



**LOS ANGELES COUNTY
SANITATION DISTRICTS**
Converting Waste Into Resources



**AMENDED AND RESTATED AGREEMENT FOR PURCHASE AND SALE OF RECYCLED
WATER AND RELATED FACILITIES**

between

COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY

and

WALNUT VALLEY WATER DISTRICT

CSD CONTRACT NO. 4340A

**AMENDED AND RESTATED AGREEMENT FOR PURCHASE AND SALE OF RECYCLED
WATER AND RELATED FACILITIES**

BETWEEN

COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY

AND WALNUT VALLEY WATER DISTRICT

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EXHIBITS

- Exhibit A – Ordinance
- Exhibit B – Walnut Valley Service Area Map
- Exhibits C-1, C-2, and C-3 – Upper Portion Pipeline Location Maps
- Exhibit D – Description of Pipeline Property Rights
- Exhibit E – Form of Bill of Sale
- Exhibit F – Permit
- Exhibit G – Recycled Water Pricing Policy
- Exhibit H – District’s Requirements for Recycled Water Users
- Exhibit I – Sample Calculation of Capacity Charge
- Exhibit J – Application for Recycled Water Use

**AMENDED AND RESTATED AGREEMENT FOR
PURCHASE AND SALE OF RECYCLED WATER AND RELATED FACILITIES**

This Amended and Restated Agreement for Purchase and Sale of Recycled Water and Related Facilities (“**Agreement**”) is dated _____, 20__ (“**Effective Date**”) and is between **COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY**, a county sanitation district duly organized and existing under the provisions of the County Sanitation District Act, California Health and Safety Code Section 4700 *et seq.*, (“**District**”), and the **WALNUT VALLEY WATER DISTRICT**, a California Water District formed and operating pursuant to the California Water District Act, Division 13 of the California Water Code, Sections 34000 *et seq.* (“**Walnut Valley**”). The District and Walnut Valley are referred to in this Agreement individually as a “**Party**” and collectively as the “**Parties.**”

The District is a county sanitation district organized and existing under the County Sanitation District Act, Chapter 3, Part 3, Division 5 of the Health and Safety Code, Section 4700 *et seq.* This Agreement exercises authority conferred by law including but not limited to the County Sanitation District Act and Section 1210 and Division 7 (Chapters 7 and 7.5) of the California Water Code.

A. The District owns and operates a water reclamation plant, located at 295 Humane Way in the City of Pomona, California and commonly referred to and known as the Pomona Water Reclamation Plant (“**Plant**”). The Plant treats wastewater generated by the residents and businesses in the City of Pomona and surrounding areas and produces tertiary-treated effluent commonly referred to as recycled water. The Plant has a design capacity of approximately 15 million gallons per day (“**MGD**”) (equivalent to 16,800 acre-feet per year (“**AFY**”)) and, as of 2022, produces approximately 6.3 MGD of recycled water (equivalent to 7,100 AFY).

B. The real property on which the Plant is located, which is identified as Los Angeles County Assessor’s Parcel Numbers 8707-020-903, 8707-020-906, and 8707-020-907, is owned in fee by the District.

C. Pursuant to California Water Code Section 1210, the District has the exclusive right to all recycled water produced by its water reclamation plants, including the Plant. The District is specifically authorized under California Health & Safety Code Sections 4744 and 4745 to construct and operate infrastructure, including pipelines and other works, necessary to allow for the beneficial use and/or sale of any recycled water recovered from the operation of the Plant.

D. The District’s Board of Directors adopted an *Ordinance Providing For The Establishment And Enforcement Of Regulations Pursuant To Water Recycling Requirements For Recycled Water Users* (“**Ordinance**”) on January 24, 2007, which is attached hereto as Exhibit A and incorporated herein by reference. The Ordinance establishes requirements for all users of the District’s recycled water, including the requirement that all users execute a user agreement. For the Parties, this Agreement constitutes the user agreement as required by the Ordinance.

E. Walnut Valley is authorized to act as the regional recycled water wholesaler and distribute recycled water to individual recycled water users within the cities of Walnut, West Covina, Diamond Bar, and Industry, and any other municipality in its service area, in Los Angeles County. A map of Walnut Valley’s service area is attached hereto as Exhibit B and incorporated herein by reference.

F. The District is authorized to provide recycled water to the Spadra Landfill which includes a portion of the California State Polytechnic University, Pomona (“**Cal Poly**”) LandLab (collectively, “**Spadra Site**”) under an agreement with Walnut Valley dated May 14, 1997 (District’s Contract No. 3514).

G. The District has an available supply and is willing to make available a portion of the recycled water produced at the Plant for purchase by Walnut Valley in accordance with the terms of this Agreement.

H. A component of the District’s recycled water infrastructure includes segments of pipelines that comprise a system commonly referred to as the Upper Portion of the Gravity Line, which lies between the 24-inch diameter sluice gate on the recycled water effluent “**Irrigation Structure**” located at the Plant and the pressure-sustaining valve located along the pipeline alignment in Valley Boulevard near the entrance to the Spadra Site (“**Upper Portion Pipeline**”). Location maps of the Upper Portion Pipeline are attached hereto as Exhibits C-1 and C-2 and incorporated herein by reference. The Upper Portion Pipeline supplies recycled water from the Plant to Walnut Valley and the Spadra Site.

I. Walnut Valley wishes to purchase from the District, and the District wishes to sell to Walnut Valley, on an “as is”, “where is”, and “with all faults” basis, all right, title, and interest of the District in and to the Upper Portion Pipeline pursuant and subject to the terms and conditions outlined in this Agreement.

J. The Parties have agreed that most of the Upper Portion Pipeline is located in the public right-of-way. However, a portion of the Upper Portion Pipeline is located on certain private properties as depicted on Exhibit C-2. County Sanitation District No. 21 of Los Angeles County (“**District 21**”) has certain access rights in and on such private properties (collectively, “**Pipeline Property Rights**”) in order to access, operate, maintain, repair and replace that portion of the Upper Portion Pipeline that is located on private property. Such rights are described in the documents identified in Exhibit D which is attached hereto and incorporated herein by reference. As more particularly described below, the District, District 21, and Walnut Valley will make reasonable efforts to allow Walnut Valley to access certain private properties in order to operate, maintain, repair, or replace that portion of the Upper Portion Pipeline.

K. In order to continue and enhance its efforts to beneficially use and provide recycled water service, Walnut Valley plans to design and construct an up to three (3) million gallon recycled water storage reservoir (“**Storage Tank**”) in an area of the Spadra Site commonly known and referred to as the “**Intermediate Pad**” pursuant to the terms and conditions outlined in this Agreement.

L. The District’s point of connection to the Storage Tank shall allow for uninterrupted recycled water flow for the District’s uses at the Spadra Site to the greatest extent possible.

M. The District and Walnut Valley previously entered into that certain *Agreement for the Purchase and Sale of Recycled Water and Related Facilities* dated November 14, 2007 (District’s Contract No. 4340) (“**2007 Contract**”). The Parties now intend that this Agreement will supersede, amend, and replace, in its entirety, the 2007 Contract.

The Parties therefore agree as follows:

1. **Incorporation of Recitals and Exhibits.** The recitals set forth in Paragraphs A through M above, including all definitions and exhibits contained and referenced therein, are expressly incorporated by reference into this Agreement.

2. **Definitions.** For the purposes of this Agreement, the terms below have the following definitions:
- 2.1. “**2007 Contract**” means the original agreement for the sale of recycled water from the Plant between the District and Walnut Valley dated November 14, 2007 (District Contract No. 4340).
 - 2.2. “**2011 Contract**” means the agreement for the sale of recycled water from the Plant between the District and Cal Poly dated August 10, 2011 (District Contract No. 4660).
 - 2.3. “**AFY**” means acre-feet per year.
 - 2.4. “**Agreement**” means this Agreement for Purchase and Sale of Recycled Water.
 - 2.5. “**Alternative Water**” means Walnut Valley’s potable water supply as a blend of treated, imported water from the Metropolitan Water District of Southern California provided through the Three Valleys Municipal Water District and groundwater pumped from the Six Basins, Chino Basin, and Spadra Basin aquifers, which costs include, but are not limited to, energy costs, lease costs, and replacement water and other fees levied by the respective basin Watermaster or their successors.
 - 2.6. “**Annual Reconciliation Invoice**” means a compilation of all costs for the recycled water purchased from the Plant by Walnut Valley during the subject fiscal year.
 - 2.7. “**Bill Of Sale**” means the document which is attached hereto as Exhibit E and incorporated herein by reference.
 - 2.8. “**Cal Poly**” means California State Polytechnic University, Pomona.
 - 2.9. “**Capacity Charge**” means the charge levied on the District by Walnut Valley for the District’s use of the Upper Portion Pipeline to convey recycled water to the Spadra Site.
 - 2.10. “**CEQA**” means the California Environmental Quality Act.
 - 2.11. “**Chief Engineer**” means the Chief Engineer and General Manager of the District or his or her authorized designee.
 - 2.12. “**Claims**” means causes of action, actions, in law or in equity, suits, debts, liens, contracts, agreements, promises, liabilities, claims, demands, damages, losses, fee, and costs (including, without limitation, attorneys’ fees) of any nature whatsoever.
 - 2.13. “**Construction Permits**” means all permits and governmental or regulatory approvals for construction of any new On-Site Facilities.
 - 2.14. “**District**” means County Sanitation District No. 2 of Los Angeles County.
 - 2.15. “**District 21**” means County Sanitation District No. 21 of Los Angeles County.
 - 2.16. “**District Share**” means the District’s apportioned share of the costs incurred by Walnut Valley to abandon those segments of the Upper Portion Pipeline as depicted on Exhibit C-3.

- 2.17. “**Effective Date**” means the date this Agreement is approved and executed by the District’s Board of Directors. Walnut Valley will approve and execute this Agreement first, then the District.
- 2.18. “**Estimated Quarterly Invoice**” means the invoice for the estimated costs for the recycled water purchased from the Plant by Walnut Valley during the subject fiscal quarter.
- 2.19. “**Fiscal Year**” means the District’s fiscal year, beginning on July 1 of any given year, and continuing through June 30 of the following calendar year.
- 2.20. “**Gravity Line**” means the gravity transmission pipeline that extends from the Plant approximately seven (7) miles to Walnut Valley’s recycled water pump station at the intersection of Valley Boulevard and Grand Avenue in the City of Walnut. The portion of the pipeline between the Plant and the pressure-sustaining valve in Valley Boulevard (“**Upper Portion Pipeline**”) is currently owned and maintained by the District and will be transferred to Walnut Valley pursuant to the terms of this Agreement. The portion of the pipeline between the pressure-sustaining valve in Valley Boulevard and Walnut Valley’s recycled water pump station is owned and maintained by Walnut Valley pursuant to the terms of the 2007 Contract. The Gravity Line was previously known as the Northside Irrigation Company Line.
- 2.21. “**General Order**” means the General Waste Discharge Requirements For Recycled Water Use, Order No. WQ 2016-0068-DDW issued by the State Board and associated Notice of Applicability and Monitoring and Reporting Program.
- 2.22. “**Intermediate Pad**” means the area of the Spadra Site where Walnut Valley plans to design and construct the Storage Tank.
- 2.23. “**Insured Parties**” means any persons, firms, or corporations designated by the District, including Walnut Valley and the District, that have a protectable interest in the On-Site Facilities.
- 2.24. “**Irrigation Structure**” means the District’s existing structure located at the west side of the Plant where recycled water effluent produced by the Plant is diverted and routed into the Upper Portion Pipeline, whose upstream beginning point is directly after the 24-inch diameter sluice gate located on the Irrigation Structure, as shown on Exhibit C-2.
- 2.25. “**Joint Outfall System**” means the Los Angeles County Sanitation Districts’ Joint Outfall System, and includes the Pomona, Whittier Narrows, Los Coyotes, Long Beach, and San Jose Creek Water Reclamation Plants that currently produce tertiary-treated recycled water. Ownership and operation of the Joint Outfall System is proportionally shared among the signatory parties to the amended Joint Outfall Agreement effective July 1, 1995. These parties include Los Angeles County Sanitation Districts Nos. 1, 2, 3, 5, 8, 15, 16, 17, 18, 19, 21, 22, 23, 28, 29, and 34, and the South Bay Cities Sanitation District of Los Angeles County.
- 2.26. “**MGD**” means million gallons per day.
- 2.27. “**NPDES Permit**” means the National Pollutant Discharge Elimination System permit for the Plant issued by the Regional Board.

- 2.28. “**Ordinance**” means the *Ordinance Providing for the Establishment and Enforcement of Regulations Pursuant to Water Recycling Requirements for Recycled Water Users* adopted by the District’s Board of Directors on January 24, 2007, which is attached hereto as Exhibit A and incorporated herein by reference, and specifically includes any amendments or updates to the Ordinance as may be duly approved by the District.
- 2.29. “**O&M**” means operation and maintenance.
- 2.30. “**On-Site Facilities**” means any existing or future connections or facilities constructed, operated, or maintained by or on behalf of Walnut Valley or for the benefit of Walnut Valley, which are physically located on the Plant and which Walnut Valley uses to draw, convey, or distribute recycled water.
- 2.31. “**Party**” or “**Parties**” means the District and Walnut Valley, either individually or collectively, who have entered into this Agreement.
- 2.32. “**Permit**” means the current WDR, WRR, General Order, or other permit issued by the Regional Board or State Board to the District relating to the use of recycled water from the Plant, which is attached as Exhibit F and incorporated herein by reference.
- 2.33. “**Pipeline Property Rights**” means the property rights held by District 21, as described in Exhibit D, for access, operation, maintenance, repair, and replacement of the part of the Upper Portion Pipeline that traverses private properties between the Plant and the Pomona Boulevard public right-of-way.
- 2.34. “**Plant**” means the Pomona Water Reclamation Plant.
- 2.35. “**Quitclaim Deed**” means the instrument that will transfer one of District 21’s Pipeline Property Rights to Walnut Valley.
- 2.36. “**Recycled Water Pricing Policy**” means the *Joint Outfall System Master Recycled Water Rate Ordinance* adopted by the District’s Board of Directors on December 13, 2023, which is attached hereto as Exhibit G and incorporated herein by reference, or any pricing policy adopted, now or in the future, by the District intended to establish a fair and equitable rate for the sale of recycled water.
- 2.37. “**Recycled Water Rate Ordinance**” means the *Ordinance Prescribing Recycled Water Rates for the Joint Outfall System* adopted by the District’s Board of Directors on December 13, 2023, or any rate ordinance adopted, now or in the future, by the District to prescribe the annual unit price for recycled water.
- 2.38. “**Regional Board**” means the California Regional Water Quality Control Board, Los Angeles Region.
- 2.39. “**Releasees**” means the District, all other County Sanitation Districts of Los Angeles County, and all of their respective successors, assigns, agents, employees, representatives, directors, insurers, and counsel.
- 2.40. “**Replacement Costs**” means the collective costs for Walnut Valley’s replacement of a segment of the Upper Portion Pipeline under the railroad bridge adjacent to the Plant in 2008

at a total cost of \$577,857.45 along with an additional segment of the Upper Portion Pipeline along Valley Boulevard in 2012 at a total cost of \$512,413.04.

- 2.41. “**Reuse Site**” means an authorized location within Walnut Valley’s service area at which recycled water provided by Walnut Valley is used.
- 2.42. “**Requirements**” means the District’s *Requirements for Recycled Water Users*, which is attached hereto as Exhibit H and incorporated herein by reference.
- 2.43. “**Service Duplication Law**” is defined in the State of California Public Utilities Code, Division 1, Part 1, Chapter 8.5, Section 1501.
- 2.44. “**Spadra Site**” means the closed Spadra Landfill located at 4125 West Valley Boulevard in the City of Pomona and unincorporated Los Angeles County and the adjacent 339-acre Cal Poly LandLab facility, which is used for education and research in sustainable use of land resources. The real property on which the Spadra Site is located is owned by Cal Poly and the County of Los Angeles. The Spadra Landfill portion of the Spadra Site is maintained by the District pursuant to the terms of agreements with Cal Poly dated October 24, 1985 (District’s Contract No. 2784) and January 22, 1997 (District’s Contract No. 3493).
- 2.45. “**State Board**” means the California State Water Resources Control Board.
- 2.46. “**State Division of Drinking Water**” means the former California Department of Public Health that was transferred to the State Board as of July 1, 2014 and which oversees water recycling programs.
- 2.47. “**Storage Tank**” means the proposed reservoir of up to three (3) million gallons capacity to be constructed, operated, and maintained by Walnut Valley at the Spadra Site and supplied with recycled water through the Storage Tank Feed Pipeline.
- 2.48. “**Storage Tank and Pipeline Easements**” means the long-term easement or license for construction, operation, and maintenance of the Storage Tank, and the portion of the Storage Tank Feed Pipeline at the Spadra Site, to be granted to Walnut Valley by Cal Poly and the County of Los Angeles.
- 2.49. “**Storage Tank Feed Pipeline**” means the pipeline to be constructed, operated, and maintained by Walnut Valley between the Upper Portion Pipeline in Valley Boulevard and the Storage Tank to supply recycled water to the Storage Tank.
- 2.50. “**Termination Date**” means the end of the Agreement’s initial duration, twenty-five (25) years following the Effective Date.
- 2.51. “**Upper Portion Pipeline**” means segments of pipelines that comprise a system commonly referred to as the Upper Portion of the Gravity Line, which lies between the 24-inch diameter sluice gate on the Irrigation Structure located at the Plant and the pressure-sustaining valve located along the pipeline alignment in Valley Boulevard near the entrance to the Spadra Site, as shown on Exhibit C-1. Exhibit C-3 sets forth the portions of the segments Walnut Valley will acquire and other portions that may be abandoned by Walnut Valley after the pipeline is acquired by Walnut Valley pursuant to this Agreement. The pressure-sustaining valve is considered part of the Upper Portion Pipeline to be transferred to Walnut Valley, as provided in this Agreement. The flow meter and sump pump and air relief valve and air relief pipeline

located on the Gravity Line at the Plant are also considered part of the Upper Portion Pipeline to be transferred to Walnut Valley, as provided in this Agreement.

- 2.52. “**Walnut Valley**” means the Walnut Valley Water District which is the Party with whom the District is entering this Agreement.
 - 2.53. “**Water Rate**” means Walnut Valley’s flow-weighted cost for Alternative Water on an acre-foot basis.
 - 2.54. “**WDRs**” means Waste Discharge Requirements for the Plant issued by the Regional Board.
 - 2.55. “**Work**” means inspection, construction, operation, maintenance, or repair of any new or existing On-Site Facilities at the Plant.
 - 2.56. “**WRRs**” means Water Reclamation Requirements or Water Recycling Requirements for the Plant issued by the Regional Board. These requirements are expected to be superseded by a State Board General Order when noticed as applicable by the Regional Board.
3. **Replacement of 2007 Contract.** This Agreement supersedes and replaces, in its entirety, the 2007 Contract.
 4. **Term.** The term of this Agreement is twenty-five (25) years from and after the Effective Date. The Agreement may be extended pursuant to the conditions of Section 18.
 5. **Principal Duties and Privileges of the Parties.**
 - 5.1. The District shall make available to Walnut Valley recycled water from the Plant in an amount up to but not exceeding three (3) MGD. Provision of recycled water under this section is specifically subject to and limited by the availability of adequate supplies as more fully described in Section 9.
 - 5.2. Subject to the prior written approval of the District and as more fully described in Section 6 and the terms and conditions set forth below, Walnut Valley shall have the right to operate and maintain its existing point of connection and other On-Site Facilities at the Plant, and to construct a new point of connection or new On-Site Facilities, as necessary or useful to draw and convey recycled water from the Plant.
 - 5.3. Walnut Valley may draw from the District no more than the volume of recycled water that Walnut Valley can put to beneficial use, so long as the total draw does not exceed the allocated amount specified in this Agreement.
 - 5.4. Walnut Valley shall pay the District for all recycled water drawn from the Plant at the per-unit price described in Section 12, and pursuant to the payment provisions described in Section 13.
 - 5.5. Walnut Valley shall comply with the District’s Ordinance, and all relevant federal, state, regional, and local laws, codes, ordinances, and regulations, including, without limitation, prevailing wage laws, in connection with the performance of its obligations under this Agreement, including, without limitation, the conveyance and use of recycled water. Walnut Valley acknowledges that any breach or default of this Agreement by Walnut Valley

constitutes, at the sole option of the District, an incurable violation of the District's Ordinance.

6. **On-Site Facilities.**

6.1. **Point of Connection.**

- A. *Location.* The existing point of connection at the Plant from which Walnut Valley may draw recycled water is at the 24-inch diameter sluice gate at the Irrigation Structure, as shown on Exhibit C-2. The upstream beginning point of the Upper Portion Pipeline is after this sluice gate.
- B. *Operation and Maintenance.* Walnut Valley shall conduct any Work on the point of connection to the Plant at its own cost and expense. Walnut Valley is solely responsible for any damage to the Plant resulting from its recycled water withdrawal and conveyance operations arising out of its negligence or willful misconduct.
- C. *Relocation.* The District may require relocation of the point of connection. If the relocation is determined necessary for the continued O&M of the Plant, the District shall provide Walnut Valley with sufficient time, as determined by the District and agreed to by Walnut Valley, for plan preparation, environmental clearance, advertising, award, and construction of a new point of connection. Walnut Valley shall pay all costs arising out of or relating to any relocation of the point of connection.

