ORDINANCE NO. 19

AN ORDINANCE OF CALLEGUAS MUNICIPAL WATER DISTRICT COVERING THE RULES AND REGULATIONS FOR USE OF THE SALINITY MANAGEMENT PIPELINE

WHEREAS, Calleguas Municipal Water District (the "District") is a public agency and special district created in 1953 by a vote of the electorate and organized pursuant to the Municipal Water District Act of 1911, as amended; and

WHEREAS, the District has constructed the Salinity Management Pipeline (the "SMP") for the purposes of facilitating the development of local water supplies to enhance water supply reliability, protecting the Las Posas Aquifer Storage and Recovery wellfield from salts intrusion, and assisting in bringing the Las Posas Basin to safe yield; and

WHEREAS, the District is committed to operating and maintaining the SMP for its long-term water quality and water supply benefits to the District's purveyors, the basin, and others; and

WHEREAS, the Board of Directors finds that these requirements are for the purpose of meeting operation and construction expenses and complying with permit conditions for protection of the environment, and are therefore exempt from requirements of the California Environmental Quality Act;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CALLEGUAS MUNICIPAL WATER DISTRICT AS FOLLOWS:

SECTION 1. <u>AUTHORITY</u>. That, subject to all applicable provisions of the Municipal Water District Act of 1911, as amended, the following rules, regulations, and rate structures governing the use of the SMP are hereby adopted and shall become effective on the date adopted by the Board of Directors.

SECTION 2. DEFINITIONS.

- A. "Board of Directors" or "Board" shall refer to the Board of Directors of the Calleguas Municipal Water District.
- B. "Brine" is concentrate produced by the membrane treatment process of Groundwater, Potable Water, or Recycled Water.
- C. "California Ocean Plan" shall be the version of the Water Quality Control Plan, Ocean Waters of California, currently adopted by the State Water Resources Control Board.
- D. "Discharger" is any person or entity that discharges to the SMP.

- E. "District" shall mean the Calleguas Municipal Water District, duly organized under and by virtue of the Municipal Water District Act of 1911, as amended.
- F. "General Manager" shall refer to the General Manager of the Calleguas Municipal Water District.
- G. "Groundwater" is water extracted from within geologic deposits beneath the earth's surface, typically via a well.
- H. "High Flow Charge" is a charge applied when a Discharger's discharge at a given Service Connection exceeds the established maximum rated flow capacity of that particular Service Connection.
- I. "Low Flow Charge" is a charge applied when a Discharger's discharge at a given Service Connection is less than one (1) foot per second of velocity and above zero through the meter of that particular Service Connection.
- J. "Non-Brine" is any flow that is an allowable discharge to the SMP, but is not Brine.
- K. "Outfall Discharge Permit" means and refers to the Waste Discharge Requirements for Calleguas Municipal Water District, Regional Salinity Management Pipeline, Oxnard (National Pollutant Discharge Elimination System No. CA0046521, CI-9404) and its renewals and successor permits, each as may be modified or amended from time to time.
- L. "Potable Water" is water that is suitable for human consumption delivered through a public water system, as defined by the State Water Resources Control Board Division of Drinking Water ("SWRCB DDW").
- M. "Recycled Water" is disinfected tertiary recycled water, as defined by the SWRCB DDW.
- N. "Service Connection" shall mean all pipes, valves, meters, instrumentation, and other necessary or usual appurtenances required for operation, measurement, and sampling of discharge to the SMP by a Discharger.

SECTION 3. GENERAL REQUIREMENTS.

