

AGENDA
IRVINE RANCH WATER DISTRICT
SUPPLY RELIABILITY PROGRAMS COMMITTEE
THURSDAY, MAY 20, 2021

Due to COVID-19, this meeting will be conducted as a teleconference pursuant to the provisions of the Governor's Executive Orders N-25-20 and N-29-20, which suspend certain requirements of the Ralph M. Brown Act. Members of the public may not attend this meeting in person.

Participation by members of the Committee will be from remote locations. Public access and participation will only be available telephonically/electronically.

To virtually attend the meeting and to be able to view any presentations or additional materials provided at the meeting, please join online via Webex using the link and information below:

Via Web: <https://irwd.webex.com/irwd/j.php?MTID=ma450dc5b2e1da5552f4eb0df2df8c2be>
Meeting Number (Access Code): 146 995 0796
Meeting Password: j3A3hrJ7HdZ

After joining the meeting, in order to ensure all persons can participate and observe the meeting, please select the "Call in" option and use a telephone to access the audio for the meeting by using the call-in information and attendee identification number provided.

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 _____

<u>ALSO PRESENT</u>	Paul Cook	_____	Paul Weghorst	_____
	Rob Jacobson	_____	Fiona Sanchez	_____
	Kellie Welch	_____	Christine Compton	_____
	Ray Bennett	_____	Jo Ann Corey	_____
	Natalie Palacio	_____	Marina Lindsay	_____
	_____	_____	_____	_____

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. You may also submit a public comment in advance of the meeting by emailing comments@irwd.com before 12:00 p.m. on Thursday, May 20, 2021.

ALL VOTES SHALL BE TAKEN BY A ROLL CALL VOTE.

COMMUNICATIONS

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.

INFORMATION

- | | |
|--|--|
| 5. <u>WATER BANKING PROJECT FACILITIES, CAPACITIES, OPERATIONS AND PROGRAMS – PALACIO / WELCH / SANCHEZ / WEGHORST</u> | |
| Recommendation: Receive and file. | |
| 6. <u>DUDLEY RIDGE WATER DISTRICT WATER SALE AND EXCHANGE UPDATE – WELCH / SANCHEZ / WEGHORST</u> | |
| Recommendation: Receive and file. | |

OTHER BUSINESS

7. Directors’ Comments
8. 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 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. 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.

May 20, 2021

Prepared by: N. Palacio / 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 and mutually beneficial exchanges 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. 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. Changes shown in red on Exhibits "B" and "C" reflect the reduction in the State Water Project allocation to 5% for 2021.

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. 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 Water Storage District, Dudley Ridge Water District and Metropolitan Water District. These diagrams are provided as Exhibits “I”, “J”, “K”, “L”, “M” and “N”, as described in the List of Exhibits.

Recharge and Exchange Opportunities:

IRWD has been pursuing additional opportunities to secure water for recharge as well as mutually beneficial exchanges. At the Committee meeting, staff will also provide an update on exchanges and sales with Dudley Ridge Water District.

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 Buena Vista and Diagram of One-year Program to Augment Recharge Using Stockdale West Recharge Facilities with Buena Vista
- Exhibit “K” – Diagram of Unbalanced Exchange Program Diagram with Dudley Ridge

Supply Reliability Programs Committee: Water Banking Project Facilities, Capacities,
Operations and Programs

May 20, 2021

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Exhibit “L” – Diagram of Coordinated Operating, Water Storage, Exchange and Delivery
Agreement with Metropolitan

Exhibit “M” – Diagram of Template Wheeling Agreement with Metropolitan

Exhibit “N” – Diagram of Dudley Ridge One-for-One Exchange

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Exhibit "A"

TABLE 1
Current and Anticipated Water Banking Project
Recharge, Storage and Recovery Capacities
May 20, 2021

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	

¹Based 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.

²SUP-1, SWEX-2, and SREX-6 are currently down.

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

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

⁵Kern 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
May 20, 2021

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 2020 (AF)						
Total Kern Water Bank (estimated)	-	4,683	-	-	-	4,683
Total MWD System ⁴	8,039	-	-	-	308	8,347
Total Kern County	4,929	24,596	11,177	636	3,491	44,828
TOTAL STORED WATER (1/1/2020)	12,968	29,279	11,177	636	3,799	57,858
(RECOVERY) AND RECHARGE IN 2020 (AF)						
MWD Water to Jackson Ranch ⁵	-	-	-	-	(96)	(96)
Kern Water Bank Deliveries ⁶						-
2020 SWP Allocation (20%) ³	175	-		-	175	350
Kern River Water	-		(7,500)	-	-	(7,500)
SWP Table A					-	-
2017 Reserve Water	106	258	258	11	95	728
TOTAL 2020 TRANSACTIONS	281	258	(7,242)	11	174	(6,518)
Total Kern Water Bank	-	4,683	-	-	-	4,683
Total MWD System	8,039	-		-	212	8,251
Total Kern County	5,210	24,855	3,935	647	3,761	38,406
TOTAL STORED WATER (1/1/2021)	13,249	29,538	3,935	647	3,973	51,340
(RECOVERY) AND RECHARGE IN 2021 (AF)						
MWD Water to Jackson Ranch (estimated)	-	-	-	-	-	-
Kern Water Bank Deliveries	-	-	-	-	-	-
2021 SWP Allocation (5 %) ³	44		-	-	44	87
Kern River Water (estimated)	-	-	(2,681)	-	-	(2,681)
TOTAL ESTIMATED 2021 TRANSACTIONS	44	-	(2,681)	-	44	(2,594)
ESTIMATED WATER IN STORAGE 2021 (AF)						
Total Kern Water Bank	-	4,683	-	-	-	4,683
Total MWD System	8,039	-	-	-	212	8,251
Total Kern County	5,253	24,855	1,254	647	3,804	35,813
TOTAL ESTIMATED STORED WATER TO DATE	13,292	29,538	1,254	647	4,016	48,747

NOTES:

-MWD = Metropolitan Water District of Southern California.

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

² IRWD's Non-SWP total includes 2,842 AF, net of losses, 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 2020 SWP allocation water is stored in Kern County. It is assumed that IRWD's 2021 SWP allocation will be stored in Kern County.

⁴ Beginning balance of water stored in MWD system includes: 4,000 AF from 2014 Exchange, 2,853 AF of 2014 borrowed SWP, 1,186 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
May 20, 2021

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 2020 (AF)						
Total Kern Water Bank	-	4,215	-	-	-	4,215
Total MWD System ⁴	8,039	-	-	-	308	8,347
Total Kern County	3,926	20,685	9,923	545	2,992	38,072
TOTAL STORED WATER (1/1/2020)	11,965	24,900	9,923	545	3,300	50,634
(RECOVERY) AND RECHARGE IN 2020 (AF)						
MWD Water to Jackson Ranch ⁵	-	-	-	-	(96)	(96)
Kern Water Bank Deliveries ⁷	-	-	-	-	-	-
2020 SWP Allocation (20%) ³	150	-	-	-	150	300
Kern River Water	-	-	(7,500)	-	-	(7,500)
SWP Table A	-	-	-	-	-	-
2017 Reserve Water	101	245	258	10	90	705
TOTAL 2020 TRANSACTIONS	251	245	(7,242)	10	144	(6,591)
Total Kern Water Bank	-	4,215	-	-	-	4,215
Total MWD System	8,039	-	-	-	212	8,251
Total Kern County	4,177	20,931	2,681	556	3,233	31,577
TOTAL STORED WATER (1/1/2021)	12,216	25,145	2,681	556	3,445	44,043
(RECOVERY) AND RECHARGE IN 2021 (AF)						
MWD Water to Jackson Ranch (estimated)	-	-	-	-	-	-
Kern Water Bank Deliveries	-	-	-	-	-	-
2021 SWP Allocation (5%) ³	37	-	-	-	37	74
Kern River Water (estimated)	-	-	(2,681)	-	-	(2,681)
TOTAL ESTIMATED 2021 TRANSACTIONS ⁶	37	-	(2,681)	-	37	(2,607)
ESTIMATED WATER IN STORAGE 2021 (AF)						
Total Kern Water Bank	-	4,215	-	-	-	4,215
Total MWD System	8,039	-	-	-	212	8,251
Total Kern County	4,214	20,931	0	556	3,270	28,970
TOTAL ESTIMATED STORED WATER TO DATE	12,253	25,145	0	556	3,482	41,436

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); 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 251 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 2020 SWP allocation water is stored in Kern County. It is assumed that IRWD's 2021 SWP allocation will be stored in Kern County.

⁴ Beginning balance of water stored in MWD system includes 4,000 AF of 2014 Exchange, 2,853 AF of 2014 borrowed SWP, 1,186 AF of IRWD's 2013-2016 SWP allocations through DRWD.

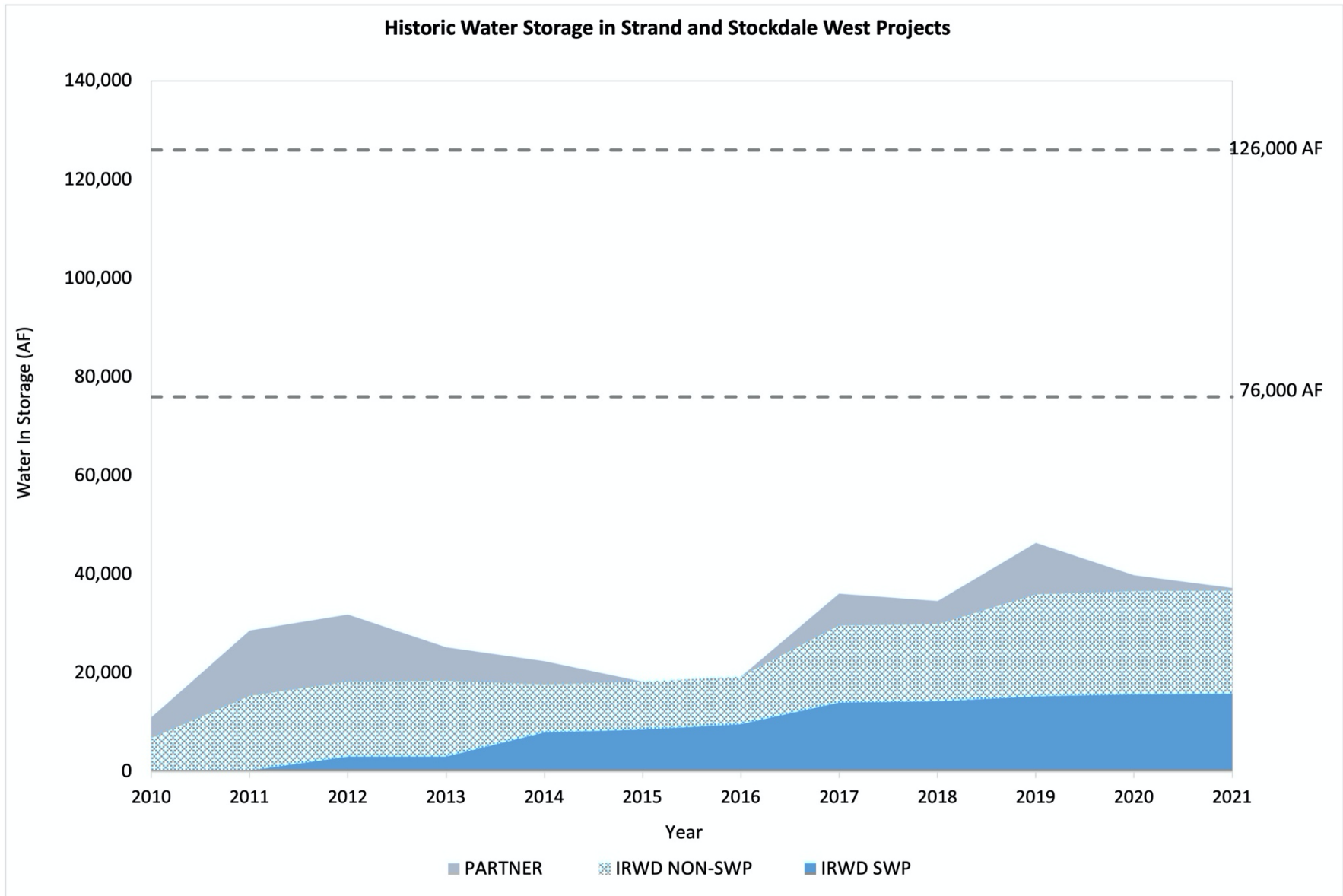
⁵ Water returned to DRWD by MWD for use on IRWD's Jackson Ranch.

⁶ 2021 transactions may be adjusted for conveyance losses in CVC.

⁷ 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 “D”



*After losses

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Exhibit "E"

TABLE 1
IRWD Dedicated Water Banking Capacities for
Existing and Proposed Exchange Programs
May 20, 2021

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"



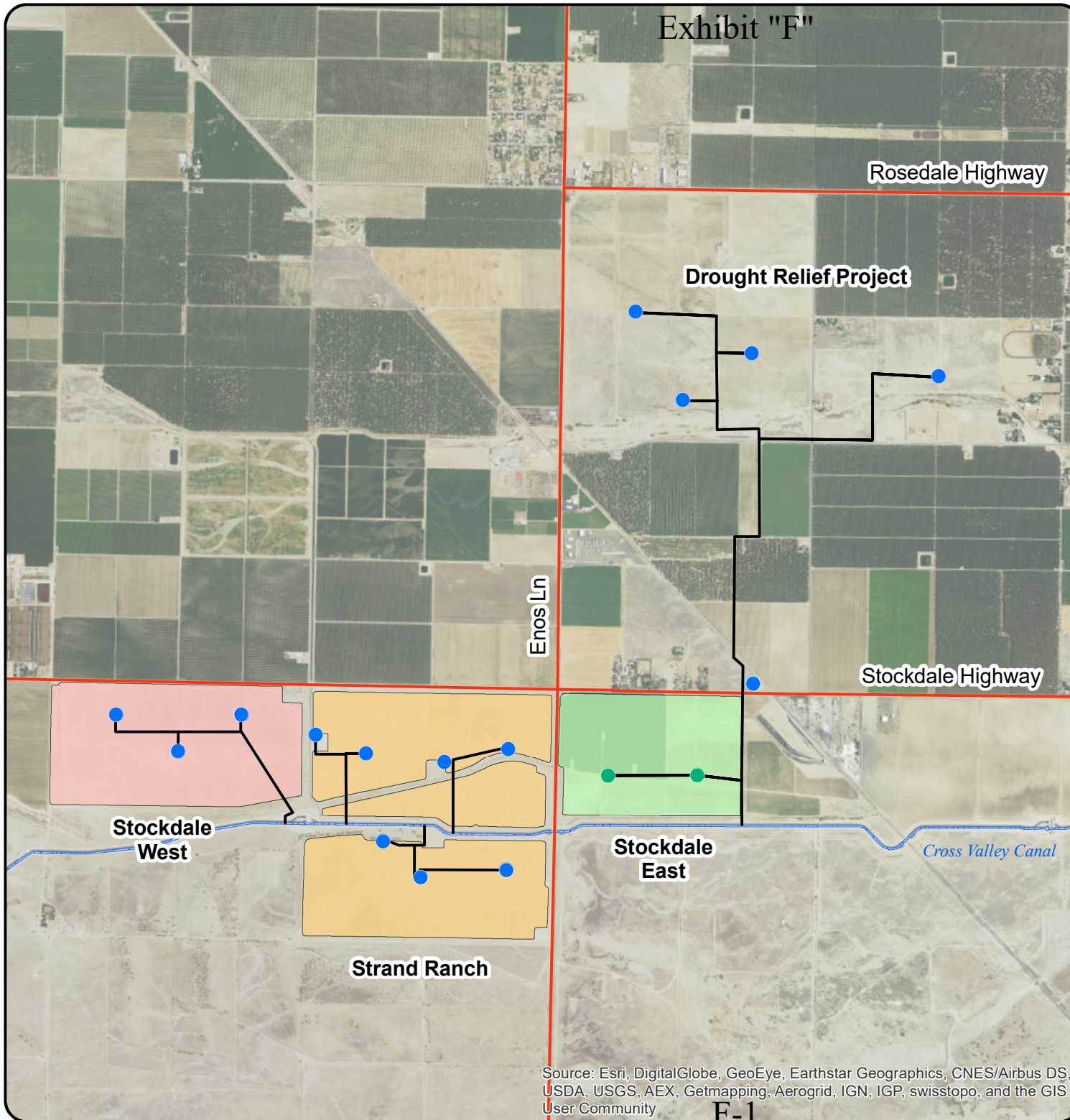
Irvine Ranch
WATER DISTRICT

Location Map: IRWD Water Banking Projects Wells and 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

F-1



0 0.25 0.5 1 Miles

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

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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, 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

Enos Ln

Stockdale Highway

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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Exhibit "H"

Rosedale Highway



Location Map: IRWD Water Banking Projects Recharge Rates

MAP FEATURES

- ▲ Turnouts
- Stockdale West
- Strand Ranch

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

Stockdale West
0.11 feet/day
15 CFS

Strand Ranch North
0.29 feet/day
40 CFS

Strand Ranch South
0.13 feet/day
15 CFS

Stockdale Highway

Cross Valley Canal

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

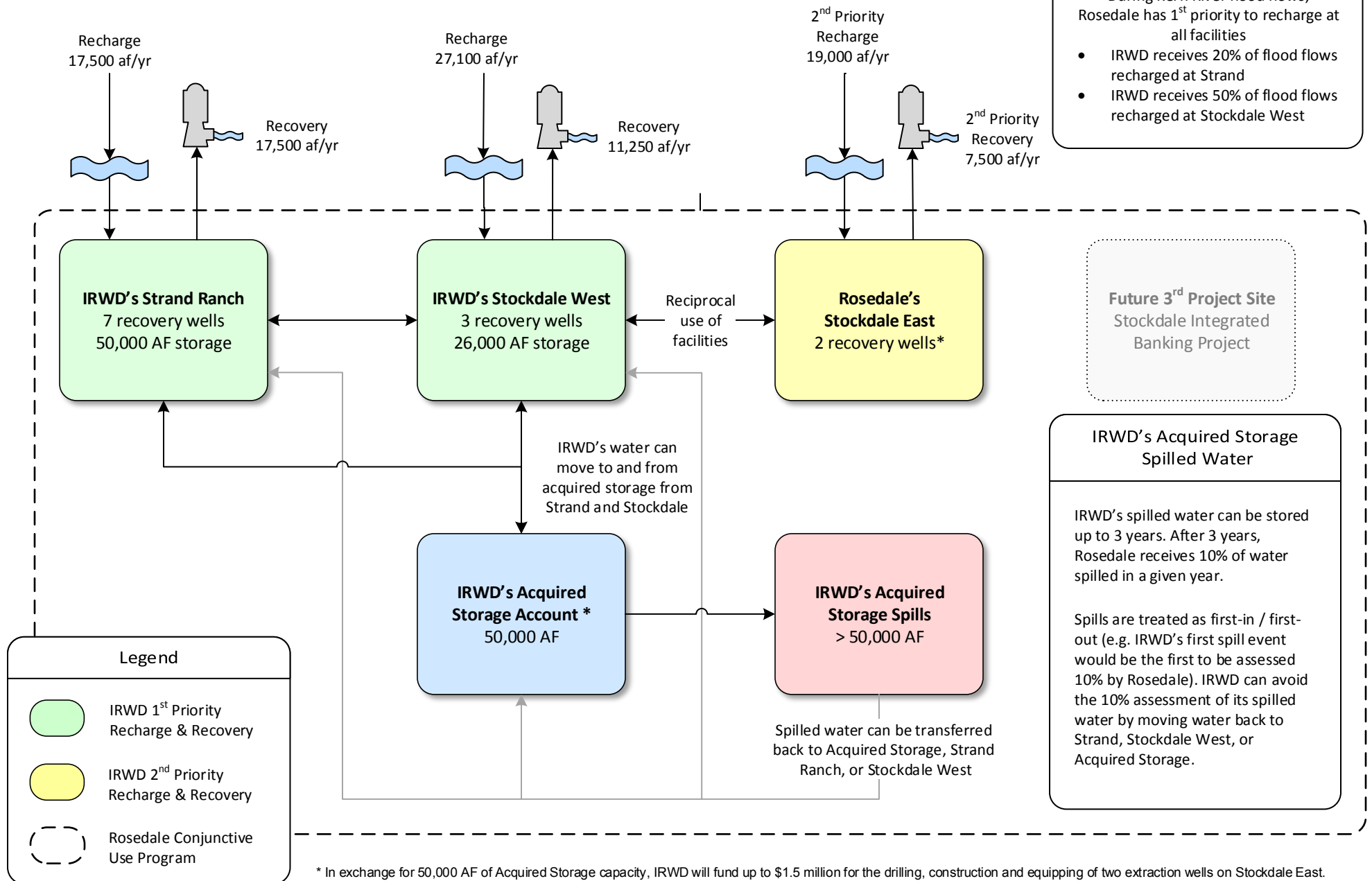
NAD 83 State Plane Zone 5 (feet)
Central Meridian: -118