6.2. **Flow Meter Vault.** Walnut Valley shall conduct any Work on the existing flow meter and sump pump in the Flow Meter Vault located at the Plant immediately downstream of the point of connection, as shown on Exhibit C-2, and associated electrical panels, for the purpose of continuously measuring the volume of recycled water drawn from the Plant and delivered for reuse, at its own cost and expense.

6.3. **Air Relief Assembly and Pipeline.** Walnut Valley shall conduct any Work on the existing air relief assembly and air relief pipeline located at the Plant downstream of the point of connection, as shown on Exhibit C-2, at its own cost and expense.

6.4. **Approval for On-Site Facilities.** Prior to conducting any Work on new or existing On-Site Facilities, Walnut Valley is wholly responsible for and shall, at its sole cost and expense:

- A. Obtain written approval of project plans and drawings from the District;
- B. Obtain written approval of any operating procedures from the District;
- C. Obtain and provide written evidence to the District of all necessary permits, clearances, regulatory approvals and any other necessary authorizations from governmental authorities, or other entities or individuals, including, without limitation, all required compliance with CEQA and any other applicable environmental laws or permits, for the construction or operation of any new On-Site Facilities.
- D. Provide to the District all insurance as described in Section 17.

6.5. **License to Enter the Plant.** As part of this Agreement, and upon obtaining all the approvals described above, the District hereby grants Walnut Valley a non-exclusive license to enter

upon the Plant to conduct Work on its existing and any new On-Site Facilities, including the portion of the Upper Portion Pipeline located within the Plant following transfer of the pipeline to Walnut Valley pursuant to Section 7. Walnut Valley shall provide the District ten (10) days' written notice prior to entering the Plant to perform any Work on the On-Site Facilities.

A. *Inspection Access.* Walnut Valley may enter the Plant during normal business hours upon notice to the District's staff at the Plant prior to entry for the purpose of inspecting On-Site Facilities and reading the flow meter.

B. *Emergency Access.* Walnut Valley may enter the Plant without advanced written notice in the case of an emergency only. In the event of an emergency with the operation of the On-Site Facilities, Walnut Valley shall immediately inform District's staff at the Plant prior to entry into the Plant for the specific and limited purpose of performing the emergency work.

6.6. Construction Covenants. Walnut Valley shall perform and complete the Work in good and workmanlike manner, in accordance with the project plans and drawings as approved by the District and in compliance with all applicable laws, ordinances, regulations, codes, covenants, conditions, restrictions, and reservations, as well as all Construction Permits. None of the Work shall be undertaken until Walnut Valley has been issued all required Construction Permits.

6.7. Costs. Walnut Valley shall pay all costs for the Work on the On-Site Facilities including any and all reasonable costs incurred by the District to facilitate the Work.

6.8. District Operation. At the request of Walnut Valley, the District may, in its sole and absolute discretion, operate and maintain any of the On-Site Facilities at the sole expense of Walnut Valley. Upon sixty (60) days advance written notice to Walnut Valley, the District may terminate the District's O&M of the On-Site Facilities. Upon the expiration of such sixty (60) day period, the District's obligation to pay for or perform any O&M shall immediately, automatically, and unconditionally terminate without further notice.

7. **Transfer of Ownership of Upper Portion Pipeline.**

7.1. Pipeline Transfer and Price. The District agrees to sell to Walnut Valley, and Walnut Valley agrees to purchase from the District, the Upper Portion Pipeline at the agreed upon price of \$642,891.00, in accordance with the terms and provisions of this Agreement. The District's receipt of payment from Walnut Valley for the Upper Portion Pipeline is to occur within sixty (60) business days after the Effective Date.

7.2. Bill of Sale. Within five (5) business days after receipt of payment from Walnut Valley for the Upper Portion Pipeline, the District will execute and deliver to Walnut Valley the Bill of Sale for the Upper Portion Pipeline. Walnut Valley will accept ownership and maintenance of the Upper Portion Pipeline, including the pressure-sustaining valve located at the downstream end of the Upper Portion Pipeline, effective on the date Walnut Valley records the Bill of Sale in the Official Records of the Los Angeles County Recorder's Office, which shall be no later than ten (10) days after execution of the Bill of Sale by the District. Walnut Valley shall accept the portions of the Upper Portion Pipeline as depicted on Exhibit C-1 in their current condition at the time of sale, including the original non-reinforced concrete pipeline and any

segments that may have been replaced with another pipeline material, on an “as is”, “where is”, and “with all faults” basis.

- 7.3. Pipeline Property Rights and Indemnification. The District holds certain Pipeline Property Rights, including easements from private property owners and a license agreement from Union Pacific Railroad Company. The Pipeline Property Rights are described in Exhibit D, and copies of the Pipeline Property Rights will be provided to Walnut Valley concurrently upon execution and delivery of the Bill of Sale by the District. With respect to the Pipeline Property Rights, the Parties agree as follows:
- A. *Easement 1230 (as depicted in Exhibit C-2 and described in Exhibit D):* Concurrently upon recordation of the Bill of Sale, District 21 shall execute and record a quitclaim deed (in form and content acceptable to the District) with respect to Easement 1230 assigning all right, title, and interest of District 21 in and to Easement 1230 to Walnut Valley (“**Quitclaim Deed**”). Effective upon recordation of the Quitclaim Deed, Walnut Valley for itself, its successors, assigns, and insurers agrees to indemnify, defend, and hold harmless all Releasees from and against any and all Claims, known or unknown, suspected or unsuspected, arising from or related to Easement 1230 and the negligence, acts, or omissions of Walnut Valley in, on, or under the easement area referred to therein from and after recordation of the Quitclaim Deed.
 - B. *Easements 1206 and 1224 (as depicted in Exhibit C-2 and described in Exhibit D):* Walnut Valley acknowledges that the District owns and maintains sewer pipelines in the areas that are the subject of Easements 1206 and 1224, and therefore, District 21 is unable to assign its rights under such easements because the District will need to continue to access the sewer pipelines after the transfer of the Upper Portion Pipeline to Walnut Valley. Accordingly, Walnut Valley shall obtain from the owners of the real property that is burdened by Easements 1206 and 1224 any and all access rights needed by Walnut Valley in order to operate, maintain, repair, or replace the Upper Portion Pipeline that is located in the easement areas that are the subject of Easements 1206 and 1224.
 - C. *License 3190 (as depicted in Exhibit C-2 and described in Exhibit D):* The District shall endeavor to obtain Union Pacific Railroad Company’s consent to assign License 3190 to Walnut Valley. Effective upon assignment of License 3190 to Walnut Valley, Walnut Valley for itself, its successors, assigns, and insurers agrees to indemnify, defend, and hold harmless all Releasees from and against any and all Claims, known or unknown, suspected or unsuspected, arising from or related to License 3190 and the negligence, acts, or omissions of Walnut Valley in, on, or under the license area referred to therein from and after execution and delivery of such assignment.
- 7.4. New Property Rights. Apart from the Pipeline Property Rights, which will be handled with as set forth above, Walnut Valley shall be solely responsible for procuring any and all supplemental property rights legally required to operate, maintain, repair, or replace the Upper Portion Pipeline.
- 7.5. Walnut Valley and the District acknowledge that the Replacement Costs have not been reimbursed by the District. As consideration for the District agreeing to enter into this Agreement with Walnut Valley, the Replacement Costs shall be considered by Walnut Valley to be paid in full, with no further payment from the District to Walnut Valley.

- 7.6. Effective upon recordation of the Bill of Sale, Walnut Valley shall operate and maintain the Upper Portion Pipeline to provide recycled water for use by the Spadra Site and Walnut Valley's distribution system. Walnut Valley shall maintain in good condition and repair the pressure-sustaining valve located on the Upper Portion Pipeline in such a way as to ensure that sufficient recycled water is available for use at the Spadra Site. Upon completion of the proposed Storage Tank, Walnut Valley may remove the pressure-sustaining valve from the Upper Portion Pipeline, as detailed in Section 8.
- 7.7. Walnut Valley acknowledges and agrees that the District will continue to own, operate, and maintain the existing lateral pipeline, downstream of the pressure-sustaining valve on the Upper Portion Pipeline, that serves the Spadra Site as well as the onsite recycled water distribution system.
- 7.8. The District shall pay a proportionate share of the O&M and repair costs for the Upper Portion Pipeline incurred by Walnut Valley. The District's apportioned share shall be based on the average proportionate volume of recycled water delivered by the Upper Portion Pipeline to the Spadra Site during the fiscal year in which the O&M or repairs take place and the two (2) previous fiscal years. O&M costs will be based on itemized costs provided by Walnut Valley and determined by the District in accordance with generally accepted accounting principles.
- 7.9. If, at some future date, Walnut Valley finds it necessary to divest itself of ownership of the Upper Portion Pipeline for any reason, then prior to such divestment, it shall be required to do the following:
 - A. Provide the District with a first right-of-refusal (in form and content acceptable to the District) to repurchase the Upper Portion Pipeline, the price of which will be determined, at the time of sale, by the cumulative capital costs incurred by Walnut Valley in replacing any parts of the Upper Portion Pipeline minus the calculated depreciation from the segments' respective construction completion dates and minus any cumulative Capacity Charges incurred by the District. Walnut Valley will provide the District with written notice of Walnut Valley's intent to divest itself of ownership of the Upper Portion Pipeline and the District will have sixty (60) days from the date of delivery of that notice to exercise its right of first refusal to acquire the Upper Portion Pipeline by delivering a written notice to Walnut Valley exercising that that right of first refusal. If the District elects to exercise its right of first refusal, the Parties agree to amend this Agreement to terminate Walnut Valley's rights to use the District's Pipeline Property Rights and/or for Walnut Valley to quitclaim such rights back to the District.
 - B. If the District elects not to exercise its right of first refusal, then upon the sale of the Upper Portion Pipeline, Walnut Valley shall require the entity that purchases the Upper Portion Pipeline to agree, in writing and in form and content satisfactory to the District, to perform all the obligations of Walnut Valley under this Agreement, including the District's right to receive recycled water at the Spadra Site from the Plant through the Upper Portion Pipeline.
- 7.10. Following transfer of the Upper Portion Pipeline, Walnut Valley may levy Capacity Charges on the District until the Storage Tank and Pipeline Easements are granted, after which time Walnut Valley will not levy any Capacity Charges on the District, ceasing in the first fiscal quarter after the easements or licenses are granted.

- A. *Capacity Charge*. If applicable, the Capacity Charge is to be determined as follows: The Upper Portion Pipeline purchase price, per Section 7.1, and the Replacement Costs, as well as any invoice credits provided to Walnut Valley by the District for abandonment work conducted per Section 7.11, are to be amortized over the term of this Agreement. Such costs shall be amortized at the Long Term Applicable Federal Rate, set by the Federal Reserve Bank and based on annual compounding, that is in effect for the month in which Walnut Valley records the Bill of Sale for the Upper Portion Pipeline. The resulting annualized cost shall be apportioned between the District and Walnut Valley each fiscal year based on the average proportionate usage of the Upper Portion Pipeline during that fiscal year and the two (2) previous fiscal years. As sample calculation of the Capacity Charge is included in the Agreement as Exhibit I.
- 7.11. Future Abandonment Work. If, at some future date, Walnut Valley is required to abandon those segments of the Upper Portion Pipeline as depicted on Exhibit C-3, then prior to such abandonment work, the Parties will meet and confer in good faith to determine the District Share of the abandonment costs. In no event shall the District Share exceed the lesser of the following: (i) 50 percent of the actual costs incurred by Walnut Valley in connection with the abandonment work; or (ii) \$127,500.
- A. Within thirty (30) days after completion of the abandonment work, Walnut Valley shall submit to the District for approval an itemized invoice for the costs incurred by Walnut Valley for the abandonment work, in accordance with generally accepted accounting principles, to be used for the determination of the District Share.
- B. *Invoice Credit*. In lieu of a cash payment for the abandonment work, Walnut Valley may elect to receive credits in an amount equal to the District Share against the Annual Reconciliation Invoice for the fiscal year in which the abandonment work is completed. The total amount of the credit shall be the District Share as determined by the Parties.
8. Storage Tank. The District agrees, at no cost or liability to the District and solely as an accommodation to Walnut Valley, to cooperate with Walnut Valley to obtain non-exclusive Storage Tank and Pipeline Easements in order to construct the new Storage Tank and Storage Tank Feed Pipeline, which will supplement and improve Walnut Valley's recycled water delivery system.
- 8.1. Walnut Valley shall be responsible for the full cost of designing, constructing, operating, and maintaining the Storage Tank and Storage Tank Feed Pipeline and will retain full ownership of these facilities.
- 8.2. Walnut Valley shall be solely responsible for securing all necessary rights and/or approvals from the local jurisdiction for construction, operation, and maintenance for the portion of the Storage Tank Feed Pipeline in Valley Boulevard public right-of-way.
- 8.3. Timing of the Storage Tank and Pipeline Easements and construction of the Storage Tank and Storage Tank Feed Pipeline will be at the full discretion of Walnut Valley; provided, however, Walnut Valley shall not perform any construction activities related to the Storage Tank and Storage Tank Feed Pipeline unless and until the Storage Tank and Pipeline Easements have been executed and delivered to Walnut Valley.
- 8.4. Following completion of construction of the Storage Tank, Walnut Valley will provide, at no cost to the District, a point of connection and flow meter, downstream of the Storage Tank, for the District to draw recycled water at the Spadra Site. Walnut Valley shall ensure that the

location of the point of connection to the District is at an elevation lower than the take-off point for Walnut Valley to ensure uninterrupted recycled water flow for the District's uses at the Spadra Site to the greatest extent possible, provided that sufficient recycled water supply is available from the Plant.

- 8.5. Once the Storage Tank is placed into operation, Walnut Valley shall be responsible for operation, maintenance, repair, and replacement of the Storage Tank and the Storage Tank Feed Pipeline.
- 8.6. Once the Storage Tank is placed into operation, the District shall operate and maintain the point of connection to be provided by Walnut Valley and the District shall operate and maintain the recycled water distribution system on the Spadra Site from such point of connection downstream into the Spadra Site.
- 8.7. Until the Storage Tank is completed and placed into operation and a new point of connection is provided to the District to draw recycled water from the Storage Tank for irrigation of the Spadra Site, Walnut Valley shall operate and maintain the existing pressure-sustaining valve on the Upper Portion Pipeline.

9. **Recycled Water Quantity.**

- 9.1. Allotment. The District currently has the right to distribute approximately one-third of the available supply of recycled water produced by the Plant. The District agrees to make available to Walnut Valley on a daily basis that portion of the available one-third of the recycled water produced that is not used by the District at the Spadra Site. The annual amount made available to Walnut Valley shall not exceed three (3) MGD, or 3,360 AFY of recycled water produced at the Plant, from which Walnut Valley may draw during any fiscal year (July 1 through June 30).
 - A. The District previously entered into the 2011 Contract. Pursuant to the 2011 Contract, Cal Poly has a recycled water allotment of 100 AFY which is in effect through August 10, 2036. Nothing in this Agreement shall be construed in any way to interfere with Cal Poly's allocation under the 2011 Contract.
- 9.2. Additional Supply. Upon written request by Walnut Valley, the District, in its sole and absolute discretion, may allocate to Walnut Valley additional volumes of recycled water on a temporary or permanent basis if sufficient supplies are available at the Plant.
- 9.3. Adjustments to Allotment. The District may adjust Walnut Valley's allotment as follows:
 - A. Increases. Walnut Valley may request an increased allotment. Walnut Valley shall include in any request sufficient documentation to demonstrate that the demand for additional recycled water actually exists within Walnut Valley's service area and that Walnut Valley has a concrete plan to serve that demand. The District may allot Walnut Valley additional volumes of recycled water on a temporary or permanent basis if sufficient supplies are available at the Plant at the time of the request.
 - B. Decreases. If the District determines that Walnut Valley voluntarily, or without sufficient cause, failed to draw or beneficially use all or any part of its allotment for a consecutive five (5) year period of time, then Walnut Valley will forfeit its right to the average of the unused portion, and the District may reduce Walnut Valley's allotment accordingly. If the

District elects to exercise this option, the District shall provide Walnut Valley with thirty (30) days' notice regarding the decrease in allotment. During that thirty (30) day period, Walnut Valley may convene a meeting with the District to provide justification for the decreases in use and the Parties will meet and confer in good faith to determine whether a permanent reduction of Walnut Valley's allotment will occur.

- 9.4. Mandatory Reductions. Walnut Valley acknowledges that circumstances beyond the control of the District may result in a temporary or permanent decrease in the volume of recycled water available to Walnut Valley. In the event of a decrease in availability, the District shall promptly notify Walnut Valley and allocate the available supply of recycled water from the Plant in the following order:
- A. First, the District shall ensure that the District receives an adequate supply to meet the District's needs at the Plant and at any other District-owned or District-operated facilities.
 - B. Next, the District shall allocate recycled water to any environmental use, or other use required of the District by state or federal law or regulation.
 - C. Lastly, the District shall allocate the remaining supply of recycled water among Walnut Valley and the other third-party contractors for recycled water in proportion to their actual use during the previous fiscal year.
- 9.5. Disclosure Regarding Limits to Availability.
- A. Available Supply. Walnut Valley understands and acknowledges that the District is charged with the responsibility to operate its sewerage systems in a manner which the District, in its sole and absolute discretion, determines to be the most beneficial to the users thereof. The rights of Walnut Valley to any recycled water under this Agreement are limited to only the recycled water which is actually produced at the Plant and distributed. The District will only make available any recycled water actually produced by the Plant and not otherwise allocated for District purposes, environmental uses, or to meet regulatory requirements imposed on the District.
 - B. Other Contracts. The District may enter into contracts to sell recycled water from the Plant to other buyers in volumes that will not cumulatively exceed the Plant's total annual production.
 - C. Emergency and Shortage Conditions. Situations of emergency or shortage of influent may reduce the volume of recycled water produced by the Plant.
 - D. Normal Variations in Availability. The volume of water available for draw from the Plant is not necessarily constant and may vary throughout each 24-hour period, throughout each calendar week, and throughout each calendar year depending on weather conditions, seasonal changes in water use, and construction or maintenance at the Plant or in its tributary sewershed.
- 9.6. Release and Waiver Regarding Limits to Availability. Walnut Valley acknowledges the constraints and limits on the availability of recycled water supplies, as described in this Agreement, and as of the Effective Date, Walnut Valley for itself, its successors, assigns, and insurers agrees to indemnify, defend, and hold harmless all Releasees from and against any

and all Claims, known or unknown, suspected or unsuspected, arising from or related to the volume of water furnished under this Agreement.

9.7. Nothing in this Agreement shall be construed as requiring Walnut Valley to provide alternate sources of recycled water to the Spadra Site in the event that either the Plant's production levels fall or recycled water is otherwise not available from the Plant.

10. **Records and Reports.** Walnut Valley shall deliver the reports described in this Section 10 to the District via email at reuse@lacsds.org or such other email address(es) as may be designated by the District from time to time.

10.1. **Monthly Reports.** Within thirty (30) days after the end of each calendar month, Walnut Valley shall report the following, in writing, to the District, in a form and content specified by the District:

- A. the total volume of recycled water drawn during that month and the relevant meter readings;
- B. the total volume delivered or distributed during that month to each Reuse Site;
- C. the type(s) of use of recycled water at each Reuse Site; and
- D. such additional information as may be requested by the District.

10.2. **Annual Reports.** Within ninety (90) days after the end of each fiscal year, or as requested by the District, Walnut Valley shall report the following, in writing, to the District:

- A. all itemized O&M costs of the Upper Portion Pipeline for that fiscal year for the purpose of calculating the District's apportioned share as detailed in Section 13;
- B. all Reuse Site contact persons (site owners and Site Supervisors) and inspection activities for that fiscal year.

10.3. **Other Reports.** Within fifteen (15) days after the end of each required monitoring period, Walnut Valley shall report the following, in writing, to the District:

- A. Observations of each Reuse Site, if required and at the frequency required by the State Board issued Permit, as detailed in Section 14.

11. **Recycled Water Quality.**

11.1. **Applicable Permit Requirements.** The District shall make available to Walnut Valley recycled water that conforms to the Permit currently in effect, or any similar regulation or permit, adopted by the Regional Board or the State Board for the Plant, so long as those requirements do not require additional treatment processes or more stringent discharge requirements than are necessary to meet the NPDES permit or WDRs established by the Regional Board for river discharge of recycled water from the Plant. The current Permit for the Plant, which is in force as of the Effective Date, is attached hereto as Exhibit F and incorporated herein by reference.

