Capacity Right Agreement or a Special Permit with the Agency for the use of the Brine Line System.

SECTION 3 – CAPACITY ACQUISITION FOR THE NRWS

3.1 ACQUIRING CAPACITY

Any Person desiring to use the NRWS may request such use by submitting an application to the Agency to acquire NRWSCU.

3.2 CAPACITY RIGHT HOLDERS PRIOR TO JULY 1, 2014

(A) For NRWS Users that have Capacity Rights prior to July 1, 2014, "new" NRWSCU will be allocated based on Exhibit 1 Baseline Allocation in *Wastewater Disposal Agreement No. 4830* between the Agency and LACSD. This shall be the initial Baseline Capacity. Upon Permit Issuance, the holder of NRWSCU shall be authorized to discharge into the NRWS.

(B) The Agency will allocate additional NRWSCU above the Baseline Capacity to the User prior to July 1, 2018, without cost to User, based on the User's demonstrated need, but not in excess of the Historical Maximum NRWSCU as identified in Exhibit 1 of *Wastewater Disposal Agreement No. 4830*. The Agency may allocate the User additional NRWSCU above the User's historical maximum NRWSCU upon the purchase or lease of additional NRWSCU.

PROPOSED

(C) The NRWSCU allocated to each User shall become final on June 30, 2018. Any Additional NRWSCU allocated to each User after this date shall be purchased or leased.

3.3 CAPACITY UNITS FOR NRWS

(A) A Person may initiate a request to acquire Capacity Rights to the NRWS or an annual lease by completing and submitting a Capacity Rights application and payment of the application processing fee to the Agency. Upon receipt of the application, the Agency shall notify the applicant of any additional information needed for the Agency to complete reviewing the Capacity Rights application.

(B) The number of NRWSCU allocated shall be determined by the Agency based upon the information collected during the application process and after analysis of the processes, the nature and character of effluent, and the provisions which have or could have been made in plant segregation of the Industrial Wastewater. The number of NRWSCU shall be determined using the formula in Section 3.6 of this Rate Structure Resolution, but shall be no less than 25 units.

(C) Upon approval and payment of all fees, the Agency shall notify the applicant in writing, confirming the number of allocated NRWSCU. Upon Permit Issuance, the holder of NRWSCU shall be authorized to discharge into the NRWS.

(D) NRWSCU acquired upfront or leased shall be allocated to the owner of the property or the owner of the business generating the Industrial Wastewater.

(E) NRWSCU acquired upfront or leased shall be applicable only to the wastewater generated at the location to which the NRWSCU has been allocated.

(F) NRWSCU acquired upfront or leased may be assigned to the successive business or property owner for the same location where the NRWSCU was allocated upon written request from the Capacity Rights holder and the successor, and approval by the General Manager.

(1) The allocated NRWSCU shall be retained from year to year, conditioned upon payment of all charges.

(2) The duration of the NRWSCU allocation between a Capacity Right Holder and the Agency shall be concurrent with the duration of the current Joint Disposal Agreement No. 4830 between the Agency and LACSD, which is June 30, 2044, plus four additional options of five (5) years each, up to June 30, 2064.

PROPOSED

(G) If all charges are not paid within thirty (30) days of the due date, the Agency may serve a written notice of default requiring payment of all applicable charges within ninety (90) days of the date of the notice of default. The User shall pay a late payment penalty and interest on the unpaid balance from the date of receipt of the notice of default at a rate to be established from time to time by Resolution of the Board. In the event that payment is not made within the period specified in the notice of default, which shall be a minimum of ninety (90) days, the Agency may elect to suspend the User's Permit.

(H) The User may terminate or relinquish all or any portion of their NRWSCU in the NRWS and thereby be relieved of all or a portion of their obligation to pay all charges related to NRWSCU upon completion of the following:

(1) The User shall give ninety (90) days advance written notice to the Agency of its intention to so terminate, and

(2) The User shall be required to pay the Agency all Agency CIP, O&M, and Standby Charges for the NRWSCU being terminated for the remainder of the fiscal year in which termination becomes effective.

(3) Upon payment of the required sums, all or that portion of the rights and obligations of User being terminated in the Disposal System shall cease as of the identified termination date.

