

ORDINANCE NO. 12

AN ORDINANCE OF CALLEGUAS MUNICIPAL WATER DISTRICT
COVERING THE RULES AND REGULATIONS FOR WATER SERVICE
TO PURVEYORS WITHIN CALLEGUAS MUNICIPAL WATER DISTRICT, AS AMENDED

WHEREAS, Calleguas Municipal Water District ("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 is a member agency of the Metropolitan Water District of Southern California ("Metropolitan"). Metropolitan is a consortium of 26 cities and water districts which cooperatively plan and manage water supply resources for approximately 19 million people in parts of Los Angeles, Orange, San Diego, Riverside, San Bernardino, and Ventura counties; and

WHEREAS, the District's purpose is to provide a supplemental imported water supply to its service area in order to augment local water supplies for municipal, industrial, and agricultural users; and

WHEREAS, the District serves approximately 366 square miles within the southeast portion of Ventura County, including the cities of Simi Valley, Moorpark, Thousand Oaks, Camarillo, Oxnard, and Port Hueneme as well as the unincorporated areas of Oak Park, Santa Rosa Valley, Bell Canyon, Lake Sherwood, Somis, Las Posas Estates, Camarillo Heights, and Naval Base Ventura County through its Purveyors; and

WHEREAS, the Municipal Water District Act of 1911, as amended, enables the District to establish water rates it charges its Purveyors, for the purposes of paying operating expenses, providing for repairs and depreciation of works, providing a reasonable surplus, and paying interest on bonded debt, among other things; and

WHEREAS, the Board of Directors of the District (the "Board of Directors") by Ordinance No. 12, adopted July 21, 1971, established the rules, regulations and rates for water sold to its Purveyors; and

WHEREAS, the Board of Directors has determined that certain modifications to Ordinance No. 12 are necessary;

WHEREAS, the establishment, modification, and approval of rates or other charges by the District is exempt from CEQA pursuant to Public Resources Code 21080(b)(8)

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

SECTION 1. AUTHORITY. 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 service of water to Purveyors by the District 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) "Capacity Charge" is a charge imposed on each Purveyor and designed to recover the cost of infrastructure to meet peaking and emergency demands.
- (c) "Capacity Rate" is the rate at which the Capacity Charge is assessed.
- (d) "District" shall mean the Calleguas Municipal Water District, duly organized under and by virtue of the Municipal Water District Act of 1911, as amended.
- (e) "Domestic and Municipal purposes" shall mean the use of water for all domestic, municipal, commercial, industrial, and recreational purposes, commonly, but not exclusively, served by the water supply of the city, town, or other similar population group.
- (f) "General Manager" shall refer to the General Manager of the Calleguas Municipal Water District.
- (g) "High Flow Charge" is a charge for water, applied when a Purveyor's demand for water at a given service connection exceeds the established maximum rated flow capacity of that particular District service connection.

- (h) "Low Flow Charge" is a charge for water, applied when a Purveyor's demand for water at a given service connection is more than zero but less than 10% of the established rated maximum flow capacity of that particular District service connection.
- (i) "Purveyor" shall mean any city, municipal water district, county water district, county waterworks district, mutual water company, public or private utility and other public corporation, the corporate area of which, in whole or in part, is included in the District as a separate unit.
- (j) "Minimum Maintenance Charge" is a charge intended to cover costs associated with service connection meter reading and processing for inactive service connections.
- (k) "Pumping Charge" is a charge to a Purveyor intended to reimburse the District for electrical service costs incurred for the operation of District pump stations. The charge shall be assessed based on invoices to the District from the electrical service provider or as calculated by the District when the District is the electrical service provider.
- (l) "Readiness-to-Serve Charge" is a charge intended to recover the principal and interest payments on Metropolitan's non-tax supported debt service that had been or would be issued to fund capital improvements necessary to meet the continuing reliability and water quality needs associated with current and projected demands.
- (m) "Service Connection" shall mean all pipes, valves, meters and other necessary or usual appurtenances required for operation and measurement of water delivered from a District transmission pipeline to a Purveyor.
- (n) "Temporary Service Connection" is a service connection for construction or other non-permanent purposes subject to all terms and conditions of a District operating agreement.
- (o) "Temporary Water Rate" is the rate for water supplied to an entity other than a Purveyor at a Temporary Service Connection for construction or other short-term purposes clearly defined and approved in advance in writing by the General Manager.