11.2. More Stringent Permit Requirements.

- A. If the Regional Board or State Board imposes Permit requirements more stringent than that in Exhibit F, Walnut Valley may, at its discretion and at its expense, undertake steps to meet the more stringent Permit requirements and shall indicate to the District in writing such intent within ninety (90) days after the adoption of the more stringent Permit by the Regional Board or State Board. In such event, the District will have no duty to Walnut Valley to modify any District facilities, including the Plant, unless the District, in its sole and absolute discretion, agrees to such a modification.
- B. If Walnut Valley is unwilling to meet the more stringent Permit requirements, either Party may terminate this Agreement by giving written notice effective either thirty (30) days thereafter or on the effective date of the Permit, whichever occurs first. Upon the expiration of such thirty (30) day period, the provisions of this Agreement shall immediately, automatically, and unconditionally terminate without further notice, except that any obligations that accrued prior to such termination shall remain in effect until they are satisfied.

11.3. Point of Compliance of Water Quality. The point of compliance for determining whether the recycled water provided by the District meets the water quality standards described in this Section 11 will be immediately after the final treatment process at the Plant.

11.4. Interruption of Service.

- A. Walnut Valley acknowledges that factors beyond the control of the District could cause operational difficulties or other constraints at the Plant resulting in the production of recycled water that does not meet the current Permit requirements. If that occurs, the District may, in its sole and absolute discretion, temporarily limit availability of recycled water from the Plant, including shutting off the flow.
- B. The District will not be liable for any costs or damages incurred by Walnut Valley arising out of or relating to any interruption in service or limitation of availability due to an inability of the District to meet the current Permit requirements. The District will use reasonable efforts to re-establish the availability of recycled water to Walnut Valley. Walnut Valley acknowledges that additional standby water supply options may be necessary to prevent any damages that might result from an interruption in the supply of recycled water from the Plant. Walnut Valley for itself, its successors, assigns, and insurers agrees to indemnify, defend, and hold harmless all Releasees from and against any and all Claims, known or unknown, suspected or unsuspected, arising from or related to an interruption in service.

12. **Recycled Water Price.** The unit price for recycled water drawn by Walnut Valley under this Agreement will be calculated by the District for each fiscal year and prescribed in the Recycled Water Rate Ordinance, in accordance to the Recycled Water Pricing Policy.

13. **Invoice and Payment.**

13.1. Quarterly Estimated Invoices. Within sixty (60) days after the end of each of the first three quarters of each fiscal year, the District will invoice Walnut Valley for the cost of the recycled water drawn by Walnut Valley during that period. The Quarterly Estimated Invoices will consist of two amounts:

- A. Recycled Water Costs. The amount of recycled water delivered to Walnut Valley during each quarter multiplied by the unit recycled water price applicable to the fiscal year in which the recycled water was drawn, as specified under Section 12, rounded to the nearest cent.
 - B. Operation and Maintenance Costs. One-fourth of the previous fiscal year costs associated with the O&M of the On-Site Facilities incurred by the District and attributable to Walnut Valley, if applicable.
- 13.2. Annual Reconciliation Invoices. Within 120 days after the close of each fiscal year, the District will provide a reconciliation invoice to Walnut Valley that will include:
- A. Recycled Water Costs. The total amount of recycled water delivered to Walnut Valley during the subject fiscal year multiplied by the unit recycled water price applicable to the fiscal year in which the recycled water was drawn, as specified under Section 12, rounded to the nearest cent.
 - B. Operation and Maintenance Costs. The total amount associated with the O&M costs of the On-Site Facilities that are operated and/or maintained by the District on behalf of Walnut Valley, including electricity costs from Walnut Valley's use of either the Plant's or the Spadra Site's electrical service connections. O&M costs will be based on the District's books, accounts, and records, and determined in accordance with generally-accepted accounting principles.
 - C. Credit for Pipeline Operation and Maintenance Costs. From amounts owed to the District, the Annual Reconciliation Invoice shall reflect the deduction of the District's apportioned share of O&M and repair costs of the Upper Portion Pipeline incurred by Walnut Valley. The District's apportioned share is to be based on the average proportionate volume of recycled water delivered by the Upper Portion Pipeline to the Spadra Site during the fiscal year in which the O&M or repairs take place and the two (2) previous fiscal years. O&M costs will be determined by the District in accordance with generally accepted accounting principles.
 - D. Capacity Charge. If applicable, from amounts owed to the District and following transfer of the Upper Portion Pipeline by the District to Walnut Valley, the Annual Reconciliation Invoice shall reflect the deduction of the Capacity Charge owed by the District for use of the Upper Portion Pipeline, as determined pursuant to Section 7.10(a).
 - E. Credit for Abandonment Work. Following the completion of the abandonment work as described in Section 7.11, if Walnut Valley elects to take a credit to the Annual Reconciliation Invoice for the District Share, the Annual Reconciliation Invoice shall reflect the deduction of the District Share.
 - F. Credit for Amounts Paid. The Annual Reconciliation Invoice shall add the total amounts calculated from Subsections A through D and subtract all amounts paid for that fiscal year's three (3) Quarterly Estimated Invoices, as invoiced pursuant to Section 13.1.
- 13.3. Payment. Walnut Valley shall pay the full amount of each invoice within forty-five (45) days after the date of the invoice from the District.

- 13.4. Penalty and Interest Charges for Delinquent Recycled Water Charges. Unpaid invoices shall become delinquent forty-five (45) days after mailing. A basic penalty charge of ten (10) percent of any unpaid amount shall be added to any invoice that becomes delinquent. Additional penalties will accrue on the total of all delinquent invoices and the basic penalty at three (3) percent over the Prime Interest Rate in effect at the beginning of fiscal year during which the invoice was initially due, not to exceed the maximum allowed by law.
- 13.5. Right to Audit Other Party's Books. The District may audit the relevant books, accounts, and records of Walnut Valley during normal business hours upon at least 48 hours prior notice to Walnut Valley. Walnut Valley may audit the relevant books, accounts, and records of the District during normal business hours upon at least 48 hours prior notice to the District.

14. Distribution and Delivery.

- 14.1. Distribution. Except for Walnut Valley's recycled water service to Reuse Sites in existence as of the Effective Date, upon at least sixty (60) days prior written notice to the District, Walnut Valley may sell or transfer the recycled water purchased from the District under this Agreement to new third parties. Walnut Valley acknowledges and agrees that the District shall have no liability or responsibility whatsoever in connection with the sale, transfer, or usage of recycled water by either existing or new third parties. Neither the sale, nor the transfer of recycled water by Walnut Valley to third parties shall release Walnut Valley of its obligations under this Agreement. Walnut Valley for itself, its successors, assigns, and insurers agrees to indemnify, defend, and hold harmless all Releasees from and against any and all Claims, known or unknown, suspected or unsuspected, arising from or related to the sale, transfer, or usage of recycled water by third parties, except to the extent such Claims result from District's gross negligence or willful misconduct.
- 14.2. Off-Site Facilities.
- A. Costs of Facilities. Walnut Valley shall bear all construction, operation, and maintenance costs for all delivery and distribution facilities related to Walnut Valley's sale or transfer of recycled water from the Plant to third parties or to any Reuse Site maintained by Walnut Valley.
- B. Approval of Distribution Facilities. In addition to any relevant and required local entitlement approvals, any new or extended portion of Walnut Valley's recycled water distribution system must first be approved by the District (such approval shall not be unreasonably withheld, conditioned or delayed) to ensure the District has the available water supply, and both State Division of Drinking Water and the Regional Board, as well as the applicable local health department, before beginning deliveries of recycled water through that portion of the system. Walnut Valley and the District shall cooperate in order to prepare and submit an engineering report detailing the new or extended distribution system for approval by the State Division of Drinking Water and the Regional Board. Walnut Valley shall develop the engineering report, in consultation with the District, and submit the engineering report to the State Division of Drinking Water and the Regional Board. Walnut Valley shall bear all legal and regulatory responsibilities in connection with the design, approval, and construction of any new distribution facilities, including any components thereof.

14.3. Usage.

- A. Legal and Regulatory Responsibility. Walnut Valley shall bear all legal and regulatory responsibility associated with the use of the recycled water it draws from the Plant.
- B. Compliance with Permit Requirements. Walnut Valley shall comply with, and shall cause all Reuse Sites to which it distributes or delivers water to comply with, requirements contained in the Permit or any future permit that may be issued by the State Board or Regional Board that would supersede the Permit.
- C. Permissible Uses. Walnut Valley acknowledges that recycled water has limited uses. Walnut Valley shall ensure that the recycled water drawn from the Plant is only used for those uses or purposes that are legally permissible under:
 - i. California law;
 - ii. The most recent Permit or any future permit that may be issued by the State Board or Regional Board that would supersede the Permit;
 - iii. The applicable Water Recycling Criteria contained in Title 22, Division 4, Chapter 3 of the California Code of Regulations, as amended; and
 - iv. The directions of any and all regulatory agencies with appropriate jurisdiction.
- D. Compliance with District Requirements. Walnut Valley shall comply with, and shall cause all Reuse Sites to which it distributes or delivers water to comply with:
 - i. The Ordinance, or any subsequent revisions to that Ordinance; and
 - ii. The Requirements or any subsequent revisions to those Requirements.

14.4. Reuse Sites.

- A. Walnut Valley shall submit to the District for approval for any Reuse Site for which recycled water service from Walnut Valley will commence after the Effective Date an Application for Recycled Water Use in a form substantially similar to the form as Exhibit J which is attached hereto and incorporated herein by reference. The application must be approved by the District prior to the delivery of recycled water to a Reuse Site. Walnut Valley shall submit a separate form for each individual Reuse Site.
- B. Walnut Valley shall oversee all Reuse Sites that obtain recycled water from Walnut Valley in conformity with the Requirements or any subsequent revisions to these Requirements.
- C. Walnut Valley shall ensure, by agreement, ordinance, or other administrative mandate, that each Reuse Site is managed in accordance with the rules, regulations, guidelines, and any other pertinent criteria for such use mandated by State Board, Regional Board, and other regulatory agencies with appropriate jurisdiction. Walnut Valley shall ensure that the Reuse Sites do not constitute a nuisance.

- D. Walnut Valley shall provide a copy of the effective Permit, Ordinance, and Requirements to each Reuse Site.
- E. Water Meters. Walnut Valley shall install and maintain at its own expense meters of appropriate size and type at each Reuse Site for the purpose of measuring the volume of recycled water drawn from the Plant and delivered for reuse.
- F. Reuse Site Observations. In the event that the current Permit is replaced by the General Order issued by the State Board, periodic observations of each Reuse Site may be mandated. These observations shall be conducted at the frequency required by the State Board issued Permit by Walnut Valley each fiscal year within the required time frames using reporting forms provided by the District and submitted electronically to the District, pursuant to Section 10. Walnut Valley is responsible for ensuring the Reuse Sites meet all Permit requirements and shall work with the Reuse Sites to correct any observed violation or insufficiency.
- G. Inspections. Walnut Valley shall periodically inspect all Reuse Sites that obtain recycled water from Walnut Valley, including third party users, at a minimum of once every three (3) years or at a frequency determined by the District or the State Board or Regional Board. Walnut Valley shall perform cross-connection shut down tests, when required, in accordance with: the California Water Code; the most recent version of the state's cross connection control policy contained in Title 17 of the California Code of Regulations or any subsequent regulations contained in the State Board's Cross-Connection Control Policy Handbook; the most recent version of the Water Recycling Criteria contained in Title 22 of the California Code of Regulations; and directives from the regulatory agencies with appropriate jurisdiction. Walnut Valley shall supply copies of all inspection reports to the District in connection with their annual reporting requirements, or upon request by the District.
- H. District's Right of Entry and Examination. The District or its representative may enter upon any Reuse Site at any time for purposes of verifying the volume or type of use of recycled water as reported by Walnut Valley and to verify compliance with requirements under Water Code Section 13523.1(b)(5), any applicable laws, regulations, codes and ordinances, and the Requirements. Walnut Valley shall include in any recycled water supply agreement a right-of-entry consent in favor of the District for the inspection purposes described in this Agreement. In addition, immediately upon request by the District, Walnut Valley shall provide full access to any of Walnut Valley's or Reuse Sites' meters and to any records that measure, register, record, or reflect recycled water flow, delivery, or distribution volumes.

Walnut Valley for itself, its successors, assigns, and insurers agrees to indemnify, defend, and hold harmless all Releasees from and against any and all Claims, known or unknown, suspected or unsuspected, arising from or related to the District's entry onto any Reuse Site for the purpose of verifying compliance as described in this section, except to the extent such Claims result from District's gross negligence or willful misconduct.

- 14.5. Spills. Walnut Valley shall notify the District of any spills of recycled water in accordance with criteria established by the District in its Ordinance and in its Requirements.

15. Duplication of Service.

- 15.1. The District shall not sell any recycled water from the Plant on a retail basis within the boundaries of Walnut Valley's service area as depicted on Exhibit B, except for the authorized use allowed at the Spadra Site as detailed in Recital F (District's Contract No. 3514). Nothing in this Agreement restricts the District from making recycled water available to its own facilities, or to third parties that are authorized to sell or otherwise transfer recycled water outside of Walnut Valley's service area either directly or by contract.
- 15.2. Walnut Valley acknowledges that it has reviewed the Service Duplication Law of the State of California embodied in Chapter 8.5 of Part 1, Division 1 of the Public Utilities Code (Section 1501, et seq.) and believes that the rights and responsibilities conferred by those statutes do not pertain to this Agreement. Walnut Valley recognizes, however, that the District would not enter into this Agreement without Walnut Valley's waiver and indemnity set forth in Section 16.
- 15.3. Walnut Valley waives and relinquishes any rights it may have against the District pursuant to the Service Duplication Law and further for itself, its successors, assigns, and insurers agrees to indemnify, defend, and hold harmless all Releasees from and against any and all Claims, known or unknown, suspected or unsuspected, arising from or related to the assertion by others, whether successful or not, of rights expressed in the Service Duplication Laws of the State of California, Chapter 8.5 of Part 1, Division 1 of the Public Utilities Code (Section 1501, et seq.) or similar laws, with regard to the sale of recycled water to any third parties under this Agreement. The District shall promptly notify Walnut Valley in writing of any such assertion of rights and is granted the right to direct or otherwise participate in any defense of such claims. The foregoing indemnity extends to the Service Duplication Law and any similar law which may be enacted after the date of this Agreement, to any amendments to the Service Duplication Law enacted after the date of this Agreement, and to any re-codification of the Service Duplication Law, irrespective of form, which may subject the District to liability to any privately owned public utility or any other person, association, corporation, or political subdivision because of the sale of recycled water to Walnut Valley.

16. Indemnification.

- 16.1. General Indemnity. Walnut Valley for itself, its successors, assigns, and insurers agrees to indemnify, defend, and hold harmless all Releasees from and against any and all Claims, known or unknown, suspected or unsuspected, arising from or related to: (a) Walnut Valley's breach of or default under this Agreement; (b) Walnut Valley's use of recycled water from the District that meets the quality standards contained in the Permit; (c) the termination of the Agreement; and (d) the O&M of the On-Site Facilities by either Walnut Valley or the District. This indemnity includes, but is not limited to, causes of action based on strict liability for defective products, breach of warranty, strict liability for abnormally dangerous activities, dangerous condition of public property, inverse condemnation, trespass, nuisance, and negligence. All indemnities in favor of the District under this Agreement survive the expiration or termination of this Agreement.

Walnut Valley acknowledges that with respect to this Section 16.1 the foregoing release applies to all known and unknown Claims arising from or related to the recycled water furnished under

this Agreement, and upon advice of legal counsel, Walnut Valley waives all rights under California Civil Code Section 1542 which reads as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

Initials of Walnut Valley: _____

16.2. Regulatory Fines Indemnity.

- A. Walnut Valley acknowledges that the District, as the entity holding the Permits for the Plant, may be subject to monetary fines or penalties imposed by the Regional Board or State Board for violations of the Permits.
- B. If the District becomes the responsible party in an action resulting in a fine or penalty, the District shall be financially responsible for the payment of that fine or penalty.
- C. If the District determines, based upon reasonable due diligence investigations, that Walnut Valley is responsible for any action resulting in a fine or penalty, Walnut Valley shall reimburse the District for the total amount within five (5) business days after receiving notice of any such fine or penalty. Walnut Valley’s payment of any such fine or penalty under this subdivision (C) shall not waive Walnut Valley’s rights to challenge the District’s imposition of that fine or penalty on Walnut Valley. If Walnut Valley disputes the imposition of that fine or penalty, it will meet and confer with the District.
- D. If the District determines that a third-party purchaser of recycled water from Walnut Valley is responsible for any action resulting in such a fine or penalty, Walnut Valley shall join with the District in any legal or other effort to recover for the District all or a part of the fine or penalty imposed against the District by the Regional Board or State Board for such action. Walnut Valley shall pay any legal or other fees, costs, or expenses incurred to recover from the responsible third party.

17. **Insurance.** If Walnut Valley has or plans to construct new On-Site Facilities, and when Walnut Valley constructs the Storage Tank, then it shall procure, carry, and maintain in full force and effect during all times this Agreement is in effect, the insurance coverage described below, at its sole expense. All insurance must be maintained with insurers and under forms of policies satisfactory to the District. The insurance must be written as “occurrence” type policies, must provide for defense costs “ex-limits,” and must protect Walnut Valley and the District, and any Insured Parties, in such a manner and at such amounts as set forth below:

17.1. Commercial General Liability Insurance.

- A. Walnut Valley shall procure, carry, and maintain commercial general liability insurance to include coverage for all operations of the On-Site Facilities including, but not limited to the following:
 - i. Premises, operations, and mobile equipment liability;

- ii. Completed operations and products liability;
 - iii. Blanket contractual liability;
 - iv. Explosion, collapse, and underground hazards (XCD); and
 - v. Personal injury liability.
- B. Walnut Valley shall provide the commercial general liability insurance with limits not less than the following:
- i. \$3 million each occurrence, or for a combined occurrence of bodily injury and property damage;
 - ii. \$2 million completed operations and products liability; and
 - iii. \$2 million personal and advertising injury.
- C. Walnut Valley shall provide the policy with an endorsement for a general aggregate limit per project. Defense costs may not be included in said general aggregate limit.
- 17.2. Property Insurance. Walnut Valley shall procure, carry, and maintain property insurance for the On-Site Facilities, along with any related improvements to 100% of their replacement cost, using a standard form fire insurance policy containing the “extended coverage” endorsement.
- 17.3. Automobile Liability Insurance. Walnut Valley shall procure, carry, and maintain automobile liability insurance to include coverage for any owned, non-owned, or hired vehicle brought by Walnut Valley or its agents or other invitees onto the On-Site Facilities. The automobile liability insurance policy must have limits of not less than \$1,000,000 combined single limits for bodily injury and property damage.
- 17.4. Workers’ Compensation and Employer’s Liability Insurance.
- A. Walnut Valley shall procure, carry, and maintain a policy of worker’s compensation insurance as required by any applicable law, regulation, or statute. The employer’s liability insurance shall be provided with limits not less than the following:
- i. \$1 million each accident;
 - ii. \$1 million disease – policy limits; and
 - iii. \$1 million disease – each employee.
- B. The workers’ compensation and employer's liability insurance policy must contain a waiver of subrogation rights against the District. Walnut Valley shall provide the Chief Engineer with a copy of an endorsement to the policies reflecting this waiver.
- 17.5. Evidence of Policies. Before the Effective Date of this Agreement, Walnut Valley shall provide policies, relevant endorsements, and certificates of insurance to the District evidencing that:

- A. The insurance policies referred to above are in place.
 - B. The District must receive written notice at least thirty (30) calendar days prior to a policy cancellation or reduction in coverage for any reason. In that regard, Walnut Valley shall not deliver any certificate that simply contains words to the effect that the insurer will “endeavor” to notify the District of the cancellation or reduction of the policy or that “the failure to mail such notice shall impose no obligation of any kind upon the company, its agents or representatives.”
 - C. An endorsement has been made to the policies naming the District as an additional insured. The endorsement must be duly executed and must be in a form acceptable to the District. The endorsement must also provide that the insurance afforded to the additional insured is primary insurance and that any insurance carried by or afforded to the District, its directors, officers, and employees and other Insured Parties is excess and not contributing to the insurance required by this Agreement.
 - D. Each of the policies of insurance required by this Agreement must contain “Cross Liability” or “Severability of Interest” clauses. No policy may contain any exclusion regarding loss or damage to property caused by explosion, collapse of buildings or structures, or damage to property underground, premises-operation, completed operations, contractual insurance, or independent District’s coverage. Each of the insurance policies required by this Agreement must contain a provision or endorsement stating that that insurance, subject to all of its other terms and conditions, applies to the liability assumed by Walnut Valley under this Agreement. Any endorsement must be in a form acceptable to the District.
 - E. Walnut Valley may satisfy minimum coverage amounts listed above by a combination of one or more primary insurance policies and umbrella or excess coverage policies on which Walnut Valley is the named insured. Walnut Valley may also use those policies in connection with satisfying the requirements of this Section 17.
- 17.6. Insurers. Walnut Valley shall provide the insurance coverage through insurers that have at least an “A” policyholders rating and an “X” financial rating in accordance with the current Best’s Key Rating Guide or through a reputable risk pool offered through an established Joint Powers Insurance Authority. In the event the coverage evidenced by any such certificate is canceled or reduced, Walnut Valley shall procure and furnish to the District new certificates of insurance and policies conforming to the above requirements at least five (5) days before the effective date of such cancellation. If Walnut Valley fails to procure and maintain any insurance required by this Agreement, the District may procure such insurance and charge the expense to Walnut Valley or the District may terminate this Agreement upon failure of Walnut Valley to procure such insurance within 48 hours written notice demanding Walnut Valley do so, at the District’s sole discretion. The District’s failure to enforce any provision of this Section 17 will not act as a waiver of Walnut Valley’s obligation to procure the required insurance or as a waiver of enforcement of any of the provisions of this Section 17 at a later date. The District is not obligated to procure or maintain the above required insurance if Walnut Valley fails to do so. All requirements of this Section 17 apply to Walnut Valley’s contractors and sub-contractors, and Walnut Valley shall cause all of its contractors and sub-contractors to comply with the provisions of this Section 17 and be responsible to the District for such compliance. The foregoing requirements constitute Walnut Valley’s minimum insurance requirements.