(I) In the event the User has ceased discharge for a period of twenty-four (24) months without assigning the Capacity Right pursuant to Section 3.3(F) of this Rate Structure Resolution, or terminating the Capacity Right pursuant to Section 3.3(H)(1) & 3.3(H)(2), the Agency may declare all or any portion of the Capacity Right Agreement void. If the Agency declares all or part of the Capacity Right Agreement to be void, all payments made theretofore shall be forfeited and inure to the sole benefit of the Agency and the provisions of Section 3.3(H)(3) of this Rate Structure Resolution shall apply.

3.4 CAPACITY UNIT ALLOCATION ADJUSTMENTS

(A) In March of each year, the Agency shall determine and notify the User of their required NRWSCU for the upcoming fiscal year based on data from the previous calendar year.

(B) There shall be no credit of any kind for relinquishing any allocated or underutilized NRWSCU.

(C) Any upward allocation exceeding the historical maximum NRWSCU per Exhibit 1 of the *Joint Wastewater Disposal Agreement No. 4830* between the Agency and LACSD shall be acquired or leased upfront pursuant to this Rate Structure

PROPOSED

Resolution.

(D) All NRWSCU adjustments shall take effect on July 1 of the upcoming fiscal year or a date approved by the General Manager.

3.5 EXCEEDING BASELINE NRWSCU

(A) In August of each year, the Agency shall determine if a User has exceeded its allocated Baseline NRWSCU in the previous fiscal year. The Agency shall calculate a fee for the excess NRWSCU used based on the NRWSCU charge rate in effect at the time of determination.

(B) The Agency shall provide the User an invoice of the excess fees. The User shall have thirty (30) days after the date of the invoice to pay the Agency for the excess fees due pursuant to the current Rate Resolution.

3.6 DETERMINATION OF NRWSCU

The NRWSCU shall be determined annually by the summation of individual NRWSCU components of Flow, COD, and TSS using the following NRWSCU Equation. For COD and TSS, flow weighted average values shall be used.

$$NRWSCU = \left(X \frac{Flow_{gpd}}{F}\right) + \left(Y \frac{COD_{ppd}}{C}\right) + \left(Z \frac{TSS_{ppd}}{T}\right)$$

Where: *gpd* = gallons per day, *ppd* = pounds per day

(A) The values of X, Y, Z, F, C and T in the above formula are subject to revisions as deemed necessary and set in the Rate Resolution.

(B) In order to determine the COD and TSS capacity unit components, as well as for wastewater quality billing, the User shall obtain, at a minimum, monthly wastewater samples for analysis using automatic sampling equipment capable of obtaining representative twenty-four (24) hour composite samples in compliance with all Agency requirements for wastewater sampling and analysis. All analysis must be performed in accordance with 40 CFR Part 136, *Guidelines Establishing Test Procedures for the Analysis of Pollutants*, or as prescribed by the Agency.

(C) The User shall pay all costs incurred in connection with sampling and analysis.

SECTION 4 – OBTAINING THE ABILITY TO DISCHARGE INTO THE ETIWANDA WASTEWATER LINE

4.1 ACQUIRING CAPACITY

PROPOSED

Any Person desiring to use the EWL may request such use through an application to the Agency to acquire either a Capacity Right Agreement or an Indirect Discharger Permit.

4.2 CAPACITY RIGHT FOR EWL

(A) Upon Board approval, a Capacity Right is granted by execution of a Capacity Right Agreement between the Agency and any Person. A Capacity Right shall not be used at a location other than the property described in the Capacity Right Agreement.

(1) The User shall be the owner of the property or the owner of the business generating the Industrial Wastewater.

(2) With prior approval of the Board, User may lease the use of the Capacity Rights for the purpose stated in the User's Capacity Right Application.

(3) A Capacity Right may be assigned to a successive User upon written request from the User and the successor, and approval of the Board.

(B) A Person or User may initiate Capacity Right Agreement procedures by completion and submittal to the Agency a Capacity Right application and payment of the application fee. The application shall be on a form provided by the Agency. Upon receipt of the application, the Agency shall notify the applicant in writing of any additional information determined to be necessary for the Agency to complete the review of the Capacity Right application.

(C) The number of EWLCU included in a Capacity Right Agreement shall be determined by the Agency based upon the information collected during the application process and after analysis by the Agency of the processes, the nature and character of effluent, and the provisions which have been or could be made for in-plant segregation of Industrial Wastewater and flow equalization.