- (p) "Supply Rate" is a water rate for domestic and municipal water, set to recover supply costs, applicable to all water purchases.

SECTION 3. DOMESTIC AND MUNICIPAL WATER.

- (a) Each Purveyor shall be obligated to pay for all water delivered to the Purveyor by the District at the appropriate rate as established annually by the Board of Directors.
- (b) Not Used
- (c) The Readiness-to-Serve Charge assessed by Metropolitan will be proportionally shared by the Purveyors based on the current 10 fiscal year rolling average of water purchases.
- (d) A Capacity Charge shall be paid by each Purveyor annually based on the calculated total average flow rate that occurred during the Purveyor's peak week of water purchases from May 1 through September 30. The Capacity Charge will be determined in the second quarter of the calendar year during the annual rate setting process and calculated by using the prior calendar year's peak week. Each week shall begin on Tuesday. The charge shall be determined by multiplying the average flow as calculated in cubic feet per second (cfs) by the Capacity Charge as established by the Board of Directors. Payment shall be paid in 12 equal monthly installments starting in January of the following calendar year.
- (e) Pumping charges associated with the delivery of water shall be passed through as a line item on the monthly water bill to the applicable Purveyors. If a District pump station delivers water to more than one Purveyor, the utility bills will be apportioned accordingly by the percentage of water purchased by the applicable Purveyors.
- (f) The billing rate for water supplied to any entity at a Temporary Service Connection for construction or other short-term purposes clearly defined and approved in advance in writing by the General Manager shall be billed at the Temporary Water Rate as established by the Board of Directors. Temporary customers shall deliver to the District an executed copy of the District's "Application for Temporary Water Service" agreement and the deposit amount noted in the agreement prior to the commencement of temporary service. The entity shall be

subject to all terms and conditions as outlined in the agreement, including time and materials charges for installation, monthly maintenance, and removal of temporary service equipment. The deposit may be waived for contractors currently performing work under a contract with the District.

- (g) When a Purveyor's demand for water at a given service connection exceeds the established maximum flow capacity of that particular District service connection, a High Flow Charge calculated at 150% of the rated maximum capacity of the service connection will be assessed for each tenth of an hour of operation over the established maximum flow capacity.
- (h) When a Purveyor's demand for water at a given service connection is more than zero but less than 10% of the established maximum flow capacity of that particular District service connection, 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 between zero and 10% of the established maximum flow capacity.
- (i) A Minimum Maintenance Charge, as established by the Board of Directors, shall be assessed on a monthly basis, in place of monthly water sales, for each service connection with monthly water sales less than the Minimum Maintenance Charge.
- G) The Board of Directors shall have the absolute and sole authority to change the rates specified in this Ordinance, and to implement new rates or pass-through charges imposed on the District. The Board of Directors shall make every reasonable effort to provide 60 days' advance notice to all Purveyors of such rate changes.

SECTION 4. BILLING. Water meters shall be read weekly, on Tuesdays, and on the nearest business day to the last calendar day of each month. As soon after the billing period as practicable, the District will mail or deliver to each Purveyor 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) Delinquencies/Penalties. Water service bills shall be delinquent if not paid by the last business day of the month of the date of mailing. Delinquent bills are subject to a penalty of 1% of the outstanding balance which shall be added thereto and charged to and collected from the Purveyor on a monthly basis, including the previous month's penalty. If payment for water service and/or penalty is not received in the District Office within 60 days after such bill has become delinquent, the Board will consider appropriate action including discontinuance of service. Notice of discontinuance of service will be given to the delinquent Purveyor by registered mail at least 10 days prior to the date of discontinuance.
- (b) Cash Deposit. Whenever any Purveyor fails to pay its water bills, the Board of Directors may require as a condition for further service a cash deposit, at an amount determined by the Board, to guarantee the prompt payment of its 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 Purveyor shall be discontinued.
- (c) Application of Deposit. If a Purveyor who has made such deposit fails to pay its delinquent bill or bills, including all added penalties within 30 days after delinquency, its deposit shall be applied on its account and the service discontinued until such time as the deposit is restored by the Purveyor.