- 17.7. **Additional Insurance.** The District retains the right at any time to review the coverage, form, and amount of the insurance required by this Agreement. If, in the sole opinion of the District, the insurance provisions in this Agreement do not provide adequate protection for the District, the District may require Walnut Valley to obtain additional insurance sufficient in coverage, form, and amount to provide adequate protection. The District's new requirement will be reasonable and will be designed to assure protection from and against the kind and extent of the risks that exist at the time a change in insurance is required. The District shall notify Walnut Valley in writing of changes in the insurance requirements; and if Walnut Valley does not deposit copies of acceptable insurance with the District incorporating such changes within thirty (30) days after receipt of notice, Walnut Valley shall be in default without further notice to Walnut Valley, and the District will be entitled to all legal remedies. The procuring of such required policy or policies of insurance will not be construed to limit Walnut Valley's liability under this Agreement nor to fulfill the indemnity provisions and requirements of this Agreement.
- 17.8. **Waiver and Release.** Walnut Valley waives and releases the District from any damages resulting from any interruption of Walnut Valley's business (except as results from District's gross negligence or willful misconduct), including but not limited to, damages resulting from any loss of income or business resulting from the District's actions relating to the cancellation, termination, or expiration of Walnut Valley's insurance policies. Walnut Valley further releases and relieves each of the Insured Parties and waives its entire right of recovery for loss or damage arising out of or incident to the perils insured against, which perils occur in, on or about the District's premises, whether due to the negligence of the Insured Party or Walnut Valley, or their agents, employees, contractors, or invitees. This is a waiver of subrogation clause and Walnut Valley shall, upon obtaining the policies of insurance required by this clause, give notice to the insurance carrier or carriers that the mutual waiver of subrogation is contained in this Agreement.
- 17.9. **Additional Coverage.** Walnut Valley shall at all times during the operation of the Agreement, at its sole cost, maintain in effect policies of insurance covering:
- A. All alterations on or in the On-Site Facilities, providing protection against any risk included within the classification "Causes of Loss-Special Form" (ISO Form 10 30), including but not limited to insurance against sprinkler leakage, vandalism, and malicious mischief, such insurance to be in an amount not less than the full replacement value of such improvements, which shall be determined at the time the policy is initially obtained, and not less frequently than once every three (3) years thereafter; and
 - B. All personal property of Walnut Valley located in or at the On-Site Facilities, including but not limited to fixtures, furnishings, equipment, and furniture, in an amount not less than their full replacement value, providing protection against any peril included within the classification "Causes of Loss-Special Form" (ISO Form 10 30), including but not limited to insurance against vandalism and malicious mischief.
18. **Extension of Duration.** If the Parties desire to extend the duration of this Agreement, then prior to the expiration of this Agreement, the parties shall negotiate in good faith to agree upon the terms of such extension. Any such extension must be documented in a written amendment to this Agreement, executed by both Parties.
19. **Assignments.** Walnut Valley may not transfer, convey, sell, or assign any of its rights or duties under this Agreement without prior written consent of District, which consent may be withheld in the

District's sole and absolute discretion. Any transfer, conveyance, sale, or assignment by Walnut Valley without consent shall be deemed null and void.

20. **Notices.** All notices, correspondence, reports, or other written documents exchanged between the Parties under this Agreement must be addressed to the District or Walnut Valley as set forth below or as the District or Walnut Valley may later designate in writing, and shall be sent through the United States mail, duly registered or certified, return receipt requested, with postage prepaid thereon, or by any other method providing positive proof of delivery, including email.

TO DISTRICT

Los Angeles County Sanitation Districts
Attn: Chief Engineer and General Manager
1955 Workman Mill Road
Whittier, CA 90601
Email: reuse@lacs.org

TO WALNUT VALLEY

Walnut Valley Water District
Attn: General Manager
271 South Brea Canyon Road
Walnut, CA 91789-3002
Email: cservice@walnutvalleywater.gov

21. **General Provisions.**

- 21.1. **Integration.** This Agreement, together with its exhibits, supersedes any and all other agreements, either oral or in writing, between the Parties with respect to the subject matter herein. Each Party to this Agreement acknowledges that no representation by either Party, which is not embodied in this Agreement, nor any other agreement, statement, or promise contained in this Agreement, shall be valid and binding.
- 21.2. **Modification.** Any modification of the Agreement shall be effective only if it is in writing and signed by all Parties.
- 21.3. **Interpretation.** Each Party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of its provisions. This Agreement has been drafted through a joint effort of the Parties and their counsel and therefore shall not be construed against either of the Parties, but instead in accordance with its fair meaning.
- 21.4. **Choice of Law and Venue.** This Agreement is governed by California law. Any legal action arising out of this Agreement must be brought in the Los Angeles County Superior Court, Central Division.
- 21.5. **Attorneys' Fees.** In the event of any legal proceeding arising from or related in any way to a breach of or an enforcement or interpretation of this Agreement, the prevailing Party will be entitled to recover reasonable attorneys' fees and court costs from the other Party.

- 21.6. Warranty of Authority. Each individual signing the Agreement warrants and represents that they have the full authority to execute the Agreement on behalf of the Party on whose behalf they so sign, that they are acting within the scope of such authority, and that this Agreement shall be binding upon and enforceable against the Party on whose behalf they so sign by virtue of such signature.
- 21.7. Counterparts. This Agreement may be executed in duplicate originals, one for each Party, each of which duplicate original shall be deemed to be an original, but all of which shall constitute one and the same agreement.
- 21.8. Chief Engineer's Authority. The Chief Engineer is delegated authority to take all actions on behalf of the District in connection with any approvals, consents, or actions required of or by the District under this Agreement and to approve and execute minor amendments including extensions to the terms of this Agreement.

[Signature Page Immediately Follows]

The Parties are executing this Agreement as of the Effective Date.

WALNUT VALLEY WATER DISTRICT

**COUNTY SANITATION DISTRICT NO. 2
OF LOS ANGELES COUNTY**

By:

General Manager

By:

Chairperson, Board of Directors

ATTEST

ATTEST

By:

[Title]

By:

Secretary to the Board of Directors

APPROVED AS TO FORM

APPROVED AS TO FORM

By:

[Title]

By:

District Counsel

EXHIBIT A

District Recycled Water Ordinance

**ORDINANCE PROVIDING FOR
THE ESTABLISHMENT AND ENFORCEMENT OF REGULATIONS
PURSUANT TO WATER RECYCLING REQUIREMENTS FOR
RECYCLED WATER USERS**

The Board of Directors of County Sanitation District No. 2 of Los Angeles County (hereinafter "District") ordains as follows:

1. AUTHORITY

This Ordinance is enacted pursuant to authority contained in the County Sanitation District Act, California Health and Safety Code Sections 4700 *et seq.*, and exercises authority conferred by law including but not limited to Division 7, Chapter 7, Article 4, Sections 13520 *et seq.* of the Water Code.

2. SHORT TITLE

This Ordinance shall be known as the **Joint Outfall System Recycled Water Ordinance** and may be cited as such.

3. PURPOSE

The purpose of this Ordinance is to provide for the establishment and enforcement of regulations pertaining to the administration of waste discharge requirements ("WDRs") issued by the California Regional Water Quality Control Board, Los Angeles Region ("Regional Board"), pursuant to Water Code Section 13263, water reclamation requirements ("WRRs") issued pursuant to Section 13523, or a master reclamation permit ("Master Permit") issued pursuant to Section 13523.1. This Ordinance will govern the use of recycled water in accordance with the Water Recycling Criteria established by the California Department of Health Services ("DHS") pursuant to Water Code Section 13521, and codified in Title 22, Division 4, Chapter 3 of the California Code of Regulations.

4. FINDINGS AND DETERMINATIONS

For over forty years, the County Sanitation Districts of Los Angeles County have owned and operated wastewater treatment plants capable of producing water that meets all requirements for recycled water, including but not limited to regulations and other directives issued by the DHS and the Regional Board.

No person may recycle water or use recycled water until a California Regional Water Quality Control Board either establishes WDRs, WRRs, or Master Permits (collectively, "Permits") or determines that no such Permits are necessary.¹ As the producer of recycled water, the District oversees the production and use of recycled water pursuant to Permits issued by the Regional Board.

¹ California Water Code § 13524.

5. APPLICATION

This Ordinance shall apply to any and all Users to whom the District distributes recycled water, either directly or through an intermediate party, including Purveyors that act as such intermediate parties in delivering recycled water to Users.

6. DEFINITIONS

For purposes of this Ordinance, the following definitions shall apply to the following terms:

- a) **"Authorized Recycled Water Use Site"** is a site authorized for use of recycled water; the uses of recycled water and the site location must comply with Permits as issued by the Regional Board.
- b) **"Chief Engineer"** is the Chief Engineer and General Manager of the District.
- c) **"Master Reclamation Permit"** contains requirements established by the Regional Board pursuant to Water Code Section 13523.1.
- d) **"Person"** is any individual, partnership, corporation, governmental subdivision or unit of a governmental subdivision, or public or private organization or entity of any character.
- e) **"Purveyor"** is any public, private, investor-owned, or other water utility that is legally permitted to distribute water and that obtains recycled water from the District for distribution to Users.
- f) **"Recycled water"** is water which, as a result of treatment of waste, is suitable for a direct beneficial use or a controlled use that would not otherwise occur, and is therefore considered a valuable resource.
- g) **"Regulations"** are requirements established by the Chief Engineer that govern the design and construction of recycled water use facilities and the use of recycled water, in accordance with the Uniform Statewide Reclamation Criteria. These may also be called the District's *"Requirements for Recycled Water Users."*
- h) **"State Water Resources Control Board"** is an agency of the state of California created by the Legislature and exercising its powers pursuant to the Porter-Cologne Water Quality Control Act, Water Code Section 13000 *et seq.*
- i) **"User"** is any person to whom the District distributes recycled water under the Permits issued to the District by the Regional Board, including end users to whom recycled water is conveyed through an intermediate party. User does not include persons who have been independently issued Permits from the Regional Board.
- j) **"User Agreement"** is a contractual agreement between the User and/or Purveyor and the District that establishes the conditions for recycled water service and use.
- k) **"Waste Discharge Requirements"** are requirements that are established by the Regional Board pursuant to Water Code Section 13263.
- l) **"Water Recycling Criteria"** are the criteria established by the DHS generally dealing with the levels of constituents of recycled water, and the means for assurance of reliability under the design concept, which will result in safe recycled water from the standpoint of public health. The criteria are established pursuant to Water Code Section 13521, and are contained in the California Code of Regulations, Title 22, Division 4, Chapter 3; also referred to as the "Uniform Statewide Reclamation Criteria."
- m) **"Water Recycling Requirements"** are requirements that are established by the Regional Board pursuant to Water Code section 13523.

7. ADMINISTRATION

The District shall administer this Ordinance so as to comply with the terms and conditions of Permits as issued by the Regional Board.

8. REQUIREMENTS

A. A User and/or Purveyor who receives the District's recycled water must comply with the terms of this Ordinance and with the following requirements:

- 1) Water Recycling Criteria, as established by the California Department of Health Services, Title 22, Division 4, Chapter 3 of the California Code of Regulations;
- 2) Requirements, rules, regulations, and/or restrictions established by the California State Water Resources Control Board;
- 3) Requirements, rules, regulations, and/or restrictions established by the Regional Board.
- 4) Permits issued by the Regional Board, which are incorporated herein and made a part hereof, to the extent that they are applicable to persons subject to this Ordinance;
- 5) Requirements, rules, regulations, and/or restrictions, pertaining to the quality of recycled water, adopted by any agency maintaining jurisdiction over any person subject to this Ordinance;
- 6) Regulations adopted by the Chief Engineer pursuant to Section 9 of this Ordinance.

A User and/or Purveyor must keep apprised of any changes to the foregoing requirements. A User and/or Purveyor must conform to any applicable changes to the requirements; a violation thereof is the User's and/or Purveyor's sole responsibility. A violation of any of the foregoing requirements will constitute a violation of this Ordinance.

B. A person seeking to operate a proposed Authorized Recycled Water Use Site ("Authorized Site"), and directly receive the District's recycled water, must comply with the following:

- 1) The person must file an application therefore with the District prior to using the recycled water. Persons who have already executed a User Agreement with the District are exempt from this requirement until such time as the Agreement is amended or revised.
- 2) The person must execute a User Agreement, which includes the District's terms and conditions for use of recycled water at the Authorized Site. Any violation of a User Agreement shall be a violation of this Ordinance and punishable as such. Any Person that has been a User for more than one year prior to the effective date of this Ordinance, and has otherwise been in conformance with all legal requirements and directives of the District, shall be exempt from this subparagraph (2) for a period of one year from said effective date.

A person seeking to operate a proposed Authorized Site, and receive the District's recycled water through a Purveyor, must file an application with the Purveyor prior to any delivery of recycled water. Such application shall not be effective until it has been approved by the District.

9. **ENFORCEMENT**

The Chief Engineer is granted authority to establish Regulations governing the use of recycled water as necessary, which shall be in accordance with existing law.

The Chief Engineer shall administer, implement, and enforce the provisions of this Ordinance. Any powers granted to or duties imposed upon the Chief Engineer may be delegated to persons acting in the beneficial interest of or in the employ of the District.

10. **VIOLATION**

A. Upon a written determination of the Chief Engineer that a violation of this Ordinance has occurred, such action shall constitute a basis for:

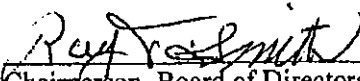
- 1) termination of any User Agreement
- 2) immediate cessation of recycled water delivery

B. The Chief Engineer shall adopt notice and hearing procedures to implement this section, which shall be consistent with the rights afforded by due process.

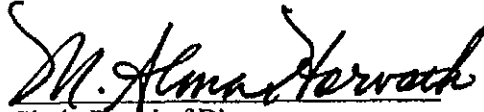
11. VALIDITY

If any part, section, subsection, paragraph, sentence, clause, or phrase of this Ordinance is held invalid or unconstitutional for any reason by any court, that decision does not affect the validity or constitutionality of the remainder of this Ordinance. The Board of Directors declares that it would have adopted each provision of this Ordinance irrespective of the validity of any other provision.

PRO TEM


Chairperson, Board of Directors
County Sanitation District
No. 2 of Los Angeles County

ATTEST:


Clerk, Board of Directors
County Sanitation District
No. 2 of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of County Sanitation District No. 2 of Los Angeles County on January 24, 2007, by the following vote:

- AYES: Directors Bello, Lee, Calhoun, Bayer, Reyes Uranga, Cardenas, Lopez-Reid, Lau, Lucra, Hofmeyer, E.A. "Pete" Ramirez, D. Gutierrez, DeWitt, Nordbak, Yaroslavsky, and Smith
- NOES: None
- ABSTAIN: None
- ABSENT: Directors Sham, Lyon, Aceituno, Ramos, and Malburg


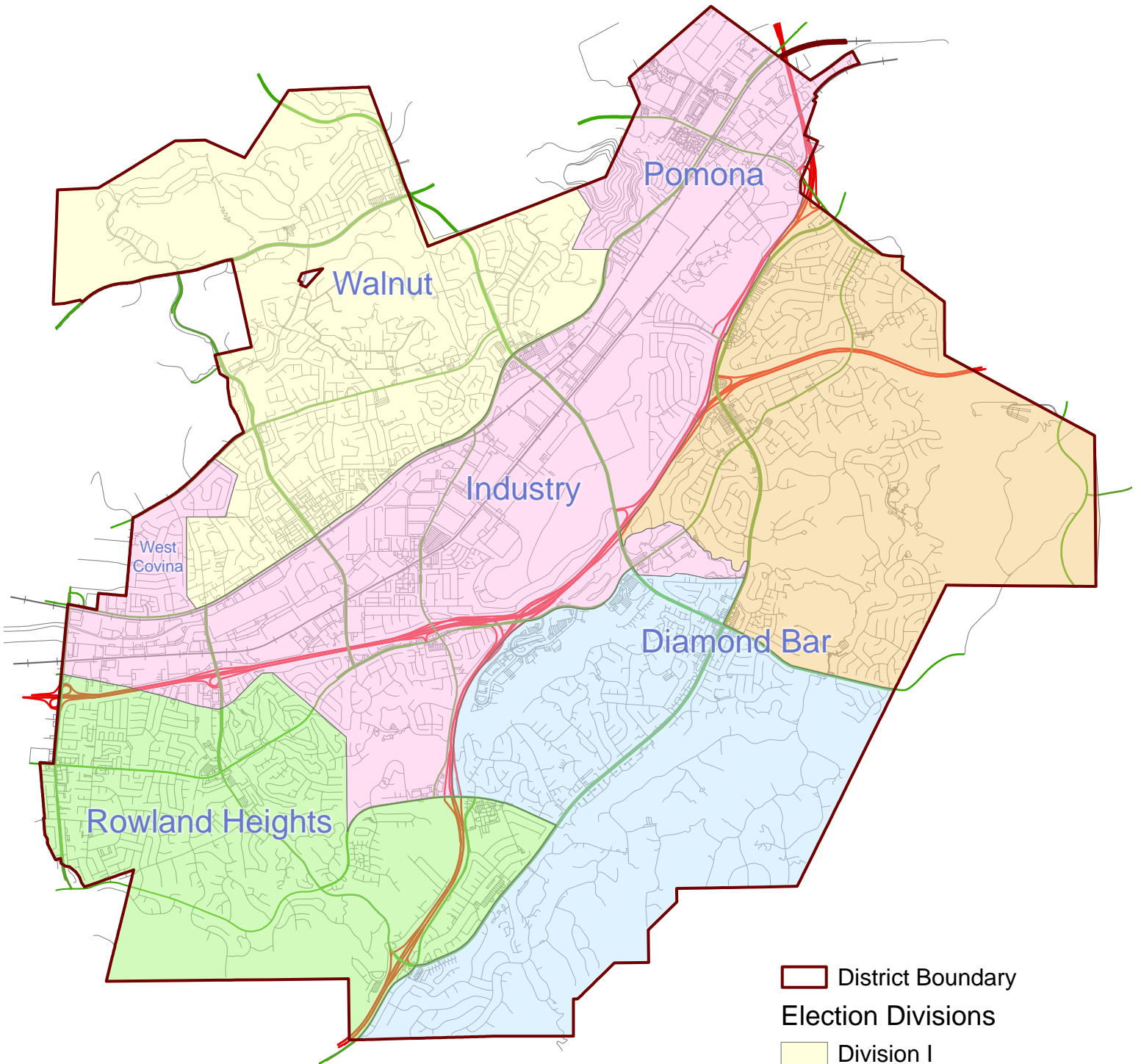

Secretary of the Board of Directors
County Sanitation District No. 2
of Los Angeles County