(D) After execution of the Capacity Right Agreement, the Capacity Right shall be retained from year to year, conditioned upon payment of Monthly Capacity Charges. The term of the Capacity Right Agreement between a Person and the Agency shall be concurrent with the term of the current Joint Disposal Agreement 1679E dated May 26, 2010 between the Agency and LACSD.

(E) If the Monthly Capacity Charges, and Quantity and Quality Charges are not paid within thirty (30) days of the due date, the Agency may serve a written notice of default requiring payment of all applicable charges within ninety (90) days of the date of the notice of default. The User shall pay a late payment penalty and interest on the unpaid balance from the date of receipt of the notice of default at a rate to be established from time to time by resolution of the Board. In the event that payment is not made within the period specified in the notice of default, which shall be a minimum of ninety (90) days, the Agency may elect to suspend the User's Permit.

PROPOSED

(F) In the event the User has not commenced discharge of Industrial Wastewater to the Disposal System within twenty-four (24) months after execution of the Capacity Right Agreement, the Agency may declare all or any portion of the Capacity Right Agreement void. If the Agency declares all or any part of the Capacity Right Agreement to be void, all payments made theretofore shall be forfeited and inure to the sole benefit of the Agency.

(G) The User may terminate all or any portion of their Capacity Right in the Disposal System and thereby be relieved of all or a portion of their obligation to pay Monthly Capacity Charges upon completion of the following:

(1) The User shall give ninety (90) days advance written notice to the Agency of its intention to so terminate, and the User shall be required to pay to the Agency, at least thirty (30) days prior to the termination date requested by the User, a termination fee equal to the amount obtained by multiplication of the number of capacity units being terminated by the current monthly capacity charge by six (6) months. The six (6) month termination fee shall be calculated from the termination date requested by the User.

(2) Upon payment of the required sums, all or that portion of the rights and obligations of User being terminated in the Disposal System shall cease as of the identified termination date.

(H) In the event the User has ceased discharge for a period of twenty-four (24) months without assigning the Capacity Right pursuant to Section 4.2(A)(3) of this Rate Structure Resolution, or terminating the Capacity Right pursuant to Section 4.2(G), the Agency may declare all or any portion of the Capacity Right Agreement void. If the Agency declares all or part of the Capacity Right Agreement to be void, all payments made theretofore shall be forfeited and inure to the sole benefit of the Agency and the provisions of Section 4.2(G)(2) of this Rate Structure Resolution shall apply.

SECTION 5 – OBTAINING THE ABILITY TO DISCHARGE INTO THE INLAND EMPIRE BRINE LINE

5.1 ACQUIRING CAPACITY

Any Person desiring to use the IEBL may request such use through application to the Agency to acquire either a Capacity Right Agreement, or an Indirect Discharger Permit.

5.2 CAPACITY RIGHT FOR IEBL

(A) Upon Board approval, a Capacity Right is granted by execution of a Capacity Right Agreement between the Agency and any Person. A Capacity Right shall not

PROPOSED

be used at a location other than the property described in the Capacity Right Agreement.

(1) The User shall be the owner of the property or the owner of the business generating the Industrial Wastewater.

(2) With prior approval of the Board, User may lease the use of the Capacity Right for the purpose stated in the User's Capacity Right Application.

(3) A Capacity Right may be assigned to a successive User upon written request from the User and the successor, and approval of the Board.

(B) A Person or User may initiate Capacity Right Agreement procedures by completion and submittal to the Agency a Capacity Right application and payment of the application fee. The application shall be on a form provided by the Agency. Upon receipt of the application, the Agency shall notify the applicant in writing of any additional information determined to be necessary for the Agency to complete the review of the Capacity Right application.

(C) The number of IEBLCU included in a Capacity Right Agreement shall be determined by the Agency based upon the information collected during the application process and after analysis by the Agency of the processes, the nature and character of effluent, and the provisions which have been or could be made for in-plant segregation of Industrial Wastewater and flow equalization.

(D) After execution of the Capacity Right Agreement, the Capacity Right shall be retained from year to year, conditioned upon payment of Monthly Capacity Charges. The term of the Capacity Right Agreement between a Person and the Agency shall be concurrent with the term of the current SAWPA *Wastewater Treatment & Disposal Agreement dated July 11, 1996 and Memorandum of Understanding between Santa Ana Watershed Project Authority and Orange County Sanitation District, dated April 1, 1991, and Inland Empire Brine Line Multijurisdictional Pretreatment Agreement, dated October 15, 2013,* between the Agency and SAWPA.