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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)



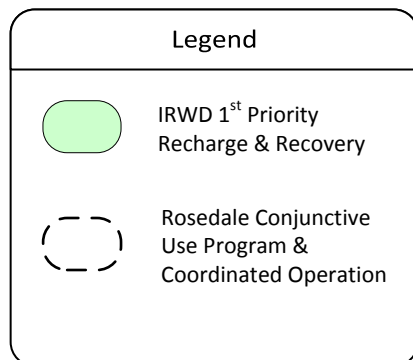
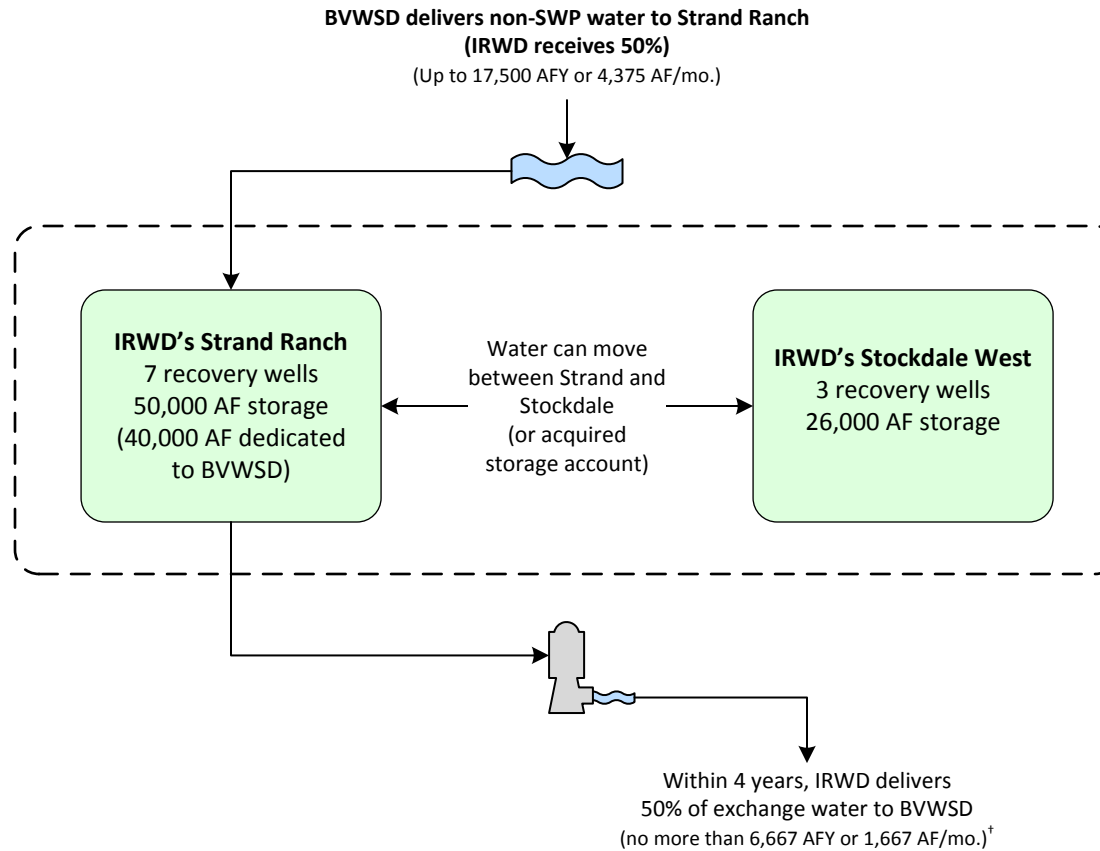
* In exchange for 50,000 AF of Acquired Storage capacity, IRWD will fund up to \$1.5 million for the drilling, construction and equipping of two extraction wells on Stockdale East.

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Exhibit "J"

Buena Vista Water Storage District Long Term Water Exchange Program

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

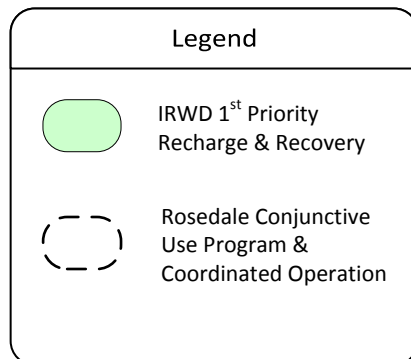
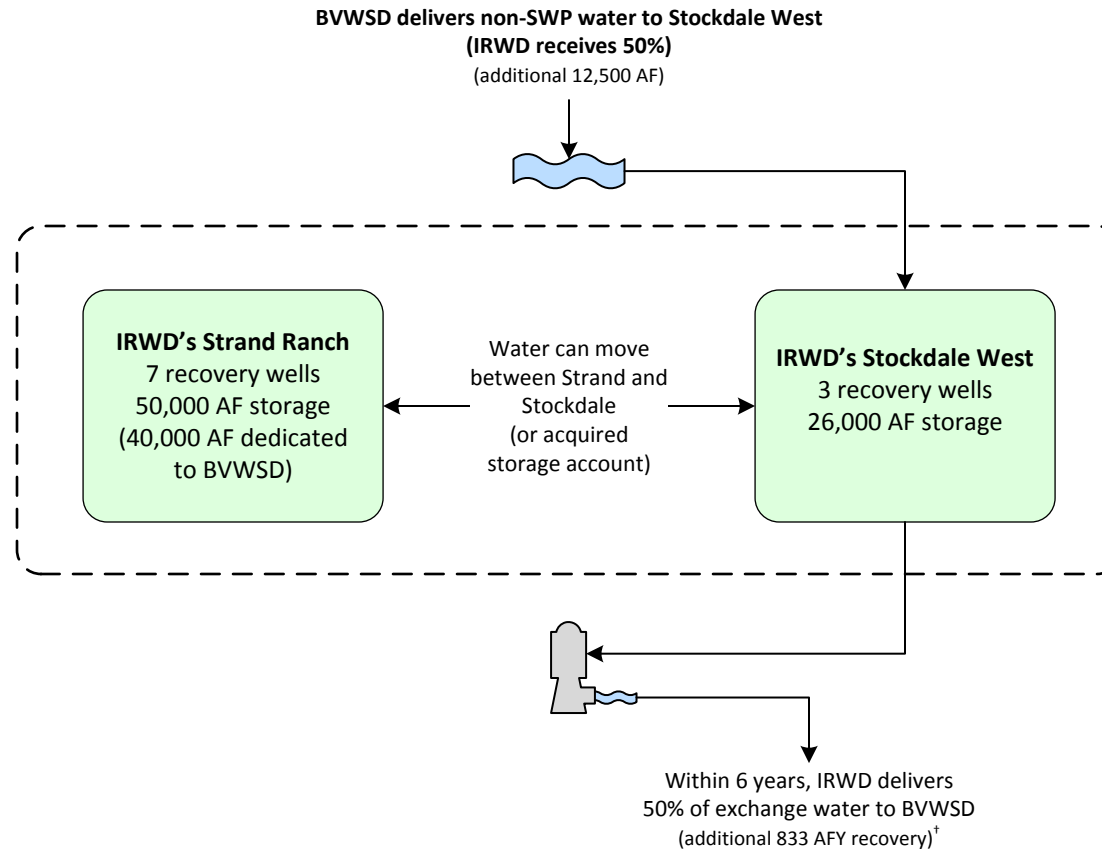


[†]IRWD shall remit one-half of the exchanged supply less one-half of reasonable losses back to BV no later than December 31st of the 4th year following the associated recharge event. IRWD pays for recovery of water returned to BV. Water to be remitted back to BV may remain in storage at Strand Ranch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

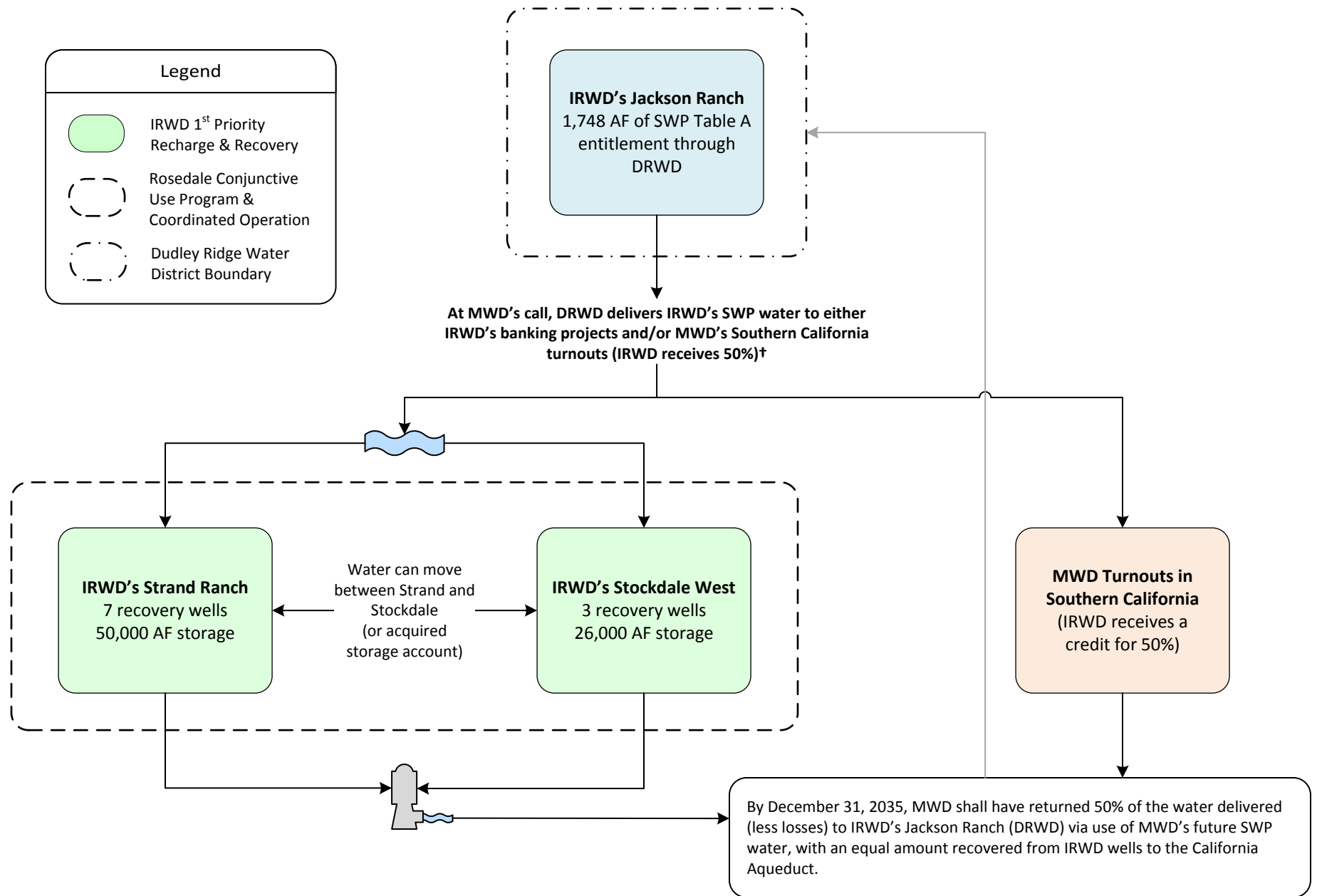
Effective 4/1/2017 through 3/30/2018



[†]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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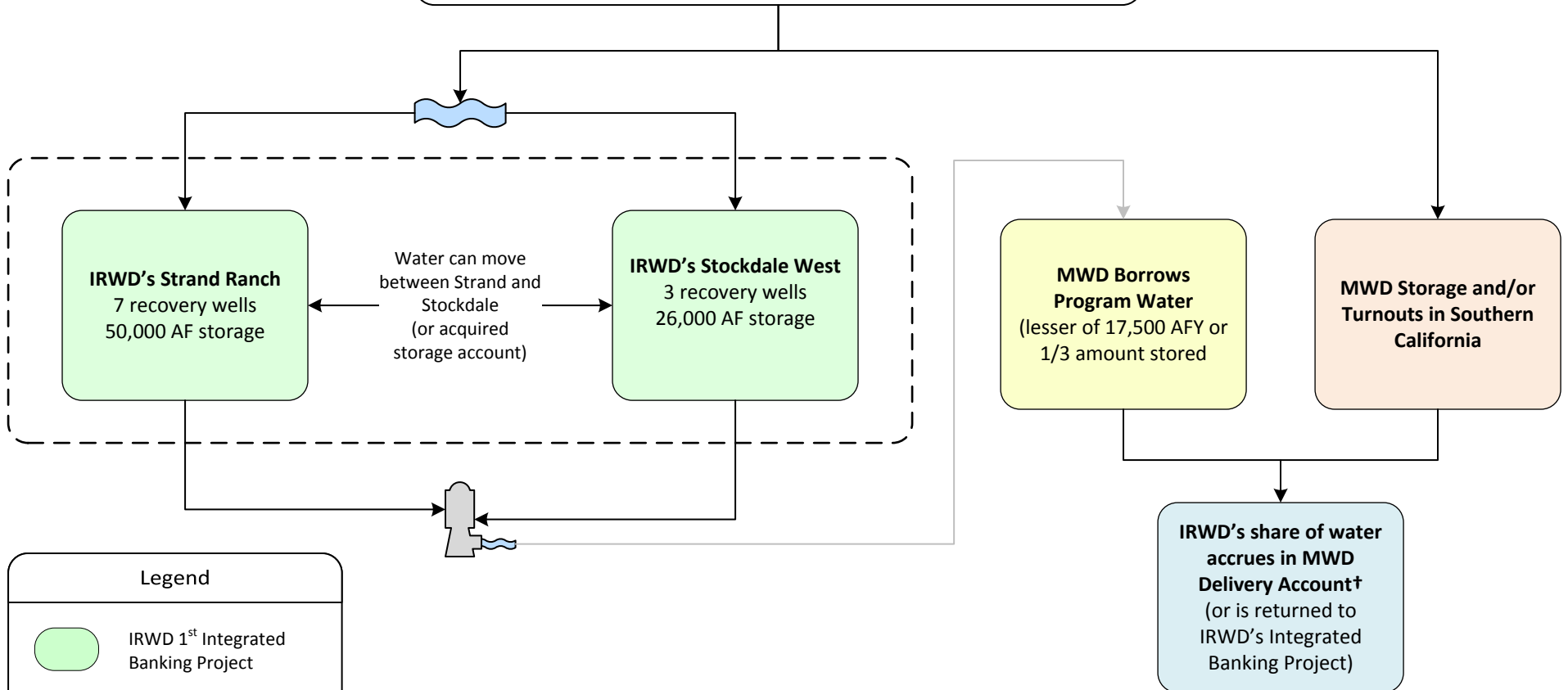
Exhibit "L"

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:

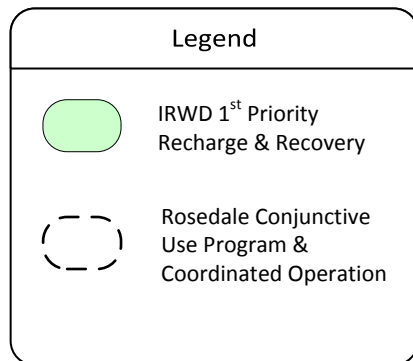
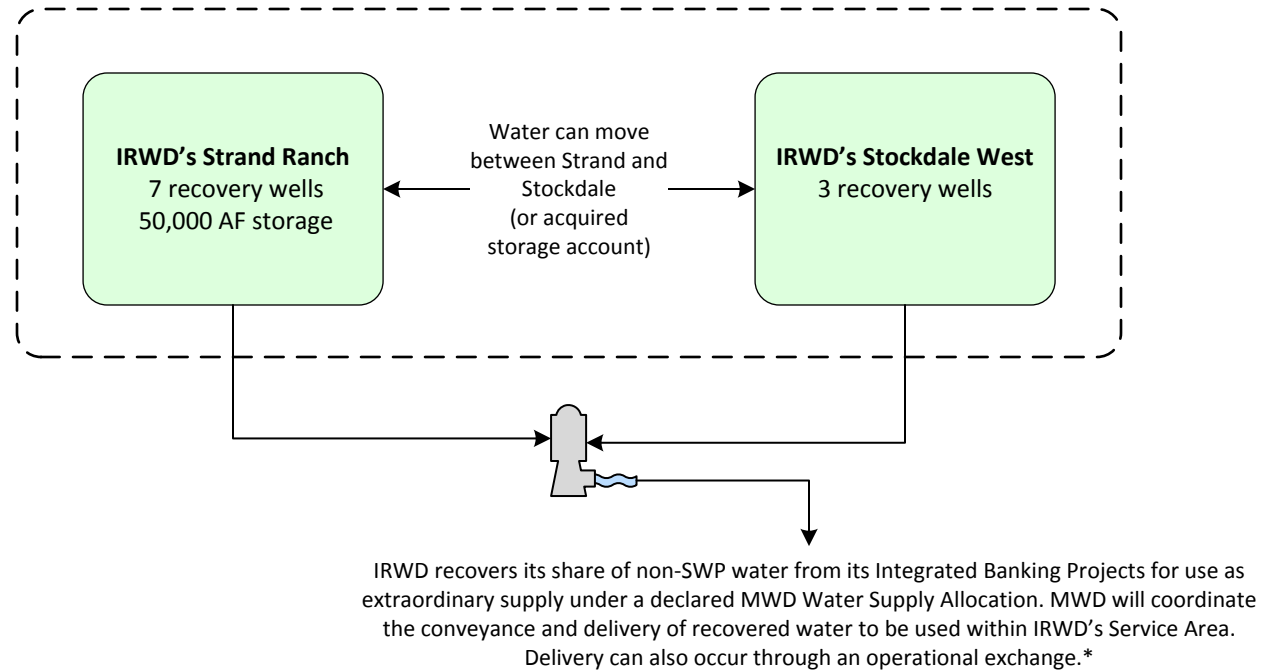
- Storage of water in IRWD's Integrated Banking Project
- Delivery to Southern California for immediate use and/or storage in MWD system
- Borrow a portion of Program water, with accrual in MWD Delivery Account



- 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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Exhibit "N"

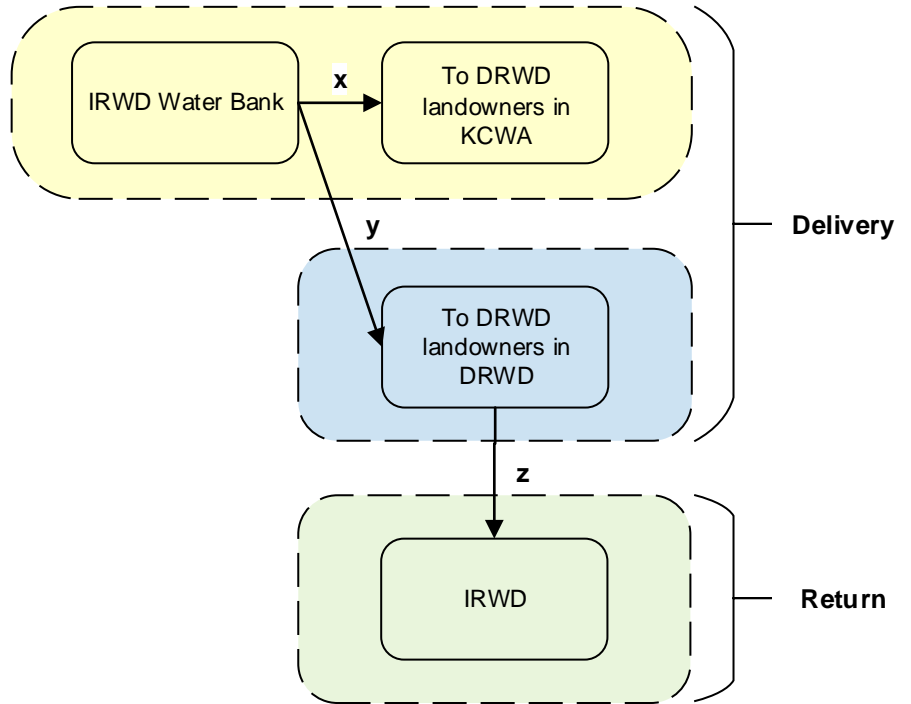
Dudley Ridge Water District Long Term 1-for-1 Water Exchange Program Effective 5/31/2017 through 11/4/2035

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

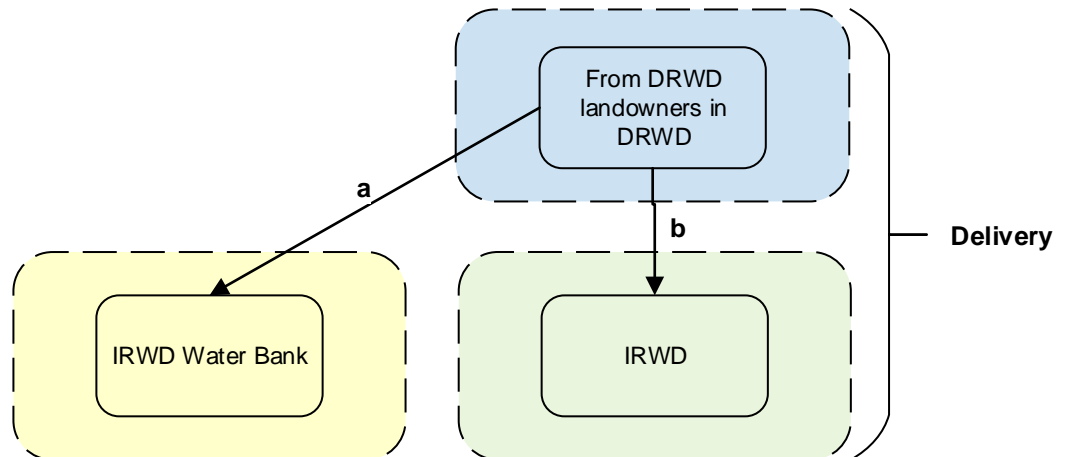
Per Section 4.1.3, z can be delivered to IRWD via in-ground transfer to IRWD, SWP delivery to IRWD banking facilities, or SWP delivery to MWDSC



Scenario B

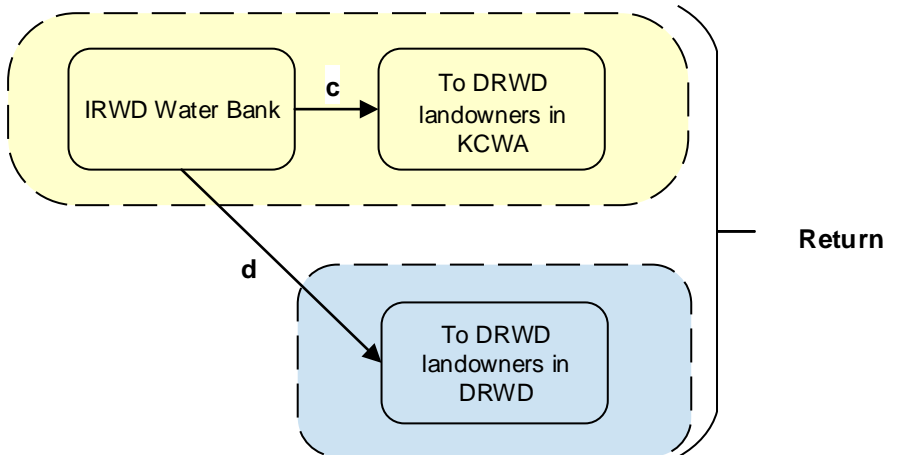
(Per Sections 2, 3, and 4.1.2)

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



Legend

	KCWA Service Area
	DRWD Service Area
	IRWD Service Area



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May 20, 2021

Prepared by: K. Welch

Submitted by: F. Sanchez / P. Weghorst

Approved by: Paul A. Cook



SUPPLY RELIABILITY PROGRAMS COMMITTEE

DUDLEY RIDGE WATER DISTRICT WATER SALE AND EXCHANGE UPDATE

SUMMARY:

In March 2021, the IRWD Board authorized the General Manager to execute an agreement with Dudley Ridge Water District for the sale of up to 5,000 acre-feet (AF) of State Water Project (SWP) water from IRWD's Water Bank. The water that would be sold must be returned to Dudley Ridge from IRWD's unbalanced exchange programs. The sales price was approved at \$650 per AF. The transaction would be contingent upon Dudley Ridge committing to the exchange of a minimum of 10,000 AF of Kern River water (to be used in Kern County) for SWP water in a future year. At the Committee meeting, staff will provide an update on the status of the sale and exchange of water to Dudley Ridge.

BACKGROUND:

Through its purchase of the 883-acre Jackson Ranch within Dudley Ridge Water District, IRWD has the right to receive delivery of up to 1,749 AF per year of SWP Table A water and to receive Article 21 water when it is available. Under two unbalanced exchange agreements executed among the California Department of Water Resources, Metropolitan Water District, Dudley Ridge and the Kern County Water Agency, IRWD is able to use up to 50% of its Table A water supplies received from Dudley Ridge in IRWD's service area, with the other 50% required to be returned for use in Dudley Ridge. This return water can be used on the Jackson Ranch or other lands within Dudley Ridge Water District. Currently, IRWD holds 5,029 AF of SWP supplies that must be returned to Dudley Ridge. These same agencies have also executed a 1-for-1 exchange agreement that facilitates the exchange of IRWD's non-SWP supplies for SWP water.

As a result of the current dry water year, Dudley Ridge Water District proposed to exercise the existing 1-for-1 exchange program and to purchase IRWD's SWP water that must be returned to Dudley Ridge at \$650 per AF. In March 2021, IRWD's Board authorized the General Manager to execute an agreement that commits Dudley Ridge to a minimum exchange of 10,000 AF of water under the existing 1-for-1 exchange program with an option to purchase up to 5,000 AF of IRWD's SWP water. This sale and exchange of water would assist DRWD in a dry year and result in additional water stored in IRWD's Water Bank that could be used in IRWD's service area. It also would result in funds to offset a portion of IRWD's capital investment in its water banking projects.

Conditional Water Sale Agreement:

Staff worked with IRWD's special legal counsel from Kronick Moskowitz and Dudley Ridge to develop a draft agreement that would allow Dudley Ridge to purchase up to 5,000 AF of IRWD's SWP water at \$650 per AF on the condition that DRWD would exercise a minimum exchange of 10,000 AF under the 1-for-1 program. The draft agreement is provided as Exhibit

“A”. At the Committee meeting, staff will review the agreement with the Committee, as well as coordination efforts associated with the delivery of water. The Dudley Ridge Board of Directors has approved the execution of the agreement subject to final changes approved by Dudley Ridge’s legal counsel.

ENVIRONMENTAL COMPLIANCE:

The Jackson Ranch Water Allocation Project Negative Declaration was prepared and circulated for public review in compliance with the California Environmental Quality Act (CEQA) of 1970 (as amended), codified at California Public Resources Code Section 21000 et. seq. and the state CEQA guidelines in the Code of Regulations, Title 14, Division 6, Chapter 3. A Notice of Determination for the final Negative Declaration for the purchase of the property was filed with Kings County on January 14, 2010.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit “A” – Conditional Water Purchase and Sale Agreement Between Irvine Ranch Water District and Dudley Ridge Water District

EXHIBIT "A"

Conditional Water Purchase And Sale Agreement Between Irvine Ranch Water District and Dudley Ridge Water District

May 10, 2021 DRAFT

THIS AGREEMENT ("Agreement") is made and entered into as of the Effective Date by and between the IRVINE RANCH WATER DISTRICT ("IRWD") and the DUDLEY RIDGE WATER DISTRICT ("DRWD"). IRWD and DRWD are sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

- A. IRWD is a public agency organized in accordance with the California Water District Law (Division 13, commencing with § 34000 of the California Water Code) to provide water services and certain other services. IRWD's powers and purposes include the acquisition within or outside the district in the State of all necessary property, water, and water rights for the production, storage, transmission, and distribution of water for irrigation, domestic, industrial, and municipal purposes and to provide and sell such water at wholesale and retail to customers within its boundaries in Orange County, California.
- B. IRWD receives State Water Project ("SWP") water supplies pursuant to a contract with Municipal Water District of Orange County ("MWDOC"), which receives SWP water supplies from Metropolitan Water District of Southern California ("MWDSC"), of which MWDOC is a member unit.
- C. MWDSC receives SWP water supplies pursuant to a water supply contract with the California Department of Water Resources ("DWR").
- D. DRWD is a public agency organized in accordance with the California Water District Law (Division 13, commencing with § 34000 of the California Water Code) to provide water services and certain other services. DRWD's powers and purposes include the acquisition within or outside the district in the State of all necessary property, water, and water rights for the production, storage, transmission, and distribution of water for irrigation, domestic, industrial, and municipal purposes and to provide and sell such water at wholesale and retail to customers within its boundaries in King County, California.
- E. DRWD receives SWP water supplies pursuant to a water supply contract with DWR.
- F. IRWD owns land within DRWD that is entitled to receive SWP water from DRWD.
- G. Kern County Water Agency ("KCWA") receives SWP water supplies pursuant to a water supply contract with DWR.
- H. Rosedale-Rio Bravo Water Storage District ("RRBWSD") receives SWP water supplies from KCWA, of which RRBWSD is a member unit. To improve its water supplies, generate increased recharge capability and to provide operational flexibility, RRBWSD has developed a program for the banking, storage, exchange, and direct delivery of water pursuant to the exercise of its powers ("RRBWSD Conjunctive Use Program"). The RRBWSD Conjunctive Use Program involves the banking of imported water by customers ("RRBWSD Program Participants") in the Kern County Sub-Basin of the San Joaquin Valley Groundwater Basin for later delivery to said customers. RRBWSD has developed

and approved the RRBWSD Conjunctive Use Program through various agreements and documents including, without limitation, an environmental impact report ("EIR") certified by RRBWSD on July 17, 2001, and subsequent addenda thereto, pursuant to the California Environmental Quality Act ("CEQA"), Public Resource Code section 21000 et seq.

- I. In January 2009 IRWD and RRBWSD entered into an agreement titled "Rosedale-Rio Bravo Water Storage District and Irvine Ranch Water District for a Water Banking and Exchange Program" ("Strand Ranch Agreement"). The Strand Ranch Agreement provides for, among other things, terms and conditions between IRWD and RRBWSD for the development and operation of a water banking project. This water banking project consists of recharge, storage and recovery facilities that are located on IRWD property in Kern County known as "Strand Ranch" and are integrated into RRBWSD's water banking program, referred to as the "RRBWSD/IRWD Water Banking and Exchange Program." In 2008, RRBWSD and IRWD approved an EIR for the RRBWSD/IRWD Water Banking and Exchange Program (SCH # 2007041080). In 2009, IRWD adopted a Negative Declaration for the Jackson Ranch Allocation Project providing for DRWD water allocated to IRWD's Jackson Ranch to be delivered to RRBWSD/IRWD Water Banking and Exchange Program (SCH #2009111097).
- J. In 2015, IRWD and RRBWSD entered into an agreement titled "Rosedale-Rio Bravo Water Storage District and Irvine Ranch Water District for A Water Banking, Recovery and Exchange Program [Stockdale West and Stockdale East Properties]" ("Stockdale Agreement"), which established the "Stockdale Integrated Banking Project" in Kern County. The Stockdale Integrated Banking Project is owned by IRWD and is located next to IRWD's Strand Ranch project. IRWD intends to use the Stockdale Integrated Banking Project to enhance its water supply reliability by providing contingency storage to augment supplies during dry years. CEQA compliance for the Stockdale Integrated Banking Project has been completed. On December 8, 2015, RRBWSD certified an EIR for the Stockdale Integrated Banking Project (SCH #2013091076), and on December 14, 2015, IRWD approved the EIR as a responsible agency.
- K. MWDSC, IRWD and MWDOW in April 2011 entered into an agreement titled "Coordinated Operating, Water Storage, Exchange and Delivery Agreement" ("MWDSC/IRWD Agreement"). The MWDSC/IRWD Agreement provides for, among other things, terms and conditions for IRWD to secure SWP water supplies for the joint benefits of increased water supply reliability and diversification to MWDSC and IRWD. The activities authorized by the 2011 MWDSC/IRWD Agreement were analyzed in the EIR for the RRBWSD/IRWD Water Banking and Exchange Program (SCH # 2007041080) and 2009 Negative Declaration for the Jackson Ranch Allocation Project providing for DRWD water allocated to IRWD's Jackson Ranch to be delivered to RRBWSD/IRWD Water Banking and Exchange Program (SCH #2009111097).
- L. DWR and KCWA in December 1998 entered into an agreement titled "Agreement between Department of Water Resources, State of California and Kern County Water Agency for Introduction of Local Water and Flood Water into the California Aqueduct" ("CVC Turn-in Agreement"). The CVC Turn-in Agreement provides for the introduction of local water into the California Aqueduct from the Cross Valley Canal at Reach 12E.
- M. DWR, DRWD, KCWA and MWDSC in December 2013 entered into an agreement titled "Agreement Among the Department of Water Resources, State of California, Dudley

Ridge Water District, Kern County Water Agency, and Metropolitan Water District of Southern California for a Multi-Year Exchange and Change in Point of Delivery of a Portion of Dudley Ridge Water District's State Water Project Supplies," which is commonly referred to as "SWPAO #13012." SWPAO #13012 is a multi-year unbalanced water exchange that allows delivery of up to 8,700 acre-feet of DRWD's SWP water supplies to MWDSC through December 31, 2017. In exchange, MWDSC will return by December 31, 2022 a portion of its future SWP water supplies equal to fifty percent (50%) of the total amount of DRWD water supplies delivered to MWDSC. SWPAO #13012 allows the delivery of DRWD's SWP water supplies to either MWDSC's turnouts located on the California Aqueduct or KCWA's turnouts for storage in and future return from IRWD's banking facilities in Kern County. In 2005, DRWD adopted a Negative Declaration for its Water Management Plan encompassing the multi-year exchange with MWDSC (SCH #2004121103). A copy of SWPAO #13012 is attached hereto as Exhibit A.

- N. Under SWPAO #13012, 6,859 acre-feet was delivered to IRWD, net of losses, with 3,752 acre-feet being Table A water and 3,107 acre-feet being Article 21 water. Per SWPAO #13012, by December 31, 2022, MWDSC will return a portion of its future Table A water to DRWD equal to fifty percent (50%), or 1,876 acre-feet of the approved Table A water previously delivered to MWDSC. Pursuant to DWR Notice No. 17-01 dated January 18, 2017, all 3,107 acre-feet of Article 21 water must be returned for use within the DRWD service area. As of April 2021, 974 acre-feet of MWDSC's Table A had been returned to DRWD, leaving 902 acre-feet of Table A water remaining to be returned to DRWD on or by December 31, 2022 under SWPAO #13012.
- O. DWR, DRWD, KCWA and MWDSC in June 2018 entered into an agreement titled "Agreement Among the Department of Water Resources, State of California, Dudley Ridge Water District, Kern County Water Agency, and Metropolitan Water District of Southern California for a Multi-Year Exchange and Change in Point of Delivery of a Portion of Dudley Ridge Water District's State Water Project Approved Table A Water," which is commonly referred to as "SWPAO #17030." SWPAO #17030 is a multi-year unbalanced water exchange that allows delivery of up to 12,240 acre-feet of DRWD's SWP water supplies to MWDSC through December 31, 2027. In exchange, MWDSC will return within 10 years of its delivery from DRWD or by December 31, 2035, whichever comes earlier, a portion of its future SWP water supplies equal to fifty percent (50%) of the total amount of DRWD water supplies delivered to MWDSC. SWPAO #17030 allows the delivery of DRWD's SWP water supplies to either MWDSC's turnouts located on the California Aqueduct or KCWA's turnouts for storage in and future return from IRWD's banking facilities in Kern County. A copy of SWPAO #17030 is attached hereto as Exhibit B.
- P. Under SWPAO #17030, beginning in 2018, a total of 2,041 acre-feet of SWP Table A water will have been delivered to IRWD, net of losses, including projected 2021 Table A water. Fifty percent (50%) of the Table A water can be delivered to IRWD's service area in accordance with SWPAO #17030 and the 2011 MWDSC/IRWD Agreement. The remaining Table A water must be returned for use within the DRWD service area. As of April 2021, no water had been returned to DRWD, leaving 1,020 acre-feet of water to be returned to DRWD within 10 years of its delivery from DRWD or by December 31, 2035, whichever is earlier, under SWPAO #17030.
- Q. DRWD and IRWD in May 2017 entered into an agreement titled "2017 Agreement Between Dudley Ridge Water District and Irvine Ranch Water District for Long-Term Exchange Program" ("DRWD-IRWD Agreement"). Under the DRWD-IRWD Agreement,

IRWD may deliver its stored non-SWP water supplies to DRWD, in exchange for DRWD delivering an equal amount of its SWP Table A water to IRWD within five years. DRWD adopted a Notice of Exemption for the DRWD-IRWD Agreement in 2017 (SCH #2017038092). As of March 2021, IRWD has available up to 15,000 acre-feet of non-SWP water supplies in storage that could be used in Kern County under this agreement. A copy of the 2017 DRWD-IRWD Agreement is attached hereto as Exhibit C.

- R. DWR, DRWD, KCWA and MWDSC on July 17, 2020 entered into an agreement titled "Agreement Among The Department of Water Resources of the State of California, Dudley Ridge Water District, Kern County Water Agency, and Metropolitan Water District of Southern California for A Multi-year Exchange of Dudley Ridge Water District's State Water Project Table A Water and Irvine Ranch Water District's Banked Non-SWP Water," which is commonly referred to as "SWPAO #19001." SWPAO #19001 facilitates performance of the 2017 DRWD-IRWD Agreement and provides for the delivery of DRWD's Table A Water to MWDSC and/or IRWD's banked non-SWP water to DRWD, in any given year through December 31, 2025. An additional 5 years through December 31, 2030, will be given to the Party who owes return water until the exchange is completed. A Copy of SWPAO #19001 is attached hereto as Exhibit D.
- S. On March 23, 2021, DWR announced a 5 percent (5%) allocation of SWP Table A water to DRWD and other SWP contractors. To lessen the impact of the resulting shortage of water to meet demand from existing agricultural uses of DRWD's landowners, DRWD seeks to acquire additional water supplies.
- T. IRWD's planning and management of its water supply portfolio has resulted in IRWD having surplus water available for sale to DRWD.

NOW, THEREFORE, in consideration of the preceding recitals and the promises and covenants herein contained, DRWD and IRWD agree as follows:

AGREEMENT

1. Definitions

- 1.1 "Challenge" means any administrative challenge or litigation related to this Agreement brought by a non-Party to this Agreement.
- 1.2 "CVC Turn-in Agreement" means the 2011 Agreement between Department of Water Resources, State of California and Kern County Water Agency for Introduction of Local Water and Flood Water into the California Aqueduct.
- 1.3 "Day" or "days" means calendar days, unless otherwise specified.
- 1.4 "DRWD" means Dudley Ridge Water District.
- 1.5 "DRWD-IRWD Agreement" means the 2017 Agreement Between Dudley Ridge Water District and Irvine Ranch Water District for Long-Term Exchange Program.
- 1.6 "DWR" means the California Department of Water Resources.
- 1.7 "Effective Date" means the date on which the last Party signs this Agreement.

- 1.8 "IRWD" means Irvine Ranch Water District.
- 1.9 "IRWD Banking Program" means the RRBWSD/IRWD Water Banking and Exchange Program together with the Stockdale Integrated Banking Project.
- 1.10 "KCWA" means Kern County Water Agency.
- 1.11 "MWD OC" means Municipal Water District of Orange County.
- 1.12 "MWD SC" means Metropolitan Water District of Southern California.
- 1.13 "MWD SC/IRWD Agreement" means the 2011 Coordinated Operating, Water Storage, Exchange and Delivery Agreement among MWD SC, MWD OC and IRWD.
- 1.14 "Purchase Price" means \$650 per acre-foot of IRWD's non-SWP water to be acquired by DRWD under this Agreement.
- 1.15 "RRBWSD" means Rosedale-Rio Bravo Water Storage District.
- 1.16 "RRBWSD/IRWD Water Banking and Exchange Program" means the water storage and recovery program arising from the 2009 agreement titled "Rosedale-Rio Bravo Water Storage District and Irvine Ranch Water District for a Water Banking and Exchange Program," which is sometimes referred to as the "Strand Integrated Banking Project. Operating Agreement.
- 1.17 "Sale Water" means up to 5,000 acre-feet of MWD SC's Table A Water that is to be returned to DRWD under SWPAO #13012 and SWPAO #17030 that is available for purchase by DRWD under this Agreement.
- 1.18 "Stockdale Integrated Banking Project" means the water storage and recovery project arising from the 2016 agreement titled "Rosedale-Rio Bravo Water Storage District and Irvine Ranch Water District for A Water Banking, Recovery and Exchange Program [Stockdale West and Stockdale East Properties]," which is sometimes referred to as the "Stockdale Operating Agreement."
- 1.19 "SWP" means State Water Project, which includes Banks Pumping Plant and the California Aqueduct.
- 1.20 "SWPAO #13012" means the 2013 Agreement Among the Department of Water Resources, State of California, Dudley Ridge Water District, Kern County Water Agency, and Metropolitan Water District of Southern California for a Multi-Year Exchange and Change in Point of Delivery of a Portion of Dudley Ridge Water District's State Water Project Supplies.
- 1.21 "SWPAO #17030" means the 2018 Agreement Among the Department of Water Resources, State of California, Dudley Ridge Water District, Kern County Water Agency, and Metropolitan Water District of Southern California for a Multi-Year Exchange and Change in Point of Delivery of a Portion of Dudley Ridge Water District's State Water Project Approved Table A Water.

- 1.22 "SWPAO #19001" means the 2020 Agreement Among The Department of Water Resources of the State of California, Dudley Ridge Water District, Kern County Water Agency, and Metropolitan Water District of Southern California for A Multi-year Exchange of Dudley Ridge Water District's State Water Project Table A Water and Irvine Ranch Water District's Banked Non-SWP Water.

2. Term

- 2.1 This Agreement will become effective immediately upon its execution by both Parties ("Effective Date").
- 2.2 Unless otherwise terminated pursuant to Sections 4, 6 or 9, this Agreement will terminate on December 31, 2030, or when all obligations under this Agreement have been performed, whichever occurs last.

3. Water Purchase and Sale Conditioned Upon One-for-One Exchange

- 3.1 IRWD agrees to sell up to 5,000 acre-feet of IRWD's banked SWP water to DRWD at a Purchase Price of \$650 per acre-foot ("Sale Water"), on condition that DRWD takes delivery from IRWD of at least 10,000 acre-feet of stored non-SWP water pursuant to the terms of the 2017 DRWD-IRWD Agreement by which DRWD would then be obligated to return to IRWD an equal amount of SWP water within five (5) years. The intent is that the Sale Water is to be delivered to DRWD prior September 30, 2021, subject to DWR exchange capacity in the California Aqueduct.
- 3.2 This Agreement does not modify the 2017 DRWD-IRWD Agreement and relies upon the Parties to perform their respective duties under the 2017 DRWD-IRWD Agreement and SWPAO #19001 with respect to DRWD's requesting that IRWD deliver at least 10,000 acre-feet of its stored non-SWP water to DRWD, in exchange for DRWD's returning an equal amount of SWP Table A water to IRWD.
- a. DRWD shall deliver the SWP Table A water to IRWD by December 31, 2025.
- 3.3 Within fourteen (14) days after this Agreement becomes effective, DRWD shall submit to IRWD a written request and proposed delivery schedule for at least 10,000 acre-feet of stored non-SWP water pursuant to Section 5 of the 2017 DRWD-IRWD Agreement.
- a. If DRWD fails to timely submit its written request to IRWD, including any extensions approved in writing by IRWD, then IRWD may terminate this Agreement upon giving notice to DRWD.
- 3.4 This Agreement does not modify SWPAO #19001 and relies upon DRWD to perform its duties under SWPAO #19001 to effect the exchange of at least 10,000 acre-feet of IRWD's stored non-SWP water in return for DRWD's returning an equal amount of SWP Table A water to IRWD.
- 3.5 The non-SWP water delivered to DRWD pursuant to this Section 3 shall be used by DRWD water users on their lands in Kern County.

4. Water Purchase and Sale

- 4.1 So long as DRWD requests and takes delivery from IRWD of at least 10,000 acre-feet of stored non-SWP water pursuant to the terms of the 2017 DRWD-IRWD Agreement, then DRWD may purchase up to 5,000 acre-feet of Sale Water.
- a. IRWD's Sale Water delivery obligation shall be proportionate at a ratio of 2:1 to the amount of non-SWP water exchanged by DRWD, so that if DRWD exchanges 10,000 acre feet of non-SWP water, IRWD shall sell and deliver to DRWD 5,000 acre-feet of Sale Water during the term of this agreement.
- 4.2 Any request to purchase Sale Water shall be submitted to IRWD within fourteen (14) days after this Agreement becomes effective, DRWD shall submit to IRWD a written request to purchase up to 5,000 acre-feet of Sale Water.
- a. If DRWD fails to timely submit its written request to IRWD, including any extensions approved in writing by IRWD, then IRWD may terminate this Agreement upon giving notice to DRWD.
- 4.3 IRWD shall cooperate with the parties to SWPAO #13012 and the parties to SWPAO #17030 to provide for the Sale Water to be scheduled and delivered as follows:
- a. Up to the first 4,009 acre-feet of Sale Water shall be scheduled and delivered pursuant to SWPAO #13012. This Agreement does not modify SWPAO #13012 and relies upon DRWD and the other parties to SWPAO #13012 to perform their respective duties under SWPAO #13012 to effect this Sale Water delivery to DRWD. Of the 4,009 acre-feet under SWPAO #13012, 200 acre-feet is scheduled for delivery by MWDSC and the remainder up to 3,809 acre-feet will come from water stored under the Strand and Stockdale Operating Agreements.
- b. Up to the next 991 acre-feet of Sale Water shall be scheduled and delivered pursuant to SWPAO #17030. This Agreement does not modify SWPAO #17030 and relies upon DRWD and the other parties to SWPAO #17030 to perform their respective duties under SWPAO #17030 to effect this Sale Water delivery to DRWD on or before December 31, 2035.
- 4.4 IRWD shall pay all costs of recovering Sale Water stored in the IRWD Banking Program and all costs to deliver such recovered Sale Water to the Cross Valley Canal turn-in from the IRWD Banking Program. From that turn-in to the Cross Valley Canal, and consistent with Section 11(d) of SWPAO #13012 and Section 15(d) of SWPAO #17030, DRWD shall pay all costs to take delivery of such recovered Sale Water to its turnouts in Reach 8D of the California Aqueduct.
- 4.5 With respect to Sale Water that was not stored in the IRWD Banking Program, and consistent with and without modifying Section 11(d) of SWPAO #13012 and Section 15(d) of SWPAO #17030, DRWD shall pay all costs to deliver such Sale Water to DRWD's turnouts in Reach 8D of the California Aqueduct.

- 4.6 The Purchase Price paid by DRWD shall be based on the amount of Sale Water delivered to DRWD at the IRWD Banking Program turn-in to the Cross Valley Canal irrespective of any and all conveyance losses during delivery. For Sale Water delivered straight from DWR's Banks Pumping Plant to DRWD's turnouts in Reach 8D of the California Aqueduct, the Purchase Price paid by DRWD shall be based on the amount of such Sale Water delivered at DRWD's turnouts.
- 4.7 IRWD shall submit monthly invoices to DRWD for all Sale Water delivered to DRWD at the IRWD Banking Program turn-in to the Cross Valley Canal, as measured by KCWA, and for all other Sale Water delivered from DWR's Delta export facilities to DRWD at its turnouts in Reach 8D of the California Aqueduct.
- 4.8 DRWD shall pay IRWD's Sale Water invoices within forty-five (45) days after submittal by IRWD and shall make such payments by check payable to IRWD.
- 4.9 If this Agreement is terminated early pursuant to its express termination provisions, DRWD shall pay the Purchase Price for all Sale Water delivered, including all Sale Water recovered and delivered to the Cross Valley Canal turn-in from the IRWD Banking Program and all Sale Water delivered from Banks Pumping Plant into the California Aqueduct.

5. Approvals and Environmental Compliance

- 5.1 The physical actions that would be carried out under this Agreement are all the subject of existing, previously approved agreements, or projects, for which CEQA compliance has already been completed. To the extent that any further CEQA review might be required, each Party shall be independently responsible for adopting a Notice of Exemption or other method of CEQA compliance, at its cost, prior to approving or implementing this Agreement.

6. Third-party Litigation and Indemnification

- 6.1 In the event that a third party brings an administrative challenge or litigation related to this Agreement ("Challenge"), the Parties will promptly meet and confer to perform a risk assessment of the Challenge and to cooperate in good faith to determine how to proceed in light of the Challenge. In the event of a Challenge, either Party may at any time elect to terminate the Agreement by 20 days' written notice to the other Party. If neither Party elects to terminate this Agreement and the Challenge is not withdrawn, the Parties shall jointly defend the Challenge with counsel mutually acceptable to the Parties. All out-of-pocket costs of the joint defense and any damages, awards or losses resulting therefrom shall be split equally by the Parties. Any costs associated with a Challenge incurred by counsel or other third parties engaged by only one of the Parties shall be borne solely by that Party.
- 6.2 Any Party's potential liability to a third party arising from DRWD's taking delivery of stored non-SWP water pursuant to Section 3 of this Agreement shall be governed by the indemnification provisions of Section 10 of the 2017 DRWD-IRWD Agreement.

- 6.3 Any Party's potential liability to a third party arising from the control, carriage, handling, use, disposal, or distribution of the Sale Water shall be governed by the liability provisions of SWPAO #13012 with respect to the first 4,009 acre-feet of Sale Water and shall be governed by the liability provisions of SWPAO #17030 with respect to any and all additional Sale Water; provided that the December 14, 2012 Indemnification Agreement between DRWD and IRWD and the July 25, 2013 Agreement Among Department of Water Resources, Dudley Ridge Water District, Kern County Water Agency and Metropolitan Water District of Southern California for the Rosedale-Rio Bravo Water Storage District/Irvine Ranch Water District Water Banking and Exchange Program shall govern any potential liability of IRWD with respect to the Sale Water governed by SWPAO #13012

7. Water Rights Protection

- 7.1 DRWD and IRWD agree that neither Party will assert that any activities under this Agreement affect the validity of any existing water rights or contracts held by either Party to this Agreement. The only rights granted to the Parties as a result of this Agreement are those expressly set forth herein, and no sale or transfer of water pursuant to this Agreement shall confer any further right to water on any person or entity. Nothing in this Agreement shall act as a forfeiture, abandonment, diminution, or impairment of any water rights, contractual or otherwise, held by DRWD or IRWD. Consistent with the provisions of California Water Code sections 109, 475, 1011, 1244, and 11961, the Parties agree that they are fostering the efficient and beneficial use of water resources.

8. Disputes

- 8.1 The Parties agree that any and all disputes, claims or controversies regarding this Agreement shall be submitted to mediation in a mutually agreeable venue and if the matter is not resolved through mediation, then it may be submitted to any court of competent jurisdiction. Any affected Party may commence mediation by providing the other Party a written request for mediation, setting forth the subject of the dispute and the relief requested. The Parties shall cooperate with one another in selecting a mediator and in scheduling the mediation proceedings. The Parties covenant that they shall participate in the mediation in good faith, and that they shall share equally in costs charged by the mediator. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the Parties, their agents, employees, experts and attorneys, and by the mediator or any of the mediator's employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the Parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. The provisions of this Agreement with respect to mediation may be enforced by any Court of competent jurisdiction, and the Party seeking such enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, to be paid by the Party against whom such enforcement is ordered.

9. Termination for Breach

- 9.1 Either Party may terminate this Agreement if the other Party breaches any material obligation under the Agreement and such breach continues for a period of sixty (60) days, or such other period as may be reasonable under the circumstances, after the date on which written notice is issued by the non-breaching Party. The non-breaching Party shall be entitled to seek any and all legal damages or equitable or remedies as a result of the breaching Party's breach.
- 9.2 In the event that either IRWD or DRWD is in material default of the Agreement, the non-defaulting Party shall provide written notice to the defaulting Party, identifying with reasonable specificity the nature of the claimed default. If the defaulting Party has not cured the event(s) of material default which is (are) identified in the notice required by this Section within twenty (20) business days after receipt of written notification, or such other period as is reasonable under the circumstances, the non-defaulting Party shall be entitled to any and all remedies which may be available to it at law or in equity. This provision is not intended to provide a separate termination right, which is set forth in the preceding Subsection.

10. Agreement Not a Precedent

- 10.1 The Parties intend that the provisions of this Agreement will not bind the Parties as to the provisions of any future agreement between them. This Agreement was developed specifically for the specified Agreement term.

11. Notices

- 11.1 All written notices required to be given pursuant to the terms of this Agreement shall be either (1) personally delivered, (ii) deposited in the United States express mail or first class mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by overnight courier service, or (iv) delivered by facsimile transmission or e-mail, provided that the original of such notice is sent by certified United States mail, postage prepaid, or by overnight courier, no later than one (1) business day following such facsimile transmission or email. All such notices shall be deemed delivered upon actual receipt (or upon first attempt at delivery pursuant to the methods specified in clauses (i), (ii) or (iii) above if the intended recipient refuses to accept delivery). All such notices shall be delivered to the addresses shown in the Agreement or to such other address as the receiving Party may from time to time specify by written notice to the other Party given in the manner provided herein.

Notice to DRWD shall be made to:

Dudley Ridge Water District
455 W. Fir Avenue
Clovis, California 93611
Attn: Assistant General Manager
Telephone: (559) 449-2700
Facsimile: (559) 449-2715
Electronic Mail: dmelville@ppeng.com

Notice to IRWD shall be made to:

Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, California 92618
Attn: General Manager
Telephone: (940) 453-5300
Facsimile: (949) 453-1228
Electronic Mail: cook@irwd.com

12. Modification

12.1 This Agreement may only be amended by the written agreement signed by authorized representatives of the Parties.

13. No Third-party Beneficiaries

13.1 No third party beneficiaries are intended by the Parties hereto, and no third party shall be entitled to claim or to enforce any rights under this Agreement.

14. Severability

14.1 In the event that any provision of the Agreement is determined by a court to be invalid, the court shall reform the provision in a manner that is both consistent with the terms of the Agreement taken as a whole and legally valid. The remainder of the Agreement shall not be affected thereby.

15. Complete Agreement

15.1 This Agreement constitutes the entire agreement between IRWD and DRWD with respect to the subject matter hereof. This Agreement supersedes all prior negotiations, discussions, contracts, agreements or understandings between the parties hereto, and no evidence of any prior or contemporaneous oral agreement or understanding shall be admissible to vary its terms. This Agreement shall not be amended or modified in any way except by a written instrument executed by each Party hereto. The foregoing notwithstanding, this Agreement shall not supersede existing written agreements to which IRWD and DRWD are parties and does not authorize either Party to modify such existing written agreements, including, but not limited to, SWPAO #13012, SWPAO #17030, the 2017 DRWD-IRWD Agreement, and SWPAO #19001.

16. Assignment

16.1 Neither Party shall assign or otherwise transfer its rights or obligations in, under, or to this Agreement, in whole or in part, without the prior written consent of the other Party, which may be withheld in such other Party's sole and absolute discretion.

17. Successors and Permitted Assigns

17.1 All covenants and agreements contained in the Agreement by or on behalf of any of the Parties shall bind and inure to the benefit of their respective successors and permitted assigns under Section 16, whether so expressed or not.

18. Time of the Essence

18.1 Time is of the essence in this Agreement.

19. Waiver

19.1 No failure by either Party to exercise, and no delay in exercising any rights, shall be construed or deemed to be a waiver thereof, nor shall any single or partial exercise by either Party preclude any other or future exercise thereof or the exercise of any other right. Any waiver of any provision or of any breach of any provision of this Agreement must be in writing, and any waiver by either party of any breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of that provision or of any breach of any other provision of this Agreement.

20. Governing Law and Venue

20.1 The Agreement shall be governed and construed in accordance with the laws of the State of California. Initial venue for filing any action brought for the purpose of enforcing any provision of the Agreement shall be in Kern County, California, but the Parties agree to transfer venue to a neutral county upon request by IRWD.

21. Force Majeure; Change in Law

21.1 The respective obligations of each Party hereto shall be suspended while it is prevented from complying by acts of God; war; riots; civil insurrection; acts of civil or military authority; fires; floods; earthquakes; labor accidents or incidents; rules and regulations of any federal, state, or other governmental agency (other than the Parties themselves); changes in law, rules or regulations of any federal, state or other governmental agency (other than the Parties themselves); or other cause of the same or other character any of which are beyond the reasonable control of such Party (collectively "Force Majeure"). In the event of a suspension due to the foregoing, the Party whose obligations are suspended shall promptly notify the other Party in writing of such suspension and the cause and estimated duration of such suspension.

21.2 The Party providing such notice shall be excused from fulfilling its obligations under the Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. Any Party rendered unable to fulfill any of its obligations by reason of a Force Majeure shall exercise due diligence to remove such inability with reasonable dispatch within a reasonable time period and mitigate the effects of the Force Majeure. The relief from performance shall be of no greater scope and of no longer duration than is required by the Force Majeure.

22. Further Action

22.1 The Parties agree to and shall take such further action and shall execute and deliver such additional documents as may be reasonably required to effectuate this Agreement, consistent with each and all of the terms and conditions of this Agreement.

23. Interpretation

23.1 It is agreed and acknowledged by the Parties that the Agreement has been arrived at through negotiation involving their respective counsel, and that each Party has had a full and fair opportunity to revise the terms of the Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting the Agreement.

24. Headings

24.1 Headings used in the Agreement are for reference only and shall not affect the construction of the Agreement.

25. Counterparts

25.1 This Agreement may be executed in counterparts. Facsimile and other electronic signatures shall be binding for all purposes.

IRVINE RANCH WATER DISTRICT

DUDLEY RIDGE WATER DISTRICT

By: _____
Paul Cook

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM

APPROVED AS TO FORM

Eric N. Robinson,
Counsel for Irvine Ranch Water District

Joseph D. Hughes
Counsel for Dudley Ridge Water District