A. Allowable Discharges.

- i. Only the following may be discharged to the SMP:
 - Recycled Water

- Groundwater
- Potable Water
- Brine from the membrane treatment of any of the above.
- ii. Dischargers shall not be allowed to discharge to or through the SMP any surface water, irrigation runoff, stormwater runoff, or any other substances which are not expressly permitted under the Outfall Discharge Permit.
- B. <u>Termination or Suspension of Service.</u> The District reserves the right, at any time and from time to time, to suspend or terminate operation of the SMP, or any portion thereof, and/or suspend or discontinue service to a Discharger, for violation of this Ordinance, any agreement related to the SMP or discharge connection, or any reason that prevents the District from operating the SMP legally or safely.
- C. <u>Access.</u> Discharger shall allow the District access to Discharger's sites and facilities as may be requested by the District from time to time in order for the District's employees, contractors and agents, to confirm compliance with this Ordinance, the Outfall Discharge Permit, California Ocean Plan, and any agreement entered into with the District concerning the SMP.
- D. <u>Additional Studies.</u> Discharger shall pay for and timely perform all additional studies and prepare all additional reports required of a Discharger pursuant to the Outfall Discharge Permit. Discharger shall also reasonably cooperate with the District if the District elects from time to time to conduct or participate in any other studies relating to the operation of the SMP.
- E. <u>Surge.</u> Discharger shall install, operate, and at all times properly maintain surge protection facilities necessary to prevent its discharge from causing hydraulic transients in the SMP in a manner and timeframe acceptable to the District.
- F. <u>Documents and Reports.</u> Discharger shall provide such documents, reports and information regarding Discharger's discharges and participation in the SMP as may be requested by the District in a manner and timeframe acceptable to the District.

SECTION 4. MODIFICATIONS AND AMENDMENTS.

A. This Ordinance and the Outfall Discharge Permit shall be posted on the website the District maintains at http://smp.calleguas.com (the "Website"). The District reserves the right to amend, modify or change the terms of this Ordinance from time to time and the Outfall Discharge Permit is also subject to amendment, modification or change from time to time.

- B. The District shall provide written notice ("Notice of Ordinance Change") to Discharger if the District adopts any amendment, modification or change to this Ordinance, and an updated version of this Ordinance shall be posted on the Website. Such amendment, modification or change to this Ordinance shall take effect 30 days from the date of the Notice of Ordinance Change. If Discharger objects to the amendment, modification or change, Discharger may terminate its participation in the SMP by delivering written notice to the District within the 30 day notice period.
- C. Within 7 days of receiving notice of any proposed change to the Outfall Discharge Permit, the District shall provide Discharger with written notice of the proposed change (the "Notice of Permit Change") and, if possible, the proposed effective date of such change. If Discharger objects to the proposed change, Discharger may terminate its participation in the SMP by delivering written notice to the District within 30 days from the date of the Notice of Permit Change or prior to the proposed effective date of the change, whichever is earlier.
- D. Discharger's failure to deliver timely notice of termination and/or Discharger's continued use of the Service Connection after receipt of a Notice of Ordinance Change or Notice of Permit Change shall constitute Discharger's consent to such amendments, modifications or changes to those instruments.

SECTION 5. RATES AND CHARGES.

- A. Each Discharger shall be obligated to pay for all discharges made by the Discharger to the SMP at the appropriate rate as established from time to time by the Board of Directors. Rates per acre-foot of discharge to the SMP shall be established for Brine and Non-Brine.
- B. The billing rate for discharge by a Discharger that is not within the established District service area shall be 150% of the rate for discharge of Brine or Non-Brine, as appropriate.
- C. When a Discharger's discharge exceeds the established maximum flow capacity of that particular Service Connection, a High Flow Charge calculated at one hundred and fifty percent (150%) of rated maximum capacity of the Service Connection will be assessed for each tenth of an hour of operation over the established maximum flow capacity.
- D. When a Discharger's discharge flow velocity at a given Service Connection is below one (1) foot per second through the meter of that particular Service Connection and above zero, a Low Flow Charge calculated at 10% of the rated maximum capacity of the Service Connection will be assessed for each tenth of an hour of operation below this important accuracy value.

