AGREEMENT FOR THE PROVISION OF SEWER SERVICE

THIS AGREEMENT FOR THE PROVISION OF SEWER SERVICE ("**Agreement**") is entered into this ____ day of _____, 202__ ("**Effective Date**"), by and between INLAND EMPIRE UTILITIES AGENCY, a municipal water district ("**IEUA**"), SPEEDWAY SBC DEVELOPMENT, LLC, a Delaware limited liability company ("**Hillwood**"), CITY OF FONTANA ("**City**"), and SAN BERNARDINO COUNTY ("**County**").

RECITALS

A. IEUA is a municipal water district organized and existing pursuant to Sections 71000 *et seq*. of the California Water Code and is authorized to provide wastewater treatment and recycled water services to properties in the IEUA service area.

B. The City of Fontana is a general law city located within the San Bernardino County, State of California.

C. Fontana Water Company, a division of San Gabriel Valley Water Company, a California corporation, is a public utility water company subject to regulatory jurisdiction of the California Public Utilities Commission doing business in the San Bernardino County, with its principal place of business being 15966 Arrow Route, Fontana, California, and is authorized to provide public utility water service, including service of recycled water, to its customers, which are located within its service area as authorized and approved by the California Public Utilities Commission.

D. San Bernardino County Department of Public Works – Special Districts, is a Department of San Bernardino County that provides municipal-type services to unincorporated areas of San Bernardino County including, but not limited to, sewer services.

E. California Speedway, LLC, a Delaware limited liability company, successor-in-interest by conversion from California Speedway Corporation, a Delaware corporation, formerly known as The California Speedway Corporation, a Delaware corporation, successor-by-merger to Speedway Development Corporation, a California corporation ("**Speedway**"), IEUA, the City of Fontana, and the Fontana Water Company are parties to that certain Agreement for the Provision of Sewer and Recycled Water Service dated November 24, 2015 (the "**Speedway Agreement**"), pursuant to which, IEUA agreed to provide certain sewer and recycled water services to property owned by Speedway, commonly known as the Auto Club Speedway of Southern California, more particularly described in the Speedway Agreement (the "**Speedway Property**").

F. Hillwood and Speedway are parties to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated June 15, 2021 ("**Purchase Agreement**"), pursuant to which, Speedway has agreed to sell, and Hillwood has agreed to purchase, that certain portion of the Speedway Property more particularly described in Schedule "1" attached hereto (the "**Hillwood Property**").

G. Hillwood desires that, after Hillwood acquires the Hillwood Property, IEUA, through City, continues to provide wastewater services to existing and future systems located on the Hillwood Property, and IEUA is willing to do the same, all upon the terms and conditions set

forth in this Agreement, the Regional Contract, and IEUA's Ordinance No. 111, as amended from time to time.

NOW, THEREFORE, in consideration of the foregoing Recitals, which Recitals are incorporated herein by this reference, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the mutual covenants contained herein, the Parties hereby agree as follows:

I. DEFINITIONS

1.1 "**City**" shall mean the City of Fontana.

1.2 "**Community Facilities District**" shall mean a community facilities district formed pursuant to the Mello-Roos Act of 1982, as amended, with boundaries coterminous with the Speedway Property and which is authorized to finance the operation and maintenance of the Hillwood Sewer System and Permanent System.

1.3 "**CSI**" shall mean California Steel Industries.

1.4 **"Hillwood"** shall mean Speedway SBC Development, LLC.

1.5 **"Hillwood Sewer System"** shall mean the sewer system that Hillwood shall construct on the Hillwood Property that shall receive and transmit wastewater to the Permanent System.

1.6 "**IEUA**" shall mean the Inland Empire Utilities Agency, a Municipal Water District.

1.7 "**IEUA Lift Station**" shall mean that lift station facility owned by IEUA located on San Bernardino Avenue and depicted on Exhibit "A" of this Agreement.

1.8 "**NAPA Properties**" shall mean those four properties which are identified by the following San Bernardino County Assessor's Parcel Numbers: 0229-291-39-0-000; 0229-291-34-0-000; 0229-291-40-0000; and 0229-291-31-0000; which are understood to be currently owned by Almeria Holdings, LLC, a California limited liability company ("**Almeria**") (as to the first two parcels), McLeod Properties, Fontana LLC, a California limited liability company ("**McLeod**") (as to the third parcel), and West Valley MRF, LLC, a California limited liability company ("**Burrtec**").

1.9 "**Party**" or "**Parties**" shall mean an entity, individually, or the entities, collectively, that are bound by and have executed this Agreement.

1.10 "**Permanent System**" shall mean that certain gravity sewer pipe for the transmission of wastewater designed, constructed, owned and operated by IEUA as depicted on Exhibit "B" of this Agreement.

1.11 "**Prologis**" shall mean PAC Operating Limited Partnership, a Delaware limited partnership, and CCG Ontario Operations, LLC collectively.

1.12 "**Regional Contract**" shall mean the Regional Sewage Service Contract with Exhibits between IEUA and the City of Chino Hills, Cucamonga Valley Water District, City of Fontana, and City of Upland (as approved on November 1, 2023) as amended from time to time or successor agreements, as depicted on Exhibit "C" of this Agreement.

1.13 "**Ordinance No. 111**" shall mean the provisions for wastewater treatment services to Cities of Chino, Ontario, and Montclair; regulations governing the collection, treatment, and disposal of sewage to the IEUA Regional Sewerage System, as amended from time to time, as depicted on Exhibit "D" of this Agreement.

1.14 "**Related Contracts**" shall mean the following contracts: (a) this Agreement, (b) the Speedway Agreement, (c) the Agreement for the Provision of Sewer and Recycled Water Service between IEUA, the City, the Water Company (defined below) and CSI dated November 24, 2015, (d) the Agreement for the Provision of Sewer Service between IEUA, the City, and Prologis (defined above) dated November 24, 2015, and (e) the Memorandum of Understanding between the City and IEUA dated November 24, 2015, all of which are for the provision of wastewater services.

1.15 **"Special Districts"** shall mean the San Bernardino County Department of Public Works – Special Districts, a Department of San Bernardino County that provides municipal-type services to unincorporated areas of the County including but not limited to sewer services.

1.16 "**Speedway**" shall mean California Speedway, LLC, a Delaware limited liability company, successor-in-interest by conversion from California Speedway Corporation, a Delaware corporation, formerly known as The California Speedway Corporation, a Delaware corporation, successor-by-merger to Speedway Development Corporation, a California corporation.

1.17 "**Water Company**" shall mean the Fontana Water Company.

1.18 "**Watermaster**" shall mean the Chino Basin Watermaster.

II. WASTEWATER SERVICES

2.1 Permanent System. IEUA designed and caused to be constructed the Permanent System as depicted in Exhibit "B" attached hereto. Portions of this Permanent System shall be used by the Hillwood Property as an interim sewer system while the Hillwood Sewer System is being constructed.

2.2 Hillwood Sewer System.

(a) **Construction** - Hillwood shall construct the Hillwood Sewer System located on the Hillwood Property up to the point of connection to the Permanent System depicted on Exhibit "B".

(b) **Ownership** - Hillwood and County shall cooperate in the formation of the **Community Facilities District,** or similar district or entity. Once formed, the County or the applicable special district or entity, shall own, operate, and maintain the Hillwood Sewer System, once it is dedicated to and

accepted by Special Districts. Dedication and acceptance of the Hillwood Sewer System by Special Districts shall be a condition precedent to connection of the Hillwood Sewer System to the Permanent System.

(c) **Operations and Maintenance -** From and after dedication of the Hillwood Sewer System by Hillwood to and acceptance by Special Districts, Special Districts shall operate and maintain the Hillwood Sewer System. The operation and maintenance of the Hillwood Sewer System shall include, but is not limited to the following:

(i) Ongoing collection system cleaning, inspection, monitoring, compliance, and reporting to ensure proper maintenance, of the Hillwood Sewer System to minimize sanitary sewer overflows. Special Districts shall be fully responsible for managing any sanitary sewer overflows and shall report any sanitary sewer overflows directly to the pertinent regulatory agencies.

(ii) In the event of planned expansion of the Hillwood Sewer System, provide City and IEUA with notice and reasonable information for growth forecasting purposes.

(d) **Pretreatment and Source Control** - Pretreatment and source control equipment and measures to ensure that wastewater discharged to the Permanent System meets the requirements of IEUA's Regional Wastewater Ordinance and the requirements of IEUA's Regional Pretreatment and Source Control program shall be the responsibility of the property owners/business owners within the Hillwood Commerce Center Development. City of Fontana shall not be responsible for assisting Special Districts with enforcement of the local and federal pretreatment and source control regulations. The Special Districts shall have pretreatment and source control program authority for inspections and monitoring over users discharging to the Permanent System. Individual property owners and/or tenants will be subject to all applicable rules and regulations, including those of Special Districts and IEUA for sewer service and must supply information on Special Districts wastewater survey.

(e) **Waste Regulation** - The Permanent System is to be used for domestic waste water only and Special Districts operating and maintaining the Hillwood Sewer System shall ensure that the wastewater from the Hillwood Sewer System discharging into the Permanent System shall be in compliance with all applicable local, state, and federal laws, ordinances, and regulations, including those contained in the Regional Contract as set forth in Exhibit "C", and Ordinance No. 111 as set forth in Exhibit "D" attached hereto. IEUA may request additional information from Special Districts at any time to ensure compliance is being met.

2.3 Connection Fees. Hillwood shall be required to pay sewer connection fees ("IEUA Connection Fee(s)") per the requirements set forth by the Regional Contract, IEUA's ordinances, and any other applicable IEUA governing documents. IEUA Connection Fees shall be collected and remitted to IEUA by City per the procedures set forth in the Regional Contract, IEUA's ordinances, and any other governing documents. Special Districts shall coordinate and submit any data necessary in order for City to complete fee collection procedures and direct applicants to City for connection fee collection. Hillwood will not request a certificates of occupancy for any building until confirmation that full IEUA Connection Fees has been received related to such building by the City. City and IEUA shall be copied on all correspondence regarding IEUA Connection Fees.

Any changes in use or tenant improvement at Hillwood and Speedway that change the quantity and/or quality of wastewater discharged to the Hillwood Sewer System and Permanent System shall require an evaluation by the City and Special Districts to ensure the IEUA Connection Fees and ongoing monthly fees are properly assessed. IEUA may choose to conduct an audit of the IEUA Connection Fee collection procedures from time to time as authorized through the Regional Contract and IEUA's Ordinance No. 111, as amended from time to time.

2.4 User Fees. Hillwood shall pay monthly wastewater user fees as billed by City in accordance with the rate structure established by City for such services for similarly situated outside of City users. Hillwood shall provide all requested data to City as required to complete the monthly wastewater billing. The current rates are subject to change by action of the City's City Council.

III. TERM

3.1 Term of Agreement. This Agreement shall begin on the date that Hillwood acquires any portion of the Hillwood Property and shall continue for a term of sixty (60) years.

3.2 Termination. This Agreement may be terminated as follows: (a) by Hillwood as related to the services which are the subject of Article II, upon a material breach by IEUA or the County; (b) by IEUA as related to the services which are the subject of Article II, upon a material breach by Hillwood or County; and (c) by the County as related to the services which are the subject of Article II, upon a material breach by IEUA or Hillwood.

A breach of this Agreement shall only be considered a material breach after a Party has delivered to the other Party a Notice of Intent to Declare a Material Breach, and the breaching Party has received a reasonable opportunity to cure the breach (not to exceed sixty (60) days) but has failed or refused to do so within that time.

IV. INSURANCE

4.1 Insurance. Hillwood, City, and IEUA shall each provide insurance so as to provide protection as described in this Agreement. The Parties shall furnish to each other certificates issued by insurance companies reasonably acceptable to one another showing policies carried and the limits of coverage as follows:

(a) Hillwood and IEUA shall maintain Commercial General Liability Insurance, including but not limited to Products and Completed Operations

and Contractual Liability, as applicable to their obligations under this Agreement with limits not less than:

(i) Personal Injury - $1,000,000 per occurrence with an aggregate of $2,000,000; and

(ii) Property Damage - $1,000,000 per occurrence with an aggregate of $2,000,000.

(b) Each Party shall maintain Automobile Liability Insurance with limits not less than:

(i) Bodily Injury - $1,000,000 each accident; and

(ii) Property Damage - $1,000,000 each accident.

(c) Hillwood, City, and IEUA shall maintain Workers' Compensation Insurance for their respective employees to the extent of statutory limits and Occupational Disease and Employer's Liability Insurance for not less than $1,000,000.

(d) San Bernardino County is a self-insured public entity.

(e) City of Fontana is self-insured public entity.

4.2 Certificates of Insurance. Each Party shall provide certificates of insurance to the other during the term of this Agreement certifying that such coverages shall remain in effect for the duration of this Agreement; provided, however, that IEUA shall deliver certificates of insurance to Hillwood during the term of this Agreement with a satisfactory loss payable endorsement naming Hillwood as a loss payee, or in the case of any real property, an additional insured, such endorsements to contain a waiver of warranties. All certificates of insurance shall state that prior to cancellation, non-renewal or any material change, thirty (30) calendar days written notice shall be given to IEUA. Failure of IEUA or Hillwood to enforce the minimum insurance requirements listed above shall not relieve Hillwood or IEUA of responsibility for maintaining these coverages.

4.3 Occurrence Policy. All insurance required hereunder shall provide insurance for occurrences from the Effective Date hereof throughout the later of the expiration or termination hereof.

V. INDEMNITY

5.1 Indemnification by Hillwood. Hillwood shall fully indemnify, save harmless, and defend IEUA, City, County, the Community Facilities District and any of their officers, directors, employees, contractors, and agents or assignees from and against any and all costs, claims, and expenses incurred by such parties in connection with or arising from any claim by a third-party for physical damage to or physical destruction of property, or death of or bodily injury to any person, but only to the extent caused by the negligence, gross negligence, or willful misconduct of

Hillwood or it agents or employees or others under the control of Hillwood in performing any of the conditions and covenants of this Agreement.

VI. GENERAL PROVISIONS

6.1 Amendments. This Agreement may only be amended, modified, changed, or rescinded in a writing signed by each of the Parties hereto.

6.2 Interpretation. The language of this Agreement shall not be construed for or against any Party, as each Party has participated in the drafting of this Agreement and had the opportunity to have its counsel review it. Whenever the context and construction so requires, all words used in the singular shall be deemed to be used in the plural, all masculine shall include the feminine and neuter, and vice-versa. Unless the context otherwise requires, references herein: (i) to Sections and Exhibits mean the Sections of and the Exhibits attached to this Agreement; and (ii) to an agreement, instrument, or other document means such agreement, instrument, or other document as amended, supplemented, and modified in writing from time to time to the extent permitted by the provisions thereof and by this Agreement.

6.3 Headings. The headings of the Sections hereof are inserted for convenience only and shall not be deemed a part of this Agreement.

6.4 Partial Invalidity. If any one or more of the covenants or agreements provided in this Agreement to be performed should be determined to be invalid or contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

6.5 Counterparts; Electronic Signatures. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument. Furthermore, this Agreement may be executed and delivered by facsimile, DocuSign, AdobeSign or other electronic transmission. The Parties intend that faxed or electronic (*e.g.*, .pdf format) signatures constitute original signatures and that a faxed or electronic copy or counterparts of this Agreement containing the signature (original, faxed or electronic) of a party is binding upon that Party. The Parties intend to be bound by such electronic signatures and waive any defenses to the enforcement of the terms of this Agreement based upon the use of such electronic signatures

6.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

6.7 Venue. The Parties agree that the venue of any action or claim brought by any party to this Agreement will be the Superior Court of California, San Bernardino County, San Bernardino District.

6.8 Notices. Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered: (a) in person; or (b) by Federal Express or another reputable commercial overnight courier that guarantees next day delivery and provides a receipt; and (c) such notices shall be addressed as follows:

If to IEUA:

Inland Empire Utilities Agency
Attn: General Manager
6075 Kimball Avenue
Chino, CA 91708

If to Hillwood:

Speedway SBC Development, LLC
Attn: Scott Morse
901 Via Piemonte, Suite 175
Ontario, CA 91764

With a copy to:

Speedway SBC Development, LLC
Attn: Scott Norman
3000 Turtle Creek Boulevard
Dallas, TX 75219

If to City:

City of Fontana
Attention: City Manager
8353 Sierra Ave.
Fontana, CA 92335

If to County:

San Bernardino County Department of Public Works – Special Districts
Attention: Director
222 West Hospitality Lane, Second Floor
San Bernardino, CA 92415

6.9 Merger of Prior Agreements. This Agreement and the Exhibits hereto constitute the entire agreement between the Parties and supersede all prior agreements and understandings between the Parties relating to the subject matter hereof.

6.10 Attorney's Fees. If any legal action is instituted to enforce any Party's rights hereunder, each party shall bear its own costs and attorney fees, regardless of who is the prevailing Party. This paragraph shall not apply to those costs and attorney fees directly arising from a third-Party legal action against a party hereto and payable under Indemnification and Insurance Requirements, set forth in Section IV and V above.

6.11 Cooperation. The Parties acknowledge that they are entering into a long-term arrangement in which the cooperation of all of them shall be required, including the execution of necessary documents. The Parties agree to cooperate in good faith with each other in the development, construction, ownership, operation, and maintenance of the facilities that are described in this Agreement. Provided, however, that this Section 6.11 is not intended to impose any substantive obligations or cost on either Party beyond those expressly included in this Agreement.

6.12 Independent Contractors. The Parties agree that they are independent contractors and shall be at all times solely responsible for themselves, as well as their respective officers, directors, members, partners, employees, agents, and contractors as to workmanship, accidents, injuries, wages, supervision, and control. This Agreement may not be altered in any manner, such as course of conduct or practice, so as to change the relationship or responsibilities of the Parties as independent contractors.

6.13 Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties hereto, and nothing in this Agreement or any action taken hereunder shall be construed to create any duty, liability, or standard of care to any person not a Party to this Agreement. Except as specifically otherwise provided herein, no person shall have any rights or interest, direct or indirect, in this Agreement.

6.14 Recitals. The recitals set forth above are true and correct and incorporated herein by this reference.

6.15 Savings Clause. Each term and condition of this Agreement is deemed to have independent effect and the invalidity of any partial or whole paragraph shall not invalidate the remaining paragraphs. The obligation to perform all of the terms and conditions of this Agreement shall remain in effect regardless of the performance of any invalid term by the other Party.

The effective date of this Agreement is the date of execution by the last Party to sign (the "**Effective Date**"), which shall be entered into the preamble above.