(E) If the Monthly Capacity Charges, and Quantity and Quality Charges are not paid within thirty (30) days of the due date, the Agency may serve a written notice of default requiring payment of all applicable charges within ninety (90) days of the date of the notice of default. The User shall pay a late payment penalty and interest on the unpaid balance from the date of receipt of the notice of default at a rate to be established from time to time by resolution of the Board. In the event that payment is not made within the period specified in the notice of default, which shall be a minimum of ninety (90) days, the Agency may elect to suspend the User's Permit.

PROPOSED

(F) In the event the User has not commenced discharge of Industrial Wastewater to the Disposal System within twenty-four (24) months after execution of the Capacity Right Agreement, the Agency may declare all or any portion of the Capacity Right Agreement void. If the Agency declares all or any part of the Capacity Right Agreement to be void, all payments made theretofore shall be forfeited and inure to the sole benefit of the Agency.

(G) The User may terminate all or any portion of their Capacity Right in the Disposal System and thereby be relieved of all or a portion of their obligation to pay Monthly Capacity Charges upon completion of the following:

(1) The User shall give ninety (90) days advance written notice to the Agency of its intention to so terminate, and the User shall be required to pay to the Agency, at least thirty (30) days prior to the termination date requested by the User, a termination fee equal to the amount obtained by multiplication of the number of capacity units being terminated by the current monthly capacity charge by six (6) months. The six (6) month termination fee shall be calculated from the termination date requested by the User.

(2) Upon payment of the required sums, all or that portion of the rights and obligations of User being terminated in the Disposal System shall cease as of the identified termination date.

(H) In the event the User has ceased discharge for a period of twenty-four (24) months without assigning the Capacity Right pursuant to Section 5.2(A)(3) of this Rate Structure Resolution, or terminating the Capacity Right pursuant to Section 5.2(G), the Agency may declare all or any portion of the Capacity Right Agreement void. If the Agency declares all or part of the Capacity Right Agreement to be void, all payments made theretofore shall be forfeited and inure to the sole benefit of the Agency and the provisions of Section 5.2(G)(2) of this Rate Structure Resolution shall apply.

SECTION 6 – BILLING OF SERVICE COSTS FOR THE NRWS, EWL, AND IEBL

The User shall pay the Agency for the cost of providing NRWS and EWL service and for costs imposed upon the Agency by LACSD to pay its proportional share of the costs for the wastewater disposal, including the treatment of non-conventional industrial wastewater constituents into the NRWS and EWL, and any other charges related to the wastewater disposal and operations of the NRWS and EWL.

The User shall pay the Agency the following billing component costs in conformance with the applicable resolutions adopted by the IEUA Board:

PROPOSED

6.1 BILLING COMPONENTS, PERIODS, AND MINIMUM CHARGE FOR NRWS, EWL, AND IEBL

(A) For the NRWS and EWL, the billing components shall be those imposed upon the Agency by LACSD: Volumetric Flow, Peak Flow, Strength (COD, TSS, and other non-conventional constituents), Strength Imbalances, Capacity Imbalance as adjusted to include and recover all LACSD charges. These charges shall be established by the IEUA Board of Directors through the Rate Resolutions.

(B) For the IEBL, the billing components shall be those imposed upon the Agency by SAWPA: Volumetric Flow, Strength (BOD, TSS, and other non-conventional constituents), Strength Imbalances, Capacity Imbalance as adjusted to include and recover all SAWPA charges. These charges shall be established by the IEUA Board of Directors through the Rate Resolution.

(C) The Agency's Operation and Maintenance (O&M) costs, Capital Improvement Program (CIP) costs, Standby Charges, minimum charges and any billing component to recover all costs to provide NRWS, EWL, and IEBL service as established by the IEUA Board of Directors through the Rate Resolution.

(D) Wastewater Discharge Permit Applications, Renewals, Revisions, Amendments, and Special Purpose Discharge Permit fees shall be established by the IEUA Board of Directors through the Rate Resolutions.

(E) Billing periods shall be monthly, quarterly, or annually as applicable to the billing components as established by the IEUA Board of Directors through the Rate Resolution.