- E. Each Discharger shall be obliged to pay for the operations, maintenance, replacement, and repair costs for each of its Service Connections, including, but not limited to, labor, parts, and water quality sampling and analysis. These costs will be calculated and incorporated into the rates and charges established from time to time by the Board of Directors. The District will bill the Discharger monthly for these costs.
- F. The Board of Directors shall have the absolute and sole authority to change the rates specified in this Ordinance, implement new rates, and/or pass through any charges imposed on the District as set forth in Section 9.E. The Board of Directors shall make every reasonable effort to provide sixty (60) days advance notice to all Dischargers of such rate changes.

SECTION 6. <u>BILLING</u>. The billing period shall run from the first calendar day of the month through the last calendar day of the month. As soon after the billing period as practicable, the District will mail or deliver to each Discharger a statement of its bill for the preceding month. All bills or charges shall be due and payable immediately upon receipt. The following conditions also apply:

- A. <u>Delinquencies/Penalties.</u> A bill shall be delinquent if not paid by the last business day of the month in which it was mailed to Discharger. Delinquent bills are subject to a penalty of one percent (1%) of the outstanding balance which shall be added thereto and charged to and collected from the Discharger on a monthly basis, including the previous month's penalty. If full payment is not received in the District Office within sixty (60) days after such bill has become delinquent, the District may pursue all remedies and take any action it deems appropriate, including, but not limited to, suspension or termination of service. Notice of suspension or termination of service for non-payment will be given to the delinquent Discharger by registered mail at least ten (10) days prior to the date such action will take effect.
- B. <u>Cash Deposit.</u> Whenever any Discharger fails to pay its bills, the Board of Directors may require as a condition for future service a cash deposit, in an amount determined by the Board, to guarantee the prompt payment of the account in the future. The Board of Directors shall have full power to determine whether or not such deposit shall be made and the amount thereof, and the time when the requirement for deposit by any Discharger shall be discontinued.
- C. <u>Application of Deposit.</u> If a Discharger who has made such deposit fails to pay its delinquent bill or bills, including all added penalties, within thirty (30) days after delinquency, the District may apply the deposit to the Discharger's account and discontinue service to the Discharger until such time as the balance due, less the applied deposit, has been fully paid and a new deposit in the amount determined by the District under Subsection B has been fully restored by the Discharger.

SECTION 7. AVAILABILITY OF SERVICE.

- A. <u>Emergency Interruptions</u>. The District shall have the right to suspend, interrupt, or terminate SMP service without prior notice to Discharger in the event of an emergency, as determined by the District in its sole discretion.
- B. Interruption of Service for Cause. In addition to all other rights and remedies of the District as provided in this Ordinance and any agreement entered into with a Discharger relating to the SMP, the District may indefinitely suspend or terminate a Discharger's access to and use of the SMP if the District determines that Discharger has violated any term of this Ordinance or any agreement with the District related to the SMP. The District shall use reasonable efforts to provide Discharger with prior notice of the violation and the decision to suspend or terminate service; provided, however that if the District determines that the nature of the violation is such that providing such prior notice would have an adverse impact on the District or on operation of the SMP, no prior notice shall be required.
- C. Other Interruptions of Service. The District may interrupt a Discharger's service and/or operation of the SMP at any time and from time to time as the District deems necessary to facilitate routine maintenance, internal inspection, rehabilitation, and improvement projects on the SMP or other District facilities. Except in cases of emergency, as determined by the District, notice of such interruption of service shall be given to each affected Discharger in advance of such interruption. The SMP has no redundancy and may be out of service for indeterminate periods of time for planned maintenance or for unplanned repairs.
- D. <u>No Liability.</u> The District shall not be liable to any Discharger or any other person or entity for any loss, liability, damage, claim, or other consequences, including without limitation lost profits or income, resulting from the suspension, interruption, or termination of service and/or Discharger's access to and use of the SMP. Each Discharger is solely responsible for adopting, implementing, and maintaining all necessary contingency plans and preventive measures to minimize or avoid any adverse consequences in anticipation of such events.
- E. <u>Priority of Service.</u> In the event of capacity constraints, Brine discharges will have priority over Non-Brine discharges.