SECTION 5. GENERAL TERMS AND CONDITIONS.

- (a) Authorized Distribution of District Supplied Water. The right of any Purveyor to water served by the District's facilities shall be restricted to the amount required for uses within the District's boundaries. Except as required by state law or a wheeling agreement authorized by the District's Board of Directors, no potable water conveyed by the District or produced by a Purveyor shall be delivered or sold for any use outside of the District's boundaries, nor shall water conveyed by the District or produced by a Purveyor be sold or delivered for any use within the District's boundaries in substitution for water used outside the District.

The use of water trucks, or other mobile, temporary, or otherwise non-fixed facilities and equipment to deliver District water shall be limited to short duration uses within the District's boundaries for construction purposes or to meet acute, emergency response needs, as requested by designated public health and safety agencies, including the Ventura County Public Health Department, Ventura County Fire Department, and similar federal, state, and local entities.

Distribution system interconnections between Purveyors are permitted provided that the water delivered remains within the District's boundaries.

- (b) Proof of Annexation. Per the conditions outlined in Section 5.a, a Purveyor may not supply any District sourced water to a new service address until it has received a written confirmation from the District that the address lies within the District's boundaries.

- (c) Violation of Authorized Distribution. Should the District suspect that a Purveyor is in violation of distributing water outside the limits of this Ordinance, the Board of Directors shall provide the Purveyor no less than 15 days to present any pertinent factual evidence and mitigating circumstances regarding the matter; the Board of Directors shall then render a decision that shall be final, conclusive, and definitive. Should it be determined by the Board of Directors that terms of this Ordinance have been, or are being, violated, the Board of Directors may assess fines or fees, request a suspension of service, and impose other actions as deemed appropriate to the Purveyor. Notice of any such determination of the District shall be in writing and mailed to such Purveyor within 10 days of such determination. Should suspension of service be imposed, deliveries shall be resumed only when the Purveyor involved proves to the satisfaction of the District that it has fully complied with the above rules and regulations. Determination of billing amounts shall be based on the retail meter totals or, if retail totals are not available, shall be based on the maximum industry standard for the Southern California region, gallons per capita per day, of use for the type of customer being served.

- (d) Annual Estimate of Demand. Within 30 days of a written request, each Purveyor shall furnish the District with an estimate of its water

requirements by water service type and month for the ensuing five-year period.

- (e) Development Coordination. Purveyors shall not sign and approve any plans for development, public, or other projects that affect District facilities unless those plans are already signed by the District. A project is considered to affect District facilities if any District facilities lie within the project site, are referenced in the project plans or are in the public right-of-way in the vicinity of the project site. If a Purveyor signs plans for a project that affects District facilities and is not already signed by the District, then that Purveyor assumes responsibility for any damage caused to the District's facilities by the project. Purveyors shall not approve plans that do not comply with the more stringent of California Division of Drinking Water (DDW) requirements, American Water Works Association (AWWA) Standards, or District Standard Drawings to ensure proper protection of the District's pipelines and appurtenances.

SECTION 6. AVAILABILITY OF SUPPLY.

- (a) District Responsibility. It is declared that the District was formed primarily to make water available to the people of the District, through distribution systems now established, or which may hereafter be established, as are able to use and distribute water at uniform rates of flow over substantial periods. The District's primary source of supply is from Metropolitan. This water supply may not be adequate or constant. The District assumes no responsibility for quantity, quality, pressure, or constancy of supply. The District will not be liable for interruptions or shortages of supply, nor for any loss or damage occasioned thereby. During times of threatened or actual water shortage, the Board of Directors shall apportion the available water supply among Purveyors in an equitable manner with due regard to public health and safety, and in accordance with the provisions of the Municipal Water District Act of 1911, as amended.
- (b) Operating Conditions. All sales and deliveries of water at the rates established by the Board shall be subject to the ability of the District to sell and deliver such water under operating conditions determined by the General Manager.
- (c) Peak Hourly Demands. The District's system is not designed to serve peak

hourly demands. The District reserves the right to curtail peak hourly deliveries, as necessary, to conform to pipeline capacity and to assure equitable apportionment of available water and of service to all Purveyors.