"IEUA"

INLAND EMPIRE UTILITIES AGENCY,
a California Municipal Water District

By: _____
Name: Shivaji Deshmukh, P.E.
Its: General Manager

"Approved as to Form"

_____
Jean Cihigoyenetche, Esq.
General Counsel

"Hillwood"

SPEEDWAY SBC DEVELOPMENT, LLC,
a Delaware limited liability company

By: _____
Name: Scott Morse
Its: Vice President

"City"

CITY OF FONTANA

By: _____
Name: _____
Its: _____

"Approved as to Form"

_____
Print Name:_____
Attorney for City of Fontana

"County"

San Bernardino County

By: _____
Name: _____
Its: _____

"Approved as to Form"

_____
Print Name: _____
County Counsel

EXHIBIT "A"

IEUA LIFT STATION

EXHIBIT A
IEUA SAN BERNARDINO SEWER LIFT STATION

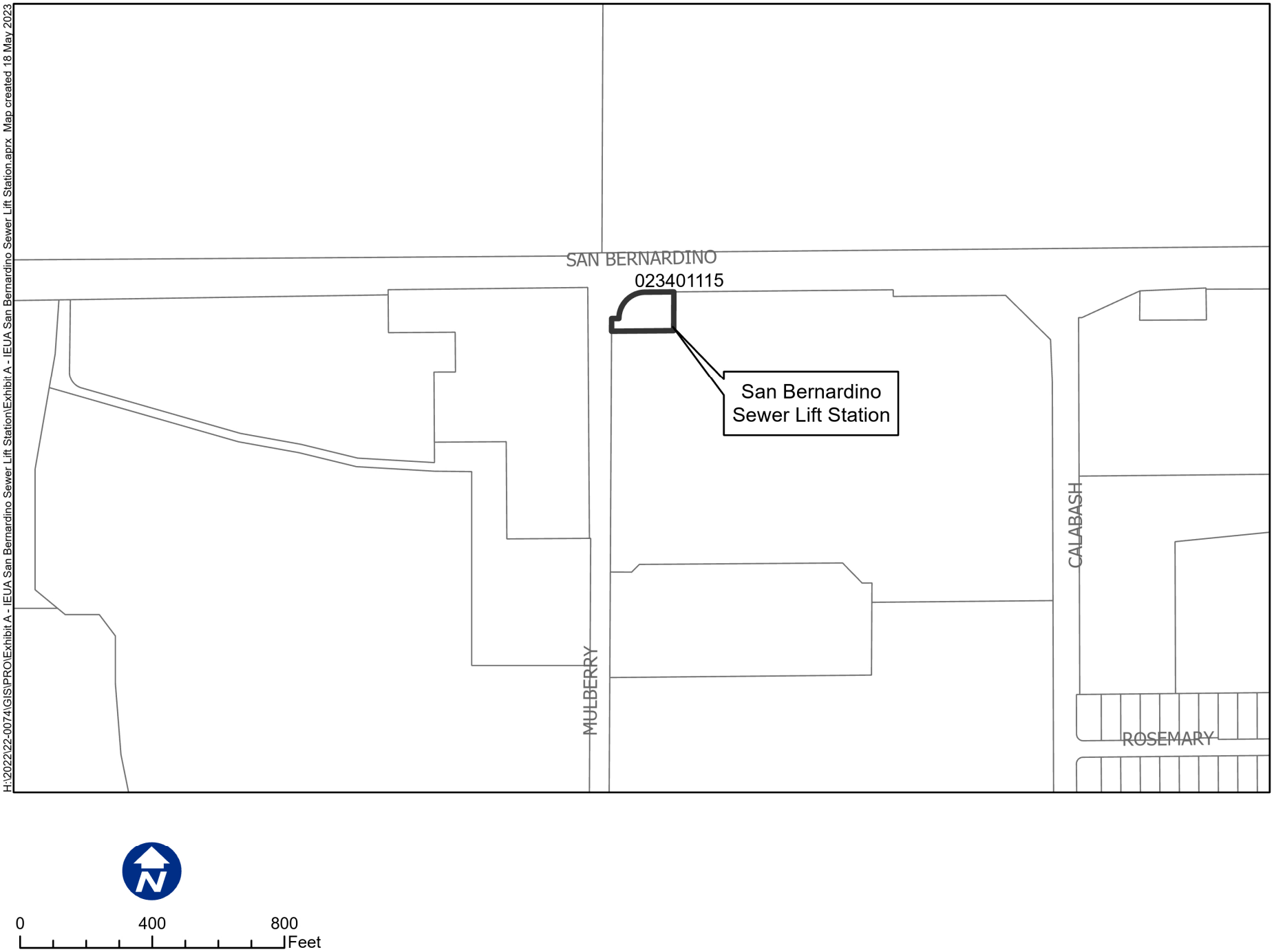
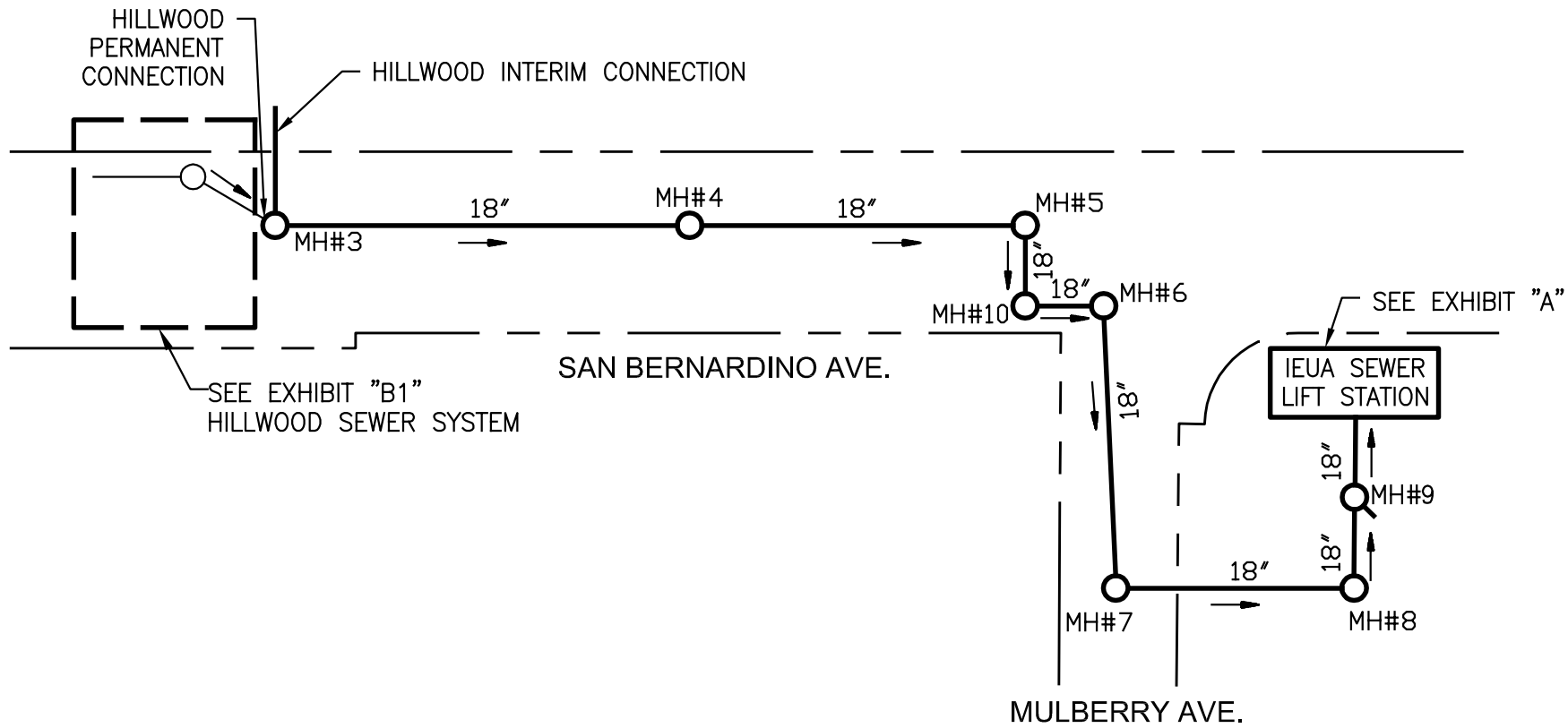


EXHIBIT "B"

PERMANENT WASTEWATER SYSTEM

EXHIBIT "B"

IEUA PERMANENT SYSTEM



N.T.S

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EXHIBIT "B1"

HILLWOOD SEWER SYSTEM

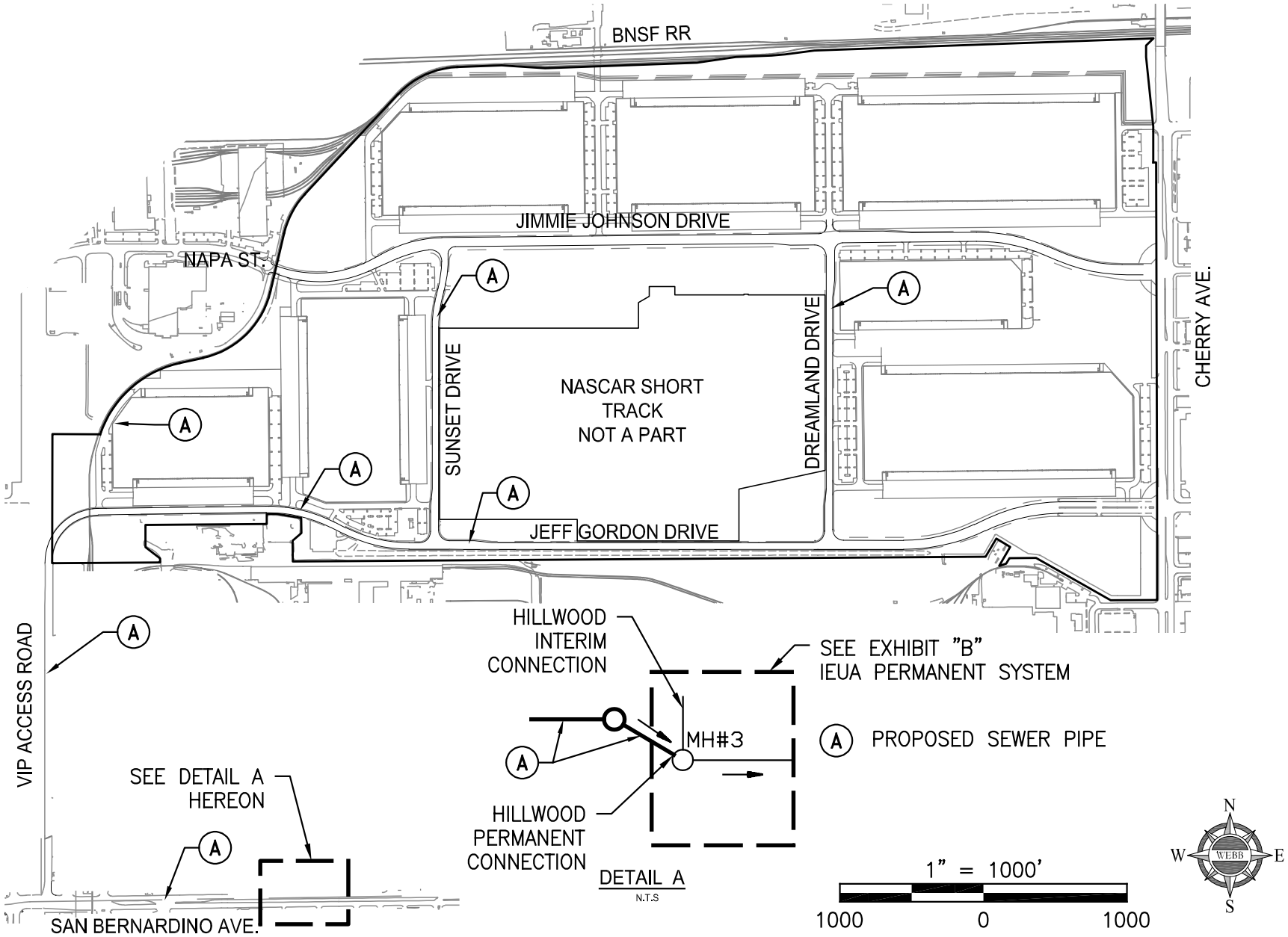

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EXHIBIT "C"

REGIONAL CONTRACT

Regional Sewage Service Contract

With Exhibits

Dated November 1, *2023*

Table of Contents

SECTION 1 - DEFINITIONS 2

SECTION 2 - RIGHTS AND OBLIGATIONS 8

SECTION 3 - COMMUNITY SEWER SYSTEMS 8

SECTION 4 - RESERVED 8

SECTION 5 - REQUESTS FOR REGIONAL INTERCEPTORS AND WASTEWATER TREATMENT PLANTS 8

SECTION 6 - REGIONAL SEWERAGE SYSTEM; PROHIBITED DISCHARGES 10

SECTION 7 - REGIONAL PRETREATMENT PROGRAM 12

SECTION 8 - RESERVED 12

SECTION 9 - CAPITAL FINANCING OF REGIONAL SEWERAGE SYSTEM 12

SECTION 10 - FORECASTING AND PLANNING 18

SECTION 11 - AVAILABILITY OF REGIONAL SYSTEM; IEUA's PEFORMANCE 21

SECTION 12 - EXTRA-TERRITORIAL SEWER SERVICE 22

SECTION 13 - DELIVERY POINTS: CONNECTION COSTS 23

SECTION 14 - DETERMINATION OF SEWAGE DELIVERIES: COSTS OF MEASURING EQUIPMENT 24

SECTION 15 - CONTROL, PRODUCTION, AND DISPOSITION OF RECYCLED WATER 25

SECTION 16 - RESERVED 28

SECTION 17 - SERVICE CHARGES FOR MAINTENANCE AND OPERATION OF THE REGIONAL SEWERAGE SYSTEM 28

SECTION 18 - RESERVED 30

SECTION 19 - REGIONAL SEWERAGE SYSTEM BUDGETS 30

SECTION 20 - BILLING AND PAYMENT OF SERVICE CHARGES 32

Table of Contents

(continued)

SECTION 21 - RESERVED 34

SECTION 22 - RESERVED 34

SECTION 23 - GRANTS AND FINANCIAL ASSISTANCE 34

SECTION 24 - REGIONAL POLICY COMMITTEE 35

SECTION 25 - REGIONAL TECHNICAL COMMITTEE 36

SECTION 26 - DISPUTE RESOLUTION 37

SECTION 27 - EFFECTIVE DATE OF CONTRACT 38

SECTION 28 - TERM OF CONTRACT 38

SECTION 29 - RENEWAL 39

SECTION 30 - AUTHORIZATION AND EXECUTION OF SEWAGE SERVICE CONTRACT 40

SECTION 31 - NOTICE 42

SECTION 32 - PARTIAL INVALIDITY 43

SECTION 33 - INCORPORATION OF RECITALS 43

SECTION 34 - COUNTERPARTS 43

RECITALS

A. WHEREAS, the parties previously entered into that certain Chino Basin Regional Sewage Contract, dated as of January 2, 1973, and amended April 12, 1984 and October 19, 1994; and

B. WHEREAS, said contract provided an effective term of 50 years and lapsed on January, 2, 2023; and

C. WHEREAS, the parties wish to enter into a new Regional Sewage Service Contract effective immediately; and

NOW THEREFORE, the parties agree as follows:

SECTION 1 - DEFINITIONS

Unless otherwise required by the context, various terms used in this Contract, including the recitals, shall have the meanings set forth in this section. The singular number includes the plural and the plural the singular.

"Acquire" or "Acquisition" means to acquire or make the acquisition of one or more of the following:

A. Fee simple title to land.

B. Any interest in land by deed, easement, lease, sublease, contract or otherwise.

C. Title to or any interest in any existing facilities located upon land.

D. Interests or capacity rights in any land or facilities owned by others.

"Capacity Demand" means the volume and strength (i.e., biochemical oxygen demand and suspended solids) of sewage discharged from the Community Sewer System of a Contracting Agency into the Regional Sewerage System.

"Capital Capacity Reimbursement Account" means the accounts established and maintained by the Contracting Agencies and to which are deposited or credited Capital Capacity Reimbursement Payments.

"Capital Capacity Reimbursement Payment" means a deposit or credit made to the Capital Capacity Reimbursement Account of a Contracting Agency for new connections to its Community Sewer System.

"Chino Basin" means that area underlain by the Chino and Cucamonga groundwater basins and that portion of the Claremont Heights groundwater basin within San Bernardino County which groundwater basins are described in Bulletin No. 53 of the California Division of Water Resources, dated March, 1947, and entitled "South Coastal Basin Investigation - Overdraft on Groundwater Basins."

"Commercial Unit" means a building, establishment or premises where businesses selling goods or providing professional or other services to the public or governmental offices are or will be located.

"Community Sewer System" means all facilities owned, controlled or operated by a Sewage Collection Agency for the purpose of collecting and conducting sewage to a Delivery Point, including collector sewers conducting sewage from the originating premises, trunk sewers conducting sewage from tributary collector sewers or other trunk sewers and any facilities appurtenant to the foregoing.

"Contracting Agency" means any Sewage Collection Agency located, in whole or in part, within the boundaries of IEUA which has entered into this Regional Sewage Service Contract with IEUA.

"Demand Deficit" means the difference between the aggregate total Forecasted Demand of a Contracting Agency and the total aggregate Equivalent Dwelling Units connected to its Community Sewer System during an eight-year period commencing with the fifth fiscal year preceding the fiscal year for which IEUA is at the time of the determination of such difference preparing a Ten-Year Sewer Capital Forecast, and including the initial three fiscal years of such Ten-Year Sewer Capital Forecast.

"Delivery Point" means the transfer point at which Sewage is delivered from a Community Sewer System into the Regional Sewerage System.

"Dispose" or "Disposal" means any process or method for the elimination or beneficial use of Sewage and any Effluent or solid waste residuals thereof, including exportation from the Chino Basin.

"Effluent" means the liquid outflow at the discharge point of any Regional Treatment Plant.

"Equivalent Dwelling Unit" or "EDU" means a measure of sewage flow equivalent in quantity and strength to the daily flow of an average single-family household determined by resolution of the Board of Directors of IEUA and referred to as Exhibit "J" hereto.

"Expansion" means the acquisition or construction of new facilities for the Regional Sewerage System and the making of any replacements, betterments, additions or extensions of the Regional Sewerage System.

"Facilities" means any pipelines, buildings, structures, works, improvements, fixtures, machinery, equipment, or appliances and any real property, or interests therein, necessary or convenient for the construction, maintenance and operation of any of the Regional Sewerage System.

"Fiscal Year" means a 12-month period commencing on July 1 and ending on the following June 30.

"Forecasted Demand" means the yearly forecasted or estimated volume and strength of sewage discharged from the Community Sewer System of a Contracting Agency into the Regional Sewerage System as set forth in a Ten-Year Sewer Capital Forecast.

"IEUA" means the Inland Empire Utilities Agency, a municipal water district.

"Industrial Unit" means a building, establishment, or premises where manufacturing, fabrication or assembly operations or industrial or chemical processes are conducted.

"Industrial Waste" means any wastewater and any water borne solid, liquid, or gaseous wastes resulting from any producing, manufacturing, or processing operations of whatever nature as more particularly defined, from time to time, by any federal, state, or regional agency authorized by law to prescribe quality standards for the discharge of sewage effluent and industrial waste effluent within the Chino Basin.

"Non-Domestic Waste" means waste or wastewater discharged into the Community Sewer System of a Contracting Agency which has a greater concentration of total dissolved solids or biochemical oxygen demand or any other constituents limited by IEUA than the waste or wastewater discharged from the typical single family domestic household in the Contracting Agency's Service Area.

"Orange County Judgment" means the judgment entered in the action entitled Orange County Water District v. City of Chino, et al. (Case No. 117628, Superior Court, County of Orange).

"Recycled Water" means as defined in Title 22, Division 4, Chapter 3, Water Recycling Criteria, Section 60301.050 et seq., of the California Code of Regulations; water which is available as a result of the treatment of wastewater. Also as described in subdivision (n) of Section 13050 of the Water Code of the State of California, treated wastewater that is suitable for direct beneficial use or a controlled use that would not otherwise occur.

"Regional Interceptor" includes, but is not limited to, pipelines, facilities and appurtenances which receive sewage from the most downstream trunk or collector sewer of a Community Sewer System, or a portion thereof, for the purpose of transmitting the sewage to a Regional Treatment Plant or to any other point of disposal, and any facilities appurtenant thereto, or any sewer which is utilized for the transmission of the sewage of two or more Contracting Agencies to such a plant or point of disposal.

"Regional Policy Committee" means the committee provided for in Section 24 hereof

"Regional Sewerage System" means all facilities owned, controlled, or operated by IEUA and any interest or capacity rights of IEUA in facilities owned, controlled, or operated by others, for the purpose of transmitting, treating and/or disposing of Sewage, including interceptor sewers, sewage treatment and disposal plants, facilities for the Disposal of Effluent and solid waste residuals and any facilities appurtenant to the foregoing. The Regional Sewerage System does not include the Recycled Water system which is owned, operated, managed, and maintained by IEUA. The Regional Sewerage System shall include all other disposal facilities which are required to meet the requirements of the National Pollutant Discharge Elimination System Permit or permits or Waste Discharge Requirements issued to IEUA by the Regional Water Quality Control Board, Santa Ana Region, for the operation of the Regional Treatment Plants.