SECTION 8. SERVICE CONNECTIONS.

- A. Application for Service Connection. Any person or entity wishing to discharge into the SMP at a particular location shall submit a written application for a Service Connection to the District on a form provided by the District. The decision whether to approve the application shall be solely within the discretion of the District. If the application is approved, the proposed Discharger shall enter into an Agreement for Construction and Use of Salinity Management Pipeline Discharge Service Connection in the form provided by the District. No person or entity shall discharge into the SMP or otherwise use the SMP unless and until the requirements of this provision have been met.
- B. Ownership of Facilities. The Service Connections installed hereunder shall be and become the property of the District downstream from the upstream flange of the isolation valve which is located upstream of the flow meter. The Discharger will own, operate and maintain any facilities upstream of the isolation valve. The District will operate, maintain, repair, and replace the Service Connection at the Discharger's expense when the District determines that such Service Connection has been rendered unserviceable through normal wear and tear.
- C. <u>Operation of Valves.</u> Shutoff valves at Service Connections or on pipelines belonging to the District shall not be operated by the Discharger without the District's prior written consent. Authorized consent may only be granted by the District's General Manager or Manager of Operations and Maintenance, or a duly appointed designee of either of them.
- D. <u>Tampering.</u> It shall be unlawful for any person to meddle, tamper with, or operate any District facilities, including, but not limited to, Service Connections, pipelines or valves without the District's prior written consent. Authorized consent may only be granted by the District's General Manager or Manager of Operations and Maintenance, or a duly appointed designee of either of them. It is unlawful for any person to tap, break or damage any District pipeline, Service Connection or appurtenances, or any other equipment of the District.
- E. <u>Access and Use of District Facilities.</u> Dischargers shall not enter District facilities, including buildings, cabinets, and vaults, nor use District facilities to support or house Discharger equipment without prior written approval from the District.
- F. <u>Communication</u>. Dischargers are to promptly report to the District's Operations Center at (805) 579-7137 any leaks, failures of equipment, security breaches, and other matters which come to their attention and require timely response of the District's staff. All requests for routine operational assistance may be directed to the District's Operations Center or to the appropriate District supervisor. Inquiries about policies and procedures, general information, and coordination for project planning should be directed to the

Manager of Operations and Maintenance. Requests to initiate new service or modify the rated capacity of existing Service Connections must be made in writing and submitted to the General Manager.

- G. <u>District Equipment as Billing Meter.</u> The District's equipment shall be used as the primary billing meter to calculate flow rates, accumulate discharge quantities, and determine the occurrence and duration of High and Low Flow Charge penalty periods. Discharger metering data shall only be considered by the District when the District determines that its own equipment is inoperable.
- H. <u>Metering Equipment Standards</u>. The District's established standard for metering equipment used for Discharger billing of discharges to the SMP shall be an ultrasonic meter. The meter shall be configured to provide an input to a device which calculates rate of flow and accumulated discharge.
- I. Meter Testing. The District shall calibrate and test all metering components a minimum of once annually to confirm accuracy of plus or minus two percent (±2.0%). A Discharger may request to have a Service Connection meter tested by the District whenever the Discharger suspects inaccuracy. The Discharger affected shall have the right to witness any such test. In the event that such test shall disclose an error exceeding plus or minor two percent (±2.0%), an adjustment shall be made in metered charges to the Discharger affected, covering the known or estimated extent and period of duration of such error up to a six-month period. If such test shall disclose an error exceeding plus or minus two percent (±2.0%), the expenses of such test shall be borne by the District; otherwise, such expenses shall be borne by the Discharger requesting such test.
- J. <u>District Provided Controls.</u> The District will install and maintain flow rate signals, valve open and close control inputs, and rate-of-flow controls at Service Connections for the Discharger. All District supplied signals and controls are provided as a courtesy to the Discharger. It is the responsibility of the Discharger to control their own system and maintain operations within the rated capacity of their Service Connection(s), and any reliance upon District equipment is done solely at the risk of the Discharger. The inaccuracy or failure of District provided flow signals and controls does not constitute cause to avoid payment of High or Low Flow Charges, nor to dispute the metered totals. The District reserves the right to remove controls if it so desires.
- K. <u>Hydraulic Transients.</u> Dischargers shall operate their systems in a way that does not cause hydraulic transients or pressure changes at Service Connections. The District reserves the right, in its sole discretion, to terminate a Discharger's service, access and use of the SMP should the Discharger fail to properly maintain and operate their surge protection equipment. A Discharger shall be financially responsible for all repairs to District facilities which result from the Discharger's operations.