(F) The billing rates for the various billing components to the NRWS, EWL, and IEBL shall be set in the Rate Resolution.

(G) Minimum NRWSCU assignment shall be twenty-five (25) units.

(H) Minimum EWLCU and IEBLCU assignment shall be one (1) unit.

6.2 CAPACITY CHARGE RATE

The Capacity Charge rates shall be established by Rate Resolutions and billed monthly. The following shall apply to Monthly Capacity Charges:

(A) FOR IEBL and EWL - A User with IEBL or EWL Capacity Right Agreement shall not be required, during the first year after execution of the Capacity Right Agreement, to make payment of the Monthly Capacity Charge unless the User starts discharge. Monthly Capacity Charges will commence beginning with the thirteenth

PROPOSED

(13th) month after execution of the Capacity Right Agreement or in the month discharge starts, whichever occurs first. This grace period may be revised and set in the Rate Resolution.

(B) FOR NRWS – No separate capacity charges at this time but may be added in the future as needed.

6.3 VOLUMETRIC, MINIMUM VOLUMETRIC, AND PEAK FLOW CHARGE RATES

The volumetric charge, minimum volumetric charge, and peak flow charge rates shall be established by Rate Resolutions and billed monthly.

(A) For EWL AND IEBL – Monthly volumetric charges shall be charged based upon metered discharge to the EWL or IEBL Systems. At the option of the Agency, other methods of determining the volume of discharge to the IEUA Brine Line System may be used. Volumetric charges will start in the month discharge to the EWL and IEBL starts. The monthly volumetric charge rate shall be established in Rate Resolution.

(1) If discharge does not start by the thirteenth (13th) month after execution of the Capacity Right Agreement, monthly minimum volumetric charges shall apply per this Section. This grace period may be revised and set in the Rate Resolution.

(2) In the event that User's total volume discharged in a given month is less than one hundred thousand (100,000) gallons per capacity unit per month, or revised and set by Rate Resolution, User shall pay a monthly minimum volumetric charge.

(3) The monthly minimum volumetric charge rate per capacity unit per month shall be at least 10% of the volumetric rate per capacity unit or as set by Rate Resolution. This charge shall apply regardless of whether or not discharge occurred during the month.

(B) FOR NRWS – Monthly volumetric charges and peak flow charges shall be charged based upon metered discharge to the NRWS. At the discretion of the Agency, other methods of determining the volume of discharge to the NRWS may be used.

(1) Volumetric and peak flow charges shall start in the month discharge to the NRWS commences, but no later than by the thirteenth (13th) month after execution of the Capacity Right Agreement. This grace period may be revised and set in the Rate Resolution.

PROPOSED

(2) The monthly volumetric charge rates shall be established in Rate Resolution.

6.4 STRENGTH CHARGES

Rates for strength charges shall be established by Rate Resolution. Strength charges shall be calculated monthly and billed quarterly or sooner.

Strength charges shall be a charge based upon the strength of the wastewater discharged to the IEUA Brine Line System. Strength of wastewater shall be the arithmetic mean determined in accordance with the results of all analytical tests performed on all samples collected by the Agency and User as part of the Permit issued by the Agency for the billing month.

In the event of missing data, the Agency shall, at its own discretion, use the arithmetic mean of the available data in the billing quarter in which the data is missing, or other previous time period that may be representative for the missing data.

In accordance with the Permit issued, the frequency of sampling to determine wastewater strength shall be determined by the Agency. The Agency may determine that the sampling frequency is such that all costs incurred by the Agency to complete the sampling shall be recovered from the User.

6.5 SOLIDS DISCREPANCY CHARGES

The solids discrepancy charges resulting from the difference, if any, of the monitoring facility and the summation of the Users in their respective systems shall be distributed according to the solids discrepancy formulae (or imbalance formulae) or as revised and set in the Rate Resolutions. User shall sample and analyze these and any additional parameters to determine the solids imbalance on a monthly basis to determine User's respective solids discrepancy as required in User's permit. Solids discrepancy charges shall be calculated monthly and billed quarterly.