EXHIBIT B

Walnut Valley Service Area Map



 District Boundary

Election Divisions

 Division I

 Division II

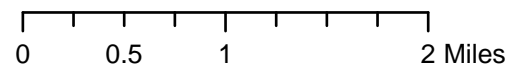
 Division III

 Division IV

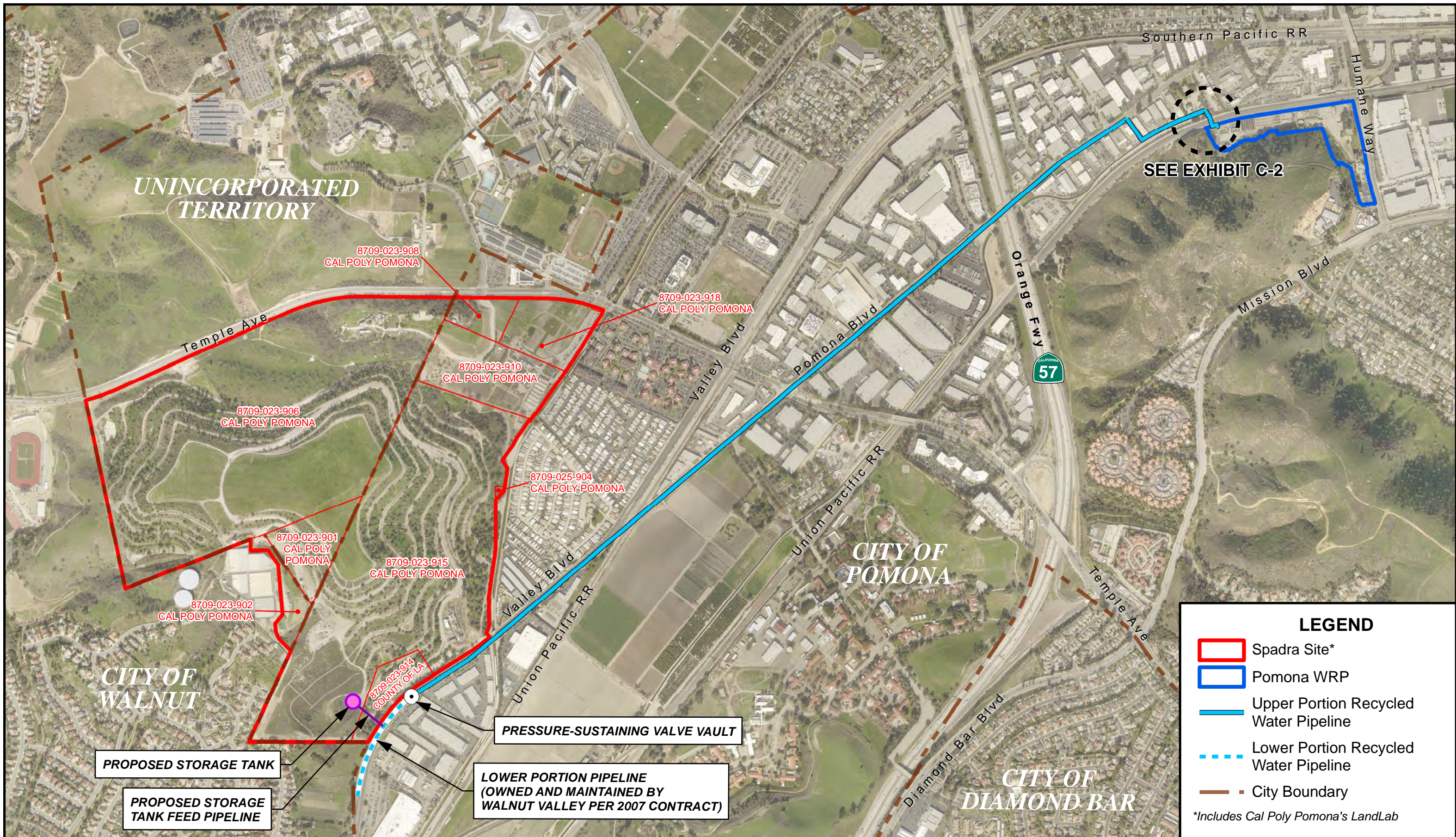
 Division V



**Walnut Valley Water District
Service Area
EXHIBIT B**



EXHIBITS C-1, C-2, and C-3
Upper Portion Pipeline Location Maps

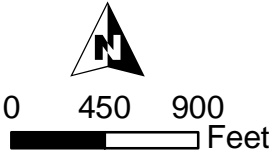


LEGEND

- Spadra Site*
- Pomona WRP
- Upper Portion Recycled Water Pipeline
- Lower Portion Recycled Water Pipeline
- City Boundary

*Includes Cal Poly Pomona's LandLab

EXHIBIT C-1



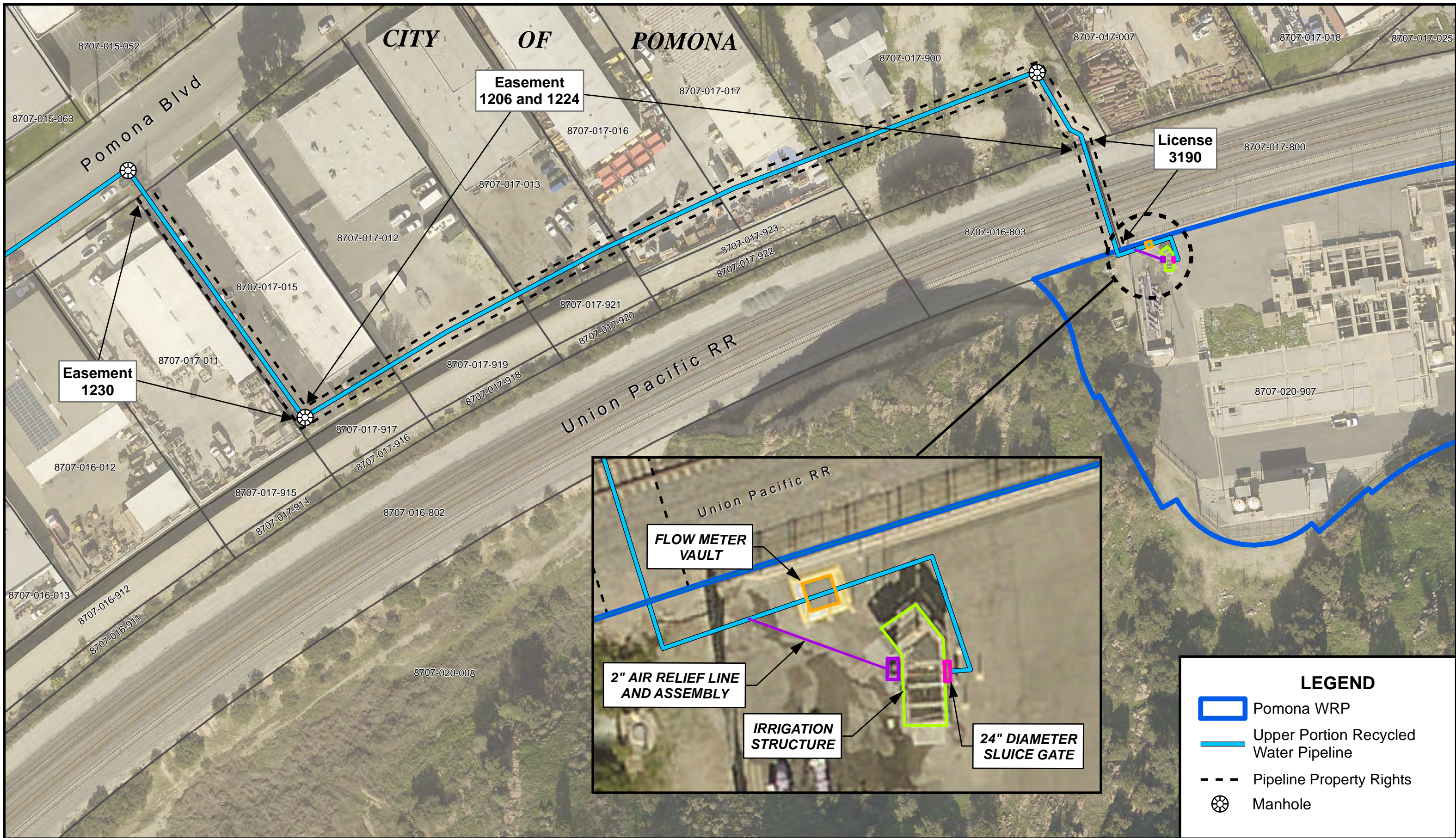
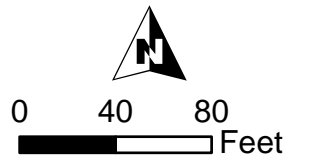


EXHIBIT C-2



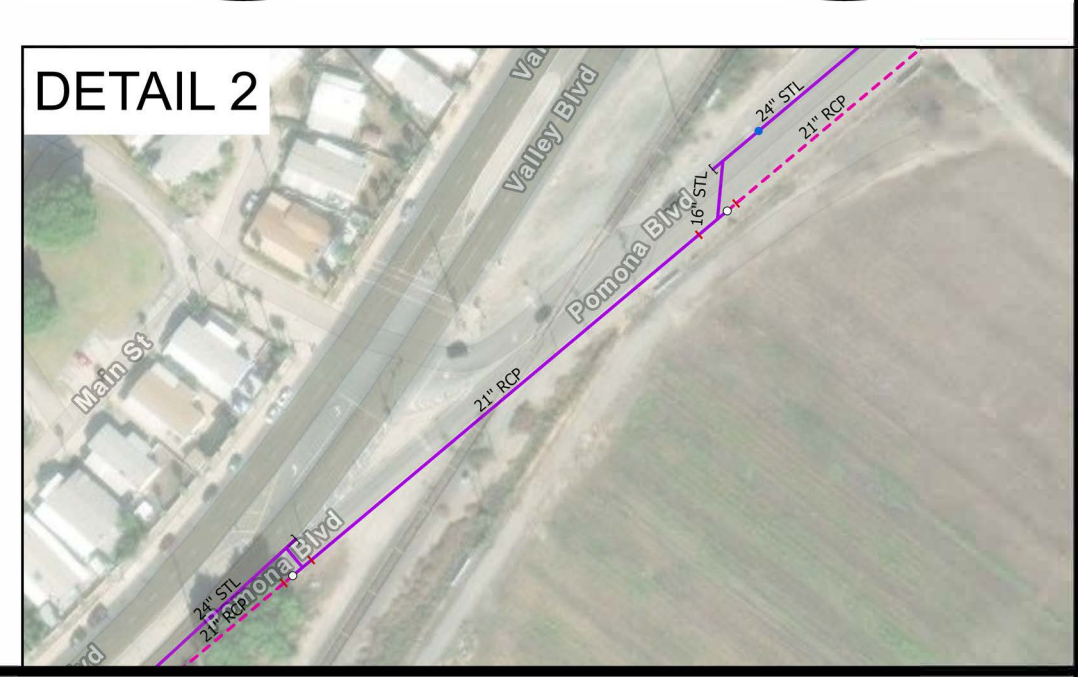
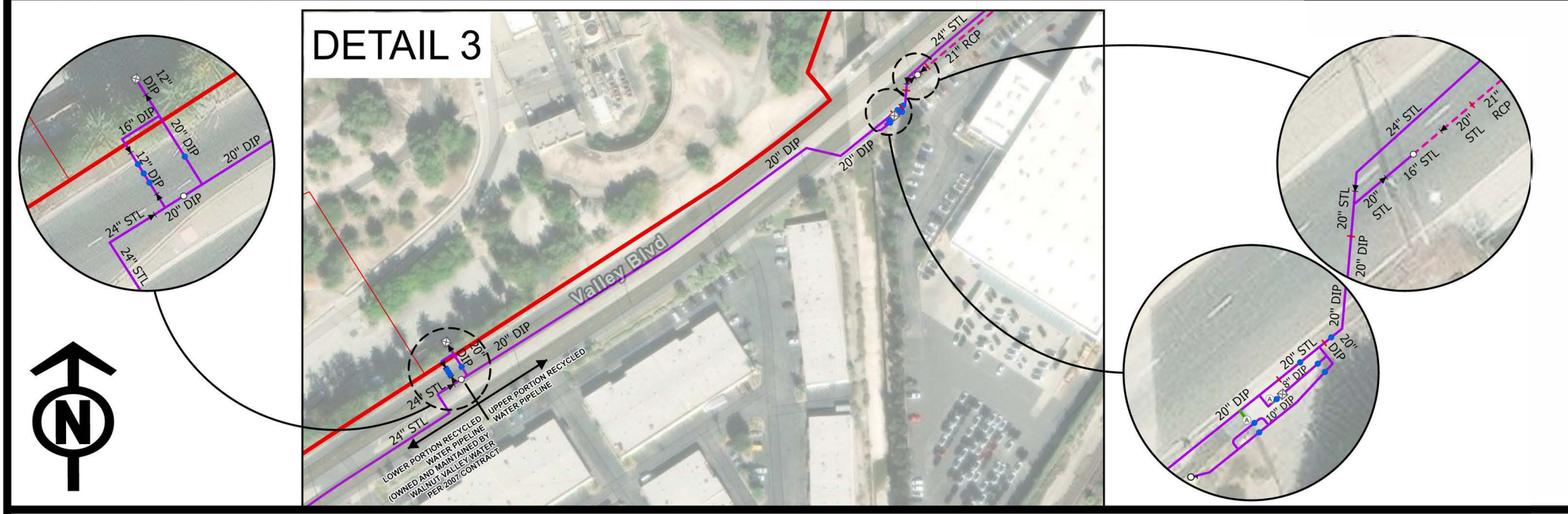
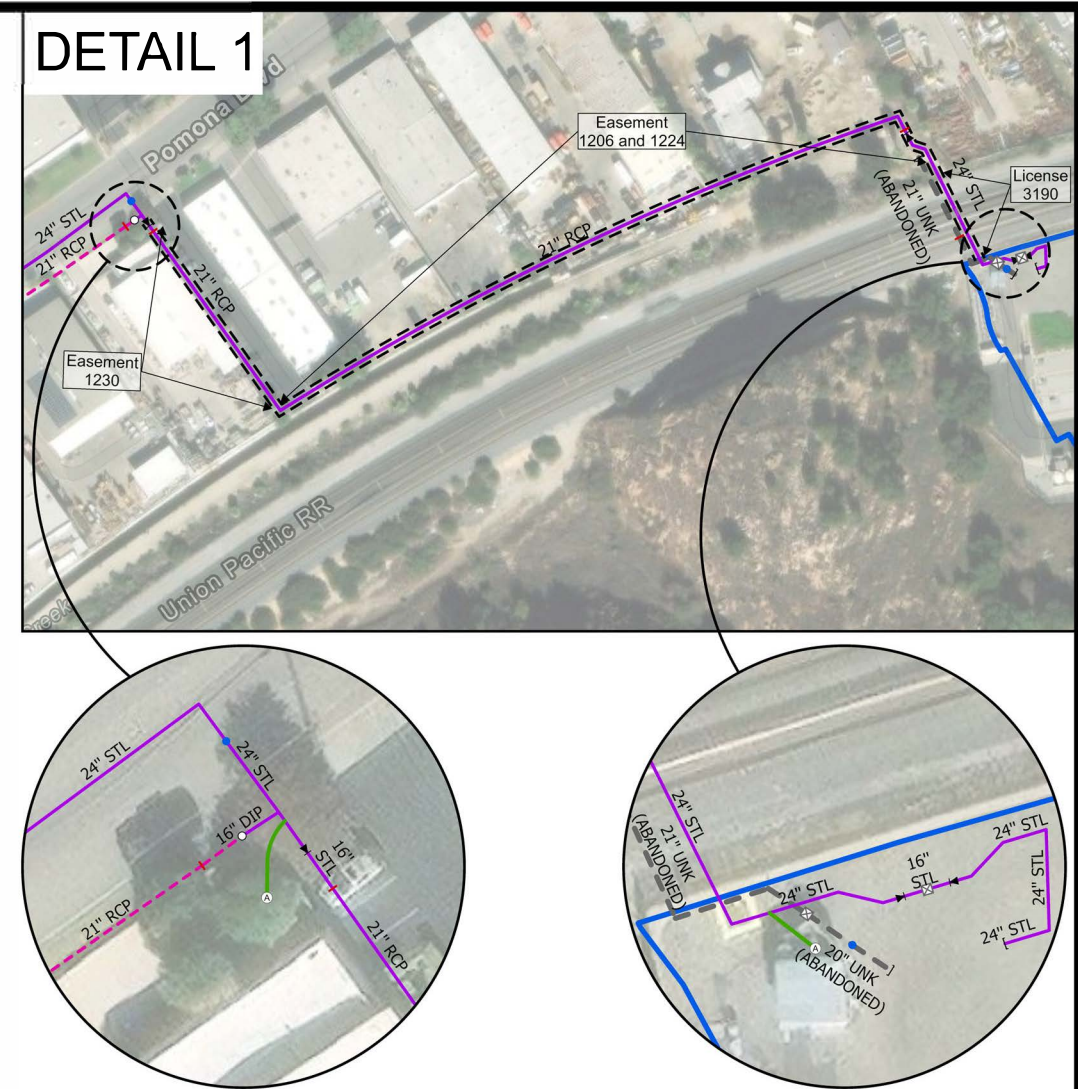
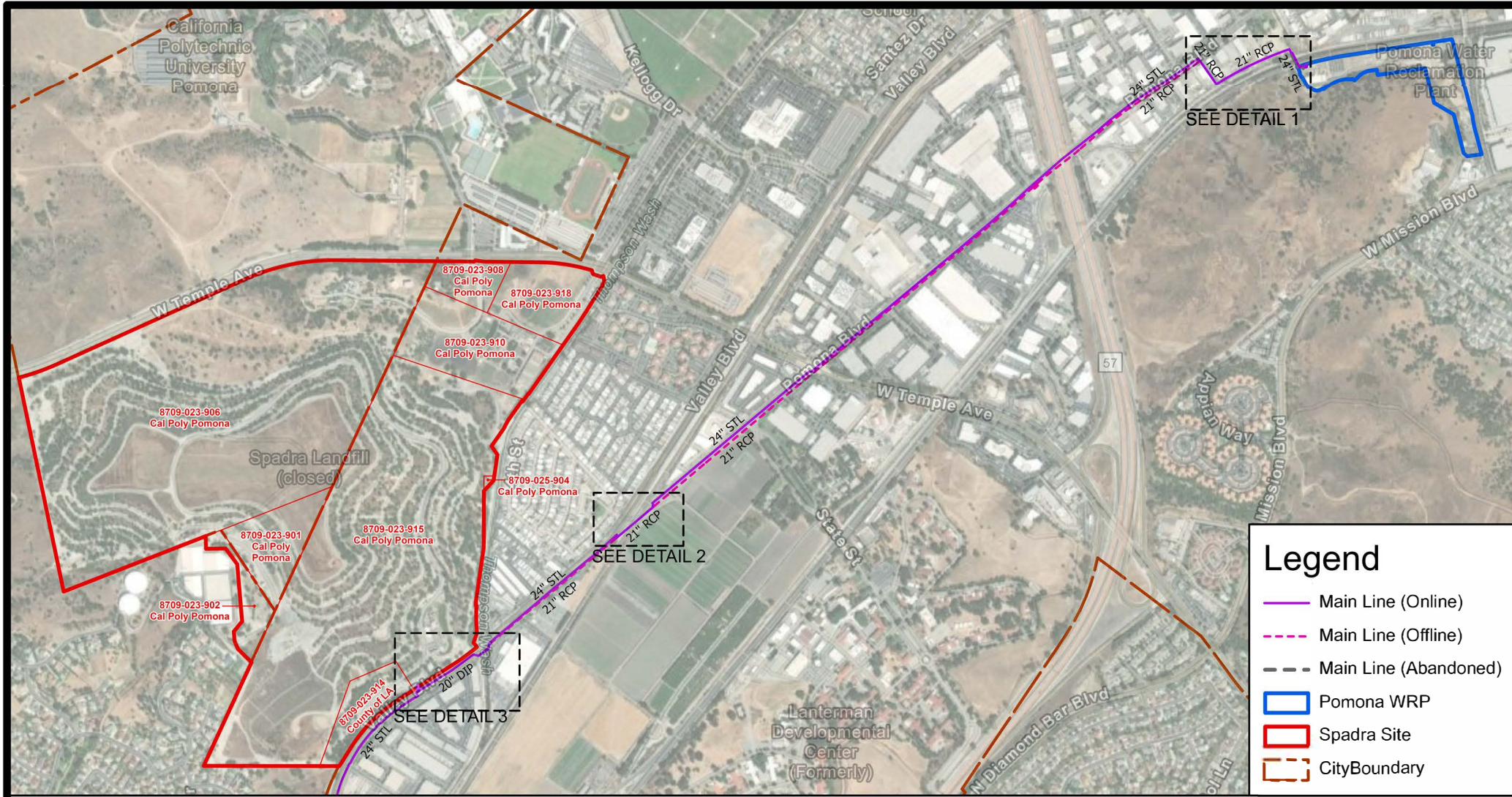


EXHIBIT C-3

EXHIBIT D

Description of Pipeline Property Rights

1. Sewer Easement, dated May 18, 1954, recorded in the Official Records of the Los Angeles County Recorder on July 15, 1954 in Book 45078, Page 313 (District Easement No. 1230) (“**Easement 1230**”).
2. Sewer Easement, dated August 5, 1954, recorded in the Official Records of the Los Angeles County Recorder on November 16, 1954, in Book 46123, Page 274 (District Easement No. 1224) (“**Easement 1224**”).
3. Sewer Easement, dated March 4, 1954, recorded in the Official Records of the Los Angeles County Recorder on May 28, 1954 in Book 44697, Page 162 (District Easement No. 1206) (“**Easement 1206**”).
4. Pipeline Crossing Agreement, dated October 11, 2007, by and between Union Pacific Railroad Company and District 21 (District License No. 3190) (“**License 3190**”).

