

AGENDA  
IRVINE RANCH WATER DISTRICT  
SUPPLY RELIABILITY PROGRAMS COMMITTEE  
TUESDAY, FEBRUARY 14, 2023

This meeting will be held in-person at the District’s headquarters located at 15600 Sand Canyon Avenue, Irvine, California. The meeting will also be broadcasted via Webex for those wanting to observe the meeting virtually.

To observe this meeting virtually, please join online using the link and information below:

Via Web: <https://irwd.webex.com/irwd/j.php?MTID=mc6046ceb2128aa3177b5bb9d37f071ae>  
Meeting Number (Access Code): 2496 863 7131  
Meeting Password: 7XBrUyye8J2

*As courtesy to the other participants, please mute your phone when you are not speaking.*

**PLEASE NOTE:** Participants joining the meeting will be placed into the Webex lobby when the Committee enters closed session. Participants who remain in the “lobby” will automatically be returned to the open session of the Committee once the closed session has concluded. Participants who join the meeting while the Committee is in closed session will receive a notice that the meeting has been locked. They will be able to join the meeting once the closed session has concluded.

CALL TO ORDER     3:00 p.m.

ATTENDANCE     Committee Chair: Douglas Reinhart     \_\_\_\_\_  
Member: Peer Swan     \_\_\_\_\_

ALSO PRESENT

Paul Cook	_____	Paul Weghorst	_____
Rob Jacobson	_____	Fiona Sanchez	_____
Kellie Welch	_____	Christine Compton	_____
Natalie Palacio	_____	Marina Lindsay	_____
Robert Huang	_____	_____	_____
_____	_____	_____	_____

PUBLIC COMMENT NOTICE

If you wish to address the Committee on any item, please submit a request to speak via the “chat” feature available when joining the meeting virtually. Remarks are limited to three minutes per speaker on each subject. Public comments are limited to three minutes per speaker on each subject. You may also submit a public comment in advance of the meeting by emailing [comments@irwd.com](mailto:comments@irwd.com) before 9:00 a.m. on Tuesday, February 14, 2023.

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## COMMUNICATIONS

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1. Notes: Weghorst
2. Public Comments
3. Determine the need to discuss and/or take action on item(s) introduced that came to the attention of the District subsequent to the agenda being posted.
4. Determine which items may be approved without discussion.

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## INFORMATION

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5. WATER BANKING PROJECT FACILITIES, CAPACITIES, OPERATIONS AND PROGRAMS – LINDSAY / WELCH / SANCHEZ / WEGHORST

Recommendation: Receive and file.

6. WATER SUPPLY CONDITIONS AND WATER BANKING CONSIDERATIONS – LINDSAY / WELCH / SANCHEZ / WEGHORST

Recommendation: Receive and file.

7. PRINCIPLES FOR UNBALANCED EXCHANGE PROGRAM WITH METROPOLITAN WATER DISTRICT – WEGHORST

Recommendation: Receive and file.

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## ACTION CALENDAR

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8. DRAFT TERMS FOR A THREE PARTY SHORT-TERM UNBALANCED EXCHANGE PROGRAM – WELCH / SANCHEZ / WEGHORST

Recommendation: That the Board authorize the General Manager to execute an agreement for a Short-Term Exchange Program with Rosedale-Rio Bravo Water Storage District and Santa Clarita Valley Water Agency based on the terms presented.

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**OTHER BUSINESS**


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9. Directors' Comments

10. Adjourn

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Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the above-named Committee in connection with a matter subject to discussion or consideration at an open meeting of the Committee are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Committee less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Committee Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available electronically via the Webex meeting noted. Upon request, the District will provide for written agenda materials in appropriate alternative formats, and reasonable disability-related modification or accommodation to enable individuals with disabilities to participate in and provide comments at public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, or alternative format requested at least two days before the meeting. Requests should be emailed to [comments@irwd.com](mailto:comments@irwd.com). Requests made by mail must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

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February 14, 2023  
Prepared by: M. Lindsay / K. Welch  
Submitted by: F. Sanchez / P. Weghorst  
Approved by: Paul A. Cook 

## SUPPLY RELIABILITY PROGRAMS COMMITTEE

### WATER BANKING PROJECT FACILITIES, CAPACITIES, OPERATIONS, AND PROGRAMS

#### SUMMARY:

Staff has prepared information related to IRWD’s water banking facilities, capacities, operations, and exchange programs. The information is regularly updated to reflect changes in the status of IRWD’s projects, programs, and operations. At the Committee meeting, staff will review this information and provide an update on efforts to secure additional water for recharge at IRWD’s water banking projects.

#### BACKGROUND:

To facilitate discussion with the Committee, staff has prepared reference materials in tabular, map, and schematic formats to describe IRWD’s water banking facilities, capacities, operations, storage, and exchange programs. The reference materials are updated regularly to reflect changes in the status of the projects, programs, and operations. The following is an overview of the reference materials.

#### Capacity and Operations Tables:

A table presenting storage, recharge and recovery capacities of existing and planned IRWD water banking projects, including capacities available to IRWD in the Kern Water Bank, is provided as Exhibit “A”. Exhibits “B” and “C” provide an update on water banking recovery and recharge operations, as well as the balance of the water stored in the Kern Water Bank (KWB). Exhibit “B” provides before-loss estimates of water recharged at the water banking projects, and Exhibit “C” provides after-loss estimates of water recharged at the projects. Changes shown in red on Exhibits “B” and “C” depict an increased State Water Project (SWP) Table A Allocation, from 5 to 30 percent. It is assumed that Metropolitan will take delivery of IRWD’s 2023 SWP Table A water through Dudley Ridge Water District (DRWD). Other changes include a correction to Buena Vista Water Storage District’s 2019 Reserve Water on Exhibit “C” which increased from 213 acre-feet (AF) to 225 AF due to the removal of out-of-county losses which do not apply to Buena Vista’s share.

#### Summary of Programs:

A table presenting a summary of IRWD’s water purchase and exchange programs is presented as Exhibit “D”. The table lists each purchase and exchange program that IRWD has entered into and presents information related to the type of exchange, year executed, agreement type and water type. IRWD and partner shares are listed and show the total amount of water included in each program. The balances listed for IRWD and its partners show the amount of water remaining in storage, with IRWD’s balances specifying whether the water is stored in

Metropolitan’s system, Kern County, or owed to IRWD by DRWD. The table also provides details related to the exportability of IRWD’s supplies. Changes shown in red on Exhibit “D” correspond with the changes made to Exhibits “B” and “C”, with one additional change to correct the amount depicted in the “Exportable to IRWD” column for Central Coast Water Authority. All Central Coast Water currently stored is exportable to IRWD.

Exhibit “E” graphically depicts how storage of SWP and non-SWP water has changed in the Strand and Stockdale Integrated Banking Projects through time. The table provided as Exhibit “F” shows how capacities in the water banking projects have been dedicated to IRWD’s existing and proposed exchange programs.

#### Project Maps:

To support the tables and figures provided as Exhibits “A”, “B”, “C”, “D”, “E”, and “F”, staff has prepared maps that depict project wells and pipelines, recharge basins and Cross Valley Canal turnout locations along with the most current recharge rates. These maps are provided as Exhibits “G”, “H”, and “I”, respectively. The facilities shown on the maps are associated with the Strand Ranch, Stockdale West, Stockdale East, and Drought Relief Projects.

#### Program Agreement Diagrams:

Schematic diagrams have been prepared that depict IRWD water banking and exchange programs with Rosedale-Rio Bravo Water Storage District, Buena Vista, DRWD, and Metropolitan Water District. These diagrams are provided as Exhibits “J”, “K”, “L”, “M”, “N”, and “O”, as described in the List of Exhibits.

#### Cost of Water Table:

A table presenting a summary of the costs of water from each of IRWD’s unbalanced exchange partnerships is provided as Exhibit “P”. The table lists each of IRWD’s unbalanced exchange partnerships and presents information related to the period over which water was acquired, water type, IRWD’s share of water and various cost components as well as the total cost of water delivered to IRWD’s service area. Cost components include fixed and variable operating costs, estimated future IRWD recovery costs, the 2023 Metropolitan Full Service Untreated Tier-1 Rate and a capital cost of water. The variable costs include an administrative fee issued by the Kern County Water Agency for staff time related to processing Transaction Request Forms. The costs of water are presented on a dollar per acre-foot basis.

#### IRWD’s Coordinated Agreement with Metropolitan:

An overview of IRWD’s Coordinated Operating, Water Storage, Exchange, and Delivery Agreement with Metropolitan Water District and Municipal Water District of Orange County is provided as Exhibit “Q”. The benefits to IRWD are foundational to the success of IRWD’s water banking project and programs.

Other Program Opportunities:

IRWD has been pursuing additional opportunities to secure water for recharge. At the Committee meeting, staff will provide an update on efforts to perform unbalanced exchanges with Metropolitan Water District, Antelope Valley-East Kern Water Agency, Santa Clarita Valley Water Agency, and Mojave Water Agency.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

- Exhibit “A” – Recharge, Storage and Recovery Capacities of Current and Anticipated Water Banking Projects
- Exhibit “B” – Water Banking Storage, Recharge, and Recovery Operations before Losses
- Exhibit “C” – Water Banking Storage, Recharge, and Recovery Operations after Losses
- Exhibit “D” – Status of IRWD Purchase and Exchange Programs
- Exhibit “E” – Historic Water Storage in Strand and Stockdale Projects
- Exhibit “F” – Dedicated Capacities of Current Water Banking Projects
- Exhibit “G” – Map of Water Banking Project Wells and Pipelines
- Exhibit “H” – Map of Water Banking Recharge Basins and Cross Valley Canal Turnout Facilities
- Exhibit “I” – Map of Water Banking Recharge Rates
- Exhibit “J” – Diagram of IRWD-Rosedale Water Banking and Exchange Program Agreements
- Exhibit “K” – Diagram of Long-term Water Exchange Program with Buena Vista Water Storage District and Diagram of One-year Program to Augment Recharge Using Stockdale West Recharge Facilities with Buena Vista Water Storage District
- Exhibit “L” – Diagram of Unbalanced Exchange Program Diagram with Dudley Ridge
- Exhibit “M” – Diagram of Coordinated Operating, Water Storage, Exchange, and Delivery Agreement with Metropolitan
- Exhibit “N” – Diagram of Template Wheeling Agreement with Metropolitan
- Exhibit “O” – Diagram of Dudley Ridge One-for-One Exchange
- Exhibit “P” – Cost of Water Table
- Exhibit “Q” – Summary of IRWD’s Coordinated Operating, Water Storage, Exchange and Delivery Agreement with Metropolitan and MWDOC

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Exhibit "A"

**TABLE 1**  
**Current and Anticipated Water Banking Projects**  
**Recharge, Storage and Recovery Capacities**  
 February 14, 2023

WATER BANKING PROJECT	OWNERSHIP AND WELL INFO		ALLOCATED CAPACITY (AF)					1 <sup>ST</sup> PRIORITY RECOVERY CONDITIONS (CFS)		2 <sup>ND</sup> PRIORITY RECOVERY CONDITIONS (CFS)	
	IRWD OWNED	WELLS EXISTING	TOTAL STORAGE CAPACITY	ANNUAL RECHARGE 1 <sup>ST</sup> PRIORITY	ANNUAL RECHARGE 2 <sup>ND</sup> PRIORITY	ANNUAL RECOVERY 1 <sup>ST</sup> PRIORITY	ANNUAL RECOVERY 2 <sup>ND</sup> PRIORITY	RECOVERY CAPACITY AS PLANNED <sup>1</sup>	RECOVERY CAPACITY (Average Daily Production 1/1/2021 - 7/31/2022)	RECOVERY CAPACITY AS PLANNED	RECOVERY CAPACITY CURRENT CONDITIONS
Strand Ranch	Yes	7	50,000	17,500	-	17,500	-	40.0	20.5	-	-
Stockdale West	Yes	3	26,000	27,100	-	11,250	-	15.0	11.6	-	-
Stockdale East	No	2	-	-	19,000	-	7,500	-	-	10.0	9.0
IRWD Acquired Storage Account <sup>2</sup>	No	-	50,000	-	-	-	-	-	-	-	-
Drought Relief Project Wells <sup>2</sup>	No	3	-	-	-	-	-	15.0	16.5	-	-
Kern Water Bank Storage Account <sup>4</sup>	No	-	9,495	3,200	-	1,520	<5,000	-	-	-	-
<b>TOTALS</b>		<b>15</b>	<b>135,495</b>	<b>47,800</b>	<b>19,000</b>	<b>30,270</b>	<b>12,500</b>	<b>70.0</b>	<b>48.6</b>	<b>10.0</b>	<b>9.0</b>
Partner Capacities <sup>3</sup>			38,000	22,300	9,500	10,850	0	35.5	25.0	-	-
IRWD Capacities (does not include Kern Water Bank capacities)			88,000	22,300	9,500	17,900	7,500	34.5	25.0	-	-
IRWD's recovery <i>during</i> 6 month partner recovery period (AF)								12,420	9,000	-	-
IRWD's recovery <i>after</i> 6 month partner recovery period (AF)								5,480	6,733	-	-
<b>TOTALS (AF)</b>								<b>17,900</b>	<b>15,733</b>	<b>-</b>	<b>-</b>
Number of months needed to recover IRWD's total AF after partners' recovery (Assumes IRWD has use of total recovery capacity after partners' recovery)								8.6	10.2	-	-
Strand Ranch monthly recharge amount assuming 0.3 ft/day average recharge rate (AF)										4,518	
Stockdale West monthly recharge amount assuming 0.3 ft/day average recharge rate (AF)										2,331	
<sup>1</sup> Based on designed Strand recovery capacity assuming 370' bgs. Assumes 5 cfs for each of the Stockdale West and Drought Relief wells in order to meet IRWD's Water Banking, Transfers, and Wheeling policy position. Assumes partners' water is recovered over 6 months. <sup>2</sup> IRWD has use of Acquired Storage and Drought Relief Project wells until January 12, 2039, unless the term of the agreement is extended. <sup>3</sup> One half of storage capacity at Stockdale West and Strand Ranch will be allocated for partners. <sup>4</sup> Kern Water Bank capacities based on 6.58% of Dudley Ridge Water District's 9.62% share of the Kern Water Bank. Annual recharge amount is based on an average of recharge rates for high and low groundwater level conditions. 5,000 AF of recovery capacity may be available for second priority use.											

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# Exhibit "B"

TABLE 2

**IRWD's Water Banking Storage, Recharge and Recovery Operations - BEFORE LOSSES**

February 14, 2023

TRANSACTIONS	WATER BANKING ENTITY					TOTAL BY WATER TYPE AND STORAGE LOCATION
	IRWD		BUENA VISTA (BVWSD)	CENTRAL COAST (CCWA)	DUDLEY RIDGE WATER DISTRICT (DRWD) <sup>3</sup>	
	SWP <sup>1</sup>	NON-SWP <sup>2</sup>	NON-SWP	SWP	SWP	
<b>BEGINNING WATER IN STORAGE 2022 (AF)</b>						
Total Kern Water Bank <sup>4</sup>	-	3,848	-	-	-	3,848
Total MWD System	8,062	-	-	-	-	8,062
Total Kern County	5,234	14,416	-	-	-	19,650
Total DRWD 1-for-1 Long Term Exchange Credit <sup>5</sup>	10,000	-	-	-	-	10,000
<b>TOTAL STORED WATER (1/1/2022)</b>	<b>23,296</b>	<b>18,264</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,560</b>
<b>(RECOVERY) AND RECHARGE IN 2022 (AF)</b>						
KWB Recovery for use on Jackson Ranch <sup>6</sup>	-	(84)	-	-	-	(84)
2022 SWP Allocation (5%)	44	-	-	-	43	87
2019 Reserve Water	76	225	225	-	-	526
Kern River Water	-	(5,000)	-	-	-	(5,000)
DRWD 1-for-1 Long Term Exchange Credit	5,000	-	-	-	-	5,000
Recovery of Banked SWP Water for MWD	(3,927)	-	-	-	-	(3,927)
MWD Credit for SWP Water	3,927	-	-	-	-	3,927
<b>TOTAL 2022 TRANSACTIONS</b>	<b>5,120</b>	<b>(4,859)</b>	<b>225</b>	<b>-</b>	<b>43</b>	<b>529</b>
Total Kern Water Bank <sup>9</sup>	-	3,764	-	-	-	3,764
Total MWD System	12,033	-	-	-	43	12,076
Total Kern County	1,383	9,641	225	-	-	11,249
Total DRWD 1-for-1 Long Term Exchange Credit	15,000	-	-	-	-	15,000
<b>TOTAL STORED WATER (1/1/2023)</b>	<b>28,416</b>	<b>13,405</b>	<b>225</b>	<b>-</b>	<b>43</b>	<b>42,089</b>
<b>(RECOVERY) AND RECHARGE IN 2023 (AF)</b>						
KWB Recovery for use on Jackson Ranch <sup>6</sup> (estimated)	-	(235)	-	-	-	(235)
<b>2023 SWP Allocation (30%)<sup>3</sup></b>	<b>263</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>262</b>	<b>525</b>
Kern River Water	-	-	-	-	-	-
DRWD 1-for-1 Long Term Exchange Credit	-	-	-	-	-	-
Recovery of Banked SWP Water for MWD	-	-	-	-	-	-
MWD Credit for SWP Water	-	-	-	-	-	-
<b>TOTAL ESTIMATED 2023 TRANSACTIONS</b>	<b>263</b>	<b>(235)</b>	<b>-</b>	<b>-</b>	<b>262</b>	<b>290</b>
<b>ESTIMATED WATER IN STORAGE 2023 (AF)</b>						
Total Kern Water Bank	-	3,529	-	-	-	3,529
Total MWD System	12,296	-	-	-	305	12,601
Total Kern County	1,383	9,641	-	-	-	11,024
Total DRWD 1-for-1 Long Term Exchange Credit	15,000	-	-	-	-	15,000
<b>TOTAL ESTIMATED STORED WATER TO DATE</b>	<b>28,679</b>	<b>13,170</b>	<b>-</b>	<b>-</b>	<b>305</b>	<b>42,154</b>

**NOTES:**

-MWD = Metropolitan Water District of Southern California.

<sup>1</sup> IRWD's SWP includes 295 AF from CVWD that stays in Kern County.

<sup>2</sup> IRWD's Non-SWP total includes 2,403 AF, net of losses, of Kern County Water Agency Article 21 Water.

<sup>3</sup> DRWD water supply will be returned by MWD or IRWD's Strand Ranch to IRWD's Jackson Ranch. MWD took delivery of IRWD's 2022 SWP allocation in June 2022. It is assumed that MWD will take delivery of IRWD's 2023 SWP Allocation.

<sup>4</sup> IRWD's KWB Account balance includes SWP, Friant and Kern River water. The KWB account balance is included in the Non-SWP column because it is not exportable to IRWD's service area. The 2022 beginning KWB balance was revised by DRWD based on KCWA 2021 end of year balances.

<sup>5</sup> Per the DRWD Long-Term 1-for-1 Exchange Program, Non-SWP water delivered to DRWD landowners will be returned to IRWD as SWP water at a later date. To account for the SWP water that will be returned at a later date, the amount of water owed will be shown as a credit.

<sup>6</sup> Water recovered from IRWD's Kern Water Bank account for use on Jackson Ranch.

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## Exhibit "C"

**TABLE 3**  
**IRWD's Water Banking Storage, Recharge and Recovery Operations - AFTER LOSSES**  
 February 14, 2023

TRANSACTIONS	WATER BANKING ENTITY					TOTAL BY WATER TYPE AND STORAGE LOCATION
	IRWD		BUENA VISTA (BVWSD)	CENTRAL COAST (CCWA)	DUDLEY RIDGE WATER DISTRICT (DRWD) <sup>3</sup>	
	SWP <sup>1</sup>	NON-SWP <sup>2</sup>	NON-SWP	SWP	SWP	
<b>BEGINNING WATER IN STORAGE 2022 (AF)</b>						
Total Kern Water Bank <sup>4</sup>	-	3,848	-	-	-	3,848
Total MWD System	8,062	-	-	-	-	8,062
Total Kern County	4,199	10,492	-	-	-	14,691
Total DRWD 1-for-1 Long Term Exchange Credit <sup>5</sup>	10,000	-	-	-	-	-
<b>TOTAL STORED WATER (1/1/2022)</b>	<b>22,261</b>	<b>14,340</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,601</b>
<b>(RECOVERY) AND RECHARGE IN 2022 (AF)</b>						
KWB Recovery for use on Jackson Ranch <sup>6</sup>	-	(84)	-	-	-	(84)
2022 SWP Allocation (5%)	44	-	-	-	43	87
2019 Reserve Water	72	213	225	-	-	510
Kern River Water	-	(5,000)	-	-	-	(5,000)
DRWD 1-for-1 Long Term Exchange Credit	5,000	-	-	-	-	5,000
Recovery of Banked SWP Water for MWD	(3,927)	-	-	-	-	(3,927)
MWD Credit for SWP Water	3,927	-	-	-	-	3,927
<b>TOTAL 2022 TRANSACTIONS</b>	<b>5,116</b>	<b>(4,871)</b>	<b>225</b>	<b>-</b>	<b>43</b>	<b>513</b>
Total Kern Water Bank	-	3,764	-	-	-	3,764
Total MWD System	12,033	-	-	-	43	12,076
Total Kern County	344	5,705	225	-	-	6,274
Total DRWD 1-for-1 Long Term Exchange Credit	15,000	-	-	-	-	15,000
<b>TOTAL STORED WATER (1/1/2023)</b>	<b>27,376</b>	<b>9,469</b>	<b>225</b>	<b>-</b>	<b>43</b>	<b>37,113</b>
<b>(RECOVERY) AND RECHARGE IN 2023 (AF)</b>						
KWB Recovery for use on Jackson Ranch <sup>6</sup> (estimated)	-	(235)	-	-	-	(235)
2023 SWP Allocation (30%) <sup>3</sup>	263	-	-	-	262	525
Kern River Water	-	-	-	-	-	-
DRWD 1-for-1 Long Term Exchange Credit	-	-	-	-	-	-
Recovery of Banked SWP Water for MWD	-	-	-	-	-	-
MWD Credit for SWP Water	-	-	-	-	-	-
<b>TOTAL ESTIMATED 2023 TRANSACTIONS</b>	<b>263</b>	<b>(235)</b>	<b>-</b>	<b>-</b>	<b>262</b>	<b>290</b>
<b>ESTIMATED WATER IN STORAGE 2023 (AF)</b>						
Total Kern Water Bank	-	3,529	-	-	-	3,529
Total MWD System	12,296	-	-	-	305	12,601
Total Kern County	344	5,705	-	-	-	6,049
Total DRWD 1-for-1 Long Term Exchange Credit	15,000	-	-	-	-	15,000
<b>TOTAL ESTIMATED STORED WATER TO DATE</b>	<b>27,639</b>	<b>9,234</b>	<b>-</b>	<b>-</b>	<b>305</b>	<b>37,178</b>

**NOTES:**

-Water in storage has been adjusted to account for losses. IRWD's water stored in Kern County is adjusted 15% for losses (5% for out of county loss, 6% surface loss, and 4% reserve loss); Water stored for BVWSD in Kern County is adjusted 10% (6% for surface loss and 4% for reserve loss); no losses for water directly delivered to MWD system.

-MWD = Metropolitan Water District of Southern California.

<sup>1</sup> IRWD's SWP includes 251 AF from CVWD that stays in Kern County.

<sup>2</sup> IRWD's Non-SWP total includes 2,403 AF of Kern County Water Agency Article 21 Water.