L. Service Connection Initial Startup

- i. The Discharger shall provide written notice of initial startup to the District's Manager of Operations and Maintenance via e-mail at least 5 calendar days in advance of initial startup. Prior to commencing discharge, the Discharger shall be capable of demonstrating that its discharge complies with the effluent limitations in the Outfall Discharge Permit, including chlorine residual.
- ii. The Discharger shall submit and have the District's written approval of the following information prior to providing notification of initial startup:
 - a. A written plan describing how the Discharger will achieve and maintain compliance with the effluent limitations in the Outfall Discharge Permit, including chlorine residual.
 - b. A written plan describing the monitoring and recordkeeping protocols the Discharger has established to demonstrate compliance with the Outfall Discharge Permit.

It is the Discharger's responsibility to submit these plans to allow sufficient time for review and any required resubmittal prior to initial startup. The District will review and provide comments on each plan within 14 calendar days of receipt.

iii. Costs incurred by the District supporting the Discharger's initial startup, including standby time, may be charged to the Discharger in accordance with Paragraph 5.E.

M. Subsequent Service Connection Startup

- i. If the Discharger's Service Connection ceases discharging for more than 14 calendar days, the Discharger shall provide written notice of subsequent startup to the District's Manager of Operations and Maintenance via e-mail at least 5 calendar days in advance of resumption of discharge. Prior to commencing discharge, the Discharger shall be capable of demonstrating that its discharge complies with the effluent limitations in the Outfall Discharge Permit, including chlorine residual.
- ii. If the Discharger has modified its treatment processes or source of discharge, the Discharger shall submit and have the District's written approval of revised versions of the plans in Paragraphs 8.L.ii.a. and 8.L.ii.b. prior to providing notification of subsequent startup.

iii. Costs incurred by the District supporting the Discharger's subsequent startup, including standby time, may be charged to the Discharger in accordance with Paragraph 5.E.

SECTION 9. WATER QUALITY.

- A. Discharger shall ensure that all of its discharges shall at all times comply with all water quality and other requirements of the Outfall Discharge Permit and California Ocean Plan. Compliance shall be achieved for the Discharger's discharge only, without consideration for mixing with other SMP flows.
- B. The District may from time to time, without notice, perform sampling of discharges at Discharger's Service Connection and at the outfall for the SMP to determine whether discharges are in compliance with this Ordinance and the Outfall Discharge Permit. Discharger consents to such sampling and agrees that the District may rely upon such sampling for purposes of determining Discharger's compliance with this Ordinance and the requirements of the Outfall Discharge Permit and California Ocean Plan. Sampling and laboratory analysis costs for each Discharger's Service Connection shall be assessed to that Discharger.
- C. If a Service Connection discharges flows from more than one source, the District shall have access to a sampling location for each individual source. The sampling location does not need to be located at the Service Connection.
- D. Discharger may request permission, in writing, from the District to conduct some or all of its own sampling and analysis. The District may choose to grant or deny permission at its discretion. Any such permission shall be granted in writing and the Discharger shall abide by any terms and conditions included in the permission.
- E. The District reserves the right to immediately suspend or discontinue service for water quality violations.
- F. Discharger will reimburse the District for any fines, penalties, or charges levied against the District due to the failure of the Discharger to comply with the discharge requirements.
- G. If the Discharger is aware that it fails to comply with one or more water quality standards, as required by the Outfall Discharge Permit, the Discharger shall notify the Manager of Operations & Maintenance in writing within 24 hours of learning of the non-compliance. The written notification shall include the constituent(s) of non-compliance, the reason(s) for non-compliance, and the date and time the Discharger became aware of the non-compliance. The Discharger shall perform, at its own expense, any monitoring and studies required by the District as a result of the non-compliance.