6.6 ANNUAL RECONCILIATION CHARGES

For the NRWS, the Agency shall prepare annually a reconciliation invoice detailing all charges resulting from Users exceeding their allocated NRWSCU and associated charges for the past fiscal year at rates set in Rate Resolutions effective for the fiscal year following the reconciliation period. Any capacity that exceeded the East End allocation shall be distributed to Users. The capacity imbalance charge unit rate shall be determined by dividing the total imbalance cost by the actual NRWSCU used and billed to Users in direct proportion to the actual NRWSCU used by User. This mechanism may be revised and set in Rate Resolution.

6.7 AGENCY PROGRAM CHARGES

The Agency Program Charges comprised of O&M charges, CIP charges, Standby Charges, and other program charges as they arise, shall be established by Rate Resolutions using the total

PROPOSED

allocated capacity units to Users in their respective systems. The rates for them shall be set per capacity unit and determined by dividing the total projected costs for a given fiscal year distributed to the total capacity units allocated on rolling averages for their respective systems. The Agency Program charges shall be billed monthly.

(A) For the NRWS, the Agency Program Charges shall be distributed to the total NRWS capacity units allocated to Users for the fiscal year and charged per capacity unit. The O&M charges shall be collected as a Standby charge calculated based on a three-year rolling average of capacity unit use.

(B) For the EWL, the Agency Program Charges shall be distributed to the total EWL capacity units allocated to Users for the fiscal year and charged per capacity unit.

(C) For the IEBL, the Agency Program Charges shall be distributed to the total IEBL capacity units allocated to Users for the fiscal year and charged per capacity unit.

6.8 RECYCLED WATER USAGE CREDIT PROGRAM FOR NRWS AND EWL

The recycled water (RW) usage credit program ended on June 30, 2024 and is no longer available.

6.9 CAPACITY RIGHTS AND PERMIT APPLICATION FEES

The application fees to acquire wastewater discharge capacity rights shall be based upon the cost of processing a Capacity Right Application, Direct or Indirect Discharger Permit Application, shall be established by Rate Resolution.

6.10 BILLING AND PAYMENT

(A) FEES AND CHARGES FOR NON-PUBLIC ENTITIES

(1) All fees and charges imposed under the provisions of this Rate Structure Resolution upon a non-public entity are due and payable upon serving an invoice. An invoice shall be served by first-class mail or such other procedures including electronic communication, e.g., email, as will reasonably assure receipt. Unpaid fees or charges shall become delinquent thirty (30) days after postmark date or the date the invoice is personally served. The date a payment is postmarked by the United States Postal Service or date-stamped by a commercial courier service will be considered the date of receipt by the Agency unless payment is personally made to the Agency.

(2) A penalty of 10 percent (10%) of the original unpaid invoice amount shall be added to any fee or charge that becomes delinquent. Interest at the

PROPOSED

maximum rate provided by law shall accrue on the total of all delinquent fees or charges including the penalty, commencing on the thirty-first (31st) day, and shall be added to any fee or charge that becomes delinquent.

(B) FEES AND CHARGES FOR PUBLIC ENTITIES

(1) All fees and charges imposed under the provisions of this Rate Structure Resolution upon a public entity, as defined by California Government Code Section 811.2, are due and payable upon serving an invoice. An invoice shall be served by first-class mail or such other procedures including electronic communication, e.g., email, as will reasonably assure receipt. Unpaid fees or charges shall become delinquent sixty (60) days after postmark date or the date the invoice is personally served. The date a payment is postmarked by the United States Postal Service will be considered the date of receipt by the Agency unless payment is personally made to the Agency.

(2) A penalty of 10 percent (10%) 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 shall accrue on the total of all delinquent fees or charges, commencing on the sixty-first (61st) day, and shall be added to any fee or charge that becomes delinquent.

(C) WAIVERS OF FEES AND CHARGES

The Board shall have the authority to waive payment of any fee, charge, or penalty billed pursuant to this Rate Structure Resolution.

SECTION 7 – EFFECTIVE DATE

This Resolution shall be effective January 1, 2027, and shall remain in effect until amended, superseded, or rescinded by the Board of Directors.

ADOPTED this 18th day of November 2026.

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

PROPOSED

ATTEST:

_____

Michael Camacho
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

PROPOSED

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN BERNARDINO)

I, Michael Camacho, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2026-11-01, was adopted at a regular Board Meeting on November 18, 2026, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Michael Camacho
Secretary/Treasurer of the Inland Empire Utilities Agency* and of the Board of Directors thereof

(SEAL)

* A Municipal Water District

PROPOSED