<sup>3</sup> DRWD water supply will be returned by MWD or IRWD's Strand Ranch to IRWD's Jackson Ranch. MWD took delivery of IRWD's 2022 SWP allocation in June 2022. It is assumed that MWD will take delivery of IRWD's 2023 SWP Allocation.

<sup>4</sup> IRWD's KWB Account balance includes SWP, Friant and Kern River water. The KWB account balance is included in the Non-SWP column because it is not exportable to IRWD's service area. The 2022 beginning KWB balance was revised by DRWD based on KCWA 2021 end of year balances.

<sup>5</sup> Per the DRWD Long-Term 1-for-1 Exchange Program, Non-SWP water delivered to DRWD landowners will be returned to IRWD as SWP water at a later date. To account for the SWP water that will be returned at a later date, the amount of water owed will be shown as a credit.

<sup>6</sup>Water recovered from IRWD's Kern Water Bank account for use on Jackson Ranch.

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Exhibit "D"

**TABLE 4**  
**Status of IRWD Purchase and Exchange Programs (AFTER LOSSES)**  
 February 14, 2023

PARTNER	EXCHANGE RATIO	YEAR EXECUTED	AGREEMENT TYPE	WATER TYPE	PARTNER WATER		IRWD WATER								SELLABLE (Y/N)
					PARTNER SHARE (AF)	PARTNER BALANCE (AF)	IRWD SHARE (AF)	IRWD BALANCE			EXPORTABILITY				
								IN MWD SYSTEM (AF)	STORED IN KERN (AF)	OWED BY DUDLEY RIDGE WD	TOTAL (AF)	EXPORTABLE TO IRWD (AF)	NON-EXPORTABLE (AF)	FOR USE ON JACKSON RANCH (DRWD)	
Semitropic Water Storage District	NA	2008	Purchase	SWP Article 21	NA	NA	2,842		2,403		2,403		2,403		Yes
Carpinteria Valley Water District	2-for-1	2008	Short-Term	SWP Table A	277	-	250		250		250		250		Yes
Buena Vista Water Storage District <sup>1</sup>	2-for-1	2010	Pilot	Kern River	4,108	-	3,903								Yes
	2-for-1	2011	Long-Term	Kern River	21,473	225	20,399		3,302		3,302		3,302		
Antelope Valley East Kern Water Agency	2-for-1	2011	Pilot	SWP Table A	2,229	-	2,337	2,337	-		2,337	2,337			No
Carpinteria Valley Water District	2-for-1	2011	Pilot	SWP Table A	624	-	655	655	-		655	655			No
Dudley Ridge Water District <sup>2</sup> (SWPAO #13012)	2-for-1	2013	SWPAO	SWP Table A	1,876	-	1,876	1,876	-		1,876	1,876		-	Yes
				SWP Article 21	1,553	-	1,554	1,554	-		1,554	1,554		-	Yes
Metropolitan Water District <sup>3</sup>	1-for-1	2014	Short-Term	SWP Table A	NA	NA	4,000	4,000			4,000	4,000			No
Dudley Ridge Water District (SWPAO #17030)	2-for-1	2018	SWPAO	SWP Table A	1,316	305	1,388	1,318	69		1,388	1,388		305	Yes
Central Coast Water Agency	2-for-1	2017	Short-Term	SWP Table A	258	0	258	258			258	258			No
Dudley Ridge Water District <sup>4</sup>	1-for-1	2017	Long-Term	SWP Table A	-	-	15,000			15,000	15,000	15,000			No
Central Coast Water Authority	2-for-1	2019	Short-Term	SWP Table A	298	-	323	298	25		323	323			No
<b>Total:</b>					<b>34,012</b>	<b>530</b>	<b>54,785</b>	<b>12,297</b>	<b>6,049</b>	<b>15,000</b>	<b>33,346</b>	<b>27,390</b>	<b>5,955</b>	<b>305</b>	

<sup>1</sup> Water acquired through BVWSD will be exportable after it is exchanged for SWP Table A through 1-for-1 exchange with Dudley Ridge Water District.

<sup>2</sup> Only the portion of water stored for use on Jackson Ranch in DRWD is sellable.

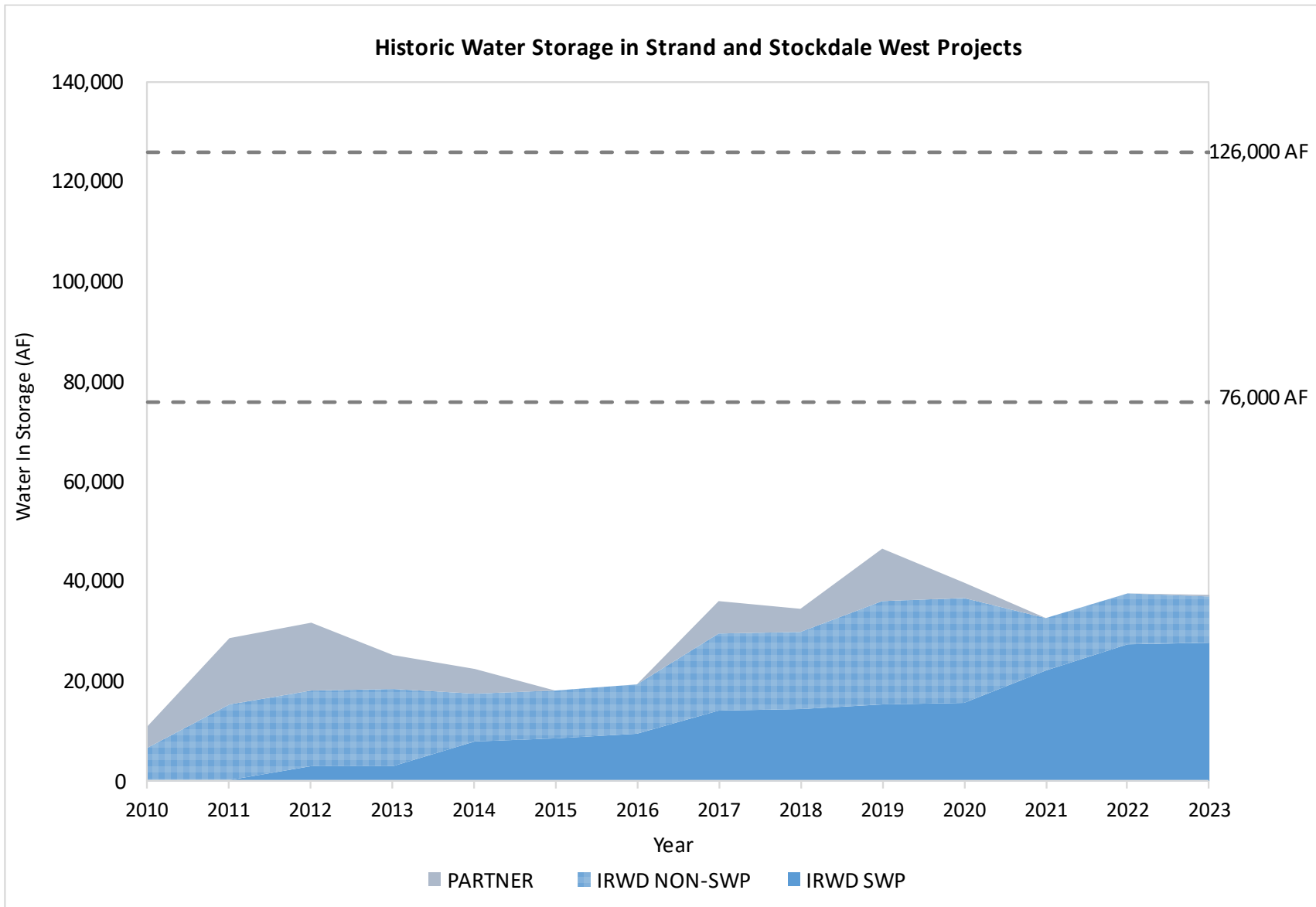
<sup>3</sup> Source of water was Buena Vista Water Storage District Kern River high flow water.

<sup>4</sup> Estimated amount of Table A to be returned to IRWD from Dudley Ridge Water District under the 1-for-1 exchange program.

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Exhibit "E"



\*After losses

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Exhibit "F"

**TABLE 5**  
**IRWD Dedicated Water Banking Capacities for Existing and Proposed Exchange Programs**  
 February 14, 2023

**STORAGE CAPACITY**

<b>Program</b>	<b>Dedicated Storage Capacity Strand Ranch (AF)</b>	<b>Dedicated Storage Capacity Stockdale West (AF)</b>	<b>Dedicated Storage Capacity Leased Storage Account (AF)</b>	<b>Kern Water Bank Storage Capacity (AF)</b>
Total Capacity	50,000	26,000	50,000	9,495
BVWSD	40,000	-	-	-
DRWD	10,000	-	-	-
AVEK	-	20,000	-	-
Total Dedicated	50,000	20,000	-	-
Total Remaining	-	6,000	50,000	9,495

**RECHARGE CAPACITY**

<b>Program</b>	<b>Dedicated Recharge Capacity Strand Ranch (AF)</b>	<b>Dedicated Recharge Capacity Stockdale West (AF)</b>	<b>Dedicated Recharge Capacity Leased Storage Account (AF)</b>	<b>Kern Water Bank Recharge Capacity (AF)</b>
Total Capacity	17,500	27,100	-	3,200
BVWSD	17,500	-	-	-
DRWD	-	-	-	-
AVEK	-	20,000	-	-
Total Dedicated	17,500	20,000	-	-
Total Remaining	-	7,100	-	3,200

**RECOVERY CAPACITY**

<b>Program Partner</b>	<b>Dedicated Recovery Capacity Strand Ranch (AF)</b>	<b>Dedicated Recovery Capacity Stockdale West (AF)</b>	<b>Dedicated Recovery Capacity Leased Storage Account (AF)</b>	<b>Kern Water Bank Recovery Capacity (AF)</b>
Total Capacity	17,500	11,250	-	1,520
BVWSD	6,667	-	-	-
DRWD	-	-	-	-
AVEK	-	3,333	-	-
IRWD	10,833	7,084	-	1,520
Total Dedicated	17,500	10,417	-	1,520
Total Remaining	-	833	-	-

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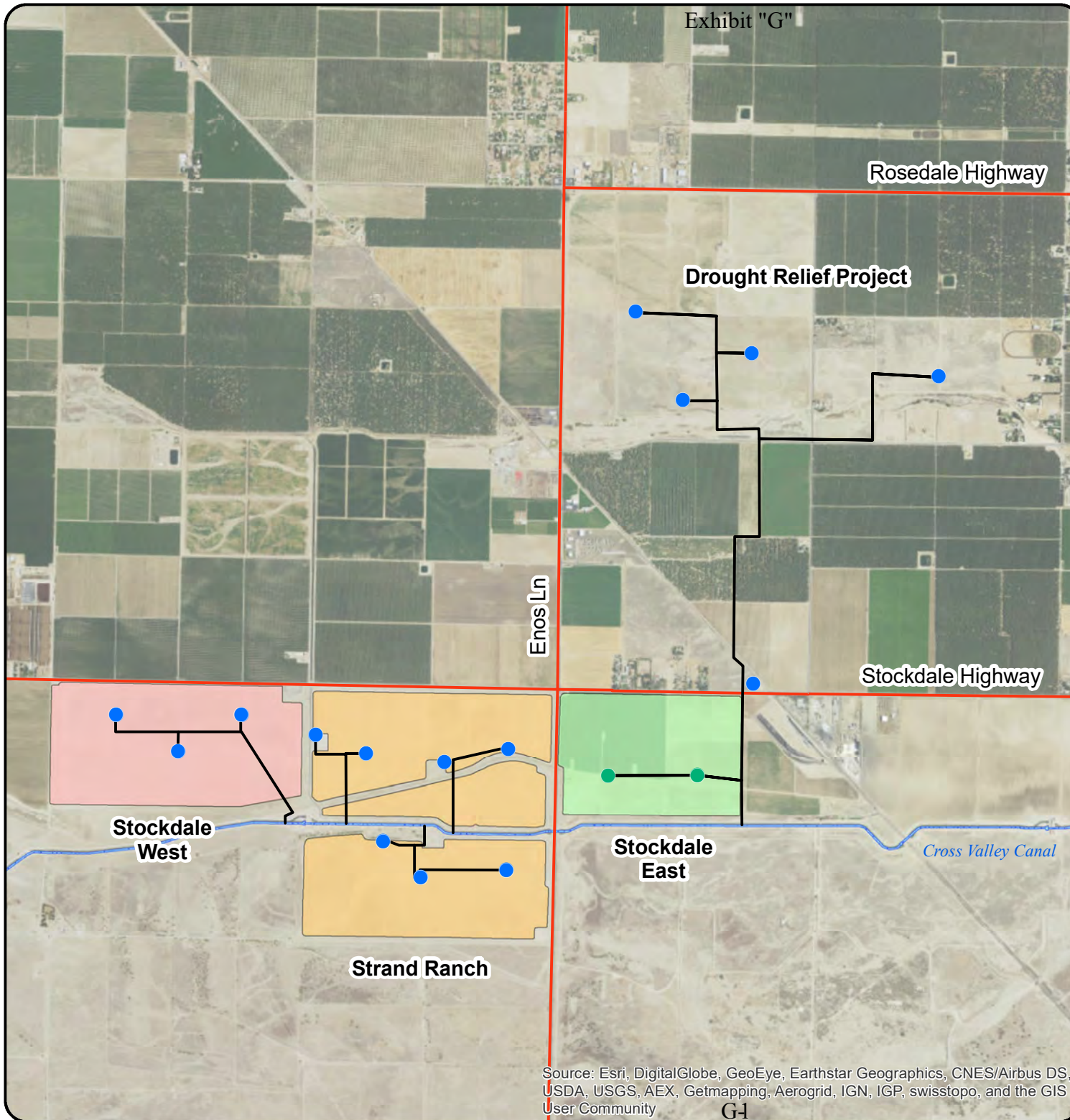


## Location Map: IRWD Water Banking Projects Wells and Turnin Pipelines

### MAP FEATURES

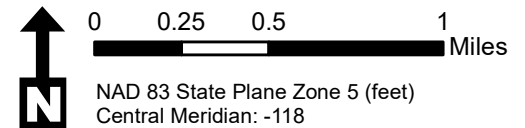
- Extraction Well
- Extraction Well
- Well Discharge Pipelines
- Stockdale East
- Stockdale West
- Strand Ranch

This figure shows the location of IRWD's water banking project sites and extraction wells.



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

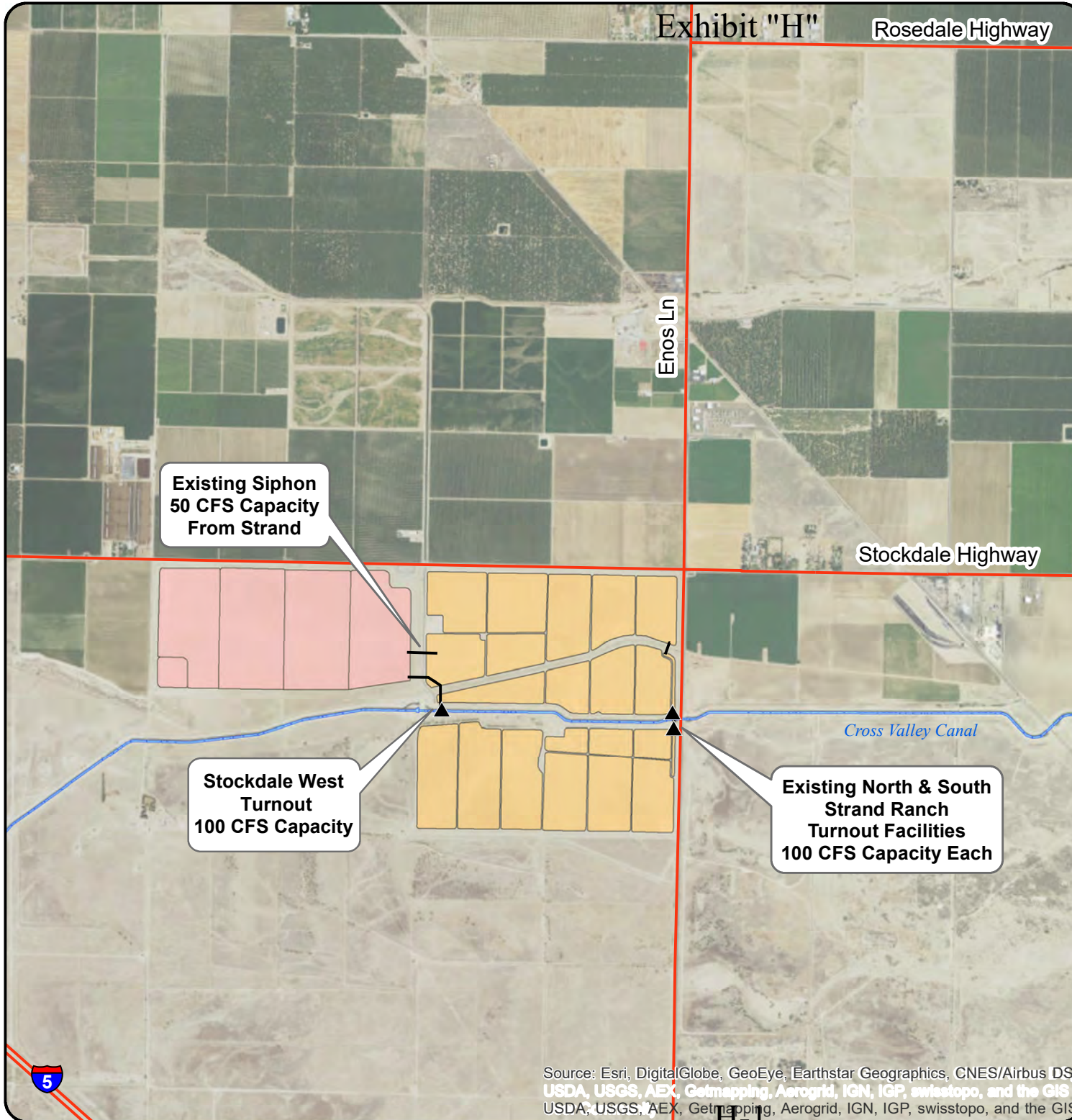
G1



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**Location Map:  
IRWD Water Banking Projects  
Recharge Basins & Turnout  
Facilities**



**Existing Siphon  
50 CFS Capacity  
From Strand**

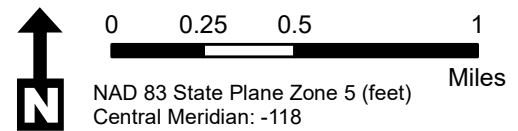
**Stockdale West  
Turnout  
100 CFS Capacity**

**Existing North & South  
Strand Ranch  
Turnout Facilities  
100 CFS Capacity Each**

**MAP FEATURES**

- ▲ Turnouts
- Stockdale West
- Strand Ranch

This figure shows the location of recharge basins, pipelines and turnout facilities.



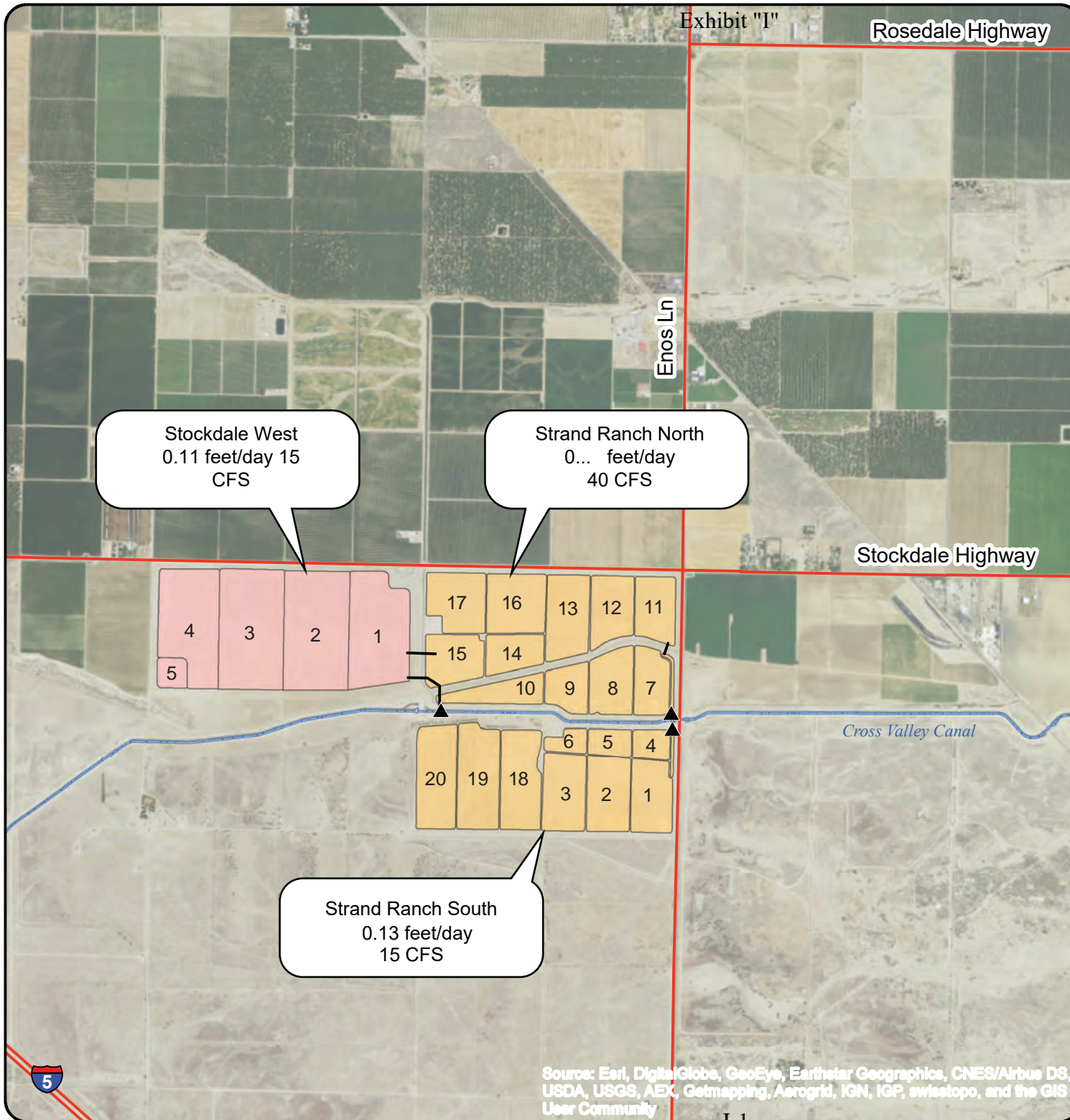
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

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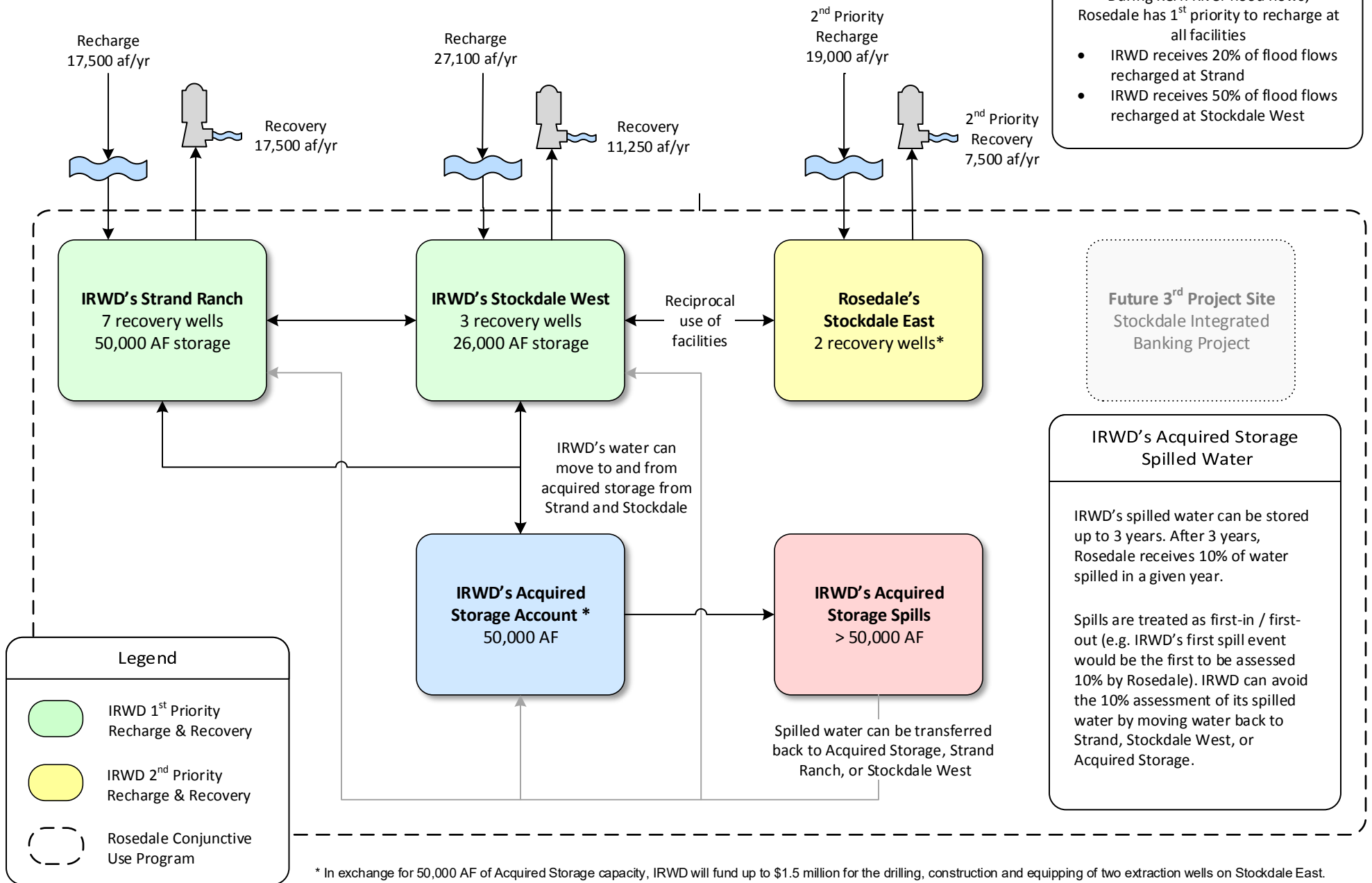
## Location Map: IRWD Water Banking Projects Recharge Rates



This figure shows the location of recharge basins and their associated recharge rates as of June 18, 2019.