- (d) Emergency Interruptions. The District shall have the right to interrupt supply of water without prior notice in the event of an emergency.
- (e) Supply Shortages. In the event reduced water supplies cause Metropolitan to impose water allocations among its member agencies and surcharges for deliveries exceeding those allocations, the Board of Directors, at its discretion, may similarly allocate available supplies among District Purveyors and levy any surcharges as deemed appropriate, including those imposed on the District by Metropolitan.

Moreover, under shortage conditions, the Board may, by resolution, impose a moratorium on District annexations and/or the installation of new retail service connections by Purveyors in an effort to extend available supplies among existing water users.

- (f) Interruption of Service. Interruption of service will be necessary from time to time to facilitate routine maintenance, internal inspection, rehabilitation, and improvement projects on District facilities. Whenever maintenance of the District's system requires interruption of delivery of water at any point or points, such delivery may be interrupted, without liability on the part of the District, provided that except in cases of emergency, as determined by the General Manager, notice of such interruption of service shall be given to the affected Purveyor in advance of such interruption. The District standard for such interruption may include all services along four consecutive miles of pipeline for a minimum 72 hour period.
- (g) Required Storage. In order to meet demand fluctuations, emergency interruptions and scheduled interruption of services, Purveyors within the District shall provide adequate storage or alternate supplies, other than from District facilities, to meet their peak daily and hourly demands.

SECTION 7. SERVICE CONNECTIONS.

- (a) Application for Service Connection. A Purveyor wishing to take delivery of

water at a particular location shall submit a written application for a turnout and meter station 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. The Purveyor shall be responsible for all costs associated with building the turnout and meter station at the requested location and connecting it to an existing District transmission pipeline. The Purveyor shall provide the necessary right-of-way to the District for construction, operation, and maintenance of the turnout and meter station. The Purveyor shall deposit an amount equal to the estimated cost of design of the facility prior to initiation of project design by the District and shall deposit an amount equal to the estimated cost of construction (including inspection and construction management) prior to the District's advertising the project for construction. Upon completion of construction, the District will prepare a report summarizing its costs associated with construction of the turnout, meter station, and associated pipelines and will provide an accounting to the Purveyor. In the event the actual cost is less than the deposit, the District will provide a refund. In the event the actual cost exceeds the deposit, such Purveyor shall promptly pay to the District the amount by which the costs shall exceed the deposited amounts. Service shall be initiated once full payment has been received.

- (b) Ownership of Facilities. All service connections, appurtenances, meters, and transmission pipelines installed hereunder shall be and become the property of the District and shall be maintained, repaired, and renewed by the District when rendered unserviceable through normal wear and tear; provided, however, that any replacements, repairs, or adjustments to any meters, or property required because of the act, negligence or carelessness of the Purveyor, its agents or employees, or persons under its control shall be charged against and collected from such Purveyor.
- (c) Operation of Valves. Shutoff valves at service connections, or in transmission pipelines belonging to the District, shall not be operated by the Purveyor, without authorized District consent. Authorized consent can be granted by the General Manager, the Manager of Operations and Maintenance, or a designee of the Manager of Operations and Maintenance.
- (d) Tampering. It shall be unlawful for any person to meddle, tamper with, or operate any facilities, including, but not limited to, service connections, water meters, service pipe, transmission pipelines or valves without authorized

District consent. Authorized consent can be granted by the General Manager, the Manager of Operations and Maintenance, or a designee of the Manager of Operations and Maintenance. It shall be unlawful for any person to tap, break, or damage any District transmission pipeline, service connections, or appurtenances or any other equipment of the District.