"Regional Technical Committee" means the committee provided for in Section 25 hereof.

"Regional Treatment Plant" means a sewage and wastewater treatment plant operated by IEUA as part of the Regional Sewerage System.

"Regional Wastewater Capital Improvement Fund" means the fund of IEUA into which is deposited all Supplemental Capital Outlay Funds received by IEUA from the Contracting Agencies for the acquisition, construction, improvement, and expansion of the Regional Sewerage System.

"Residential Unit" means a single-family residence, a condominium unit, an apartment unit or other such structure or portion thereof which is equipped and suitable for human habitation or a mobile home space in a mobile home park, not including, however, transient lodging rooms in motels or hotels which are considered to be commercial units.

"Santa Ana River (SAR) Base Flow Obligation" means the obligation established under the Orange County Judgment and defined under the Prado Settlement, Stipulations and Orders of Dismissal re Certain Defendants and Cross-Defendants (filed April 17, 1969), and the October 2, 1968, CBMWD – WMWD Agreement re Satisfaction of Joint Obligation Prado Settlement ("Allocation Agreement"), the October 28, 1968 Agreement between Chino Basin Municipal Water District and City of Pomona re the Prado Settlement, and the December 18, 1968 Agreement Between Western Municipal Water District of Riverside County and City of Corona in Regard to Prado Settlement (collectively "Settlement Agreement"), which obligation defines the shared responsibility for a Base Flow obligation at Prado Dam between IEUA and Western Municipal Water District. IEUA implements the Chino Basin portion of the Settlement Agreement which is commonly referred to as the Santa Ana River ("SAR") Base Flow obligation at Prado.

"Service Area" means all territory now or hereafter served by the Community Sewer System owned, controlled or operated by any Contracting Agency. The IEUA service area includes the Cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and the Cucamonga Valley Water District.

"Service Contract" means this Chino Basin Regional Sewage Service Contract and any substantially similar contract between IEUA and a Contracting Agency providing for the

Transmission, Treatment and Disposal of sewage from the Contracting Agencies by means of the Regional Sewerage System.

"Sewage" means any liquid waste and water borne solid waste resulting from residential, commercial, industrial, or institutional activities or uses.

"Sewage Collection Agency" means any county, city or special district, other than IEUA, which is located in whole or in part within the IEUA Service Area and which is authorized to own, control and operate a Community Sewer System.

"Sewer" means any pipeline conducting sewage, either by gravity or by pressure, and any facilities appurtenant thereto.

"Sewer User Charge" means any charge, fee, rental, or rate, excluding property taxes and Capital Capacity Reimbursement Payments, which is imposed on and collected from the owner, lessee, or occupant of property for providing services and facilities of any Community Sewer System or the Regional Sewerage System, or both.

"Supplemental Capital Outlay Funds" means contributions by a Contracting Agency from its Capital Capacity Reimbursement Account reserves to IEUA to supplement the funding of the planning, design and construction of Regional Sewerage System capital improvement projects.

"Transmit" or "Transmission" means the conducting (i) of Sewage from any Delivery Point to a Regional Treatment Plant or other point of Disposal or (ii) of Effluent from a Regional Treatment Plant to a point of Disposal;

"Treat" or "Treating" or "Treatment" means any process or method for altering the quality of Sewage and/or Effluent to meet applicable regulatory standards for Disposal or beneficial reuse.

"Wastewater Treatment Plant" or "WWTP" means a sewage and wastewater treatment plant constructed by a Contracting Agency and is not a part of the Regional Sewerage System.

SECTION 2 - RIGHTS AND OBLIGATIONS

The Contracting Agencies shall have the right to deliver all Sewage collected by its Community Sewer Systems to the Regional Sewerage System and IEUA shall have the obligation to receive into the Regional Sewerage System all Sewage so delivered by the Contracting Agency subject to the provisions of this contract.

SECTION 3 - COMMUNITY SEWER SYSTEMS

Each Contracting Agency shall be responsible for all costs and expenses of the acquisition, construction, operation, and maintenance of its Community Sewer System.

A. Inspection of Facilities

Any authorized officer or employee of IEUA may enter and inspect any part of the Community Sewer System of any Contracting Agency during normal working hours on regular business days and upon the giving of not less than 24 hours prior notice of the inspection, except during emergencies.

SECTION 4 - RESERVED

SECTION 5 - REQUESTS FOR REGIONAL INTERCEPTORS AND WASTEWATER TREATMENT PLANTS

Regional Interceptors are a part of the Regional Sewerage System and their design and construction or acquisition shall be financed as provided in Section 9 hereof. Separate from the Regional Sewerage System, a Contracting Agency may construct, own and operate a wastewater treatment plant ("WWTP") or permit another person, firm or corporation to construct a WWTP which will be controlled and operated by the Contracting Agency when to do so is not detrimental to the operation of the Regional Sewerage System. The IEUA Board shall consider requests for Regional Interceptors and Contracting Agency construction of WWTPs pursuant to the following procedures:

A. Request To IEUA – Regional Interceptor and Contracting Agency Construction of WWTP.

1. Any Contracting Agency may make a written request to IEUA for a determination as to the location of a new Regional Interceptor, an acquisition of an existing Regional Interceptor, or the construction of a WWTP.

2. Notification. IEUA shall provide the Regional Technical Committee notice of written request from the Contracting Agency within 45 days of its receipt.

3. Determination by IEUA. IEUA shall review and determine whether the action proposed in the request will be detrimental to the operation of the Regional Sewerage System and present an informational item with a recommendation to the Regional Technical Committee for the request.

4. Recommendation By Regional Technical Committee. The Regional Technical Committee shall review the request and determination by IEUA and shall provide a recommendation to the Regional Policy Committee as an informational item.

5. Review and Recommendation By Regional Policy Committee. The Regional Policy Committee shall review the recommendation from the Regional Technical Committee and issue its own recommendation to IEUA regarding the request.

B. Determination by the IEUA Board.

The IEUA Board shall review and consider the Regional Policy Committee's recommendation for the request, and shall issue its final determination. The failure of the Regional Technical Committee or the Regional Policy Committee to take action on the request shall not preclude IEUA from taking action on the request.

C. Request For Hearing.

Any Contracting Agency, that disagrees with the determination may file a written request for a hearing before the IEUA Board.

D. Cost/Expense of Contracting Agency WWTP.

A Contracting Agency which constructs a WWTP shall be solely responsible for the cost and expense of the construction and maintenance and operation of said plant. Any such WWTP which is constructed and owned by a Contracting Agency shall not be operated by IEUA as a part of the Regional Sewerage System without the written consent of all other Contracting Agencies and IEUA.

E. Operation And Maintenance of Contracting Agency WWTP.

A Contracting Agency which constructs a WWTP may enter into a contract with IEUA for the maintenance and operation of the plant subject to the terms and conditions agreed to by the parties. In the event a Contracting Agency and IEUA enter into such a contract, the budgeting and funding for the maintenance and operation of the plant shall be accounted for separately by IEUA in order to prevent any adverse impact on the Regional Sewerage System or any impact on the rates and charges imposed by IEUA under this Service Contract.

SECTION 6 - REGIONAL SEWERAGE SYSTEM; PROHIBITED DISCHARGES

IEUA shall own and operate a Regional Sewerage System for the Transmission, Treatment and Disposal of Sewage delivered by any Contracting Agency. The Regional Sewerage System, including any interests or capacity rights of IEUA in facilities owned, controlled or operated by others, shall be as shown or described in the IEUA Wastewater Facilities Master Plan, as amended from time to time, and is intended to accept domestic waste.

Use of the Regional Sewerage System by industrial users discharging process wastewater shall be governed by Ordinance No. 109, or any successors thereof.

Except as may be specifically provided on a temporary basis, no Contracting Agency shall discharge or cause to be discharged in the Regional Sewerage System any waste which exceeds or results in the inability of the wastewater treatment plant effluent to meet the wastewater discharge

requirements presently established by any State or Federal regulatory agency, or which may be adopted in the future.

A Contracting Agency shall not discharge wastewater, in quantities or concentrations, alone or in conjunction with a discharge or discharges from other sources that cause the pH of the wastewater entering the headworks of any Regional Treatment Plant to decrease below 6.0 Standard Units at any time.

A Contracting Agency shall not discharge wastewater, in quantities or concentrations, alone or in conjunction with a discharge or discharges cause an increase in temperature of a Regional Treatment Plant's influent to be above 90 degrees Fahrenheit, which normally occurs during the period of June through October, nor above 78 degrees Fahrenheit during the remainder of the year.

IEUA shall pay all costs and expenses incurred in the acquisition, construction, maintenance, and operation of the Regional Sewerage System. Each Contracting Agency shall, as provided in Section 17 hereof, pay to IEUA service charges representing a pro rata share of all net audited costs incurred by IEUA in the maintenance and operation of the Regional Sewerage System, and each Contracting Agency shall contribute Supplemental Capital Outlay Funds to IEUA for the improvement and expansion of the Regional Sewerage System as provided in Section 9 hereof.

Expansion of the Regional Sewerage System is done to accommodate growth and development within the respective Contracting Agency's service area and is based largely on growth projections and requests for expansion from the Contracting Agencies. Accordingly, voluntary withdrawal of wastewater flows by one or more Contracting Agencies could be detrimental to the Regional Sewerage System by creating stranded assets and resulting in increased costs to the remaining Contracting Agencies. Nevertheless, should a voluntary withdrawal of flows from the Regional Sewerage System occur, the impact of the withdrawal will be calculated by IEUA and an impact fee will be assessed against the withdrawing Contracting Agency.

SECTION 7 - REGIONAL PRETREATMENT PROGRAM

IEUA owns and operates the Regional Sewerage System facilities that are regulated by National Pollutant Discharge Elimination System (NPDES) permits issued by the Regional Water Quality Control Board, and which are subject to numerical discharge limitations and requirements. Those permit regulations and discharge limitations require the control and restrictions to the discharge of industrial wastewater on Significant Industrial Users (SIUs). Furthermore, the permit regulations require IEUA to implement pretreatment regulations in all jurisdictions tributary to IEUA's service area. The regional pretreatment program requirements between IEUA and the Contracting Agencies shall be established by resolution of the Board of Directors of IEUA and in Ordinance No. 109 and any successors thereof.

SECTION 8 - RESERVED

SECTION 9 - CAPITAL FINANCING OF REGIONAL SEWERAGE SYSTEM

A. General

The Regional Sewerage System and any improvement or expansion of that system will provide benefits to the entire territory served by that system in that the entire territory will be benefited by the protection of public health, the protection of the quality of water sources, the improvement of water management through integrated use of all sources of water supply, including sewage treatment plant effluent, the improvement of general conditions for individual, residential, commercial and agricultural development and the reduction in costs for the Transmission, Treatment, and Disposal of Sewage by the pro rata sharing of all costs incurred by IEUA in the maintenance and operation of the Regional Sewerage System.

The acquisition, construction, improvement, and expansion of the Regional Sewerage System shall be financed with real property tax revenues, revenues from capital capacity fees, sewage service charges levied by the Board of Directors of IEUA, grants and other financial assistance which may be available from any federal, state, local or other source, Supplemental Capital Outlay Funds contributed by the Contracting Agencies.

B. Taxes, Sewage Service Standby or Availability Charges

The Board of Directors of IEUA may fix, levy, and collect sewage service standby or availability charges for the purpose of financing the acquisition, improvement, and expansion of the Regional Sewerage System. The IEUA Board of Directors will adopt a property tax allocation plan, which will remain in effect until amended in IEUA's discretion. The IEUA Board of Directors may elect to add, consolidate, or rename funds as necessary to best manage the IEUA funds.

At the time of review of fund budgets, IEUA shall develop a plan that includes the basis for the tax allocation. IEUA shall inform the Regional Technical Committee and Regional Policy Committee of any proposed allocations of the property tax revenues intended for the Regional Wastewater Capital Improvement Fund and will consider input and recommendations from the committees prior to making a final determination.

C. Capital Capacity Reimbursement Account and Capital Capacity Reimbursement Payments

1. General

As a condition to sewage treatment service and for the purpose of providing Supplemental Capital Outlay Funds to IEUA, each Contracting Agency shall establish and maintain a Capital Capacity Reimbursement Account to which the Contracting Agency shall deposit or credit its Capital Capacity Reimbursement Payments. The amounts so deposited or credited by a Contracting Agency to its said account shall be used by the Contracting Agency only for the purpose of providing Supplemental Capital Outlay Funds to IEUA; provided that interest earned on such amounts shall not be so restricted and may be used by the Contracting Agency for any lawful purpose. The source of Capital Capacity Reimbursement Payments shall be at the discretion of each Contracting Agency.

2. Capital Capacity Reimbursement Payments

Each Contracting Agency shall have deposited or credited to its Capital Capacity Reimbursement Account a Capital Capacity Reimbursement Payment for each connection which has been or will

be made to its Community Sewer System or for each change in use of an existing commercial or industrial connection in an amount determined as follows:

a. The amount of the Capital Capacity Reimbursement Payment for each new connection to a Contracting Agency's Community Sewer System and for each change in use of any existing Commercial Unit or Industrial Unit which results in an increase in volume or strength of Sewage therefrom shall be determined by computing the number of Equivalent Dwelling Units therefor as provided in that document approved by Resolution of the Board of Directors and identified as "Exhibit J" and made a part hereof and applying the then current Capital Capacity Reimbursement Payment amount as established by the IEUA Board to each such EDU.

b. Notwithstanding the preceding provisions, the amount which a Contracting Agency is required to have deposited in or credited to its Capital Capacity Reimbursement account for any such new connection or change of use shall be reduced by payments, if any, made by the Contracting Agency to IEUA for the new connection or change of use to support Supplemental Capital Outlay Payments, made at IEUA's request.

c. A Capital Capacity Reimbursement Payment shall be deposited or credited to a Contracting Agency's Capital Capacity Reimbursement Account for such a new connection or change of use at the time of the issuance of a building permit or a sewer connection permit, or for changes in the use of existing Commercial Units and Industrial Units, or the permits required therefor. Upon request by a Contracting Agency, IEUA will review, with support and consultation as needed from the Building Activity Report (BAR) Subcommittee, fee calculations and collections by any Contracting Agency for any errors, within 30 days from the receipt of the monthly building activity report, as further described herein, unless a more expedited review is requested by Contracting Agency. In the event a Contracting Agency fails to deposit Capital Capacity Reimbursement Payments into the Contracting

Agency's Capital Capacity Reimbursement Account by the applicable deadlines, the Contracting Agency shall be required to make late payments in amounts which correspond to the adopted EDU rate in place at the time that said payments first became due and owing.

3. Capital Capacity Reimbursement Reports

a. Each Contracting Agency shall report monthly to IEUA, at such time as IEUA shall designate, the balance of the funds in its Capital Capacity Reimbursement Account as of the last day of the preceding month. Such monthly reports shall be in writing and shall include the calculation sheets and also contain the number of building permits and sewer permits which were issued in the Contracting Agency's Service Area during the preceding month and estimated volume of Sewage flows for all residential, commercial, and industrial connections within the Contracting Agency's Service Area for the current month and the cumulative total thereof. Commercial and industrial sewer connection permits shall be listed by individual permit with the number of fixture units and expected volume and strength of sewage for each permit. IEUA shall have 30 days from receipt of said reports to contact the applicable Contracting Agency with any questions or requests for clarification regarding the connection fee calculations reflected in said report.

b. IEUA shall maintain a summary accounting of the Capital Capacity Reimbursement Account reserves of all Contracting Agencies and shall make written semiannual reports to the Contracting Agencies on or before 1) July 15 (with actuals up to March 31) and January 15, (with actuals up to September 30) of each fiscal year. The reports shall include: (i) the amounts of the Capital Capacity Reimbursement Account reserves of all Contracting Agencies as of the last day of March and September respectively, (ii) the amount of the Regional Wastewater Capital Improvement Fund reserves as of the last day of March and September respectively, (iii) a summary of all expenditures from said fund incurred up to March and September respectively

for each Regional Sewerage System capital improvement project then in progress, (iv) an estimate of the amounts to be expended from said fund for each such project during the quarter then commencing or in progress (the "current quarter"), (v) the estimated amount of Supplemental Capital Outlay Funds, if any, which will be necessary for the Contracting Agencies to contribute to IEUA during the current quarter in order to provide a working capital balance in said fund which shall not exceed $5,000,000 on the last day of the quarter next succeeding the current quarter, and (vi) the amount, if any, of the contribution of Supplemental Capital Outlay Funds for each Contracting Agency for the current quarter, determined as provided in subparts E and F of this Section.

D. Determination of Demand Deficits

At the time of the preparation of each Ten-Year Sewer Capital Forecast, pursuant to Section 10 hereof, IEUA shall determine each Contracting Agency's Demand Deficit, if any. The determination of Demand Deficits pursuant to this subpart is for the sole purpose of allocating shortages in Supplemental Capital Outlay Fund payments as provided in subpart F of this Section. Except as provided in said subpart F, such determinations shall not result in the creation of an obligation or indebtedness on the part of any Contracting Agency to IEUA or other Contracting Agencies.

E. Supplemental Capital Outlay Fund Payments

On July 15, and January 15, of any fiscal year IEUA may require payment by each Contracting Agency from its Capital Capacity Reimbursement Account of Supplemental Capital Outlay Funds for the planning, design and construction of Regional Sewerage System capital improvement projects in the amount, if any, set forth for the Contracting Agency in the semiannual report due from IEUA on such date. Upon receiving such a demand from IEUA, each Contracting Agency shall pay the amount demanded to IEUA within 45 days of receipt of such demand. The amount of each Contracting Agency's proportionate share of the total amount of Supplemental Capital Outlay Funds demanded by IEUA from all Contracting Agencies shall be determined based on the

percentage which the amount of Supplemental Capital Outlay Funds demanded by IEUA from all Contracting Agencies is to the total amount of the current Capital Capacity Reimbursement Account reserves of all Contracting Agencies set forth in the semiannual report upon which the demand is based. The amount demanded by IEUA from each Contracting Agency on any such date shall be an amount determined by applying the percentage thus obtained to the balance of the reserves, not including interest, in the Contracting Agency's Capital Capacity Reimbursement Account set forth in the semiannual report upon which the demand is based. All amounts received by IEUA from the Contracting Agencies as Supplemental Capital Outlay Funds shall be deposited in or credited to the Regional Wastewater Capital Improvement Fund. All such amounts together with all interest earned thereon shall be available and utilized by IEUA solely for the purpose of financing the acquisition, improvement and expansion of the Regional Sewerage System.

F. Allocation of Supplemental Capital Outlay Fund Shortages

If at the time of any demand by for Supplemental Capital Outlay Funds, pursuant to subpart E of this Section, there are not sufficient funds deposited or credited to the Capital Capacity Reimbursement Accounts of all Contracting Agencies to pay the full amount of the demand, each Contracting Agency which has a Demand Deficit shall pay the full balance then deposited or credited to its Capital Capacity Reimbursement Account plus an amount determined based on the percentage which the amount of its Demand Deficit is of the total Demand Deficit for all Contracting Agencies. The amount to be paid by each such Contracting Agency shall be determined by multiplying the difference between, the Supplemental Capital Outlay Fund demand and the total amount of the Capital Capacity Reimbursement Account balances of all Contracting Agencies by the percentage thus determined.

G. Audit Process

The audit process for collection of connection fees by Contracting Agencies is intended to verify accuracy and uniformity in practices regionwide and to improve future performance. The audit and BAR review processes may result in IEUA and the Contracting Agencies working collaboratively to reconcile any discrepancies in connection fees from the Residential, or

Commercial or Industrial Unit. Contracting Agencies may be audited by IEUA on an annual basis, as well as periodically through the Building Activity Reports Subcommittee as described below.