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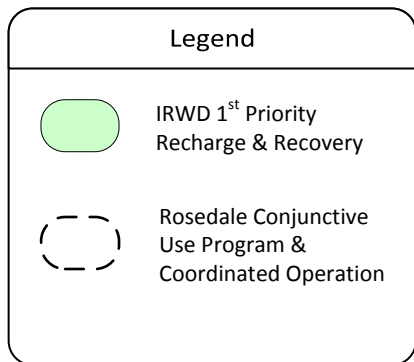
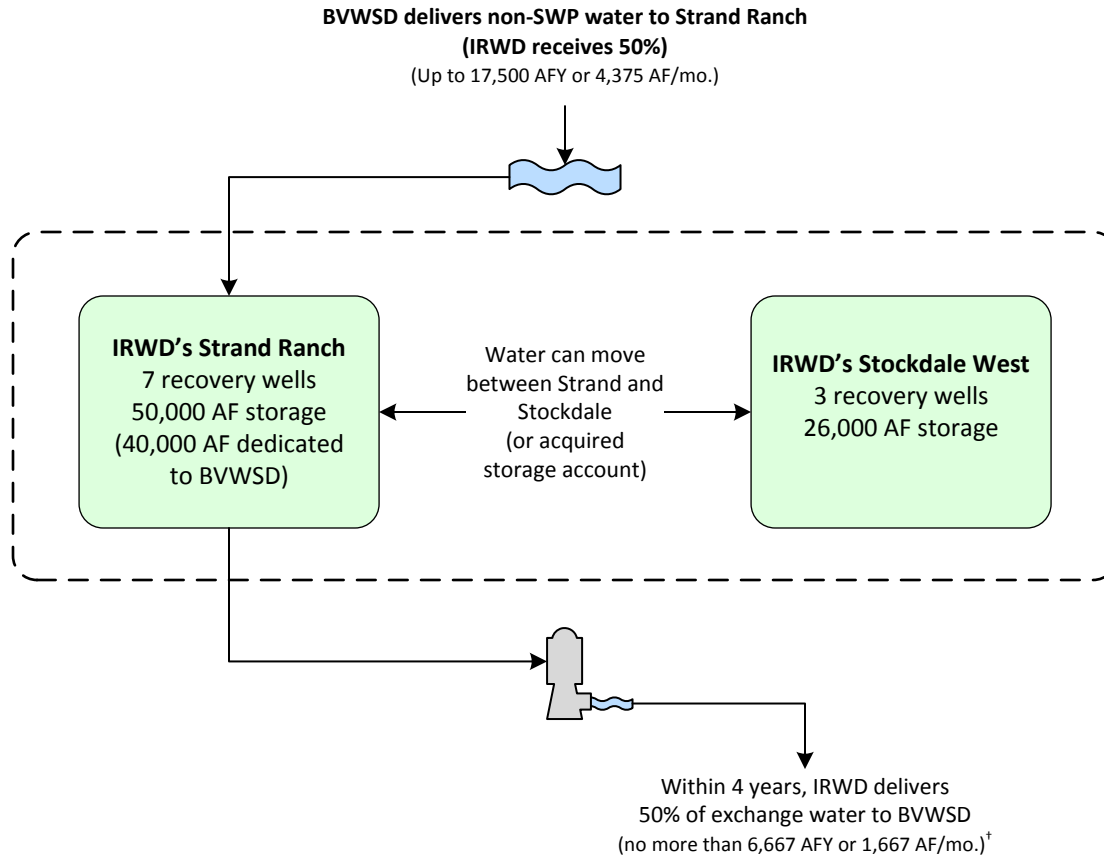
Exhibit "J"  
**IRWD-Rosedale Water Banking and Exchange Program Agreements**  
 Effective 1/12/2009 through 1/12/2039 (Strand Ranch)  
 2/4/2016 through 1/12/2039 (Stockdale West)



\* In exchange for 50,000 AF of Acquired Storage capacity, IRWD will fund up to \$1.5 million for the drilling, construction and equipping of two extraction wells on Stockdale East.

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**Exhibit "K"**  
**Buena Vista Water Storage District Long Term Water Exchange Program**  
 Effective 1/1/2011 through 1/12/2039

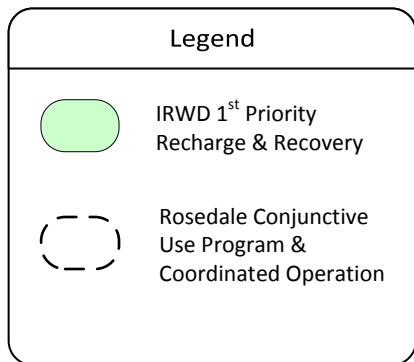
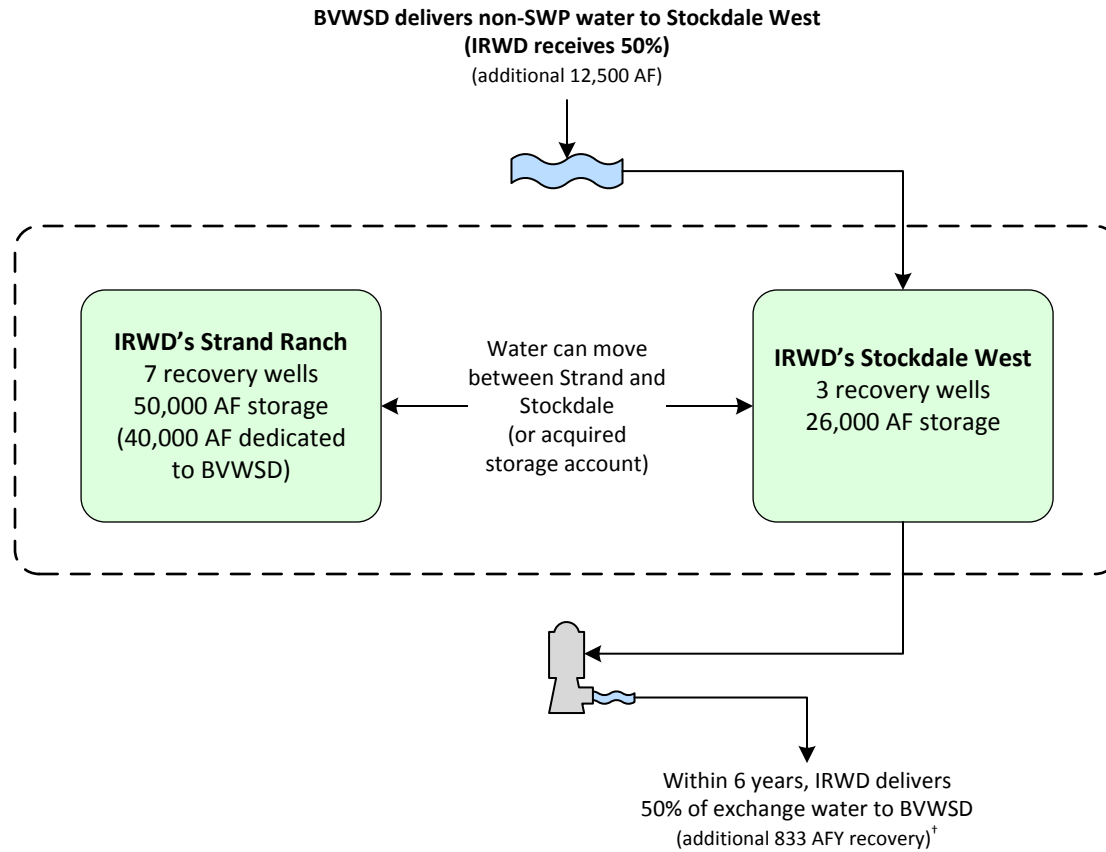


<sup>†</sup>IRWD shall remit one-half of the exchanged supply less one-half of reasonable losses back to BV no later than December 31<sup>st</sup> of the 4<sup>th</sup> year following the associated recharge event. IRWD pays for recovery of water returned to BV. Water to be remitted back to BV may remain in storage at Strand Ranch beyond the 4<sup>th</sup> year, in exchange for a greater percent being transferred to IRWD as compensation per the table shown to the right:

Year Following Recharge Event	Percent Transferred to IRWD	Percent Returned to BV During or Before Indicated Year
1	50%	50%
2	50%	50%
3	50%	50%
4	50%	50%
5	60%	40%
6	70%	30%
7	80%	20%
8	90%	10%
9	100%	0%

# Buena Vista Water Storage District One-Year Program to Augment Recharge Using Stockdale West Recharge Facilities

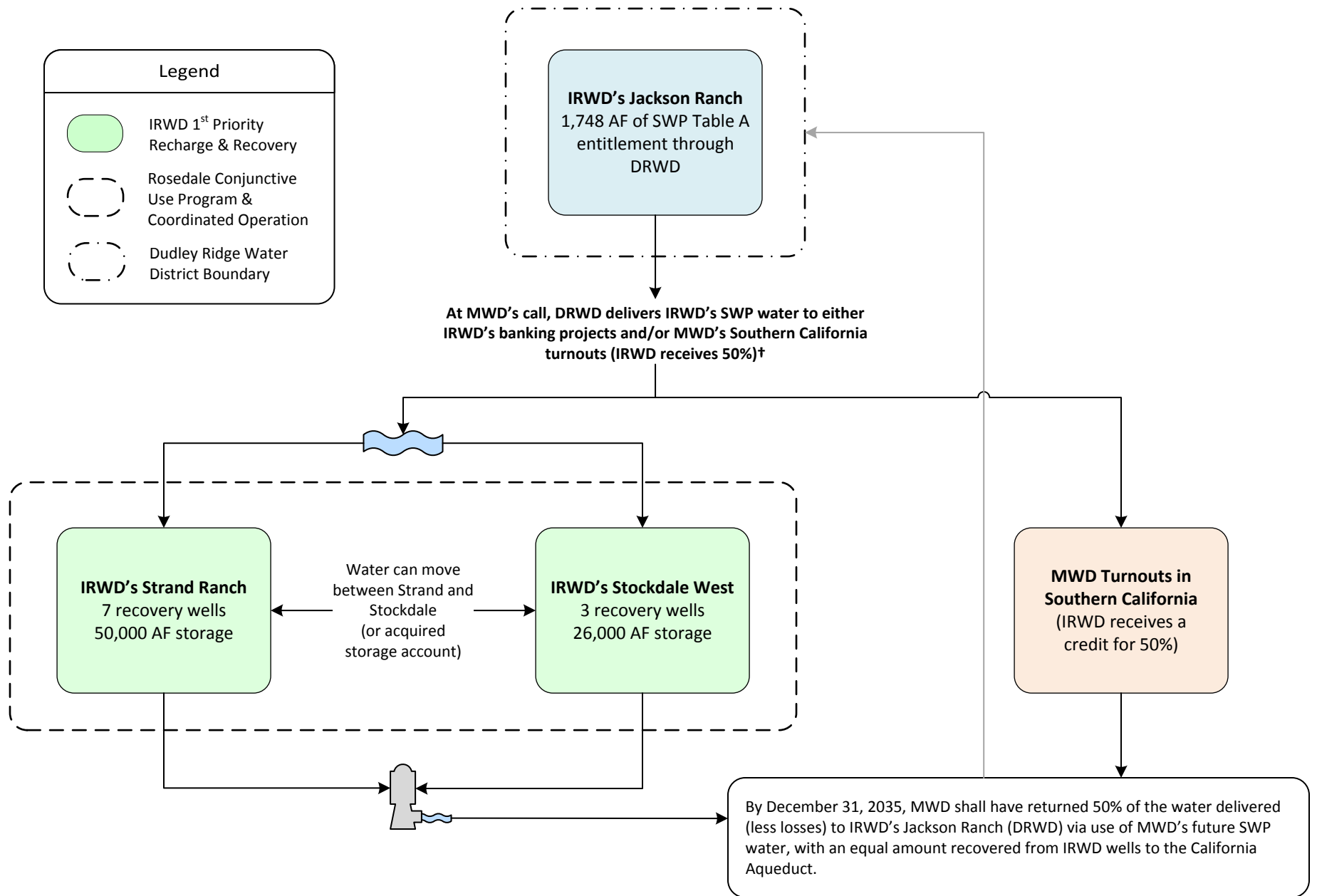
Effective 4/1/2017 through 3/30/2018



†IRWD shall remit one-half of the exchanged supply less one-half of reasonable losses back to BV no later than December 31<sup>st</sup> of the 6<sup>th</sup> year following the associated recharge event. IRWD pays for recovery of water returned to BV. Water to be remitted back to BV may remain in storage at Strand Ranch beyond the 6<sup>th</sup> year, in exchange for a greater percent being transferred to IRWD as compensation per the table shown to the right:

Year Following Recharge Event	Percent Transferred to IRWD	Percent Returned to BV During or Before Indicated Year
1	50%	50%
2	50%	50%
3	50%	50%
4	50%	50%
5	50%	50%
6	50%	50%
7	75%	25%
8	100%	0%
9	100%	0%

Exhibit "L"  
**Dudley Ridge Water District (DRWD) Unbalanced Exchange Program**  
 Up to 12,240 AF delivered from 6/7/2018 through 12/31/2027



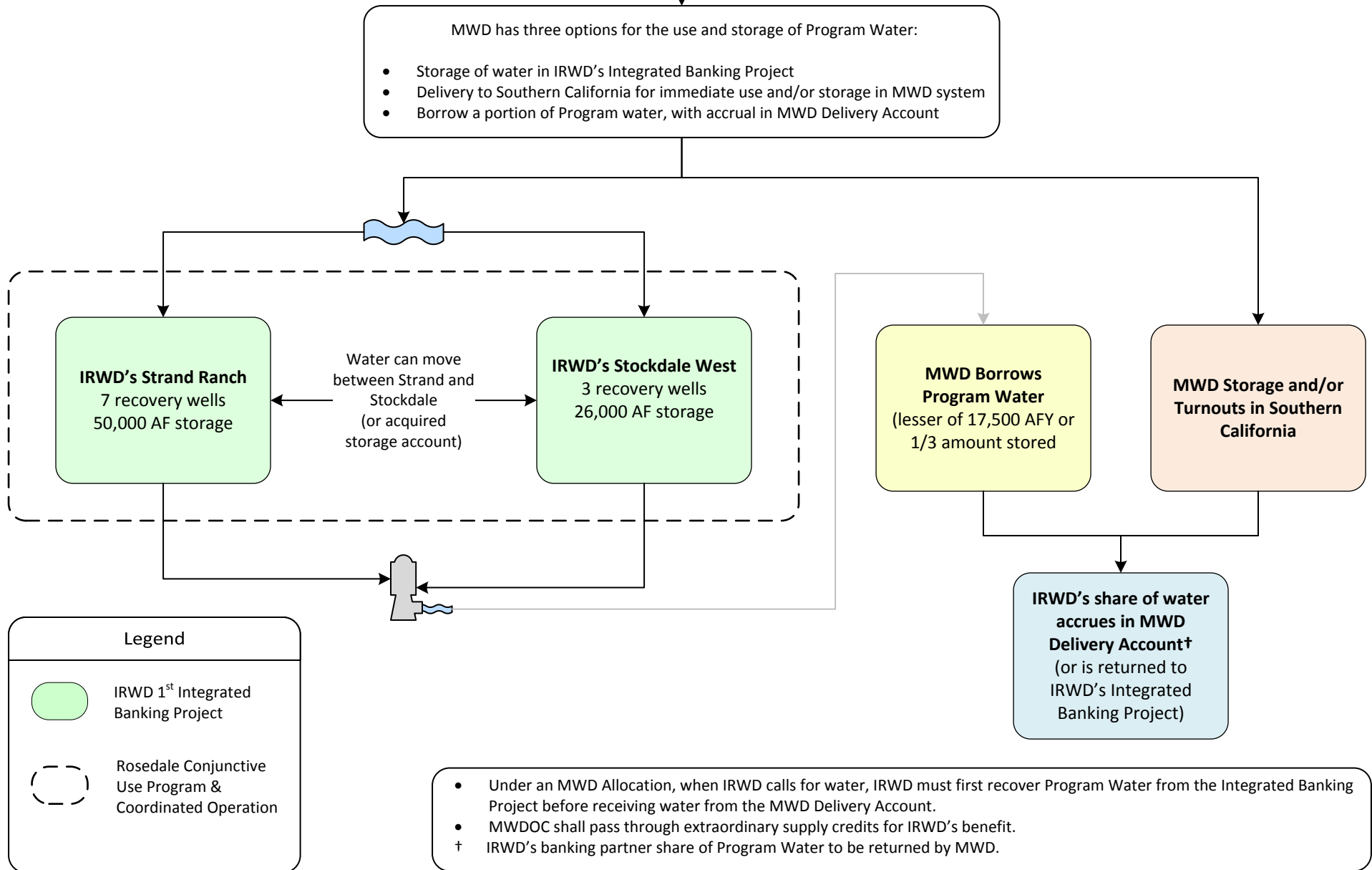
†Consistent with IRWD-MWD coordinated operating agreement.

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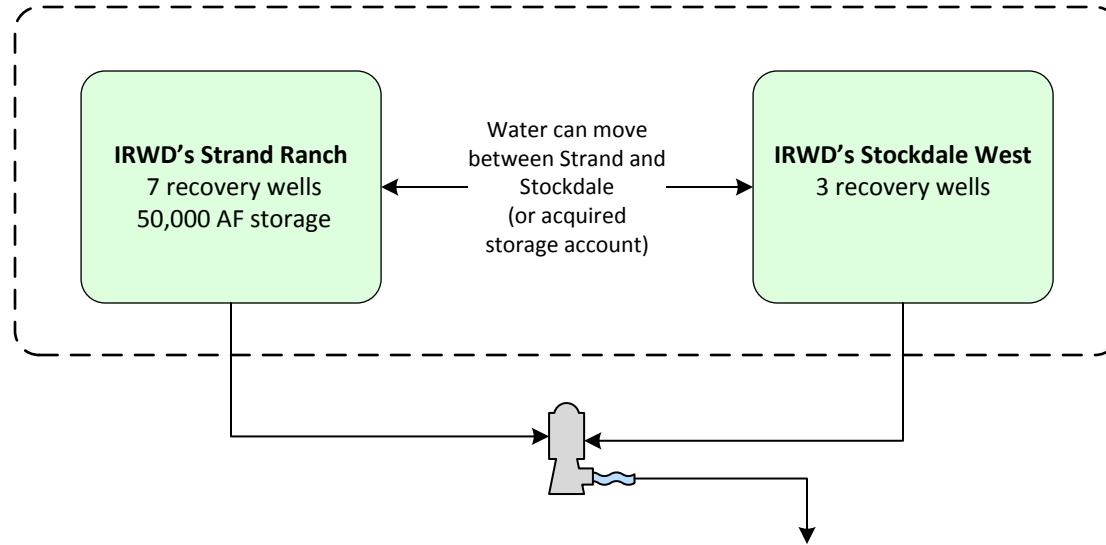
# Coordinated Operating, Water Storage, Exchange and Delivery Agreement Between MWD, MWDOC and IRWD Effective 5/1/2011 through 11/4/2035

With MWD's consent, IRWD secures SWP water (Program Water) through exchanges with IRWD Banking Partners for use as extraordinary supply under MWD Water Supply Allocation Plan





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Exhibit "N"  
**Agreement for Conveyance of Water Between MWD, MWDOC, and IRWD (Wheeling Agreement)**  
 Template for future agreements



IRWD recovers its share of non-SWP water from its Integrated Banking Projects for use as extraordinary supply under a declared MWD Water Supply Allocation. MWD will coordinate the conveyance and delivery of recovered water to be used within IRWD's Service Area. Delivery can also occur through an operational exchange.\*

Legend	
	IRWD 1 <sup>st</sup> Priority Recharge & Recovery
	Rosedale Conjunctive Use Program & Coordinated Operation

\*The recovered water must be used within IRWD's service area. IRWD to pay MWD wheeling charges, including system access rate, water stewardship rate, and treatment surcharge (if applicable), for each acre foot of recovered water wheeled by MWD. IRWD will pay the actual costs of power incurred by MWD to convey recovered water in the California Aqueduct to IRWD delivery points.