EXHIBIT E
Form of Bill of Sale

RECORDING REQUESTED BY:
LOS ANGELES COUNTY SANITATION DISTRICTS
1955 WORKMAN MILL ROAD
WHITTIER, CA 90601

WHEN RECORDED, MAIL TO ABOVE ADDRESS
ATTN: SUPERVISOR, PROPERTY MGMT. GROUP

Exempt from Doc. Transfer Tax per R&TC §11922
Exempt from Recording Fee per Gov. C. §§ 6103 & 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

BILL OF SALE NO. _____

(Upper Portion Recycled Water Pipeline – Pomona WRP to Spadra Landfill)

FOR VALUE RECEIVED, receipt of which is hereby acknowledged, **COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY**, a county sanitation district organized and existing pursuant to the County Sanitation District Act, California Health and Safety Code Section 4700 *et seq.* (the “**District**”) hereby grants, sells, conveys, assigns, and transfers to **WALNUT VALLEY WATER DISTRICT**, a municipal water district formed and operating pursuant to the California Water District Act, Division 13 of the California Water Code, Sections 34000 *et seq.* (“**Walnut Valley**”), all of the District’s tangible or intangible right, title and interest in the following described improvements:

[insert description (length, diameter, pipe material, start point, end point) of Upper Portion Recycled Water Pipeline]

This Bill of Sale inures to the benefit of Walnut Valley and its successors and assigns.

Dated: _____

**COUNTY SANITATION DISTRICT NO. 2
OF LOS ANGELES COUNTY**

By: _____

Robert C. Ferrante
Chief Engineer & General Manager

[Signature must be notarized]

DOC _____

EXHIBIT F

Permit

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD—
LOS ANGELES REGION

107 SOUTH BROADWAY, SUITE 4027
LOS ANGELES, CALIFORNIA 90012
(213) 620-4460

4-17-81
26-02-01-81
35-04-81

87-01-01-81

1981 JUL 31 AM 11:02



JUL 30 1981

County Sanitation Districts of
Los Angeles County
P. O. Box 4998
Whittier, CA 90607

ATTN: Mr. Walter E. Garrison
Chief Engineer and General Manager

RE: Revised Water Reclamation Requirements
(File Nos. 54-70, 61-30, 65-86, and 77-50)

1981 JUL -2 AM 9:18

Gentlemen:

Reference is made to our letters dated June 23, 1981, which transmitted drafts of tentative requirements for use of reclaimed water from the Pomona, Saugus, Valencia and San Jose Water Reclamation Plants.

Pursuant to Division 7 of the California Water Code, this California Regional Water Quality Control Board, at a public meeting held on July 27, 1981, reviewed these tentative requirements, considered all factors in the cases, and adopted the following Orders:

<u>Order No.</u>	<u>Reclamation Plant</u>	<u>File No.</u>	<u>Compliance File No.</u>
81-34	Pomona (District 21)	54-70	6241
81-35	Saugus (District 26)	61-30	6188
81-36	Valencia (District 32)	65-86	6186
81-33	San Jose Creek	77-50	6372

Also attached are copies of specifications for technical reports to be submitted by you. Your first monitoring reports are due by October 15, 1981. Please reference all technical and monitoring reports to their respective compliance file numbers. We would appreciate it if you would not combine other reports, such as progress or technical reports, with the monitoring reports but would submit each type of report as a separate document.

Very truly yours,

Raymond M. Hertel
RAYMOND M. HERTEL
Executive Officer

cc: See attached mailing list

Enclosures

*make any changes?
w
7-31-81*

with

*one
7-31-81*

JUL 30 1981

cc: U. S. Army Corps of Engineers
State Water Resources Control Board, Division of Technical Services
ATTN: Walter Pettit
Department of Water Resources
Department of Fish and Game, Region 5
Department of Health Services, Sanitary Engineering Section
Los Angeles County Flood Control District
Los Angeles County Engineer-Facilities, Sanitation Division
State Water Resources Control Board, Office of Water Recycling
ATTN: Mr. Kurt Wassermann
State Water Resources Control Board, Division of Water Quality
ATTN: Mr. Mike Sloss
Bouquet Canyon Water Company (Saugus and Valencia only)
County of Los Angeles, Department of Health Services
San Gabriel Valley Municipal Water District (Pomona only)
San Gabriel Valley Water Company (Pomona only)
City of Pomona (Pomona only)
United Water Conservation District (Saugus and Valencia only)
Central and West Basin Water Replenishment District (San Jose Creek only)
City of Whittier (San Jose Creek only)

State of California
Resources Agency
CALIFORNIA REGIONAL WATER QUALITY BOARD, LOS ANGELES REGION

ORDER NO. 81-34

WATER RECLAMATION REQUIREMENTS
FOR
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
(Pomona Water Reclamation Plant)
(File No. 54-70)

The California Regional Water Quality Control, Los Angeles Region, finds;

1. County Sanitation Districts of Los Angeles County may reclaim water at its Pomona Water Reclamation Plant under requirements contained in Order No. 76-66, adopted by this Board on April 26, 1976.
2. County Sanitation Districts of Los Angeles County operates the Pomona Water Reclamation Plant, located at 295 South Roselawn Avenue, Pomona, California. The plant has a design capacity of 10 million gallons per day (mgd). The average 1979 plant flow and volume of reused water were 7.3 mgd and 2.0 mgd, respectively. All or a portion of the treated wastewater may be reused.
3. Treatment consists of primary sedimentation, activated sludge biological treatment, secondary sedimentation, filtration, chlorination and dechlorination. The sludge is piped to the County Sanitation Districts' Joint Water Pollution Control Plant in Carson for processing and disposal.
4. Currently, the reclaimed water is used for agriculture and landscape irrigation, fire protection, and paper manufacturing. The areas of reuse are within the San Gabriel Valley and Spadra Hydrologic Subunits.
5. The treated wastewater may also be discharged to San Jose Creek under separate waste discharge requirements and National Pollutant Discharge Elimination System permit (NPDES Permit No. CA0053619) adopted by this Board.
6. The Board adopted a revised Water Quality Control Plan for Los Angeles River Basin on November 27, 1978. The Plan contains water quality objectives for the San Gabriel Valley and Spadra Hydrologic Subunits. The requirements contained in this Order, as they are met, will be in conformance with the goals of the Water Quality Control Plan.

Revised 6/19/81
February 4, 1981

7. The beneficial uses of the receiving groundwaters in San Gabriel Valley and Spadra Hydrologic Submit are: municipal, agricultural, industrial service and process supply.
8. Section 13523 of the California Water Code provides that a Regional Board, after consulting with and receiving the recommendations of the State Department of Health Services, and if it determines such action to be necessary to protect the public health, safety, or welfare, shall prescribe water reclamation requirements for uses of water which is used or proposed to be used as reclaimed wastewater. Section 13523 further provides that such requirements shall conform to the statewide reclamation criteria.
9. The use of reclaimed wastewater could affect the public health, safety, or welfare; requirements for such uses are therefore necessary in accordance with Section 13523 of the Water Code.
10. County Sanitation Districts of Los Angeles County prepared an Environmental Impact Statement/Environmental Impact Report (EIS/EIR) for the Pomona Water Reclamation Plant. The EIS/EIR discussed the impacts of the Pomona Water Reclamation Plant Filters and the reclaimed water on the environment. No significant adverse environmental impacts were identified in the EIS/EIR.

The Board has notified County Sanitation Districts of Los Angeles County and interested agencies and persons of its intent to prescribe water reclamation requirements, and has provided them with an opportunity to submit their written views and recommendations.

The Board in a public meeting heard and considered all comments pertaining to the reclamation and to the tentative requirements.

IT IS HEREBY ORDERED, that County Sanitation Districts of Los Angeles County shall comply with the following:

A. Reclaimed Water Limitations:

1. Reclaimed water shall be limited to treated municipal wastewater only, as proposed.
2. Reclaimed water shall not contain constituents in excess of the following limits:

<u>Constituent</u>	<u>Units</u>	<u>Limitations</u>	
		<u>30-day Average</u>	<u>Maximum</u>
Total Dissolved Solids	mg/l	-----	750
Chloride	mg/l	-----	150
Sulfate	mg/l	-----	300
Boron	mg/l	-----	1.0

3. The ph of reclaimed water shall at all times be within the range 6.0 to 9.0.
4. Reclaimed water shall not contain heavy metals, arsenic or cyanide in concentrations exceeding the limits contained in the current California Drinking Water Standards.
5. Radioactivity shall not exceed the limits specified in Title 22, Chapter 15, Article 5, Sections 64441 and 64443, California Administrative Code, or subsequent revisions.

B. Specifications for Use of Reclaimed Wastewater

1. Reclaimed water used for surface or spray irrigation of fodder, fiber, and seed crops shall have a level of quality no less than that of primary effluent.

Primary effluent is the effluent from a wastewater treatment process which provides removal of sewage solids so that it contains not more than 0.5 milliliter per liter per hour of settleable solids as determined by an approved laboratory method.

2. Reclaimed water used for the spray irrigation of food crops shall be at all times an adequately disinfected, oxidized, coagulated, clarified, filtered wastewater. The wastewater shall be considered adequately disinfected if at some location in the treatment process the median number of coliform organisms does not exceed 2.2 per 100 milliliters and the number of coliform organisms does not exceed 23 per 100 milliliters in more than one sample within any 30-day period. The median value shall be determined from the bacteriological results of the last 7 days for which analyses have been completed.

An oxidized wastewater means wastewater in which the organic matter has been stabilized, is nonputrescible, and contains dissolved oxygen. For the purpose of these requirements, an oxidized wastewater shall be equivalent to secondary effluent with 30-day average BOD₅20°C and suspended solids not exceeding 30 mg/l.

A filtered wastewater means an oxidized, coagulated, clarified wastewater which has been passed through natural undisturbed soils or filter media, such as sand or diatomaceous earth, so that the turbidity as determined by an approved laboratory method does not exceed an average operating turbidity of 2 turbidity units and does not exceed 5 turbidity units more than 5 percent of the time during any 24-hour period.

3. Reclaimed water used for surface irrigation of food crops shall be at all times an adequately disinfected, oxidized wastewater. The wastewater shall be considered adequately disinfected if at some location in the treatment process the median number of coliform organisms does not exceed 2.2 per 100 milliliters, as determined from the bacteriological results of the last 7 days for which analyses have been completed. Orchard and vineyards may be surface irrigated with reclaimed water that has the quality at least equivalent to that of primary effluent provided that no fruit is harvested that has come in contact with the irrigating water or the ground.
4. Exceptions to the quality requirements for reclaimed water used for irrigation of food crops may be considered on an individual case basis where the reclaimed water is to be used to irrigate a food crop which must undergo extensive commercial, physical or chemical processing sufficient to destroy pathogenic agents before it is suitable for human consumption.

5. Reclaimed water used for the irrigation of pasture to which milking cows or goats have access shall be at all times an adequately disinfected, oxidized wastewater. The wastewater shall be considered adequately disinfected if at some location in the treatment process the median number of coliform organisms does not exceed 23 per 100 milliliters, as determined from the bacteriological results of the last 7 days for which analyses have been completed.
6. Reclaimed water used for the irrigation of golf courses, cemeteries, freeway landscapes, and landscapes in other areas where the public has similar access or exposure shall be at all times an adequately disinfected, oxidized wastewater. The wastewater shall be considered adequately disinfected if the median number of coliform organisms in the effluent does not exceed 23 per 100 milliliters, as determined from the bacteriological results of the last 7 days for which analyses have been completed, and the number of coliform organisms does not exceed 240 per 100 milliliters in any two consecutive samples.
7. Reclaimed water used for the irrigation of parks, playgrounds, schoolyards, and other areas where the public has similar access or exposure shall be at all times an adequately disinfected, oxidized, coagulated, clarified, filtered wastewater or a wastewater treated by a sequence of unit processes that will assure an equivalent degree of treatment and reliability. The wastewater shall be considered adequately disinfected if the median number of coliform organisms in the effluent does not exceed 2.2 per 100 milliliters as determined from the bacteriological results of the last 7 days for which analyses have been completed, and the number of coliform organisms does not exceed 23 per 100 milliliters in any sample.
8. Reclaimed water used for irrigation shall not be allowed to run off into recreational lakes unless it meets the criteria for such lakes.
9. Reclaimed water used as a source of supply in a nonrestricted recreational impoundment (a body of reclaimed water in which no limitations are imposed on body-contact water sport activities) shall be at all times an adequately disinfected, oxidized, coagulated, clarified, filtered wastewater. The wastewater shall be considered adequately disinfected if at some location in the treatment process the median number of coliform organisms does not exceed 2.2 per 100 milliliters and the number of coliform organisms does not exceed 23 per 100 milliliters in more than one sample within any 30-day period. The median value shall be determined from the bacteriological results of the last 7 days for which analyses have been completed.
10. Reclaimed water used as a source of supply in a restricted recreational impoundment (a body of reclaimed water in which recreation is limited to fishing, boating, and other non-body-contact water recreation activities) shall be at all times an adequately disinfected, oxidized wastewater. The wastewater shall be considered adequately disinfected if at some location in the treatment process the median number of coliform organisms does not exceed 2.2 per 100 milliliters, as determined from the bacteriological results of the last 7 days for which analyses have been completed.
11. Reclaimed water used as a source of supply in a landscape impoundment (a body of reclaimed water which is used for aesthetic enjoyment or which otherwise serves a function not intended to include public contact) shall be at all times an adequately disinfected, oxidized wastewater. The wastewater shall be considered adequately disinfected if at some location in the treatment process the median number of coliform organisms does not exceed 23 per 100 milliliters, as determined from the bacteriological results of the last 7 days for which analyses have been completed.

12. Reclaimed wastewater directly used as industrial process water for paper pulp processing, metal finishing, industrial cooling, and soil compaction and dust control shall conform to the criteria for landscape impoundment as set forth in B-11.
13. Reclaimed water shall be retained on the areas of use and shall not be allowed to escape as surface flow except as provided for in a National Pollutant Discharge Elimination System permit. For the purpose of this requirement, however, minor amount of irrigation return water of secondary quality or better from peripheral areas shall not be considered a violation of this order provided the discharge meets the requirements contained in a National Pollutant Discharge Elimination System Permit for the discharge of effluent from this reclamation facility to surface waters.
14. Reclaimed water shall not be directly used for uses other than those enumerated above until requirements for these uses have been established by this Board in accordance with Section 13523 of the California Water Code, unless the Board waives such requirements or finds that the requirements contained herein are applicable to these uses.

C. General Requirements

1. The discharge of raw or inadequately treated sewage at any time is prohibited.
2. Reclaimed water shall not be used for irrigation during periods of rainfall and/or runoff. For the purpose of this requirements use of irrigation water which meets the requirements contained in a National Pollutant Discharge Elimination System Permit for the discharge of effluent from this reclamation facility to surface waters shall not be considered a violation of this Order.
3. Standby or emergency facilities and/or storage capacity or other means shall be provided so that in the event of plant upset or outage due to power failure or other cause, discharge of raw or other inadequately treated sewage does not occur or delivery of sub-standard reclaimed water is not made.
4. Reclaimed water shall not be sprayed in geologically unstable areas or so as to cause earth movement.
5. Adequate facilities shall be provided to protect the sewage treatment and reclamation facilities from damage by storm flows and runoff.
6. Adequate freeboard shall be maintained in reclaimed water storage pond(s) to ensure that direct rainfall will not cause overtopping.
7. Any offsite disposal of sewage or sludge shall be only at a legal point of disposal. For purposes of these requirements, a legal point of disposal is one for which requirements have been established by a California Regional Water Quality Control Board and which is in full compliance therewith. Any sewage or sludge handling shall be in a manner as to prevent its reaching surface waters or watercourses.

8. Neither treatment nor any use of reclaimed water shall cause pollution or nuisance.
9. The reclamation of wastes shall not result in problems due to breeding of mosquitos, gnats, midges, or other pests.
10. Reclaimed water shall not impart tastes, odors, color, foaming, or other objectionable characteristics to receiving groundwaters.
11. Reclaimed water which should affect receiving groundwaters shall not contain any substance in concentrations toxic to human, animal, or plant life.
12. Odors of waste origin shall not cause a nuisance.

D. Provisions

1. A copy of these specifications shall be maintained at the reclamation facility so as to be available at all times to operating personnel.
2. In the event of any change in control or ownership of land or waste treatment and reclamation facilities presently owned or controlled by the reclaimer, he shall notify this Board of such change and shall notify the succeeding owner or operator of the existence of this Order by letter, a copy of which shall be forwarded to this Board.
3. The reclaimer shall file with the Board technical reports on self-monitoring performed according to the detailed specifications contained in any Monitoring and Reporting Programs as directed by the Executive Officer.
4. The reclaimer shall submit to the Board within three months from the date of adoption of this Order a report demonstrating compliance with requirements specified in Chapter 3, Division 4, Title 22, California Administrative Code.
5. The reclaimer shall notify this Board by telephone within 24 hours of any violation of reclaimed wastewater use conditions or any adverse conditions as a result of the use of reclaimed water from this facility; written confirmation shall follow within one (1) week.
6. The reclaimer shall notify Board staff by telephone immediately of any confirmed coliform counts that could cause a violation of the 7-day median limit, or that exceed the applicable maximum effluent limit, including the date(s) thereof. This information shall be confirmed in the next monitoring report; in addition, for any actual coliform limit violations that occurred, the report shall also include the reasons for the high coliform results, the steps taken to correct the problem (including dates thereof), and the steps being taken to prevent a recurrence.

7. Supervisors and operators of this publicly owned water reclamation plant shall possess a certificate of appropriate grade as specified in California Administrative Code, Title 23, Chapter 3, Division 14, Sections 2455 and 2460.
8. For any extension of the reclaimed water system the reclaimer shall submit a report detailing the extension for the approval of the Executive Officer. Following construction, as-built drawings shall be submitted to the Executive Officer for approval prior to use of reclaimed water.
9. The reclaimer shall be responsible to insure that all users of reclaimed wastewater from this facility comply with the specifications and requirements for such use.
10. Order No. 76-66, adopted by this Board on April 26, 1976, is hereby rescinded.

I, Raymond M. Hertel, Executive Officer, do hereby certify that the foregoing is a full, true, and correct copy of an Order adopted by the California Regional Water Quality Control Board, Los Angeles Region, on July 27, 1981.


RAYMOND M. HERTEL, Executive Officer

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
LOS ANGELES REGION
MONITORING AND REPORTING PROGRAM NO. 6241
FOR
COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
(Pomona Water Reclamation Plant)
(File No. 54-70)

County Sanitation Districts of Los Angeles County shall implement this monitoring program beginning August 1, 1981. Monitoring reports shall be submitted to the Board monthly by the 15th day of the second following month. The first monitoring report under this program is due by October 15, 1981.

Values obtained for the NPDES monitoring report during periods of discharge to surface waters may be reported here in lieu of duplicate testing, if representative. However, non-NPDES self-monitoring reports shall be submitted separately from the NPDES monitoring reports. Quarterly monitoring shall be performed during the months of February, May, August, and November. If no water was delivered for reuse on any day, the report shall so state.

Each monitoring report must affirm in writing that:

All analyses were conducted at a laboratory certified for such analyses by the State Department of Health Services and in accordance with current EPA guideline procedures, or as specified in the Monitoring Program.

For any analysis performed for which no procedure is specified in the EPA guidelines or in this Monitoring Program, the constituent or parameter analyzed and the method or procedure used must be specified in the report.

I. Reclaimed Water Monitoring

A sampling station shall be established where representative samples of reclaimed water can be obtained. Reclaimed water samples may be obtained at a single station provided that station is representative of the quality at all discharge points. Each sampling station shall be identified. The following shall constitute the reclaimed water monitoring program:

Name	Units	Type of Sample	Minimum Frequency of Analysis
Flow ^{1/}	mgd	continuous	-----
Total chlorine residual ^{2/}	mg/l	continuous	-----
Turbidity ^{3/}	NTU	continuous	-----
BOD ₅ 20°C	mg/l	24-hour composite	weekly
Suspended solids	mg/l	24-hour composite	daily
pH	pH units	grab	daily
Settleable solids	ml/l	grab	daily
Coliform group ^{4/}	MPN/100ml	grab	daily
Total dissolved solids	mg/l	24-hour composite	monthly
Chloride	mg/l	24-hour composite	monthly
Sulfate	mg/l	24-hour composite	monthly
Boron	mg/l	24-hour composite	quarterly
Total nitrogen	mg/l	24-hour composite	monthly
Radioactivity	PCi/l	24-hour composite	quarterly

- 1/ The total volume reused each day shall be reported. In addition, the average daily quantity of reclaimed wastewater delivered to each user and his use(s) of the water shall also be reported.
- 2/ The maximum value recorded each day shall be reported.
- 3/ Required only for applications having a turbidity limit. The average value recorded each day and amount of time that 5NTU was exceeded each day shall be reported. Turbidity samples may be obtained anywhere in the treatment process subsequent to the filtration procedure.
- 4/ Samples shall be obtained at some point in the treatment process at a time when wastewater flow and characteristics are most demanding on the treatment facility and disinfection procedures. The location(s) of the sampling point(s) and any changes thereto must be approved by the Executive Officer, and proposed changes shall not be made until such approval has been granted. If reclaimed water is used for irrigation of golf courses, cemeteries, freeway landscapes, parks, playgrounds, schoolyards, or other areas where the public has similar access or exposure, samples shall be obtained subsequent to the chlorination procedure. Coliform values obtained must meet the

- 4/ the strictest requirements specified for all uses during periods of multiple use, unless separate coliform analyses are obtained at each particular point of use.