- (e) Access and Use of District Facilities. Purveyors shall not enter District distribution facilities, including buildings, cabinets, and vaults, nor use District facilities to support or house Purveyor equipment without approval from the District.
- (f) Communication. Purveyors shall promptly report any leaks, failures of water supply and equipment, security breaches, and other matters requiring timely response of District staff to the District's Control Room. All requests for routine operational assistance may be directed to the District's Control Room 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 filed with the General Manager.
- (g) District Equipment as Billing Meter. District equipment shall be used as the primary billing meter to calculate flow rates, accumulate water use and determine the occurrence and duration of High and Low Flow Charge penalty periods. Purveyor metering data shall only be considered when District equipment is inoperable.
- (h) Metering Equipment Standards. The District's established standard for metering equipment used for Purveyor billing of potable water deliveries shall be restricted to the combination of a venturi and differential pressure transmitter(s). Transmitters shall be configured as an input to a programmable logic controller or flow totalizer to calculate rate of flow and accumulate water use.
- (i) Meter Testing. The District shall calibrate and test all metering components a minimum of once annually to confirm accuracy of $\pm 2.0\%$. A Purveyor may request to have a service connection meter tested by the District whenever the Purveyor suspects inaccuracy. The Purveyor affected shall have the right to witness any such test. In the event that such test shall disclose an error

exceeding $\pm 2.0\%$, an adjustment shall be made in metered charges to the Purveyor 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 $\pm 2.0\%$ the expenses of such test shall be borne by the District; otherwise, such expenses shall be borne by the Purveyor requesting such test.

- (j) District Provided Controls. The District may install and maintain flow rate signals, pulsed totalizer contacts, valve open and close control inputs, downstream pressure regulation, and rate-of-flow controls at service connections upon the issuance of a purchase order or letter of request and authorization from the Purveyor. All District supplied signals and controls are provided as courtesy to the Purveyor. It is the responsibility of the Purveyor to control their own system demands and maintain operations within the rated capacity of their service connection(s), and any reliance upon District equipment is done so solely at the risk of the Purveyor. The inaccuracy or failure of District provided signals and controls does not constitute cause to avoid payment of High or Low Flow Charges, nor to dispute the receipt of District water or metered totals. All costs for installation and maintenance of requested automation equipment shall be paid by the Purveyor. The District reserves the right to refuse installation and to remove controls if it so desires.

- (k) Float Mode. If a Purveyor does not wish to use open and close control signals or if a Purveyor requests to bypass their open and close control signals at a service connection, the District shall configure the service connection to be in "Float Mode," whereby the connection instantaneously responds to changes in downstream pressure at any rate of flow needed to maintain downstream pressure regardless of the service connection's rated flow range. If Float Mode is requested, either verbally or under the execution of a Float Mode Request Form, the Purveyor understands that operation in this mode will result in the accumulation of Low Flow Charge penalty hours and potentially in High Flow Charge penalty hours, and the Purveyor agrees to pay all charges as assessed.

- (l) Hydraulic Transients. Purveyors shall operate their water distribution systems in a manner which does not cause hydraulic transients or pressure changes at service connections that are greater than 125% of the average pressure delivered to the Purveyor and no less than 50% of the average pressure delivered to the Purveyor or 20 psi, whichever is greater.

SECTION 8. LEGAL CHALLENGES. 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 9. ADMINISTRATION. All water service shall be made 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.

SECTION 10. NOTICES. All notices and communications from agencies to the District relating to the service of water 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 11. PREVIOUS RESOLUTIONS. All Resolutions passed with regard to water rate structures and service connection policies that are in conflict with this ordinance are hereby cancelled.

SECTION 12. EFFECTIVE DATE AND SUNSET. This Ordinance shall be given effect at 12:01 a.m. on March 18, 2026. This Ordinance shall not have a sunset date.

ADOPTED, SIGNED AND APPROVED this eighteenth day of March, 2026



Raul Avila, President Board of Directors

On motion by Director McMillan and seconded by Director Robert, the foregoing ordinance is adopted upon this 18th day of March, 2026, by the following vote:

AYES: Directors Quady, McMillan, Pakala, Robert, Avila

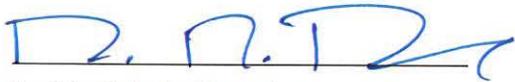
NAYS: None

ABSENT: *None*

ABSTAIN: *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 March 18, 2026.

ATTEST:



Reddy Pakala, Secretary
Board of Directors

(SEAL)