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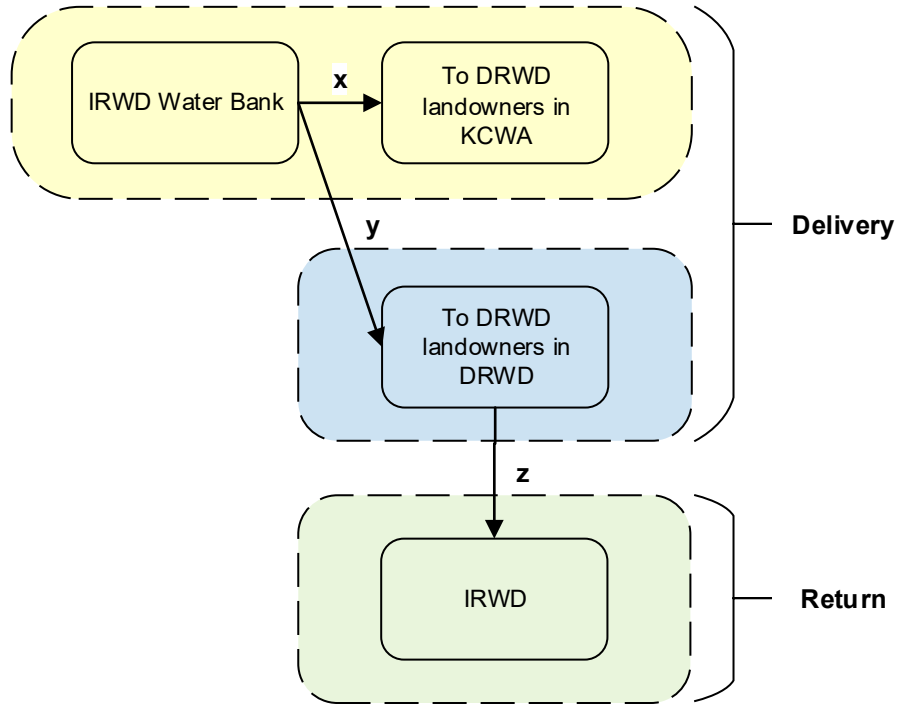
**Dudley Ridge Water District Long Term 1-for-1 Water Exchange Program**  
 Effective 5/31/2017 through 11/4/2035

**Scenario A**  
 (Per Sections 2, 3, 4.1.1, and 4.1.3)

---

x= Non-Project Water required to stay in Kern County  
 y= Non-Project Water allowed to leave Kern County  
 z= DRWD Table A Water equal to x+y less applicable losses, if any

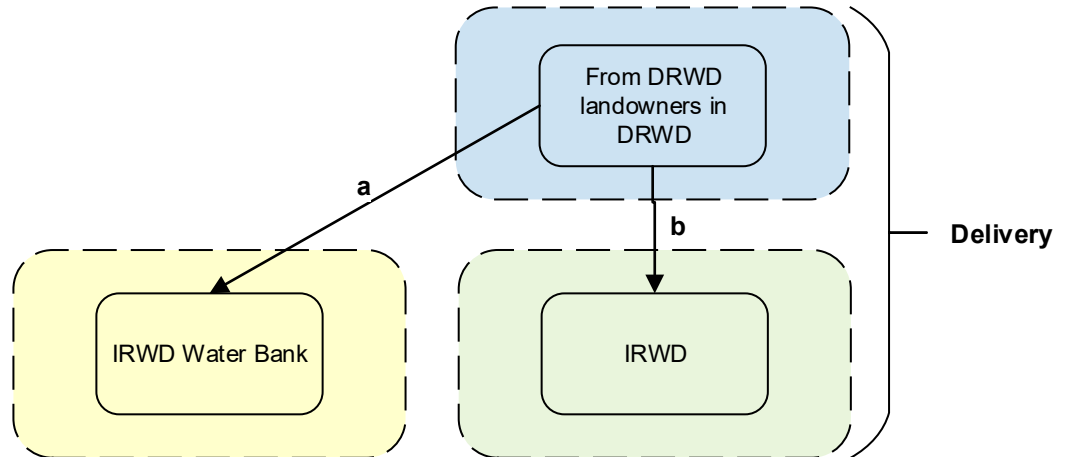
Per Section 4.1.3, z can be delivered to IRWD via in-ground transfer to IRWD, SWP delivery to IRWD banking facilities, or SWP delivery to MWDSC



**Scenario B**  
 (Per Sections 2, 3, and 4.1.2)

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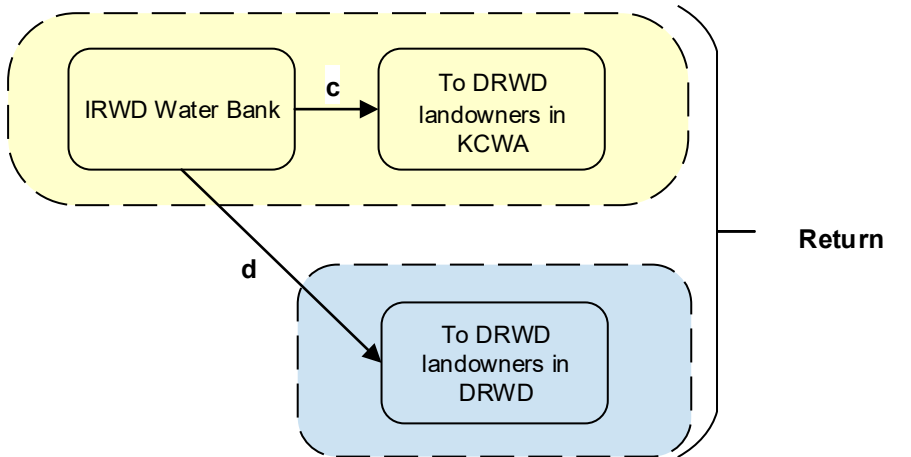
$a + b = c + d$   
 (less applicable losses, if any)



**Legend**

---

- KCWA Service Area
- DRWD Service Area
- IRWD Service Area



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Exhibit "P"

**TABLE 6**  
**IRWD Water Banking Program Costs of Water Summary**  
 February 14, 2023

Program Partner	Time Period	Water Type	IRWD Amount (AF)	Variable costs <sup>2</sup> (\$/AF) (A)	Fixed Cost Component <sup>3</sup> (\$/AF) (B)	Fixed & Variable (\$/AF) (C)	Capital Component <sup>4</sup> (\$/AF) (D)	Cost of Water (\$/AF) (E)	Estimated Recovery of Water <sup>5</sup> (\$/AF) (F)	2023 MWD Tier 1 Untreated Rate + SAC Surcharge <sup>6</sup> (\$/AF) (G)	Cost of Water in IRWD Service Area (\$/AF) (H)
						A+B		C+D			E+F+G
Buena Vista	2010-2015	Kern River	12,832	\$ 75.98	\$ 48.36	\$124.34	\$ 190.00	\$ 314.34	\$ 120.00	\$ 855.00	\$ 1,289.34
Buena Vista <sup>1</sup>	2017-2021	Kern River	11,256	\$ 159.16	\$ 48.36	\$207.52	\$ 190.00	\$ 397.52	\$ 120.00	\$ 855.00	\$ 1,372.52
AVEK	2012-2014	SWP Table A	2,229	\$ 11.70	\$ 48.36	\$ 60.06	\$ 190.00	\$ 250.06	\$ 120.00	\$ 855.00	\$ 1,225.06
AVEK <sup>7</sup>	2012-2014	SWP Table A	108	\$ 11.70	\$ 48.36	\$ 60.06	\$ 190.00	\$ 250.06	\$ -	\$ 855.00	\$ 1,105.06
Carpinteria	2010-2015	SWP Table A	874	\$ 27.04	\$ 48.36	\$ 75.40	\$ 190.00	\$ 265.40	\$ 120.00	\$ 855.00	\$ 1,240.40
Carpinteria <sup>7</sup>	2010-2015	SWP Table A	31	\$ 27.04	\$ 48.36	\$ 75.40	\$ 190.00	\$ 265.40	\$ -	\$ 855.00	\$ 1,120.40
Central Coast <sup>7</sup>	2017-2021	SWP Table A	556	\$ 30.34	\$ 48.36	\$ 78.70	\$ 190.00	\$ 268.70	\$ -	\$ 855.00	\$ 1,123.70
DRWD <sup>7</sup>	2014-2021	SWP Table A /Article 21	4,452	\$ 362.67	\$ 48.36	\$411.03	\$ 190.00	\$ 601.03	\$ -	\$ 855.00	\$ 1,456.03
<b>Total</b>			<b>32,338</b>								

<sup>1</sup> Water purchased in 2019 includes commodity charge of \$110/AF

<sup>2</sup> Variable Costs include Rosedale variable operating costs, Rosedale administration fees, CVC pumping, operating and stand-by fees, and KCWA fees. (Net of partner payments to IRWD for their share of water)

<sup>3</sup> Fixed costs include Rosedale fixed operating costs, property taxes, PG&E standby costs, GSP fees, CVC expansion costs and other minor fix costs

<sup>4</sup> Capital component does not include land costs.

<sup>5</sup> Increased PG&E costs for recovering water.

<sup>6</sup> Assumes IRWD would take delivery as extraordinary supply through Irvine Lake to the Baker Water Treatment Plant.

<sup>7</sup> No recovery costs for DRWD water delivered in 2014-2016 and water recovered in 2022 as part of MWD borrowing.

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## Exhibit “Q”

### Summary of IRWD’s Coordinated Operating, Water Storage, Exchange and Delivery Agreement with Metropolitan Water District and Municipal Water District of Orange County (MWDOC)

Agreement approved (unanimously) by the IRWD Board on November 22, 2010;  
Agreement Term: April 21, 2011 to November 4, 2035

#### Summary of Benefits to IRWD:

1. IRWD benefits from all State Water Project (SWP) water IRWD secures; Metropolitan’s borrowing of this water is temporary.
2. On behalf of IRWD, Metropolitan uses its SWP exchange and conveyance capacities to move IRWD’s water for banking.
3. IRWD can “store” water in Metropolitan’s system as a credit, freeing up space in IRWD’s Water Bank with the water stored closer to the IRWD service area.
4. IRWD does not incur conveyance or evaporation losses on its water that is conveyed in Metropolitan’s system and stored in Metropolitan’s reservoirs.
5. IRWD avoids groundwater recovery (pumping) costs when Metropolitan issues a credit for IRWD’s SWP supplies in Southern California (currently \$122/AF<sup>1</sup>).
6. IRWD pays Metropolitan’s melded system power rate – currently \$167/AF, not DWR’s current power costs of \$395/AF<sup>2</sup> (\$228/AF savings).
7. Deliveries are on-demand to IRWD at its service connections in Orange County, which are not subject to lower priorities for wheeling.
8. Metropolitan pays all SWP costs, including variable OMP&R supply costs, associated with SWP water secured by IRWD<sup>3</sup>.
9. IRWD pays Metropolitan’s Full-Service Tier-1 Untreated Rate, which is currently \$799/AF, for deliveries at its service connections allowing IRWD to avoid higher Metropolitan wheeling charges currently estimated at \$856/AF<sup>4</sup>.
10. IRWD only pays once for supply at the current Tier-1 Supply Rate of \$243/AF.
11. Deliveries to IRWD’s service area qualify as Extraordinary Supply during a Water Supply Allocation, allowing IRWD to avoid Metropolitan’s Allocation Surcharge of between \$1,480/AF and \$2,960/AF.
12. IRWD increases local water supply reliability for its ratepayers.

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<sup>1</sup> Estimated from IRWD’s current groundwater pumping costs and Water Bank related operations costs. Metropolitan has the option to extinguish credits by returning water to the IRWD Water Bank. In recent borrowing letter agreement, Metropolitan agreed to waive its ability to return borrowed water to the Water Bank.

<sup>2</sup> Melded system and actual power costs were taken from Metropolitan’s April 2022 Bi-Annual Budget Report and 2022 Cost of Service Study.

<sup>3</sup> Does not include fixed costs paid by IRWD’s unbalanced exchange partners. In 2014 and 2017, Metropolitan’s SWP costs were \$1,097/AF and \$359/AF, respectively.

<sup>4</sup> The Coordinated Agreement requires IRWD to pay Metropolitan its Full-Service Tier 1 Rate for exchange deliveries at IRWD service connections. IRWD is expected to take delivery of such deliveries to the Baker Water Treatment Plant. Metropolitan’s current Tier-1 Untreated Rate = \$799/AF. Current Metropolitan wheeling charges of \$856/AF are estimated using Metropolitan’s current System Access Rate (\$389/AF), estimated demand management charge (\$72/AF), and actual power costs (\$395/AF).

Summary of Benefits to MWD:

1. Metropolitan maintains control of all SWP supplies entering its service area as required by its SWP Contract with California Department of Water Resources (DWR).
2. Metropolitan's investments in the SWP are protected by not causing a reduction in revenue received by Metropolitan for payment of SWP fixed charge obligations.
3. Metropolitan can temporarily borrow SWP water secured by IRWD.
4. Metropolitan is assured that IRWD is not competing for water supplies.
5. Increased regional water supply reliability.

February 14, 2023  
Prepared by: M. Lindsay / K. Welch  
Submitted by: F. Sanchez / P. Weghorst  
Approved by: Paul A. Cook *PAW*

## SUPPLY RELIABILITY PROGRAMS COMMITTEE

### WATER SUPPLY CONDITIONS AND WATER BANKING CONSIDERATIONS UPDATE

#### SUMMARY:

To improve IRWD's water supply reliability, the District has developed a diverse water supply portfolio that includes water banking projects to supplement supplies during supply interruptions and major droughts. This write-up will provide an update on current water supply conditions in the Colorado River, State Water Project (SWP), Central Valley Project (CVP), and Kern River systems for water year (WY) 2023. It will also summarize expectations relative to the supply conditions and considerations for securing water for recharge at the IRWD Water Bank in Kern County.

#### BACKGROUND:

Approximately 18% of the IRWD water supply is imported through Metropolitan Water District of Southern California from the both the Colorado River and the SWP. Over the past several years, extreme drought conditions have impacted supply availability from these sources. These drought conditions are reinforcing the need to secure additional sources of water for IRWD's Water Bank. The following is an overview of water supply conditions in California, associated conclusions and considerations for securing water for recharge at the IRWD Water Bank. At the Committee meeting, staff will present further details through the presentation that is provided as Exhibit "A".

#### Colorado River:

Metropolitan typically relies on the Colorado River for approximately 25% of its imported water. As a result of recent supply shortages on the SWP system, the ability to maintain supplies from the Colorado River is important. A combination of drought, climate change, and population growth have contributed to reduced water levels in Lake Mead, causing the Bureau of Reclamation to declare, in August 2021, the first Colorado River shortage condition. At the end of WY 2022, Lake Mead was at its lowest level since initial fill.

#### *24-Month Study:*

Reclamation relies on its monthly projection known as the 24-Month Study in its assessment of future Colorado River conditions. The 24-Month Study projects Colorado River system conditions using single-trace hydrologic scenarios simulated with Reclamation's models. Three studies, representing the Most Probable, Minimum Probable, and Maximum Probable 24-Month projections are released monthly. These studies project the most probable elevation conditions at Lake Mead over the next 24 months.

The 24-Month Study released in August 2022 projected the January 1, 2023 operating elevation for Lake Mead to be 1,047.6 feet, which triggers shortage reductions and water savings contributions from the Lower Basin States and Mexico.

*Requirements for Water Use Reductions:*

As a result of the August 2022 projections, Reclamation announced that the seven basin states must reduce usage by 2 to 4 million acre-feet (MAF), and directed the states to reach a regionwide consensus on how to reduce water use by January 31, 2023. The seven states did not reach consensus on how to implement Reclamation's proposed reductions by the deadline.

California submitted a proposal based on the Law of the River – the decades old system of allocating water to each state that favors California's senior rights. The other six states proposed conserving water with more aggressive early cutbacks and to allocate evaporation and infrastructure losses without consideration of California's senior rights. Reclamation will consider the proposals as it contemplates how to implement the necessary water use reductions. At the Committee meeting, staff will provide an update on the status of the proposals and the most recent 24-Month Study.

State Water Project:

On January 26, 2023, the California Department of Water Resources increased the SWP Table A allocation from 5% to 30% as a direct result of extreme weather in late December and early January. The allocation is expected to increase further in the spring. The SWP's two largest reservoirs, Lake Oroville and San Luis, have gained a combined 1.62 MAF of water in storage. At the Committee meeting, staff will provide the latest daily update on storage in Lake Oroville and San Luis Reservoir. San Luis Reservoir serves as a key water facility for both the SWP and the federal CVP. The reservoir is currently more than 65% full and is expected to continue to increase.

Central Valley Project:

Lake Shasta, the largest reservoir in the CVP system, currently holds approximately 2.5 MAF of water in storage. Folsom Lake on the CVP system with a maximum storage of 977 thousand acre-feet (TAF), currently holds approximately 500 TAF. Folsom Lake has already released non-storable water available for purchase as Section 215 water in WY 2023. Reclamation staff confirmed 850 AF of Section 215 water has been purchased as of January 2023.

Millerton Lake is a CVP system reservoir that holds San Joaquin River water with a maximum storage capacity of 520 TAF. Millerton Lake releases of water via the Friant Dam increased in early January during the substantial precipitation events. A total of 36,219 AF of water has been diverted to the Madera Canal and 202,694 AF into the San Joaquin River. A total of 18,375 AF of water has been diverted into the Friant-Kern Canal for users on the upper Friant system, but due to construction, lower Friant water users have only received limited supplies.

*Friant-Kern Canal*

The Friant Water Authority began construction on the Friant-Kern Canal Middle Reach Capacity Correction Project in January 2022. The Project was initiated to restore conveyance capacity to 4,000 cubic feet per second (cfs) after major land subsidence reduced capacity to 1,600 cfs. Section 215 water supplies to Kern County are unlikely to be significant due to Friant-Kern Canal construction, which has limited releases to contractors. The construction is expected to be completed post spring 2024.

Kern River and Lake Isabella Dam:

Buena Vista Water Storage District can deliver high flow Kern River water supplies to IRWD's Water Bank when the Kern River is at 125% or greater than normal. Additionally, Kern River flood flows are available when abnormally high flow is being released from Isabella Reservoir by order of the United States Army Corps of Engineers (ACOE) and such flow is entering into the California Aqueduct. The Southern Sierra snowpack is at 260% of normal for January and 150% of normal for April 1, which is the beginning of snowmelt season. The current hydrology and Kern River Watermaster comments suggest that flood flows will not be available this water year.

*Lake Isabella Dam:*

In 2006, safety concerns were raised for Lake Isabella Dam because of seismic stability issues and seepage beneath the dam. These concerns prompted the ACOE to implement the Lake Isabella Dam Safety Modification Project. Until repairs were made, the ACOE enacted interim risk reduction measures lowering maximum storage at Lake Isabella by 36%, from 568 TAF to 361 TAF. The project is expected to be complete spring 2023. Upon completion, the Lake Isabella gross pool level will return to original capacity, increasing storage. As a result, high flow conditions are unlikely to occur downstream of the dam this water year.

Expectations and Considerations for IRWD's Water Banking Program:

The expected 2 to 4 MAF reductions in water use from the Colorado River will likely result in significant reductions in diversions from the river to Metropolitan's service area. These cutbacks will result in increased pressures on Metropolitan's supplies, which are already impacted by reduced supplies from the SWP. These impacts are increasing the need for IRWD's Water Bank in Kern County.

With the increase storage capacity now available in Lake Isabella, staff does not expect the high-flow conditions will occur downstream in the Kern River. Accordingly, staff does not expect that Buena Vista will be making deliveries to the IRWD Water Bank in 2023. Furthermore, conveyance restrictions are expected to limit CVP Friant Division deliveries into Kern County, reducing the potential for entities to bank CVP water in Kern County.

In the near term, the SWP Table allocation is expected to increase in the spring, which could offer the ability to implement unbalanced exchanges with SWP contractors. Accordingly, staff is recommending that IRWD consider implementing new unbalanced exchange programs. In separate items at the Committee meeting, staff will describe potential opportunities to implement unbalanced exchanges with Santa Clarita Valley Water Agency and Metropolitan.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

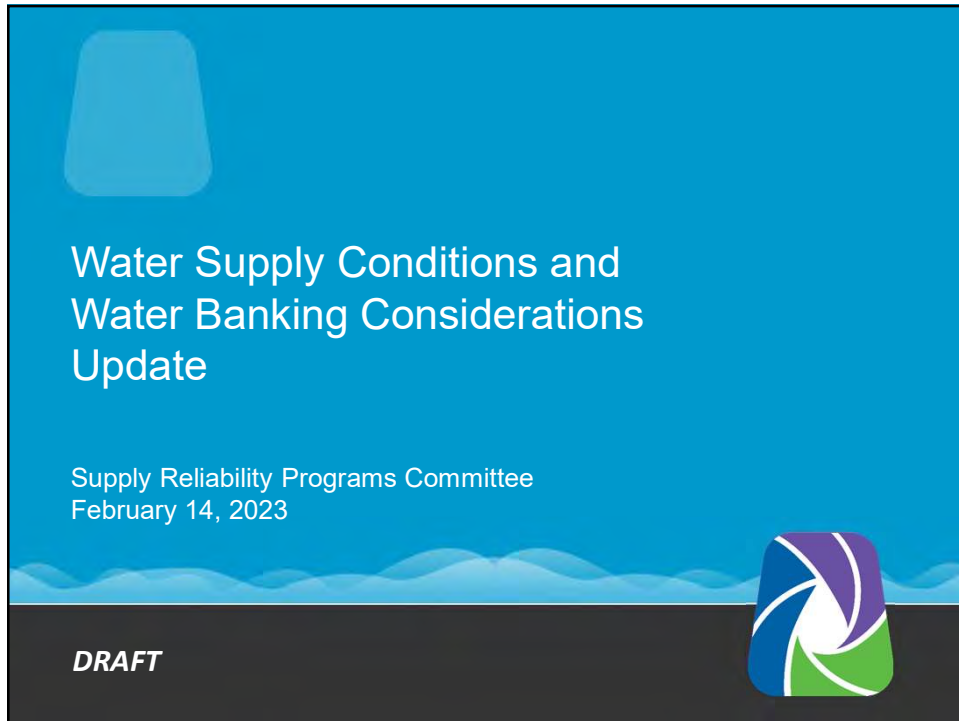
Not applicable.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:


Exhibit "A" – Water Supply Conditions and Water Banking Considerations Draft Presentation



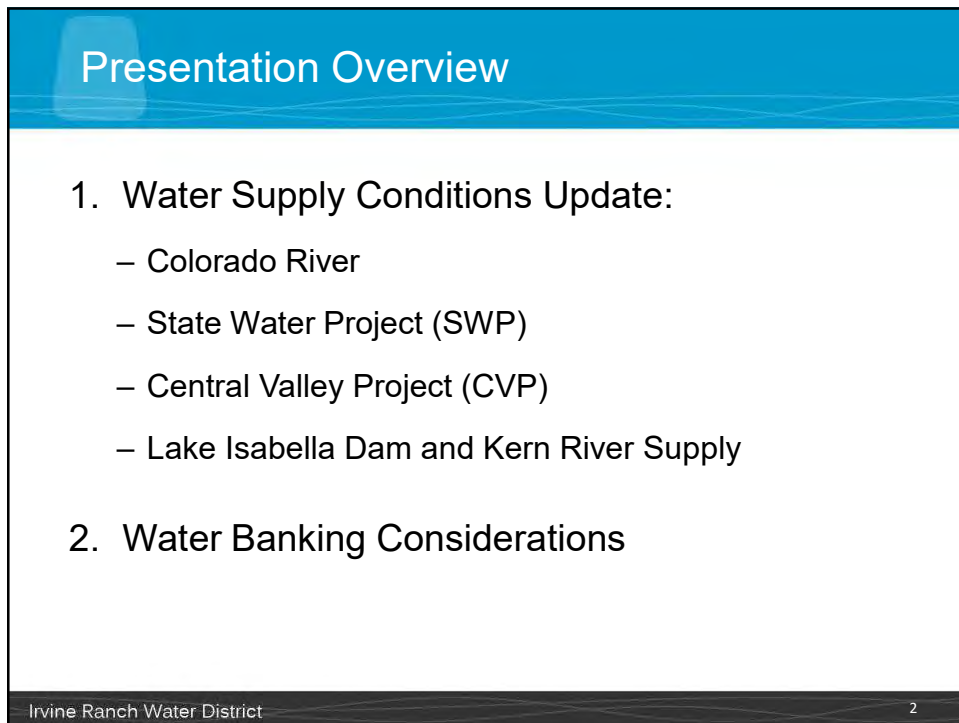
Water Supply Conditions and  
Water Banking Considerations  
Update

Supply Reliability Programs Committee  
February 14, 2023

**DRAFT**



1

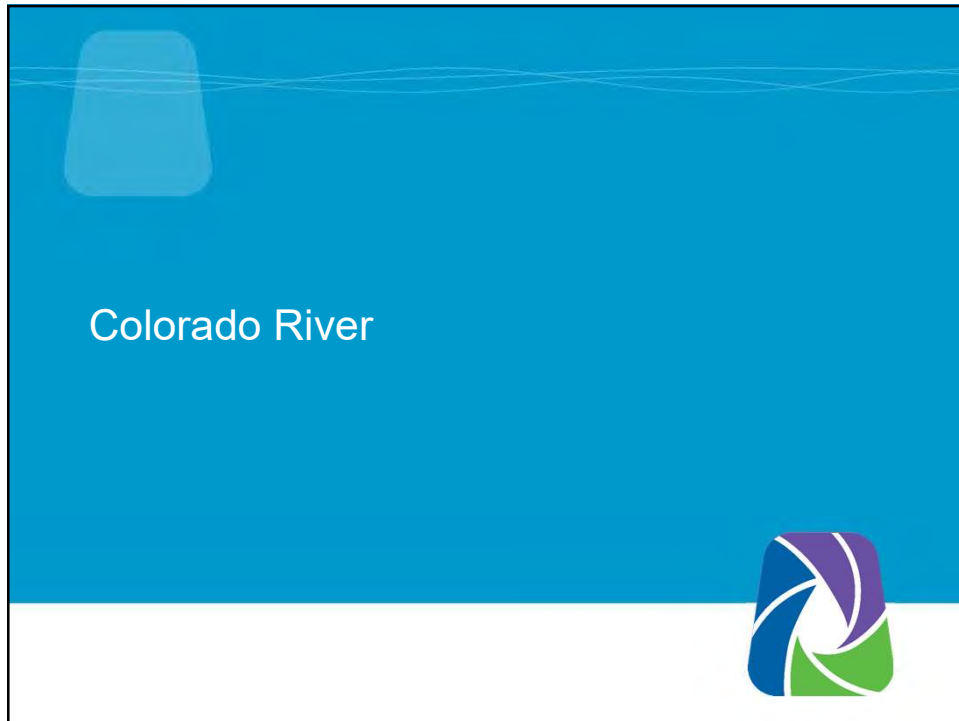


## Presentation Overview

1. Water Supply Conditions Update:
  - Colorado River
  - State Water Project (SWP)
  - Central Valley Project (CVP)
  - Lake Isabella Dam and Kern River Supply
2. Water Banking Considerations

Irvine Ranch Water District 2

2



3

**Colorado River**

***Drought Update:***

- Bureau of Reclamation call for 2 to 4 MAF
- California volunteered 400 TAF
- Colorado River Negotiations:
  - Six-States' Proposal
  - California Proposal based on Law of the River

***Lake Mead Update:***

- Drought Contingency Plan (DCP)
- 24-Month Study Results
- Cutback triggers

Irvine Ranch Water District 4

4



## Colorado River Basin



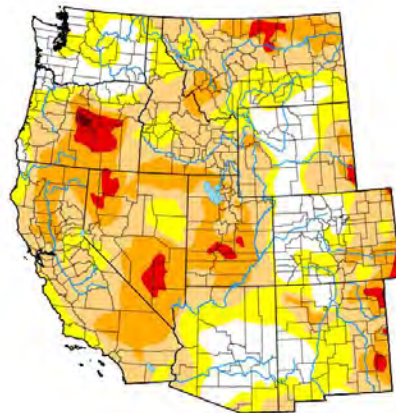
Irvine Ranch Water District

5

5

## Western U.S. Drought Monitor

### West



Map released: Thurs. February 9, 2023

Data valid: February 7, 2023 at 7 a.m. EST

#### Intensity

- None
- D0 (Abnormally Dry)
- D1 (Moderate Drought)
- D2 (Severe Drought)
- D3 (Extreme Drought)
- D4 (Exceptional Drought)

Irvine Ranch Water District

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## Lake Mead (2000)



Irvine Ranch Water District

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## Lake Mead (2022)

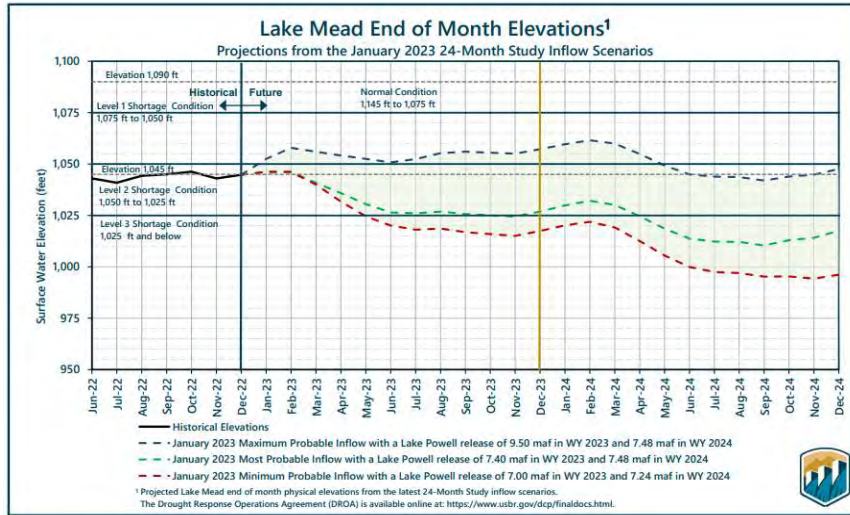


Irvine Ranch Water District

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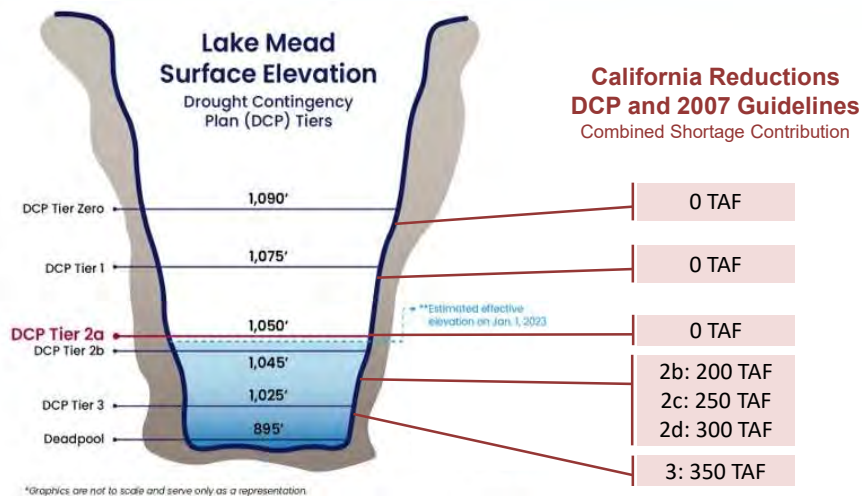
8

# Lake Mead – 24-Month Study Results



9

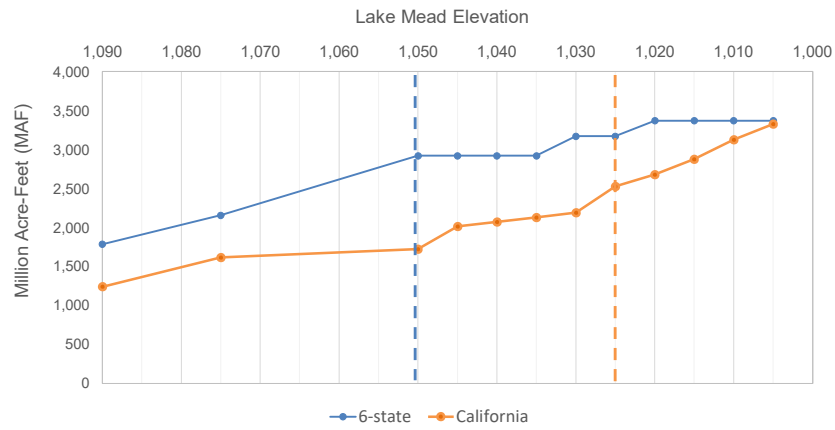
# Lake Mead – DCP Tiers and California Cuts



10

# California and Six-States Proposal Comparison

## Proposals for Colorado River Cuts



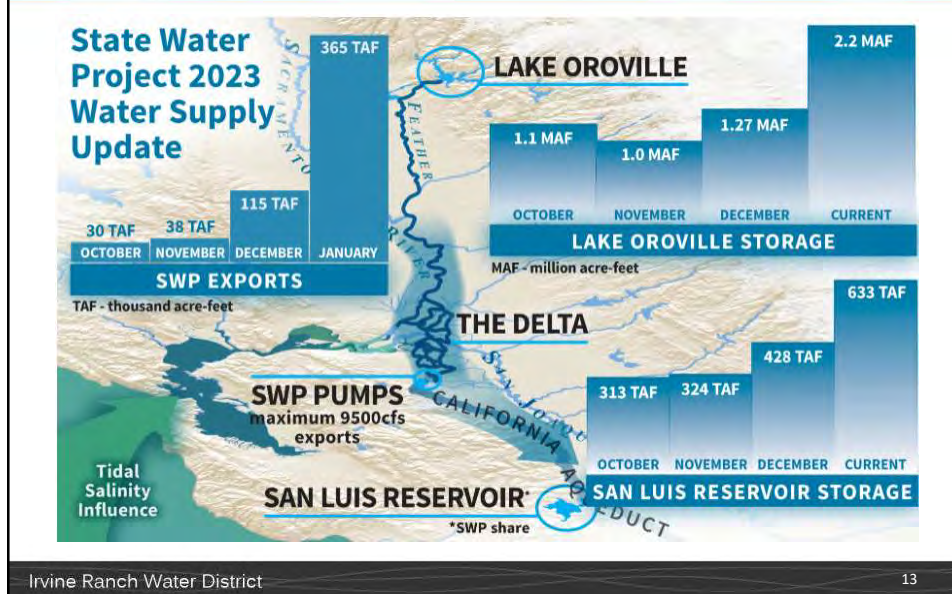
11

# State Water Project



12

## SWP 2023 Water Supplies



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## State Water Project

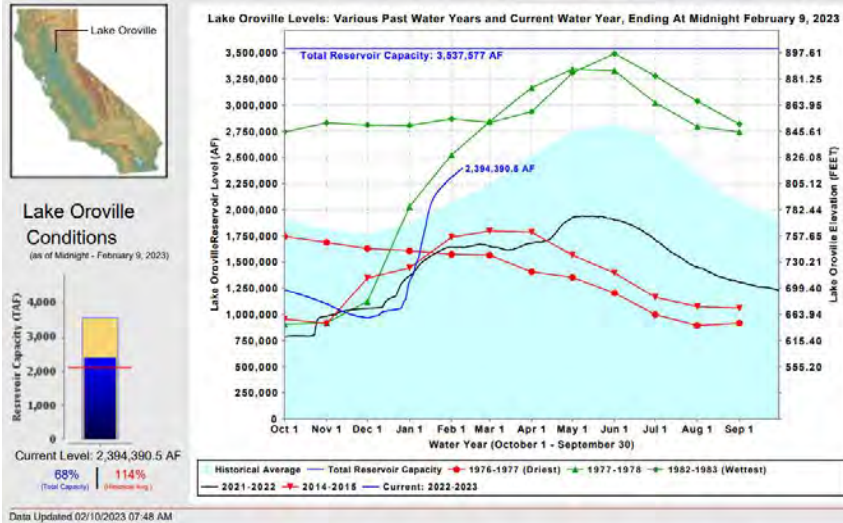
- Reservoir Capacities
  - Lake Oroville
  - San Luis Reservoir
- SWP Allocation increased from 5% to 30%
  - Recent storms increase expected SWP 2023 water supply deliveries to 1.27 MAF
  - No need for health and safety deliveries

Irvine Ranch Water District

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# Lake Oroville – Storage Levels

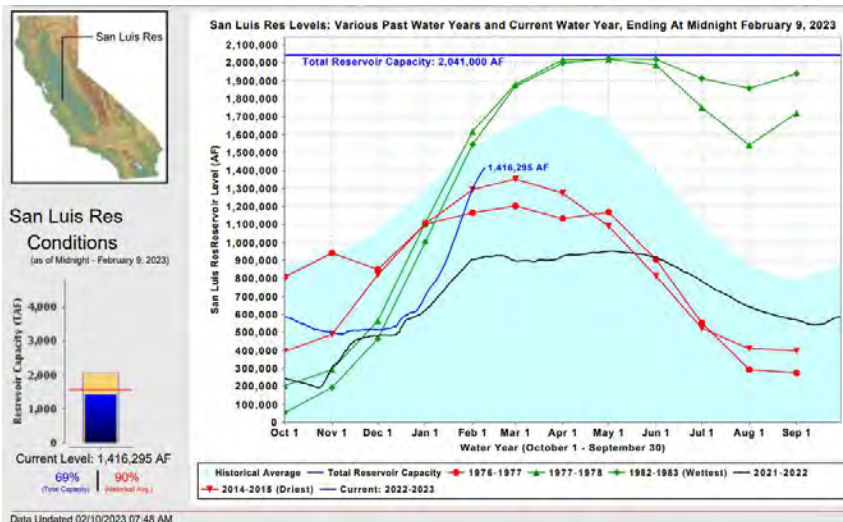


Irvine Ranch Water District

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# San Luis Reservoir – Storage Levels



Irvine Ranch Water District

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## 2023 SWP Allocation Analysis

- December 2022: Table A allocation at 5%
- January 2023: Table A allocation at 30%

**90% chance of delivering 30% of Table A water, as reported on January 27, 2023.**

- Accuracy improves as more real-time data is incorporated
- Takes into account available reservoir storage

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## Allocation Analysis Results – Comparison

### December 2022 Allocation Analysis

Scenario	Possible Table A
50% Exceedance	42%
90% Exceedance	5%

### January 2023 Allocation Analysis

Scenario	Possible Table A
25% Exceedance	69%
50% Exceedance	52%
75% Exceedance	47%
90% Exceedance	34%
99% Exceedance	17%

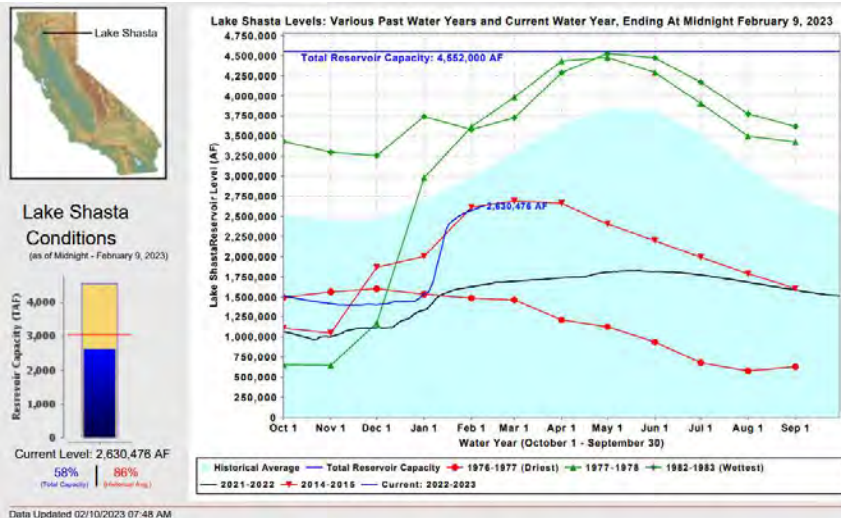
18

# Central Valley Project



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## Shasta Reservoir – Storage Levels



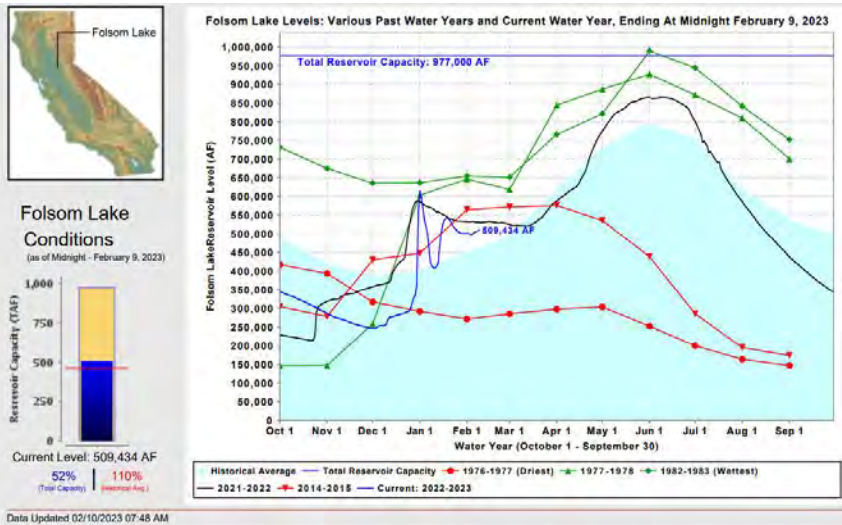
Irvine Ranch Water District

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## Folsom Lake – Storage Levels

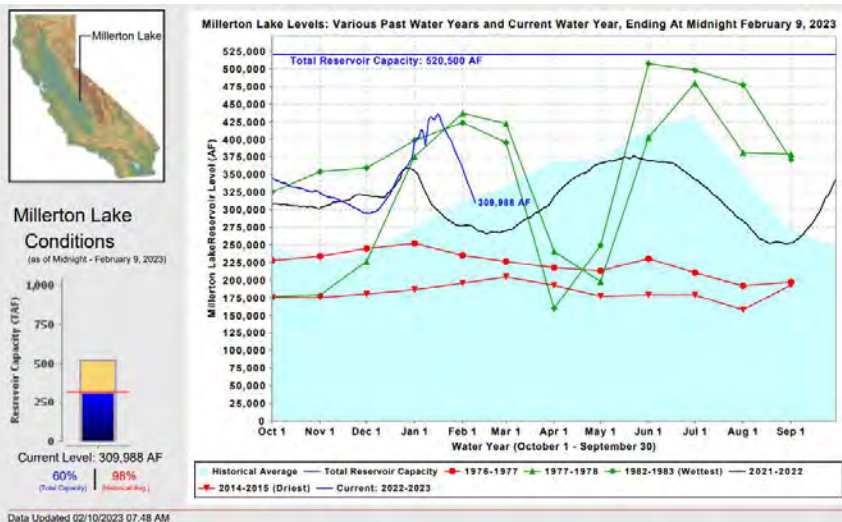


Irvine Ranch Water District

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## Millerton Lake – Storage Levels



Irvine Ranch Water District

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## Central Valley Project

- Millerton Lake

- Capacity of 520,000 AF
- 34,000 AF released to Madera Canal
- 197,000 AF released to San Joaquin River



- Friant-Kern Canal

- Middle Reach Capacity Correction Project on-going due to subsidence; construction of parallel canal
- Phase 1 completion date expected January 2024
- Project impacts ability to deliver Section 215 water

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## Lake Isabella Dam and Kern River Supply



24

## Lake Isabella Dam - Construction Update

### Lake Isabella Dam

- Construction to be completed in spring 2023
- Corps of Engineers producing Initial Fill Plan raising maximum pool level of reservoir
- Plan to reinstate gross pool level of 568,025 AF



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## Lake Isabella and Kern River Supply

- Intense precipitation events replenished snowpack in Southern Sierra region
  - 260% of normal for January
  - 150% of normal for April 1
- Increased flow into Lake Isabella
  - Reservoir at 29% of “restricted” pool level
  - High snowpack levels to create major runoff in Spring
  - Expect to increase water in storage
  - Reduced chance of “flood” flow on Kern River
  - High-flow conditions down stream are unlikely

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## Expectations for Water Year 2023

- *Colorado River*: Reclamation cutback will increase pressure on Metropolitan supplies.
- *SWP*: Allocation increase likely and opportunities for unbalanced exchanges are increasing.
- *CVP*: Potential surplus but with conveyance restrictions impacting ability to get water into Kern County.
- *Kern River*: Increased storage but BV water is unlikely.

## Water Banking Program Considerations

For WY 2023, continued focus on SWP water:

- Short-term agreement with Santa Clarita Valley Water Agency
- Program Water from Metropolitan Water District

February 14, 2023  
Prepared and  
Submitted by: P. Weghorst  
Approved by: Paul A. Cook *P.A.C.*

## SUPPLY RELIABILITY PROGRAMS COMMITTEE

### PRINCIPLES FOR UNBALANCED EXCHANGE PROGRAM WITH METROPOLITAN WATER DISTRICT

#### SUMMARY:

In August 2022, staff reviewed with the Committee draft terms for a pilot emergency supply program with Las Virgenes Municipal Water District (LVMWD) that would have made use of water purchased from Metropolitan Water District of Southern California and stored in IRWD's Water Bank. Since then, Metropolitan staff has suggested revising the proposed program to make use of an existing agreement that Metropolitan has with IRWD. Following is an overview of draft principles for an Unbalanced Exchange Program with Metropolitan that would make use of the existing agreement while providing benefits to IRWD, LVMWD, and Metropolitan.

#### BACKGROUND:

LVMWD is located in the State Water Project (SWP) dependent area of Metropolitan's service area, which has been severely impacted by the recent drought. In August 2022, staff reviewed with the Committee draft terms for a pilot emergency supply water storage program with LVMWD. The terms of the program would allow LVMWD to purchase and store up to 5,000 acre-feet (AF) of Tier-1 untreated water from Metropolitan for delivery to and storage in the IRWD Water Bank. LVMWD would be able to call on the water as Extraordinary Supply during a Metropolitan Water Supply Allocation or during an emergency. In exchange for using IRWD's facilities, LVMWD would provide funding to IRWD in an amount allowing IRWD to purchase 5,000 AF of Metropolitan's Tier-1 Untreated Water through Municipal Water District of Orange County (MWDOC). IRWD would store the purchased water in the IRWD Water Bank for the benefit of IRWD.

Since August, staff has participated in a meeting between executive management at LVMWD and staff from Metropolitan to review the proposed draft terms described above. At the meeting, Metropolitan staff indicated that the delivery of Tier-1 untreated water, on behalf of member agencies, outside of Metropolitan's service would be difficult from a policy perspective. They suggested as an alternative that IRWD make use of the existing Coordinated Operating, Water Storage, Exchange and Delivery Agreement between IRWD, Metropolitan, and MWDOC (Coordinated Agreement), which is provided as Exhibit "A".

#### Draft Principles for Unbalanced Exchange Program:

As a follow up to the discussions with LVMWD and Metropolitan, staff has prepared draft principles for an Unbalanced Exchange Program with Metropolitan that would provide emergency supply benefits similar to those contemplated in the August 2022 draft terms. The draft principles are provided as Exhibit "B". Implementing an Unbalanced Exchange program based on these principles would:

1. Increase supplies to IRWD's Water Bank at a minimal cost to IRWD;
2. Make Extraordinary Supplies available to both IRWD and LVMWD;
3. Allow Metropolitan to aid other State Water Project dependent areas of Metropolitan's service area;
4. Provide IRWD a framework for IRWD to be fairly compensated for water banking benefits provided to LVMWD;
5. Protect Metropolitan's financial structure;
6. Not impact water supplies available to other areas of Metropolitan's service area; and
7. Make use of the Coordinated Agreement that has been foundational to the success of IRWD's Water Bank and programs.

At the Committee meeting, staff will provide an overview of the draft principles provided in Exhibit "B" for discussion purposes. At a future Committee meeting, staff expects to present detailed terms for the proposed Unbalanced Exchange Program based on the input from the Committee, as well as input from Metropolitan and LVMWD.

#### FISCAL IMPACTS:

The cost of water recovered delivered to IRWD's service area from the proposed Unbalanced Exchange Program would depend on the negotiated fixed and variable fees to be paid by LVMWD.

#### ENVIRONMENTAL COMPLIANCE:

Final Environmental Impact Reports for the Strand Ranch and Stockdale Integrated Banking Project were prepared, certified, and approved in compliance with the California Environmental Quality Act (CEQA) of 1970 as amended, codified at California Public Resources Code Sections 21000 et. seq., and the State CEQA Guidelines in the Code of Regulations, Title 14, Division 6, Chapter 3. Rosedale, as lead agency, filed Notices of Determination for both the Strand Ranch and Stockdale Integrated Banking Projects with the County of Kern. IRWD, as a responsible agency, filed Notices of Determination with the County of Orange and with the County of Kern.

#### RECOMMENDATION:

Receive and file.

#### LIST OF EXHIBITS:

Exhibit "A" – Coordinated Operating, Water Storage, Exchange, and Delivery Agreement  
Exhibit "B" – Draft Principles for Unbalanced Exchange Program with Metropolitan Water District of Southern California

# Exhibit "A"

## COORDINATED OPERATING, WATER STORAGE, EXCHANGE AND DELIVERY AGREEMENT

THIS COORDINATED OPERATING, WATER STORAGE, EXCHANGE AND DELIVERY AGREEMENT ("Agreement") is made and entered into as of April 21, 2011, by and between The Metropolitan Water District of Southern California (hereinafter, "Metropolitan"), the Municipal Water District of Orange County (hereinafter, "MWDOC") and the Irvine Ranch Water District (hereinafter, "IRWD"). Metropolitan, MWDOC, and IRWD are sometimes referred to collectively as the "Parties" and each, individually, as a "Party."

### RECITALS

A. IRWD is a California water district formed and existing under the California Water District Law, Sections 34000 *et seq.* of the California Water Code, for the purpose of providing water services and certain other services. IRWD's powers and purposes include the acquisition within or without the district in the State of all necessary property or rights in property necessary or proper for the production, storage, transmission and distribution of water for irrigation, domestic, industrial and municipal purposes and the power to contract with one or more public agencies in carrying out any of its powers.

B. Metropolitan is a public agency of the State of California incorporated under the Metropolitan Water District Act, Stats. 1969, ch. 209, as amended, codified at Section 109.1 *et seq.* of Appendix to the California Water Code, engaged in transporting, storing and distributing water in the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura, within the State of California. Metropolitan is an SWP Contractor, as defined below.

C. MWDOC is a municipal water district formed and existing under the California Water District Law, Sections 71000 *et seq.* of the California Water Code, for purposes that include providing its member agencies in Orange County with a safe, reliable and sufficient supply of imported water.

D. MWDOC is a member agency of Metropolitan.

E. IRWD is within the service areas of Metropolitan and MWDOC and is a member agency of MWDOC.

F. IRWD has entered into an agreement with the Rosedale-Rio Bravo Water Storage District (“RRBWSD”) for the development and operation of a water banking project (the “Integrated Banking Project”), consisting of recharge, storage and recovery facilities that are located on IRWD property in Kern County known as “Strand Ranch” and on other property and integrated into RRBWSD’s water banking program, thereby allowing for the use of such recharge, storage and recovery facilities, together with available RRBWSD facilities, to provide IRWD with a means for acquiring, including through exchange, and regulating, through basin storage, water supplies to help meet its dry year and other water requirements.

G. IRWD’s contemplated sources of water for banking in the Integrated Banking Project include State Water Project water and non-State Water Project water, such as high-flow Kern River Water and other exportable supplies.

H. IRWD desires to have a means of securing, exchanging and moving water supplies, including supplies stored in the Integrated Banking Project, to its service area.

I. Metropolitan desires to augment its water supplies and regulatory storage capacity and to ensure financial integrity and equity in the use of its delivery system.

J. The coordinated operating and exchange program implemented through this Agreement will facilitate the use of the Integrated Banking Project for storage, recovery, exchange and delivery of water in a manner that satisfies the objectives of, and provides joint benefits of increased water supply reliability and diversification to, IRWD and Metropolitan.

K. MWDOC is willing and able to provide administrative services to assist with payment, crediting and other tracking as provided herein for water delivered by means of this Agreement. This includes the transfer and pass through of water deliveries and financial considerations between IRWD and Metropolitan relative to the rights and obligations set forth in this Agreement.



L. On July 13, 2010, Metropolitan's board authorized execution of an agreement with MWDOC and IRWD for the management and use of SWP Water acquired by IRWD for the benefit of IRWD and Metropolitan.

## **AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing recitals and the representations, warranties, covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, the Parties hereby agree to the following terms and conditions of this Agreement.

### **I.**

#### **DEFINITIONS AND RULES OF CONSTRUCTION**

1.1 Definitions. As used in this Agreement, these terms, including any grammatical variations thereof, have the following meanings:

“Administrative Code” means the Metropolitan Water District Administrative Code in existence on the date of this Agreement, subject to modification to the extent provided in Paragraph 12.12 of this Agreement.

“Bank Operator” means RRBWSD and any successor thereto and any other entities that may perform a comparable function with respect to the Integrated Banking Project.

“Banking Agreement” means collectively the Agreement between RRBWSD and IRWD dated as of January 13, 2009, together with such amendments, supplements and exhibits thereto, and any replacements thereof and other agreements with a Bank Operator or participating interests therein as may become effective from time to time.

“Banking Delivery Point” means any point where water being delivered by or on behalf of IRWD or Metropolitan for recharge and banking in the Integrated Banking Project enters transportation facilities owned or operated by Bank Operator, including the Tupman Turnout (Reach 13B) on the easterly side

of the SWP facilities, the Strand Ranch Turnouts in Reach 2 of the CVC, or other points as may be designated under the Banking Agreement, or, in the case of water delivered to IRWD's banked water account in the Integrated Banking Project by exchange, the record transfer of water to such account.

“Borrowed Water” means water borrowed as described in Paragraph 3.4(e).

“Call Notice” means a notice given by IRWD pursuant to Paragraph 3.7 of its election to take a Delivery of Program Water from its storage account in the Integrated Banking Project or by redeeming accumulated Credits from the Metropolitan Delivery Account, or by a combination thereof.

“Credit” means a credit issued to MWDOC for IRWD's benefit in the Metropolitan Delivery Account pursuant to Paragraph 3.5.

“CVC” means the Cross Valley Canal facilities and appurtenances.

“Delivery of Program Water” means the delivery by Metropolitan of water to IRWD Delivery Point(s) pursuant to a Call Notice.

“DWR” means the Department of Water Resources of the State of California, or its successor agency.

“Effective Date” means the date identified in the preamble clause of this Agreement.

“Extraordinary Supply” means a supply qualifying as an extraordinary supply under the Water Supply Allocation Plan. If Metropolitan shall no longer have a Water Supply Allocation Plan, the Parties shall meet and confer in good faith to amend this definition and the provisions of this Agreement in which it is used, in order to preserve the intent of such provisions and provide an equivalent benefit to IRWD.

“Integrated Banking Project” means the project described in the Banking Agreement and such other banking assets or components or interests as IRWD may determine to operate in conjunction with the Strand Ranch recharge, storage and recovery facilities.

“IRWD Delivery Point” means any of the Metropolitan and MWDOC service connections known as CM-01A and OC-7 (from the Orange County

Feeder); CM-10, CM-12, OC-38, OC-39, OC-58 and OC-63 (from East Orange County Feeder No. 2); OC-68, OC-70 (through East Orange County Water District), OC-71, OC-72, OC73/73A, OC-74, OC-75, OC-83, OC-84 and OC-87 (from the Allen-McColloch Pipeline), OC-13/13A and OC-33/33A (from the Baker Pipeline) and any other service connection selected and operated in accordance with applicable operating rules and protocols in effect from time to time with respect to such pipelines, and any service connection used for delivery to any IRWD local storage reservoir or any other storage facility or capacity in which IRWD has a contractual or other legal right to store water.

“Local Delivery Rate” means the prevailing full-service treated volumetric charge set by Metropolitan’s Board of Directors from time to time pursuant to applicable law and regulation, generally applicable to the delivery of water by Metropolitan to its member agencies, excluding any above-allocation penalties but including any applicable pricing tier for purchases by MWDOC in effect during the month in which the relevant Delivery of Program Water is made, or if a rate designated as “Full-Service” is no longer set, the equivalent rate set by Metropolitan. If the Delivery of Program Water is untreated, the applicable full-service untreated volumetric charge would apply.

“Metropolitan Delivery Account” means an account that tracks the Credits and debits of Metropolitan Delivery.

“Metropolitan Delivery” means delivery of Program Water to Metropolitan within the Metropolitan Service Area pursuant to Paragraph 3.4(a).

“Metropolitan Delivery Notice” means a notice given by Metropolitan pursuant to Paragraph 3.5 of a Metropolitan Delivery.

“Non-SWP Water” means water other than SWP Water.

“OMP&R” means operation, maintenance, power and replacement.

“Program Water” means SWP Water placed under the right and authority of Metropolitan under Paragraph 3.1.

“RRBWSD” means the Rosedale-Rio Bravo Water Storage District, or if applicable, other Bank Operator.

“SWP” means the State Water Project.

“SWP Contractor” means any entity that has executed or is an assignee of a contract (“SWP Contract”) with DWR.

“SWP Water” means any Table A Water or Unallocated Article 21 Water.

“Table A Water” means water allocated to an SWP Contractor that is within its “Annual Table A Amount” or “annual entitlement” as those terms are defined in such SWP Contract.

“Termination Date” means November 4, 2035.

“Unallocated Article 21 Water” means water that is determined by DWR to be available and not needed to fulfill required deliveries of Table A Water to SWP Contractors, and that exceeds requests by participating SWP Contractors for allocation thereof and is offered by DWR to SWP Contractors on an unallocated basis.

“Water Supply Allocation Plan” means Metropolitan’s Water Supply Allocation Plan and exhibits thereto, as originally adopted by Metropolitan on February 12, 2008 and as amended from time to time or any equivalent plan that may be adopted by Metropolitan as a replacement thereof.

“Year” means the period commencing on the Effective Date and ending on the immediately following December 31 (the first (1<sup>st</sup>) year) and each consecutive calendar year thereafter during the term of this Agreement.

## 1.2 Rules of Construction.

- (a) Unless the context clearly requires otherwise:
  - (i) Each of the plural and singular forms includes the other;
  - (ii) “Shall,” “will,” “must,” and “agrees” are each mandatory;
  - (iii) “May” is permissive;
  - (iv) “Or” is not exclusive;
  - (v) “Includes” and “including” are not limiting;
  - (vi) “Between” includes the ends of the identified range.

(b) Headings in the beginning of Articles, Paragraphs and subparagraphs are solely for the convenience of the Parties, are not a part of this Agreement and shall not be used in construing it.

(c) The masculine gender shall include the feminine and neuter genders and vice versa.

(d) The word “person” shall include individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, water district and other entity of whatever nature, except either Metropolitan, MWDOC or IRWD or an officer or employee of any of them.

(e) Reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms thereof.

(f) Except as specifically provided herein, reference to any law, statute, regulation or the like means such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time, including any rules and regulations promulgated thereunder.

## II

### REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Metropolitan. As a material inducement to IRWD and MWDOC to enter into this Agreement, Metropolitan represents and warrants as follows:

(a) Metropolitan is a metropolitan water district, duly organized, validly existing and in good standing under the laws of the State of California, and Metropolitan has all necessary power and authority to perform its obligations hereunder on the terms set forth in this Agreement, and the execution and delivery hereof by Metropolitan and the performance by Metropolitan of its obligations hereunder will not violate or constitute an event of default under the terms or provisions of any agreement, document or instrument to which Metropolitan is a party or by which Metropolitan is bound.

(b) This Agreement is a valid and binding agreement of Metropolitan, enforceable in accordance with its terms.

2.2 Representations and Warranties of MWDOC. As a material inducement to Metropolitan and IRWD to enter into this Agreement, MWDOC represents and warrants as follows:

(a) MWDOC is a municipal water district, duly organized, validly existing and in good standing under the laws of the State of California, and MWDOC has all necessary power and authority to perform its obligations hereunder on the terms set forth in this Agreement, and the execution and delivery hereof by MWDOC and the performance by MWDOC of its obligations hereunder will not violate or constitute an event of default under the terms or provisions of any agreement, document or instrument to which MWDOC is a party or by which MWDOC is bound.

(b) This Agreement is a valid and binding agreement of MWDOC, enforceable in accordance with its terms.

2.3 Representations and Warranties of IRWD. As a material inducement to Metropolitan and MWDOC to enter into this Agreement, IRWD represents and warrants as follows:

(a) IRWD is a California water district, duly organized, validly existing and in good standing under the laws of the State of California, and IRWD has all necessary power and authority to perform its obligations hereunder on the terms set forth in this Agreement, and the execution and delivery hereof by IRWD and the performance by IRWD of its obligations hereunder will not violate or constitute an event of default under the terms or provisions of any agreement, document or instrument to which IRWD is a party or by which IRWD is bound.

(b) This Agreement is a valid and binding agreement of IRWD, enforceable in accordance with its terms.

2.4 Notification Concerning Representations. After the Effective Date, each Party agrees to notify the other Parties if it discovers that any of its own representations and warranties herein were untrue when made or determines that any of its own

representations and warranties will be untrue as of any date during the term of this Agreement.

### III

#### **COORDINATED PROGRAM; PROGRAM WATER CREDITS**

3.1 Program Water. IRWD may secure Program Water in accordance with the provisions of this Paragraph 3.1.

(a) Sources of Program Water. Program Water shall be SWP Water obtained through unbalanced exchanges by parties participating in IRWD water banking programs, or, subject to Metropolitan's and IRWD's mutual agreement, other exchange transactions. SWP Water shall be deemed to be Program Water whenever IRWD causes such water to be placed under the valid and continuing right and authority of Metropolitan, as transferee or exchangee, to control and/or use such water, with all necessary legal rights, entitlements, approvals and permissions under Metropolitan's SWP Contract and the laws of the State of California, if any, in full force and effect. Anything in this Paragraph to the contrary notwithstanding, no water shall be deemed to constitute Program Water as long as any person or entity other than Metropolitan holds the entitlement to such water as an exchangee or otherwise.

(b) Coordination. IRWD agrees to coordinate with Metropolitan and not to seek SWP Water that Metropolitan is actively attempting to secure on its own behalf.

(c) Available Recharge and Storage Capacity. Absent the prior written consent of Metropolitan, IRWD agrees not to obtain Program Water for delivery at any time in an amount in excess of the unused recharge or storage capacity available for recharge and/or storage of such water under Paragraph 3.4(b). The foregoing does not require the reservation by IRWD of any specific amount of recharge or storage capacity for Program Water, except as necessary to receive a delivery of Program Water when it has been obtained by IRWD and Metropolitan has not provided a written consent under the preceding sentence or provided a Metropolitan Delivery Notice for such Program Water.

3.2 Metropolitan Consent Required to Move Program Water To Its Service Area. Any agreement with another SWP Contractor that contains provisions for Program Water to be moved to Metropolitan's service area as described in Paragraph 3.11 shall require Metropolitan's prior consent. Nothing in this Agreement shall require IRWD to obtain Metropolitan's consent to obtain non-SWP Water. Nothing in this Agreement shall require IRWD to obtain Metropolitan's consent to obtain SWP Water that is not being moved to the Metropolitan service area, but if IRWD subsequently determines to enter into any transfer, exchange or other transaction to convert such SWP Water to Program Water or to move such water to the Metropolitan service area, Metropolitan's consent to such subsequent transaction shall be required.

3.3 MWDOC Participation. Whenever this Agreement refers to a transaction that requires the execution of a document, to the extent such document is legally required to be executed by a Metropolitan member agency in addition to or on behalf of IRWD, each such reference shall be deemed to refer to MWDOC acting jointly with IRWD or MWDOC acting on behalf of IRWD or for IRWD's account, and MWDOC agrees to be a named participant in such a transaction on behalf of or in addition to IRWD and to cooperate with Metropolitan and IRWD in processing any documentation in good faith and in a timely fashion so as to accomplish the purposes of this Agreement.

3.4 Metropolitan Options For Use of Program Water. Metropolitan shall be entitled to use or cause Program Water to be used in accordance with the following provisions:

(a) Metropolitan Delivery. Metropolitan may take delivery or cause the delivery of Program Water for immediate use in its service area or to store the Program Water in any water storage reservoir or storage program or capacity therein within the Metropolitan service area. Such delivery shall constitute a Metropolitan Delivery. Metropolitan shall not be required to reserve or make available storage capacity in Metropolitan's distribution system for the storage of Program Water.

(b) Banking. Subject to the limitations of Paragraph 4.1, Metropolitan may take delivery of Program Water to storage in the Integrated Banking Project, by delivering the same to a Banking Delivery Point.



(c) Other Use. Metropolitan may deliver or dispose of Program Water in a manner other than as described in clauses (a) and (b) of this Paragraph subject to the prior mutual agreement of Metropolitan and IRWD.

(d) Limitations and Priorities. IRWD's call for Program Water shall have priority over a Metropolitan Delivery or a Metropolitan delivery to storage in the Integrated Banking Project if IRWD delivers a Call Notice specifying such water on or before the thirtieth (30<sup>th</sup>) calendar day prior to the transfer of the water into Metropolitan's control within the meaning of Paragraph 3.1(a).

IRWD's call for Program Water in storage in the Integrated Banking Project pursuant to a Call Notice delivered on or before June 1 of any Year shall have priority over a Metropolitan Delivery Notice for that Program Water in the same Year to the extent there is insufficient Program Water in storage in the Integrated Banking Project and Metropolitan Delivery Account to satisfy both the Call Notice and the Metropolitan Delivery Notice. The foregoing priority limitations are in addition to the priority limitations on use of recovery facilities and scheduling set forth in Paragraph 4.2.

(e) Metropolitan Borrowing of Water; Borrowing. Any time Metropolitan receives a Metropolitan Delivery, Metropolitan may designate a portion of the water delivered to be borrowed by Metropolitan pursuant to the limitations in this Paragraph. Any Borrowed Water will accrue to the Metropolitan Delivery Account, but delivery of the Borrowed Water to IRWD through a Delivery of Program Water may be deferred until the Borrowed Water is replaced pursuant to Paragraph 3.6, but not longer than three years. In any Year, Metropolitan shall not borrow more than the lesser of 17,500 acre feet or one-third (1/3) of the aggregate amount at the beginning of the Year of Program Water stored in the Integrated Banking Project and Program Water held in the Metropolitan Delivery Account, and shall be subject to the following further limitations: (i) the borrowing of Program Water shall at any time be permitted only to the extent it would not reduce the combined amount of Program Water and Non-SWP Water then remaining in storage in the Integrated Banking Project and Metropolitan Delivery Account to below the amount of IRWD's maximum

annual recovery right from the Integrated Banking Project under the Banking Agreement; and (ii) no borrowing of additional Program Water by Metropolitan shall occur in the third Year after borrowing the Program Water.

3.5 Accrual of Program Water in Metropolitan Delivery Account.

MWDOC shall receive, solely and exclusively for IRWD's benefit, Credits to the Metropolitan Delivery Account at the time that Metropolitan opts to take delivery of Program Water under Paragraph 3.4(a). Such Credits shall be stated in an acre-foot amount as determined by DWR and/or by other accounting methods as mutually determined by the Parties. Upon each Metropolitan Delivery, Metropolitan shall promptly issue a Metropolitan Delivery Notice in writing to MWDOC, with a copy to IRWD, identifying the following determined in the manner specified in this Paragraph: (i) the quantity in acre-feet of Program Water delivered as a Metropolitan Delivery, (ii) whether such Program Water is from the Integrated Banking Project, and (iii) the quantity of Program Water, if any, that is Borrowed Water and the date that it is borrowed pursuant to Paragraph 3.4(e). A Metropolitan Delivery Notice shall be effective as provided in Paragraph 12.5.

3.6 Reduction of Metropolitan Delivery Account Balance by Delivery of Program Water to Integrated Banking Project. Metropolitan may deliver SWP Water to the Integrated Banking Project to replace Borrowed Water or debit the balance of the Metropolitan Delivery Account to the extent that the Integrated Banking Project storage capacity is available. Any water so delivered shall be applied first, to replace any Borrowed Water by debiting the balance of the Metropolitan Delivery Account that constitutes Borrowed Water and second, to debit the balance of the Metropolitan Delivery Account that does not constitute Borrowed Water.

3.7 Use of Program Water By IRWD – Call. IRWD shall be entitled to obtain Delivery of Program Water at IRWD Delivery Point(s) in accordance with the following provisions:

(a) Maximum Use. During any Year, subject to the limitations specified herein, IRWD may call for delivery of Program Water stored in the Integrated Banking Project, from the Metropolitan Delivery Account, or any combination thereof. A call by IRWD for Delivery of Program Water may be

made up to the amount of IRWD's then unused annual recovery right (in AFY) for that Year in the Integrated Banking Project, not including Borrowed Water during the period for which delivery to IRWD is deferred pursuant to Paragraph 3.4(e) following the date that it was borrowed.

(b) Call Notice. To exercise its rights under this Paragraph, IRWD shall issue a Call Notice in writing to Metropolitan, with a copy to MWDOC, (i) identifying in acre-feet the quantity of Program Water to be delivered, (ii) specifying the delivery schedule for the called amount and the IRWD Delivery Points, and (iii) if applicable, identifying another MWDOC member agency to which that Program Water is to be delivered with the approval of MWDOC; provided, IRWD shall have no obligation to deliver Program Water to another MWDOC member agency. A Call Notice shall be effective as provided in Paragraph 12.5. Unless Metropolitan determines otherwise, called Program Water shall be taken first from the Integrated Banking Project and, to the extent additional Program Water is needed, then from the Metropolitan Delivery Account. Metropolitan shall not be required to provide any Program Water from the Metropolitan Delivery Account to satisfy a Call Notice unless all of Program Water in the Integrated Banking Project has been called by IRWD and/or taken as Metropolitan Deliveries.

(c) Time Limit on Recovery. If and to the extent a Call Notice is issued by IRWD for delivery of Program Water stored in the Integrated Banking Project, IRWD shall complete the recovery of such water from the Integrated Banking Project within the same Year or as otherwise mutually agreed by Metropolitan and IRWD. IRWD shall be entitled to receive the Delivery of Program Water upon giving the Call Notice, subject only to the timing provisions as set forth in Section 5.1. The Delivery of Program Water shall not be delayed or otherwise affected by the timing of such recovery within the same Year or as otherwise mutually agreed by Metropolitan and IRWD.

3.8 Metropolitan Conveyance System Capacity. To the extent necessary to deliver Program Water into or out of the Integrated Banking Project and to make a Program Water Delivery, Metropolitan will use its unused capacity in SWP and Kern

County conveyance facilities as well as Metropolitan's transportation system as determined by Metropolitan's General Manager.