II. Reclaimed Water Reporting

1. Within 30 days of adoption of this Order the County Sanitation Districts of Los Angeles County shall submit to this Board a technical report concerning the location and complete description of each existing and/or proposed coliform sampling station, together with data to support the conclusion that said station is representative of entire flow at that point in the treatment process.
2. County Sanitation Districts of Los Angeles County shall submit to the Board within three months from the date of adoption of this Order a report describing contingency plans to be implemented in the event the treated effluent does not meet reclaimed water requirements at any time.
3. Within 30 days after adoption of this Order, County Sanitation Districts of Los Angeles County shall submit to this Board a report which:
 - a. certifies that supervising and operating personnel at Pomona Water Reclamation Plant possess certificates of appropriate grade, as required; or
 - b. contains details and a reasonable time schedule for obtaining such certificates.
4. Each monitoring report shall include:
 - a. A statement that all reclaimed water was used only as specified, and for uses specified, in requirements during the month.
 - b. Approximate acreage receiving reclaimed water.
 - c. The results of the reclaimed water monitoring.
 - d. Records of operational problem, plant and equipment breakdowns, and diversions to emergency storage or disposal associated with violations, or potential violations, of water reclamation or monitoring requirements.
 - e. All corrective or preventive action taken.
 - f. Name and location of each user of reclaimed water and to what use(s) the reclaimed water is put; if there are no changes from the previous monitoring report, a statement to that effect shall suffice.

Monitoring and Reporting Program

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5. The attached General Monitoring and Reporting Provisions shall be applicable to this Program.
6. If all or a portion of the water was not reclaimed during any month because of failure to meet requirements, the report shall so state and certify that the contingency plans, in accordance with Item II-2 of this Monitoring Program, were implemented.
7. If no water was delivered for reuse during the month, the report shall so state.

Ordered by Raymond M. Hertel
EXECUTIVE OFFICER

JUL 27 1981

Date _____

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
LOS ANGELES REGION
GENERAL MONITORING AND REPORTING PROVISIONS

1. All sampling, sample preservation, and analyses shall be performed in accordance with the latest edition of "Guidelines Establishing Test Procedures for Analysis of Pollutants", promulgated by the United States Environmental Protection Agency.
2. All chemical, bacteriological, and bioassay analyses shall be conducted at a laboratory certified for such analyses by the State Department of Health Services.
3. Effluent samples shall be taken downstream of any addition to the treatment works and prior to mixing with the receiving waters.
4. The discharger shall calibrate and perform maintenance procedures on all monitoring instruments and equipment to ensure accuracy of measurements, or shall ensure that both activities will be conducted.
5. A grab sample is defined as an individual sample collected in fewer than 15 minutes.
6. A composite sample is defined as a combination of no fewer than eight individual samples obtained over the specified sampling period. The volume of each individual sample is proportional to the discharge flow rate at the time of sampling. The sampling period shall equal the discharge period, or 24 hours, whichever period is shorter.
7. For every item where the requirements are not met, the discharger shall submit a statement of the actions undertaken or proposed which will bring the discharge into full compliance with requirements at the earliest time and submit a timetable for correction.
8. By March 1 of each year, the discharger shall submit an annual report to the Board. The report shall contain both tabular and graphical summaries of the monitoring data obtained during the previous year. In addition, the discharger shall discuss the compliance record and the corrective actions taken or planned which may be needed to bring the discharge into full compliance with the waste discharge requirements.
9. The discharger shall maintain all sampling and analytical results, including strip charts; date, exact place, and time of sampling; date analyses were performed; analyst's name, analytical techniques used; and results of all analyses. Such records shall be retained for a minimum of three years. This period of retention shall be extended during the course of any unresolved litigation regarding this discharge or when requested by the Board.

10. In reporting the monitoring data, the discharger shall arrange the data in tabular form so that the data, the constituents, and the concentrations are readily discernible. The data shall be summarized to demonstrate compliance with waste discharge requirements and, where applicable, shall include results of receiving water observations.
11. Monitoring reports shall be signed by:
 - a. In the case of corporations, by a principal executive officer at least of the level of vice-president or his duly authorized representative, if such representative is responsible for the overall operation of the facility from which the discharge originates;
 - b. In the case of a partnership, by a general partner;
 - c. In the case of a sole proprietorship, by the proprietor;
 - d. In the case of a municipal, state or other public facility, by either a principal executive officer, ranking elected official, or other duly authorized employee.
12. Each report shall contain the following completed declaration:

"I declare under penalty of perjury that the foregoing is true and correct.

Executed on the _____ day of _____ at _____.

(Signature)

(Title)"

13. The discharger shall mail a copy of each monitoring report to the following:

California Regional Water Quality
Control Board - Los Angeles Region
107 South Broadway, Room 4027
Los Angeles, CA 90012

ATTN: Executive Officer

14. If no flow occurred (or no waste was deposited) during the reporting period, the report shall so state.
15. These records and reports are public documents and shall be made available for inspection during business hours at the office of the California Regional Water Quality Control Board, Los Angeles Region. Records or reports which might disclose trade secrets, etc., may be excluded from this provision as provided in Section 13267 (b) of the Porter-Cologne Water Quality Control Act, if requested.

EXHIBIT G

Recycled Water Pricing Policy

ORDINANCE PRESCRIBING RATES FOR RECYCLED WATER PRODUCED BY OR THROUGH THE JOINT OUTFALL SYSTEM AND PROVIDING FOR THE COLLECTION OF SUCH CHARGES.

ON BEHALF OF THE JOINT OUTFALL SYSTEM, THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY ORDAINS AS FOLLOWS:

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PART 1 – GENERAL PROVISIONS

SECTION 1.1 - SHORT TITLE

This Ordinance will be known as the *Joint Outfall System Master Recycled Water Rate Ordinance* and may be cited as such.

SECTION 1.2 - PURPOSE

The purpose of this Ordinance is to impose charges for the use of Tertiary-Treated Recycled Water produced by the Water Reclamation Plants and to provide for collection of these charges.

SECTION 1.3 - AUTHORITY

The Districts are empowered to prescribe, revise, and collect fees, tolls, rates, rentals, or other charges for services and facilities furnished by it and to collect such charges pursuant to California Health and Safety Code Sections 4744 and 5471.

SECTION 1.4 - ADDITIONAL REVENUE

The revenue provided for by this Ordinance will be in addition to all revenue otherwise collected by or on behalf of the District, including, but not limited to, ad valorem taxes, federal and state grants and loans, bond revenue, contract revenue, investment income, annexation fees, connection fees, service charges, and industrial wastewater surcharges imposed under the Wastewater Ordinance.

SECTION 1.5 - ADMINISTRATION

The Chief Engineer will administer, implement, and enforce the provisions of this Ordinance.

SECTION 1.6 - VALIDITY

If any court holds any part, section, subsection, paragraph, sentence, clause, or phrase of this Ordinance to be illegal, invalid, or unconstitutional for any reason, that decision will not affect the legality, validity, or constitutionality of the remainder of this Ordinance. The Board of Directors declares that it would have adopted each provision of this Ordinance irrespective of the validity of any other provision.

SECTION 1.7 - RESERVED

SECTION 1.8 - EFFECTIVE DATE

This Ordinance becomes effective 30 days after its adoption.

PART 2 – DEFINITIONS

This Ordinance will be construed according to the following definitions:

SECTION 2.1 - BOARD OF DIRECTORS

Board of Directors means the Board of Directors of County Sanitation District No. 2 of Los Angeles County.

SECTION 2.2 - CHIEF ENGINEER

Chief Engineer means the Chief Engineer and General Manager of County Sanitation District No. 2 of Los Angeles County or their designee.

SECTION 2.3 - DISTRICT

District means County Sanitation District No. 2 of Los Angeles County.

SECTION 2.4 - DISTRICTS

Districts means the collective parties' signatory to the most recently adopted Joint Outfall Agreement and forming the Joint Outfall System (JOS).

SECTION 2.5 - FISCAL YEAR

Fiscal year means the 12-month period beginning on July 1 and ending on June 30 of the following calendar year.

SECTION 2.6 - JOINT OUTFALL AGREEMENT

Joint Outfall Agreement means the *Joint Outfall Agreement* effective July 1, 2022, and as thereafter amended.

SECTION 2.7 - NOTICE OF CHARGES

Notice of charges means a written statement prepared by the Chief Engineer setting forth all charges, including any penalty and interest, incurred pursuant to this Ordinance.

SECTION 2.8 - PRIME INTEREST RATE

Prime interest rate means the base rate on corporate loans posted by at least 75 percent of the nation's thirty largest banks as published in *The Wall Street Journal* or, if not reported in such newspaper, as reported in such other source as may be selected by the Chief Engineer.

SECTION 2.9 - RECYCLED WATER RATE

Recycled Water Rate means the calculated rate as defined in Section 3.4 of this Ordinance.

SECTION 2.10 - RECYCLED WATER CHARGES

Recycled Water Charges means the calculated charges as defined in Section 3.3 of this Ordinance.

SECTION 2.11 - RECYCLED WATER RATE ORDINANCE

Recycled Water Rate Ordinance means the most recent version of *An Ordinance Prescribing Recycled Water Rates for the Joint Outfall System*.

SECTION 2.12 - TERTIARY-TREATED RECYCLED WATER

Tertiary-Treated Recycled Water means recycled water produced from any of the Water Reclamation Plants as defined in Section 2.14.

SECTION 2.13 - USER

User means any person or entity who has voluntarily entered into a contract to receive Tertiary-Treated Recycled Water from the Districts for purposes other than direct or indirect potable reuse.

SECTION 2.14 - WATER RECLAMATION PLANTS

Water Reclamation Plants means the Long Beach, Los Coyotes, Pomona, San Jose Creek, and Whittier Narrows Water Reclamation Plants.

PART 3 – CHARGES

SECTION 3.1 - PRICING POLICY

The Districts, by this Ordinance, intend to establish a fair and equitable price for the sale of recycled water. Tertiary-Treated Recycled Water Users save costs by purchasing recycled water at a price that is generally less than alternative water supplies, and Districts' ratepayers save money because revenues from recycled water sales are used to offset the charges for wastewater treatment.

SECTION 3.2 - IMPOSITION OF CHARGES

Use of Tertiary-Treated Recycled Water from the Water Reclamation Plants is voluntary and restricted to Users who have elected to enter into a contract to receive Tertiary-Treated Recycled Water from the Districts. Any User of Tertiary-Treated Recycled Water shall comply with the terms of their contract including the payment of Recycled Water Charges as defined in each contract.

SECTION 3.3 - CALCULATION OF THE RECYCLED WATER CHARGE

The Recycled Water Charge will be based on use and will equal the product of the recycled water rate (as determined in Section 3.4) and the total recycled water used during each fiscal year as determined in accordance with each User's recycled water contract.

SECTION 3.4 - DETERMINATION OF THE RECYCLED WATER RATE

The Recycled Water Rate will be determined in the following manner:

- (1) The Chief Engineer will first determine unit cost for operation and maintenance of the Water Reclamation Plants by taking the total operation and maintenance costs of producing Tertiary-Treated Recycled Water from the Water Reclamation Plants and dividing those total costs by the number of acre-feet of treated effluent produced from the Water Reclamation Plants. (“**Unit Cost**”)

- (2) Next the Chief Engineer will determine the recycled water rate percentage. This percentage represents a discount on the full Unit Cost to encourage use of Tertiary-Treated Recycled Water in recognition of the additional costs incurred by Users attributed to the use of Recycled Water compared to potable water and, as of the effective date of this Ordinance, is set at 30 percent. (“**Recycled Water Rate Percentage**”)
- (3) The Recycled Water Rate will be the Unit Cost from (1) above multiplied by the Recycled Water Rate Percentage from (2) above.

PART 4 – COLLECTION OF RECYCLED WATER CHARGES

SECTION 4.1 - COLLECTION AND PAYMENT OF RECYCLED WATER CHARGE

Recycled Water Charges payable by Users are due upon service of notice of charges. The Recycled Water Charges shall be paid to the District either in person at the Joint Administration Office of the Los Angeles County Sanitation Districts, located at 1955 Workman Mill Road, Whittier, California, by mailing the appropriate payment to the Los Angeles County Sanitation Districts, P.O. Box 4998, Whittier, California 90607-4998 or using any other approved method.

SECTION 4.2 - PENALTY AND INTEREST CHARGES FOR DELINQUENT RECYCLED WATER CHARGES

Unpaid charges shall become delinquent 45 days after mailing or personal service of notice of charges. A basic penalty charge of 10 percent of any unpaid amount shall be added to any charge that becomes delinquent. Additional penalties and interest will accrue on the total of all delinquent charges and the basic penalty at three percent over the Prime Interest Rate in effect at the beginning of fiscal year during which the charges were initially due, not to exceed the maximum allowed by law.

SECTION 4.3 - MANNER OF PAYMENT

The Chief Engineer shall determine the manner in which Recycled Water Charges may be paid. If a manner of payment requires the Districts to pay a transaction fee, the User shall pay the transaction fee to the Districts as an additional charge.

ATTEST:

Clerk, Board of Directors
County Sanitation District No. 2
of Los Angeles County

Chairperson, Board of Directors
County Sanitation District No. 2
of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of County Sanitation District No. 2 of Los Angeles County on December 13, 2023 by the following vote:

AYES: Directors Taj, Saleh, Barcena, Koops, Barrows, Argumedo, Sharif, McOsker, Torres, Lutz, Ding, Avalos, Merlo, Solis and Warner

NOES: None

ABSTAIN: None

ABSENT: Directors Maza, Frometa, Richardson, Sanchez, Valencia, and Aguayo

Secretary of the Board of Directors
County Sanitation District No. 2
of Los Angeles County

EXHIBIT H

District's Requirements for Recycled Water Users

**Requirements for Recycled Water Users
County Sanitation Districts of Los Angeles County
Joint Outfall System and Santa Clarita Valley Sanitation District**

Introduction

These Requirements for Recycled Water Users (Requirements) establish regulations pertaining to the administration of waste discharge requirements (WDRs) issued to the County Sanitation Districts of Los Angeles County (Districts) pursuant to California Water Code (Water Code) section 13263, water reclamation requirements (WRRs) issued pursuant to section 13523, or master reclamation permits (Master Permits) issued pursuant to section 13523.1 by the California Regional Water Quality Control Board, Los Angeles Region (LARWQCB). The Requirements are in conformance with Ordinances adopted by County Sanitation District No. 2 of Los Angeles County for the Joint Outfall System¹ (District No. 2), and by the Santa Clarita Valley Sanitation District of Los Angeles County (Santa Clarita Valley District).

Background

The California Water Code (Water Code) section 13523.1(a) authorizes the issuance of Master Permits to suppliers or distributors, or both, of recycled water in lieu of issuing individual water reclamation requirements to each recycled water user. Water Code section 13523.1(b) sets forth the requirements for Master Permits issued by the Regional Water Quality Control Boards (RWQCBs), including a condition that the permittee establish and enforce rules or regulations for recycled water users, governing the design and construction of recycled water use facilities and the use of recycled water, in accordance with the uniform statewide recycling criteria established pursuant to Water Code section 13521.

Master Permits have been adopted by the LARWQCB for the following Districts' Water Reclamation Plants (WRPs): Long Beach WRP (Order No. 97-07206), Los Coyotes WRP (Order No. 97-07204), Whittier Narrows WRP (Order No. 97-07208), San Jose Creek WRP (Order No. 97-07207), Pomona WRP (Order No. 97-07201), Saugus WRP (Order No. 97-07202), and Valencia Water WRP (Order No. 97-07205). Should the LARWQCB issue individual WDRs or WRRs to the Districts for the use of tertiary recycled water for non-potable reuse applications, it is the Districts' intent that the Requirements established herein will apply to those uses. These Requirements may be updated, as necessary, to comply with revisions to these Permits or applicable laws and regulations.

Findings

The Requirements are in conformance with the following:

- Provisions established by the WDRs, WRRs, or Master Permits issued by the LARWQCB to the Districts.
- Applicable portions of the California Water Code, including Water Code section 13523.1.
- Applicable portions of the California Health and Safety Code.

¹ Ownership and operation of the Joint Outfall System is proportionally shared among the signatory parties to the amended Joint Outfall Agreement effective July 1, 1995. These parties include County Sanitation Districts of Los Angeles County Nos. 1, 2, 3, 5, 8, 15, 16, 17, 18, 19, 21, 22, 23, 28, 29, and 34, and South Bay Cities Sanitation District of Los Angeles County.

- California Code of Regulations (CCR), Title 22, Division 4, Chapter 3, Uniform Statewide Reclamation Criteria.
- CCR, Title 17, Division 1, Chapter 5, Subchapter 1, Group 4, Article 1 & 2.
- Regulations established by the County of Los Angeles Department of Public Health (LACDPH) or any other applicable local health department for the use of recycled water.

The Requirements are consistent with the following:

- The *Guidelines for the Preparation of an Engineering Report for the Production, Distribution and Use of Recycled Water*, California Department of Public Health (CDPH).
- Any measures that are deemed necessary for protection of public health, such as the American Water Works Association (AWWA) California/Nevada Section, *Guidelines for Distribution of Non-Potable Water* and *Guidelines for the On-Site Retrofit of Facilities Using Disinfected Tertiary Recycled Water* or alternate measures that are acceptable to CDPH.
- Relevant user manuals such as the Los Angeles County Recycled Water Advisory Committee's, 2005, *Recycled Water User Manual*.
- Relevant guidance issued by LACDPH for the use of recycled water.

The effective date of the Requirements is July 1, 2008.

Requirements For Recycled Water Users

1. Definitions that Apply to these Requirements.

- 1.1. Authorized Recycled Water Use Site (Site) is a site authorized for use of recycled water; the uses of recycled water and the site location must comply with Permits as issued by the LARWQCB to the Districts.
- 1.2. Direct User is any person to whom the Districts directly distributes recycled water under the Permits issued to the Districts by the LARWQCB.
- 1.3. Dual Plumbed System or Dual Plumbed means a system that utilizes separate piping systems for recycled water and potable water within a facility and where the recycled water is used to serve plumbing outlets (excluding fire suppression systems) within a building or to serve outdoor landscape irrigation at individual residences.
- 1.4. Incidental Runoff is any small amount of recycled water that leaves the Site as a result of over-spray or leakage from sprinklers, over watering, breaks in lines, or overflow of impoundments that contain recycled water during storms.
- 1.5. Master Reclamation Permit (Master Permit) contains requirements established for the Districts by the LARWQCB pursuant to Water Code section 13523.1.
- 1.6. Permit means any LARWQCB issued WDR, WRR, or Master Permit.
- 1.7. Person is any individual, partnership, corporation, governmental subdivision or unit of a governmental subdivision, or public or private organization or entity of any character.
- 1.8. Purveyor is any public, private, investor-owned, or other water utility that is legally permitted to distribute water and that obtains recycled water from the Districts for distribution to Users.
- 1.9. Recycled water is water produced by a municipal water reclamation facility that is suitable for a beneficial use.
- 1.10. User is any person to whom the Districts distribute recycled water under the Permits issued to the Districts by the LARWQCB, including end users to whom recycled water is

conveyed through an intermediate party. User does not include persons who have been independently issued Permits by the LARWQCB.

- 1.11. User Agreement is a contractual agreement between the User and/or Purveyor and the Districts that establishes the conditions for recycled water service and use.
- 1.12. Waste Discharge Requirements (WDRs) are requirements established for the Districts by the LARWQCB pursuant to Water Code section 13263.
- 1.13. Water Recycling Criteria are the criteria established by CDPH generally dealing with the levels of constituents in recycled water and the means for assurance of reliability under the design concept, which will result in safe recycled water from the standpoint of public health. The criteria are established pursuant to Water Code Section 13521, and are contained in the CCR, Title 22, Division 4, Chapter 3; also referred to as the "Uniform Statewide Reclamation Criteria".
- 1.14. Water Recycling Requirements (WRRs) are requirements established for the Districts by the LARWQCB pursuant to Water Code section 13523.