H. Building Activity Reports and Building Activity Reports Subcommittee

There shall be created a Building Activity Reports ("BAR") Subcommittee comprised of a staff/employee representative from IEUA and also from of each Contracting Agency who elects to participate. The Contracting Agency representative may be changed by the applicable Contracting Agency at any time. IEUA will convene the BAR Subcommittee quarterly to complete a more extensive review of a percentage of applications for which connection fees have been calculated and collected. The percentage of applications to be reviewed will be determined by the BAR Subcommittee. The review by the BAR Subcommittee may include such reviews as, but not limited to, an in-depth look at the collection fee calculation methodology, approach for calculating connection fees for similar facilities (e.g. - facilities that have an embedded restaurant and other services), monthly sewer fee collections, for region wide consistency.

SECTION 10 - FORECASTING AND PLANNING

A. Contracting Agency Reports

1. Monthly Reports

On such date as IEUA may designate, each Contracting Agency shall submit to IEUA monthly reports of sewered building activity. Each such report shall contain the following information in a format which will allow tracking through the development process:

a. The number of building permits issued during the month for structures which will contribute sewage to the Regional Sewerage System;

b. Estimate volume of sewage and EDUs for such building permits;

c. The tract number and number of lots for each tentative tract map approved during the month;

d. The tract number and number of lots or dwelling units for each final tract map

recorded during the month;

e. The number of final inspections or certificates of occupancy issued during the month for structures which will contribute sewage to the Regional Sewerage System;

f. The estimate volume of sewage and EDUs for all such structures.

B. IEUA Reports

1. Annual Forecast

IEUA shall work collaboratively with the individual Contracting Agencies to ensure they are using the most recent planning and other documents and incorporating agency knowledge about their service area into the Annual Forecast. On a biennial basis, prior to the first regularly scheduled Regional Technical Committee meeting of that calendar year, IEUA shall provide to the Regional Technical Committee and the Regional Policy Committee the Regional Annual Forecast from the Regional Wastewater Demand Forecast Model or other mutually agreed upon forecasting methodology.

2. Ten-Year Sewer Capital Forecast

On a biennial basis, by no later than the end of June, IEUA shall prepare and deliver to the Regional Technical Committee and the Regional Policy Committee a Ten-Year Sewer Capital Forecast which includes dates of commencement and completion of capital improvement projects necessary to enable the Regional Sewerage System to meet the forecasted Capacity Demands of all Contracting Agencies. Such forecasts, hereinafter referred to as the "Ten-Year Sewer Capital Forecast," shall include:

a. Projected dates for the commencement and completion of design and construction of capital improvement projects necessary to meet forecasted Capacity Demands;

b. Estimates for each Regional Treatment Plant of the Capacity Demand of each Contracting Agency which received sewerage service the previous Fiscal

Year;

c. An estimate of the amount of available treatment capacity at the IEUA Regional Treatment Plants;

d. An estimate of the amount of treatment capacity to be added, if any;

e. Projected annual expenditures for the design and construction of such projects;

f. The Demand Deficit, if any, of each Contracting Agency;

C. Review by Regional Committees

1. Annual Forecast

To ensure accurate forecasting, upon receipt of the Regional Annual Forecast, the Regional Committees shall review the proposed Capacity Demands and provide input to IEUA within 30 days regarding anticipated development.

2. Ten-Year Sewer Capital Forecast

Upon receipt of the Ten-Year Sewer Capital Forecast, the Regional Committees will have 30 days to review and provide input and the Forecast will be placed on the agenda of both committees to provide recommendations to IEUA. Prior to adoption, IEUA shall consider the recommendations of the Regional Policy Committee.

D. Reclaimable Industrial Waste

Proposed new industrial connections to Community Sewer Systems which are expected to discharge more than 25,000 gallons per day of reclaimable industrial waste shall be approved based on the conditions set forth in the Ordinance No. 109 and any successors thereof. The determination of permit requirements and discharge limitations of the reclaimable industrial waste to be discharged into the Regional Sewerage System through an appropriate connection point in a Contracting Agency's Community Sewer System shall be made by IEUA through the regional pretreatment program, resolution of the Board of Directors of IEUA, and Ordinance No. 109 and

any successors thereof.

E. Major Construction Contracts

IEUA shall not proceed with the award of a construction contract for a budgeted Regional Sewerage System capital improvement project previously approved through the Ten-Year Sewer Capital Forecast, which will involve an expenditure in excess of $10,000,000 (adjusted every 5 years or as needed based on the Consumer Price Index beginning in the year 2025), without informing and considering recommendations from the Regional Policy Committee unless IEUA determines the project is necessary for the safe and efficient operation of the Regional Sewerage System. The latest Ten-Year Sewer Capital Forecast and any requested project details including funding information shall be made available to assist in the Regional Policy Committee's review.

SECTION 11 - AVAILABILITY OF REGIONAL SYSTEM; IEUA's PEFORMANCE

A. Contracting Agencies

The services and facilities of the Regional Sewerage System shall be available to any property within the IEUA Service Area, subject to such terms and conditions as may be prescribed by a Contracting Agency for connection to its Community Sewer System.

B. Other Sewage Collection Agencies

IEUA shall not make the services and facilities of the Regional Sewerage System available, other than on a temporary, emergency basis, to any sewage collection agency which is not a party to a Service Contract until such agency has entered into a Service Contract per Section 30. Prior to entering into any such Service Contract, IEUA shall present the proposed terms thereof to the Regional Technical Committee and Regional Policy Committee for review and comment. Any Contracting Agency may challenge services offered under this part B by invoking the procedures set forth in Section 26 of this Service Contract.

C. IEUA's Performance

IEUA shall exercise its best effort to implement capital improvement projects necessary to enable the Regional Sewerage System to meet the Forecasted Demands of all Contracting Agencies are planned, designed and constructed in a timely manner and so that the Regional Sewerage System will at all times be able to provide for the Capacity Demands of all Contracting Agencies. The Contracting Agencies recognize that the timing of the planning, design and construction of such capital improvement projects is largely dependent upon the Contracting Agencies making reasonable accurate projections of increased connections to and usage of their Community Sewer Systems.

SECTION 12 - EXTRA-TERRITORIAL SEWER SERVICE

12.1 SERVICE OUTSIDE THE BOUNDARIES OF IEUA SERVICE AREA

A. Upon the Effective Date of this Contract

Any Contracting Agency which, upon the effective date of this contract was furnishing sewer service to any territory outside the boundaries of the IEUA Service Area, may continue to furnish such service and shall be entitled to the services and facilities of the Regional Sewerage System for that purpose. Each Contracting Agency providing sewer service to any such outside territory shall file a map or maps with the secretary of IEUA showing the boundaries of all such territory.

B. After the Effective Date of this Contract

Any Contracting Agency, after the effective date of this contract, may furnish sewer service to additional territory outside the boundaries of the IEUA Service Area. Prior to furnishing such sewer service, the Contracting Agency shall file a written request with IEUA. IEUA may consider the question of authorizing sewer service to the additional territory, subject to the authorization of the Local Agency Formation Commission for San Bernardino County, and the IEUA Board of Directors shall by resolution authorize sewer service to all or any part of the additional territory by the applicant or applicants unless it determines that such service is not in the public interest.

C. Annual Capital Outlay Charge for Territory Outside IEUA and the Service Area

In addition to the payment of service charges, each Contracting Agency providing the services and facilities of the Regional Sewerage System to territory outside the IEUA Service Area shall be obligated to pay IEUA special capital outlay charges for such territory, as provided in subpart C or D of this Section or both such subparts, if both are applicable. Monies received by IEUA in payment of special capital outlay charges shall be deposited or credited to the Regional Wastewater Capital Improvement Fund and utilized, together with all interest earned thereon, solely for the purpose of financing the acquisition, improvement, and expansion of the Regional Sewerage System.

D. Annual Capital Outlay Charge

The Contracting Agency shall annually pay IEUA a special capital outlay charge in an amount equivalent to the amount of the property tax and other revenue which IEUA would have received during the fiscal year if such property were within the IEUA Service Area. Such charge shall be payable by the Contracting Agency during each fiscal year in the amounts and at the times specified by IEUA.

SECTION 13 - DELIVERY POINTS: CONNECTION COSTS

Each Contracting Agency shall deliver sewage from its Community Sewer System into the Regional Sewerage System at such Delivery Points as may, from time to time, be requested by the Contracting Agency and approved by IEUA. The Delivery Point request may be made by the Contracting Agency or on behalf of a third party. In all Delivery Point requests, the Contracting Agency or third party shall pay applicable plan review and hydraulic/load modeling costs for the evaluation of the impact of the Delivery Point to the Regional Sewage System. The Contracting Agency or third party may also be required to submit a resolution confirming the authorization of annexation from the Local Agency Formation Commission for San Bernardino County or a resolution confirming an irrevocable annexation agreement to the Contracting Agency.

Upon consideration of the information submitted, IEUA may authorize the new Delivery Point. IEUA shall provide written notice of its recommendation regarding the new Delivery Point at a regularly scheduled Regional Technical Committee meeting. Upon receipt of a favorable report and recommendation from the committee or upon failure of the committee to respond within a 30-day period, IEUA may authorize the new Delivery Point.

If the Regional Technical Committee recommends against a new Delivery Point for any Contracting Agency, they shall do so in writing including the technical basis for their decision. The Contracting Agency may file a written request for a hearing with the secretary of the Board of Directors of IEUA. Upon receipt of such a request, said Board of Directors shall schedule and conduct a hearing in accordance with the provisions of Section 26 hereof. All costs and expenses of making the connection between the Regional Sewerage System and the Community Sewer System of any Contracting Agency shall be borne by the Contracting Agency and/or third party.

SECTION 14 - DETERMINATION OF SEWAGE DELIVERIES: COSTS OF MEASURING EQUIPMENT

IEUA shall determine the amount of sewage delivered to the Regional Sewerage System by all Contracting Agencies and shall maintain accurate and complete records thereof. The amount of sewage delivered to the Regional Sewerage System by each Contracting Agency shall be determined by IEUA based on a standard daily measurement or contribution per Equivalent Dwelling Unit methodology established by IEUA and the Regional Technical Committee from time to time.

If required by IEUA, a Contracting Agency shall install and maintain and operate at its expense, measuring devices and equipment for measuring the flow of sewage from the Contracting Agency's Community Sewer System into the Regional Sewerage System. Prior to installation, IEUA shall approve the design of such measuring devices and equipment and shall inspect and approve their installation. Such measuring devices and equipment shall be examined, tested and serviced regularly, but not less than once a year, by IEUA to ensure their accuracy. At any time IEUA or any Contracting Agency may inspect any such measuring device and equipment and all records and measurements taken therefrom.

The determination of sewage flow or contribution methodology per Equivalent Dwelling Unit contributed by each Contracting Agency shall be reviewed and updated if needed, or as requested by IEUA, but not less than every ten (10) years.

Once the EDU methodology is updated and adopted, EDU and equivalent EDU determinations will be made with the updated methodology. Adjustments in cost allocations among Contracting Agencies and users among customer classes (i.e.- residential, commercial, and industrial) resulting from the updated methodology and determination shall be implemented in consultation with the BAR Subcommittee.

SECTION 15 - CONTROL, PRODUCTION, AND DISPOSITION OF RECYCLED WATER

A. General

IEUA shall have ownership and control of all sewage delivered into the Regional Sewerage System for the purposes of Transmission, Treatment, and Disposal, and shall retain the exclusive right over the Recycled Water generated from the sewage delivered to IEUA from the Contracting Agencies, having sole discretion over its use, subject only to those contractual rights of the Contracting Agencies described in this Section 15. It is the intent of IEUA that Recycled Water be put to local beneficial use within the IEUA service area and the Chino Basin to the greatest extent practicable and allowed. The contractual right to purchase Recycled Water is established pursuant to this Section 15 while the terms and conditions regulating the sale, delivery, and use of Recycled Water shall be governed by Ordinance No. 112, or any successors thereof.

B. Contractual Right to Purchase Recycled Water

1. Right of First Purchase

Each Contracting Agency shall have the right of first purchase of Recycled Water as provided herein. The purchase of Recycled Water shall be voluntary and determined at the option of the Contracting Agency from year to year. The right of first purchase shall take

priority over any other Recycled Water purchase agreements between IEUA and customers that are not Contracting Agencies.

Each Contracting Agency shall have the right of first purchase from IEUA of Recycled Water in a total quantity not exceeding the base entitlement of the Contracting Agency.

The total base supply of Recycled Water which is subject to the right of first purchase from IEUA by the Contracting Agencies receiving sewerage service at any Regional Treatment Plant shall be the total quantity of sewage delivered into the Regional Sewerage System by all such Contracting Agencies, measured at the intake point of the Regional Treatment Plants, less normal processing losses resulting from the treatment of sewage, and less Recycled Water exported from the Chino Basin by IEUA to satisfy the SAR Base Flow Obligation if and to the extent deemed necessary by IEUA.

Each Contracting Agency shall have a monthly base entitlement to a portion of the total base supply of Recycled Water, said portion being in the proportion that the quantity of sewage delivered into the Regional Sewerage System by the Contracting Agency bears to the total quantity of sewage delivered into the Regional Sewerage System by all Contracting Agencies.

The Contracting Agencies have expressed a desire to achieve equitable distribution of Recycled Water deliveries, especially during periods of high demand. Each Contracting Agency shall manage its Recycled Water usage responsibly during periods of high demand so as not to impede other Contracting Agencies from utilizing all their base entitlement, and to prevent Contracting Agencies from using Recycled Water in excess of their base entitlement as calculated on a monthly basis. Recycled Water demands in excess of a Contracting Agency's monthly base entitlement shall not be allowed if it inhibits another Contracting Agency from developing a new Recycled Water use project that would be within their monthly base entitlement. Following the execution of this contract by all Parties, the Regional Technical and Policy Committees will develop an Exhibit "A", Peak Flow Monitoring and Enforcement Criteria, to be incorporated into this contract, that will

detail the requirements for meeting base entitlement as calculated on a monthly basis. Authorization of this Exhibit "A" will not require re-authorization of this contract through the Parties. Exhibit "A" shall become an authorized Exhibit of this contract by a two-thirds majority vote of the Regional Policy Committee and approval by the IEUA Board of Directors.

2. SAR Base Flow Obligation.

The Parties have differing views regarding the SAR Base Flow Obligation including, but not limited to the allocation of the obligation and the method and way the obligation is fulfilled. Historically there have been sufficient flows from IEUA Regional Treatment Plant discharges to satisfy base entitlement claims and satisfy the SAR Base Flow Obligation with Recycled Water and it is believed that such condition will continue for the next several years at a minimum. Although alternative sources of water for meeting the SAR Base Flow Obligation are not precluded, IEUA will continue its current practice of fulfilling the SAR Base Flow Obligation using Recycled Water from IEUA Regional Treatment Plants in conformity with established practice since inception of the Orange County Judgment, until an alternative acceptable to IEUA is determined. This topic will be reconsidered at the ten-year review provided for in Section 28 of this contract, or earlier upon unanimous consent of the Parties.

IEUA, within its discretion, may prioritize the usage of Recycled Water for meeting the SAR Base Flow Obligation when it is necessary to do so regardless of the effect on base supply for purchase. If the SAR Base Flow Obligation is not met in a given year, IEUA will determine the best course of action to satisfy the SAR Base Flow Obligation the following year, which may include reducing the available base supply. IEUA will satisfy the SAR Base Flow Obligation with the most cost-effective or practical source of water available and seek alternative means of satisfying the SAR Base Flow Obligation in order to maximize available local supplies.

3. Surplus Base Supply.

Surplus base supply is that portion of base supply remaining after each Contracting Agency has exercised its right of first purchase to purchase its base entitlement, or portion thereof.

During and following the end of each year IEUA shall determine the amount of surplus base supply available, if any, for purchase by Contracting Agencies, and shall notify all Contracting Agencies of that amount, in writing. Each Contracting Agency shall have the option to purchase surplus base supply in an amount calculated utilizing the same ratio used to calculate base entitlement. However, if after offering surplus base supply to all Contracting Agencies there remains surplus base supply, then a Contracting Agency may purchase from the remaining surplus base supply in an unrestricted amount subject to mutual agreement with IEUA. Nothing herein shall prevent Contracting Agencies from establishing agreements to purchase Recycled Water from other Contracting Agencies. The purchase of Recycled Water in excess of a Contracting Agency's base entitlement in any given year shall not result in an increase in base entitlement for subsequent years.

4. Disposition by IEUA of Unclaimed Recycled Water.

To the extent that any of the Contracting Agencies fail to exercise their respective rights of first purchase of Recycled Water, IEUA may make any lawful use of such Recycled Water, including beneficial use, sale, or other disposition inside or outside the Chino Basin; provided, that, any funds generated by the sale of Recycled Water shall be deposited into the IEUA Recycled Water Fund. IEUA will inform the Contracting Agencies of the use or sale of any unclaimed Recycled Water within 30 days of the transaction.

SECTION 16 - RESERVED

SECTION 17 - SERVICE CHARGES FOR MAINTENANCE AND OPERATION OF THE REGIONAL SEWERAGE SYSTEM

All Contracting Agencies shall pay service charges for all sewage delivered to the Regional Sewerage System. Each Contracting Agency shall pay its pro rata share of all net audited costs incurred by IEUA in the maintenance and operations of the system. Net audited costs consist of:

A. Maintenance and Operation

Costs of maintenance and operation of all transmission and treatment facilities comprising the Regional Sewerage System; and

B. Other Costs

Any other costs reasonably related to the maintenance and operation of the system; and

C. Replacement and Unforeseen Costs

Based upon generally accepted engineering and accounting principles, reasonable reserves for the estimated costs and expenses of:

1. Replacement of any facilities where the costs and expenses of replacement are customarily considered a part of the costs and expenses of extraordinary maintenance which adds to the normal service life of facilities; and
2. Unforeseen contingencies; and
3. Actual costs and expenses incurred by IEUA for the Transmission, Treatment and Disposal of any byproduct resulting from the treatment of the Sewage delivered by a Contracting Agency.

D. Cost Of Service Study ("COSS")

IEUA may, from time to time, conduct a COSS which shall be conducted in accordance with procedures normally utilized in the public rate setting process and in accordance with applicable law.

E. Proposed Service Charge Rate Adjustment ("Adjustment")

Prior to the imposition of a rate adjustment, IEUA shall conduct a rate workshop wherein Contracting Agencies may express comments and feedback on the matter for consideration by IEUA. Rate adjustments for each fiscal year shall be within the discretion of the IEUA Board of Directors and shall conform to the COSS and applicable law.

SECTION 18 - RESERVED

SECTION 19 - REGIONAL SEWERAGE SYSTEM BUDGETS

A. Fiscal Year Budgets

For each fiscal year, or on a biennial basis if utilized by IEUA, the IEUA Board of Directors shall cause to be prepared and shall adopt a budget, which includes the Regional Sewerage System budget.

B. Form and Content of Budgets

The budget shall contain a plan of financial operations for the Regional Sewerage System and shall contain an estimate of the requirements for expenditures, including provisions for any reserves, and the means of financing such requirements. The budget shall be itemized and shall show in reasonable detail the nature and purpose of each item of revenue and expense and the actual or estimated amount thereof. The budget shall include a plan of financial operations for the capital costs of the acquisition and construction of the Regional Sewerage System, and a plan of financial operation for the maintenance and operation of the system, prepared as follows:

1. Capital Improvement Fund Budget. The costs of the acquisition and construction of the Regional Sewerage System shall show:

    a. The various items and amounts of capital costs and the total thereof;

    b. The total amount in the Regional Wastewater Capital Improvement Fund and the available and unencumbered balance of such fund as of the commencement of the fiscal year and an estimate of the amount therein and the unencumbered balance thereof as of the end of the fiscal year;

    c. The amounts, if any, of IEUA revenues from sources other than property taxes which are or will be available for payment of capital costs and the total thereof;

    d. The estimated amount of property taxes to be received during the fiscal year;

    e. The projected amount of Supplemental Capital Outlay Fund contributions

required from each Contracting Agency during the fiscal year and the total thereof.

