RESOLUTION NO. 2018-2-6

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY, A MUNICIPAL WATER DISTRICT, IN SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING GUIDELINES TO CREATE CAPACITY RIGHT AGREEMENTS BETWEEN INLAND EMPIRE UTILITIES AGENCY AND POTENTIAL USERS OF THE INLAND EMPIRE BRINE LINE.

WHEREAS, Inland Empire Utilities Agency, a Municipal Water District ("IEUA") is a municipal water district established pursuant to Section 71000 et seq. of the California Water Code; and

WHEREAS, Orange County Sanitation District ("OCSD") has expressed a desire to consolidate permitting, inspection, monitoring, and enforcement activities over the Inland Empire Brine Line ("Brine Line") into one public agency, specifically the Santa Ana Watershed Project Authority ("SAWPA"), to ensure continuity and consistency in the operation of the Brine Line; and

WHEREAS, SAWPA enacted its Ordinance No. 8 to revise regulations for the use of the Brine Line; and

WHEREAS, SAWPA requires that its member agencies, including IEUA, Eastern Municipal Water District, Orange County Water District, San Bernardino Valley Municipal Water District, and Western Municipal Water District of Riverside County adopt the ordinance so as to provide uniform and consistent guidelines governing the use of the Brine Line; and

WHEREAS, IEUA enacted Ordinance No. 106, an Ordinance by the Board of Directors of IEUA seeking to adopt SAWPA’s Ordinance No. 8 and repeal IEUA’s previous Ordinance No. 96; and

WHEREAS, IEUA Board of Directors intends to continue its policy pertaining to reviewing and granting Capacity Right Agreements between the IEUA and a potential User of the Brine Line.

NOW, THEREFORE, the Board of Directors of IEUA hereby resolves that:

SECTION 1.

Definitions:

1. Board shall mean the Board of Directors of the IEUA.
2. Capacity Right shall mean a right to discharge wastewater into the Brine Line in accordance with the Wastewater Discharge Permit and the Capacity Right Agreement issued by the IEUA to the Capacity Right holder.
3. Capacity Right Agreement shall mean an Agreement between IEUA and a potential User of the Brine Line defining the rights and obligations of that User to discharge Wastewater into the Brine Line expressed in terms of Capacity Units.
4. Capacity Unit shall mean the maximum instantaneous peak flow not to exceed 15 gallons per minute. (The number of IEUA Capacity Units acquired by a User prior to November 5, 1997 shall be multiplied by three).

5. Inland Empire Brine Line or Brine Line shall mean all wastewater conveyance systems owned and maintained by SAWPA, excluding sewer service lateral line connections owned and operated by others.

6. Monthly Capacity Charge shall mean a monthly charge based upon the number of Capacity Units owned by each User of the Brine Line.

7. Person shall mean any individual, firm, company, association, society, general or limited partnership, limited liability company, trust, corporation, governmental agency or group, and includes the plural or singular.

8. User shall mean any Person or entity, public or private, residential, industrial, commercial, governmental, institutional, or liquid waste hauler that discharges or causes to be discharged, wastewater into the Brine Line or tributaries.

9. Wastewater shall mean the used water and water carried waste from a User that is discharged into a sewer.

10. Wastewater Discharge Permit shall mean the permit issued and enforced by the SAWPA General Manager or designee permitting and regulating the discharge of wastewater into the Brine Line and tributaries thereto.

SECTION 2. Any potential User of the Brine Line or tributaries thereto must first apply to the IEUA for a Capacity Right. After review and acceptance of the potential User’s Capacity Right application, the potential User must enter into a Capacity Right Agreement with IEUA before the User may discharge to the Brine Line or tributaries thereto. The potential User shall pay to IEUA all costs associated with the Capacity Right Agreement. A Capacity Right Agreement must be obtained from IEUA prior to filing an application for a Wastewater Discharge Permit.

SECTION 3. All Wastewater to be discharged pursuant to the Capacity Right Agreement between the IEUA and a User shall be contingent upon the issuance by SAWPA to the potential User, a Wastewater Discharge Permit, pursuant to Article 4 of Ordinance No. 8. The User shall also apply for a Wastewater Discharge Permit in accordance with Article 4 of Ordinance No. 8.

SECTION 4. All fees and charges paid by the User in connection with the processing of the Capacity Right Agreement and the Wastewater Discharge Permit are non-refundable.