2. Applicability.

- 2.1. Unless otherwise stated, these Requirements shall apply to any and all Users to whom the Districts distribute tertiary recycled water, either directly or through an intermediate party. These Requirements shall also apply to Purveyors that act as intermediate parties in delivering recycled water to Users. User does not include persons who have been independently issued Permits by the LARWQCB.
- 2.2. These Requirements do not apply to the Districts, when the Districts are both the Purveyor and/or the User, receiving WDRs or WRRs issued by the LARWQCB for the use of tertiary recycled water.

3. General Requirements.

- 3.1. Use of recycled water must comply with all applicable state laws, regulations, Districts' Permits, and any amendments thereto, the Ordinances, and these Requirements.

4. General Prohibitions.

- 4.1. Use of recycled water for any purposes other than those explicitly approved in the effective User Agreement is strictly prohibited.
- 4.2. The User shall insure that the treatment, storage, distribution, and use of recycled water shall not create a nuisance as defined in Water Code section 13050(m).
- 4.3. The User shall not discharge recycled water from treatment facilities, irrigation holding tanks, storage ponds, or other containment, other than for permitted reuse, except in accordance with other LARWQCB issued Permits, contingency plans authorized by the LARWQCB, or for an approved discharge to a municipal sewage treatment system.

5. Process to Obtain Permission to Use Recycled Water.

- 5.1. Except as provided by the Ordinances, any Direct User or Purveyor who wishes to receive recycled water produced by the Districts must enter into a User Agreement with District No. 2 or Santa Clarita Valley District depending on the location of the reuse project before the use of recycled water can begin. The User Agreement shall include the Districts' terms and conditions for the use of recycled water.

- 5.2. Any User who wishes to directly receive recycled water produced by the Districts (Direct User) must file a User Application Form (Application) with the Districts and receive approval in writing from the Districts before the use of recycled water can begin.
 - 5.2.1. Any Direct User that utilizes recycled water on or before the effective date of these Requirements for an authorized use at a Site is exempt from filing an Application for that site until such time as:
 - 5.2.1.1. The Direct User receives a written request from the Districts.
 - 5.2.1.2. The Direct User intends to modify the existing use, add a new authorized use, or make modifications to the Site. In this case, the Direct User must file an Application with the Districts and receive approval before the use of recycled water can begin for that use and Site.
 - 5.2.1.3. A Direct User that is exempt from filing an Application must provide documentation to the Districts that the Site Supervisor has received training and must submit to the Districts an Emergency Cross-Connection Response Plan.
 - 5.2.2. Any Direct User that intends to utilize recycled water after the effective date of these Requirements for an authorized use at a Site must file an Application with the Districts and receive approval before the use of recycled water can begin for that use and Site.
- 5.3. Any Purveyor with a User who wishes to receive recycled water produced by the Districts through that Purveyor must file an Application with the Districts and receive approval in writing from the Districts before the use of recycled water can begin.
 - 5.3.1. Any Purveyor with a User that utilizes recycled water on or before the effective date of these Requirements for an authorized use at a Site is exempt from filing an Application for that site until such time as:
 - 5.3.1.1. The Purveyor or User receives a written request from the Districts.
 - 5.3.1.2. The Purveyor or User intends to modify the existing use, add a new authorized use, or make modifications to the Site. In this case, the Purveyor must file an Application with the Districts and receive approval before the use of recycled water can begin for that use and Site.
 - 5.3.1.3. A Purveyor that is exempt from filing an Application must provide documentation to the Districts that the Site Supervisor for each site has received training and must submit to the Districts an Emergency Cross-Connection Response Plan for each site.
 - 5.3.2. Any Purveyor with a User that intends to utilize recycled water after the effective date of these Requirements for an authorized use at a Site must file an Application with the Districts and receive approval before the use of recycled water can begin for that use and Site.
- 5.4. The Application filed by the Direct User or Purveyor shall include:
 - 5.4.1. A detailed description of the proposed Site with: (a) a map showing the specific boundaries of the proposed Site; (b) the name of the person designated as the Site Supervisor and contact information; (c) evidence that the Site Supervisor has received appropriate training from the Districts or an equivalent training program or the date by which training will occur prior to delivery of recycled water such that the Site is operated and maintained in compliance with applicable laws and regulations,

the Districts' Permits, and these Requirements; and (d) the specific use to be made of the recycled water at each Site.

- 5.4.2. Plans and specifications describing: (a) proposed piping systems to be used; (b) pipe locations for both recycled water and potable water systems; (c) type and location of the outlets and plumbing fixtures that will be accessible to the public; and (d) the methods and devices to be used to prevent backflow of recycled water into the potable water system.
- 5.4.3. Emergency Cross-Connection Response Plan in accordance with the guidelines established by LACDPH or local health department or the date by which the Emergency Cross-Connection Response Plan will be submitted prior to delivery of recycled water.

6. Operational Requirements.

- 6.1. Each User shall designate a Site Supervisor who is responsible for the recycled water system at Site(s) under the User's control. Specific responsibilities of the Site Supervisor include the proper installation, operation, and maintenance of the recycled water system; compliance with the Districts' Permits, applicable laws and regulations, local health department guidelines, and these Requirements; prevention of potential hazards; coordination with the cross-connection control program in accordance with CCR, Title 17 and LACDPH or local health department guidelines; and preservation of the recycled water system in "as-built" form.
- 6.2. The Site Supervisor shall receive appropriate training to assure proper operation of recycled water facilities, worker protection, and compliance with all applicable laws and regulations, the Districts' Permits, and these Requirements.
- 6.3. The Site Supervisor shall instruct any person at the Site involved with the use of recycled water on its proper use and precautions.
- 6.4. All recycled water facilities and control systems shall be maintained in good working order and operated as efficiently as possible to achieve compliance with all applicable laws and regulations, the Districts' Permits, and these Requirements.
- 6.5. Except as allowed under CCR, Title 17, section 7604, no physical connection shall be made nor shall a connection be allowed to exist between any recycled water system and potable water system.
- 6.6. A cross-connection test shall be performed as necessary to ensure the absolute separation of the recycled water system and potable water system, in accordance with the requirements of LACDPH or local health department.
 - 6.6.1. A cross-connection test shall be performed following any significant modifications to the recycled water system or potable water system, construction of new buildings, or any activity that may impact, or has impacted these systems.
 - 6.6.2. An initial cross-connection test shall be performed to determine if there are any unknown connections between potable piping and existing piping to be used for recycled water prior to construction of retrofit work.
 - 6.6.3. Prior to connection with the recycled water system, a final cross-connection test shall be performed to verify that construction of retrofit work was performed correctly.
 - 6.6.4. For dual plumbed systems, prior to the initial operation and annually thereafter, the dual plumbed system within each facility and Site shall be inspected for possible cross-connections with the potable water system.

- 6.6.4.1. The recycled water system shall be tested for possible cross-connections at least once every four (4) years.
 - 6.6.4.2. Cross-connection inspection and testing of dual plumbed systems shall be reported pursuant to Section 9.4.
 - 6.6.5. Cross-connection testing shall be performed by a specialist who has been certified by AWWA or a group with equivalent certification requirements.
- 6.7. The potable water supply shall not be used as a backup or supplemental source of water for a recycled water system unless the connection between the two systems is protected by an air gap separation which complies with the requirements of CCR, Title 17, section 7602, Subdivision (a) and CCR, Title 17, section 7603, Subdivision (a), and that such connection has been approved by CDPH and/or its delegated local agency.
- 6.8. Any backflow prevention device installed to protect the potable water system shall be annually inspected and maintained in accordance with CCR, Title 17, section 7605.
 - 6.8.1. Backflow inspections shall be conducted by a person who has demonstrated competency in testing to the User, Purveyor, and/or LACDPH or local health department.
- 6.9. Hose bibbs shall not be used in the recycled water system, except in the recycled water system for Sites for which there is restricted public access. Quick couplers that are different from that used on the potable water system may be used in place of hose bibbs.
- 6.10. All recycled water piping and appurtenances in new installations and appurtenances in retrofit installations shall be colored purple or distinctively marked with purple tape in accordance with Health and Safety Code section 116815 and LACDPH or local health department requirements.
- 6.11. All Sites shall be designed and operated to prevent direct human consumption of recycled water or use of recycled water for processing of food or drink intended for human consumption.
 - 6.11.1. Where recycled water could potentially be accessed for human consumption, conspicuous signs shall be posted that include the wording "RECYCLED WATER – DO NOT DRINK".
 - 6.11.1.1. Each sign shall display an international symbol similar to that shown in CCR, Title 22, section 60310, Subdivision (g), Figure 60310-A.
 - 6.11.1.2. The sign(s) shall be of a size easily readable by the public (no less than 4 inches high by 8 inches wide).
 - 6.11.1.3. The prescribed wording included on the sign(s) should be translated into Spanish and any other appropriate languages.
- 6.12. Sites shall be designed and operated to prevent water spray, mist, or surface flow from leaving the Site or reaching: (a) any perennial surface waters located adjacent to the Site; (b) dwellings, designated outdoor eating area, or food handling facilities; or (c) drinking fountains unless specifically protected with a shielding device.
- 6.13. The application of recycled water shall be discontinued during precipitation events that are of sufficient magnitude to generate surface flow or significant ponding within the Site.

- 6.14. Irrigation with recycled water shall occur during periods of minimal human use of the irrigated area and timing of irrigation shall allow an adequate dry-out time of the irrigated area before use by the public.
- 6.15. Irrigation with disinfected tertiary recycled water shall not take place within 50 feet of any domestic water supply well.
- 6.16. Irrigation with disinfected tertiary recycled water shall not take place within 50 feet of any uncovered reservoir or stream currently used as a source of domestic water.
- 6.17. Impoundment of disinfected tertiary recycled water shall not occur within 100 feet of any domestic water supply well.
- 6.18. All recycled water impoundments shall be adequately protected from erosion, washout, and flooding from a 24-hour rainfall event having a predicted frequency of once in 100 years.
- 6.19. Any storage facility or impoundment containing recycled water for reuse applications shall be managed in a manner to control odors, nuisance conditions or vectors such as mosquitoes. Should such problems develop, a management plan shall be devised and implemented to monitor, correct, and control future occurrences.
- 6.20. Recycled water shall be applied at such a rate and volume as not to exceed vegetative demand and soil moisture conditions.
- 6.21. Nitrogen fertilizer shall only be applied to the Site if levels of nitrogen in the recycled water are not sufficient for plant growth.
- 6.22. Vehicles used for distributing recycled water for soil compaction and dust control or other uses shall have an adequate tank and plumbing system to ensure that leaks and ruptures will not occur in the course of normal use.
 - 6.22.1. Control valves shall be provided and configured such that recycled water can be applied on the Site in a controlled fashion and completely retained during transit to all other Sites.
 - 6.22.2. Spray heads or nozzles shall be provided and configured such that the recycled water is applied on the Site to prevent runoff, ponding, or windblown spray conditions.
 - 6.22.3. Each tank shall be equipped with an approved air-gap separation between the filler tube and the tank to prevent back-siphonage.
 - 6.22.4. Each tank used to store and/or transport recycled water must be flushed and disinfected prior to storage and/or transport of potable water or recycled water of better quality.
 - 6.22.5. The vehicle shall be clearly labeled in accordance with Section 6.11.1.

7. Site Inspections and Site Access.

- 7.1. The Purveyor shall conduct periodic site inspections and prepare a report for each site inspection pursuant to Section 9.5.
 - 7.1.1. Site inspections must be conducted at a minimum once every three (3) years per site or more frequently at the request of the Districts.

7.1.2. In the event of identification of violation(s) during site inspections, notification shall be provided pursuant to Section 9.6 and corrective actions must be taken pursuant to Section 8.1.

7.2. The User shall allow an authorized representative of the following agencies the right to enter, inspect the Site, and conduct testing upon presentation of proper credentials: the Districts, LARWQCB, CDPH, and LACDPH or local health department.

7.3. In cooperation with the User and/or Purveyor, the Districts will make periodic inspections of the Site.

8. Corrective Action.

8.1. The Site Supervisor must immediately initiate corrective action to eliminate violation of any applicable laws or regulations, the Districts' Permits, or these Requirements and make the appropriate notifications pursuant to Section 9.8.

8.1.1. Verification of corrective action must be made by the Purveyor or Direct User and reported to the Districts pursuant to Section 9.8.1.

8.2. In the event of contamination of a potable water system due to a cross-connection with the recycled water system, the Site Supervisor shall immediately invoke the Emergency Cross-Connection Response Plan and make the appropriate notifications pursuant to Section 9.1.

9. Notifications and Reporting.

Public Health

9.1. Upon being notified or determining that one of the following events has occurred, the Site Supervisor shall immediately notify the Districts by telephone, and CDPH, and LACDPH or the local health department, if applicable, by telephone or electronic means. Written confirmation must be provided to all agencies within three (3) business days from the date of notification.

9.1.1. There is a complaint (or other source of information) concerning recycled water use that may involve illness.

9.1.2. The potable water system has been contaminated due to a cross-connection with recycled water.

Spills or Unauthorized Discharges

9.2. Upon being notified or determining that an unauthorized discharge of more than 50,000 gallons of tertiary recycled water has occurred, the Site Supervisor shall immediately notify the Districts by telephone, and the LARWQCB and LACDPH or the local health department, if applicable, by telephone or electronic means. Written confirmation must be provided to all agencies within three (3) business days from the date of notification.

9.2.1. Information provided shall include the date and time the spill began and ended, the location of the spill, if the spill entered a storm drain or receiving water, the estimated volume of the spill or flow if the spill is ongoing, the estimated time of repair, the cause of the spill, the agencies involved with repair and clean-up, and corrective actions taken or plans for corrective actions.

9.3. Upon being notified or determining that a spill or other release of recycled water from a Site, other than incidental runoff, has occurred, including, but not limited to, breaks in the recycled water irrigation or distributions systems, the Site Supervisor shall immediately

notify the Districts by telephone. Written confirmation must be provided within three (3) business days from the date of notification.

- 9.3.1. Information provided shall include the date/time the spill began and ended, the location of the spill, if the spill entered a storm drain or receiving water, the estimated volume or flow if the spill is ongoing, the estimated time of repair, cause of the spill, agencies involved with repair and clean-up, and corrective actions taken or plans for corrective actions.

Cross-Connection Testing

- 9.4. The Site Supervisor shall submit a written report documenting the result of the cross-connection inspections and tests conducted for dual-plumbed systems to CDPH within thirty (30) days following completion of the test.

Site Inspections

- 9.5. The site inspection report shall be signed and dated by the Site Supervisor and the inspector, and provided to the Districts within thirty (30) days following the end of the quarter in which the site inspection was conducted.
- 9.6. The inspector shall immediately notify the Site Supervisor of violation(s) identified during site inspections and what corrective actions must be taken.
- 9.7. The Purveyor or User shall notify the Districts by electronic means at least one (1) week prior to conducting a site inspection.

Noncompliance with Regulations

- 9.8. The Site Supervisor shall notify the Districts by telephone or electronic means upon knowledge of any noncompliance of applicable laws and regulations, the Districts' Permits, and these Requirements. Written confirmation shall be provided within three (3) business days from the date of notification.
 - 9.8.1. The Purveyor or Direct User shall provide written verification to the Districts within ninety (90) days from the date of knowledge of the violation that corrective actions have been made.

Miscellaneous

- 9.9. If someone other than the User is responsible for applying the recycled water (e.g., a truck hauler), then the User shall inform them of these Requirements in a written permit or other suitable manner.
- 9.10. The Site Supervisor is required to provide the Districts with an address and phone number(s) where he or she can be contacted at all times. The Site Supervisor is responsible for maintaining current pertinent information regarding the Site and Districts' contacts.
- 9.11. The Districts shall be notified in writing of any proposed changes in the individual designated as the Site Supervisor in writing.
- 9.12. The Districts shall be notified in writing of any planned modifications or additions to the recycled water system. Any proposed significant modifications or additions to the recycled water system shall be reviewed and approved by the Districts before being made.

- 9.13. The User or Purveyor shall provide information as requested by the Districts in order for the Districts to comply with the Monitoring and Reporting Requirements issued by the LARWQCB.

10. Record Keeping.

- 10.1. Current as-built drawings and other design plans of the recycled water system and potable water system and any forms or reports as required by the Districts including, but not limited to, site inspection reports, cross-connection tests, etc. shall be maintained by the Site Supervisor or Purveyor.
- 10.2. A copy of these Requirements, the Emergency Cross-Connection Response Plan, and the Districts' Permits shall be maintained by the Site Supervisor so that they are available to operating personnel at all times.
- 10.3. For each Site, the Site Supervisor or Purveyor must keep operation and maintenance logs that are available to the Districts. The logs shall include information specified by the Districts in the approval letter, such as the monthly volumes of recycled water used at each Site and the dates of site inspections, and cross-connection and backflow prevention testing.

EXHIBIT I

Sample Calculation of Capacity Charge

To determine the Capacity Charge, the Upper Portion Pipeline purchase price and the Replacement Costs, as well as any invoice credits provided to Walnut Valley by the District for abandonment work conducted per Section 7.11, are to be amortized over the term of this Agreement at the Long Term Applicable Federal Rate, based on annual compounding, that is in effect for the month in which Walnut Valley records the Bill of Sale for the Upper Portion Pipeline. The resulting annualized cost shall be apportioned between the District and Walnut Valley each fiscal year based on the average proportionate usage of the Upper Portion Pipeline during that fiscal year and the two (2) previous fiscal years. Below is a sample calculation of the Capacity Charge. The actual calculation will differ based on actual usage and the actual date in which Walnut Valley records the Bill of Sale, as noted below.

Walnut Valley's Upper Portion Pipeline Costs = Upper Portion Pipeline Purchase Price + Upper Portion Pipeline Replacement Costs – Upper Portion Pipeline Abandonment Invoice Credit

Upper Portion Pipeline Purchase Price = \$642,891

Upper Portion Pipeline Replacement Costs:

Segment under the railroad bridge adjacent to the Plant (2008) = \$577,857.45

Segment along Valley Boulevard (2012) = \$512,413.04

Upper Portion Pipeline Abandonment Invoice Credit = \$127,000*

= \$642,891 + (\$577,857.45 + \$512,413.04) – \$127,000 = \$1,605,661.49*

Long Term Applicable Federal Rate (June 2024*) = 4.79%

Term of the Agreement = 25 year

Capital Recovery Factor for 25 years at 4.79% = 0.0695*

Annualized Cost = Walnut Valley Upper Portion Pipeline Costs × Capital Recovery Factor

= \$1,605,661.49 × 0.0695 = \$111,593.47*

Gravity Line Flows

Fiscal Year	Walnut Valley	District**	Total
FY 20-21	1361.78	86.19	1447.97
FY 21-22	1552.18	80.89	1633.07
FY 22-23	1255.71	51.91	1307.62
3 FY Average	1389.89	73.00	1462.89
Proportionate Usage	95%	5%	

**Includes all recycled water usage at the Spadra Site from both the District and Cal Poly.

Estimated District's Capacity Charge (FY22-23) = Annualized Cost × District's Proportionate Usage

= \$111,593.47 × 0.05 = \$5,579.67

*Subject to change

EXHIBIT J

Application for Recycled Water Use



Date:	Site/Project Name:
Site Location (address, city):	
Type of site or development:	
Proposed use of recycled water (e.g., irrigation, dust control, street sweeping, etc.):	
Area of recycled water use (in acres or square feet):	
Requested recycled water service start date:	
Estimated water requirements (in acre-feet per year, gallons per day, etc.):	
Average peak demand (in gallons per minute):	
Water purveyor:	
Recycled Water User:	
Contact:	
Title:	
Phone:	
Email:	
Site Supervisor:	
Title:	Phone:
Date of training:	Mobile phone:
Address:	Email:
Back-up contact:	
Title:	Phone:
Address:	Mobile phone:
	Email:

Please include the following items with this application:		
1	Plan Check approval from local health department (e.g., L.A. County, Long Beach City, etc.).	<input type="checkbox"/> included <input type="checkbox"/> n/a
2	A map showing the specific boundaries of the proposed Site(s). For irrigation sites, include the total area (in acres or square feet) to be irrigated with recycled water.	<input type="checkbox"/> included <input type="checkbox"/> n/a
3	Evidence that the Site Supervisor has received the appropriate and sufficient training (or the date when training will occur prior to delivery of recycled water).	<input type="checkbox"/> included <input type="checkbox"/> n/a Date:
4	Design plans and specifications that include the type and location of the outlets and plumbing fixtures that will be accessible to the public.	<input type="checkbox"/> included <input type="checkbox"/> n/a
5	The methods and devices to be used to prevent backflow of recycled water into the potable water system.	<input type="checkbox"/> included <input type="checkbox"/> n/a
6	A copy of the Emergency Cross-Connection Response Plan or the date by which it will be submitted (prior to delivery of recycled water).	<input type="checkbox"/> included <input type="checkbox"/> n/a Date:
7	A copy of a Recycled Water System Operation & Maintenance Manual or the date by which it will be submitted.	<input type="checkbox"/> included <input type="checkbox"/> n/a Date: