

INFORMATION

ACTION

7. UPDATED LANDOWNER AGREEMENT FOR COMPLIANCE WITH
SUSTAINABLE GROUNDWATER MANAGEMENT ACT – BENNETT /
WELCH / SANCHEZ / WEGHORST


Recommendation: That the Board authorize the General Manager to execute the Updated Landowner Agreement for Sustainable Groundwater Management Act compliance subject to substantive changes approved by legal counsel and the Supply Reliability Programs Committee.

OTHER BUSINESS

8. Directors' Comments

9. Adjourn

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 at the entrance of the meeting room at the District Office. The Irvine Ranch Water District Committee Room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.), please contact the District Secretary at (949) 453-5300 during business hours at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in an alternative format upon written request to the District Secretary at least seventy-two (72) hours prior to the scheduled meeting.

September 19, 2019
Prepared by: D. Johnson / 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. Staff will also provide an update on recharge operations, as well as efforts to secure additional water for recharge at IRWD's water banking projects.

BACKGROUND:

To facilitate the 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. At the Committee meeting, staff will provide an update on current recharge activities, as well as efforts to secure additional water for recharge at IRWD's water banking projects.

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 attached 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. 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. Both Exhibits "B" and "C" include a column that provides totals for each water type and storage location. No changes to Exhibits "B" and "C" have been made since August 2019.

Exhibit "D" graphically depicts how storage of State Water Project (SWP) and non-SWP water has changed in the Strand and Stockdale Integrated Banking Projects through time. The table provided as Exhibit "E" 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 provided as Exhibits "A", "B", "C" and "E", as well as the figure provided as Exhibit "D", 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 “F”, “G” and “H”, respectively. Exhibit “H” has been updated to reflect the most recent estimated infiltration rate as of June 18, 2019. The facilities shown on the maps are associated with the Strand Ranch, Stockdale West, Stockdale East and Rosedale-Rio Bravo Water Storage District Drought Relief Projects.

Program Agreement Diagrams:

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

Delivery of Water to the Water Banks:

Buena Vista delivered Kern River water to the Strand Ranch and Stockdale West projects from April 11 through June 30, 2019. Approximately 12,500 acre-feet (AF) was delivered in total of which IRWD retains one-half, which is consistent with the terms of the existing long-term exchange program agreement with Buena Vista.

Starting on July 10, 2019, IRWD began taking delivery of its 1,114 AF of 2019 SWP supplies associated with the Jackson Ranch in Dudley Ridge Water District. The recharge of this water was completed in August 2019.

Other Recharge Opportunities:

IRWD has been pursuing additional opportunities to secure water for recharge. At the Committee meeting, staff will provide an update on efforts to secure water from:

- Antelope Valley-East Kern Water Agency;
- Central Coast Water Authority;
- Dudley Ridge Water District; and
- Other sources.

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” – Historic Water Storage in Strand and Stockdale Projects
- Exhibit “E” – Dedicated Capacities of Current Water Banking Projects
- Exhibit “F” – Map of Water Banking Project Wells and Pipelines
- Exhibit “G” – Map of Water Banking Recharge Basins and Cross Valley Canal Turnout Facilities
- Exhibit “H” – Map of Water Banking Recharge Rates
- Exhibit “I” – Diagram of IRWD-Rosedale Water Banking and Exchange Program Agreements
- Exhibit “J” – Diagram of Long-Term Water Exchange Program with BVWSD and Diagram of One-Year Program to Augment Recharge Using Stockdale West Recharge Facilities with BVWSD
- Exhibit “K” – Diagram of Unbalanced Exchange Program Diagram with DRWD
- Exhibit “L” – Diagram of Coordinated Operating, Water Storage, Exchange and Delivery Agreement with Metropolitan Water District
- Exhibit “M” – Diagram of Template Wheeling Agreement with Metropolitan Water District

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Exhibit "A"

TABLE 1
Current and Anticipated Water Banking Project
Recharge, Storage and Recovery Capacities
September 19, 2019

WATER BANKING PROJECT	OWNERSHIP AND WELL INFO			ALLOCATED CAPACITY (AF)					1 ST PRIORITY RECOVERY CONDITIONS (CFS)		2 ND PRIORITY RECOVERY CONDITIONS (CFS)	
	IRWD OWNED	WELLS EXISTING	WELLS PROPOSED OR UNDER CONST.	TOTAL STORAGE CAPACITY	ANNUAL RECHARGE 1 ST PRIORITY	ANNUAL RECHARGE 2 ND PRIORITY	ANNUAL RECOVERY 1 ST PRIORITY	ANNUAL RECOVERY 2 ND PRIORITY	RECOVERY CAPACITY AS PLANNED ¹	ESTIMATED RECOVERY CAPACITY (APR. 2019 CONDITIONS) ²	RECOVERY CAPACITY AS PLANNED	RECOVERY CAPACITY CURRENT CONDITIONS
Strand Ranch	Yes	7	-	50,000	17,500	-	17,500	-	40.0	40.0	-	-
Stockdale West	Yes	3	-	26,000	27,100	-	11,250	-	15.0	15.0	-	-
Stockdale East	No	-	2	-	-	19,000	-	7,500	-	-	10.0	-
IRWD Acquired Storage Account ³	No	-	-	50,000	-	-	-	-	-	-	-	-
Drought Relief Project Wells ³	No	3	-	-	-	-	-	-	15.0	15.0	-	-
Kern Water Bank Storage Account ⁵	No	-	-	9,495	3,200	-	6,330	-	-	-	-	-
TOTALS		13	2	126,000	44,600	19,000	28,750	7,500	70.0	70.0	10.0	0.0
Partner Capacities ⁴				38,000	22,300	9,500	10,850	0	35.5	25.0	-	-
IRWD 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	-	-
TOTALS (AF)									17,900	15,733	-	-
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	

¹ 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.

² Strand Ranch and Stockdale West wells currently idle.

³ IRWD has use of Acquired Storage and Drought Relief Project wells until January 12, 2039, unless the term of the agreement is extended.

⁴ One half of storage capacity at Stockdale West and Strand Ranch will be allocated for partners.

⁵ 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. Not included in storage capacity, recharge, and recovery totals to match IRWD's Water Banking Policy Position Paper.

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Exhibit "B"

TABLE 2
IRWD's Water Banking Storage, Recharge and Recovery Operations - BEFORE LOSSES
September 19, 2019

TRANSACTIONS	WATER BANKING ENTITY					TOTAL BY WATER TYPE AND STORAGE LOCATION
	IRWD		BUENA VISTA (BVWSD)	CENTRAL COAST (CCWA)	DUDLEY RIDGE WATER DISTRICT (DRWD) ³	
	SWP ¹	NON-SWP ²	NON-SWP	SWP	SWP	
BEGINNING WATER IN STORAGE 2018 (AF)						
Total Kern Water Bank	-	4,656	-	-	-	4,656
Total MWD System ⁴	8,349	-	-	-	1,174	10,047
Total Kern County	3,257	17,704	6,869	289	2,388	30,507
TOTAL STORED WATER (1/1/2018)	11,606	22,360	6,869	289	3,562	44,686
MWD Water to Jackson Ranch ⁵	-	-	-	-	(295)	(295)
(RECOVERY) AND RECHARGE IN 2018 (AF)						
Kern Water Bank Deliveries	-	-	-	-	-	-
2018 SWP Allocation (35%) ³	310	-	-	-	310	620
High Flow Kern River	-	-	(1,667)	-	-	(1,667)
TOTAL 2018 TRANSACTIONS	310	-	(1,667)	-	310	(1,047)
Total Kern Water Bank	-	4,656	-	-	-	4,656
Total MWD System	8,349	-	-	-	879	9,228
Total Kern County	3,567	17,704	5,202	289	2,698	29,460
TOTAL STORED WATER (1/1/2019)	11,916	22,360	5,202	289	3,577	43,344
(RECOVERY) AND RECHARGE IN 2019 (AF)						
MWD Water to Jackson Ranch (estimated)	-	-	-	-	(295)	(295)
Kern Water Bank Deliveries ⁶	-	97	-	-	-	97
2019 SWP Allocation (75%) ³	656	-	-	-	656	1,311
Kern River water (estimated)	-	6,250	6,250	-	-	12,500
TOTAL ESTIMATED 2019 TRANSACTIONS	656	6,347	6,250	-	361	13,613
ESTIMATED WATER IN STORAGE 2019 (AF)						
Total Kern Water Bank	-	4,753	-	-	-	4,753
Total MWD System	8,349	-	-	-	879	9,228
Total Kern County	4,223	24,051	11,452	289	3,059	43,073
TOTAL ESTIMATED STORED WATER TO DATE	12,572	28,804	11,452	289	3,938	57,054

NOTES:

-MWD = Metropolitan Water District of Southern California.

¹ IRWD's SWP includes 437 AF from CVWD that stays in Kern County.

² IRWD's Non-SWP total includes 3,158 AF of Kern County Water Agency Article 21 Water.

³ DRWD water supply will be returned by MWD or IRWD's Strand Ranch to IRWD's Jackson Ranch. IRWD's 2013-2016 SWP allocation amounts are stored in the MWD system. IRWD's 2017 through 2019 SWP allocation water is stored in Kern County.

⁴ Beginning balance of water stored in MWD system includes: 4,494 AF from 2014 Exchange, 3,206 AF of 2014 borrowed SWP, 649 AF of IRWD's 2013-2016 SWP allocations through DRWD.

⁵ Water returned to DRWD by MWD for use on IRWD's Jackson Ranch.

⁶ A portion of IRWD's 2019 SWP deliveries from DRWD include 97 AF of Article 21 water, which was delivered to the Kern Water Bank.

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Exhibit "C"

TABLE 3
IRWD's Water Banking Storage, Recharge and Recovery Operations - AFTER LOSSES
September 19, 2019

TRANSACTIONS	WATER BANKING ENTITY					TOTAL BY WATER TYPE AND STORAGE LOCATION
	IRWD		BUENA VISTA (BVWSD)	CENTRAL COAST (CCWA)	DUDLEY RIDGE WATER DISTRICT (DRWD) ³	
	SWP ¹	NON-SWP ²	NON-SWP	SWP	SWP	
BEGINNING WATER IN STORAGE 2018 (AF)						
Total Kern Water Bank	-	4,233	-	-	-	4,233
Total MWD System ⁴	7,393	-	-	-	1,174	9,091
Total Kern County	2,782	15,564	6,199	246	2,131	26,921
TOTAL STORED WATER (1/1/2018)	10,175	19,797	6,199	246	3,305	39,721
MWD Water to Jackson Ranch ⁵	-	-	-	-	(295)	(295)
(RECOVERY) AND RECHARGE IN 2018 (AF)						
Kern Water Bank Deliveries	-	-	-	-	-	-
2018 SWP Allocation (35%) ³	264	-	-	-	264	528
High Flow Kern River	-	-	(1,667)	-	-	(1,667)
TOTAL 2018 TRANSACTIONS	264	-	(1,667)	-	264	(1,139)
Total Kern Water Bank	-	4,233	-	-	-	4,233
Total MWD System	7,393	-	-	-	879	8,272
Total Kern County	3,046	15,564	(1,667)	246	2,395	19,584
TOTAL STORED WATER (1/1/2019)	10,439	19,797	4,532	246	3,274	38,288
(RECOVERY) AND RECHARGE IN 2019 (AF)						
MWD Water to Jackson Ranch (estimated)	-	-	-	-	(295)	(295)
Kern Water Bank Deliveries ⁷	-	87	-	-	-	87
2019 SWP Allocation (75%) ³	557	-	-	-	557	1,114
Kern River water (estimated)	-	5,313	5,625	-	-	10,938
TOTAL ESTIMATED 2019 TRANSACTIONS ⁶	557	5,400	5,625	-	262	11,844
ESTIMATED WATER IN STORAGE 2019 (AF)						
Total Kern Water Bank	-	4,320	-	-	-	4,320
Total MWD System	7,393	-	-	-	879	8,272
Total Kern County	3,603	20,877	10,157	246	2,657	37,539
TOTAL ESTIMATED STORED WATER TO DATE	10,996	25,197	10,157	246	3,536	50,132

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 DRWD and BVWSD in Kern County is adjusted 10% (6% for surface loss and 4% for reserve loss); KWB losses are 10%; no losses for water directly delivered to MWD system.

-MWD = Metropolitan Water District of Southern California.

¹ IRWD's SWP includes 389 AF from CVWD that stays in Kern County.

² IRWD's Non-SWP total includes 2,842 AF of Kern County Water Agency Article 21 Water.

³ DRWD water supply will be returned by MWD or IRWD's Strand Ranch to IRWD's Jackson Ranch. IRWD's 2013-2016 SWP allocation amounts are stored in the MWD system.

IRWD's 2017 through 2019 SWP allocation water is stored in Kern County.

⁴ Beginning balance of water stored in MWD system includes (net of CVC losses): 3,920 AF of 2014 Exchange, 2,824 AF of 2014 borrowed SWP, 649 AF of IRWD's 2013-2016 SWP allocations through DRWD.

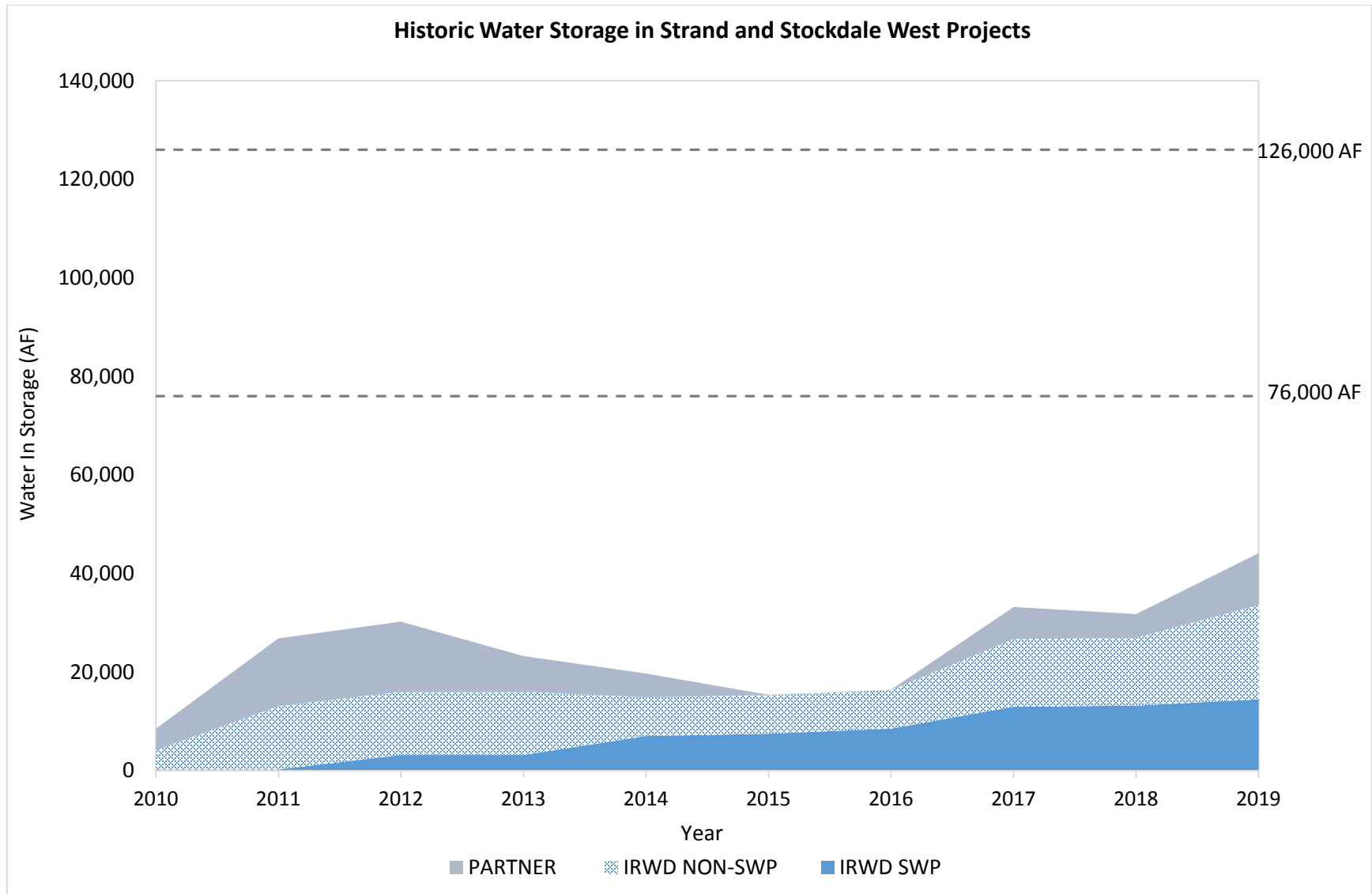
⁵Water returned to DRWD by MWD for use on IRWD's Jackson Ranch.

⁶2019 transactions may be adjusted for conveyance losses in CVC.

⁷A portion of IRWD's 2019 SWP deliveries from DRWD include 97 AF of Article 21 water, which was delivered to the Kern Water Bank.

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Exhibit “D”



*After losses

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Exhibit "E"

Program	Dedicated Storage Capacity Strand Ranch (AF)	Dedicated Storage Capacity Stockdale West (AF)	Dedicated Storage Capacity Leased Storage Account (AF)	Kern Water Bank Storage Capacity (AF)
Total Capacity	50,000	26,000	50,000	9,495
BVWSD	40,000	-	-	-
DRWD	10,000	-	-	-
AVEK	-	20,000	-	-
CVWD	-	5,000	-	-
Total Dedicated	50,000	25,000	-	-
Total Remaining	-	1,000	50,000	9,495

RECHARGE CAPACITY

Program	Dedicated Recharge Capacity Strand Ranch (AF)	Dedicated Recharge Capacity Stockdale West (AF)	Dedicated Recharge Capacity Leased Storage Account (AF)	Kern Water Bank Recharge Capacity (AF)
Total Capacity	17,500	27,100	-	3,200
BVWSD	17,500	-	-	-
DRWD	-	-	-	-
AVEK	-	20,000	-	-
CVWD	-	5,000	-	-
Total Dedicated	17,500	25,000	-	-
Total Remaining	-	2,100	-	3,200

RECOVERY CAPACITY

Program Partner	Dedicated Recovery Capacity Strand Ranch (AF)	Dedicated Recovery Capacity Stockdale West (AF)	Dedicated Recovery Capacity Leased Storage Account (AF)	Kern Water Bank Recovery Capacity (AF)
Total Capacity	17,500	11,250	-	6,330
BVWSD	6,667	-	-	-
DRWD	-	-	-	-
AVEK	-	3,333	-	-
CVWD	-	833	-	-
IRWD	10,833	7,084	-	6,330
Total Dedicated	17,500	11,250	-	6,330
Total Remaining	-	-	-	-

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Exhibit "F"



Irvine Ranch
WATER DISTRICT

Location Map: IRWD Water Banking Projects Wells and Return Pipelines

MAP FEATURES

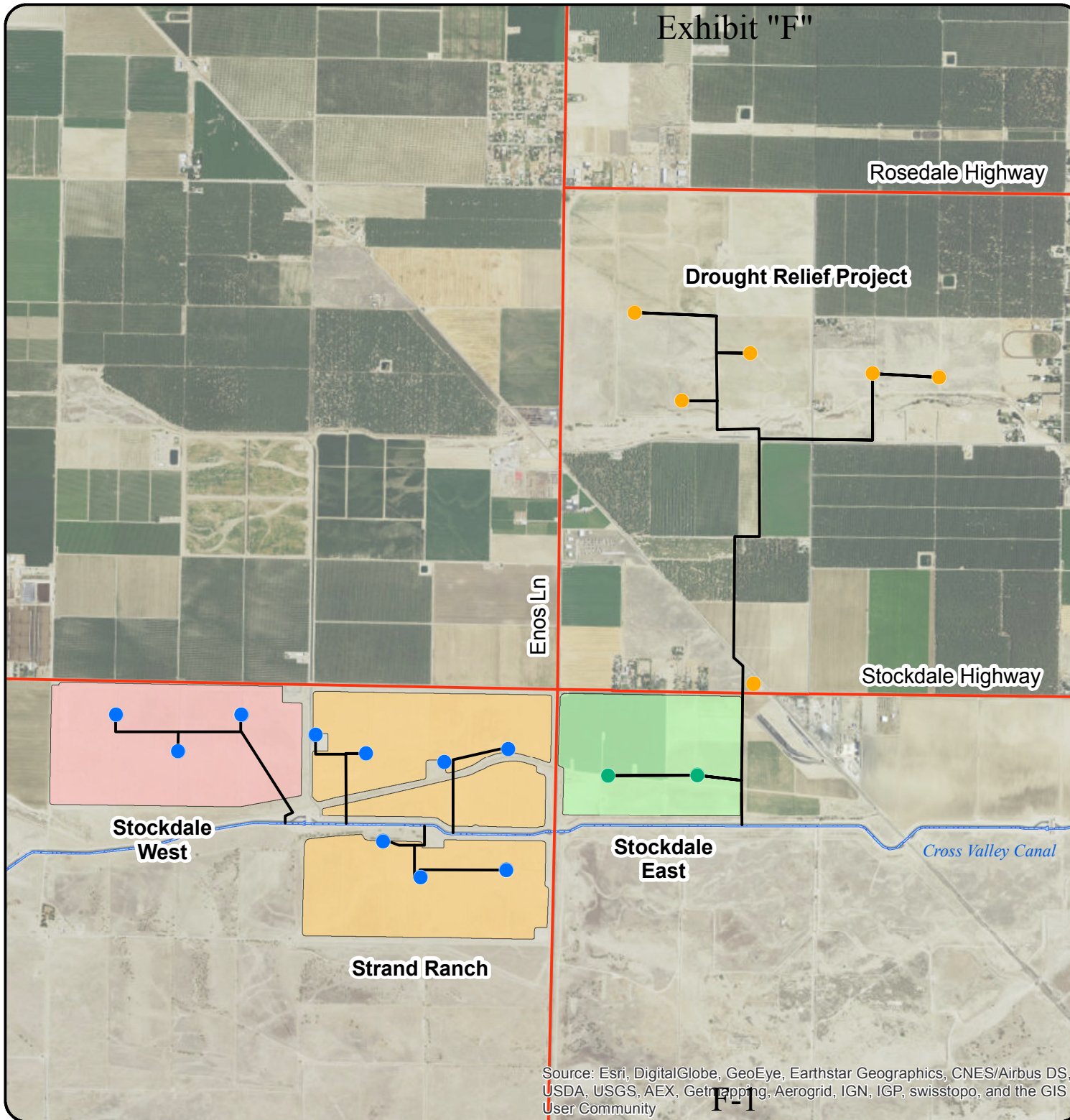
- Existing Extraction Well
- Planned Extraction Well
- Well Under Construction
- Well Discharge Pipelines
- Stockdale East
- Stockdale West
- Strand Ranch

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



0 0.25 0.5 1 Miles

NAD 83 State Plane Zone 5 (feet)
Central Meridian: -118



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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Exhibit "G"

Rosedale Highway



Irvine Ranch
WATER DISTRICT

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

MAP FEATURES

- ▲ Turnouts
- Stockdale West
- Strand Ranch

This figure shows the location of recharge basins as well as existing and anticipated pipelines and 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

Cross Valley Canal

Stockdale Highway

Enos Ln

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

G-1



0 0.25 0.5 1
Miles

NAD 83 State Plane Zone 5 (feet)
Central Meridian: -118

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Location Map: IRWD Water Banking Projects Recharge Rates

MAP FEATURES

- ▲ Turnouts
- Stockdale West
- Strand Ranch

Stockdale West
0.11 feet/day
15 CFS

Strand Ranch North
0.29 feet/day
40 CFS

Stockdale Highway

Cross Valley Canal

Strand Ranch South
0.13 feet/day
15 CFS

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

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



0 0.25 0.5 1
Miles

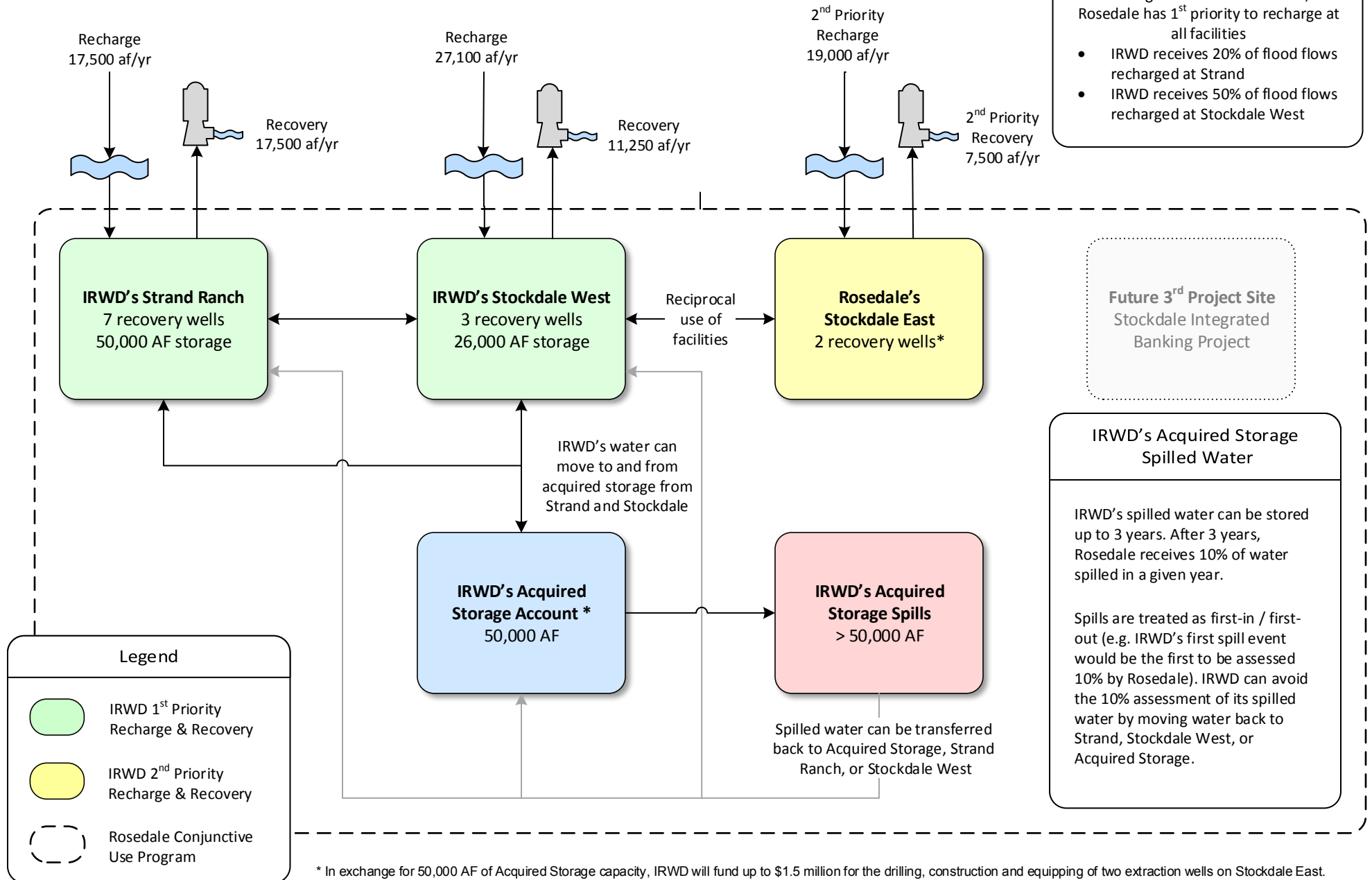
NAD 83 State Plane Zone 5 (feet)
Central Meridian: -118

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Exhibit "I"

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)

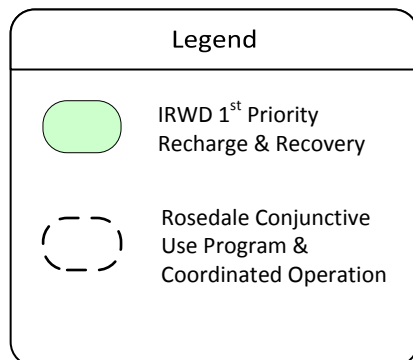
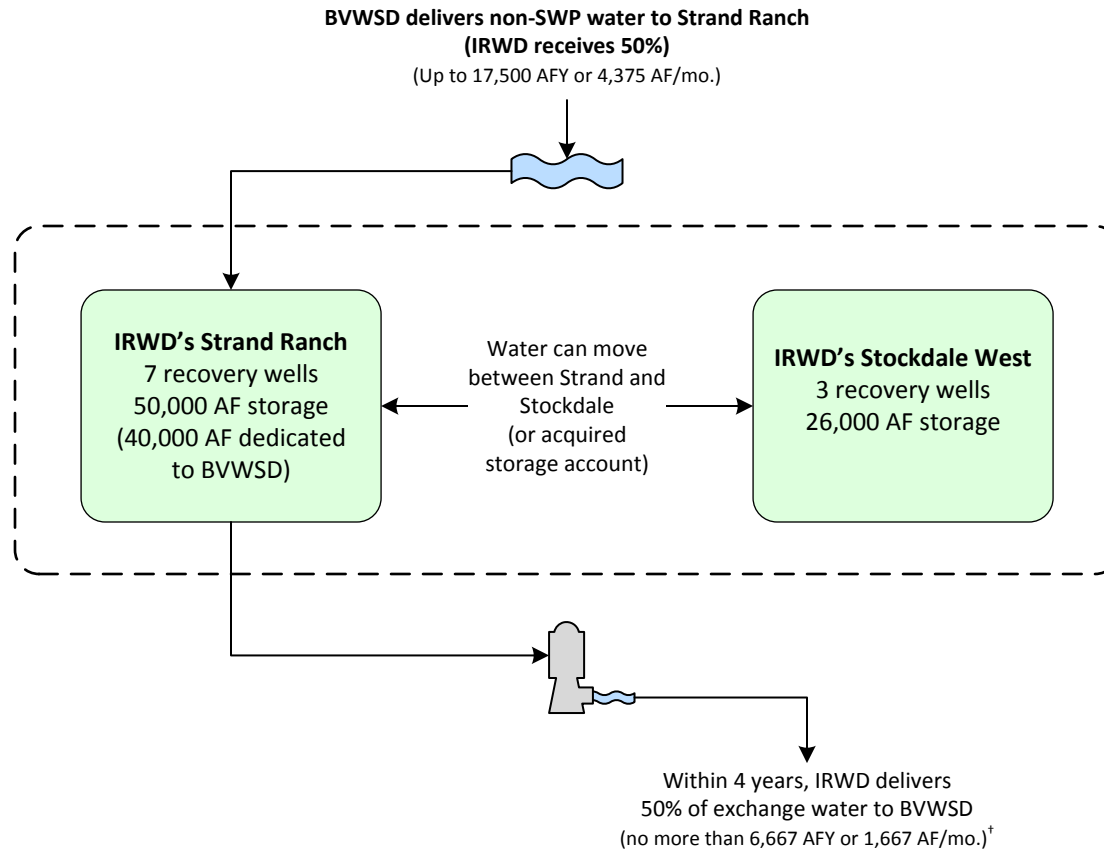


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Exhibit "J"

Buena Vista Water Storage District Long Term Water Exchange Program

Effective 1/1/2011 through 1/12/2039

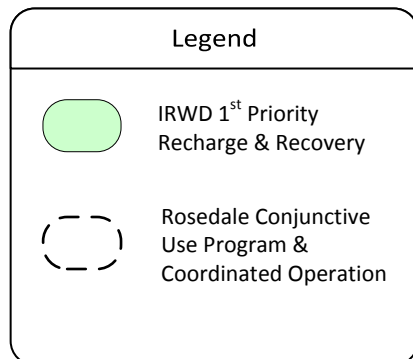
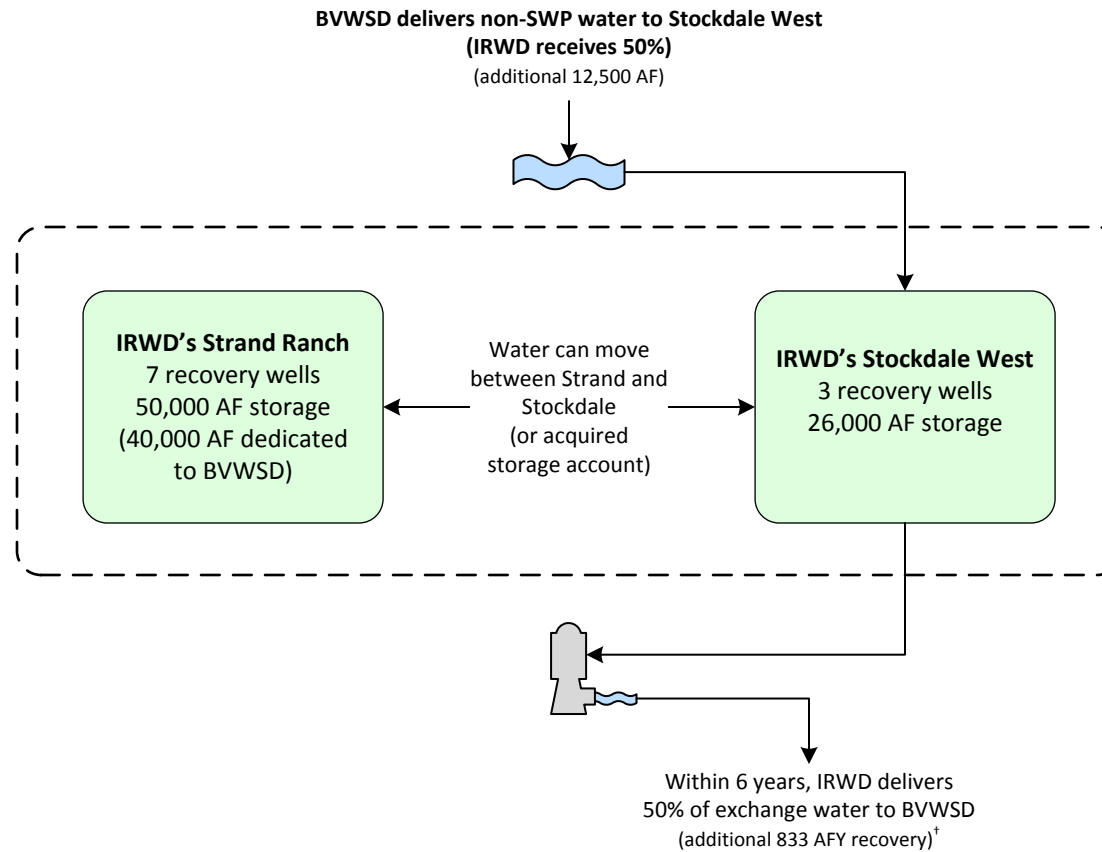


[†]IRWD shall remit one-half of the exchanged supply less one-half of reasonable losses back to BV no later than December 31st of the 4th year following the associated recharge event. IRWD pays for recovery of water returned to BV. Water to be remitted back to BV may remain in storage at Strand Ranch beyond the 4th 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

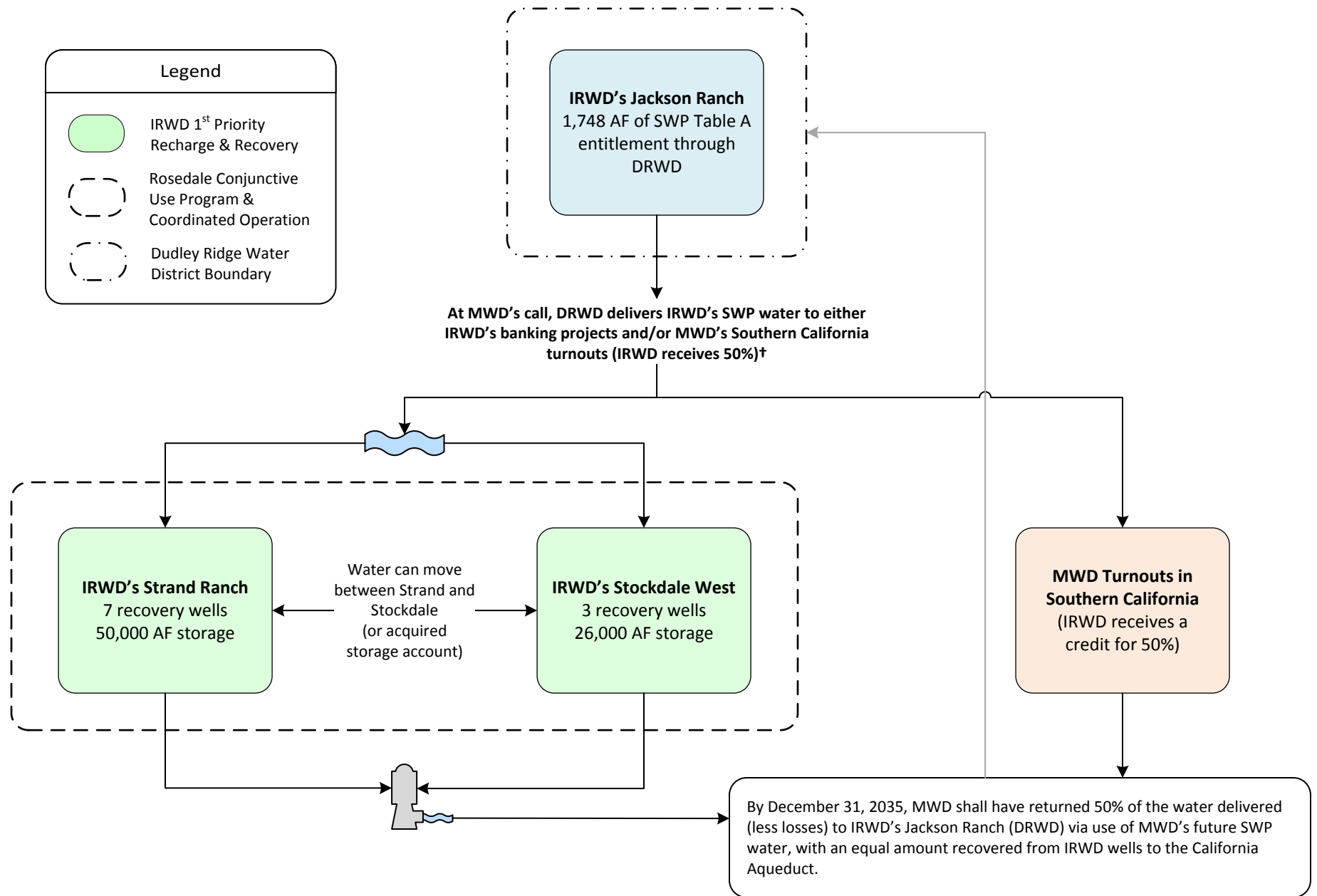
Effective 4/1/2017 through 3/30/2018



[†]IRWD shall remit one-half of the exchanged supply less one-half of reasonable losses back to BV no later than December 31st of the 6th 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 6th 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 "K"
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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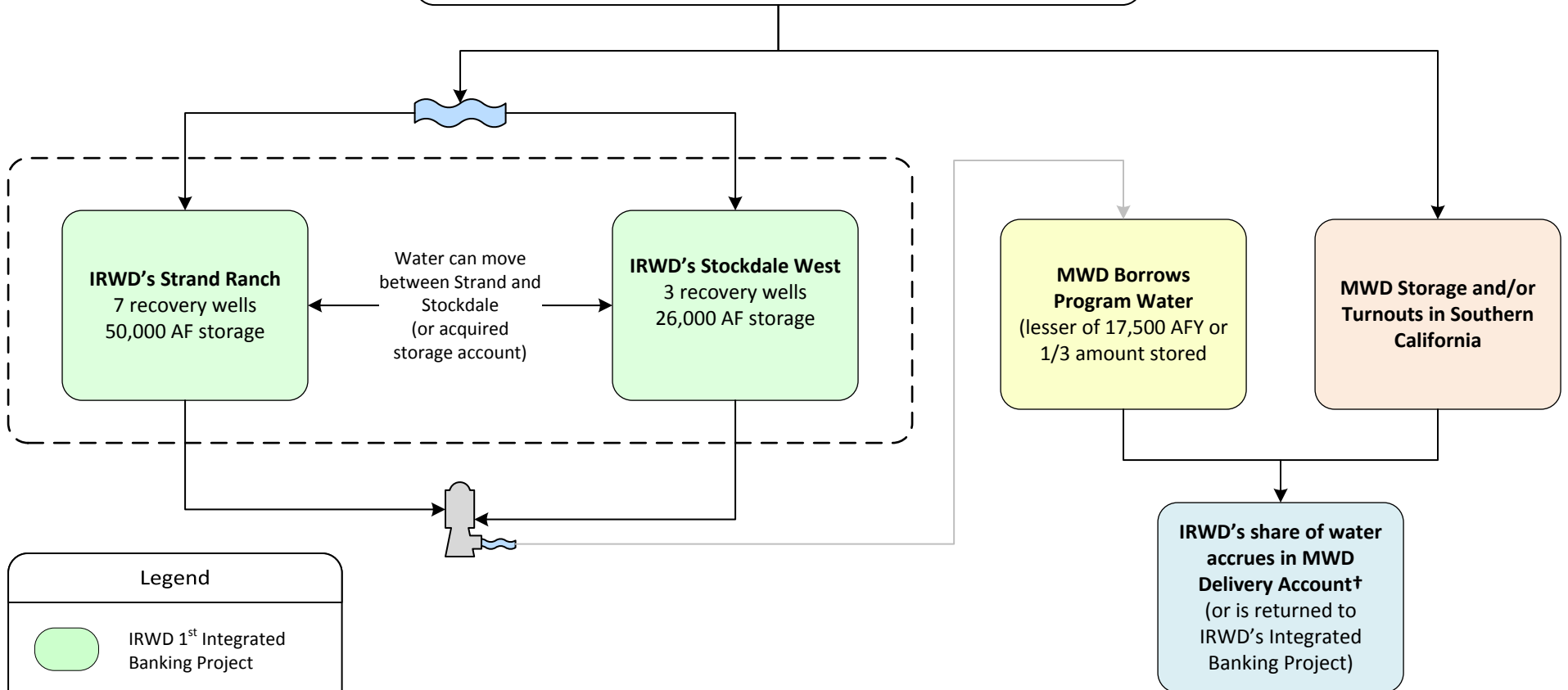
Exhibit "L"

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

MWD has three options for the use and storage of Program Water:

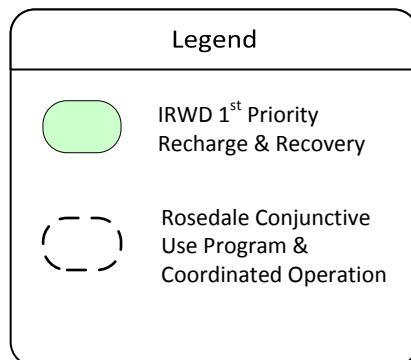
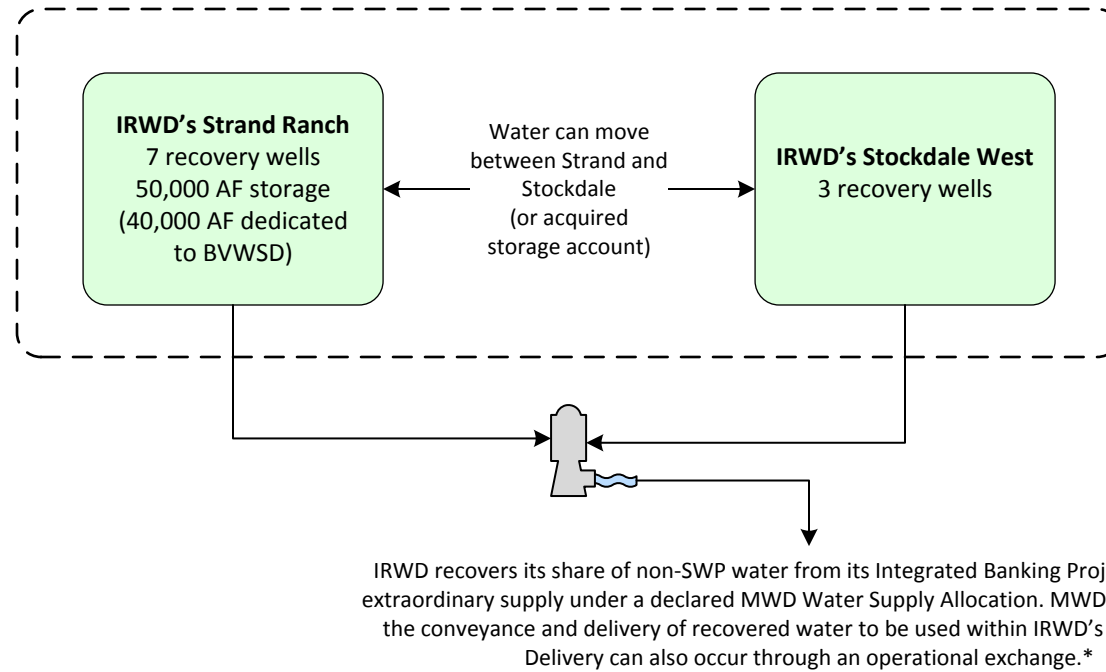
- Storage of water in IRWD's Integrated Banking Project
- Delivery to Southern California for immediate use and/or storage in MWD system
- Borrow a portion of Program water, with accrual in MWD Delivery Account



- Under an MWD Allocation, when IRWD calls for water, IRWD must first recover Program Water from the Integrated Banking Project before receiving water from the MWD Delivery Account.
- MWDOC shall pass through extraordinary supply credits for IRWD's benefit.
- † IRWD's banking partner share of Program Water to be returned by MWD.

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



*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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September 19, 2019
Prepared by: F. Sanchez
Submitted by: P. Weghorst
Approved by: Paul A. Cook



SUPPLY RELIABILITY PROGRAMS COMMITTEE

KERN FAN GROUNDWATER STORAGE PROJECT UPDATE

SUMMARY:

In August 2017, IRWD and Rosedale-Rio Bravo Water Storage District jointly submitted a grant application to the California Water Commission (CWC) for the proposed Kern Fan Groundwater Storage Project (Kern Fan Project). The application sought Proposition 1 funds that are available from the CWC through the Water Storage Investment Program (WSIP). In July 2018, the CWC awarded \$67.5 million in conditional funding for the Kern Fan Project. At the Committee meeting, staff will provide an update on the progress being made in implementing the project.

BACKGROUND:

The CWC is administering the award of WSIP grant funding for the planning, design, and construction of water storage projects that would provide specific public and ecosystem benefits. The funding source for the WSIP is Proposition 1, also known as the Water Quality, Supply and Infrastructure Improvement Act of 2014. The Act provides \$2.7 billion for public benefits associated with water storage projects to be distributed by the CWC through the WSIP. IRWD and Rosedale jointly submitted a WSIP grant application for the Kern Fan Project on August 14, 2017. In July 2018, the CWC awarded \$67.5 million in conditional funding for the Kern Fan Project.

Kern Fan Project Overview:

The proposed Kern Fan Project would develop a regional water bank in the Kern Fan area to capture, recharge, and store unallocated Article 21 water from the State Water Project (SWP) during wet hydrologic periods. The stored water would be extracted when needed to provide ecosystem, emergency supply and water supply benefits. Project operations would be coordinated with the SWP through an agreement with the California Department of Water Resources (DWR).

Phased Construction:

The Kern Fan Project would be constructed in two phases. The first phase would involve IRWD and Rosedale acquiring up to 640 acres in the Kern Fan area and constructing recharge and recovery facilities as necessary to develop a fully functioning water banking project. In addition, IRWD and Rosedale would construct a new dedicated conveyance canal from the California Aqueduct to ensure the ability to convey flows from the SWP to the new recharge facilities.

The second phase of the Kern Fan Project would involve IRWD and Rosedale acquiring an additional 640 acres of land and the expansion of the water banking facilities. The overall project would consist of approximately 500 cubic feet per second (cfs) of canal capacity from the

California Aqueduct, 100,000 acre-feet (AF) of storage capacity, up to 100,000 acre-feet per year (AFY) in recharge capacity and up to 70 cfs, or 50,000 AFY, of groundwater recovery capacity. The recharge and recovery capacities would be shared equally by IRWD and Rosedale. The preliminary project location map is provided as Exhibit “A”.

Project Schedule:

The two phases of Kern Fan Project will require approximately six years to complete, which began in September 2018. An overview of the project schedule is provided as Exhibit “B”. The first phase is expected to be completed in 2023. The second phase would be completed and operational in 2025. The major components of the schedule include:

- Formation of a Joint Powers Authority (JPA);
- Establishing Terms for Critical Path Agreements;
- Executing Project Agreements;
- Early Planning Studies;
- Environmental Documentation and Permitting;
- Land Acquisition;
- Preliminary Design;
- Final Design;
- Canal Right-of-Way Acquisition; and
- Bid Phase and Construction.

Update on Project Tasks:

At the Committee meeting, staff will provide an update on the following project tasks that are structured to ensure that the CWC requirements for funding are met by January 2022:

Development of Agreements with State Agencies:

The JPA will need to execute the following agreements with DWR and the California Department of Fish and Wildlife (CDFW):

- California Aqueduct Turnout Agreement (DWR);
- Operational Exchange Agreement (DWR);
- Water Supply Public Benefits Agreement (DWR); and
- Ecosystem Public Benefits Agreement (CDFW).

The purpose of these agreements will be to coordinate construction and operation of the Kern Fan Project, and to provide the public benefits necessary for the JPA to receive \$67.5 million in WSIP funding. Execution of the Aqueduct Turnout and Operational Exchange Agreements, are critical path items for the successful implementation of the project. Accordingly, establishing the terms for these agreements is the focus of current work efforts. It is expected that the terms for the Aqueduct Turnout and Operational Exchange Agreements will be established by

December 2019. At the Committee meeting, staff will provide an update on the status of the various agreements.

Optimal Location of Aqueduct Turnout and Canal Facilities:

Dee Jaspar and Associates will evaluate optimal alignments for the conveyance facilities associated with the project. This work will be finalized following any modeling of the California Aqueduct that is required to secure DWR's approval of an Aqueduct turnout location for the project.

Land Acquisition:

Based on the optimal location of the Aqueduct turnout and the alignment of the project conveyance facilities, IRWD and Rosedale will schedule state-of-the-art geophysical surveys to help identify lands within Rosedale's service area that have high infiltration capabilities. These surveys will help inform the purchase of land for the project.

Feasibility Study:

Staff and consultants are preparing a feasibility study that is required by the Bureau of Reclamation to establish that the Kern Fan Project is eligible for funding through the federal Water Infrastructure Improvements for the Nation Act (WIIN). The feasibility study will also form the basis of a Preliminary Design Report that will satisfy CWC's requirements.

Environmental Documentation and Permitting:

In September 2019, IRWD executed an agreement with Environmental Science Associates to conduct an environmental review of Kern Fan Project and to assist in securing necessary permits for the project by January 2022. The preparation of a Supplemental Environmental Impact Report (EIR) for the Kern Fan Project is expected to take approximately 18 months.

FISCAL IMPACTS:

The CWC will provide \$67.5 million in WSIP funding through a grant agreement. IRWD and Rosedale will fund the remaining cost of the Kern Fan Project.

ENVIRONMENTAL COMPLIANCE:

An EIR for the Stockdale Integrated Banking Project was prepared, certified and approved in compliance with 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 a Notice of Determination for the Stockdale Integrated Banking Project 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. The EIR includes a program-level analysis of impacts of a third project site. When a third Stockdale project site is identified, subsequent project-level environmental review will be necessary prior to implementation of phase one of the Kern Fan Project. It is

expected that a new EIR will be required for the construction and operation of the second phase facilities contemplated in the proposed Kern Fan Project.

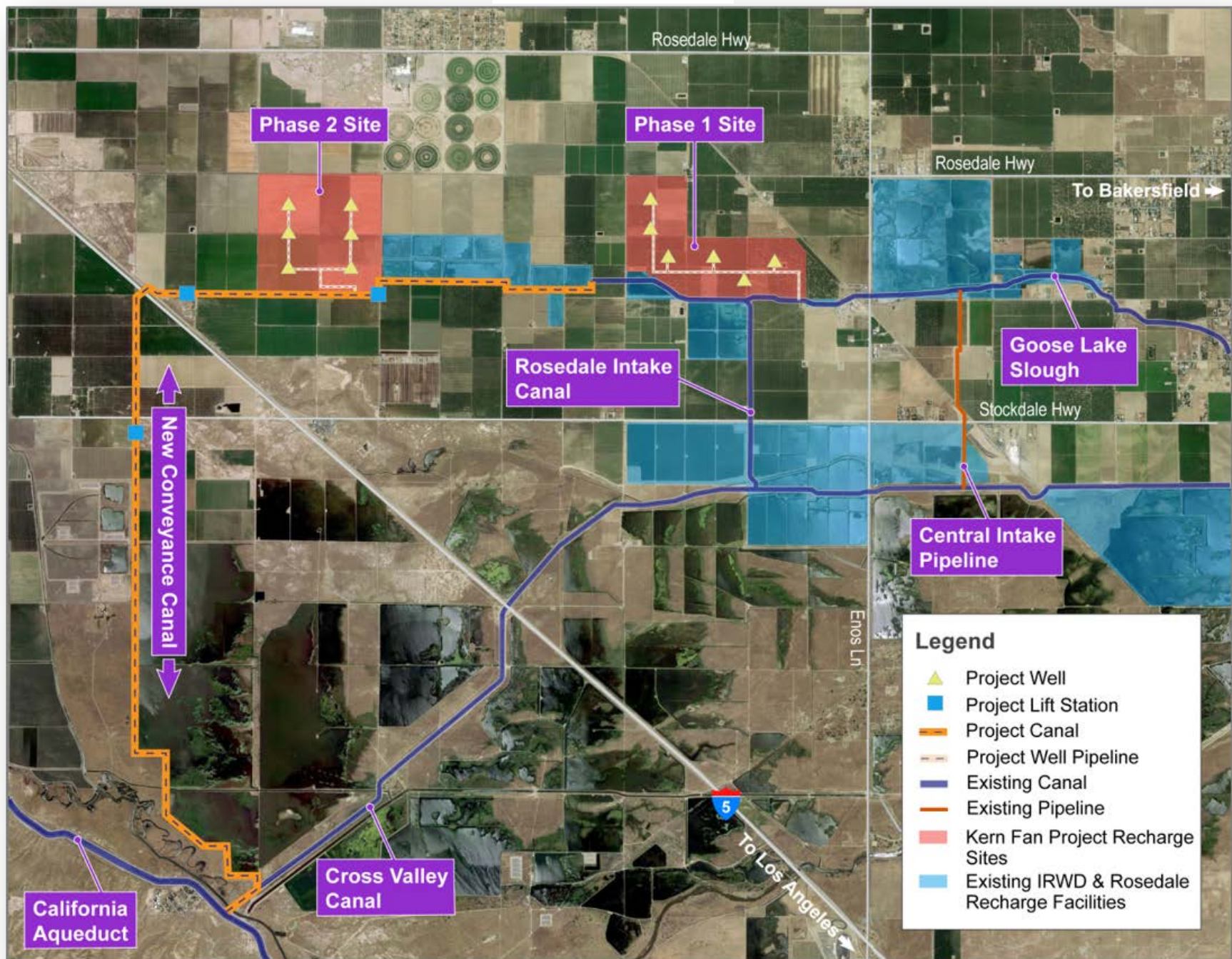
RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit “A” – Kern Fan Project Location Map
Exhibit “B” – Kern Fan Project Schedule

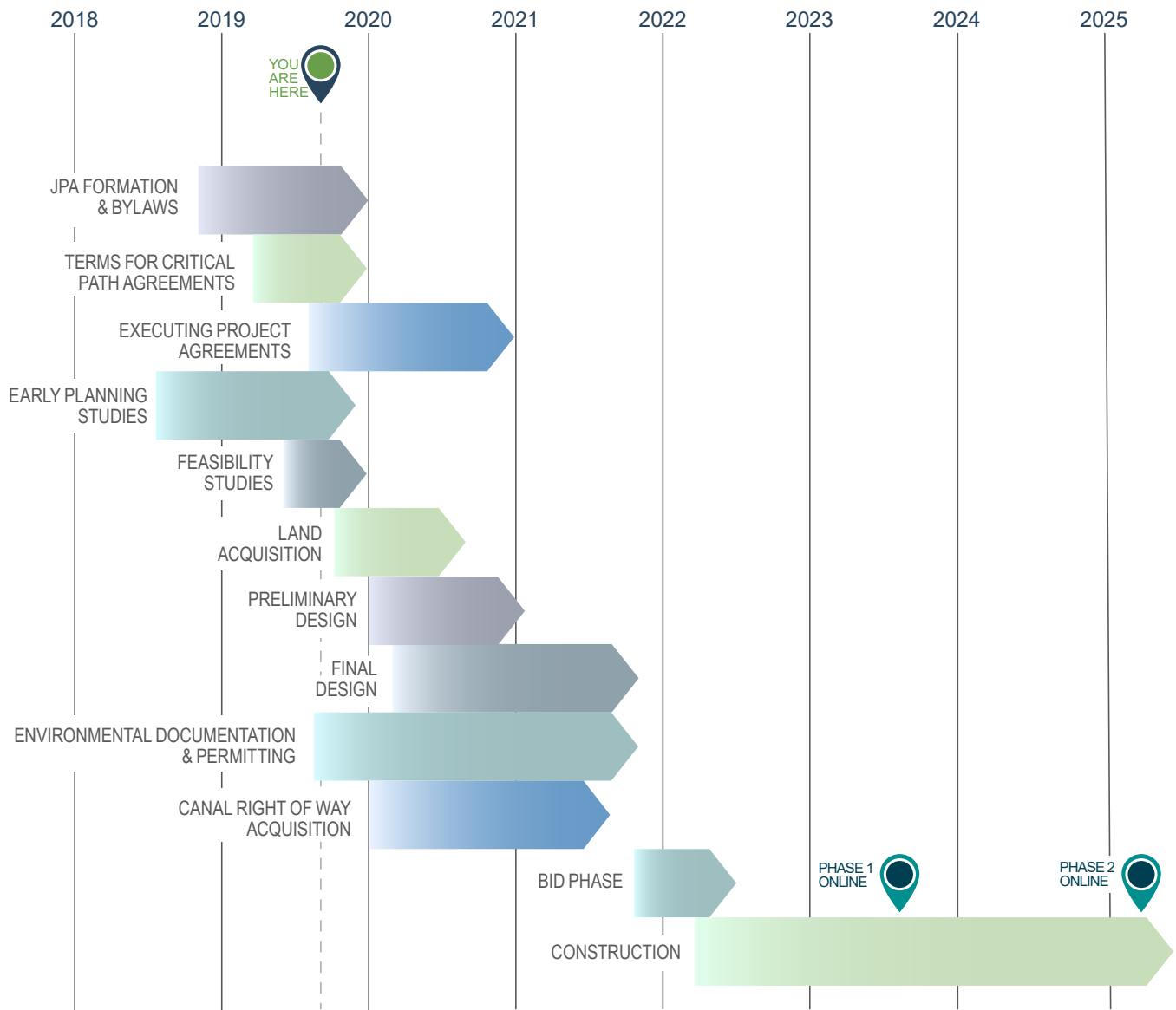
Exhibit "A"



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Exhibit "B"

Kern Fan Project Timeline



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September 19, 2019
Prepared by: R. Bennett / K. Welch
Submitted by: F. Sanchez / P. Weghorst
Approved by: Paul A. Cook



SUPPLY RELIABILITY PROGRAMS COMMITTEE

UPDATED LANDOWNER AGREEMENT FOR COMPLIANCE WITH SUSTAINABLE GROUNDWATER MANAGEMENT ACT

SUMMARY:

In 2017, the Kern Groundwater Authority (KGA) was formed in pursuit of compliance with the requirements of the Sustainable Groundwater Management Act (SGMA). Rosedale-Rio Bravo Water Storage District is a member of KGA and is preparing a chapter of the KGA's Groundwater Sustainability Plan (GSP) that will cover Rosedale's service area. In March 2019, the IRWD Board approved a Landowner Agreement and a Planning Agreement with Rosedale that would provide SGMA coverage for IRWD's Kern County water banking properties by incorporation into Rosedale's chapter of the GSP.

Due to recent jurisdictional changes in Kern County, the KGA is requesting that all undistricted landowners execute an Updated Landowner Agreement rather than the amendment to the original Landowner Agreement that was reviewed with the Supply Reliability Programs Committee on August 19. The Updated Landowner Agreement will increase the landowners' indemnity obligations and limit the ability to contest the actions of agencies with jurisdiction. IRWD's special legal counsel from Kronick, Moskovitz, Tiedemann & Girard (KMTG) has been working with Rosedale's legal counsel to propose modifications to the updated agreement. Staff recommends that the Board authorize the General Manager to execute the Updated Landowner Agreement, subject to substantive changes approved by legal counsel and the Committee.

BACKGROUND:

In September 2014, Governor Brown signed three bills that comprised SGMA: SB 1168, AB 1739 and SB 1319. The intent of SGMA is to require local and regional agencies to develop and implement sustainable groundwater management plans through the formation of Groundwater Sustainability Agencies (GSAs). The KGA, which includes Rosedale and 12 other agencies, was formed as a local GSA to comply with SGMA. The KGA agencies must provide SGMA coverage within their respective agency boundaries. By default, the County of Kern has SGMA jurisdiction over undistricted or "white space" areas.

SGMA Coverage for IRWD Lands:

IRWD's Strand and Stockdale West properties are located outside of Rosedale's boundary and are considered undistricted within the Kern County Sub-basin. Unless undistricted lands are extended SGMA coverage through a GSP, the lands would by default fall within the County of Kern's jurisdiction for SGMA purposes. Rosedale offered to provide SGMA coverage for undistricted landowners including IRWD's Strand and Stockdale West properties by including these areas within its chapter of the Kern Groundwater Authority's GSP.

On March 11, 2019, the IRWD Board authorized the General Manager to execute two agreements with Rosedale. The Landowner Agreement allows IRWD's Strand and Stockdale West properties to be included within Rosedale's chapter of the GSP. The Planning Agreement limits selected parts of the Landowner Agreement that are not appropriate for IRWD's water banking properties.

Updated Landowner Agreement:

In April 2019, the County of Kern withdrew from its responsibility over the undistricted areas. In response to this withdrawal, the Kern County Water Agency (KCWA) has agreed to be the jurisdictional authority for undistricted lands within Kern County. In accepting this authority, the KCWA is requiring that all members of the KGA, including owners of undistricted lands that have signed the Landowner Agreement, provide additional indemnifications and a covenant not to sue or contest.

On August 19, staff reviewed with the Committee a proposed amendment to the original Landowner Agreement that would accommodate KCWA's requirement. Since then, it has been determined that the indemnifications and covenant not to sue and contest would be provided through a new Updated Landowner Agreement, which was provided by Rosedale. IRWD's special legal counsel from KMTG has provided modifications to the draft Updated Landowner Agreement, which are shown in red on Exhibit "A". At the Committee meeting, IRWD's special legal counsel will provide an overview of its proposed revisions to the agreement.

Rosedale has stated that the finalization and execution of the updated agreement is time sensitive. Staff recommends that the Board authorize the General Manager to execute the Updated Landowner Agreement, subject to substantive changes approved by legal counsel and the Committee.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

That the Board authorize the General Manager to execute the Updated Landowner Agreement for Sustainable Groundwater Management Act compliance subject to substantive changes approved by legal counsel and the Supply Reliability Programs Committee.

LIST OF EXHIBITS:

Exhibit "A" –Draft Updated Landowner Agreement for Sustainable Groundwater Management Act Compliance

Exhibit “A”

Sustainable Groundwater Management Act Management Agreement with _____ District

This Sustainable Groundwater Management Act Management Agreement with _____ District (“Agreement”) is made and entered into this ____ day of _____, 2019, by and between the _____ District, (“District”) and _____ (“Landowners”). District and Landowner are sometimes each individually referred to herein as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, Landowner is an individual, or authorized agent of an entity, owning real property in Kern County, California (“Landowner Land”) located outside of the District’s boundaries, which is described on Exhibit A and generally shown on Exhibit B, attached hereto and incorporated by reference.

WHEREAS, District is a _____ District comprising approximately _____ acres situated in Kern County.

WHEREAS, the Sustainable Groundwater Management Act (“SGMA”) provides that all basins designated as critically overdrafted high-priority basins shall be managed under a Groundwater Sustainability Plan (“GSP”) or a coordinated GSP by January 31, 2020.

WHEREAS, the Landowner Land is overlying the Kern County Sub-basin (Basin Number 5-022.14, DWR Bulletin 118) within the San Joaquin Valley Groundwater Basin (“Basin”), a DWR designated high-priority and critically overdrafted basin and, therefore, the Basin, and all portions thereof, must be managed by a local agency under a GSP by January 31, 2020.

WHEREAS, SGMA allows local agencies to become a groundwater sustainability agency (“GSA”) to engage in the sustainable management of groundwater pursuant to the provisions of SGMA. Private landowners, either individually or collectively, are not local agencies under SGMA, and therefore cannot be members of a GSA.

WHEREAS, District is currently a member of the Kern Groundwater Authority (“KGA”), under which the District will work collaboratively with other interested local agencies to develop and implement a GSP to manage a portion of the Basin.

WHEREAS, with respect to SGMA jurisdictional considerations, the Landowner Land is currently within the jurisdictional boundaries of the KGA.

WHEREAS, the KGA is organizing its GSP in chapters that generally align with district boundaries and that prescribe the management actions to be taken by said districts to comport with the requirements of SGMA. Each chapter will be developed by one or more local agencies that are members of the KGA. In order to comply with SGMA, the

KGA will facilitate the District's GSP coverage for lands located in close proximity to their jurisdictional boundaries.

WHEREAS, Landowner desires to be included in the chapter to be developed by the District (the "District's GSP Chapter") to afford GSP coverage to the Landowner Land. In this respect, Landowner is willing to provide local information and assistance to the development of the GSP that is ultimately adopted by the KGA that will manage the Landowner Land under SGMA. Thus, the Landowner enters into this Agreement for the purpose of enabling Landowner SGMA coverage for its land through the District's GSP Chapter.

WHEREAS, the Landowner will provide information for its respective real property and funding for the process for the District to include the Landowner Land within the District's GSP Chapter. The approval of any GSP governing the Landowner Land will ultimately lie with the District, the KGA and the State of California, which will consider the completeness and effectiveness of the GSP to be developed under SGMA. Due to the mandated deadlines of SGMA and its associated regulations, the District will initiate proceedings to amend the area to be covered by District's GSP Chapter to include Landowner Land, but must also concurrently continue preparation of the District's GSP Chapter, and thus, the Landowner consents to be included in the District's GSP Chapter as herein provided. To the extent the District incurs any additional cost to include Landowner Land in its GSP Chapter, such fees or costs shall be borne solely by the Landowner and paid promptly upon being invoiced by either the District or by such consultants directly. The GSP, after being approved and agreed to by the KGA and ultimately the State of California, shall be managed by the District and/or KGA.

WHEREAS, the Landowner shall be independently responsible to provide information and funding at the request of the District to maintain and support the efforts to include the Landowner Land within the District's GSP Chapter.

WHEREAS, the Parties do not intend that the inclusion of the Landowner Land within the District's GSP Chapter, or that this Agreement in any way provides Landowner Land with a right to any portion of the water supplies of the District.

WHEREAS, the KGA has entered or will enter into Agreements to indemnify its cooperative members against liability from or related to the provision of KGA jurisdiction over Landowner Land. KGA and the District also have entered or will enter into agreements in which the District will indemnify the KGA for provision of jurisdiction to manage Landowner Land. This Agreement and the indemnity provided by the Landowner to the District is intended to include, either through direct indemnification, or otherwise by passing through the indemnification provided herein, the KGA.

NOW, THEREFORE, in consideration of the foregoing Recitals and the following terms and conditions, it is agreed by and between the Parties as follows:

I. PURPOSE OF AGREEMENT

The Parties enter into this Agreement solely for the purpose of providing the Landowner with a process to attempt to comply with SGMA through the inclusion of the Landowner Land within the District's GSP Chapter. Neither the District nor any landowners within the District's current boundaries are committing anything to the Landowner Land except for the inclusion of the Landowner Land within the District's GSP Chapter, provided that all Landowners comply with the terms of this Agreement. This Agreement is intended to form the basis of the Parties' understanding regarding the terms and conditions of including the Landowner Land within the District's GSP Chapter, and their individual rights and responsibilities subsequent to such inclusion.

II. TERMS AND CONDITIONS OF INCLUDING LANDOWNER LAND WITHIN THE DISTRICT'S GSP CHAPTER

1. Commitment to Include Landowner Land in District's GSP Chapter. The District hereby agrees to make reasonable efforts to include the Landowner Land within the District's GSP Chapter, and the Landowner hereby agrees for the Landowner Land to be included within the District's GSP Chapter, and Landowner consents to jurisdiction of the District and the KGA to adopt and implement a GSP including the Landowner Land, provided that such inclusion is approved by all necessary governmental bodies and the Parties have complied with all provisions of this Agreement. In that regard, a condition precedent to this Agreement becoming and remaining effective is that KGA maintain SGMA jurisdiction over the Landowner Land. Landowner acknowledges that there might be additional reporting requirements, monetary charges, or compliance measures imposed upon Landowner in connection with SGMA by the California Department of Water Resources ("DWR"), the State Water Resources Control Board, the courts, or other agencies or bodies with the authority to enforce terms and conditions of SGMA separate from the District under this Agreement. Landowner acknowledges and agrees that the District has no duty under this Agreement to prevent such compliance measures from being imposed on Landowner.

2. Regulation Contingent on Funding. The District and the Landowner acknowledge that funding for the District's efforts hereunder shall be provided on a long-term basis, if possible, through the development and subsequent payment by the Landowner of a land-based assessment and/or water charge as authorized by SGMA or other legally authorized fee or funding mechanism ("Charges"). Prior to the establishment of said Charges, the Landowner acknowledges and agrees that the District's inclusion of the Landowner Land within the District's GSP Chapter, and the District's efforts to include the Landowner Lands within the District's GSP Chapter pursuant to this Agreement, are contingent upon Landowner's regular and timely payment of (1) the general administrative expenses of the District that are attributable to the District's efforts hereunder, (2) the Landowner's pro-rata share of costs for consultants retained by the District for the purposes of developing or implementing the District's GSP Chapter, and (3) any administrative or other costs the District incurs in implementing SGMA and coordinating with the KGA (or other GSA's) for SGMA purposes concerning the Landowner Land.

Upon final execution of this Agreement, District shall bill and Landowners shall pay the District \$_____ per acre of Landowner Land as an initial payment to fund the District's (and necessary consultants') efforts made pursuant to this Agreement, and any other activities related to the GSP processes.

3. Determination of Funding Obligation. The amount of any additional payments required for Charges and/or services rendered by the District or others for the purposes of fulfilling the obligations set forth herein, or the formula for the calculation of such payments, and the method of such payments, shall be determined by the District, in consultation with the Landowner. Notwithstanding any provision of law, the Landowner consents to a fee, charge and/or assessment being levied on Landowner Land for such Charges.

4. Failure to Satisfy Funding Obligation & GSP Requirements. Landowner acknowledges and agrees that if, for any reason, the Landowner refuses or otherwise fails to remit any payment required hereunder, in the amount and using the method determined and requested by the District, or fails to comply with the requirements of the GSP and its management and regulation, ("Defaulted Landowner") the District:

(a) shall be relieved of any and all obligation to proceed with including the Defaulted Landowner's Land within the District's GSP Chapter; and

(b) shall be relieved of any and all obligation to provide the services and obligations enumerated in this Agreement to a Defaulted Landowner; and

(c) may, in its sole and absolute discretion, seek to remove the Defaulted Landowner's Land from the District's GSP Chapter, at Defaulted Landowner's expense, and in such event the Defaulted Landowner agrees to obtain regulation under SGMA by some other method separate and apart from the District pursuant to the terms for a withdrawing Landowner set forth in Paragraph 8 of this Agreement; and

(d) shall have no obligation to reimburse Landowner for any Charges paid to date.