SECTION 5. Upon Board approval, a Capacity Right is granted by execution of a Capacity Right Agreement between the IEUA 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 Person holding the Capacity Right shall be the owner of the property or owner of the business generating the Wastewater.

2. With prior approval of the Board, a Capacity Right holder may rent or lease the use of the Capacity Right for the purpose stated in the Capacity Right Holder’s Capacity Right application.

3. A Capacity Right may be assigned to a successive Capacity Right holder upon written request from the Capacity Right holder and the successor, and approval of the Board.
SECTION 6. A Person or User may initiate Capacity Right Agreement procedures by completion and submittal to the IEUA of a Capacity Right application and payment of the application fee. The application shall be on a form provided by the IEUA. Upon receipt of the application, the IEUA shall within 30 days notify the applicant in writing of any additional information determined to be necessary for the IEUA to complete the review of the Capacity Right application.

SECTION 7. The number of Capacity Units included in a Capacity Right Agreement shall be determined by the IEUA based upon the information collected during the application process and after analysis by the IEUA of the processes, the nature and character of effluent, and the provisions which have been or could be made for in-plant segregation of Wastewater and flow equalization.

SECTION 8. After execution of the Capacity Right Agreement, the Capacity Right shall be retained from year to year, conditioned upon payment of Monthly Capacity Charges and associated O&M or administrative charges as established by resolution of the Board. The term of the Capacity Right Agreement between a Person and the IEUA shall be concurrent with the term of the current Wastewater Treatment and Disposal Agreement between the OCSD and SAWPA which expires April 12, 2046.

SECTION 9. In the event the User has not commenced discharge of Wastewater to the Brine Line within 24 months after execution of the Capacity Right Agreement, the IEUA may declare all or any portion of the Capacity Right Agreement void. If the IEUA 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 IEUA.

SECTION 10. In the event the Wastewater Discharge Permit is revoked, the User shall not be entitled to any refund of any fees and charges it has paid to the IEUA or SAWPA.

SECTION 11. The User may terminate all or any portion of their Capacity Right in the Brine Line 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 90 days advance written notice to the IEUA of its intention to so terminate, and
2. The User shall be required to pay the IEUA, at least 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 IEUA Capacity Units being terminated by the current Monthly Capacity Charge by six months. The six-month termination fee shall be calculated from the termination date requested by the User.

SECTION 12. Upon payment of the required sums, all or that portion of the rights and obligations of User being terminated in the Brine Line shall cease as of the identified termination date.

SECTION 13. In the event the User has ceased discharge for a period of 24 months without assigning the Capacity Right pursuant to Section 5, or terminating the Capacity Right pursuant to
Section 11 of this Resolution, the IEUA may declare all or any portion of the Capacity Right Agreement void. If the IEUA declares all or a part of the Capacity Right Agreement to be void, all payments made theretofore shall be forfeited and inure to the sole benefit of the IEUA and the provisions of Section 11 of this Resolution shall apply.

**SECTION 14.** Prior to execution of the Capacity Right Agreement by the Board, the User shall be required to pay the capacity fee for each Capacity Unit purchased by certified check. The check shall be held by IEUA until the Capacity Right Agreement is approved by the Board. In the event that the Capacity Right Agreement or permit is denied, the check shall be returned to User. The capacity fee shall be established from time to time by resolution of the Board. The capacity fee shall be deposited in the IEUA’s non-reclaimable wastewater program fund.

**SECTION 15.** The Monthly Capacity Charge shall be established at least annually by resolution of the Board. The following provisions shall apply to Monthly Capacity Charges:

A User holding a 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 commences discharge to the Brine Line. Monthly Capacity Charges will commence beginning with the 13th month after execution of the Capacity Right Agreement or in the month that discharge to the Brine Line starts, whichever occurs first.

**ADOPTED** this 21st day of February 2018.

[Signature]

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

**ATTEST:**

[Signature]

Jasmyn A. Hall  
Secretary/Treasurer of the Inland Empire Utilities Agency* and the Board of Directors thereof
I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency, DO HEREBY CERTIFY that the foregoing Resolution being No. 2018-2-6, was adopted at an adjourned regular Board Meeting on February 21, 2018, of said Agency by the following vote:

AYES: Hofer, Hall, Camacho, Parker, Elie

NOES: None

ABSTAIN: None

ABSENT: None

Jasmin A. Hall
Secretary/Treasurer of the Inland Empire Utilities Agency* and the Board of Directors thereof

*A Municipal Water District

(SEAL)