SECTION 10. COMPLIANCE.

A. In addition to all of Discharger's duties and obligations specified in this Ordinance, Discharger shall at all times comply with all laws, rules, regulations, ordinances, and all orders of government and regulatory authorities having jurisdiction, applicable to Discharger's participation in the SMP, including without limitation its ownership, operation and maintenance of all property and facilities of or relating to the Connection and the SMP.

SECTION 11. INDEMNITY.

- A. Discharger shall hold harmless, defend, and indemnify the District and its directors, officers, managers, agents, and employees (collectively referred to herein as the "District") from and against any and all liabilities, losses, damages, expenses, claims, lawsuits and other legal proceedings, judgments, settlements, fines, penalties, assessments, attorney's fees and costs (including without limitation costs and fees of litigation and administrative proceedings) of every kind and nature whatsoever, including, but not limited to, injury to or death of any person; damage to or destruction of property of any person or entity; violation of any law, water right, property right, statute, rule, regulation, ordinance or any order or judgment relating to the adjudication of water rights; violation of the requirements of the California Sustainable Groundwater Management Act; or violation of any order of a government or regulatory agency having jurisdiction (individually a "Claim" and collectively "Claims") that arise from or relate to any of the following:
 - i. Negligent acts, errors, or omissions of Discharger, its owners, officers, directors, managers, employees, agents and/or contractors in connection with the Service Connection and/or the SMP.
 - ii. Recklessness or willful misconduct of Discharger, its owners, officers, directors, managers, employees, agents and/or contractors in connection with the Service Connection and/or the SMP.
 - iii. The type and quality of all discharges by Discharger, including without limitation any Claim arising from or relating to the failure of Discharger, and/or the failure of Discharger's discharges, to comply with the requirements of this Ordinance, the Outfall Discharge Permit, and/or any agreement entered into between the District and Discharger with respect to the Service Connection and/or the SMP.
 - iv. Discharger's operation of any of its facilities or the acts or omissions of any of its owners, officers, directors, managers, employees, agents and/or contractors.

- v. Any activity under Discharger's exclusive control.
- vi. Discharger's failure to comply with (a) any requirement of the Outfall Discharge Permit or California Ocean Plan, (b) any term of this Ordinance, and/or (c) any term of any agreement between Discharger and the District relating to the Service Connection and/or the SMP.
- vii. Discharger's diversion, production and/or use of water that supplies any facility discharging through the Service Connection, including but not limited to groundwater supplying a desalter or wastewater supplying a treatment plant.
- B. The District shall hold harmless, defend, and indemnify the Discharger and its directors, officers, managers, agents and employees (collectively referred to herein as the "Discharger") from and against any and all liability, loss, damage, expense, claim, judgment, settlement, fine, penalty, assessment, attorney's fees and costs (including without limitation costs and fees of litigation) of every kind and nature whatsoever, including, but not limited to, injury to or death of any person, damage to or destruction of property of any person or entity, or violation of any law, statute, rule, regulation, ordinance or any order of a government or regulatory agency having jurisdiction (individually a "Claim" and collectively "Claims") to the extent such Claim is caused by any of the following:
 - i. Negligent acts, errors, or omissions of the District, its owners, officers, directors, managers, employees, agents and/or contractors in the design, construction, or repair of the Service Connection or the SMP. The Discharger acknowledges and agrees that for purposes of the District's obligation to indemnify hereunder, the "Service Connection" and the "SMP" refer only to the portion of those facilities that were designed and/or constructed by the District or the District's contractors.
 - ii. Recklessness or willful misconduct of the District, its owners, officers, directors, managers, employees, agents and/or contractors with respect to the District's operation of the SMP.
 - iii. Any activity under the District's exclusive control.
 - iv. The District's failure to comply with (a) the District's sampling, reporting, and inspection obligations under the Outfall Discharge Permit or California Ocean Plan, (b) the District's obligations under this Ordinance, and/or (c) the District's obligations under its agreement with the Discharger relating to the Service Connection and the SMP.