2. Maintenance and Operations Fund Budget. The part covering the maintenance and operation of the Regional Sewerage System shall show:

   a. The various items and amounts of maintenance and operation expenses, including replacement and rehabilitation, and the total thereof;

   b. The total amount in any reserves theretofore established, and the available and unencumbered balance in such reserves as of the commencement and end of the fiscal year;

   c. The amount of service charges payable by each Contracting Agency and the total paid or payable by all Contracting Agencies;

   d. The amounts, if any, of revenue from sources other than services charges which will be available for payment of maintenance and operation expenses and the total thereof;

   e. The total amount required to be raised from service charges for payment of maintenance and operations expenses;

   f. The rate of the service charge for the fiscal year(s);

   g. The amount of any surplus of service charges received by IEUA during the fiscal year preceding the fiscal year in progress in excess of the cost of maintenance and operation of the Regional Sewerage System for that year which was transferred to the Regional Sewerage System Operation and Maintenance Fund reserve for replacement of Regional Sewerage System facilities for such preceding fiscal year, or the amount, if any, of any shortage in the amount of service charges received by IEUA during such preceding fiscal year less than the cost of maintenance and operation of the Regional Sewerage System for that year which was transferred from said reserve during the year then in progress for such preceding fiscal year;

C. Preparation and Approval of Proposed Budgets

Not later than April 1 of each budgeting year, the IEUA Board of Directors shall direct its General Manager, or such other person or persons as the Board may designate, to prepare and submit to the Board a proposed Regional Sewerage System budget for the next fiscal year(s). IEUA will conduct informational sessions with the Regional Technical and Policy Committees to inform the Committees of the proposed Regional Sewerage System budget and provide the Committees with opportunities for input. Said budget and the rate of service charge for the next fiscal year will be considered and adopted by IEUA no later than June 30 of each fiscal year. If the Board of Directors fails to adopt a budget by June 30 then, until such time as the Board shall adopt such budget, the budget last adopted shall constitute the budget for such fiscal year.

D. Adoption of Separate Budgets

Notwithstanding the preceding provisions of this section, the Board of Directors of IEUA may elect for any fiscal year to separately prepare and adopt a Capital Improvement Fund Budget and a Maintenance and Operation Fund Budget. If said Board elects to so proceed, each such separate budget shall be prepared in accordance with the provisions of this section which are applicable thereto. Both said budgets shall be processed and adopted in accordance with the procedures and pursuant to the time schedule set forth in this section.

SECTION 20 - BILLING AND PAYMENT OF SERVICE CHARGES

A. Monthly Billing Statements of Service Charges

Not later than 20 days after the end of each month, each Contracting Agency shall provide to IEUA a report with the number of billable Equivalent Dwelling Units billable to each Contracting Agency. IEUA shall provide a billing statement of service charges to each Contracting Agency, setting forth the number of billable Equivalent Dwelling Units during such month for the service charge rate applicable thereto and the total service charge due and payable to IEUA for said month. Monthly service charges shall be based on the service charge rate adopted by the IEUA Board.

B. Payment of Statements; Interest on Overdue Payments

Each Contracting Agency shall pay the amount of the service charge set forth in any statement on or prior to its due date, namely, the thirtieth day following the date of the delivery of such statement. In the event that a Contracting Agency is delinquent in payment of bills for service 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.

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

Interest paid upon any delinquent amount shall be credited to the Regional Sewerage System Maintenance and Operation Fund unless, by reason of such delinquency, IEUA shall have advanced the amount of the delinquency from other sources, in which case, the interest shall be credited to such fund as the IEUA Board of Directors may designate. A Contracting Agency shall not be entitled to withhold payment, in whole or in part, of the amount of any statement for service charges pending action pursuant to part C of this Section 20.

C. Adjustment for Overpayment or Underpayment

Upon disagreement between any Contracting Agency and IEUA over the amount of service charges or the discovery of an error in computation of service charges for a Contracting Agency, which is not resolved within 30 days of communication, IEUA shall request a recommendation from the Regional Technical committee. The IEUA Board of Directors shall consider the recommendation by the Regional Technical Committee and make its determination on service

charge adjustments, due dates and any interest due, and shall provide for the appropriate credit to or debit of any affected Contracting Agency's service charge account.

D. Deposit of Payments in Maintenance and Operation Fund

All monies received by IEUA in payment of service charges shall be deposited in and credited to a separate fund or account in the treasury of IEUA, to be known as the "Regional Sewerage System Maintenance and Operation Fund." All monies in said fund and interest earned thereon shall be used and expended only for payment of maintenance and operation expenses paid or incurred by IEUA under the provisions, of this contract.

SECTION 21 - RESERVED

SECTION 22 - RESERVED

SECTION 23 - GRANTS AND FINANCIAL ASSISTANCE

IEUA and the Contracting Agencies shall exercise their best efforts to obtain the maximum amounts of grants and other financial assistance which may be available from any federal, state, local, or other source for defraying all or any part of the capital costs and the maintenance and operation expenses of the Regional Sewerage System. The General Manager of IEUA, the Regional Policy Committee, and the Regional Technical Committee shall keep each other fully informed of any available grant or other financial assistance programs known to any of them.

In addition, IEUA shall on a semi-annual basis, submit a report to the Regional Technical Committee and the Regional Policy Committee, as an information item, on any proposed or pending applications (which may include updates on negotiation status) for grants or other financial assistance.

IEUA's costs for the acquisition, construction, maintenance, or operation of the Regional Sewerage System shall be reduced by amounts of any grants or other non-repayable financial assistance received therefor by IEUA from the federal or state government.

SECTION 24 - REGIONAL POLICY COMMITTEE

The parties desire to provide for a Regional Policy Committee to advise IEUA of the needs and views of the Contracting Agencies concerning IEUA's policies and activities in the financing, acquisition, construction, maintenance and operation of the Regional Sewerage System, to make reports and recommendations with respect thereto, and to inform the Contracting Agencies concerning such policies and activities. Committee membership shall be voluntary.

Each participating Contracting Agency shall appoint one regular member and one alternate member to the Regional Policy Committee. Such members shall be members of the Contracting Agency's governing body. The regular and alternate members so appointed shall serve at the pleasure of the appointing agency. Each participating Contracting Agency shall give the secretary of IEUA immediate notice of all appointments and removals made by it, and of the name and contact information of each appointee. IEUA shall appoint one regular member and one or more alternates to the Regional Policy Committee. The members so appointed shall be members of the IEUA Board of Directors of IEUA and shall serve at the pleasure of IEUA. The IEUA member shall be entitled to participate at all regular and special meetings of the committee.

The Regional Policy Committee shall be chaired by a regular member of the Regional Policy Committee and shall rotate among its regular members on a biennial basis through all the Contracting Agencies. A Vice Chair shall also be designated to act in the Chair's absence. The Vice Chair shall be selected by a majority vote of the regular members. A quorum made up of a majority of members shall be required to conduct business.

Each regular member of the Regional Policy Committee or the Contracting Agency's alternates, shall have one vote. A majority of members voting shall be required to carry any matter before the committee.

The Regional Policy Committee shall hold a regular meeting quarterly or as needed in the determination of IEUA. The Regional Policy Committee may adopt such procedures and rules as it deems advisable concerning its officers, meetings and the manner and method of making its

reviews, reports and recommendations on any matter affecting the acquisition, construction, maintenance and operation of the Regional Sewerage System.

IEUA shall, if requested by the Regional Policy Committee, provide the Regional Policy Committee with a meeting place and with the services, advice, and assistance of members of its staff. All records, reports, and other information of IEUA pertaining to the financing, acquisition, construction, maintenance and operation of the Regional Sewerage System shall be available for inspection by members of the Regional Policy Committee. IEUA agrees to maintain and make available to the Regional Policy Committee accurate records of all of its costs, disbursements, and receipts with respect to activities under this contract.

SECTION 25 - REGIONAL TECHNICAL COMMITTEE

The parties desire to provide for a Regional Technical Committee to advise the Regional Policy Committee on technical matters related to the Regional Sewerage System. Participation shall be voluntary. The members and alternate members of the Regional Technical Committee shall be appointed by their respective Contracting Agencies and IEUA shall be entitled to appoint one member and alternate members with the same right of participation as other members. The committee shall hold regular meetings quarterly or as needed in the determination of IEUA. Appointments and the number of alternates shall be determined in the sole discretion of each Contracting Agency and IEUA as applicable.

The committee may, and upon request by the Regional Policy Committee or IEUA shall, review and make recommendations concerning any of the following technical matters: the acquisition, design, construction, maintenance, operation, or financing of sewer facilities, sewage treatment, reclamation, or disposal facilities, sewage and effluent measuring devices and equipment, Community Sewer Systems and the Regional Sewerage System; sewer user charges; service charges; quality standards for sewage and any effluent; and any other technical matter related to any of the foregoing.

SECTION 26 - DISPUTE RESOLUTION

Members of the Regional Policy Committee are encouraged to raise pertinent issues concerning the Regional Sewerage Contract with the IEUA Board of Directors during the public comment period of a regularly scheduled meeting of the Board. To the extent that any provision of this contract authorizes a hearing under this Section 26, the following procedures will apply:

A. Notice of Dispute.

The Regional Policy Committee, through a majority vote of its members, may request a hearing before the IEUA Board of Directors on any dispute related to the IEUA's performance of this Contract or where the Contract authorizes a hearing by submitting a request in writing to the General Manager of IEUA, with the date of delivery of such request deemed the submission date. The request shall state the issue in dispute and a brief explanation of the Regional Policy Committee position on the matter.

B. Notice of Hearing.

Within 30 days of the submission date IEUA shall schedule a hearing to consider the matter. IEUA shall send written notice to all Contracting Agencies by First Class Mail and shall be deemed to have been given when so deposited in the United States Mail, postage prepaid. The notice shall set forth the date, time and location for the hearing. The hearing shall be conducted in conjunction with a special or regularly scheduled meeting of the IEUA Board of Directors and shall be published in conformity with Brown Act requirements. The hearing shall be scheduled on a date not more than 60 days from the submission date.

C. Hearing.

Any person may address the IEUA Board of Directors at the hearing. Any documentary evidence to be introduced by a party must be submitted to the Secretary of the IEUA Board of Directors no later than 10 days prior to the hearing date to ensure the documents are included in the agenda package and available for posting to the IEUA website.

D. Continuance.

The IEUA Board of Directors may, within its discretion, continue the hearing at the request of any person or the Board of Directors upon a showing of good cause, but in no event shall such continuance extend beyond 30 days.

E. Decision.

At the close of the hearing, the IEUA Board of Directors may confer and render a decision through a majority vote of its members, which shall be recorded upon the minutes of the meeting. The decision by the IEUA Board of Directors shall be deemed a final administrative action. The IEUA Board of Directors may continue the matter for up to 60 days for further discussion and consideration of the evidence.

SECTION 27 - EFFECTIVE DATE OF CONTRACT

This contract between IEUA and the undersigned Contracting Agency shall become effective ("Effective Date") after the occurrence of both of the following events:

1. The authorization and execution of this contract by IEUA and the undersigned Contracting Agencies.
2. IEUA shall give written notice thereof to the undersigned Contracting Agency. The notice shall specify a date, as determined by IEUA in accordance with this section, which shall be the Effective Date of this contract.

SECTION 28 - TERM OF CONTRACT

The term of this contract and any other Service Contract entered into between IEUA and any sewage collection agency, shall be 50 years from the Effective Date. It is the intent of the parties that all Service Contracts providing for the services and facilities of the Regional Sewerage System

shall have the same termination, date, without regard to the effective dates of the individual, contracts.

In order to provide for a periodic review and update, as necessary, of the provisions of this contract, IEUA and the Contracting Agencies agree to enter good faith discussions at intervals not exceeding ten years or at the request of the majority of the Contracting Agencies.

SECTION 29 - RENEWAL

No later than two years prior to the end of the term of this contract or any earlier termination or extension of this contract, the parties shall negotiate for the extension or renewal of this contract upon comparable terms and conditions. If the parties have been unable to agree thereon, then any Contracting Agency, by written notice given to IEUA at least 12 months prior to the expiration of said term, may elect to receive continued sewage treatment service after the expiration of said term, on a temporary basis, through separate agreement, upon the following conditions:

A. Expansion.

If, by reason of continued service, no expansion is required in any facilities of the Regional Sewerage System in existence upon the expiration of the term of this contract, the Contracting Agency may deliver sewage into the system in any quantity and at any flow rates. If, by reason of continued service, such expansion shall be required, the annual quantity and flow rates of sewage to be delivered into the Regional Sewerage System by the Contracting Agency shall not exceed the quantity and flow rates delivered by the agency during the last full fiscal year preceding the expiration of said term.

B. Service Charge.

The service charge rate shall be determined as provided in Section 17 hereof.

C. Quality.

The sewage quality standards shall be in accordance with those in effect during the last full fiscal year preceding the expiration of said term or any higher standards prescribed by any federal, state or regional agency authorized by law to prescribe quality standards for effluent discharges.

D. Physical Conditions.

IEUA shall maintain and operate the Regional Sewerage System under substantially the same physical conditions of service as prevailed during the last fiscal year preceding the expiration of said term.

Other terms and conditions of continued service shall be reasonable and equitable and shall be mutually agreed upon and, if they provide for continued service for a specified number of years, a Contracting Agency shall have the option to receive further continued sewage treatment service upon the expiration of that and each succeeding period of continued service. Nothing herein shall extend the term established in Section 28 of this contract.

SECTION 30 - AUTHORIZATION AND EXECUTION OF SEWAGE SERVICE CONTRACT

A. Authorization of Any Sewage Collection Agency.

All proposed contracts between IEUA and any sewage collection agency for the purpose of, (i) providing the agency with the services and facilities of the Regional Sewerage System under a Service Contract, (ii) the acquisition by IEUA of any existing sewage treatment and disposal plant or interceptor sewer, or (iii), both (i) and (ii), shall be authorized for execution by IEUA. The agency shall furnish IEUA with a certified copy of the resolution authorizing execution by the agency, together with a certified Copy of the proposed contract referred to therein. The resolution shall contain all restrictions, limitations, and conditions, if any, which may have been imposed on the execution of the contract.

B. Amendment of Any Existing Contract; New Contracts with Subsequent Contracting Agencies

If IEUA proposes (i) to amend or rescind any existing Service Contract with a Contracting Agency or (ii) to enter a new Service Contract or a contract for the transfer of any existing sewage facilities to IEUA, as part of the Regional Sewerage System, the IEUA Board of Directors shall adopt a resolution declaring its intention to do so and shall specify a time, not sooner than 60 days after the adoption of the resolution, and a place at which the Board will hold a hearing on the question of the proposed amendment, rescission or new contract, as the case may be. Immediately thereafter the secretary of IEUA shall deliver a copy of the resolution, together with a copy of the proposed amendment, rescission or new contract to the clerk or secretary of each Contracting Agency and to each member of the Regional Policy Committee. The Regional Policy Committee shall review the proposal and, not later than 10 days preceding the date of the hearing, shall submit its written report and recommendation thereon to the general manager of IEUA and to each Contracting Agency.

At the hearing on the proposal, the IEUA Board shall consider the report and recommendation of the Regional Policy Committee and shall hear representatives of any Contracting Agency, members of the committee, and any other interested persons. The IEUA Board may modify the proposal and, upon the conclusion of the hearing, order the authorization for execution by IEUA of the proposed amendment, rescission, or new contract, as the case may be.

Notwithstanding the above, except in regard to amendments authorized by IEUA for administrative implementation of an existing Service Contract, any material amendments, such as, for example, the Contractual Right to Purchase Recycled Water under Section 15.B, must also be authorized by Contracting Agencies and agreed to in writing for the execution prior to going into effect. Said authorization by Contracting Agencies shall not be unreasonably withheld.

C. Revisions Due to Result of Litigation

The parties acknowledge that as of the Effective Date, there may be one or more Contracting Agencies that do not plan to executive this contract, but rather, have filed, or plan to file, litigation relation to the Contract ("Protesting Agency(ies)". In the event of such litigation, results in a new or revised provisions being included in the Service Contracts between IEUA and Protesting Agencies, the other Contracting Agencies may, in their discretion, elect to revise their Service Contracts to have said new or revised provisions included in their Service Contracts as well.

SECTION 31 - NOTICE

Notices authorized or required to be given by any provision of this contract shall be deemed to have been given upon delivery, if delivered personally, or upon deposit in the mail, if enclosed in a properly addressed envelope and deposited in the United States mail for delivery by registered or certified mail, or delivered via electronic mail.

Notice shall be given to the parties by delivery or mailing to the following officers of the parties at the following addresses:

IEUA

_____

_____

Undersigned Contracting Agency:

_____

_____

At any time, a party may give written notice to the other party of a change in the designated officer or address.

Notice to members of the Regional Policy Committee or the Regional Technical Committee shall be given to the persons and at the addresses designated in the notices of appointment filed with the Secretary of IEUA.

SECTION 32 - PARTIAL INVALIDITY

The invalidity of any provision of this contract shall not affect the validity of the remainder thereof which can be given effect without such invalid provision.

SECTION 33 - INCORPORATION OF RECITALS

The Recitals set forth above are incorporated herein and made an operative part of this Service Contract.

SECTION 34 - COUNTERPARTS

This Service Contract shall be executed by all parties in duplicate originals, each of which shall be considered an original Service Contract.

Date of Execution

November 1, 2023

Inland Empire Utilities Agency

President of the Board of Directors

ATTEST:

Secretary of the Board of Directors

Date of Execution

_____

ATTEST:

_____
City Clerk

City of Chino

_____
Mayor

Date of Execution

_____

ATTEST:

_____
City Clerk

City of Chino Hills

_____
Mayor

Date of Execution

_____

ATTEST:

_____
Secretary of the Board of Directors

Cucamonga Valley Water District

_____
Board President

Date of Execution

_____

ATTEST:

_____
City Clerk

City of Fontana

_____
Mayor

Date of Execution

_____

ATTEST:

_____
City Clerk

City of Montclair

_____
Mayor

Date of Execution

_____

ATTEST:

_____
City Clerk

City of Ontario

_____
Mayor

Date of Execution

_____

ATTEST:

_____

City Clerk

City of Upland

_____

Mayor

EXHIBIT "D"

ORDINANCE No. 111

REGIONAL SEWAGE SERVICE ORDINANCE

ORDINANCE NO. 111

AN ORDINANCE OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY, A MUNICIPAL WATER DISTRICT, ESTABLISHING REGULATIONS GOVERNING THE COLLECTION, TREATMENT, AND DISPOSAL OF SEWAGE TO THE REGIONAL SEWERAGE SYSTEM IN THE INLAND EMPIRE UTILITIES AGENCY, SAN BERNARDINO COUNTY, STATE OF CALIFORNIA.