3.9 Use of Integrated Banking Project for Storage of Non-SWP Water -- Wheeling The Parties understand that IRWD anticipates storing Non-SWP Water for later delivery and use. The Parties agree that nothing in this Agreement shall interfere with IRWD's use of the Integrated Banking Project unless it would conflict with the terms of this Agreement. The Parties also agree that the use of Metropolitan's transportation system to wheel any Non-SWP water stored by IRWD in the Integrated Banking Project shall be governed by the California Water Code provisions dealing with wheeling, Metropolitan's Administrative Code and Metropolitan's wheeling policies in effect at the time the water is wheeled.

3.10 Program Water Receipt Account Balance. MWDOC shall keep books and records sufficient to track the Delivery of the Program Water to the IRWD Delivery Point, which books and records shall be open to inspection by IRWD and Metropolitan at any time upon reasonable notice. Metropolitan shall keep books and records sufficient to track Metropolitan Deliveries, Program Water in the Metropolitan Delivery Account and Borrowed Water, which books and records shall be open to inspection by IRWD and MWDOC at any time upon reasonable notice. The accounting for the Metropolitan Delivery Account will be on a first-in, first-out basis.

IRWD shall keep books and records sufficient to track the storage of Program Water in and recovery of Program Water from the Integrated Banking Project, which books and records shall be open to inspection by MWDOC and Metropolitan at any time upon reasonable notice. The accounting for the Integrated Banking Project will be on a first-in, first-out basis.

Program Water shall be stated in acre feet (AF). The Parties agree to cooperate in developing coordinated administrative procedures for the tracking required in this Paragraph and such other recordkeeping and accounting procedures as may be necessary or desirable to implement this Agreement. The Parties agree to exchange such tracking records at the end of each Year.

3.11 Metropolitan Control of Service Area Supplies. Program Water that is delivered to the Metropolitan service area shall be under the control of Metropolitan.

Nothing herein shall authorize or entitle Metropolitan to control any Non-SWP Water or any water owned by an IRWD exchange and/or water banking partner.

#### IV

#### USE OF PROGRAM STORAGE

4.1 Storage of Water In the Integrated Banking Project. Storage of water in the Integrated Banking Project shall be in accordance with (a), (b), (c) or (d) of this Paragraph and in each case shall also be subject to (e) and (f) of this Paragraph.

(a) On Behalf of Metropolitan – Program Water. Program Water obtained by IRWD on behalf of Metropolitan may be stored in accordance with Paragraph 3.4(b). Program Water may be made available through exchanges or other transactions that facilitate recharge and/or exportability of water.

(b) By Metropolitan – Reduction of Metropolitan Delivery Account Balance. Metropolitan may place water into IRWD's storage account in the Integrated Banking Project for the purpose of reducing the amount in the Metropolitan Delivery Account, in accordance with Paragraph 3.6.

(c) By IRWD – SWP Water. IRWD may store SWP Water on behalf of IRWD's exchange and/or water banking partners, including water stored on behalf of other SWP Contractors serving as transferee or exchangee.

(d) By IRWD – Non-SWP Water. IRWD may store Non-SWP Water secured by IRWD on its own behalf, on behalf of assignees permitted under the Banking Agreement, or on behalf of exchange and/or water banking partners, or in any other manner not inconsistent with this Agreement or the Banking Agreement.

(e) Limitation. Storage in the Integrated Banking Project shall be subject to RRBWSD's rights and IRWD's obligations under the Banking Agreement, and shall be limited at any given time to the then-available unused recharge and storage capacity in IRWD's account in the Integrated Banking Project, as determined by IRWD. At no time, shall more than 50,000 acre-feet of Program Water be stored in the Integrated Banking Project without the prior written consent of Metropolitan. Subject to Paragraph 3.1(c), IRWD is not

required to reserve or make available any unused recharge or storage capacity for recharge and/or storage under (a) or (b) of this Paragraph, and nothing herein shall preclude or limit IRWD's or its assignees' use of its Integrated Banking Project rights and the then-available capacity to recharge, store and recover water, or for the benefit of any persons with whom IRWD may transact exchanges and/or water banking partnerships.

(f) Losses. IRWD shall bear the one-time 11% - 15 % storage losses assessed in the Integrated Banking Project, and IRWD shall retain all rights associated with the losses under the Banking Agreement. To the extent not included within the losses described in the preceding sentence, IRWD shall bear conveyance losses with respect to water conveyed to the Integrated Banking Project for recharge. No storage or other losses shall be applied to Program Water in Metropolitan's distribution system. Metropolitan shall be responsible for any conveyance or storage losses associated with the Integrated Banking Project if Metropolitan's cumulative Metropolitan Deliveries cycle the Program Water more than one time through the Integrated Banking Project.

4.2 Recovery of Water From the Integrated Banking Project. Recovery of water from the Integrated Banking Project shall be in accordance with (a), (b) or (c), and in each case shall also be subject to (d), (e) and (f) of this Paragraph.

(a) By Metropolitan. Metropolitan shall have the right to recover only Program Water from the Integrated Banking Project. IRWD shall provide any consents and approvals as may be necessary to facilitate such recovery pursuant to IRWD's recovery rights set forth in the Banking Agreement.

(b) By IRWD – SWP Water. IRWD shall have right to recover any Program Water from the Integrated Banking Project. IRWD may make Program Water available through exchanges or other transactions that facilitate recovery and/or export of water. In addition, IRWD shall have the right to recover SWP Water that was stored in the Integrated Banking Project on behalf of its exchange partners and/or other water banking partners.

(c) By IRWD – Non-SWP Water. IRWD shall retain the sole and exclusive right to recover water from the Integrated Banking Project that constitutes Non-SWP Water under Paragraph 4.1(d).

(d) Preference For Recovery By Exchange. Metropolitan and IRWD agree that in recovering SWP Water pursuant to this Paragraph, each shall give preference to making such recoveries by in-lieu exchange rather than by extraction.

(e) Limitations. Metropolitan's recovery under (a) and IRWD's recovery under (b) or (c) of this Paragraph shall be subject to RRBWSD's rights and IRWD's obligations under the Banking Agreement, and shall be limited at any given time to the then-available unused recovery capacity in the Integrated Banking Project, as determined by IRWD. Recovery by delivery under (a), (b) and (c) of this Paragraph shall be further limited by any requirements established by DWR for the introduction of such water into the California Aqueduct.

(f) Priority In Use of Integrated Banking Project Recovery Facilities. Metropolitan's use of the Integrated Banking Project recovery facilities shall be subject to IRWD's first priority use of such recovery facilities on behalf of itself and on behalf of IRWD's exchange and/or water banking partners. Such priority shall be implemented on a coordinated basis in conjunction with IRWD's annual scheduling as required under the Banking Agreement. For such purpose, Metropolitan shall submit to IRWD its desired recovery amount and timing for each Year by March 1 of that Year, in order to permit IRWD to develop and timely submit a preliminary recovery and delivery schedule to RRBWSD. IRWD shall incorporate and reconcile Metropolitan's submittal with IRWD's planned recovery amount and timing for such Year on behalf of itself and its exchange and/or water banking partners, and in such reconciliation IRWD shall resolve any conflicts in accordance with the priority stated in this Paragraph. IRWD shall notify Metropolitan of the resulting coordinated and reconciled recovery schedule upon IRWD's receipt of confirmation of the schedule from RRBWSD. The Parties acknowledge that RRBWSD's obligation under the Banking Agreement to meet such schedules is on a best efforts basis.

V

**DELIVERED WATER**

5.1 Delivery. Metropolitan shall implement the Delivery of Program Water pursuant to a Call Notice subject to the provisions of this Paragraph.

(a) Manner of Delivery. Except as may otherwise be provided in this Agreement, Delivery of Program Water shall be governed by Metropolitan's rules and regulations for delivery of water set forth in Chapter 5 of Division IV of the Administrative Code in the same manner as other water delivered by Metropolitan to the IRWD Delivery Points.

(b) Delivery Facilities. Delivery of Program Water shall be made at IRWD Delivery Points. Subject to clause (d) below, Metropolitan is not required to use any particular facilities for the Delivery of Program Water. Delivery of Program Water is further subject to Paragraph 3.8 in regard to availability of Metropolitan transportation system capacity.

(c) Temporary Interruption. Metropolitan's Chief Executive Officer shall have the right to control, curtail, interrupt or suspend the Delivery of Program Water in accordance with the Administrative Code. IRWD understands that any number of factors, including emergencies, inspection, maintenance or repair of Metropolitan facilities or State Water Project facilities, may result in a temporary and incidental modification of scheduled Delivery of Program Water. Metropolitan shall notify IRWD through MWDOC of any control, curtailment, interruption, or suspension of Delivery of Program Water in accordance with and to the same extent and manner set forth in the Administrative Code for other water served by Metropolitan to the IRWD Delivery Points. Metropolitan agrees that Delivery of Program Water shall be resumed as soon as possible following any such curtailment, interruption or suspension of delivery. Unless Metropolitan is otherwise relieved of its obligations under the provisions of this Agreement, a curtailment, interruption or suspension of the Delivery of Program Water pursuant to this clause shall not discharge any unperformed obligation for the Delivery of Program Water.



(d) Scheduling. IRWD, in coordination with MWDOC as applicable, shall have the same rights and obligations with respect to ordering, scheduling, curtailing, interrupting, or suspending the Delivery of Program Water as it has with respect to any other water delivered by Metropolitan at the IRWD Delivery Points.

(e) Measurement of Quantity. Delivery of Program Water shall be deemed to be completed by Metropolitan when the quantity delivered, as metered at the requested IRWD Delivery Points as provided in the Administrative Code, is equal to the quantity specified in the applicable Call Notice. If during any Metropolitan billing period, IRWD receives deliveries of water at the IRWD Delivery Points in an aggregate amount greater than the amount of the Delivery of Program Water to be made pursuant to an outstanding Call Notice, then for billing purposes, the water delivered during such billing period shall be allocated first, to the Call Notice, and second, to Metropolitan/MWDOC deliveries other than under this Agreement.

(f) Quality. Delivery of Program Water shall be governed by the same quality requirements that apply to the quality of any other water that may be delivered by Metropolitan to the IRWD Point(s) of Delivery.

5.2 Independent Local Supply. Irrespective of any Metropolitan pricing tier which may be in effect and applicable to the Local Delivery Rate paid for any Delivery of Program Water, Delivery of Program Water shall not be counted as water delivered by Metropolitan for purposes of aggregating the total of Metropolitan water delivered to MWDOC under a pricing tier.

5.3 Extraordinary Supply; Water Supply Allocation Plan. The Delivery of Program Water shall qualify as Extraordinary Supply provided the Integrated Banking Project is operated consistent with the Water Supply Allocation Plan principles governing Extraordinary Supply. Nothing in this Agreement precludes Non-SWP Water from qualifying as Extraordinary Supply under the Water Supply Allocation Plan if the Non-SWP Water otherwise would qualify absent this Agreement.

5.4 Delivery to Extraordinary Supply Programs. If IRWD takes a Delivery of Program Water and directs such water to an Extraordinary Supply program consistent

with the principles in the Water Supply Allocation Plan, such as a qualified Extraordinary Supply program using IRWD storage facilities, a consumptive use of that Delivery of Program Water shall not be deemed to occur until such water is withdrawn by IRWD from the Extraordinary Supply program.

5.5 MWDOC To Pass Through Extraordinary Supply Benefits. MWDOC shall pass through to IRWD the applications of Extraordinary Supply under Paragraph 5.3, without alteration or limitation, except for any retail impact adjustments and adjustments for conservation hardening credits relating to Extraordinary Supply that are generally applicable and computed in a manner consistent with such adjustments applied to Extraordinary Supply of other MWDOC member agencies, pursuant to the Water Supply Allocation Plan and any MWDOC water supply allocation plan as amended from time to time.

## VI

### **WATER STORAGE, RECOVERY AND DELIVERY COSTS**

6.1 Costs For Conveyance of Program Water. The costs associated with conveyance of water under this Agreement shall be allocated and paid as provided in this Paragraph.

(a) Delivery to Metropolitan Service Area. All DWR Variable OMP&R charges associated with delivery of Program Water to Metropolitan's service area shall be paid by Metropolitan.

(b) Delivery to Integrated Banking Project. IRWD shall pay all the costs, including DWR administrative charges, DWR Variable OMP&R charges and CVC power charges associated with delivery of any Program Water to a Banking Delivery Point for storage in the Integrated Banking Project. IRWD shall also pay RRBWSD's applicable charges, including administrative charges, for such delivery. After a Delivery of Program Water is made, IRWD shall be reimbursed by Metropolitan for the actual DWR Variable OMP&R charges that were paid by IRWD for delivery of that Program Water to the Integrated Banking Project. Metropolitan shall be responsible for all conveyance charges, including DWR Variable OMP&R charges, CVC power charges, and RRBWSD's applicable

charges, associated with delivery of Program Water to the Integrated Banking Project, if Metropolitan's cumulative Metropolitan Deliveries cycle Program Water more than one time through the Integrated Banking Project.

(c) Recovery From Integrated Banking Project. The Party recovering water from the Integrated Banking Project (Metropolitan under Paragraph 4.2(a) or IRWD under Paragraph 4.2(b) or 4.2(c), as the case may be) shall pay the applicable costs charged by RRBWSD pursuant to the Banking Agreement for recovery by in-lieu exchange or by extraction, including Administrative Charges as specified therein. IRWD shall reimburse Metropolitan for the applicable costs incurred by Metropolitan to recover the Program Water, should Metropolitan complete the Delivery of Program Water without the same Program Water being returned to the Integrated Banking Project.

(d) Metropolitan's Kern County Conveyance. For purposes of obtaining delivery of Program Water into or out of the Integrated Banking Project, IRWD shall reimburse Metropolitan for the marginal costs to transport Program Water using Metropolitan's rights to Kern County conveyance facilities.

6.4 Capital Costs. Metropolitan and MWDOC shall have no responsibility for the payment of capital costs incurred with respect to the development of the Integrating Banking Project facilities.

## VII

### PAYMENTS FOR WATER DELIVERED TO IRWD

7.1 Local Delivery Rate. MWDOC shall pay Metropolitan the Local Delivery Rate for each acre-foot of Delivery of Program Water. IRWD shall pay MWDOC the Local Delivery Rate for each acre-foot of Delivery of Program Water, plus MWDOC's current or future customary charges used to recover administrative costs incurred by MWDOC in connection with delivering water to its member agencies, which is currently a surcharge of \$6.75 per acre-foot.

7.2 Metropolitan and MWDOC Invoicing and Payment. Metropolitan shall mail monthly invoices to MWDOC in accordance with the Administrative Code, and MWDOC shall make monthly payments of amounts due pursuant to Paragraph 7.1 in

accordance with the Administrative Code. In its invoicing to MWDOC for deliveries of water, Metropolitan shall separately identify any quantities of delivered water constituting Delivery of Program Water, determined as provided in Paragraph 5.1(e). MWDOC shall mail monthly invoices to IRWD in accordance with its generally applicable invoicing procedures, and IRWD shall make monthly payments of amounts due pursuant to Paragraph 7.1 in accordance with MWDOC's generally-applicable procedures. In its invoicing to IRWD for water deliveries, MWDOC shall separately identify any quantities of delivered water constituting Delivery of Program Water, as indicated on Metropolitan's invoice. MWDOC shall pass through the Local Delivery Rate, as indicated on Metropolitan's invoice, and shall not increase such rates or assess any additional charges except for the applicable MWDOC administrative charges specified in Paragraph 7.1.

7.3 Applicable Procedures. Unless otherwise provided for in this Agreement, all Metropolitan invoicing, billing and crediting processes shall be in accordance with generally applicable rules and regulations established from time to time by Metropolitan as reflected in the Administrative Code, and all MWDOC invoicing, billing and crediting processes shall be in accordance with the generally applicable rules and regulations established from time to time by MWDOC.

7.4 Reimbursement of Costs Between IRWD and Metropolitan.  
The Parties may mutually agree to a method for direct reimbursement, without using pass-through invoicing by Metropolitan and MWDOC.

## **VIII**

### **TERM**

8.1 Commencement and Expiration. This Agreement shall become effective on the Effective Date and shall expire on the Termination Date.

8.2 Early Termination. This Agreement may be terminated with the mutual written agreement of the Parties.

8.3 Force Majeure.

(a) If the performance, in whole or in part, of the obligations of the respective Parties, or any of them, to make any Delivery of Program Water under

this Agreement is prevented by acts or failures to act of any agency, court or other government authority (other than the Parties), or any other person; by natural disaster (such as earthquake, fire, drought or flood), contamination or outbreak of a water borne disease, war, strike, lockout, act of God, act of civil or military authority; by the operation of applicable law; or by any other cause beyond the control of the affected Party or Parties, whether similar to the causes specified herein or not, then, in any such circumstances, the obligation of the affected Party or Parties to make such Delivery of Program Water under this Agreement shall be suspended from the time and to the extent that the performance thereof is prevented, but reasonable diligence shall be observed by the affected Party or Parties, so far as it lies in their power, in performing such respective obligations in whole or in part under this Agreement. In the event such performance of any of the Parties under this Agreement is prevented as described above, then during the period of such prevention, performance by the non-affected Party under this Agreement shall be excused until such prevention ceases, at which time all the Parties shall become obligated to resume and continue performance of their respective obligations hereunder during the term of this Agreement.

Notwithstanding the foregoing, no such prevention shall suspend or otherwise affect any payment obligations for Delivery of Program Water actually completed or any obligation of any Party to indemnify the other Parties pursuant to Paragraph 12.10, or shall extend the term of this Agreement beyond the Termination Date, except as provided in clause (b) of this Paragraph.

(b) In the event that the Delivery of Program Water is prevented as described in clause (a) of this Paragraph, the term of this Agreement shall be extended, for a period not to exceed five Years, without the necessity for further action on the part of any Party, unless the Parties mutually agree to a longer period, if and to the extent necessary to permit Metropolitan to return Program Water that was taken as a Metropolitan Delivery pursuant to Paragraph 3.6 or to complete the Delivery of Program Water pursuant to a Call Notice in the quantity required to discharge all Program Water remaining in the Metropolitan Delivery Account balance.

8.4 Survival. Notwithstanding the foregoing or anything to the contrary in this Agreement, any outstanding payment obligation under Articles VI and VII, and the provisions in Paragraphs 11.6, 12.2, 12.3, 12.8, 12.10 and 12.15 and Articles IX and X shall survive the expiration or termination of this Agreement.

## IX

### ADDITIONAL COVENANTS AND CONDITIONS

9.1 Applicable Laws. This Agreement and the actions described herein are contingent upon and subject to compliance with all applicable laws.

9.2 No Effect on Ownership of Facilities or Capacity in Facilities. Neither IRWD nor MWDOC shall acquire or be deemed to have acquired any ownership, capacity rights, security interest or any dedicated interest in any Metropolitan storage, transmission or other facilities as a result of any provision of this Agreement. Neither Metropolitan nor MWDOC shall acquire or be deemed to have acquired any ownership, capacity rights, security interest or any dedicated interest in any IRWD or RRBWSD water banking or other facilities as a result of any provision of this Agreement.

9.3 Covenants of Good Faith. This Agreement is subject to reciprocal obligations of good faith and fair dealing.

9.4 CEQA Compliance. On May 27, 2008, RRBWSD certified an environmental impact report (“Project EIR”) for the Integrated Banking Project and subsequently on said date IRWD approved the Project EIR as a responsible agency. The Project EIR evaluated the delivery of water from the Integrated Banking Project to IRWD for use in the IRWD service area. The Parties agree to cooperate in obtaining further CEQA compliance or any permits, regulatory approvals or agreements to the extent required for the implementation of this Agreement.

9.5 Costs and Expenses. Except as provided in Articles VI and VII, each Party shall bear its own costs and expenses incurred in connection with the negotiation, execution and implementation of this Agreement and in obtaining related agreements, permits and regulatory approvals.

9.6 No Impact on Banking Agreement. Nothing in this Agreement shall be construed to amend the Banking Agreement.

9.7 Mutual Agreements In Writing. The terms of all mutual agreements reached between two or all of the Parties, as contemplated in this Agreement, shall be reduced to writing, and copies of each such mutual agreement shall be provided to all of the Parties prior to the commencement of the actions provided for in such mutual agreement.

## X

### DISPUTE RESOLUTION

10.1 Reasonable Best Efforts to Resolve by Negotiation. The Parties shall exercise reasonable best efforts to resolve all disputes arising under this Agreement through negotiation. In the event negotiation is unsuccessful, then the Parties reserve their respective rights to all legal and equitable remedies.

## XI

### EVENTS OF DEFAULT; REMEDIES

11.1 Events of Default by IRWD. Each of the following constitutes an Event of Default by IRWD if not cured within 30 days of receiving notice from Metropolitan or MWDOC of such matter:

- (a) IRWD fails to perform or observe any term, covenant or undertaking that it is to perform or observe under this Agreement.
- (c) Any representation or warranty made by IRWD and contained in this Agreement or in any exhibit, certificate or other document furnished pursuant to this Agreement is on the date made or later proves to be false, misleading or untrue in any material respect.

11.2 Events of Default by Metropolitan. Each of the following constitutes an Event of Default by Metropolitan if not cured within 30 days of receiving notice from IRWD or MWDOC of such matter:

- (a) Subject to Paragraphs 8.3 and 9.1, Metropolitan fails to complete a Delivery of Program Water as required under this Agreement.
- (b) Metropolitan fails to perform or observe any other term, covenant or undertaking that it is to perform or observe under this Agreement.

(c) Any representation or warranty made by Metropolitan and contained in this Agreement or in any exhibit, certificate or other document furnished pursuant to this Agreement is on the date made or later proves to be false, misleading or untrue in any material respect.

11.3 Events of Default by MWDOC. Each of the following constitutes an Event of Default by MWDOC if not cured within 30 days of receiving notice from IRWD or Metropolitan of such matter:

(a) MWDOC fails to pass through a consideration from Metropolitan to IRWD or from IRWD to Metropolitan as required in this Agreement.

(b) MWDOC fails to perform or observe any other term, covenant or undertaking that it is to perform or observe under this Agreement.

(c) Any representation or warranty made by MWDOC and contained in this Agreement or in any exhibit, certificate or other document furnished pursuant to this Agreement is on the date made or later proves to be false, misleading or untrue in any material respect.

11.4 Remedies Generally. If an Event of Default occurs, a non-breaching Party will have all rights and remedies provided at law or in equity against the breaching Party.

11.5 Specific Performance. Any Event of Default as defined in Paragraph 11.2(a) may be remedied by an order of specific performance.

11.6 Cumulative Rights and Remedies. The Parties do not intend that any right or remedy given to a Party on the breach of any provision of this Agreement be exclusive; each such right or remedy is cumulative and in addition to any other right or remedy provided in this Agreement or otherwise available at law or in equity. If the non-breaching Party fails to exercise or delays in exercising any such right or remedy, the non-breaching Party does not thereby waive that right or remedy. In addition, no single or partial exercise of any right, power or privilege precludes any other or further exercise of a right, power or privilege granted by this Agreement or otherwise.

11.7 Action or Proceeding Among the Parties. Each Party acknowledges that it is a "local agency" within the meaning of Section 394(c) of the California Code of Civil Procedure ("CCP"). Each Party further acknowledges that any action or proceeding commenced by one Party against another Party would, as a matter of law, be subject to



- (a) transfer to a “neutral county,” or instead
- (b) assignment of a disinterested judge from a “neutral county” by the Chairman of the Judicial Council to hear the action or proceeding.
- (c) A “neutral county” is any county other than Kern, Kings, Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara and Ventura.

In the event an action is filed by any Party against another Party to enforce this Agreement and to obtain damages for its alleged breach, each Party hereby:

- (d) Stipulates to the transfer of the action or proceeding to a “neutral county” or to assignment of a disinterested judge from a “neutral county” to hear the action or proceeding;
- (e) Waives the usual notice required under the law-and-motion provisions of Rule 3.1300 of the California Rules of Court;
- (f) Consents to having any motion under CCP Section 394(c) heard with notice as an *ex parte* matter under Rule 3.1200-1207 of the California Rules of Court; and
- (g) Acknowledges that this Agreement, and in particular this Paragraph, may be submitted to the court as part of the moving papers.
- (h) Nothing in this Paragraph, however, shall impair or limit the right of a Party to contest the suitability of any particular county to serve as a “neutral county” or operate as a waiver by a Party of any other right.

## XII

### GENERAL PROVISIONS

12.1 No Third-Party Rights. This Agreement is made solely for the benefit of the Parties and their respective permitted successors and assigns (if any). Except for such a permitted successor or assign, no other person or entity may have or acquire any right by virtue of this Agreement.

12.2 Ambiguities. Each Party and its counsel have participated fully in the drafting, review and revision of this Agreement. No rule of construction to the effect that

ambiguities are to be resolved against the drafting Party shall be applied in the interpretation of this Agreement or any amendments or modifications thereof.

12.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without giving effect to conflict of laws provisions.

12.4 Binding Effect; No Assignment. This Agreement is and will be binding upon and will inure to the benefit of the Parties and the legal successors and assigns of their assets and liabilities by operation of law. Other than as contemplated in the preceding sentence, no Party may assign any of its rights or delegate any of its duties under this Agreement. Any assignment or delegation made in violation of this Agreement is void and of no force and effect.

12.5 Notices. All notices, requests, demands, or other communications under this Agreement must be in writing and sent to each Party. Notice will be sufficiently given for all purposes as follows:

- *Personal Delivery*. When personally delivered to the recipient. Notice is effective on delivery.
- *First-Class Mail*. When mailed first-class, postage prepaid, to the last address of the recipient known to the Party giving notice. Notice is effective three days after the postmark date.
- *Certified Mail*. When mailed certified mail, return receipt requested. Notice is effective on receipt, if a return receipt confirms delivery.
- *Overnight Delivery*. When delivered by an overnight delivery service such as Federal Express, charges prepaid or charged to the sender's account. Notice is effective on delivery, if delivery is confirmed by the delivery service.
- *Facsimile Transmission*. Notice is effective on receipt, provided that a copy is mailed by first-class mail on the facsimile transmission date.
- *Electronic Mail*. Notice is effective on receipt, provided that a copy is mailed by first-class mail on the electronic mail date.

Addresses for purposes of giving notice are as follows:

To Metropolitan:	<b>Metropolitan Water District of Southern California</b> Attn: General Manager
Address for U.S. Mail	P.O. Box 54153 Los Angeles, CA 90054-0153
Address for personal or overnight delivery	700 North Alameda Street Los Angeles, CA 90012-2944 Telephone: 213-217-6950
With a copy delivered by the same means and at the same address to	<b>Metropolitan Water District of Southern California</b> Attn: General Counsel
Address for facsimile	213-217-6890
Address for e-mail	<a href="mailto:jroberts@mwdh2o.com">jroberts@mwdh2o.com</a>

To MWDOC:	<b>Municipal Water District of Orange County</b> Attn: General Manager
Address for U.S. Mail	18700 Ward Street Fountain Valley, CA 92708
Address for personal or overnight delivery	18700 Ward Street Fountain Valley, CA 92708 Telephone:
With a copy delivered by the same means to	McCormick, Kidman & Behrens 650 Town Center Drive, Suite 100 Costa Mesa, CA 92626-1989 Attn: Russell G. Behrens
Address for facsimile	714-964-9389
Address for e-mail	<a href="mailto:khunt@mwdoc.com">khunt@mwdoc.com</a> , with a copy to <a href="mailto:rbehrens@mkblawyers.com">rbehrens@mkblawyers.com</a>

To IRWD:	<b>Irvine Ranch Water District</b> Attn: General Manager
Address for U.S. Mail	P.O. Box 57000 Irvine, CA 92619-7000
Address for personal or overnight delivery	15600 Sand Canyon Avenue Irvine, CA 92618
With a copy delivered by the same means to	Bowie, Arneson, Wiles & Giannone 4920 Campus Drive Newport Beach, CA 92660 Attn: Joan Arneson
Address for facsimile	949-453-1228
Address for e-mail	<a href="mailto:JONES@irwd.com">JONES@irwd.com</a> , with a copy to <a href="mailto:WEGHORST@irwd.com">WEGHORST@irwd.com</a>

(a) A correctly addressed notice that is refused, unclaimed or undeliverable because of an act or omission by the Party to be notified will be

deemed effective as of the first date that notice was refused, unclaimed or undeliverable by the postal authorities, messenger, or overnight delivery service.

(b) A Party may change its address by giving the other Parties notice of the change in any manner permitted by this Agreement.

12.6 Entire Agreement. This Agreement constitutes the final, complete and exclusive statement of the terms of the agreement among the Parties pertaining to its subject matter and supersedes all prior and contemporaneous understandings or agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty outside those expressly set forth in this Agreement.

12.7 Time of the Essence. If the day on which performance of any act or the occurrence of any event hereunder is due is not a business day, the time when such performance or occurrence shall be due shall be the first business day (as defined in Section 4507 of the Administrative Code) occurring after the day on which performance or occurrence would otherwise be due hereunder. All times provided in this Agreement for the performance of any act will be strictly construed, time being of the essence of this Agreement.

12.8 Modification.

(a) Written Agreement Required. This Agreement may be supplemented, amended or modified only by the written agreement of the Parties. No supplement, amendment or modification will be binding unless it is in writing and signed by all of the Parties.

(b) Reopening of Agreement. The Parties agree to meet and confer in good faith to negotiate amendments to preserve the intent of this Agreement in the event that a change to the Administrative Code, Metropolitan's rate structure design, Water Supply Allocation Plan, legislative change or other change of an institutional nature materially alters the consideration for this Agreement.

(c) Conformance to Other Agreement. If concurrent with or after the execution of this Agreement by Metropolitan, Metropolitan shall execute any other agreement, with a counterparty who is a Metropolitan member agency and/or an agency providing water service within the service area of Metropolitan

and that, on the whole, contains terms more favorable to the counterparty agency than this Agreement, then at IRWD's election, terms comparable to those in the other agreement's more favorable terms shall be deemed to be automatically inserted or substituted, as the case may be, into this Agreement, including elimination of unfavorable terms that are absent from the other agreement.

12.9 Waiver. No waiver of a breach, failure of condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the Party waiving the breach, failure, right or remedy. No waiver of a breach, failure of condition, right or remedy is or may be deemed a waiver of any other breach, failure, right or remedy, whether similar or not. In addition, no waiver will constitute a continuing waiver unless the writing so specifies.

12.10 Indemnification.

(a) Metropolitan shall indemnify IRWD and MWDOC pursuant to Section 4502 of the Administrative Code against liability in connection with Metropolitan's Delivery of Program Water to the same extent as is required with respect to water supplied by Metropolitan to a member public agency. Such indemnification shall be in addition to any indemnification rights available under applicable law and to any other remedy provided under this Agreement. Notwithstanding anything to the contrary in Section 4502 of the Administrative Code, Metropolitan's obligations pursuant to Section 4502 of the Administrative Code shall not be deemed to apply prior to the point where Metropolitan's control of the delivery of Program Water commences under Paragraph 3.11.

(b) IRWD shall indemnify Metropolitan and MWDOC pursuant to Section 4502 of the Administrative Code against liability in connection with acts of IRWD after Metropolitan's Delivery of Program Water to the same extent as is required with respect to water supplied by Metropolitan to a member public agency. Such indemnification shall be in addition to any indemnification rights available under applicable law and to any other remedy provided under this Agreement. In addition to the liability indemnification provisions of the preceding sentence, IRWD shall defend, indemnify and hold harmless Metropolitan and MWDOC against claims and liabilities that arise from

implementation of this Agreement, including liabilities arising from obligations to DWR assumed by Metropolitan, prior to the point where Metropolitan's control of the delivery of Program Water commences under Paragraph 3.11.

(c) MWDOC shall indemnify Metropolitan pursuant to Section 4502 of the Administrative Code against liability in connection with acts of MWDOC after Metropolitan's Delivery of Program Water to the same extent as is required with respect to water supplied by Metropolitan to a member public agency. Such indemnification shall be in addition to any indemnification rights available under applicable law and to any other remedy provided under this Agreement.

(d) Notwithstanding anything in this Agreement to the contrary, each Party agrees to proceed with reasonable diligence and use reasonable good faith efforts to jointly defend any lawsuit or administrative proceeding by any person other than the Parties challenging the legality, validity or enforceability of this Agreement.

12.11 Authority of the Legislature. Nothing in this Agreement will limit any authority of the Legislature of the State of California to allocate or reallocate water.

12.12 Right to Amend the Administrative Code. Notwithstanding anything in this Agreement to the contrary, express or implied, Metropolitan shall have the right to amend the Administrative Code at its sole discretion, except that, for purposes of this Agreement, no such amendment shall result in a materially adverse change or modification of IRWD's rights to obtain Program Water from the Integrated Banking Project or Metropolitan's Delivery Account, obtain Delivery of Program Water by Call Notice, or the obligations of Metropolitan hereunder, or be binding on IRWD unless such effect is first approved by the Board of Directors of IRWD.

12.13 Right to Amend Banking Agreement. Notwithstanding anything in this Agreement to the contrary, express or implied, IRWD shall have the right to amend the Banking Agreement at its sole discretion, except that, for purposes of this Agreement, no such amendment shall result in a materially adverse change or modification of Metropolitan's rights with respect to the recharge, storage or recovery of water in the Integrated Banking Project as contemplated hereunder, or be binding on Metropolitan, unless such effect is first approved by the Board of Directors of Metropolitan. The

preceding sentence notwithstanding, an amendment of the Banking Agreement to expand the Integrated Banking Project shall not, by itself, be considered to result in a materially adverse change or modification of Metropolitan's rights hereunder.

12.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which, when executed and delivered, shall be an original and all of which together shall constitute one instrument, with the same force and effect as though all signatures appeared on a single document.

12.15 Audit. Each Party shall be responsible for assuring the accuracy of its books, records and accounts of billings, payments, metering of water and other records (whether on paper or in electronic or other format) evidencing the performance of its obligations pursuant to this Agreement and shall maintain all such records for not less than three years. Each Party will have the right to audit the other Parties' books and records relating to this Agreement for purposes of determining compliance with this Agreement during the term hereof and for a period of three years following termination of this Agreement. Upon reasonable notice, each Party shall cooperate fully with any such audit and shall permit access to its books, records and accounts as may be necessary to conduct such audit.


IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

  
\_\_\_\_\_  
Jeffrey Kightlinger  
General Manager

APPROVED AS TO FORM:

Karen L. Tachiki  
General Counsel


By   
\_\_\_\_\_  
Jaime Roberts  
Senior Deputy General Counsel

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**


  
\_\_\_\_\_  
Kevin P. Hunt  
General Manager

APPROVED AS TO FORM:

McCormick, Kidman & Behrens, LLP

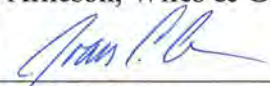
By   
\_\_\_\_\_  
Daniel J. Payne

**IRVINE RANCH WATER DISTRICT**

  
\_\_\_\_\_  
Paul D. Jones II  
General Manager

APPROVED AS TO FORM:

Bowie, Arneson, Wiles & Giannone

By   
\_\_\_\_\_  
Joan C. Arneson




## Exhibit “B”

### DRAFT

Principles for Unbalanced Exchange Program Involving Supplies from  
Metropolitan Water District of Southern California  
(February 14, 2023)

1. State Water Project water from Metropolitan is eligible to become Program Water consistent with the Coordinated Operating, Water Storage, Exchange and Delivery Agreement between IRWD, Metropolitan, and Municipal Water District of Southern California (Coordinated Agreement).
2. Metropolitan could deliver its SWP water to the IRWD Water Bank that would otherwise be lost to the ocean or not storable by Metropolitan. All the water would be returned for use in Metropolitan’s service area.
3. With Metropolitan’s consent, IRWD and a Participating Agency (expected to be Las Virgenes Municipal Water District) would enter into a Water Bank Participation Agreement that would facilitate IRWD sharing Extraordinary Supply with the Participating Agency in return for payment of fixed and variable fees to IRWD.
4. IRWD would make available 20,000 AF of storage in the IRWD Water Bank for the storage of Program Water:
  - a. 10,000 AF for IRWD
  - b. 5,000 AF for the Participating Agency
  - c. 5,000 AF for Metropolitan
5. The costs and priority for recovery of water for IRWD and Metropolitan’s use would occur consistent with the Coordinated Agreement.
6. The costs and priority for recovery of water for the Participating Agency would occur consistent with the Water Bank Participation Agreement.
7. Metropolitan would be able to borrow one-third of the Program Water stored for IRWD and the Participating Agency with replacement to occur within 3 years.
8. Losses would be allocated in proportion to water stored for IRWD, the Participating Agency and for Metropolitan.
9. Metropolitan would use its capacity in the SWP and Kern County conveyance facilities to deliver Program Water in or out of the IRWD Water Bank consistent with the Coordinated Agreement.
10. Consistent with the Coordinated Agreement, Metropolitan would pay all Department of Water Resources variable and fixed costs associated with the delivery of all Program Water to and from the IRWD Water Bank.
11. IRWD and the Participating Agency would pay Metropolitan the Full Service Tier-1 Rate for Program Water delivered into their respective service areas.
12. The term of the Exchange Program would be coterminous with the Coordinated Agreement.

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February 14, 2023  
Prepared by: K. Welch  
Submitted by: F. Sanchez / P. Weghorst  
Approved by: Paul A. Cook 

SUPPLY RELIABILITY PROGRAMS COMMITTEE

DRAFT TERMS FOR A THREE PARTY  
SHORT-TERM UNBALANCED EXCHANGE PROGRAM

SUMMARY:

Staff has been participating in monthly coordination meetings with Rosedale-Rio Bravo Water Storage District and Santa Clarita Valley Water Agency to discuss opportunities for mutually beneficial water banking and exchange programs. In anticipation of a substantial increase in State Water Project (SWP) Table A allocation, staff has initiated discussions with both Rosedale and Santa Clarita Valley to develop terms for a short-term unbalanced exchange program among the three agencies. Staff recommends the Board authorize the General Manager to execute an agreement for a Short-Term Exchange Program with Rosedale and Santa Clarita Valley Water District based on the terms presented.

BACKGROUND:

As a result of the heavy precipitation in January 2023, the Department of Water Resources (DWR) recently increased the initial SWP allocation from 5% to 30%. Based on the current high levels of snowpack, it is expected that the DWR will further increase the SWP allocation in the spring. Santa Clarita Valley is an SWP Contractor that often has SWP Table A supplies in excess of its demands. With the increased allocation, Santa Clarita Valley may have excess Table A water to bank in 2023.

In November 2021, the IRWD Board approved terms for a proposed long-term unbalanced exchange program with Santa Clarita Valley. Since that time, Santa Clarita Valley has indicated its preference to enter into a long-term unbalanced exchange program with both IRWD and Rosedale. Such a program would be beneficial in that it would simplify complexities associated with the various first, second, and third priorities for the recovery of water from the separate water banking projects owned by IRWD and Rosedale. As a precursor to developing a long-term program, staff has prepared terms for a short-term unbalanced exchange program among IRWD, Rosedale, and Santa Clarita Valley (Short-term Exchange Program). Proposed terms for this short-term program are provided as Exhibit "A".

Proposed Short-Term Exchange Program:

The terms for the proposed Short-term Exchange Program call for a total of 20,000 acre feet (AF) of storage capacity to be allocated by Rosedale and IRWD with each contributing 10,000 AF. Santa Clarita Valley's water would be delivered into storage on a 2-for-1 basis with one-half of the water being split equally to Rosedale and IRWD. The remaining half would be available for return to Santa Clarita Valley. Recharge capacity would be subject to scheduling and availability, considering Rosedale and IRWD's other banking programs. Rosedale and IRWD would each return one-half of the water, less a proportional share of losses, to Santa

Clarita Valley by the end of the fifth year. Each party would be responsible for their respective banking costs.

At the Committee meeting, staff will present details associated with the terms provided in Exhibit “A”. Staff recommends the Board authorize the General Manager to execute an agreement for a Short-Term Exchange Program with Rosedale and Santa Clarita Valley based on the terms presented.

FISCAL IMPACTS:

Under the proposed Short-term Program, IRWD, Rosedale and Santa Clarita Valley would each pay the recharge and recovery costs associated with each agency’s share of water.

ENVIRONMENTAL COMPLIANCE:

Final Environmental Impact Reports for the Strand Ranch and Stockdale Integrated Banking Project were prepared, certified, and approved in compliance with the California Environmental Quality Act (CEQA) of 1970 as amended, codified at California Public Resources Code Sections 21000 et. seq., and the State CEQA Guidelines in the Code of Regulations, Title 14, Division 6, Chapter 3. Rosedale, as lead agency, filed Notices of Determination for both the Strand Ranch and Stockdale Integrated Banking Projects with the County of Kern. IRWD, as a responsible agency, filed Notices of Determination with the County of Orange and with the County of Kern.

RECOMMENDATION:

That the Board authorize the General Manager to execute an agreement for a Short-Term Exchange Program with Rosedale-Rio Bravo Water Storage District and Santa Clarita Valley Water Agency based on the terms presented.

LIST OF EXHIBITS:

Exhibit “A” – Draft Terms for a Short-term Unbalanced Exchange Program Among Rosedale-Rio Bravo Water Storage District, Irvine Ranch Water District, and Santa Clarita Valley Water Agency

Exhibit "A"

**DRAFT** - Terms for a Short-Term Unbalanced Exchange Program  
 Among Rosedale-Rio Bravo Water Storage District, Irvine Ranch Water District, and  
 Santa Clarita Valley Water Agency  
 (February 14, 2023)

<b>Parties</b>	Rosedale-Rio Bravo Water Storage District (Rosedale) Irvine Ranch Water District (IRWD); and the Santa Clarita Valley Water Agency (SCVWA)
<b>Purpose</b>	Rosedale, IRWD and SCVWA would implement a Short-Term Unbalanced Exchange Program (Exchange Program) that would allow SCVWA to deliver State Water Project (SWP) water into storage utilizing facilities within the Rosedale Water Bank and IRWD’s Strand and Stockdale Integrated Banking Projects (IRWD Water Bank) on a 2-for-1 basis. Together these facilities are referred to as the Rosedale and IRWD Water Banks. All recharge and recovery facilities within the Rosedale and IRWD Water Banks could be used to deliver water in and out of storage.
<b>Term</b>	The Exchange Program would end on December 31, 2029.
<b>Storage Capacity</b>	Up to 20,000 AF of storage capacity would be dedicated 50% by Rosedale and 50% by IRWD to the Exchange Program. The maximum account balance to be allocated for the storage of SCVWA’s share of the water stored in the Rosedale and IRWD Water Banks would be 20,000 AF. Rosedale and IRWD at their sole discretion could increase the total storage capacity allocated to the Exchange Program with a proportional increase in SCVWA’s maximum account balance.
<b>Exchange Water</b>	SCVWA would supply SWP water equally to the Rosedale and IRWD Water Banks that is available to SCVWA through its SWP Contract with the Department of Water Resources (DWR). One-half of the Exchange Water delivered into storage would be for SCVWA and the other half would be deemed transferred equally to Rosedale and IRWD. Recharge capacity to accept the Exchange Water would be subject to scheduling and availability considering Rosedale and IRWD’s other banking programs.
<b>Return Water</b>	Water would be returned, when requested by SCVWA, at an annual rate of no more than one-third of the maximum account balance allocated to SCVWA, after losses and not to exceed 3,333 AF per year, subject to scheduling. Rosedale and IRWD would utilize their respective well capacity to recover SCVWA’s water on an equal basis. Rosedale and IRWD could allow SCVWA to recover more water in a year, should Rosedale and IRWD determine that the use of additional recovery capacity by SCVWA would not infringe on Rosedale or IRWD’s ability to recover water for itself and/or other partners.  SCVWA’s share of the water recharged and stored shall be returned to SCVWA before the end of the term of this program.
<b>Losses</b>	Water Banking losses would be shared proportional to water recharged among Rosedale, IRWD and SCVWA (between 11 and 15%). Rosedale, IRWD and SCVWA each may incur additional conveyance losses of 1% to 2% in the Cross Valley Canal (CVC) for conveyance of each agency’s share of the water, as measured and assessed by Kern County Water Agency (KCWA).

<b>Recharge Costs</b>	Rosedale, IRWD and SCVWA would all be proportionally responsible for any costs associated with recharging water at the Rosedale and IRWD Water Banks. These costs may include Rosedale’s administrative charge, charges assessed by the KCWA, CVC Standby, applicable CVC pumping and O&M costs, and applicable fixed and variable O&M costs associated with recharging on the Rosedale and IRWD Water Banks.
<b>SWP Fixed and Variable Costs</b>	Rosedale, IRWD and SCVWA would all be proportionally responsible for any SWP related variable costs incurred with making the Exchange Water available for recharge at the Rosedale and IRWD Water Bank.  SCVWA shall pay all fixed SWP costs associated with making the water available for recharge, including water that will be allocated to Rosedale and IRWD.
<b>Recovery Costs</b>	Rosedale, IRWD and SCVWA would each be responsible for actual costs of recovery for each agency’s respective share of the water either through well pumping or by exchange. These costs may include Rosedale’s administrative charge, charges assessed by the KCWA, CVC Standby, O&M, and applicable CVC pumping costs, and applicable fixed and variable O&M costs associated with recovery on the Rosedale and IRWD Water Banks.  SCVWA will pay all conveyance costs in the Aqueduct associated with the delivery of recovered water to SCVWA’s service area or other SCVWA delivery points.  Rosedale, IRWD and SCVWA would share any costs (proportional to water recovered) assessed by Rosedale under its Long-Term Operations Plan for implementing provisions of the MOUs to prevent impacts from operations. It is expected that banking projects, such as the Water Bank, will be required to contribute \$2.00/AF for recovered water to a fund, which may be used to meet mitigation obligations.
<b>Agency Coordination</b>	Rosedale, IRWD and SCVWA would cooperate with DWR and Metropolitan Water District of Southern California or another SWP Contractor willing to act on IRWD’s behalf in preparing all necessary agreements to facilitate the Exchange Program.
<b>Environmental Compliance</b>	Rosedale, IRWD and SCVWA shall comply with California Environmental Quality Act (CEQA) and cooperate with one another with respect to CEQA compliance that may be required by the DWR for the proposed Exchange Program. IRWD has conducted environmental review under CEQA for the Strand and Stockdale Integrated Banking Projects that takes into consideration the delivery, storage and recovery of SWP water. Rosedale certified and IRWD and approved the CEQA documents for the Strand and Stockdale Integrated Banking Projects. Rosedale has certified an EIR for its Water Banking Project that takes into consideration the delivery, storage and recovery of SWP water. Rosedale, IRWD and SCVWA will share equally any additional costs associated with environmental review or permitting deemed necessary for delivering SCVWA water into storage. Rosedale, IRWD and SCVWA shall each be responsible for any other environmental review or permitting necessary to implement the Exchange Program within their own respective service areas as required.
<b>General Expenses</b>	All parties will be responsible for their own fees and expenses arising out of the negotiation and execution of the Exchange Program Agreement, obtaining necessary approvals and the like.