- C. Any assertion of negligence, breach, or violation of law by the party to be indemnified hereunder (the "Indemnified Party") shall not relieve the party required to indemnify (the "Indemnifying Party") from its obligation to indemnify. However, the Indemnifying Party shall not be obligated to indemnify the Indemnified Party for that portion of any Claim determined by the trier of fact to have been caused by the negligence or willful misconduct of the Indemnified Party.
- D. Upon request of the Indemnified Party, the Indemnifying Party shall defend, at its sole cost and expense, any and all allegations, claims, demands, suits, and all other legal proceedings of every kind that may be brought or instituted against the Indemnified Party, arising from or relating to a Claim for which the Indemnified Party is entitled to indemnification pursuant to this paragraph 11. The Indemnified Party shall have the right, but not the obligation, to approve any counsel retained under this paragraph, provided however that such approval shall not be unreasonably withheld. Without limiting its obligations under this paragraph, the Indemnifying Party agrees that the Indemnified Party has the right to participate in the defense of any matters that relate to the Indemnified Party, or any of them, and that no action, claim, or suit shall be settled without the Indemnified Party's consent, such consent not to be unreasonably withheld. If, at any time, the Indemnified Party makes a good faith determination that a conflict exists with respect to its interests and the interests of the Indemnifying Party, then the Indemnified Party may retain independent counsel of its own choosing whose reasonable fees shall be paid by the Indemnifying Party.
- E. Nothing in this Agreement shall constitute a waiver or limitation of any rights that a party may have under applicable law, including any right to implied indemnity. The Indemnifying Party's obligation to indemnify shall not be limited or restricted to insurance proceeds, if any, received by the Indemnified Party.

SECTION 12. <u>LEGAL CHALLENGES</u>. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Directors hereby declares that it would have passed this Ordinance by section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more other sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

SECTION 13. <u>ADMINISTRATION</u>. All SMP service shall be in accordance with these rules and regulations unless otherwise approved by the Board of Directors. These rules and regulations may be amended, modified, changed or repealed by the Board of Directors by resolution or ordinance.

SECTION 14. <u>NOTICES</u>. All notices and communications from agencies to the District relating to the SMP or the administration of these rules and regulations by the District shall be addressed to the General Manager of the District, 2100 Olsen Road, Thousand Oaks, California 91360.

SECTION 15. <u>EFFECTIVE DATE AND SUNSET.</u> This Ordinance shall supersede and replace the previously adopted Ordinance No. 19 and shall become effective at 12:01 a.m. on February 18, 2018. This Ordinance shall not have a sunset date.

ADOPTED, SIGNED, AND APPROVED this 17th day of January, 2018.

Thomas L. Slosson, President

Board of Directors

On motion by Director Quady, and seconded by Director Blois, the foregoing ordinance is adopted upon this 17th day of January, 2018, by the following vote:

AYES: Blois, Quady, Waters, Santamaria, Slosson

NAYS: None

ABSTAIN: None

ABSENT: None

I HEREBY CERTIFY that the foregoing Ordinance was adopted at a regular meeting of the Board of Directors of Calleguas Municipal Water District held on January 17, 2018.

ATTEST:

Andy Waters, Secretary

Board of Directors