BE IT ORDAINED by the Board of Directors of the Inland Empire Utilities Agency as follows:

Table of Contents

SECTION 1 - GENERAL PROVISIONS.....1

SECTION 2 - RIGHTS AND OBLIGATIONS.....7

SECTION 3 - COMMUNITY SEWER SYSTEMS.....7

SECTION 4 - RESERVED.....7

SECTION 5 - RESERVED.....7

SECTION 6 - REGIONAL SEWERAGE SYSTEM; PROBHITED DISCHARGES.....7

SECTION 7 - REGIONAL PRETREATMENT PROGRAM.....9

SECTION 8 - RESERVED.....9

SECTION 9 - CAPITAL FINANCING OF REGIONAL SEWERAGE SYSTEM.....9

SECTION 10 - FORECASTING AND PLANNING.....14

SECTION 11 - RESERVED.....16

SECTION 12 - EXTRA-TERRITORIAL SEWER SERVICE.....17

SECTION 13 - DELIVERY POINTS: CONNECTION COSTS.....18

SECTION 14 - DETERMINATION OF SEWAGE DELIVERIES: COSTS OF MEASURING EQUIPMENT.....19

SECTION 15 - CONTROL, PRODUCTION, AND DISPOSITION OF RECYCLED WATER.....19

SECTION 16 - RESERVED.....19

SECTION 17 - SERVICE CHARGES FOR MAINTENANCE AND OPERATION OF THE REGIONAL SEWERAGE SYSTEM.....20

SECTION 18 - RESERVED.....21

SECTION 19 - REGIONAL SEWERAGE SYSTEM BUDGETS.....21

SECTION 20 - BILLING AND PAYMENT OF SERVICE CHARGES.....23

Table of Contents

(continued)

SECTION 21 - RESERVED 25

SECTION 22 - RESERVED 25

SECTION 23 - RESERVED 25

SECTION 24 - REGIONAL POLICY COMMITTEE.....25

SECTION 25 - REGIONAL TECHNICAL COMMITTEE.....26

SECTION 26 - ADMINISTRATIVE ENFORCEMENT REMEDIES.....27

SECTION 27 - JUDICIAL ENFORCEMENT REMEDIES 28

SECTION 28 - EFFECTIVE DATE.....29

SECTION 1 - GENERAL PROVISIONS

1.1 PURPOSE AND POLICY

This Ordinance is enacted under the authority of the Municipal Water District Law of 1911, California Water Code §71000 et. seq., California Health and Safety Code §5470 et. seq., and sets forth uniform requirements for users of the Regional Sewerage System, a Publicly Owned Treatment Works (POTW), in the Inland Empire Utilities Agency (IEUA) in San Bernardino County, State of California. This Ordinance is enacted in contemplation of the termination of the Chino Basin Regional Sewage Service Contract As Amended in 1994 which expires under its terms on January 2, 2023. This Ordinance enables the IEUA to comply with all applicable State and Federal laws, including the Clean Water Act (33 United States Code [U.S.C.] Section 1251 et. seq.), and the California Water Code as amended. The objectives of this Ordinance are:

To define the terms and conditions for use of the Regional Sewage System of IEUA within its service area including for the Cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and the Cucamonga Valley Water District, collectively henceforth known as Sewage Collection Agencies (SCAs) which services includes, but are not limited to, the collection, treatment, and disposal of sewage;

To recognize that IEUA under its National Pollutant Discharge Elimination System permit conditions, has authority to administer the Regional Pretreatment Program over wastewater Discharges within its service area;

To adopt the terms and conditions to compute the uniform financial obligations for users of the Regional Sewage System;

To comply with the continuing service provisions of Section 29 of the Chino Basin Regional Sewage Service Contract As Amended in 1994.

1.2 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 IEUA 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.

1.3 ADMINISTRATION

Except as otherwise provided herein, the General Manager of the IEUA shall administer, implement, and enforce the provisions of this Ordinance. Any powers granted to or duties imposed upon the General Manager may be delegated by the General Manager to a Duly Authorized IEUA Employee.

1.4 RIGHT OF REVISION

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

1.5 PROTECTION FROM DAMAGE

No person 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 the Regional Sewerage System.

1.6 NOTICE PROCEDURE

Unless otherwise provided herein, any notice required to be given by the General Manager under this Ordinance shall be in writing and served in person or by certified mail, return receipt requested. The notice shall be served upon a duly authorized representative of the SCA, at the last address known to the General Manager.

1.7 DEFINITIONS

Unless otherwise required by the context, various terms used in this Ordinance, including the recitals, shall have the meanings set forth in this section. The singular number includes the plural and the plural the singular.

"Capacity Demand" means the volume and strength (i.e., biochemical oxygen demand and suspended solids) of sewage discharged from the Community Sewer System of a SCA into the Regional Sewerage System.

"Capital Capacity Reimbursement Account" means the accounts established and maintained by the SCAs and to which are deposited or credited Capital Capacity Reimbursement Payments.

"Capital Capacity Reimbursement Payment" means a deposit or credit made to the Capital Capacity Reimbursement Account of a SCA for new connections to its Community Sewer System.

"Chino Basin" means that area underlain by the Chino and Cucamonga groundwater basins and that portion of the Claremont Heights groundwater basin within San Bernardino County which groundwater basins are described in Bulletin No. 53 of the California Division of Water Resources, dated March, 1947, and entitled "South Coastal Basin Investigation - Overdraft on Groundwater Basins."

"Commercial Unit" means a building, establishment or premises where businesses selling goods or providing professional or other services to the public or governmental offices are or will be located.

"Community Sewer System" means all facilities owned, controlled or operated by a Sewage Collection Agency for the purpose of collecting and conducting sewage to a delivery point, including collector sewers conducting sewage from the originating premises, trunk sewers conducting sewage from tributary collector sewers or other trunk sewers and any facilities appurtenant to the foregoing.

"Demand Deficit" means the difference between the aggregate total Forecasted Demand of a SCA and the total aggregate Equivalent Dwelling Units connected to its Community Sewer System during an eight-year period commencing with the fifth fiscal year preceding the fiscal year for which IEUA is at the time of the determination of such difference preparing a Ten-Year Sewer Capital Forecast, and including the initial three fiscal years of such Ten-Year Sewer Capital Forecast.

"Delivery Point" means the transfer point at which Sewage is delivered from a Community Sewer System into the Regional Sewerage System.

"Dispose" or "Disposal" means any process or method for the elimination or beneficial use of Sewage and any Effluent or solid waste residuals thereof, including exportation from the Chino Basin.

"Effluent" means the liquid outflow at the discharge point of any Regional Treatment Plant.

"Equivalent Dwelling Unit" or "EDU" means a measure of sewage flow equivalent in quantity and strength to the daily flow of an average single-family household determined by resolution of the Board of Directors of IEUA and referred to as Exhibit "J" .

"Expansion" means the acquisition or construction of new facilities for the Regional Sewerage System and the making of any replacements, betterments, additions or extensions of the Regional Sewerage System.

"Facilities" means any pipelines, buildings, structures, works, improvements, fixtures, machinery, equipment, or appliances and any real property, or interests therein, necessary or convenient for the construction, maintenance and operation of any of the Regional Sewerage System.

"Fiscal Year" means a 12-month period commencing on July 1 and ending on the following June 30.

"Forecasted Demand" means the yearly forecasted or estimated volume and strength of sewage discharged from the Community Sewer System of a SCA into the Regional Sewerage System as set forth in a Ten-Year Sewer Capital Forecast.

"IEUA" means the Inland Empire Utilities Agency, a municipal water district.

"Industrial Unit" means a building, establishment, or premises where manufacturing, fabrication or assembly operations or industrial or chemical processes are conducted.

"Industrial Waste" means any wastewater and any water borne solid, liquid, or gaseous wastes resulting from any producing, manufacturing, or processing operations of whatever nature as more particularly defined, from time to time, by any federal, state, or regional agency authorized by law to prescribe quality standards for the discharge of sewage effluent and industrial waste effluent within the Chino Basin.

"Non-Domestic Waste" means waste or wastewater discharged into the Community Sewer System of a SCA which has a greater concentration of total dissolved solids or biochemical oxygen demand or any other constituents limited by IEUA than the waste or wastewater discharged from the typical single family domestic household in the SCA's Service Area.

"Recycled Water" means as defined in Title 22, Division 4, Chapter 3, Water Recycling Criteria, Section 60301.050 et seq., of the California Code of Regulations; water which is available as a result of the treatment of wastewater. Also as described in subdivision (n) of Section 13050 of the Water Code of the State of California, treated wastewater that is suitable for direct beneficial use or a controlled use that would not otherwise occur.

"Regional Interceptor" includes, but is not limited to, pipelines, facilities and appurtenances which receive sewage from the most downstream trunk or collector sewer of a Community Sewer System, or a portion thereof, for the purpose of transmitting the sewage to a Regional Treatment Plant or to any other point of disposal, and any facilities appurtenant thereto, or any sewer which is utilized for the transmission of the sewage of two or more SCAs to such a plant or point of disposal.

"Regional Policy Committee" means the committee provided for in Section 24 hereof

"Regional Sewerage System" means all facilities owned, controlled, or operated by IEUA and any interest or capacity rights of IEUA in facilities owned, controlled, or operated by others, for the purpose of transmitting, treating and/or disposing of Sewage, including interceptor sewers, sewage treatment and disposal plants, facilities for the Disposal of Effluent and solid waste residuals and any facilities appurtenant to the foregoing. The Regional Sewerage System does not include the recycled water system which is owned, operated, managed, and maintained by IEUA. The Regional Sewerage System shall include all other disposal facilities which are required to meet the requirements of the National Pollutant Discharge Elimination System Permit or permits or Waste Discharge Requirements issued to IEUA by the Regional Water Quality Control Board, Santa Ana Region, for the operation of the Regional Treatment Plants.

"Regional Technical Committee" means the committee provided for in Section 25 hereof.

"Regional Treatment Plant" means a sewage and wastewater treatment plant operated by IEUA as part of the Regional Sewerage System.

"Regional Wastewater Capital Improvement Fund" means the fund of IEUA into which is deposited all Supplemental Capital Outlay Funds received by IEUA from the SCAs for the acquisition, construction, improvement, and expansion of the Regional Sewerage System.

"Residential Unit" means a single-family residence, a condominium unit, an apartment unit or other such structure or portion thereof which is equipped and suitable for human habitation or a mobile home space in a mobile home park, not including, however, transient lodging rooms in motels or hotels which are considered to be commercial units.

"Service Area" means all territory now or hereafter served by the Community Sewer System owned, controlled or operated by any SCA. The IEUA service area includes the Cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and the Cucamonga Valley Water District.

"Sewage" means any liquid waste and water borne solid waste resulting from residential, commercial, industrial, or institutional activities or uses.

"Sewage Collection Agency" (SCA) means any county, city or special district, other than IEUA, which is located in whole or in part within the IEUA Service Area and which is authorized to own, control and operate a Community Sewer System.

"Sewer" means any pipeline conducting sewage, either by gravity or by pressure, and any facilities appurtenant thereto.

"Sewer User Charge" means any charge, fee, rental, or rate, excluding property taxes and Capital Capacity Reimbursement Payments, which is imposed on and collected from the owner, lessee, or occupant of property for providing services and facilities of any Community Sewer System or the Regional Sewerage System, or both.

"Supplemental Capital Outlay Funds" means contributions by a SCA from its Capital Capacity Reimbursement Account reserves to IEUA to supplement the funding of the planning, design and construction of Regional Sewerage System capital improvement projects.

"Transmit" or "Transmission" means the conducting (i) of Sewage from any Delivery Point to a Regional Treatment Plant or other point of Disposal or (ii) of Effluent from a Regional Treatment Plant to a point of Disposal;

"Treat" or "Treating" or "Treatment" means any process or method for altering the quality of Sewage and/or Effluent to meet applicable regulatory standards for Disposal or beneficial reuse.

SECTION 2 - RIGHTS AND OBLIGATIONS

A SCA shall have the right to deliver all Sewage collected by its Community Sewer Systems to the Regional Sewerage System and IEUA shall have the obligation to receive into the Regional Sewerage System all Sewage so delivered by the SCA subject to the provisions of this Ordinance.

SECTION 3 - COMMUNITY SEWER SYSTEMS

Each SCA shall be responsible for all costs and expenses of the acquisition, construction, operation, and maintenance of its Community Sewer System.

A. Inspection of Facilities

Any authorized officer or employee of IEUA may enter and inspect any part of the Community Sewer System of any SCA during normal working hours on regular business days and upon the giving of not less than 24 hours prior notice of the inspection, except during emergencies.

SECTION 4 - RESERVED

SECTION 5 - RESERVED

SECTION 6 - REGIONAL SEWERAGE SYSTEM; PROBHITED DISCHARGES

IEUA shall own and operate a Regional Sewerage System for the Transmission, Treatment and Disposal of Sewage delivered by any SCA. The Regional Sewerage System, including any interests or capacity rights of IEUA in facilities owned, controlled or operated by others, shall be as shown or described in the IEUA Wastewater Facilities Master Plan, as amended from time to time, and is intended to accept domestic waste.

Use of the Regional Sewerage System by industrial users discharging process wastewater shall be governed by Ordinance No. 109, or any successors thereof.

Except as may be specifically provided on a temporary basis, no SCA shall discharge or cause to be discharged in the Regional Sewerage System any waste which exceeds or results in the inability of the wastewater treatment plant effluent to meet the wastewater discharge requirements presently established by any State or Federal regulatory agency, or which may be adopted in the future.

A SCA shall not discharge wastewater, in quantities or concentrations, alone or in conjunction with a discharge or discharges from other sources that cause the pH of the wastewater entering the headworks of any Regional Treatment Plant to decrease below 6.0 Standard Units at any time.

A SCA shall not discharge wastewater, in quantities or concentrations, alone or in conjunction with a discharge or discharges cause an increase in temperature of a Regional Treatment Plant's influent to be above 90 degrees Fahrenheit, which normally occurs during the period of June through October, nor above 78 degrees Fahrenheit during the remainder of the year.

IEUA shall pay all costs and expenses incurred in the acquisition, construction, maintenance, and operation of the Regional Sewerage System. Each SCA shall, as provided in Section 17 hereof, pay to IEUA service charges representing a pro rata share of all net audited costs incurred by IEUA in the maintenance and operation of the Regional Sewerage System, and each SCA shall contribute Supplemental Capital Outlay Funds to IEUA for the improvement and expansion of the Regional Sewerage System as provided in Section 9 hereof.

Expansion of the Regional Sewerage System is done to accommodate growth and development within the respective SCA's service area and is based largely on growth projections and requests for expansion from the SCAs. Accordingly, voluntary withdrawal of wastewater flows by one or more SCAs could be detrimental to the Regional Sewerage System by creating stranded assets and resulting in increased costs to the remaining SCAs and IEUA would contest such withdrawal as unauthorized by law. Nevertheless, should a voluntary withdrawal of flows from the Regional Sewerage System occur, the impact of the withdrawal will be calculated by IEUA and an impact fee will be assessed against the withdrawing SCA[s].

SECTION 7 - REGIONAL PRETREATMENT PROGRAM

IEUA owns and operates the Regional Sewerage System facilities that are regulated by National Pollutant Discharge Elimination System (NPDES) permits issued by the Regional Water Quality Control Board, and which are subject to numerical discharge limitations and requirements. Those permit regulations and discharge limitations require the control and restrictions to the discharge of industrial wastewater on Significant Industrial Users (SIUs). Furthermore, the permit regulations require IEUA to implement pretreatment regulations in all jurisdictions tributary to IEUA's service area. The regional pretreatment program requirements between IEUA and the SCAs shall be established by resolution of the Board of Directors of IEUA and in Ordinance No. 109 and any successors thereof.

SECTION 8 - RESERVED

SECTION 9 - CAPITAL FINANCING OF REGIONAL SEWERAGE SYSTEM

A. General

The Regional Sewerage System and any improvement or expansion of that system will provide benefits to the entire territory served by that system in that the entire territory will be benefited by the protection of public health, the protection of the quality of water sources, the improvement of water management through integrated use of all sources of water supply, including sewage treatment plant effluent, the improvement of general conditions for individual, residential, commercial and agricultural development and the reduction in costs for the Transmission, Treatment, and Disposal of Sewage by the pro rata sharing of all costs incurred by IEUA in the maintenance and operation of the Regional Sewerage System.

The acquisition, construction, improvement, and expansion of the Regional Sewerage System shall be financed with real property tax revenues, revenues from capital capacity fees, sewage service charges levied by the Board of Directors of IEUA, grants and other financial assistance which may be available from any federal, state, local or other source, Supplemental Capital Outlay Funds contributed by the SCAs.

B. Taxes, Sewage Service Standby or Availability Charges

The Board of Directors of IEUA may fix, levy, and collect sewage service standby or availability charges for the purpose of financing the acquisition, improvement, and expansion of the Regional Sewerage System.

C. Capital Capacity Reimbursement Account and Capital Capacity Reimbursement Payments

1. General

As a condition to sewage treatment service and for the purpose of providing Supplemental Capital Outlay Funds to IEUA, each SCA shall establish and maintain a Capital Capacity Reimbursement Account to which the SCA shall deposit or credit its Capital Capacity Reimbursement Payments. The amounts so deposited or credited by a SCA to its said account shall be used by the SCA only for the purpose of providing Supplemental Capital Outlay Funds to IEUA; provided that interest earned on such amounts shall not be so restricted and may be used by the SCA for any lawful purpose. The source of Capital Capacity Reimbursement Payments shall be at the discretion of each SCA.

2. Capital Capacity Reimbursement Payments

Each SCA shall have deposited or credited to its Capital Capacity Reimbursement Account a Capital Capacity Reimbursement Payment for each connection which has been or will be made to its Community Sewer System or for each change in use of an existing commercial or industrial connection in an amount determined as follows:

a. The amount of the Capital Capacity Reimbursement Payment for each new connection to a SCA's Community Sewer System and for each change in use of any existing Commercial Unit or Industrial Unit which results in an increase in volume or strength of Sewage therefrom shall be determined by computing the number of Equivalent Dwelling Units therefor as provided in that document approved by Resolution of the Board of Directors and identified as "Exhibit J" and made a part hereof and applying the then current Capital Capacity Reimbursement Payment amount as established by the IEUA Board to each such EDU.

b. Notwithstanding the preceding provisions, the amount which a SCA is required to have deposited in or credited to its Capital Capacity Reimbursement account for any such new connection or change of use shall be reduced by payments, if any, made by the SCA to IEUA for the new connection or change of use to support Supplemental Capital Outlay Payments, made at IEUA's request.

c. A Capital Capacity Reimbursement Payment shall be deposited or credited to a SCA's Capital Capacity Reimbursement Account for such a new connection or change of use at the time of the issuance of a building permit or a sewer connection permit, or for changes in the use of existing Commercial Units and Industrial Units, or the permits required therefor. Upon request by a SCA, IEUA will review, with support and consultation as needed from the Building Activity Report (BAR) Subcommittee, fee calculations and collections by any SCA for any errors, within 30 days from the receipt of the monthly building activity report, as further described herein, unless a more expedited review is requested by SCA. In the event a SCA fails to deposit Capital Capacity Reimbursement Payments into the SCA's Capital Capacity Reimbursement Account by the applicable deadlines, the SCA shall be required to make late payments in amounts which correspond to the adopted EDU rate in place at the time that said payments first became due and owing.

3. <u>Capital Capacity Reimbursement Reports</u>

a. Each SCA shall report monthly to IEUA, at such time as IEUA shall designate, the balance of the funds in its Capital Capacity Reimbursement Account as of the last day of the preceding month. Such monthly reports shall be in writing and shall include the calculation sheets and also contain the number of building permits and sewer permits which were issued in the SCA's Service Area during the preceding month and estimated volume of Sewage flows for all residential, commercial, and industrial connections within the SCA's Service Area for the current month and the cumulative total thereof. Commercial and industrial sewer connection permits shall be listed by individual permit with the number of fixture units and expected volume and

strength of sewage for each permit. IEUA shall have 30 days from receipt of said reports to contact the applicable SCA with any questions or requests for clarification regarding the connection fee calculations reflected in said report.

b. IEUA shall maintain a summary accounting of the Capital Capacity Reimbursement Account reserves of all SCAs and shall make written semiannual reports to the SCAs on or before 1) July 15 (with actuals up to March 31) and January 15, (with actuals up to September 30) of each fiscal year. The reports shall include: (i) the amounts of the Capital Capacity Reimbursement Account reserves of all SCAs as of the last day of March and September respectively, (ii) the amount of the Regional Wastewater Capital Improvement Fund reserves as of the last day of March and September respectively, (iii) a summary of all expenditures from said fund incurred up to March and September respectively for each Regional Sewerage System capital improvement project then in progress, (iv) an estimate of the amounts to be expended from said fund for each such project during the quarter then commencing or in progress (the "current quarter"), (v) the estimated amount of Supplemental Capital Outlay Funds, if any, which will be necessary for the SCAs to contribute to IEUA during the current quarter in order to provide a working capital balance in said fund which shall not exceed $1,000,000 on the last day of the quarter next succeeding the current quarter, and (vi) the amount, if any, of the contribution of Supplemental Capital Outlay Funds for each SCA for the current quarter, determined as provided in subparts E and F of this Section.

D. Determination of Demand Deficits

At the time of the preparation of each Ten-Year Sewer Capital Forecast, pursuant to Section 10 hereof, IEUA shall determine each SCA's Demand Deficit, if any. The determination of Demand Deficits pursuant to this subpart is for the sole purpose of allocating shortages in Supplemental Capital Outlay Fund payments as provided in subpart F of this Section. Except as provided in said subpart F, such determinations shall not result in the creation of an obligation or indebtedness on the part of any SCA to IEUA or other SCAs.

E. Supplemental Capital Outlay Fund Payments

On July 15, and January 15, of any fiscal year IEUA may require payment by each SCA from its Capital Capacity Reimbursement Account of Supplemental Capital Outlay Funds for the planning, design and construction of Regional Sewerage System capital improvement projects in the amount, if any, set forth for the SCA in the semiannual report due from IEUA on such date. Upon receiving such a demand from IEUA, each SCA shall pay the amount demanded to IEUA within 45 days of receipt of such demand. The amount of each SCA's proportionate share of the total amount of Supplemental Capital Outlay Funds demanded by IEUA from all SCAs shall be determined based on the percentage which the amount of Supplemental Capital Outlay Funds demanded by IEUA from all SCAs is to the total amount of the current Capital Capacity Reimbursement Account reserves of all SCAs set forth in the semiannual report upon which the demand is based. The amount demanded by IEUA from each SCA on any such date shall be an amount determined by applying the percentage thus obtained to the balance of the reserves, not including interest, in the SCA's Capital Capacity Reimbursement Account set forth in the semiannual report upon which the demand is based. All amounts received by IEUA from the SCAs as Supplemental Capital Outlay Funds shall be deposited in or credited to the Regional Wastewater Capital Improvement Fund. All such amounts together with all interest earned thereon shall be available and utilized by IEUA solely for the purpose of financing the acquisition, improvement and expansion of the Regional Sewerage System.

F. Allocation of Supplemental Capital Outlay Fund Shortages

If at the time of any demand by for Supplemental Capital Outlay Funds, pursuant to subpart E of this Section, there are not sufficient funds deposited or credited to the Capital Capacity Reimbursement Accounts of all SCAs to pay the full amount of the demand, each SCA which has a Demand Deficit shall pay the full balance then deposited or credited to its Capital Capacity Reimbursement Account plus an amount determined based on the percentage which the amount of its Demand Deficit is of the total Demand Deficit for all SCAs. The amount to be paid by each such SCA shall be determined by multiplying the difference between, the Supplemental Capital Outlay Fund demand and the total amount of the Capital Capacity Reimbursement Account balances of all SCAs by the percentage thus determined.

G. Audit Process

The audit process for collection of connection fees by SCAs is intended to verify accuracy and uniformity in practices regionwide and to improve future performance. The audit and BAR review processes may result in IEUA and the SCAs working collaboratively to reconcile any discrepancies in connection fees from the Residential, or Commercial or Industrial Unit. SCAs may be audited by IEUA on an annual basis, as well as periodically through the Building Activity Reports Subcommittee as described below.

H. Building Activity Reports and Building Activity Reports Subcommittee

There shall be created a Building Activity Reports ("BAR") Subcommittee comprised of a staff/employee representative from IEUA and also from of each SCA who elects to participate. The SCA representative may be changed by the applicable SCA at any time. IEUA will convene the BAR Subcommittee quarterly to complete a more extensive review of a percentage of applications for which connection fees have been calculated and collected. The percentage of applications to be reviewed will be determined by the BAR Subcommittee. The review by the BAR Subcommittee may include such reviews as, but not limited to, an in-depth look at the collection fee calculation methodology, approach for calculating connection fees for similar facilities (e.g. - facilities that have an embedded restaurant and other services), monthly sewer fee collections, for region wide consistency.

SECTION 10 - FORECASTING AND PLANNING

A. SCA Reports

1. Monthly Reports

On such date as IEUA may designate, each SCA shall submit to IEUA monthly reports of sewered building activity. Each such report shall contain the following information in a format which will allow tracking through the development process:

a. The number of building permits issued during the month for structures which will contribute sewage to the Regional Sewerage System;

b. Estimate volume of sewage and EDUs for such building permits;

c. The tract number and number of lots for each tentative tract map approved during the month;

d. The tract number and number of lots or dwelling units for each final tract map recorded during the month;

e. The number of final inspections or certificates of occupancy issued during the month for structures which will contribute sewage to the Regional Sewerage System;

f. The estimate volume of sewage and EDUs for all such structures.

B. IEUA Reports

1. Annual Forecast

IEUA shall work collaboratively with the individual SCAs to ensure they are using the most recent planning and other documents and incorporating agency knowledge about their service area into the Annual Forecast. On a biennial basis, prior to the first regularly scheduled Regional Technical Committee meeting of that calendar year, IEUA shall provide to the Regional Technical Committee and the Regional Policy Committee the Regional Annual Forecast from the Regional Wastewater Demand Forecast Model or other mutually agreed upon forecasting methodology.

2. Ten-Year Sewer Capital Forecast

On a biennial basis, by no later than the end of June, IEUA shall prepare and deliver to the Regional Technical Committee and the Regional Policy Committee a Ten-Year Sewer Capital Forecast which includes dates of commencement and completion of capital improvement projects necessary to enable the Regional Sewerage System to meet the forecasted Capacity Demands of all SCAs. Such forecasts, hereinafter referred to as the "Ten-Year Sewer Capital Forecast," shall include:

a. Projected dates for the commencement and completion of design and construction of capital improvement projects necessary to meet forecasted Capacity Demands;

b. Estimates for each Regional Treatment Plant of the Capacity Demand of each SCA which received sewerage service the previous Fiscal Year;

c. An estimate of the amount of available treatment capacity at the IEUA

Regional Treatment Plants;

d. An estimate of the amount of treatment capacity to be added, if any;

e. Projected annual expenditures for the design and construction of such projects;

f. The Demand Deficit, if any, of each SCA;

C. Review by Regional Committees

1. Annual Forecast

To ensure accurate forecasting, upon receipt of the Regional Annual Forecast, the Regional Committees shall review the proposed Capacity Demands and provide input to IEUA within 30 days regarding anticipated development.

2. Ten-Year Sewer Capital Forecast

Upon receipt of the Ten-Year Sewer Capital Forecast, the Regional Committees will have 30 days to review and provide input and the Forecast will be placed on the agenda of both committees to provide recommendations to IEUA. IEUA shall consider the recommendations of the Regional Policy Committee.

D. Reclaimable Industrial Waste

Proposed new industrial connections to Community Sewer Systems which are expected to discharge more than 25,000 gallons per day of reclaimable industrial waste shall be approved based on the conditions set forth in the Ordinance No. 109 and any successors thereof. The determination of permit requirements and discharge limitations of the reclaimable industrial waste to be discharged into the Regional Sewerage System through an appropriate connection point in a SCA's Community Sewer System shall be made by IEUA through the regional pretreatment program, resolution of the Board of Directors of IEUA, and Ordinance No. 109 and any successors thereof.

SECTION 11 - RESERVED

SECTION 12 - EXTRA-TERRITORIAL SEWER SERVICE

12.1 SERVICE OUTSIDE THE BOUNDARIES OF IEUA SERVICE AREA

A. Upon the Effective Date of this Ordinance

Any SCA which, upon the effective date of this Ordinance was furnishing sewer service to any territory outside the boundaries of the IEUA Service Area, may continue to furnish such service and shall be entitled to the services and facilities of the Regional Sewerage System for that purpose. Each SCA providing sewer service to any such outside territory shall file a map or maps with the secretary of IEUA showing the boundaries of all such territory.

B. After the Effective Date of this Ordinance

Any SCA, after the effective date of this Ordinance, may furnish sewer service to additional territory outside the boundaries of the IEUA Service Area. Prior to furnishing such sewer service, the SCA shall file a written request with IEUA. IEUA may consider the question of authorizing sewer service to the additional territory, subject to the authorization of the Local Agency Formation Commission for San Bernardino County, and the IEUA Board of Directors shall by resolution authorize sewer service to all or any part of the additional territory by the applicant or applicants unless it determines that such service is not in the public interest. Annual Capital Outlay Charge for Territory Outside IEUA and the Service Area.

In addition to the payment of service charges, each SCA providing the services and facilities of the Regional Sewerage System to territory outside the IEUA Service Area shall be obligated to pay IEUA special capital outlay charges for such territory, as provided in subpart C or D of this Section or both such subparts, if both are applicable. Monies received by IEUA in payment of special capital outlay charges shall be deposited or credited to the Regional Wastewater Capital Improvement Fund and utilized, together with all interest earned thereon, solely for the purpose of financing the acquisition, improvement, and expansion of the Regional Sewerage System.

C. Annual Capital Outlay Charge

The SCA shall annually pay IEUA a special capital outlay charge in an amount equivalent to the amount of the property tax and other revenue which IEUA would have received during the fiscal year if such property were within the IEUA Service Area. Such charge shall be payable by the

SCA during each fiscal year in the amounts and at the times specified by IEUA.

D. Extraordinary Capital Outlay Charge

If any SCA furnishes sewer service to any additional territory outside the IEUA Service Area after the effective date of this Ordinance, the SCA shall pay to IEUA an extraordinary capital outlay charge with respect to such territory. Such charge shall be in an amount equal to total of (i) all past capital outlay taxes which would have been imposed by IEUA prior to July 1, 1978 upon taxable property within such territory had it been subject to taxation by IEUA for capital outlay taxes, (ii) an amount equivalent to the total property tax revenue which would have been received by IEUA pursuant to Sections 96 through 99 of the Revenue and Taxation Code for all fiscal years subsequent to July 1, 1978, and (iii) and an amount equal to all other revenues which IEUA would have received, had such territory been within the IEUA Service Area. IEUA may authorize any extraordinary capital outlay charges to be paid in deferred installments plus interest over a period not exceeding 25 years from the commencement of sewer service to the extra-territorial territory.

SECTION 13 - DELIVERY POINTS: CONNECTION COSTS

Each SCA shall deliver sewage from its Community Sewer System into the Regional Sewerage System at such delivery points as may, from time to time, be requested by the SCA and approved by IEUA. The delivery point request may be made by the SCA or on behalf of a third party. In all delivery point requests, the SCA or third party shall pay applicable plan review and hydraulic/load modeling costs for the evaluation of the impact of the delivery point to the Regional Sewage System. The SCA or third party may also be required to submit a resolution confirming the authorization of annexation from the Local Agency Formation Commission for San Bernardino County or a resolution confirming an irrevocable annexation agreement to the SCA. Upon consideration of the information submitted, IEUA may authorize the new delivery point. All costs and expenses of making the connection between the Regional Sewerage System and the Community Sewer System of any SCA shall be borne by the SCA and/or third party.

SECTION 14 - DETERMINATION OF SEWAGE DELIVERIES: COSTS OF MEASURING EQUIPMENT

IEUA shall determine the amount of sewage delivered to the Regional Sewerage System by all SCAs and shall maintain accurate and complete records thereof. The amount of sewage delivered to the Regional Sewerage System by each SCA shall be determined by IEUA based on a standard daily measurement or contribution per Equivalent Dwelling Unit methodology established by IEUA from time to time.

If required by IEUA, a SCA shall install and maintain and operate at its expense, measuring devices and equipment for measuring the flow of sewage from the SCA's Community Sewer System into the Regional Sewerage System. Prior to installation, IEUA shall approve the design of such measuring devices and equipment and shall inspect and approve their installation. Such measuring devices and equipment shall be examined, tested and serviced regularly, but not less than once a year, by IEUA to ensure their accuracy. At any time IEUA or any SCA may inspect any such measuring device and equipment and all records and measurements taken therefrom.

The determination of sewage flow or contribution methodology per Equivalent Dwelling Unit contributed by each SCA shall be reviewed and updated if needed, or as requested by IEUA, but not less than every ten (10) years.

SECTION 15 - CONTROL, PRODUCTION, AND DISPOSITION OF RECYCLED WATER

IEUA holds exclusive right to Recycled Water generated by the treatment of Sewage through the Regional Sewerage System. The terms and conditions regulating the sale, delivery, and use of Recycled Water shall be governed by IEUA Ordinance No. 112 and subsequent iterations thereof.

SECTION 16 - RESERVED

SECTION 17 - SERVICE CHARGES FOR MAINTENANCE AND OPERATION OF THE REGIONAL SEWERAGE SYSTEM

All SCAs shall pay service charges for all sewage delivered to the Regional Sewerage System. Each SCA shall pay its pro rata share of all net audited costs incurred by IEUA in the maintenance and operations of the system. Net audited costs consist of:

A. Maintenance and Operation

Costs of maintenance and operation of all transmission and treatment facilities comprising the Regional Sewerage System; and

B. Other Costs

Any other costs reasonably related to the maintenance and operation of the system; and

C. Replacement and Unforeseen Costs

Based upon generally accepted engineering and accounting principles, reasonable reserves for the estimated costs and expenses of:

1. Replacement of any facilities where the costs and expenses of replacement are customarily considered a part of the costs and expenses of extraordinary maintenance which adds to the normal service life of facilities; and
2. Unforeseen contingencies; and
3. Actual costs and expenses incurred by IEUA for the Transmission, Treatment and Disposal of any byproduct resulting from the treatment of the Sewage delivered by a SCA.

D. Cost Of Service Study ("COSS")

IEUA may, from time to time, conduct a COSS which shall be conducted in accordance with procedures normally utilized in the public rate setting process and in accordance with applicable law.

E. Proposed Service Charge Rate Adjustment ("Adjustment")

Prior to the imposition of a rate adjustment, IEUA shall conduct a rate workshop wherein SCAs may express comments and feedback on the matter for consideration by IEUA. Rate adjustments for each fiscal year shall be within the discretion of the IEUA Board of Directors and shall conform to the COSS and applicable law.

SECTION 18 - RESERVED

SECTION 19 - REGIONAL SEWERAGE SYSTEM BUDGETS

A. Fiscal Year Budgets

For each fiscal year, or on a biennial basis if utilized by IEUA, the IEUA Board of Directors shall cause to be prepared and shall adopt a budget, which includes the Regional Sewerage System budget.

B. Form and Content of Budgets

The budget shall contain a plan of financial operations for the Regional Sewerage System and shall contain an estimate of the requirements for expenditures, including provisions for any reserves, and the means of financing such requirements. The budget shall be itemized and shall show in reasonable detail the nature and purpose of each item of revenue and expense and the actual or estimated amount thereof. The budget shall include a plan of financial operations for the capital costs of the acquisition and construction of the Regional Sewerage System, and a plan of financial operation for the maintenance and operation of the system, prepared as follows:

1. Capital Improvement Fund Budget. The costs of the acquisition and construction of the Regional Sewerage System shall show:
   a. The various items and amounts of capital costs and the total thereof;
   b. The total amount in the Regional Wastewater Capital Improvement Fund and the available and unencumbered balance of such fund as of the commencement of the fiscal year and an estimate of the amount therein and the unencumbered balance thereof as of the end of the fiscal year;
   c. The amounts, if any, of IEUA revenues from sources other than property taxes

which are or will be available for payment of capital costs and the total thereof;

d. The estimated amount of property taxes to be received during the fiscal year;

e. The projected amount of Supplemental Capital Outlay Fund contributions required from each SCA during the fiscal year and the total thereof.

2. Maintenance and Operations Fund Budget The part covering the maintenance and operation of the Regional Sewerage System shall show:

a. The various items and amounts of maintenance and operation expenses, including replacement and rehabilitation, and the total thereof;

b. The total amount in any reserves theretofore established, and the available and unencumbered balance in such reserves as of the commencement and end of the fiscal year;

c. The amount of service charges payable by each SCA and the total paid or payable by all SCAs;

d. The amounts, if any, of revenue from sources other than services charges which will be available for payment of maintenance and operation expenses and the total thereof;

e. The total amount required to be raised from service charges for payment of maintenance and operations expenses;

f. The rate of the service charge for the fiscal year(s);

g. The amount of any surplus of service charges received by IEUA during the fiscal year preceding the fiscal year in progress in excess of the cost of maintenance and operation of the Regional Sewerage System for that year which was transferred to the Regional Sewerage System Operation and Maintenance Fund reserve for replacement of Regional Sewerage System facilities for such preceding fiscal year, or the amount, if any, of any shortage in the amount of service charges received by IEUA during such preceding fiscal year less than the cost of maintenance and operation of the Regional Sewerage System for that year which was transferred from said reserve during the year then in progress for such preceding fiscal year;

C. Preparation and Approval of Proposed Budgets

Not later than April 1 of each budgeting year, the IEUA Board of Directors shall direct its General Manager, or such other person or persons as the Board may designate, to prepare and submit to the Board a proposed budget for the next fiscal year(s). Said budget and the rate of service charge for the next fiscal year will be considered and adopted by IEUA no later than June 30 of each fiscal year. If the Board of Directors fails to adopt a budget by June 30 then, until such time as the Board shall adopt such budget, the budget last adopted shall constitute the budget for such fiscal year.

D. Adoption of Separate Budgets

Notwithstanding the preceding provisions of this section, the Board of Directors of IEUA may elect for any fiscal year to separately prepare and adopt a Capital Improvement Fund Budget and a Maintenance and Operation Fund Budget. If said Board elects to so proceed, each such separate budget shall be prepared in accordance with the provisions of this section which are applicable thereto. Both said budgets shall be processed and adopted in accordance with the procedures and pursuant to the time schedule set forth in this section.

SECTION 20 - BILLING AND PAYMENT OF SERVICE CHARGES

A. Monthly Billing Statements of Service Charges

Not later than 20 days after the end of each month, each SCA shall provide to IEUA a report with the number of billable Equivalent Dwelling Units billable to each SCA. IEUA shall provide a billing statement of service charges to each SCA, setting forth the number of billable Equivalent Dwelling Units during such month for the service charge rate applicable thereto and the total service charge due and payable to IEUA for said month. Monthly service charges shall be based on the service charge rate adopted by the IEUA Board.

B. Payment of Statements; Interest on Overdue Payments

Each SCA shall pay the amount of the service charge set forth in any statement on or prior to its due date, namely, the thirtieth day following the date of the delivery of such statement. In the event that a SCA is delinquent in payment of bills for service 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.

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

Interest paid upon any delinquent amount shall be credited to the Regional Sewerage System Maintenance and Operation Fund unless, by reason of such delinquency, IEUA shall have advanced the amount of the delinquency from other sources, in which case, the interest shall be credited to such fund as the IEUA Board of Directors may designate. A SCA shall not be entitled to withhold payment, in whole or in part, of the amount of any statement for service charges pending action pursuant to part C of this Section 20.

C. Adjustment for Overpayment or Underpayment

Upon disagreement between any SCA and IEUA over the amount of service charges or the discovery of an error in computation of service charges for a SCA, which is not resolved within 30 days of communication, IEUA shall request a recommendation from the Regional Technical committee. The IEUA Board of Directors shall consider the recommendation by the Regional Technical Committee and make its determination on service charge adjustments, due dates and any interest due, and shall provide for the appropriate credit to or debit of any affected SCA's service charge account.

D. Deposit of Payments in Maintenance and Operation Fund

All monies received by IEUA in payment of service charges shall be deposited in and credited to a separate fund or account in the treasury of IEUA, to be known as the "Regional Sewerage System Maintenance and Operation Fund." All monies in said fund and interest earned thereon shall be used and expended only for payment of maintenance and operation expenses paid or incurred by IEUA under the provisions, of this contract.

SECTION 21 - RESERVED

SECTION 22 - RESERVED

SECTION 23 - RESERVED

SECTION 24 - REGIONAL POLICY COMMITTEE

There shall be a Regional Policy Committee to advise IEUA of the needs and views of the SCAs concerning IEUA's policies and activities in the financing, acquisition, construction, maintenance and operation of the Regional Sewerage System, to make reports and recommendations with respect thereto, and to inform the SCAs concerning such policies and activities. Committee membership shall be voluntary.

Each participating SCA shall appoint one regular member and one alternate member to the Regional Policy Committee. Such members shall be members of the SCA's governing body. The regular and alternate members so appointed shall serve at the pleasure of the appointing agency. Each participating SCA shall give the secretary of IEUA immediate notice of all appointments and removals made by it, and of the name and contact information of each appointee. IEUA shall appoint one regular member and one or more alternates to the Regional Policy Committee. The members so appointed shall be members of the IEUA Board of Directors of IEUA and shall serve at the pleasure of IEUA. The IEUA member shall be entitled to participate at all regular and special meetings of the committee.