5. No Protest in Case of Removal of Defaulted Landowner Land; Duty to Cooperate. Landowner hereby agrees that, if the Landowner breaches the terms of this Agreement, including but not limited to, by refusing or failing to remit any payment required herein, following thirty (30) days written notice of alleged breach and Defaulted Landowner's failure to timely cure such breach, the District, may in its sole and absolute discretion, seek to remove the Defaulted Landowner's Land, at the Defaulted Landowner's expense, from the District's GSP Chapter, and if the District does so, the Landowners shall not lodge any protest, participate in any protest hearing, or act in any way to influence the outcome of the District's decision, and District shall have no further obligation to Landowner to provide any services hereunder.

6. Disclaim Water Rights. Landowner expressly disclaims any right to any District water supplies (surface or groundwater) other than through any future negotiated purchase, transfer, or exchange any Landowner has obtained or may obtain wholly outside of this Agreement and not related to this Agreement. Landowner understands and agrees that as a result of the foregoing disclaimer, among other things, inclusion of the Landowner Land within the District's GSP Chapter will not entitle the Landowner to receive any portion of the District's water supply or other District assets. Landowner further understands and agrees the sole purpose of this Agreement is to provide the Landowner a process to obtain coverage by the KGA GSP, and thus, SGMA compliance for the Landowner by affording Landowner the benefit of inclusion within the District's GSP Chapter. Any GSP must ultimately be approved and agreed to by the District and thereafter by the KGA and such GSP shall be solely managed and regulated by the KGA and/or the District, supported in part by information and funds provided by the Landowner. The Landowner further understands and agrees that any other benefits accruing to the Landowner Land and/or to Landowner as a result of this Agreement are purely incidental and shall not give rise to any expectation, entitlement, or right to District water supplies or assets of any kind, including, but not limited to, Kern River water, State Water Project water, Central Valley Project water, carryover supplies, supplies from any lake, river, stream, creek, manmade conveyance, or aquifer that the District purchases, acquires, transfers, exchanges, takes receipt of or otherwise controls, including groundwater supplies or any return flows that may enter the underground aquifer as a result of delivery within District of any of the foregoing water supplies, or any District banked supplies including banking losses of water management programs, or any other designation or classification of District water whatsoever, whether in existence at the time this Agreement is executed or created at some future time. Other than the reservations noted above, nothing in this Agreement is intended to limit current or future groundwater rights of the Landowner beyond that imposed by operation of law; provided, however, the Landowner recognizes that with no imported supplemental surface water supply presently available to Landowner Land, either provided directly by the District or other sources, or indirectly through the District's project, and through the approved GSP, the Landowner's ability to pump groundwater for use upon Landowner Land in the future may be limited.

7. No Voluntary Consent. Once the Landowner Land is included within the District's GSP Chapter and the GSP is adopted by the KGA and approved by DWR, the Landowner hereby agrees not to consent to the inclusion of any portion of the Landowner Land within another chapter of the KGA GSP developed by any entity other than the District without the District's express prior written consent. It is noted that District has the option as a KGA member district to withdraw from KGA and develop its own GSP.

8. Withdrawal of Landowner. Until the GSP is adopted by the KGA and approved by DWR, the Landowner may elect to withdraw from this Agreement and be excluded from the District's GSP Chapter, and instead be included within another chapter of the KGA GSP developed by another member of the KGA or otherwise seek alternative lawful SGMA compliance, by providing written notice to the District. If Landowner elects to withdraw, then the Landowner shall be responsible for advance payment of all costs and

obligations associated with the withdrawal, including but not limited to, any amendments or revisions of the District's GSP Chapter or the KGA GSP required to maintain compliance with SGMA in the event of their withdrawal. The District may impose additional requirements upon any withdrawing Landowner, to ensure compliance with SGMA, the GSP Chapter or the KGA GSP, and to satisfy any financial obligations resulting from the withdrawal of such Landowner. Upon withdrawal, the Landowner shall arrange for the withdrawn lands to be covered by another chapter of the KGA GSP developed by another member of the KGA or otherwise seek alternative lawful SGMA compliance, so that such lands of the withdrawing Landowner would continue to be compliant with SGMA. Any withdrawal from the District's GSP Chapter shall not be effective unless and until the withdrawing landowner has made such arrangements and the alternative means of SGMA compliance is effective for such lands of the withdrawing Landowner.

9. Covenant Not to Sue or Contest. In consideration of the District's inclusion of Landowner Land into the District's GSP Chapter, Landowners shall not sue or take any judicial or administrative action against the District or the KGA for any claims related to this Agreement; provided that this covenant not to sue or contest in no way limits or impairs Landowner's right to enforce any rights or obligations under any written agreements to which Landowner is a party with District or with any other KGA Member. Subject to the preceding qualification, ~~T~~the Landowner acknowledges and agrees that initiation of a lawsuit, judicial, or administrative action against the District or the KGA for claims related to the jurisdiction or inclusion in the District's chapter will render the Landowner initiating the action a Defaulted Landowner (as defined by Section 4 of this Agreement).

10. Notice of Agreement. The Landowner agrees to provide a copy of this Agreement to each and every person who receives any interest in any portion of the Landowner Lands

11. Runs with the Land. The benefits and burdens of this Agreement are intended to attach to and run with the land particularly described in Exhibit A to this Agreement, are related to the direct benefit, use, maintenance and improvement of the Landowner Land, and shall be binding on and inure to the benefit of the Parties and their respective legal representatives, successors, heirs and assigns. It is the intent of the Landowner from the date of this Agreement, that the equitable servitudes, covenants, conditions, restrictions, assessments and other duties and obligations herein or in the District's GSP Chapter (so long as such lands have not been withdrawn pursuant to Section 8 hereof) run with the land and shall be binding on any successors or assigns. All persons or entities claiming under the Parties, or who accept deeds, leases, easements or other grants of conveyances to any portion of the Landowner Land, agree that they shall be personally bound by all of the provisions of this Agreement, and shall conform to and observe the provisions of this Agreement and the District's GSP Chapter and the KGA GSP. The Parties agree that a covenant evidencing this Agreement and its nature as attaching to and running with the land, shall be executed by the Landowner and recorded with the Clerk/Recorder of the County of Kern as a condition to the inclusion of the Landowner Lands within the District's GSP Chapter and the KGA GSP.

12. Entire Agreement; Amendments or Modifications. The Parties agree that this Agreement contains the entire Agreement and understanding concerning the subject matter among the Parties and supersedes and replaces all prior negotiations of proposed agreements, written or oral, if any. This Agreement shall not be amended or modified except in writing, executed and agreed to by all of the Parties to this Agreement.

13. Effective Illegality. If any paragraph, sentence, clause, or phrase becomes illegal, null, or void for any reason or is held by any court of competent jurisdiction to be illegal, null, void, or against public policy, the remaining paragraphs, sentences, clauses, or phrases are not affected, and the Parties must negotiate an equitable adjustment of the affected provision with a view toward effecting the purpose of this Agreement.

14. Construction. Headings are used for convenience only and have no force or effect in the construction or interpretation of this Agreement. As used in this Agreement, the singular includes the plural and the masculine includes the feminine and neuter. This Agreement is a joint product of all Parties and is to be interpreted as such. This Agreement: (1) shall not be construed against the Party preparing it; (2) shall be construed as if the Parties had jointly prepared this Agreement; and (3) shall be deemed their joint work product. Each and every provision of this Agreement shall be construed as through the Parties participated equally in the drafting hereof, and, therefore, any uncertainty or ambiguity shall not be interpreted against any one Party. As a result of the foregoing, any rule of construction that a document is to be construed against the drafter shall not be applicable.

15. No Third-Party Rights. Nothing in this Agreement, whether expressed or implied, either is intended, or is to be construed, or otherwise interpreted as, conferring any rights or remedies on any third parties. Also, nothing in this Agreement gives any third parties any rights of subrogation against any Party.

16. Governing Law and Venue. This Agreement is entered into and performed in the State of California and is to be interpreted pursuant to the internal substantive law, and not the law of conflicts, of the State of California. Venue in any action brought under this Agreement shall be in the Superior Court of the County of Kern, State of California.

17. Indemnification. The Landowner ("Indemnifying Party") shall protect, defend, indemnify and hold harmless the District and the KGA along with their respective directors, officials, officers, managers, employees, contractors and agents ("Indemnified Party") from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, attorneys' fees and expenses) imposed upon, incurred by, or asserted against an Indemnified Party arising out of, resulting from, or in connection with (a) any indemnification obligation undertaken by the District under the KGA Indemnity with respect to the Landowner or the Landowner Land, or (b) any action taken or omitted to be taken by the Indemnifying Party under this Agreement, including but not limited to the following: (i) the actions or omissions by Landowner or Landowner's affiliates, members, managers, employees, contractors and

agents related to this Agreement, the KGA GSP, or SGMA; (ii) the Landowner or Landowner's affiliates, members, managers, employees, contractors and agents' violation of any applicable laws or regulations; (iii) the failure on the part of Landowner or Landowner's affiliates to perform or comply with any of the terms of this Agreement, or (iv) the inclusion of the Landowner Land in the District's GSP Chapter, provided, however, that such indemnity shall not extend to any such suit, claim, or damage to the extent caused solely by the negligent or wrongful acts or omissions of any Indemnified Party. The indemnification provisions in this section shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the District or its directors, officials, officers, managers, employees, contractors and agents.

18. Effective Date and Term of Agreement. The effective date of this Agreement shall be the date last signed below. This Agreement shall remain in effect with respect to each particular Landowner unless and until such Landowner fails to perform according to the terms of this Agreement or such Landowner withdrawals from the Agreement pursuant to Section 8 hereof. This Agreement shall have no force or effect upon a determination that the performance of any provision of this Agreement will result or has resulted in the violation of state or federal law.

[signatures and property descriptions on following pages]

Landowner

Signature

Name and Title

Date

EXHIBIT A

[Property Descriptions]

Property 1:

Property 2:

TEMPLATE

EXHIBIT B
[District Boundary Map]

TEMPLATE

EXHIBIT C

Proof of Recordation of this Agreement

TEMPLATE