The Regional Policy Committee shall be chaired by a regular member of the Regional Policy Committee and shall rotate among its regular members on a biennial basis through all the SCAs. A Vice Chair shall also be designated to act in the Chair's absence. The Vice Chair shall be selected by a majority vote of the regular members. A quorum made up of a majority of members shall be required to conduct business.

Each regular member of the Regional Policy Committee or the SCA's alternates, shall have one vote. A majority of members voting shall be required to carry any matter before the committee.

The Regional Policy Committee shall hold a regular meeting quarterly or as needed in the determination of IEUA. The Regional Policy Committee may adopt such procedures and rules as it deems advisable concerning its officers, meetings and the manner and method of making its reviews, reports and recommendations on any matter affecting the acquisition, construction, maintenance and operation of the Regional Sewerage System.

IEUA shall, if requested by the Regional Policy Committee, provide the Regional Policy Committee with a meeting place and with the services, advice, and assistance of members of its staff. All records, reports, and other information of IEUA pertaining to the financing, acquisition, construction, maintenance and operation of the Regional Sewerage System shall be available for inspection by members of the Regional Policy Committee. IEUA agrees to maintain and make available to the Regional Policy Committee accurate records of all of its costs, disbursements, and receipts with respect to activities under this Ordinance.

SECTION 25 - REGIONAL TECHNICAL COMMITTEE

There shall be a Regional Technical Committee to advise the Regional Policy Committee on technical matters related to the Regional Sewerage System. Participation shall be voluntary. The members and alternate members of the Regional Technical Committee shall be appointed by their respective SCAs and IEUA shall be entitled to appoint one member and alternate members with the same right of participation as other members. The committee shall hold regular meetings quarterly or as needed in the determination of IEUA. Appointments and the number of alternates shall be determined in the sole discretion of each SCA and IEUA as applicable.

The committee may, and upon request by the Regional Policy Committee or IEUA shall, review and make recommendations concerning any of the following technical matters: the acquisition, design, construction, maintenance, operation, or financing of sewer facilities, sewage treatment, reclamation, or disposal facilities, sewage and effluent measuring devices and equipment, Community Sewer Systems and the Regional Sewerage System; sewer user charges; service charges; quality standards for sewage and any effluent; and any other technical matter related to any of the foregoing.

SECTION 26 - ADMINISTRATIVE ENFORCEMENT REMEDIES

A. Notice of Violation/Order for Corrective Action

IEUA will serve any SCA found to be violating any provision of this Ordinance, or any applicable Federal, State, District or local statutes, regulations, guidelines, ordinances, or other requirements with a written notice of non-compliance. The notice of non-compliance will state the nature of the violation and provide a reasonable time limit, as determined by IEUA, for the satisfactory correction thereof. IEUA may require the submittal of a plan to satisfactorily correct the violation or require any other action which, IEUA determines is appropriate to correct the violation. The SCA served with the notice of violation shall, within the period of time stated in such notice, cease all violations. This provision is in addition to, and not by way of derogation of, any other remedies or procedures available to IEUA by law, regulation, or pursuant to any of the provisions of this Ordinance. This notice of violation procedure shall be in addition to any other remedies available to IEUA under Section 71000 et. seq. of the Water Code of the State of California.

B. Right to Inspect Documents and Property

IEUA retains the right, upon reasonable notice, to audit all public records and accounts of any SCA, 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.

C. Penalty for Violation

A SCA 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 SCA 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.

SECTION 27 - JUDICIAL ENFORCEMENT REMEDIES

A. Remedies Nonexclusive

The remedies provided for in this Ordinance are not exclusive. The General Manager may take any, all, or any combination of these actions against a non-compliant user. Enforcement of pretreatment violations will generally be in accordance with IEUA's enforcement response plan. However, the General Manager may take other action against any user when the circumstances warrant. Further, the General Manager is empowered to take more than one enforcement action against any non-compliant user.

SECTION 28 - EFFECTIVE DATE

Upon the effective date of this Ordinance No. 111, the Ordinance shall be in full force and effect immediately following its passage, approval, and publication, as provided by law. This Ordinance shall take effect on January 3, 2023.

ADOPTED, this 21st day of December, 2022.

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

ATTEST:

Marco Tule
Secretary of the Inland Empire Utilities
Agency* and the Board of Directors thereof

*A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Marco Tule, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Ordinance being No. 111, was adopted at a regular meeting on December 21, 2022, of said Agency by the following vote:

AYES: Camacho, Elie, Hofer, Tule

NOES: None

ABSTAIN: Hall

ABSENT: None

Marco Tule
Secretary/Treasurer

(SEAL)

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency
By Denise Lopez Date December 21, 2022

SCHEDULE "1"

LEGAL DESCRIPTION OF THE HILLWOOD PROPERTY

LEGAL DESCRIPTION OF THE PROPERTY

The Land referred to herein below is situated in unincorporated San Bernardino County, State of California, and is described as follows:

TRACT 1

PARCEL B OF CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT NO. PLLA-2022-00023B, AS DESCRIBED IN EXHIBIT "A", RECORDED JUNE 13, 2023 AS INSTRUMENT NO. 2023-145048 OF OFFICIAL RECORDS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

ALL OF PARCELS 1, 2 AND THAT PORTION OF PARCEL 3 OF PARCEL MAP NO. 14723, AS SHOWN BY MAP ON FILE IN BOOK 179 OF PARCEL MAPS, AT PAGES 9 THROUGH 13, INCLUSIVE, THEREOF, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, BEING CERTIFICATE OF COMPLIANCE NO. 96-0110, LOT LINE ADJUSTMENT NO. W96-0012, RECORDED DECEMBER 6, 1996 AS DOCUMENT NO. 19960449838 IN OFFICIAL RECORDS, COUNTY OF SAN BERNARDINO, CALIFORNIA LYING WITHIN SECTIONS 9, 10, 15 AND 16, TOWNSHIP 1 SOUTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN;

TOGETHER WITH ALL OF PARCEL 4 AND THAT PORTION OF PARCEL 3 OF PARCEL MAP NO. 14723, AS SHOWN BY MAP ON FILE IN BOOK 179 OF PARCEL MAPS, AT PAGES 9 THROUGH 13, INCLUSIVE, THEREOF, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, BEING CERTIFICATE OF COMPLIANCE NO. 96-0111, LOT LINE ADJUSTMENT NO. W96-0012, RECORDED DECEMBER 6, 1996 AS DOCUMENT NO. 19960449839 IN OFFICIAL RECORDS, COUNTY OF SAN BERNARDINO, CALIFORNIA;

EXCEPTING THEREFROM THAT PORTION OF PARCEL 4 OF PARCEL MAP NO. 14723, AS SHOWN BY MAP ON FILE IN BOOK 179 OF PARCEL MAPS, AT PAGES 9 THROUGH 13, INCLUSIVE, THEREOF, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, LYING WITHIN SECTIONS 15 AND 16, TOWNSHIP 1 SOUTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF PARCEL 6 OF SAID PARCEL MAP, SAID NORTHEAST CORNER ALSO BEING THE NORTHERLY TERMINUS OF LINE SEGMENT "L70" AS SHOWN ON SAID PARCEL MAP; THENCE NORTH 61°30'20" EAST, A DISTANCE OF 122.43 FEET FOR THE TRUE POINT OF BEGINNING;

THENCE SOUTH 0°00'00" EAST, A DISTANCE OF 1222.10 FEET;
THENCE SOUTH 77°46'43" WEST, A DISTANCE OF 613.67 FEET;
THENCE SOUTH 0°00'00" EAST, A DISTANCE OF 362.21 FEET;

THENCE NORTH 90°00’00” WEST, A DISTANCE OF 1126.69 FEET;
THENCE NORTH 0°00’00” EAST, A DISTANCE OF 150.77 FEET;
THENCE NORTH 90°00’00” WEST, A DISTANCE OF 958.51 FEET;
THENCE NORTH 0°00’00” EAST, A DISTANCE OF 1333.11 FEET;
THENCE NORTH 90°00’00” EAST, A DISTANCE OF 1383.79 FEET;
THENCE NORTH 0°00’00” EAST, A DISTANCE OF 178.35 FEET;
THENCE NORTH 60°37’22” EAST, A DISTANCE OF 86.33 FEET;
THENCE NORTH 0°00’00” EAST, A DISTANCE OF 69.38 FEET;
THENCE NORTH 90°00’00” EAST, A DISTANCE OF 178.43 FEET;
THENCE SOUTH 0°00’00” EAST, A DISTANCE OF 59.75 FEET;
THENCE NORTH 90°00’00” EAST, A DISTANCE OF 482.32 FEET;
THENCE NORTH 0°00’00” EAST, A DISTANCE OF 6.00 FEET;
THENCE NORTH 90°00’00” EAST, A DISTANCE OF 30.00 FEET;
THENCE SOUTH 0°00’00” EAST, A DISTANCE OF 6.00 FEET;
THENCE NORTH 90°00’00” EAST, A DISTANCE OF 535.19 FEET FOR THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION OF PARCEL 4 OF PARCEL MAP NO. 14723, AS SHOWN BY MAP ON FILE IN BOOK 179 OF PARCEL MAPS, AT PAGES 9 THROUGH 13, INCLUSIVE, THEREOF, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, LYING WITHIN SECTIONS 15 AND 16, TOWNSHIP 1 SOUTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID PARCEL 4; THENCE NORTH 0°06’53” EAST ALONG THE WESTERLY LINE OF SAID PARCEL 4, A DISTANCE OF 899.56 FEET; THENCE SOUTH 89°36’47” EAST ALONG SAID WESTERLY LINE, A DISTANCE OF 331.93 FOR THE TRUE POINT OF BEGINNING, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 753.94 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 71°24’19” WEST; THENCE NORTHEASTERLY ALONG SAID WESTERLY LINE OF PARCEL 4 AND ALONG SAID CURVE, TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 59°17’45”, AN ARC DISTANCE OF 780.26 FEET; THENCE NORTH 77°53’26” EAST ALONG SAID WESTERLY LINE, A DISTANCE 166.41 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 613.11 FEET; THENCE NORTHEASTERLY ALONG SAID WESTERLY LINE AND ALONG SAID CURVE, TO THE LEFT, THROUGH A CENTRAL ANGLE OF 3°28’03”, AN ARC DISTANCE OF 37.10 FEET TO A POINT, A RADIAL LINE FROM SAID POINT BEARS NORTH 15°34’37” WEST; THENCE LEAVING SAID WESTERLY LINE, SOUTH 0°34’45” EAST, A DISTANCE OF 92.49 FEET; THENCE NORTH 89°25’18” EAST, A DISTANCE OF 504.06 FEET; THENCE NORTH 0°34’42” WEST, A DISTANCE OF 433.27 FEET; THENCE NORTH 89°25’18” EAST, A DISTANCE OF 75.00 FEET; THENCE NORTH 0°34’42” WEST, A DISTANCE OF 170.05 FEET TO A POINT OF CUSP WITH A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 886.00 FEET, A RADIAL LINE

FROM SAID POINT BEARS NORTH 12°22’56” EAST; THENCE EASTERLY ALONG SAID CURVE, TO THE LEFT, THROUGH A CENTRAL ANGLE OF 36°34’55”, AN ARC DISTANCE OF 565.69 FEET; THENCE NORTH 65°57’54” EAST, A DISTANCE OF 215.58 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 776.49 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE, TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 16°18’30”, AN ARC DISTANCE OF 221.02 FEET TO THE BEGINNING OF A COMPOUND CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 71.81 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 7°43’36” WEST; THENCE NORTHEASTERLY AND SOUTHEASTERLY ALONG SAID CURVE, TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 100°08’22”, AN ARC DISTANCE OF 125.51 FEET TO THE BEGINNING OF A COMPOUND CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 844.15, A RADIAL LINE FROM SAID POINT BEARS NORTH 87°35’14” WEST; THENCE SOUTHWESTERLY ALONG SAID CURVE, TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 12°03’11”, AN ARC DISTANCE OF 177.58 FEET; THENCE SOUTH 14°38’39” WEST, A DISTANCE OF 42.29 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 880.00 FEET; THENCE SOUTHWESTERLY AND SOUTHERLY ALONG SAID CURVE, TO THE LEFT, THROUGH A CENTRAL ANGLE OF 14°38’39”, AN ARC DISTANCE OF 224.92 FEET; THENCE SOUTH 0°00’00” WEST, A DISTANCE OF 1128.42 FEET; THENCE SOUTH 5°42’38” WEST, A DISTANCE OF 120.60 FEET; THENCE SOUTH 0°00’00” WEST, A DISTANCE OF 177.90 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 72.00 FEET;
THENCE SOUTHWESTERLY ALONG SAID CURVE, TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 90°00’04”, AN ARC DISTANCE OF 113.10 FEET; THENCE NORTH 89°59’56” WEST, A DISTANCE OF 70.16 FEET TO THE BEGINNING OF TANGENT CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 970.00 FEET; THENCE WESTERLY, AND NORTHWESTERLY ALONG SAID CURVE, TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 26°53’40”, AN ARC DISTANCE OF 455.32 FEET; THENCE NORTH 63°06’16” WEST, A DISTANCE OF 86.72 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 1030.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, TO THE LEFT, THROUGH A CENTRAL ANGLE OF 27°40’00”, AN ARC DISTANCE OF 497.36 FEET; THENCE SOUTH 89°13’45” WEST, A DISTANCE OF 1158.11 FEET; THENCE NORTH 00°06’53” EAST, A DISTANCE OF 508.81 FEET FOR THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION OF PARCEL 4 OF SAID PARCEL MAP NO. 14723 DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID PARCEL 4; THENCE THE FOLLOWING FIVE (5) COURSES ARE ALONG THE SOUTHERLY LINE OF SAID PARCEL 4:

1) NORTH 89°37’01” WEST (ACTUAL NORTH 89°37’01” EAST), A DISTANCE OF 751.78 FEET;
2) NORTH 0°05’11” WEST, A DISTANCE OF 27.89 FEET;
3) NORTH 51°51’30” WEST, A DISTANCE OF 127.71 FEET;
4) NORTH 0°27’33” WEST, A DISTANCE OF 154.78 FEET;
5) NORTH 89°33’10” EAST, A DISTANCE OF 727.68 FEET TO THE TRUE POINT OF BEGINNING;

THENCE LEAVING SAID SOUTHERLY LINE NORTH 0°26’50” WEST, A DISTANCE OF 34.08 FEET;
THENCE NORTH 90°00’00” EAST, A DISTANCE OF 41.94 FEET;
THENCE SOUTH 0°26’50” EAST, A DISTANCE OF 33.75 FEET TO SAID SOUTHERLY LINE OF PARCEL 4;
THENCE SOUTH 89°33’10” WEST ALONG SAID SOUTHERLY LINE, A DISTANCE OF 41.93 FEET TO THE TRUE POINT OF BEGINNING.

TRACT 2

PARCEL C OF CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT NO. PLLA-2022-00023C, AS DESCRIBED IN EXHIBIT “A” RECORDED DECEMBER 20, 2022 AS INSTRUMENT NO. 2022-0403059 OF OFFICIAL RECORDS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

THAT PORTION OF PARCEL 4 OF PARCEL MAP NO. 14723, AS SHOWN BY MAP ON FILE IN BOOK 179 OF PARCEL MAPS, AT PAGES 9 THROUGH 13, INCLUSIVE, THEREOF, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, LYING WITHIN SECTIONS 15 AND 16, TOWNSHIP 1 SOUTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID PARCEL 4;
THENCE NORTH 0°06’53” EAST ALONG THE WESTERLY LINE OF SAID PARCEL 4, A DISTANCE OF 899.56 FEET;
THENCE SOUTH 89°36’47” EAST ALONG SAID WESTERLY LINE, A DISTANCE OF 331.93 FOR THE TRUE POINT OF BEGINNING, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 753.94 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 71°24’19” WEST;

THENCE NORTHEASTERLY ALONG SAID WESTERLY LINE OF PARCEL 4 AND ALONG SAID CURVE, TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 59°17’45”, AN ARC DISTANCE OF 780.26 FEET;

THENCE NORTH 77°53’26” EAST ALONG SAID WESTERLY LINE, A DISTANCE 166.41 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 613.11 FEET;

THENCE NORTHEASTERLY ALONG SAID WESTERLY LINE AND ALONG SAID CURVE, TO THE LEFT, THROUGH A CENTRAL ANGLE OF 3°28’03”, AN ARC DISTANCE OF 37.10 FEET TO A POINT, A RADIAL LINE FROM SAID POINT BEARS NORTH 15°34’37” WEST;
THENCE LEAVING SAID WESTERLY LINE, SOUTH 0°34’45” EAST, A DISTANCE OF 92.49 FEET;

THENCE NORTH 89°25’18” EAST, A DISTANCE OF 504.06 FEET;
THENCE NORTH 0°34’42” WEST, A DISTANCE OF 433.27 FEET;
THENCE NORTH 89°25’18” EAST, A DISTANCE OF 75.00 FEET;
THENCE NORTH 0°34’42” WEST, A DISTANCE OF 170.05 FEET TO A POINT OF CUSP WITH A CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 886.00 FEET, A RADIAL LINE FROM SAID POINT BEARS NORTH 12°22’56” EAST;

THENCE EASTERLY ALONG SAID CURVE, TO THE LEFT, THROUGH A CENTRAL ANGLE OF 36°34’55”, AN ARC DISTANCE OF 565.69 FEET;
THENCE NORTH 65°57’54” EAST, A DISTANCE OF 215.58 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 776.49 FEET;
THENCE NORTHEASTERLY ALONG SAID CURVE, TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 16°18’30”, AN ARC DISTANCE OF 221.02 FEET TO THE BEGINNING OF A COMPOUND CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 71.81 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 7°43’36” WEST;
THENCE NORTHEASTERLY AND SOUTHEASTERLY ALONG SAID CURVE, TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 100°08’22”, AN ARC DISTANCE OF 125.51 FEET TO THE BEGINNING OF A COMPOUND CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 844.15, A RADIAL LINE FROM SAID POINT BEARS NORTH 87°35’14” WEST;
THENCE SOUTHWESTERLY ALONG SAID CURVE, TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 12°03’11”, AN ARC DISTANCE OF 177.58 FEET;
THENCE SOUTH 14°38’39” WEST, A DISTANCE OF 42.29 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 880.00 FEET;
THENCE SOUTHWESTERLY AND SOUTHERLY ALONG SAID CURVE, TO THE LEFT, THROUGH A CENTRAL ANGLE OF 14°38’39”, AN ARC DISTANCE OF 224.92 FEET;
THENCE SOUTH 0°00’00” WEST, A DISTANCE OF 1128.42 FEET;
THENCE SOUTH 5°42’38” WEST, A DISTANCE OF 120.60 FEET;
THENCE SOUTH 0°00’00” WEST, A DISTANCE OF 177.90 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 72.00 FEET;
THENCE SOUTHWESTERLY ALONG SAID CURVE, TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 90°00’04”, AN ARC DISTANCE OF 113.10 FEET;
THENCE NORTH 89°59’56” WEST, A DISTANCE OF 70.16 FEET TO THE BEGINNING OF TANGENT CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 970.00 FEET;
THENCE WESTERLY, AND NORTHWESTERLY ALONG SAID CURVE, TO THE RIGHT,

THROUGH A CENTRAL ANGLE OF 26°53’40”, AN ARC DISTANCE OF 455.32 FEET;
THENCE NORTH 63°06’16” WEST, A DISTANCE OF 86.72 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 1030.00 FEET;
THENCE NORTHWESTERLY ALONG SAID CURVE, TO THE LEFT, THROUGH A CENTRAL ANGLE OF 27°40’00”, AN ARC DISTANCE OF 497.36 FEET;
THENCE SOUTH 89°13’45” WEST, A DISTANCE OF 1158.11 FEET;
THENCE NORTH 00°06’53” EAST, A DISTANCE OF 508.81 FEET FOR THE TRUE POINT OF BEGINNING.

(END OF LEGAL DESCRIPTION)